



Santa Clara Valley Water District

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**CONTACT THE OFFICE OF THE CLERK OF THE BOARD TO
OBTAIN THE DOCSIGN SIGNATURE CERTIFICATE OF COMPLETION**

File No.: 24-0688

Agenda Date: 8/13/2024

Item No.: *3.4.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Conduct a Public Hearing on the Proposed Change to a Project Under Priority E of the Renewed Safe, Clean Water and Natural Flood Protection Program.

RECOMMENDATION:

- A. Open and conduct a Public Hearing on the proposed change to Project E8: Upper Guadalupe River Flood Protection, a project under Priority E of the renewed Safe, Clean Water and Natural Flood Protection Program;
- B. Close the Public Hearing;
- C. Review and approve the proposed text adjustments to Project E8: Upper Guadalupe River Flood Protection;
- D. Adopt the resolution APPROVING THE MODIFICATION TO PROJECT E8: UPPER GUADALUPE RIVER FLOOD PROTECTION OF THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM; and
- E. Approve the transfer of funds from the Watersheds Stream Stewardship Fund (Fund 12) into the Safe, Clean Water Fund (Fund 26).

SUMMARY:

In recent years, infrastructure construction projects within the renewed Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) have experienced significant cost escalation, adversely affecting the financial health of Fund 26. Consequently, in compliance with the Change Control Process (as defined in Attachment 1), the Board has held public hearings and approved staff recommendations to reduce or reallocate funding for some capital projects, while committing to continue to reassess funding availability annually as part of the Capital Improvement Program's financial planning process.

Project E6: Upper Llagas Creek Flood Protection, Phase 2B (Project No. 26174055)

Project Description

The Upper Llagas Creek Flood Protection Project (Upper Llagas Creek Project) continues a partnership with the U.S. Army Corps of Engineers (USACE) and the State of California to plan, design, and construct improvements along 13.9 miles of channel. The project extends from Buena Vista Avenue to Llagas Road and includes West Little Llagas Creek in downtown Morgan Hill.

The project is being constructed in three phases. Civil work for Phase 1 was completed in April 2022, which included 4.4 miles of channel excavation and construction of the on-site compensatory mitigation at Lake Silveira wetlands. Civil work for Phase 2A was completed in May 2024, which included constructing approximately 2,300 linear feet of a horseshoe-shaped underground tunnel 14 ft x 12 ft, and approximately 1,600 linear feet of 10 ft x 9 ft twin reinforced concrete box culverts to carry high water flows. Phase 2B is the final phase and is essential to delivering the entire project and providing flood protection to 1,100 homes, 500 businesses, and 1,300 agricultural acres. It includes constructing approximately 1,900 linear feet of twin reinforced concrete box culverts (10 ft x 9 ft), creek modifications by excavating to widen and deepen the channel, installation of culverts at various street crossings, construction of an inlet basin weir split-flow structure, and bridge underpinning work.

Construction Bid Price and Funding Shortfall

Phase 2B construction was advertised for bids, which were opened on June 26, 2024. A total of three bids, ranging from \$129 million to \$166 million, were received.

The lowest responsive bid submitted by a responsible contractor was received from Granite Rock Company in the amount of \$129,274,180. Based on this bid, a total of approximately \$142.202 million is needed to construct Phase 2B. This cost includes a standard 10% contingency.

The Upper Llagas Creek Project, Phase 2B, has \$90.3 million in available funding for construction. This includes an executed agreement with the United States Natural Resources Conservation Service (NRCS) for \$80 million to reimburse Santa Clara Valley Water District (Valley Water) for eligible construction costs related to the project, a commitment of \$4.2 million from the City of Morgan Hill for city-specific improvements, and Safe, Clean Water Program Fund (Fund 26) dollars. Given that the amount needed to award the construction contract is \$142.202 million, the result is a funding shortfall of \$51.902 million. Staff plans to recommend that the Board award a construction contract, provided the funding shortfall can be resolved.

Proposed Modification: Funding Allocation

To address this shortfall and pay for constructing the shovel-ready Upper Llagas Creek, Phase 2B, staff is recommending a funding change to Project E8: Upper Guadalupe River Flood Protection (Upper Guadalupe River Project), which is not scheduled for construction for another four years.

Project E8: Upper Guadalupe River Flood Protection (Project No. 26154003)

Project Description

This federally authorized project continues a partnership with the U.S. Army Corps of Engineers (USACE) to plan, design, and construct improvements along 5.5 miles of the channel extending from Interstate 280 to Blossom Hill Road. Improvements include channel widening, construction of floodwalls and levees, replacement of road crossings, and planting of streamside vegetation. Reducing flood frequency and bank erosion will improve water quality, while planned mitigation measures will give fish access to an additional 12 miles of habitat within and upstream of the project reach. The project has two (2) key performance indicators (KPIs):

1. Preferred project with federal and local funding: Construct a flood protection project to provide 1% (100-year) flood protection to 6,280 homes, 320 businesses, and 10 schools and institutions.
2. With local funding only: Construct flood protection improvements along 4,100 feet of Guadalupe River between the Southern Pacific Railroad (SPRR) crossing, downstream of Willow Street, to the Union Pacific Railroad (UPRR) crossing, downstream of Padre Drive, and provide gravel augmentation along approximately 800 linear feet of the Upper Guadalupe River in San José, from approximately the Union Pacific Railroad Bridge to West Virginia Street Bridge to improve aquatic habitat for migrating steelhead and all native fish species and channel stability.

Current Project Schedule and Status

In FY18, the project did not receive federal funds for the design and construction of Reaches 7 and 8, and USACE's focus shifted to updating total project costs to determine the path for future federal funding. Accordingly, in January 2021, the USACE began a General Reevaluation Study to reevaluate the scope of the project, which includes Reaches 7 and 8, as well as Canoas and Ross creeks, and to identify the associated benefits and construction costs that can help make the project more competitive for federal funding by maximizing protection while maintaining affordability.

The General Reevaluation Report (GRR) is expected to be completed by June 2025. This will be followed by project design, which USACE estimates will begin in 2026. At that time, provided the project gets congressional authorization to receive federal funding, Valley Water will be required to pay a cash contribution for the non-federal cost-share of the design and construction costs (cost estimates are detailed below). Design completion is expected in early 2028, followed by construction

start in 2028 and completion by 2033.

Recommended Funding Allocation Change

Given the project schedule and status described above, staff is recommending reallocating the current planned cost-share funding allocation of approximately \$42.670 million (inflated) in future capital costs from the Upper Guadalupe River Project to the Safe, Clean Water Program's Operating and Capital Reserves to balance Fund 26. This reallocation will balance Fund 26 in the short term and help provide sufficient funds now to award a construction contract and complete the final phase of the Upper Llagas Creek Project, which has been in the works for about 70 years.

This change also aligns with the Board's Funding Filters for Prioritization, which prioritize shovel-ready capital projects. The corresponding Funding Categories place the Llagas Creek Flood Protection Project (all phases) in Category 1 and the Upper Guadalupe River Flood Protection Project, Reaches 7-12 in Category 2 (see Attachment 2 for additional detail).

Based on the latest USACE estimates and staff analysis, the majority of the estimated Valley Water cost share for the project will be made through real estate acquisitions. Valley Water has already acquired 95% of the properties that will be required, and the remaining required are smaller fee title/easements. Because Valley Water has already acquired most of the USACE-identified properties, staff estimates that the proposed remaining funding allocation will be sufficient for Valley Water to cover any remaining cost share required. If cost-share estimates change, staff will update this amount through the annual Capital Improvement Program Five-Year Plan Development Process.

Over the next four years, Valley Water will continue to pursue other funding sources to benefit the Safe, Clean Water Program's overall financial health. These include seeking grant opportunities for various Safe, Clean Water projects and requesting additional NRCS grant funding for the Upper Llagas Creek Project, Phase 2B, to offset the increased construction costs.

The Upper Guadalupe River Project has been an ongoing commitment of Valley Water, which is reflected by the continued coordination with the USACE, real estate acquisitions, and completion of Reaches 6, 10B, and 12. These efforts exceed Valley Water's local funding-only commitment, as detailed in KPI #2.

Proposed modification to 15-year (FY22 to FY36) project funding:

Project E8: Upper Guadalupe River Flood Protection, Reaches 7-12 Financial Summary (\$ Thousand)	
15-Year Allocation	Proposed Modified 15-Year Allocation*
\$64,947	\$22,278

**The modified funding allocation is approximated at this time and shown in inflated dollars. The amounts will be finalized. Updated final amounts will be reflected in the Capital Improvement Program FY2026-30 Five-Year Plan. The Plan will also include prior year expenditures under the 2012 Safe, Clean Water Program as part of the updated total project cost.*

Staff is also recommending text adjustments to the project description to delete or replace dated information (Attachment 3).

Additional Funding Sources: Fund 12

To close the remaining funding shortfall for the Upper Llagas Creek Project, Phase 2B construction, and present a balanced Fund 26, staff also recommends transferring \$27.963 million (inflated) Fund 12 dollars currently allocated to the Ogier Ponds Construction Placeholder Project into Fund 26.

Ogier Ponds Construction Placeholder (Project No. 62C40402)

This Watersheds Stream Stewardship Fund (Fund 12) placeholder project with approximately \$27.963 million (inflated) includes planned funding for the construction of the Ogier Ponds-Coyote Creek Separation Project (Ogier Ponds Project). As a conservation measure, the Ogier Ponds Project is now part of the Anderson Dam Seismic Retrofit Project (ADSRP). As part of the ADSRP, the Ogier Ponds Project construction is funded by the Water Utility Fund (Fund 61).

Fund 61 planned funding for Ogier Ponds is approximately \$77.963 million (inflated), which includes \$27.963 million (inflated) in placeholder project number 95C40401 and \$50 million earmarked in ADSRP for project mitigation. The Safe, Clean Water Program's Project D4: Fish Habitat and Passage Improvement also includes approximately \$7.419 million (inflated) in funding for Ogier Ponds construction under placeholder project number 26C44006, and it will continue to do so.

Considering the alternate funding sources for this project, staff recommends reallocating approximately \$27.963 million (inflated) from this placeholder project under Fund 12 to Fund 26, Operating and Capital Reserves, to improve the fund's financial health and shifting the project cost to Fund 61.

Because Ogier Ponds is a Fish and Aquatic Habitat Collaborative Effort (FAHCE) project, Valley Water would get credit for those expenditures under the FAHCE settlement agreement, minimizing the impact on Fund 61.

Of the approximately \$27.963 million (inflated) Fund 12 placeholder dollars to be transferred to Fund 26, staff recommends allocating approximately \$9.232 million to the Upper Llagas Project to cover the remaining construction cost shortfall.

Next Steps

After opening and closing the public hearing, staff recommends that the Board adopt the resolution APPROVING THE MODIFICATION TO PROJECT E8: UPPER GUADALUPE RIVER FLOOD PROTECTION PROJECT OF THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM (Attachment 4) and approve the transfer of funds from the Watersheds Stream Stewardship Fund (Fund 12) into the Safe, Clean Water Fund (Fund 26).

Following this Board action today, a separate agenda item will be presented to recommend that the Board award the construction contract for the Upper Llagas Creek Flood Protection Project, Phase 2B.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

Individual projects may have environmental justice impacts and Valley Water will conduct outreach and engagement to the impacted communities, which will be reported to the Board accordingly.

FINANCIAL IMPACT:

Upon adoption of the resolution, the 15-year funding allocation for Project E8: Upper Guadalupe River Flood Protection will be reduced from approximately \$64.947 million to approximately \$22.278 million (inflated). The funding for Project E6: Upper Llagas Creek Flood Protection, Phase 2B, construction will increase from approximately \$90.300 million to approximately \$142.202 million. Furthermore, approximately \$27.963 million will be transferred to Fund 26 Operating and Capital Reserves from Fund 12.

The modified funding allocations are approximated at this time and will be finalized pursuant to a future recommended budget adjustment. The finalized amounts will be reflected in the Capital Improvement Program (CIP) FY2026-30 Five Year Plan. The CIP FY2026-30 Five Year Plan will reflect the total project costs, including prior year expenditures under the 2012 Safe, Clean Water Program.

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: Program Background
- Attachment 2: Capital Project Funding Categories
- Attachment 3: Project E8 Proposed Adjustments/Modification
- Attachment 4: Project E8 Resolution
- Attachment 5: Notice of Public Hearing
- Attachment 6: PowerPoint
- Handout 3.4-A: City of Gilroy

*Handout 3.4-B: City of Morgan Hill
*Handout 3.4-C: Carlson
*Handout 3.4-D: Norton
*Handout 3.4-E: Kouretas
*Handout 3.4-F: Mirabella
*Handout 3.4-G: Davis
*Handout 3.4-H: Chan
*Handout 3.4-I: Rankin
*Handout 3.4-J: Chamber of Commerce, City of Morgan Hill
*Handout 3.4-K: Dogra
*Handout 3.4-L: St. John
*Handout 3.4-M: Morgan Hill Unified School District
*Handout 3.4-N: Sepulveda

UNCLASSIFIED MANAGER:

Luz Penilla, 408-630-2228

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Attachment 1

Safe, Clean Water and Natural Flood Protection Program Background

In November 2020, Santa Clara County voters overwhelmingly approved Measure S, a renewal of Valley Water's Safe, Clean Water and Natural Flood Protection Program. Voters first approved a community-focused program to address our waterways and water supply in 2000 as the Clean, Safe Creeks and Natural Flood Protection Plan, then again in 2012 as the Safe, Clean Water and Natural Flood Protection Program.

The Safe, Clean Water Program addresses the following six community priorities:

- Priority A:** Ensure a Safe, Reliable Water Supply
- Priority B:** Reduce Toxins, Hazards, and Contaminants in Our Waterways
- Priority C:** Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters
- Priority D:** Restore Wildlife Habitat and Provide Open Space
- Priority E:** Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways
- Priority F:** Support Public Health and Public Safety for Our Community

Each of these priorities has specific operational and capital projects, which have key performance indicators (KPIs) to keep them on track in meeting the overall Safe, Clean Water Program priorities. KPIs are considered the measurement for the delivery of each project and represent Valley Water's commitment to the voters.

The renewed Safe, Clean Water Program will continue to be monitored by the Independent Monitoring Committee to ensure transparency, accountability, and fiscal responsibility. The Program also requires that staff develop five-year implementation plans, implement a change control process, and conduct independent audits at least every five years.

As changes may be required throughout the implementation of the Safe, Clean Water Program, staff has developed a change control process, which outlines the differences between adjustments and modifications to the Program and identifies the different processes for implementing both. In summary, "adjustments" are project changes that do not impact KPIs, such as updates to text, financial allocation, or schedule, and can be approved by the Valley Water Board during a public board meeting. Any changes to KPIs are considered "modifications." Modifications to KPIs or a decision to "Not Implement" a project require a public hearing, which must be publicly noticed.

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Fund 12: Category 1 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

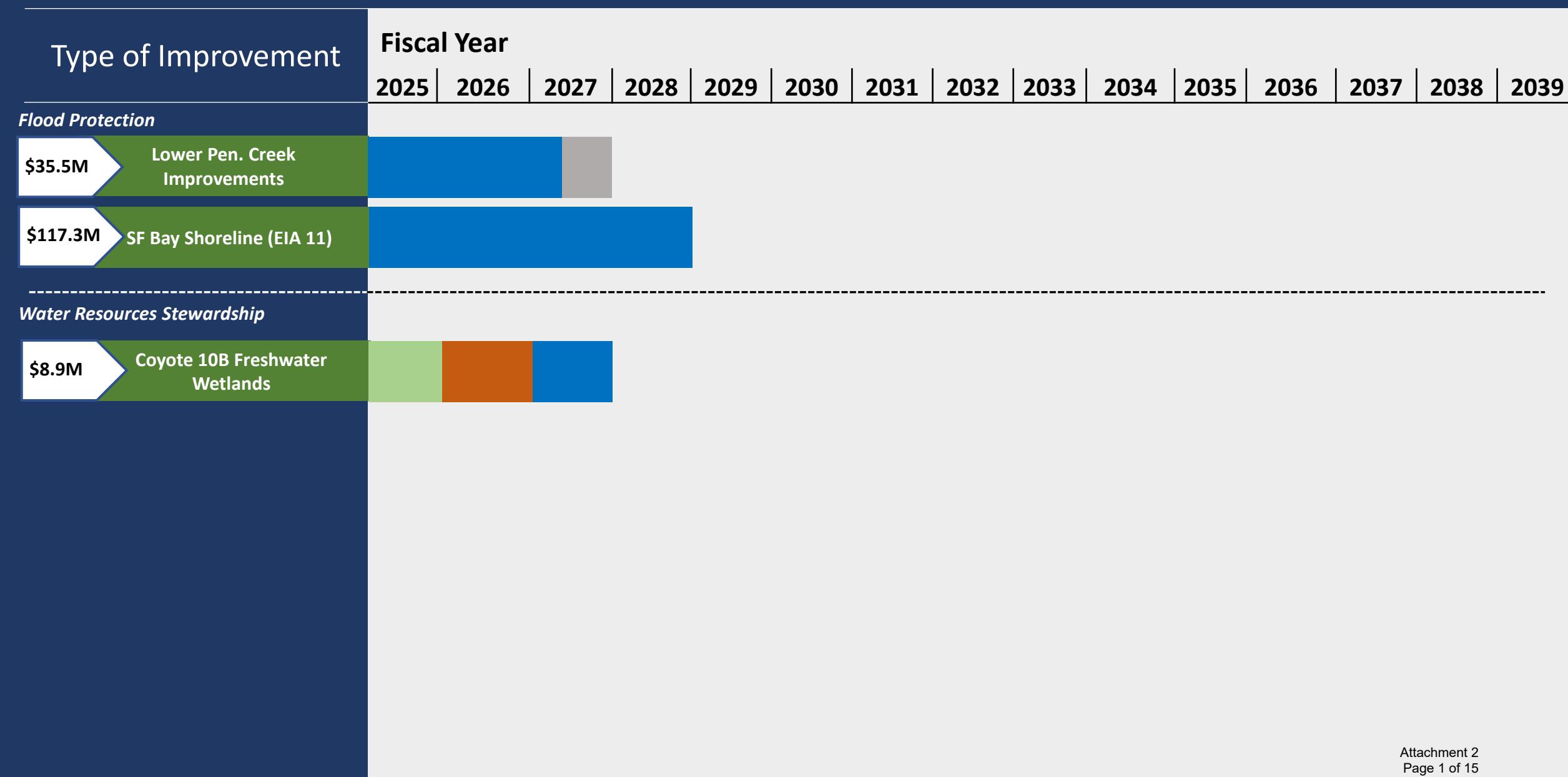
Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≥ 88 ; and/or
- In construction and/or mandated



Fund 12: Category 2 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

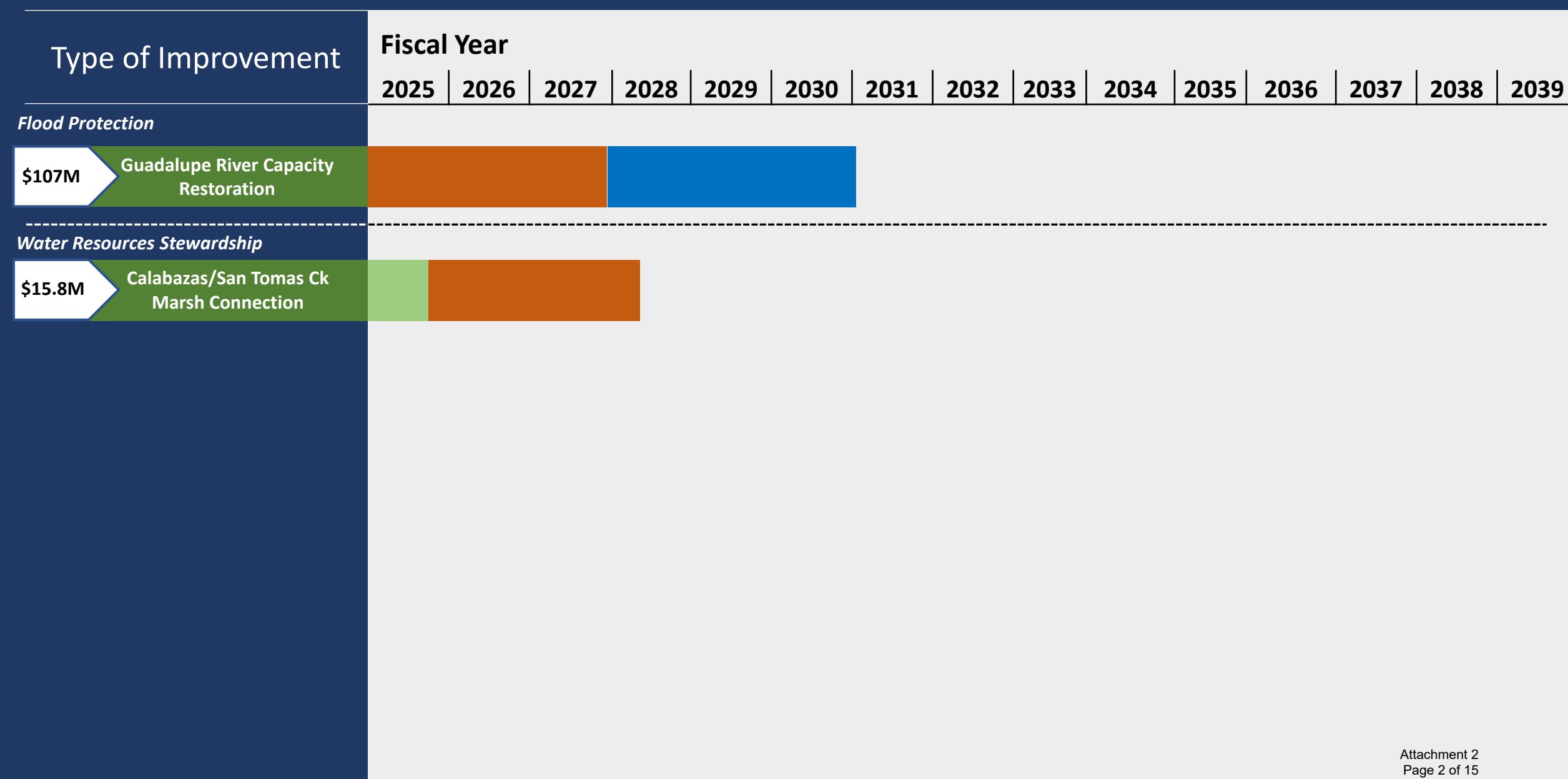
Planning

Design

Construction

Closeout

- Existing infrastructure with BRE 76-87



Fund 12: Category 3 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

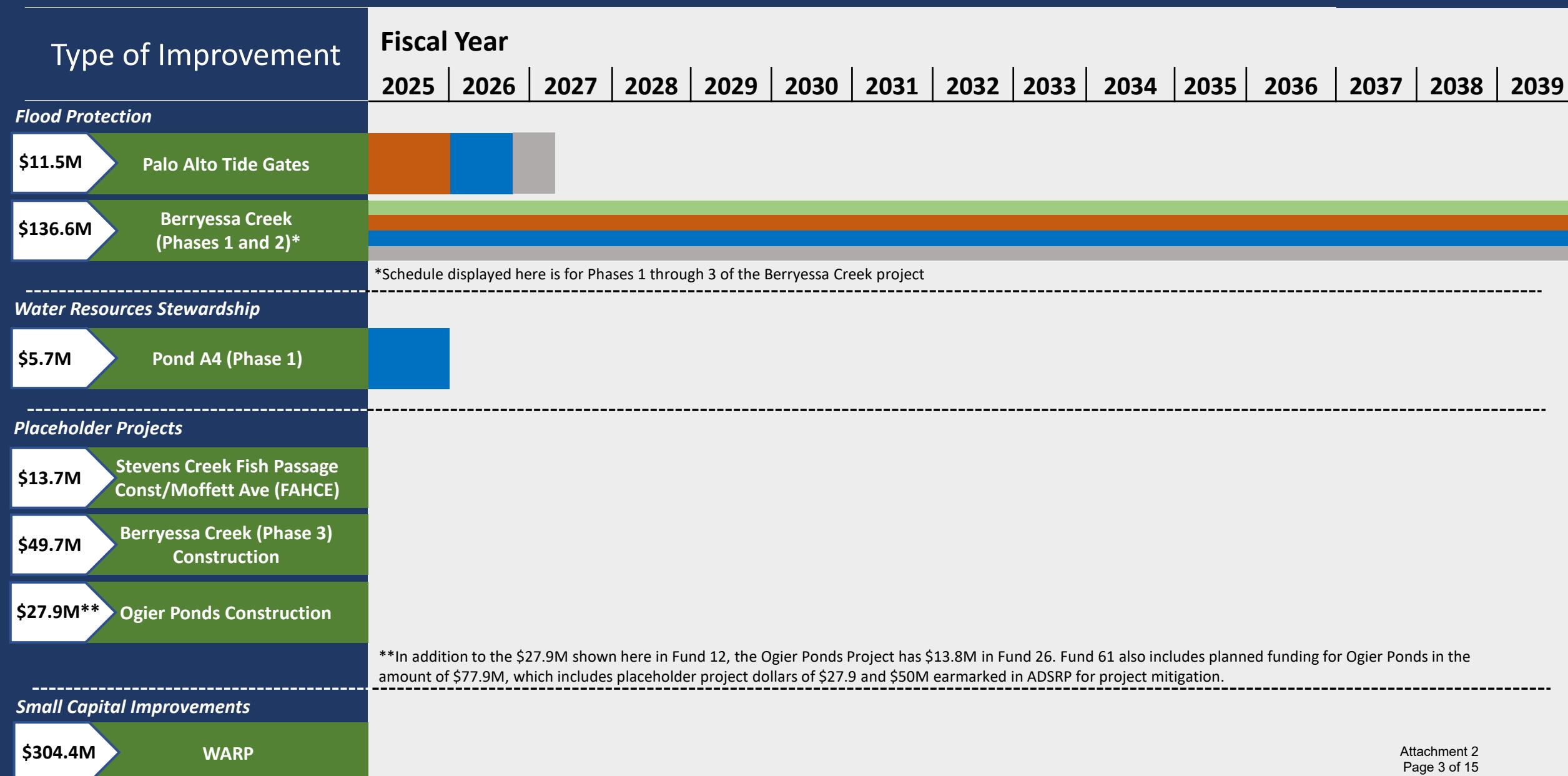
Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≤ 75
- NEW Infrastructure
- Placeholder/Small Caps



Fund 26: Category 1 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

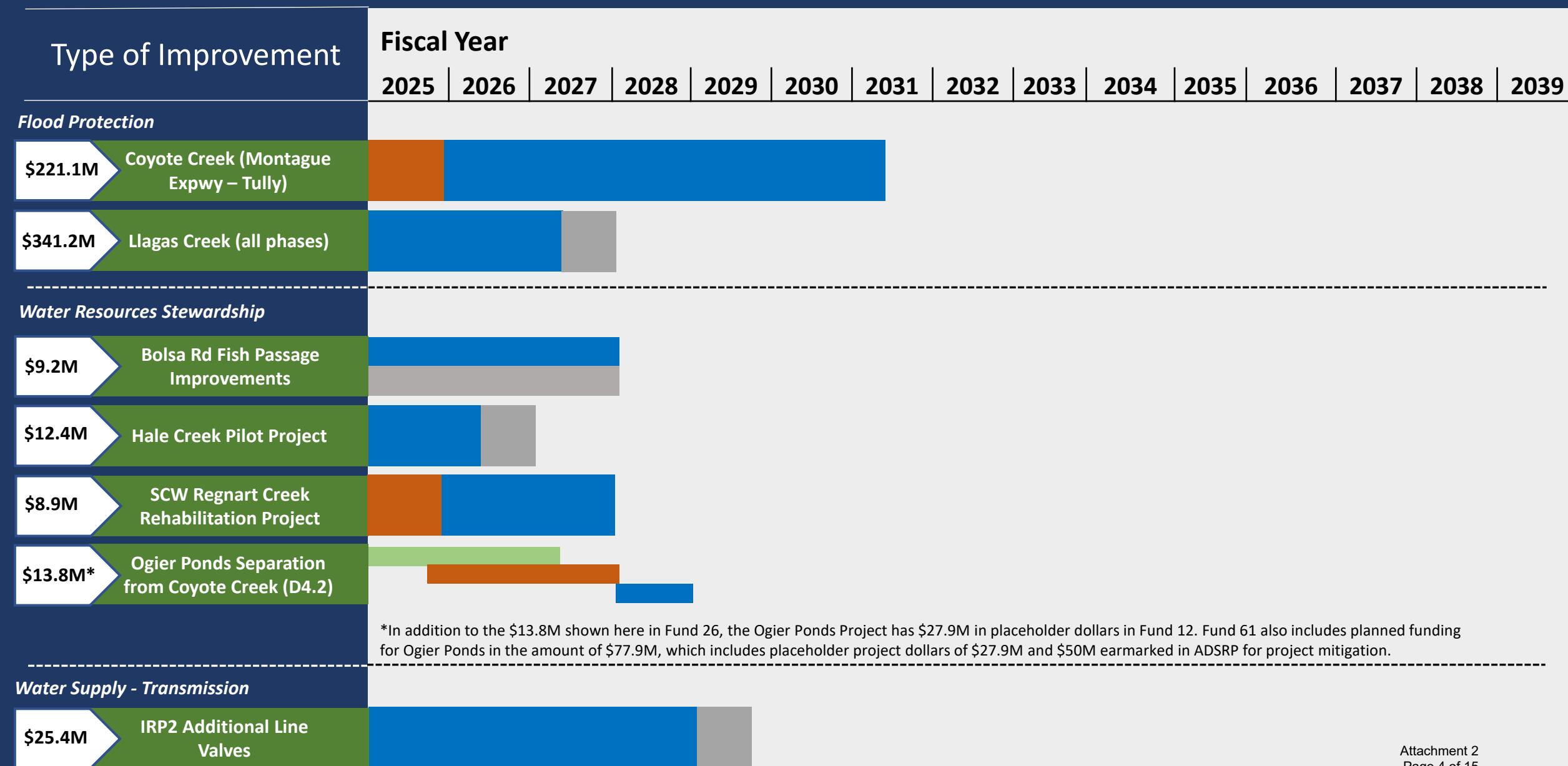
Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≥ 88 ; and/or
- In construction and/or mandated



Fund 26: Category 2 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

Planning

Design

Construction

Closeout

- Existing infrastructure with BRE 76-87

Type of Improvement

Fiscal Year

2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039

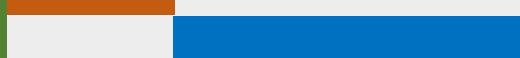
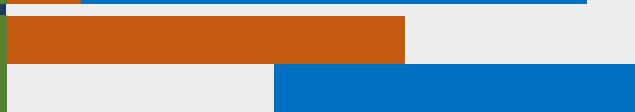
Flood Protection

\$57.8M Sunnyvale East & West

\$124.9M Guadalupe River-Upper (Reaches 7-12)

\$28.7M SF Shoreline (EIAs 1-4)

\$15.7M SF Shoreline (EIAs 5-9 or 10)



Fund 26: Category 3 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

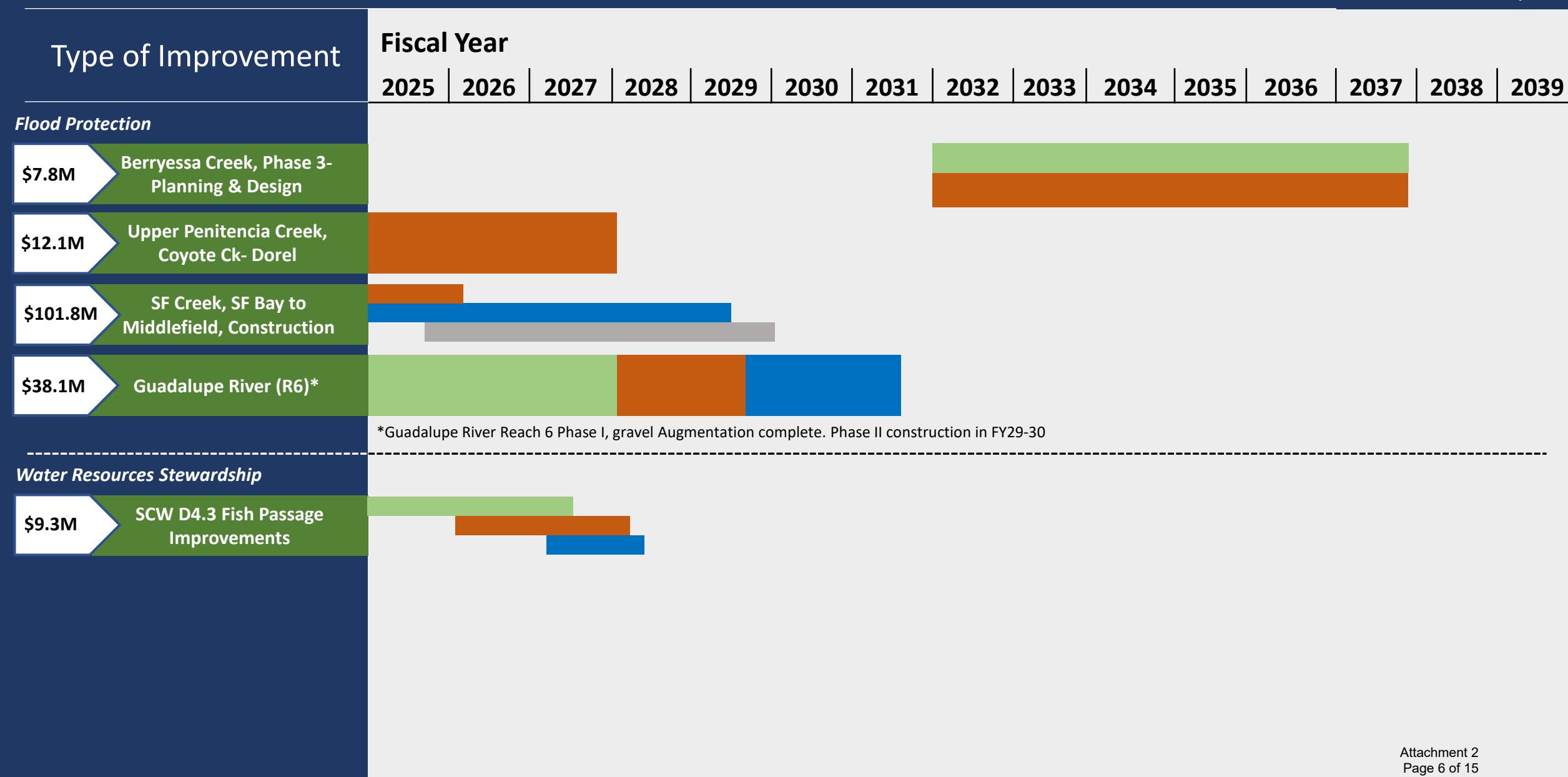
Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≤ 75
- NEW Infrastructure
- Placeholder/Small Caps



Fund 61: Category 1 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

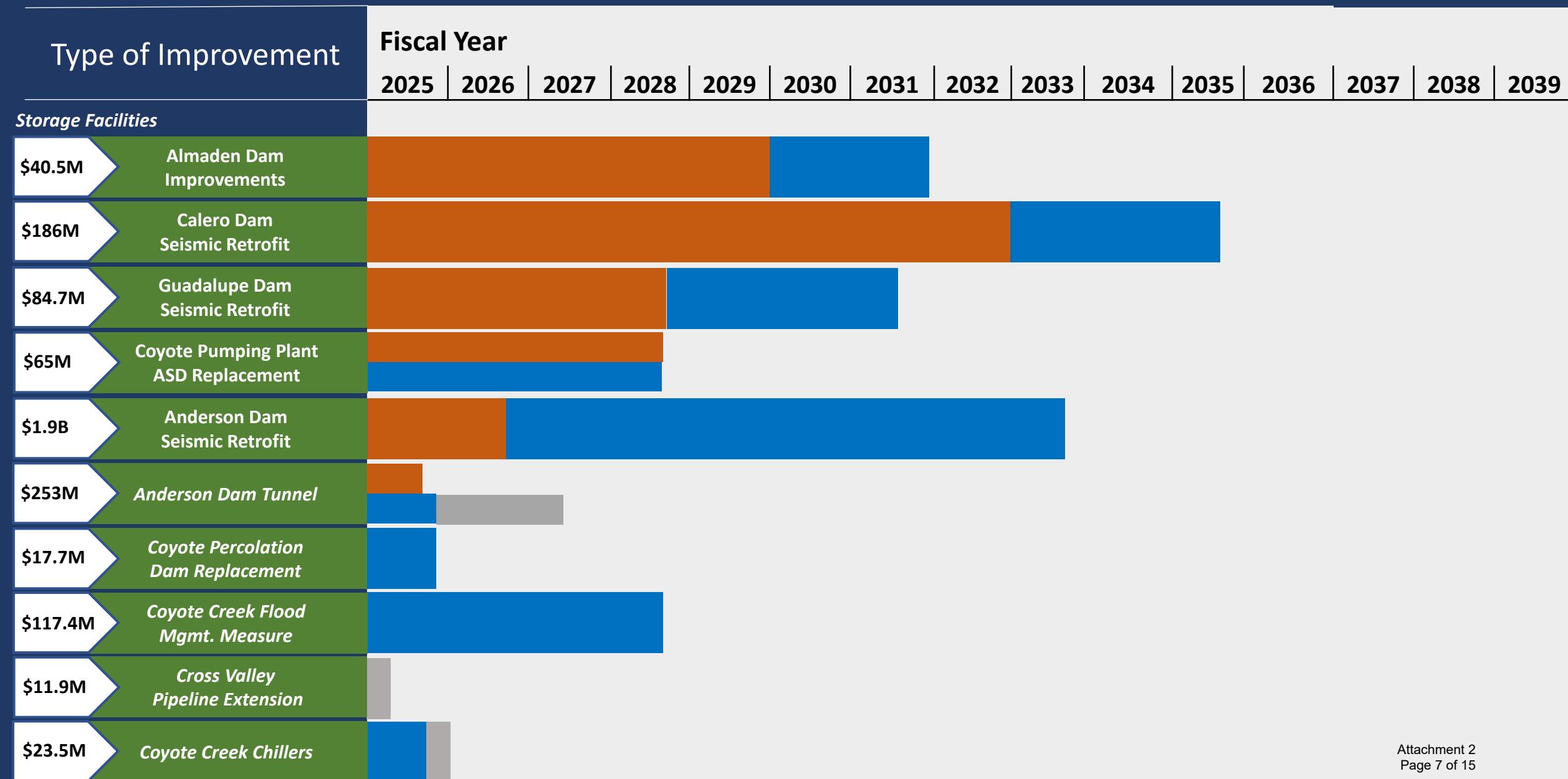
Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≥ 88 ; and/or
- In construction and/or mandated



Fund 61: Category 1 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

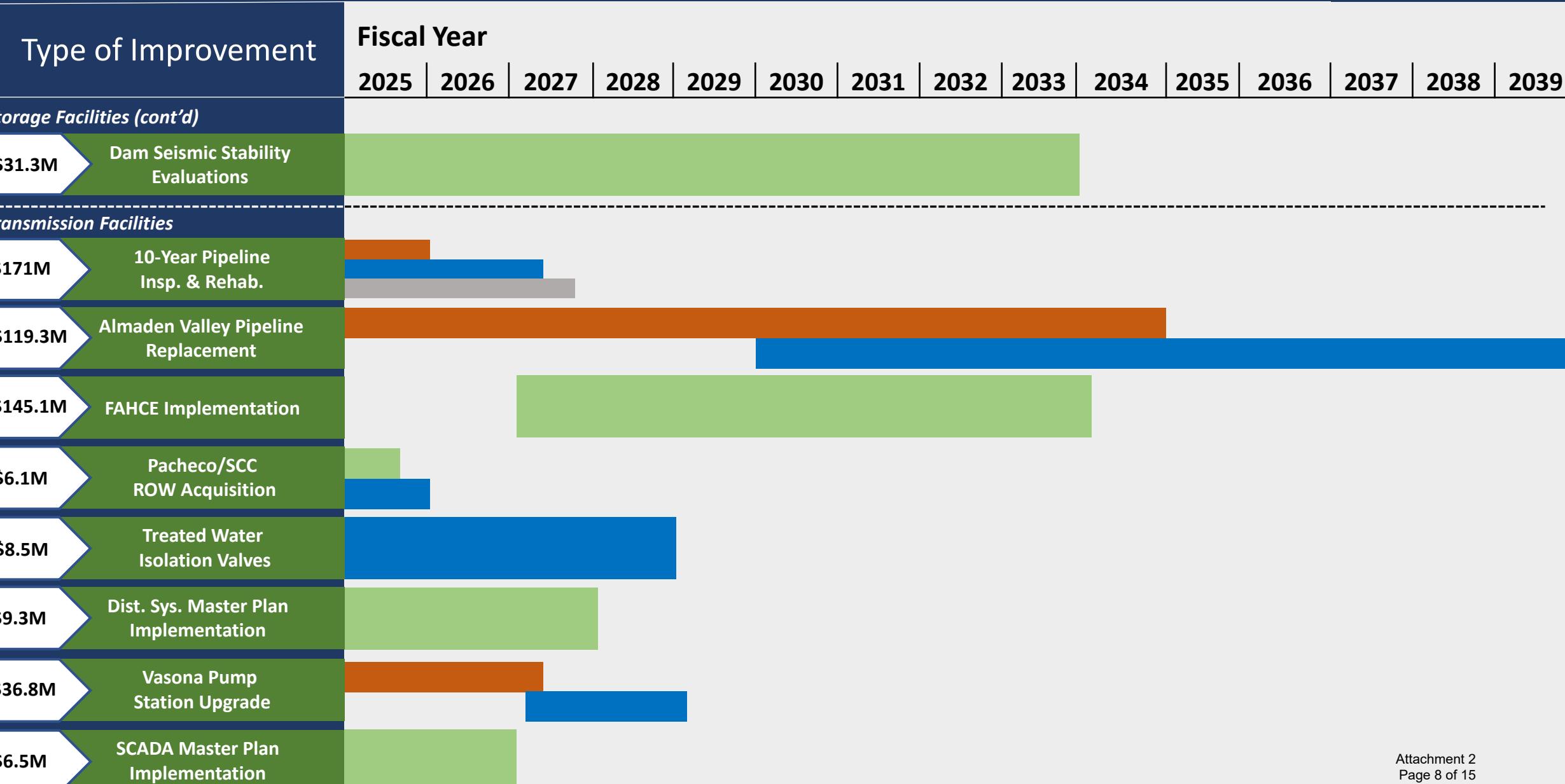
Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≥ 88 ; and/or
- In construction and/or mandated



Fund 61: Category 1 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

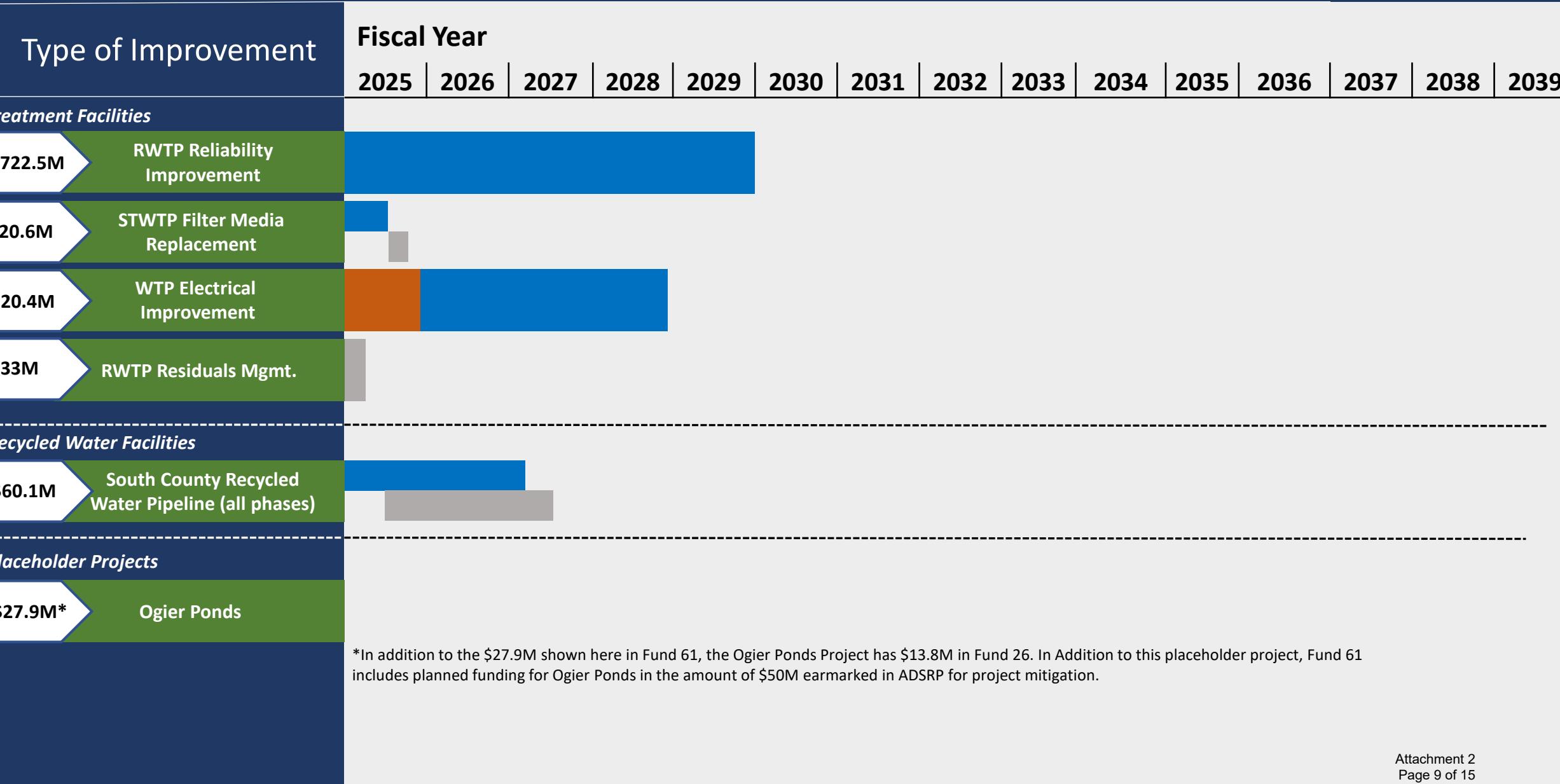
Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≥ 88 ; and/or
- In construction and/or mandated



Fund 61: Category 2 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

Planning

Design

Construction

Closeout

- Existing infrastructure with BRE 76-87

Type of Improvement

Fiscal Year

2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039

Treatment Facilities

\$41.5M PWTP Residuals Mgmt.

\$6.9M RWTP Ammonia Storage & Metering

Transmission Facilities

\$10.4M SMPIP Improvements - Phase 1

Fund 61: Category 3 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

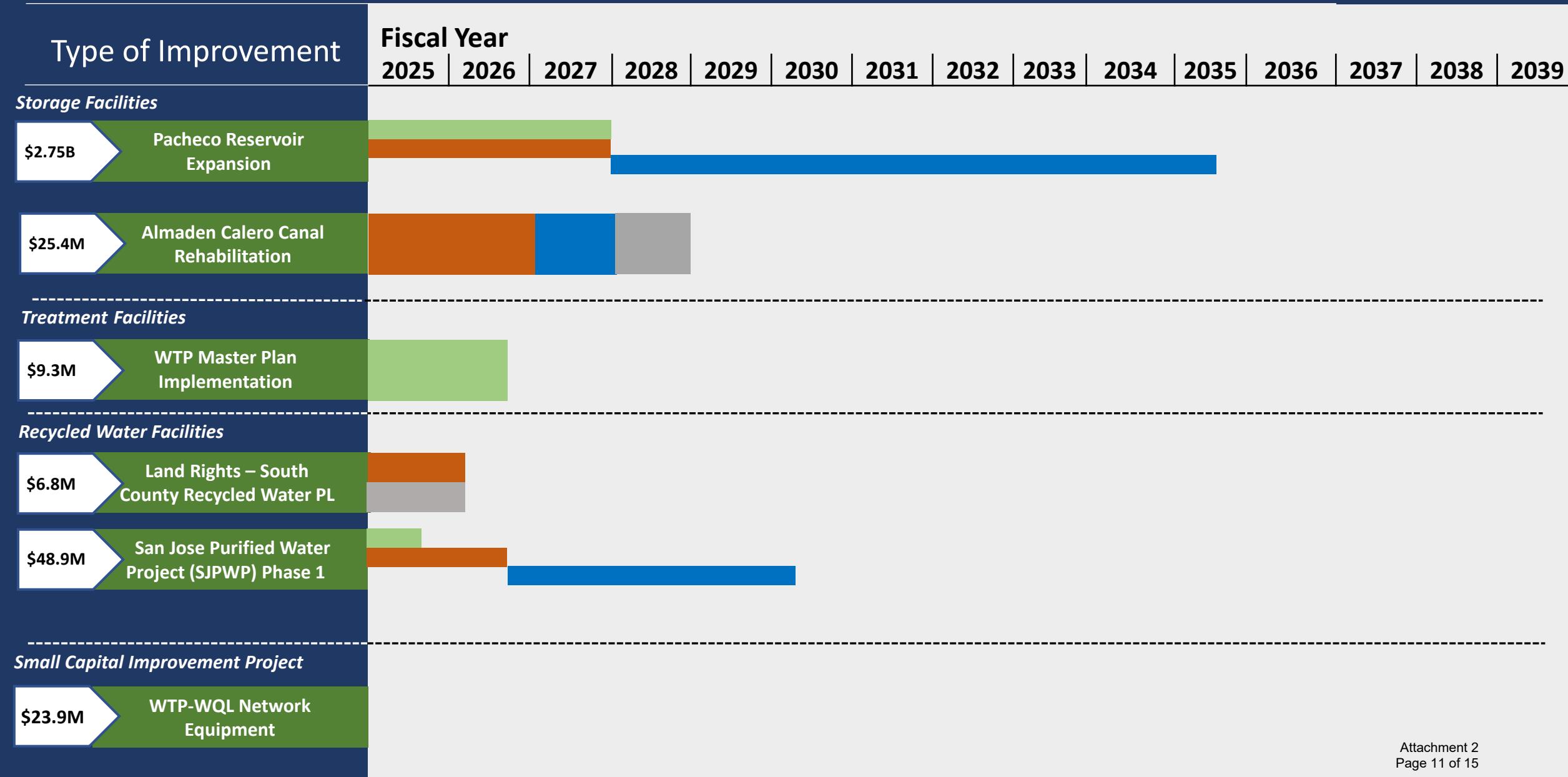
Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≤ 75
- NEW Infrastructure
- Placeholder/Small Caps



Fund 61: Category 3 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≤ 75
- NEW Infrastructure
- Placeholder/Small Caps



Fund 11: Category 3 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

Planning

Design

Construction

Closeout

- Existing infrastructure with BRE \leq 75
- NEW Infrastructure
- Placeholder/Small Caps

Type of Improvement

Fiscal Year

2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039

Buildings & Grounds

\$16.9M  Security Upgrades & Enhancements

\$15.1M  Headquarters Operations Building

Small Capital Improvement Project

\$64M  Facility Mgmt, Small Capital Improvements

Fund 73: Category 1 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≥ 88 ; and/or
- In construction and/or mandated

Type of Improvement

Fiscal Year

2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039

Information Technology

\$2.6M

IT Disaster Recovery

\$1.3M

Data Consolidation

Fund 73: Category 3 Projects

(TPC \$ and Schedule) based upon Final FY 2025-29 Five-Year Plan

Planning

Design

Construction

Closeout

- Existing infrastructure with BRE ≤ 75
- NEW Infrastructure
- Placeholder/Small Caps

Type of Improvement

Fiscal Year

2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039

Small Capital Improvement Project

\$20.8M

Software Upgrades & Enhancements

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PROJECT E8

UPPER GUADALUPE RIVER FLOOD PROTECTION, HIGHWAY 280 TO BLOSSOM HILL ROAD—SAN JOSÉ

Preferred project: A federal-state-local partnership

This federally authorized project continues a project in partnership with the U.S. Army Corps of Engineers (USACE) to plan, design and construct improvements along 5.5 miles of the channel extending from Interstate 280 to Blossom Hill Road. Improvements include channel widening, construction of floodwalls and levees, replacement of road crossings and planting of streamside vegetation. Reducing flood frequency and bank erosion will improve water quality, while planned mitigation measures will give fish access to an additional 12 miles of habitat within and upstream of the project reach.

~~USACE has initiated a General Re-evaluation Report (GRR) of the preferred project, which is anticipated to be completed by October 2023. In January 2021, USACE initiated a General Reevaluation Study of the preferred project. The General Reevaluation Report (GRR) is expected to be completed by June 2025.~~ The scope of the project may change as a result of the GRR findings.

Local-funding-only project

The locally funded project entails constructing flood protection improvements along 4,100 feet of Guadalupe River between the Southern Pacific Railroad (SPRR) crossing, downstream of Willow Street, to the Union Pacific Railroad (UPRR) crossing, downstream of Padres Drive (Reach 7). It also includes completing a gravel augmentation project along approximately 800 linear feet of the Upper Guadalupe River in San José, from approximately the Union Pacific Railroad Bridge to West Virginia Street Bridge to improve aquatic habitat for migrating steelhead and channel stability. Flood damage will be reduced through the local-funding-only project. However, protection from the 1% (100-year event) flood is not provided without completion of the entire Upper Guadalupe River Flood Protection Project.

Mitigation elements of the project, namely Reach 10B (from Curtner Avenue to Almaden Expressway) and Reach 12 (from Branham Lane to Blossom Hill Road), were completed in 2015 in partnerships with USACE. ~~Construction on the gravel augmentation project is scheduled to begin in August 2021.~~

Benefits

- Preferred project will construct 1% flood conveyance capacity for 5.5 miles of channel in San José, protecting approximately 6,280 homes, 320 businesses and 10 schools/institutions
- Local funding only constructs improvements to 4,100 linear feet of Guadalupe River between the Southern Pacific Railroad (SPRR) crossing, downstream of Willow Street, to the Union Pacific Railroad (UPRR) crossing downstream of Padres Drive to convey 1% flow
- Improves stream habitat values and fisheries
- Improves stream water quality
- Allows for creekside trail access
- Addresses climate change

Key Performance Indicators (FY22–36)

1. Preferred project with federal and local funding: Construct a flood protection project to provide 1% (100-year) flood protection to 6,280 homes, 320 businesses and 10 schools and institutions.
2. With local funding only: Construct flood protection improvements along 4,100 feet of Guadalupe River between the Southern Pacific Railroad (SPRR) crossing, downstream of Willow Street, to the Union Pacific Railroad (UPRR) crossing, downstream of Padre Drive, and provide gravel augmentation along approximately 800 linear feet of the Upper Guadalupe River in San José, from approximately the Union Pacific Railroad Bridge to West Virginia Street Bridge to improve aquatic habitat for migrating steelhead and all native fish species and channel stability.

Geographic Area of Benefit: San José

Modified Funding Allocation

Project E8: Upper Guadalupe River Flood Protection, Reaches 7-12 Financial Summary (\$ Thousand)	
15-Year Allocation	Proposed Modified 15-Year Allocation*
\$64,947	\$22,278

**The modified funding allocation is approximated at this time and shown in inflated dollars. The amounts will be finalized. Updated final amounts will be reflected in the Capital Improvement Program FY2026-30 Five-Year Plan. The Plan will also include prior year expenditures under the 2012 Safe, Clean Water Program as part of the updated total project cost.*

Attachment #
Page 2 of 2

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 24 - 41

**APPROVING THE MODIFICATION TO THE UPPER GUADALUPE RIVER
FLOOD PROTECTION PROJECT OF THE SAFE, CLEAN WATER AND
NATURAL FLOOD PROTECTION PROGRAM**

WHEREAS, on July 21, 2020, the Board of Directors of the Santa Clara Valley Water District (Valley Water) adopted Resolution No. 20-64 Providing for the Continuation and Levy of a Special Tax to Pay the Cost of the Safe, Clean Water and Natural Flood Protection Program in the Combined Flood Control Zone of the Santa Clara Valley Water District Subject, Nevertheless, to Specified Limits and Conditions (Resolution No. 20-64); and

WHEREAS, the purpose of the special tax is to supplement other available but limited revenues to keep Valley Water's flood protection system of levees, channels, drains, debris basins, and other improvements in a safe and effective condition; to enable Valley Water to respond to emergencies; to perform maintenance and repair; to acquire, restore, and preserve habitat; to provide recreation; to conduct environmental education; to protect and improve water quality; and, to construct and operate flood protection storm drainage facilities; including in each case the cost of financing such activities; support public health and public safety as it relates to Valley Water's mission; and

WHEREAS, in November 2020, Valley Water's Measure S was overwhelmingly approved by more than a two-thirds majority vote of the electorate of Valley Water, renewing a special tax, the proceeds of which are used solely for the purpose of supporting the six funding priorities of the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program), which are as follows: Priority A: Ensure a Safe, Reliable Water Supply; Priority B: Reduce Toxins, Hazards, and Contaminants in Our Waterways; Priority C: Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters; Priority D: Restore Wildlife Habitat and Provide Open Space; Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways; and Priority F: Support Public Health and Public Safety for Our Community; and

WHEREAS, Project E6: Upper Llagas Creek Flood Protection (Project E6) and Project E8: Upper Guadalupe River Flood Protection (Project E8) are included under Priority E of the Safe, Clean Water Program; and

WHEREAS, the Safe, Clean Water Program describes the objective of Project E6 as follows: "This project continues a partnership with the U.S. Army Corps of Engineers (USACE) and the State of California to plan, design and construct improvements along 13.9 miles of channel. The project extends from Buena Vista Avenue to Llagas Road and includes West Little Llagas Creek in downtown Morgan Hill. The federally authorized preferred project protects the urban area of Morgan Hill from a 1% flood (100-year event) and reduces the frequency of flooding in surrounding areas. Construction includes channel modifications and replacement of road crossings."; and

WHEREAS, Project E6 is being constructed in three phases, namely Phases 1, 2A and 2B. Civil work for Phase 1, which included 4.4 miles of channel excavation and construction of the on-site compensatory mitigation at Lake Silveira wetlands, was completed in April 2022; civil work for Phase 2A, which includes constructing approximately 2,300 linear feet of a horseshoe-shaped underground tunnel 14 ft x 12 ft and approximately 1,600 linear feet of 10 ft x 9 ft twin reinforced concrete box culverts to carry high water flows, was completed in May 2024; and

Approving the Modification to the Upper Guadalupe River Flood Protection Project of the Safe, Clean Water and Natural Flood Protection Program

Resolution No. 24-41

WHEREAS, the third phase of Project E6, Phase 2B, which includes constructing approximately 1,900 linear feet of twin reinforced concrete box culverts (10 ft x 9 ft), creek modifications by excavating to widen and deepen the channel is the final phase and is essential to deliver the entire project that has been in works for about 70 years; and

WHEREAS, Project E6, Phase 2B, was advertised for construction and bids were opened on June 26, 2024. Based on the construction bids received, the construction cost estimate has increased from approximately \$90.60 million to approximately \$142.202 million; and

WHEREAS, Project E6, Phase 2B, has \$90.3 million in available funding for construction. This includes an executed agreement with the United States Natural Resources Conservation Service for \$80 million to reimburse Valley Water for eligible construction costs related to the project; a commitment of \$4.2 million from the City of Morgan Hill for city-specific improvements; and Safe, Clean Water Program Fund (Fund 26) dollars. This leaves a funding shortfall of \$51.902 million for the project; and

WHEREAS, the Safe, Clean Water Program describes the primary objective of Project E8 as follows: "This federally authorized project continues a project in partnership with the U.S. Army Corps of Engineers (USACE) to plan, design and construct improvements along 5.5 miles of the channel extending from Interstate 280 to Blossom Hill Road. Improvements include channel widening, construction of floodwalls and levees, replacement of road crossings and planting of streamside vegetation. Reducing flood frequency and bank erosion will improve water quality, while planned mitigation measures will give fish access to an additional 12 miles of habitat within and upstream of the project reach."; and

WHEREAS, the Safe, Clean Water Program identifies the Key Performance Indicators (KPIs) for Project E8 as follows:

1. Preferred project with federal and local funding: Construct a flood protection project to provide 1% (100-year) flood protection to 6,280 homes, 320 businesses and 10 schools and institutions.
2. With local funding only: Construct flood protection improvements along 4,100 feet of Guadalupe River between the Southern Pacific Railroad (SPRR) crossing, downstream of Willow Street, to the Union Pacific Railroad (UPRR) crossing, downstream of Padres Drive, and provide gravel augmentation along approximately 800 linear feet of the Upper Guadalupe River in San José, from approximately the Union Pacific Railroad Bridge to West Virginia Street Bridge to improve aquatic habitat for migrating steelhead and all native fish species and channel stability."; and

WHEREAS, Project E8 has a 15-year Funding Allocation of approximately \$64.95 million; and

WHEREAS, Project E8 design and construction of the flood protection elements have been stalled since FY15 due to a lack of federal funding; and

WHEREAS, in January 2021, the USACE began a General Reevaluation Study of Project E8 to reevaluate the scope of the project and the associated benefits and construction costs that can help make the project more competitive for federal funding by maximizing flood protection while maintaining affordability; and

WHEREAS, the General Reevaluation Report (GRR), which is expected to be completed by June 2025, will determine the specific scope of work; and

WHEREAS, per the current schedule, USACE estimates Project E8 design to begin in 2026 and be completed in early 2028, followed by construction starting in early 2028 and completion by 2033; and

Approving the Modification to the Upper Guadalupe River Flood Protection Project of the Safe, Clean Water and Natural Flood Protection Program

Resolution No. 24-41

WHEREAS, in 2026, before the start of project design, Valley Water will be required to pay a cash contribution for the non-federal cost-share of the design and construction costs, provided the project gets congressional authorization to receive federal funding; and

WHEREAS, based on the latest USACE estimates and staff analysis, the majority of the estimated Valley Water cost share for the project will be made through real estate acquisitions; and

WHEREAS, Valley Water has already acquired 95% of the properties that will be required, and the remaining are smaller fee title/easements; and

WHEREAS, because Valley Water has already acquired most of the USACE-identified properties under the 2012 Safe, Clean Water Program and staff estimates that the proposed remaining funding allocation will be sufficient for Valley Water to cover any remaining cost share required; and

WHEREAS, the infrastructure construction industry has experienced steep increases in construction costs for several reasons, including fast-rising materials costs, supply chain disruptions, and a tight labor market; and

WHEREAS, increases in infrastructure construction project costs in the Safe, Clean Water Program are impacting the Safe, Clean Water Program Fund's (Fund 26) financial health; and

WHEREAS, to address the funding shortfall and pay for constructing the shovel-ready Project E6, Phase 2B, while balancing the Safe, Clean Water Fund (Fund 26), staff is recommending modifying the funding allocation of Project E8, which is not scheduled for construction for another four years; and

WHEREAS, modifying the 15-Year Funding Allocation to reallocate cost-share-related estimated expenditures for Project E8 would reduce the allocation to approximately \$22.28 million; and

WHEREAS, if Project E8 cost-share were to increase during the GRR, design, or construction phase, it would have an impact Valley Water's ability to deliver KPI #1; and

WHEREAS, Valley Water will update any change in cost-share estimates through the annual Capital Improvement Program Five-Year Plan Development Process; and

WHEREAS, Valley Water's Resolution No. 20-64 authorizes modifications to proposed projects. Paragraph N. reads as follows: "The Board of Directors may direct that proposed projects in the Safe, Clean Water and Natural Flood Protection Program be modified or not implemented depending upon a number of factors, including federal and state funding limitations and the analysis and results of CEQA environmental review and permitting by state and federal regulatory agencies. The Board of Directors must hold a formal, public hearing on the matter, which will be noticed by publication and notification to interested parties, before adoption of any such decision to modify or not implement a project"; and

WHEREAS, at its Special Board Meeting conducted on July 9, 2024, Valley Water's Board of Directors set a time and place for a formal public hearing to occur on August 13, 2024, at which time the Board considered the Proposed Modification to Project E8: Upper Guadalupe River Flood Protection of the Safe, Clean Water and Natural Flood Protection Program.

Approving the Modification to the Upper Guadalupe River Flood Protection Project of the Safe, Clean Water and Natural Flood Protection Program

Resolution No. 24-41

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

1. Pursuant to the requirements stated in California Government Code section 6066, staff prepared and published advertisements in Santa Clara County newspapers of general circulation.
2. Pursuant to the requirements stated in Valley Water's Resolution No. 20-64, Paragraph N., a noticed public hearing was held.
3. Modify the funding allocation for Project E8: Upper Guadalupe River Flood Protection, as set forth in the Safe, Clean Water Program, as follows:

Project E8: Upper Guadalupe River Flood Protection, Reaches 7-12 Financial Summary (\$ Thousand)	
15-Year Allocation	Proposed Modified 15-Year Allocation
\$64,947	\$22,278

4. Valley Water's Safe, Clean Water and Natural Flood Protection Program Project E8: Upper Guadalupe River Flood Protection, is hereby modified as stated in Exhibit A, Modified 15-Year Funding Allocation, attached hereto and incorporated herein by this reference, which includes the approved approximated Modified 15-Year Funding Allocation, which will be finalized pursuant to a recommended future budget adjustment and will be reflected in the Capital Improvement Program FY2026-30 Five-Year Plan. The FY2026-30 Five-Year Plan will reflect the total project costs, including prior year expenditures under the 2012 Safe, Clean Water Program.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on August 13, 2024:

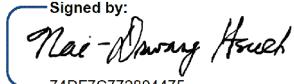
AYES: Directors Estremera, Santos, Varela, Hsueh

NOES: Directors Beall, Eisenberg, Keegan

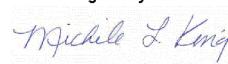
ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

Signed by:

 NAI HSUEH
 74DF7C772804475...
 Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

DocuSigned by:

 7E1632DBD93E40C...
 Clerk, Board of Directors

Approving the Modification to the Upper Guadalupe River Flood Protection Project of the Safe,
Clean Water and Natural Flood Protection Program Resolution No. 24-41

EXHIBIT A

COVERSHEET

MODIFIED 15-YEAR FUNDING ALLOCATION

No. of Pages: 2

Exhibit Attachments: None

EXHIBIT A – Modified 15-year Funding Allocation

PROJECT E8

UPPER GUADALUPE RIVER FLOOD PROTECTION, HIGHWAY 280 TO BLOSSOM HILL ROAD—SAN JOSÉ

Preferred project: A federal-state-local partnership

This federally authorized project continues a project in partnership with the U.S. Army Corps of Engineers (USACE) to plan, design and construct improvements along 5.5 miles of the channel extending from Interstate 280 to Blossom Hill Road. Improvements include channel widening, construction of floodwalls and levees, replacement of road crossings and planting of streamside vegetation. Reducing flood frequency and bank erosion will improve water quality, while planned mitigation measures will give fish access to an additional 12 miles of habitat within and upstream of the project reach.

In January 2021, USACE initiated a General Reevaluation Study of the preferred project. The General Reevaluation Report (GRR) is expected to be completed by June 2025. The scope of the project may change as a result of the GRR findings.

Local-funding-only project

The locally funded project entails constructing flood protection improvements along 4,100 feet of Guadalupe River between the Southern Pacific Railroad (SPRR) crossing, downstream of Willow Street, to the Union Pacific Railroad (UPRR) crossing, downstream of Padres Drive (Reach 7). It also includes completing a gravel augmentation project along approximately 800 linear feet of the Upper Guadalupe River in San José, from approximately the Union Pacific Railroad Bridge to West Virginia Street Bridge to improve aquatic habitat for migrating steelhead and channel stability. Flood damage will be reduced through the local-funding-only project. However, protection from the 1% (100-year event) flood is not provided without completion of the entire Upper Guadalupe River Flood Protection Project.

Mitigation elements of the project, namely Reach 10B (from Curtner Avenue to Almaden Expressway) and Reach 12 (from Brahnam Lane to Blossom Hill Road), were completed in 2015 in partnerships with USACE.

Benefits

- Preferred project will construct 1% flood conveyance capacity for 5.5 miles of channel in San José, protecting approximately 6,280 homes, 320 businesses and 10 schools/institutions
- Local funding only constructs improvements to 4,100 linear feet of Guadalupe River between the Southern Pacific Railroad (SPRR) crossing, downstream of Willow Street, to the Union Pacific Railroad (UPRR) crossing downstream of Padres Drive to convey 1% flow
- Improves stream habitat values and fisheries
- Improves stream water quality
- Allows for creekside trail access
- Addresses climate change

EXHIBIT A – Modified 15-year Funding Allocation (cont'd)

Key Performance Indicators (FY22–36)

1. Preferred project with federal and local funding: Construct a flood protection project to provide 1% (100-year) flood protection to 6,280 homes, 320 businesses and 10 schools and institutions.
2. With local funding only: Construct flood protection improvements along 4,100 feet of Guadalupe River between the Southern Pacific Railroad (SPRR) crossing, downstream of Willow Street, to the Union Pacific Railroad (UPRR) crossing, downstream of Padres Drive, and provide gravel augmentation along approximately 800 linear feet of the Upper Guadalupe River in San José, from approximately the Union Pacific Railroad Bridge to West Virginia Street Bridge to improve aquatic habitat for migrating steelhead and all native fish species and channel stability.

Geographic Area of Benefit: San José

Modified Funding Allocation

Project E8: Upper Guadalupe River Flood Protection, Reaches 7-12 Financial Summary (\$ Thousand)	
15-Year Allocation	Proposed Modified 15-Year Allocation*
\$64,947	\$22,278

**The modified funding allocation is approximated at this time and will be finalized at a future budget adjustment and will be reflected in the Capital Improvement Program FY2026-30 Five-Year Plan. The Capital Improvement Program FY2026-30 Five-Year Plan will also include prior year expenditures under the 2012 Safe, Clean Water Program as part of the updated total project cost.*

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Safe, Clean Water and Natural Flood Protection Program Change



What: **Public Hearing on a Proposed Change to the Safe, Clean Water and Natural Flood Protection Program**

Who: **Santa Clara Valley Water District (Valley Water)**

When: **Tuesday, August 13, 2024, at 1:00 p.m.**

Where: **Valley Water Headquarters Building Boardroom
5700 Almaden Expressway, San Jose, CA
and by Zoom Teleconference at <https://valleywater.zoom.us/j/84454515597>**

Valley Water invites you to a Public Hearing regarding a proposed change to the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program).

The infrastructure construction industry has experienced steep increases in construction costs for several reasons, including fast-rising materials costs, supply chain disruptions, and a tight labor market.

Project E6: Upper Llagas Creek Flood Protection (Upper Llagas Creek Project) Funding Shortfall

This project, which aims to construct improvements along 13.9 miles of channel, extends from Buena Vista Avenue to Llagas Road and includes West Little Llagas Creek in downtown Morgan Hill. The project is being constructed in phases.

Construction bids for Phase 2B, the project's final phase, were opened on June 26, 2024. The lowest responsible/responsive bid was at \$129,274,180. Based on this bid, a total of approximately \$142.202 million is needed to construct Phase 2B. This cost includes a 10% contingency.

Phase 2B has \$90.3 million in available construction funding. This includes an executed agreement with the United States Natural Resources Conservation Service for \$80 million to reimburse Valley Water for eligible construction costs related to the project, a commitment of \$4.2 million from the City of Morgan Hill for city-specific improvements, and Safe, Clean Water Program Fund (Fund 26) dollars. This leaves a funding shortfall of \$51.902 million for the project. Staff plans to recommend that the Board award a construction contract, provided the funding shortfall can be resolved.

To address the funding shortfall and pay for constructing the shovel-ready Phase 2B while balancing Fund 26, staff is recommending changing the funding allocation of Project E8: Upper

Guadalupe River Flood Protection in the Safe, Clean Water Program, which is not scheduled for construction for another four years.

Proposed Modification: Funding Allocation

Project E8: Upper Guadalupe River Flood Protection (Upper Guadalupe River Project)

The federally authorized project continues a partnership with the U.S. Army Corps of Engineers (USACE) to plan, design, and construct improvements along 5.5 miles of the channel extending from Interstate 280 to Blossom Hill Road.

The current project schedule forecasts the design phase to commence in 2026 and be completed in 2028, with construction to follow and finish in 2033. At that time, Valley Water will be required to pay a cash contribution for the non-federal cost-share of the design and construction costs.

Recommended Funding Allocation Change

Given the project schedule and status, staff is recommending reallocating the current planned cost-share funding allocation of approximately \$42.7 million in future capital costs from the project to the Fund 26 Operating and Capital Reserves. This reallocation will help balance Fund 26 in the short term and provide funds now to award a construction contract and complete the final phase of the Upper Llagas Creek Project, which has been in the works for about 70 years.

Based on the latest USACE estimates and staff analysis, the majority of the estimated Valley Water cost share for the project will be made through real estate acquisitions. Because Valley Water has already acquired most of the USACE-identified properties under the 2012 Safe, Clean Water Program, staff estimates that the proposed remaining funding allocation will be sufficient for Valley Water to cover any remaining cost share required. If cost-share estimates change, staff will update this amount through the annual Capital Improvement Program Five-Year Plan Development Process.

Over the next four years, Valley Water will continue to pursue other funding sources to benefit the Safe, Clean Water Program's overall financial health. These include seeking grant opportunities for various Safe, Clean Water projects and requesting additional NRCS grant funding for the Upper Llagas Creek Project, Phase 2B, to offset the increased construction cost.

The Upper Guadalupe River Project has been an ongoing commitment of Valley Water, which is reflected by the continued coordination with the USACE, the acquisition of real estate, and the completion of Reaches 6, 10B, and 12, which go beyond Valley Water's local funding only commitment under the project.

Project E8: Upper Guadalupe River Flood Protection, Reaches 7-12 Financial Summary (\$ Thousand)	
15-Year Allocation	Proposed Modified 15-Year Allocation*
\$64,947	\$ 22,278

**The proposed modified 15-year (FY22 to FY36) allocation is approximated and will be finalized. These will be reflected in the Capital Improvement Program FY2026-30 Five-Year Plan.*

This meeting is being held in accordance with the Brown Act. The 1:00 p.m., August 13, 2024, Public Hearing will be held during a Board Meeting and is accessible for public in-person participation at the time, date, and location shown above and by public virtual participation at the Zoom link above. Document(s) associated with this hearing are available for public inspection

prior to the meeting in the Clerk of the Board's Office and online at <http://www.valleywater.org> and will be available at the meeting.

For more information, contact Meenakshi Ganjoo, Program Administrator, at **408-630-2295**.

Important Notices:

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board meetings to please contact the Clerk of the Board's office at (408) 630-2711, at least 3 business days before the scheduled Valley Water Board meeting to ensure that Valley Water may assist you. Reasonable efforts will be made to accommodate persons with disabilities.

重要通知 :

Valley Water 遵守美國殘疾人法案 (ADA), 要求需要特殊便利才能訪問和/或參加 Valley Water 委員會會議的個人請致電 (408) 630-2711 聯繫委員會辦公室的書記員, 網址為在預定的 Valley Water 委員會會議召開前至少 3 個工作日, 以確保 Valley Water 可以為您提供幫助。將做出合理的努力以容納殘疾人。

Thông báo quan trọng:

Valley Water, để tuân thủ Đạo luật Người Mỹ Khuyết tật (ADA), yêu cầu những cá nhân cần điều chỉnh đặc biệt để tiếp cận và/hoặc tham gia các cuộc họp của Hội đồng Valley Water vui lòng liên hệ với Văn phòng Thư ký của Hội đồng theo số (408) 630-2711, tại ít nhất 3 ngày làm việc trước cuộc họp đã lên lịch của Hội đồng Valley Water để đảm bảo rằng Valley Water có thể hỗ trợ bạn. Những nỗ lực hợp lý sẽ được thực hiện để hỗ trợ người khuyết tật.

Aviso Importantes:

Valley Water, en cumplimiento de la Ley de Estadounidenses con Discapacidades (ADA), solicita a las personas que requieren adaptaciones especiales para acceder y/o participar en las reuniones de la Junta de Valley Water que se comuniquen con la oficina del Secretario de la Junta al (408) 630-2711, al menos 3 días hábiles antes de la reunión programada de la Junta de Valley Water para asegurarse de que Valley Water pueda ayudarlo. Se harán esfuerzos razonables para acomodar a las personas con discapacidades.

Safe, Clean Water Program Public Notice Ad Publication Schedule:

San Jose Post – August 2 and August 9

Chinese News – August 1

El Observador – August 9

Vietnam Daily – August 9

Community papers – August 9



Safe, Clean Water Program Proposed Changes

Presented by:

Jessica Collins, Business Planning and Analysis Unit Manager; and

Bhavani Yerrapotu, Watersheds Design and Construction Deputy Operating Officer

August 13, 2024



BOARD ACTIONS TODAY

- 1. Conduct the Public Hearing on the proposed change to a Safe, Clean Water Program project under Priority E**
- 2. Review and approve the proposed text adjustment to Project E8: Upper Guadalupe River Flood Protection**
- 3. Adopt the resolution Approving the Modification to Project E8: Upper Guadalupe River Flood Protection of the Safe, Clean Water Program**
- 4. Approve the transfer of approximately \$28 million from the Watershed Stream Stewardship Fund (Fund 12) to the Safe, Clean Water Fund (Fund 26)**

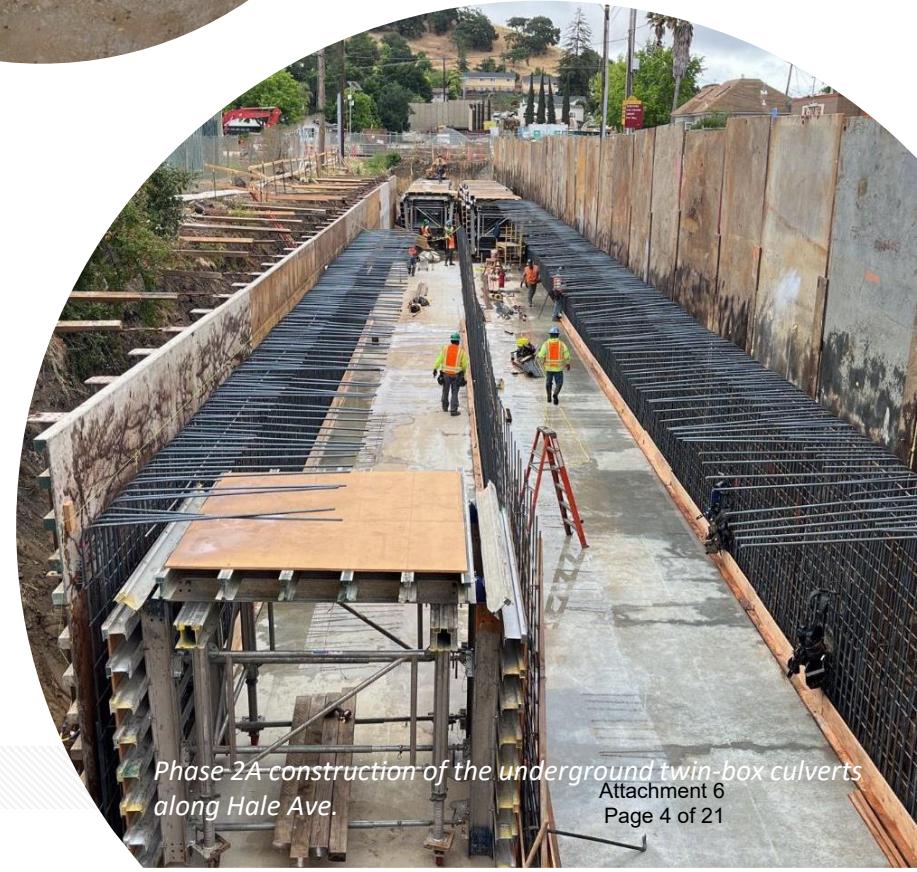
Change Control Process

1. Program Change Control Process to modify, not implement, or adjust projects consistent with Resolution No. 20-64 that gives the Board authority to:
 - A. Adjust – Text changes not impacting key performance indicators (KPIs) can be approved during a public Board meeting
 - B. Modify – Changes to project KPIs or funding allocations impacting KPIs require a public hearing
 - C. Not Implement – The decision to not implement a project requires a public hearing
2. On July 9, the Board set August 13 as the public hearing date
3. Public hearing notices placed in newspapers
4. Stakeholder outreach conducted

Why are We Here?

Project E6: Upper Llagas Creek Flood Protection Funding Shortfall

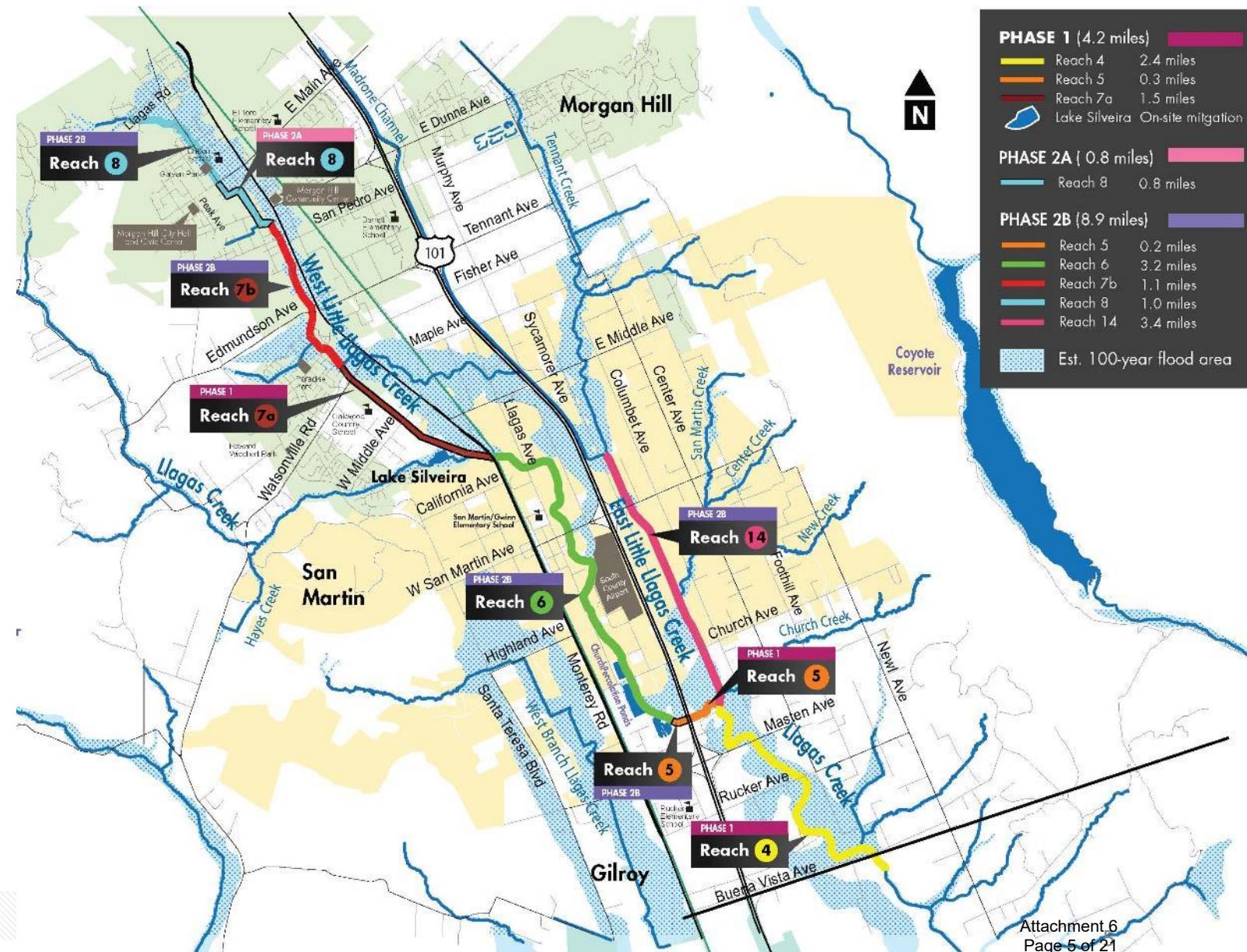
1. Phase 2B Construction:
 - A. Funding Shortfall: \$51.9 million
 - B. Final phase of a 70-year project
 - C. Natural Resources Conservation Service (NRCS) Commitment: \$80 million
 - D. Award contract to begin construction in September (ribbon cutting planned for Sept. 13, 2024)
2. **Phase 2B, essential to complete the entire 3-phase project, is required to deliver flood protection to 1,100 homes, 500 businesses**



Phase 2A construction of the underground twin-box culverts along Hale Ave.

Upper Llagas Creek Project

1. **13.9 miles** of flood protection improvements
2. Flood Protection for 1,100 homes, 500 businesses, and 1,300 agricultural acres
3. **Phase 1** – Construction completed – 2022
4. **Phase 2A** – Civil work completed – May 2024
5. **Phase 2B** – Construction start September 2024
(Tentative)



Upper Llagas Creek Project Phase 2B

Scope:

1. Creek modifications
(widen/deepen)
2. 1900 L.F. twin box culverts
3. Habitat enhancements
4. Utility undergrounding, street
modifications (cost share City
of Morgan Hill)



Higher Bid Price

1. Construction Cost Trends:

- A. Materials cost escalation
- B. Supply chain disruptions
- C. Tight labor market

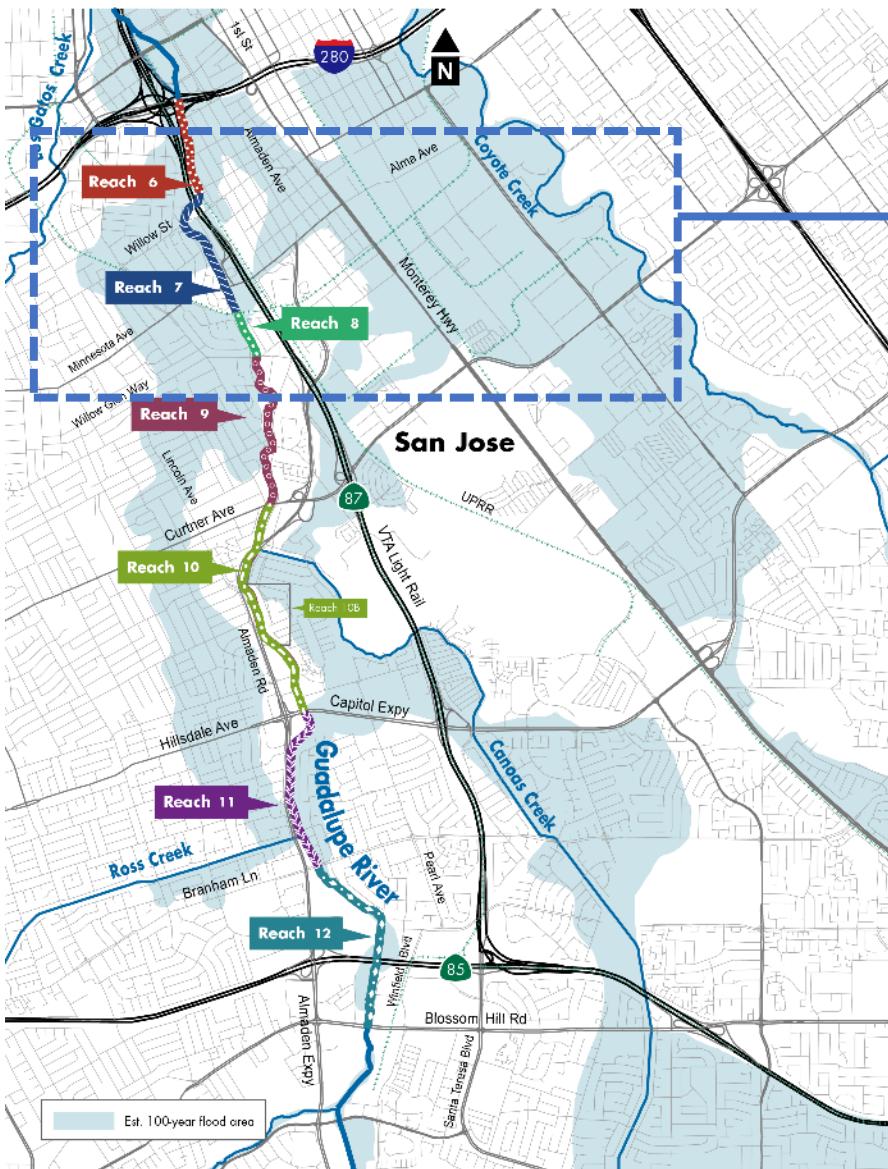
2. Project Specific Factors:

- A. Cost of underground twin box culverts
- B. Mobilization/demobilization costs
- C. Abundance of work/labor shortage
- D. 2.5-year construction duration (cost uncertainty)
- E. Tight construction windows
(environmental, traffic)



Addressing Funding Shortfall

Upper Guadalupe River Flood Protection Project

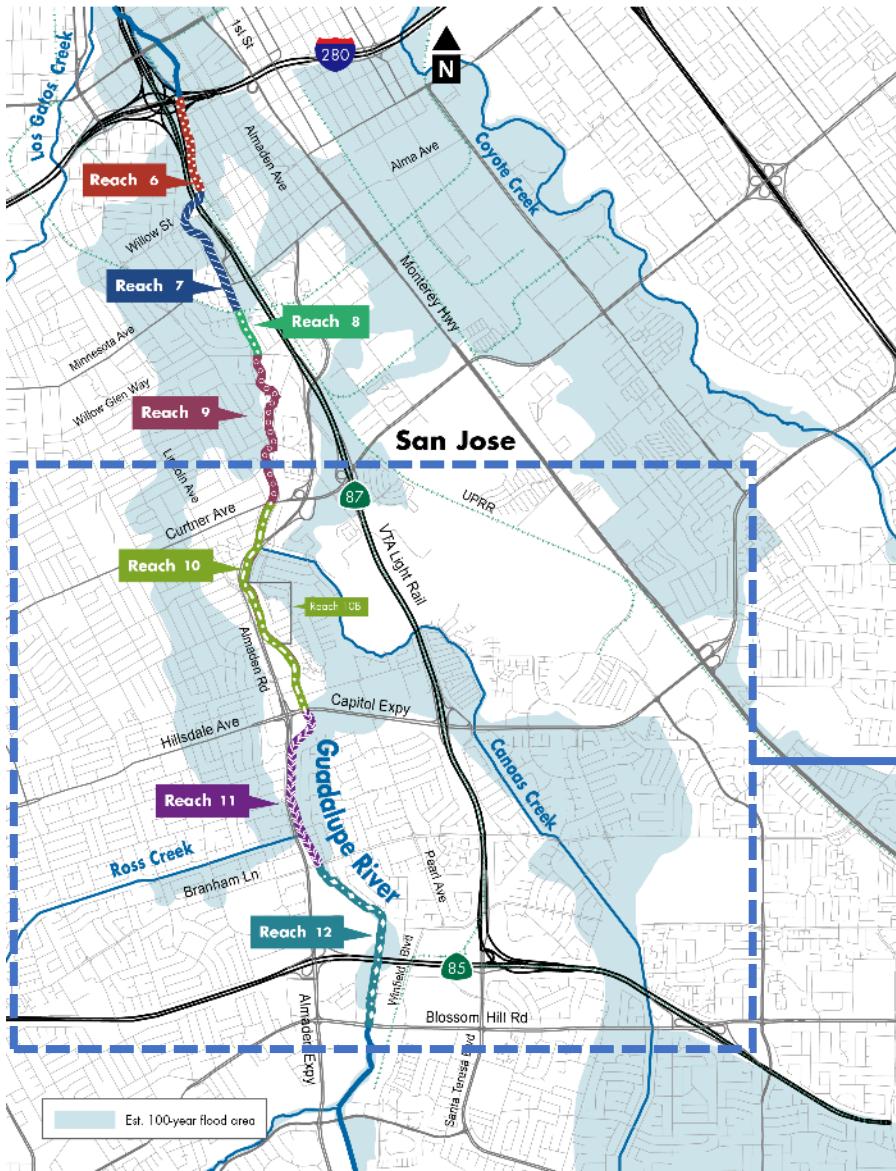


Reaches 7 & 8

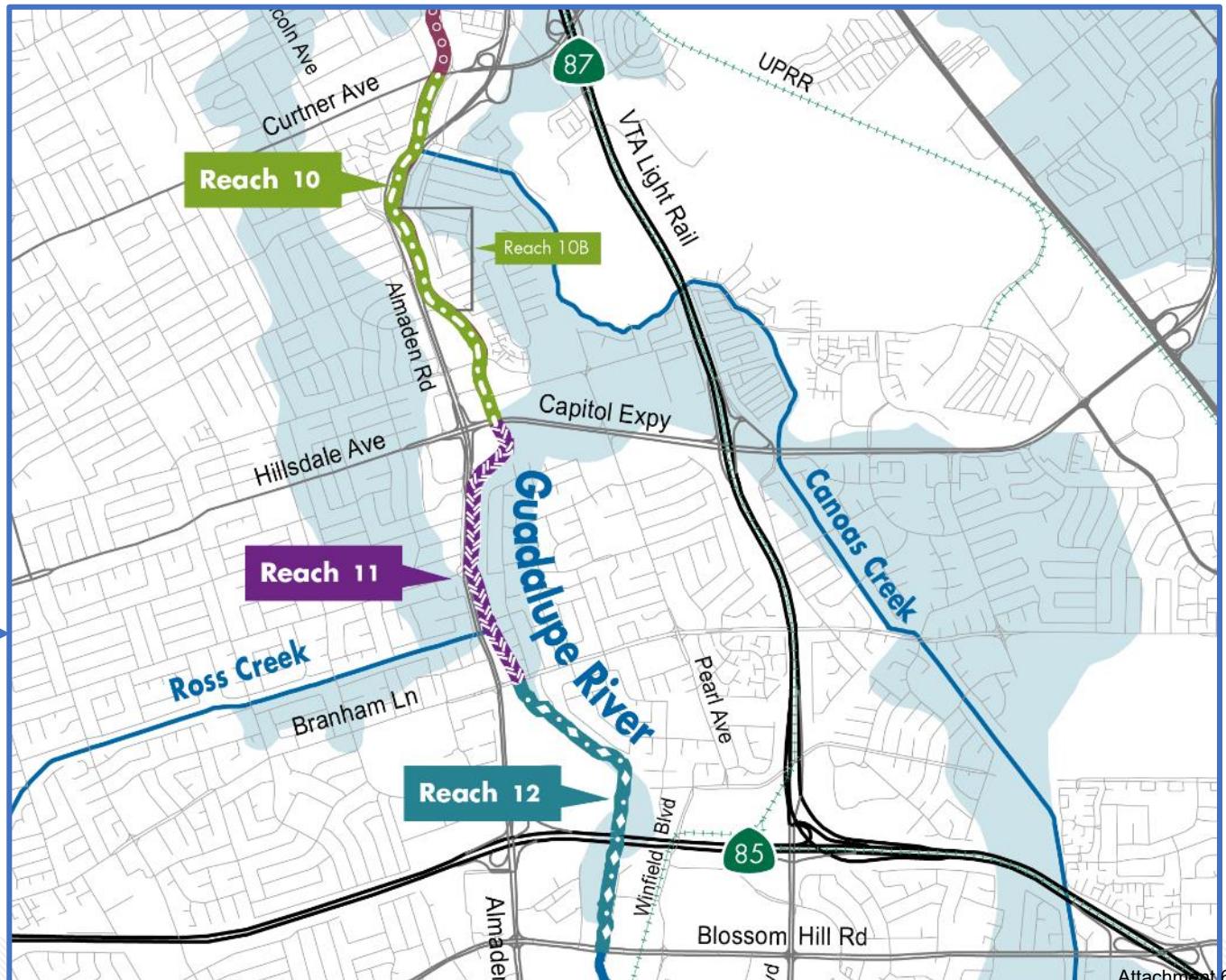


- U.S. Army Corps of Engineers (USACE) Project
- Highway 280 to Blossom Hill Road
- Project divided into 7 reaches; Reaches 6, 10B, and 12 completed
- Current project focuses on **reaches 7 & 8** as well as **Canoas and Ross creeks** (tributaries)
- Reaches 7 & 8 are located from Willow Street to Willow Glen Way in San José.

Upper Guadalupe River Flood Protection Project



Canoas and Ross Creeks, which flow into Guadalupe River



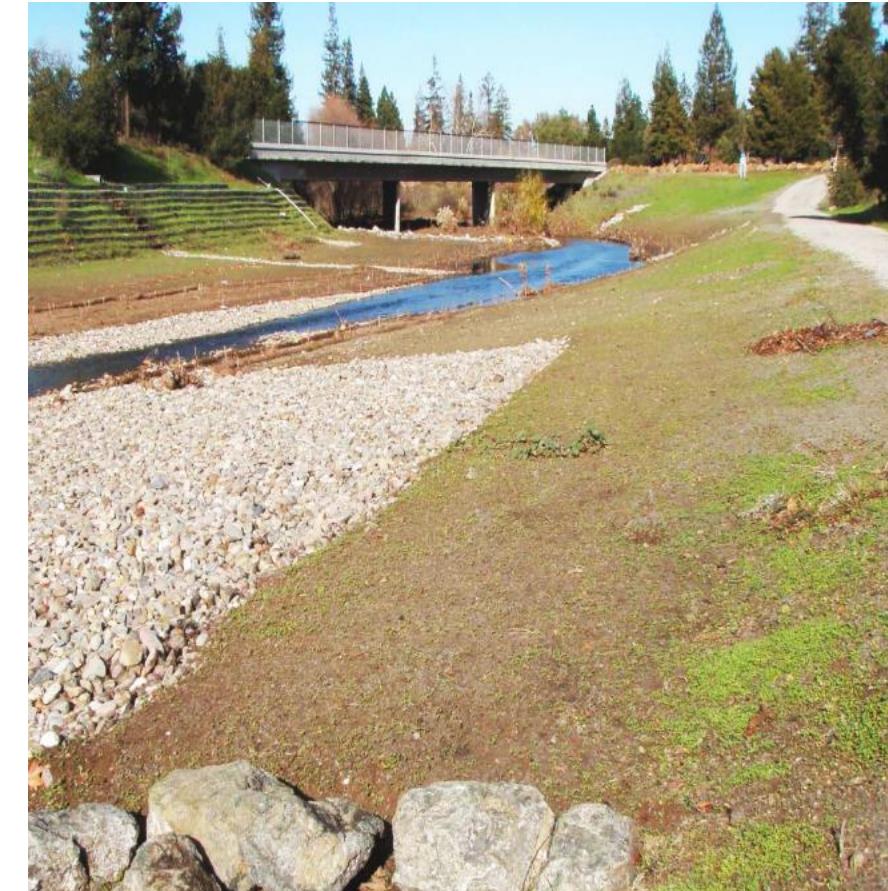
Upper Guadalupe River Project

1. USACE Estimated Timeline:

- A. 2018 – No federal funding for design and construction of Reaches 7 and 8
- B. 2021 – General Reevaluation Study; General Reevaluation Report (GRR) completion in June 2025
- C. Design: 2026-2028
- D. Construction: 2028-2033**

2. Funding Details:

- A. Project cost: ~\$220 million
(USACE-Tentatively Recommended Plan)
- B. Valley Water cost share largely in real estate acquisitions
- C. 95% of properties acquired; remaining smaller fee title/easements (~\$5.8M)
- D. Valley Water cash contributions, recreation costs, and labor (~\$10.1M)



Questions and Answers

Q1: How will the transfer of funds affect the Upper Guadalupe River Flood Protection Project (Upper Guadalupe River Project) and its tributaries?

A: The transfer of funds will not affect the project objectives. The project focuses on flood protection of Reaches 7 & 8, located from Willow Street to Willow Glen Way in San Jose, as well as Canoas and Ross creeks.

Q2: Will the Upper Guadalupe River Project be delayed?

A: The construction schedule is currently unchanged. However, unforeseen issues such as challenges in obtaining federal funding, regulatory permits, encounters with endangered species, and other factors related to the site could potentially impact the project timeline.

Q3: Will the Upper Guadalupe River Project scope change?

A. The General Reevaluation Study has identified the USACE-Tentatively Recommended Plan and Valley Water still needs to evaluate the plan.

Questions and Answers (cont.)

Q4: How would the proposed modified allocation allow Valley Water to pay the required non-federal cash contribution for the design and begin constructing the new preferred Upper Guadalupe River Project?

A: *Valley Water's cost share can be met through cash, real estate, utility relocation, etc.*

- 1) *As part of the 2012 Safe, Clean Water Program, the Upper Guadalupe River Project entailed Valley Water acquiring properties required for the project. To date, Valley Water has purchased 95% of the required properties and the remaining required acquisitions are smaller fee title/easements. Based on current property valuations, staff estimates this will meet most of the projected cost-share requirement.*
- 2) *Per current project estimates, the proposed remaining funding allocation of \$16.213 million will be sufficient for Valley Water to cover any remaining cost share.*
- 3) *If cost-share estimates change, staff will update this amount through the annual Capital Improvement Program (CIP) Five-Year Plan Development Process.*

Questions and Answers (cont.)

Q5: Explain the significant cost increase for the Upper Llagas Creek, Phase 2B. It isn't just related to normal construction escalation. Did the project scope change?

A: Three items made up most of the discrepancy between the lowest bid and the engineer's estimate.

- 1) *Mobilization/Demobilization - ~ \$7.9 Million*
- 2) *Improvements at Wright Avenue - ~\$4.8 Million*
- 3) *Twin Box Culvert - ~\$10.6 Million*

The project scope did not change. The unit prices were determined based on the Phase 1 and Phase 2A contracts awarded in 2019 and 2021, respectively. The design consultant's estimates took inflation into account. However, due to the impact of the post-Covid construction boom, material costs have been fluctuating with supply chain uncertainties and labor costs have risen substantially. This has significantly affected cost estimates for new projects.

Questions and Answers (cont.)

Q6: Why not re-bid the Upper Llagas Creek, Phase 2B, project and see if we get better bids?

A: The NRCS funding agreement has been in progress for approximately five years, and Valley Water's effort to satisfy NRCS Section 106 of the National Historic Preservation Act of 1966 requirements took approximately two years to complete. The estimated construction period for Phase 2B is currently over 2.5 years, not including the required post-construction 3-year native revegetation plant establishment period.

Rebidding could mean a minimum six-month delay, potentially causing the loss of an entire construction season before the nesting season starts. Moreover, there is no assurance that rebidding will yield better bids. On the other hand, the delay would most likely increase project costs due to inflation.

Any further construction delays would result in the expiration of the regulatory permits obtained for the project and might necessitate obtaining new permits.

Changes Proposed and Next Steps

Upper Guadalupe River Project

1. Reallocate ~\$42.7 million from the Upper Guadalupe River Project to the Safe, Clean Water Program Fund 26 Operating and Capital Reserves
 - A. Proposed Board action does not impact the USACE estimated schedule
 - B. Proposed remaining project funding meets the remaining Valley Water cost-share required per current estimates, because Valley Water's cost-share is largely in real estate acquisition, and 95% is already acquired
 - C. Any change to cost-share estimates to be addressed through the annual CIP Five-Year Plan Development Process
2. Approve text adjustment to align with USACE GRR estimated completion date and reflect completion of the Reach 6 gravel-augmentation work (Attachment 3)
3. Valley Water to continue coordinating with USACE on the finalization of GRR

Changes Proposed and Next Steps (cont.)

Additional Funding to Close Upper Llagas Creek Project Funding Shortfall and Support Overall Financial Health of Fund 26

1. Transfer ~\$28 million (inflated) in Fund 12 planned future funding from Ogier Ponds Construction (placeholder project) to Fund 26
 - A. Ogier Ponds Project is a Fish and Aquatic Habitat Collaborative Effort (FAHCE) project and is now also part of the Anderson Dam Seismic Retrofit Project (ADSRP)
 - B. Water Utility Fund (Fund 61) planned funding for Ogier Ponds Project remains unchanged at ~\$78 million (inflated), including ~\$50 million earmarked in ADSRP and ~\$28 million in planned future funding for construction
 - C. Fund 26 has ~\$7.4 million for Ogier Ponds Project construction
 - D. Any change to construction cost estimates to be addressed through the CIP Five-Year Plan Development Process and should not result in increased water rates due to availability of planned future funding for FAHCE projects
2. Of the approximately \$28 million to be transferred, allocate approximately \$9.2 million to the Upper Llagas Project to cover the remaining construction cost shortfall

Changes Proposed and Next Steps (cont.)

Upper Llagas Creek Project

1. Increase funding allocation for Phase 2B in alignment with the Board's Funding Filters for Prioritization to prioritize shovel-ready capital projects
 - A. Phase 2B has a construction period of over 2.5 years and it is important to begin construction now:
 - 1) To conduct clearing and grubbing operations within this year's in-channel work window and not lose a construction season
 - 2) Avoid the risk of regulatory permits expiring, which would necessitate obtaining new permits
 - 3) Any change to project scope would jeopardize funding and permits
2. Pending award of the construction contract, a ribbon-cutting ceremony will be held on Sept. 13, 2024
3. Complete Phase 2B and deliver flood protection to the community
4. Continue to seek external funding sources, including additional NRCS grant funding to offset Phase 2B construction cost escalations

Board Actions



1. Review and approve the proposed text adjustment to Project E8: Upper Guadalupe River Flood Protection;
2. Adopt the resolution Approving the Modification to Project E8: Upper Guadalupe River Flood Protection Project of the Safe, Clean Water and Natural Flood Protection Program; and
3. Approve the transfer of approximately \$28 million from Fund 12 to Fund 26.

QUESTIONS

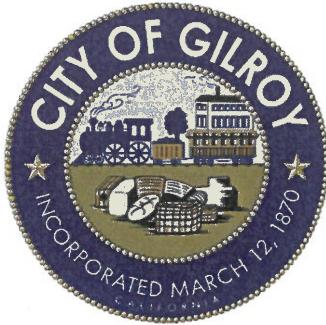




Valley Water

Clean Water • Healthy Environment • Flood Protection

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City of Gilroy Mayor's Office

City Hall
7351 Rosanna Street
Gilroy, California
95020-6197

Marie Blankley, Mayor
marie.blankley@cityofgilroy.org
City Hall Office (408) 846-0227
Cell Phone (408) 465-6032
www.cityofgilroy.org

July 30, 2024

Board of Directors
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

Subject: Upper Llagas Creek Flood Protection Project Funding

Dear Chair Hsueh and Board of Directors,

On behalf of the City of Gilroy, I express our support for the funding and awarding of Phase 2B, the final phase of the Upper Llagas Creek Flood Protection Project. South County residents have waited almost a century for the project to come to fruition, having to endure repeated flooding and the threat of flooding on a near-annual basis. With the recent award of federal funding, now is the time to act to make flood protection for South County a reality.

We know you have many competing projects throughout the county that warrant attention and funding. However, now is the time to complete the Upper Llagas Creek Project, as it is ready for construction.

Our community deeply values our partnership with Valley Water. We have worked together on numerous projects, and your support has always been invaluable. We trust that the Valley Water Board of Directors will once again support the residents and businesses of South County by bringing flood protection to our community.

Sincerely,

DocuSigned by:

9EE7CEC2F0D8427...
Marie Blankley
Mayor
City of Gilroy

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August 6, 2024

Board of Directors
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, California 95118

Subject: Upper Llagas Creek Flood Protection Project Funding

Dear Chair Hsueh and Board of Directors,

The City of Morgan Hill enthusiastically supports the funding and awarding of Phase 2B, the final phase, of the Upper Llagas Creek Flood Protection Project. South County residents have waited for the greater part of a century for the project to come to fruition, having to endure repeated flooding and threat of flooding on a near-annual basis. With the recent award of federal funding, now is the time to act to make flood protection for the South County a reality.

The Board of Directors has funded hundreds of millions of dollars of work to complete Phases 1 and 2A of the project. The leadership of the current Board of Directors has brought us closer than ever to completing a project that no other Board has been able to complete. Given the past funding already expended on the earlier phases of the project combined with the obtained federal funding, we request your leadership in finishing this very long overdue project.

We know you have many competing projects throughout the county that warrant attention and funding. Now is the time to complete the Upper Llagas Creek Project, however, as it is ready for construction. The people of Morgan Hill have waited too long for this protection and cannot endure further delays.

The City of Morgan Hill cannot express enough how much our community values our partnership with Valley Water. We hope the Valley Water Board of Directors can again make the best decision and support the residents and businesses of the South County and finally bring flood protection to our community.

Sincerely,

Mark Turner
Mayor

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August 1, 2024

Board of Directors
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

Subject: Upper Llagas Creek Flood Protection Project Funding

Dear Chair Hsueh and Board of Directors,

I am writing to express my support for the funding and awarding of Phase 2B, the final phase, of the Upper Llagas Creek Flood Protection Project. South County residents have waited for the greater part of a century for the project to come to fruition, having to endure repeated flooding and threat of flooding on a near-annual basis. With the recent award of federal funding, now is the time to act to make flood protection for the South County a reality.

The Board of Directors has funded hundreds of millions of dollars of work to complete Phases 1 and 2A of the project. The leadership of the current Board of Directors has brought us closer than ever to completing a project that no other Board has been able to complete. Given the past funding already expended on the earlier phases of the project, combined with the obtained federal funding, we request your leadership in finishing this very long overdue project.

We know you have many competing projects throughout the county that warrant attention and funding. Now is the time to complete the Upper Llagas Creek Project, however, as it is ready for construction. The people of our community have waited too long for this protection and cannot endure further delays.

I cannot express enough how much our community values our partnership with Valley Water. We hope the Valley Water Board of Directors can again make the best decision and support the residents and businesses of South County and finally bring flood protection to our community.

Sincerely,


Kristin Carlson
Water Ambassador 2021

kristincarlson@verizon.net

408 828-8079

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Valley Water Board of Directors and Senior Staff
Aug. 10, 2024
Subject: Agenda Aug 13, 2024: Item 3.4

Conduct a Public Hearing on the Proposed Change to a Project Under Priority E of the Renewed Safe, Clean Water and Natural Flood Protection Program.
Board of Directors of Santa Clara Valley Water District (Valley Water)

Dear Valley Water Board of Directors and Senior Staff:

The Valley Water Board of Directors public hearing to move almost \$43 million from the Upper Guadalupe project to subsidize the Upper Llagas project in South County is on this agenda.

The voters who supported Measure S the Safe, Clean Water and Natural Flood Protection ballot measure back in 2020 supported a carefully balanced approach to delivering projects that benefited areas throughout our County including funding for both the Guadalupe and Llagas projects.

Staff is recommending covering this unanticipated shortfall by underfunding the Guadalupe project.

I am concerned about withdrawing funds for a North County project to subsidize a South County Project cost overrun.

Before you vote on this request, I encourage you to request more information from staff as to management oversight on the cost overruns – what was the timeline for the Llagas project and when did staff face these delays? Were there other options by which Valley Water would be able to maintain its commitment to the Measure S list of promised projects?

Thank you for your attention to these matters.

Sincerely,
Rita Norton

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Board of Directors

From: Chris K <ckouretas68@gmail.com>
Sent: Sunday, August 11, 2024 7:30 AM
To: Board of Directors
Subject: Barbara Keegan

Follow Up Flag: Follow up
Flag Status: Flagged

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Why are you trying to defund the Guadalupe project measure S that was passed by residents of this city years ago? What kind of PATHETIC person does this? This is a BLATANT MONEY GRAB!! I mean seriously, WHO THE FUCK DO YOU THINK YOU ARE trying to steal money from this project!!!

You should RESIGN IMMEDIATELY and I will be taking steps to start a full blown CRIMINAL INVESTIGATION ON YOUR HANDLING OF MEASURE MONEY APPROVE ONLY FOR THE GUADALUPE.

RESIGN IMMEDIATELY!!

Chris K.
408.690.4267

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Board of Directors

From: Nancy Mirabella <nmirabel7@gmail.com>
Sent: Saturday, August 10, 2024 4:31 PM
To: Board of Directors
Subject: Funding on the Guadalupe Water project

Follow Up Flag: Follow up
Flag Status: Flagged

***** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. *****

I am writing about the proposed postponement or abandonment of the Guadalupe flood diversion program. When the funding was voted the intent was to address flooding mitigation in this area. I have been informed through local neighborhood groups that this is now up for vote at your upcoming meeting.

I strongly oppose and postponement or moving funds from the Guadalupe project. Is it even legal to do so when voters agreed to the measure based on the scope of projects to be addressed?

Please reconsider this proposal.

Nancy Mirabella
San Jose, 95125

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Councilmember, District 6

August 12, 2024

Board of Directors
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

Re: Item 3.4 - Upper Guadalupe River Flood Protection

Dear Chair Hsueh and Board of Directors

As the San Jose City Councilmember for District 6, I am writing to express my deep concern regarding the recent decision to reallocate \$42.7 million from the Upper Guadalupe River Project. This project is of paramount importance to our community, and its significance cannot be overstated.

The Upper Guadalupe River Project is a critical infrastructure initiative designed to provide much-needed flood protection to 6,280 homes, 320 businesses, and 10 schools and institutions. It serves as a safeguard for some of the most densely populated and economically vital areas in Santa Clara County. The potential impacts of flooding in these areas could be catastrophic, not only in terms of property damage but also in terms of the safety and well-being of thousands of residents.

While I acknowledge that the project's objectives and construction schedule have been stated to remain unchanged, I find it difficult to reconcile this assurance with the substantial reallocation of funding. The scale of the reduction—\$42.7 million—is significant, and it raises serious concerns about the project's long-term viability. Such a considerable decrease in financial resources are likely to lead to delays, reduced scope, or compromised quality in the project's execution.

The Upper Guadalupe River Project is more than just a construction effort; it is a promise to the residents of San Jose and Santa Clara County that their safety and property will be protected from the devastating effects of flooding. Any action that undermines this project threatens to break that promise.

I urge you to reconsider the reallocation of these funds and to ensure that the Upper Guadalupe River Project receives the financial support necessary to meet its critical objectives. The well-being of our community depends on it.

Thank you for your attention to this matter. I look forward to your response and hope for a favorable resolution.

Sincerely,



Councilmember Dev Davis

Board of Directors

From: Philip Chan <pvchan2@gmail.com>
Sent: Monday, August 12, 2024 12:18 PM
To: Board of Directors
Subject: AGAINST DEFUNDING E8 Flood Protection Project

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Hi

I am strongly AGAINST DEFUNDING the E8 Flood Protection Project. The funding is for the Upper Guadalupe project in San Jose, NOT to subsidize the Upper Llagas project in South County. This cavalier money grab proposal does not keep faith with the Santa Clara voters who supported Measure S the Safe, Clean Water and Natural Flood Protection ballot measure back in 2020.

Part of this project is funded from our real estate taxes annually to the tune of \$45M per year (Measure S, Parcel Tax Approved November 2020).

Philip Chan

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From: Bill Rankin <bill@networds.com>
Sent: Monday, August 12, 2024 1:27 PM
To: Board of Directors <board@valleywater.org>
Subject: No to reallocating \$43 million from the Upper Guadalupe water project to the Upper Llagas project

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Valley Water Board of Directors
Valley Water
5750 Almaden Expressway
San Jose, CA 95118

Dear Members of the Valley Water Board of Directors,

I am writing to express my strong opposition to the proposal to reallocate nearly \$43 million from the Upper Guadalupe water project to the Upper Llagas project. As a concerned resident and supporter of the Safe, Clean Water and Natural Flood Protection Measure S, I believe this proposal undermines the commitment made to the voters and jeopardizes the integrity of our local water management efforts.

Measure S was passed by voters in 2020 with the understanding that it would fund a range of crucial projects across the county, including both the Guadalupe and Llagas projects. The measure was designed with a balanced approach to address the diverse needs of our community. The current proposal to shift substantial funds from the Guadalupe project to cover cost overruns in the Llagas project contradicts this balanced approach and disregards the principles of fiscal responsibility.

The cost overruns on the Upper Llagas project are the result of poor planning and fiscal mismanagement. Rather than seeking additional external funding or finding ways to bring the Llagas project back within its original budget, the staff's recommendation to divert funds from the Guadalupe project reflects a troubling lack of accountability. This action will effectively leave the Guadalupe project unfunded, and without local financial support, its completion will be jeopardized, with any future prospects relying solely on uncertain federal or state funding.

Robbing one project to pay for another is not a sustainable or equitable solution. The Guadalupe project serves a critical need in our community, and its funding should not be sacrificed to cover for budgetary failures elsewhere. Instead, I urge the board to explore alternative solutions that would uphold the commitments made under Measure S and ensure that both projects can proceed as planned.

Thank you for your attention to this matter. I trust that you will consider the long-term implications of this decision and act in the best interests of all residents in our county.

Sincerely,

Bill Rankin
San Jose

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August 9, 2024

Board of Directors
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, California 95118

Subject: Upper Llagas Creek Flood Protection Project Funding

Dear Chair Hsueh and Board of Directors,

The Morgan Hill Chamber of Commerce enthusiastically supports the funding and awarding of Phase 2B, the final phase, of the Upper Llagas Creek Flood Protection Project. South County residents have waited for the greater part of a century for the project to come to fruition, having to endure repeated flooding and threat of flooding on a near-annual basis. With the recent award of federal funding, now is the time to act to make flood protection for the South County a reality.

The Board of Directors has funded hundreds of millions of dollars of work to complete Phases 1 and 2A of the project. The leadership of the current Board of Directors has brought us closer than ever to completing a project that no other Board has been able to complete. Given the past funding already expended on the earlier phases of the project, combined with the obtained federal funding, we request your leadership in finishing this very long overdue project.

We know you have many competing projects throughout the county that warrant attention and funding. Now is the time to complete the Upper Llagas Creek Project, however, as it is ready for construction. The people of Morgan Hill have waited too long for this protection and cannot endure further delays.

The Morgan Hill Chamber of Commerce cannot express enough how much our community values our partnership with Valley Water. We hope the Valley Water Board of Directors can again make the best decision and support the residents and businesses of the South County and finally bring flood protection to our community.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Gaich".

Nick Gaich

CEO-President

Morgan Hill Chamber of Commerce

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August 2, 2024

Board of Directors
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

Subject: Upper Llagas Creek Flood Protection Project Funding

Dear Chair Hsueh and Board of Directors,

I am writing to express my support for the funding and awarding of Phase 2B, the final phase, of the Upper Llagas Creek Flood Protection Project. South County residents have waited for the project to come to fruition, having to endure repeated flooding and the threat of flooding on a near-annual basis. With the recent award of federal funding, now is the time to act to make flood protection for the South County a reality.

Flood risk management plays a significant role in ensuring that infrastructure and residents are kept safe. With climate change, hydrologic extremes such as droughts and floods are predicted to worsen, making these events harder to manage.

Although drought may seem unconnected to flood risk management. It is the case that groundwater is vital for both surface water and groundwater. Floods recharge groundwater which in turn helps to mitigate droughts. By taking proactive flood management measures and taking control of the water that will end up on impermeable surfaces, Valley Water will also be working towards drought mitigation.

The Board of Directors has worked well to secure funding to complete Phases 1 and 2A of the project. The leadership of the current Board of Directors has brought us closer than ever to completing a project that no other Board has been able to complete. Given the past funding already expended on the earlier phases of the project, combined with the obtained federal funding, we request your leadership in finishing this very long overdue project.

We know you have many competing projects throughout the county that warrant attention and funding. Now is the time to complete the Upper Llagas Creek Project, as it is ready for construction. The people of our community have waited too long for this protection and look forward to the completion of this project.

I cannot express enough how much our community values our partnership with Valley Water. We hope the Valley Water Board of Directors can again make the best decision and support the residents and businesses of South County and finally bring flood management to our community.

Sincerely,

Aniya Dogra
Water Ambassador

Aniya Dogra

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Board of Directors

From: Tisha St. John <tishasj@comcast.net>
Sent: Monday, August 12, 2024 9:25 PM
To: Board of Directors
Subject: Upper Guadalupe River Project

Importance: High

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

Good evening,
I hope this email finds you well.

I am writing to express my deep concern regarding the proposal to defund the Upper Guadalupe River Project to subsidize the Upper Llagas project.

In November of 2020, residents of the county voted on and approved Measure S with over 75% of residents in favor of this measure—a renewal of Valley Water's Safe, Clean Water and Natural Flood Protection Program that was originally approved in 2012 when voters also overwhelmingly passed Measure B. As noted by Valley Water itself, this plan was formed in collaboration with “tens of thousands of residents and stakeholders” including businesses and other organizations (valley water.org) Also noted by Valley Water, “The voters of Santa Clara County identified 5 priorities”—

- “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” (valley water.org).

Residents have voted on this measure to protect the future of our community and the environment—not once but twice—and have been paying via parcel tax to fund and to ensure the completion of this project to reach these goals.

As the population in our city continues to grow, as the infrastructure continues to age, and as our climate continues to change with more extreme weather patterns of drought and atmospheric rivers, it is imperative this project is completed. Just in the last year (February 2024), the National Weather Service and the city issued a flood warning for the Guadalupe River; in fact, flood warnings were issued in 2021 with watches on the river's crest level in 2016, 2017, 2018, 2019. And in 2020, I distinctly remember residents in the area being concerned about the drought and its effects on the river and its habitats after finding dead fish in the creek beds and the river.

It is not only disheartening but unacceptable to defund this project because of poor planning and management of other projects. Residents and community stakeholders put their trust into the leaders of our community. We voted twice in favor of this plan. We have supported the plan through our parcel tax to see it through to its completion and work to ensure a safe and clean water supply for residents, businesses, and all stakeholders as well as to restore and protect the habitats of the river and the larger ecosystem.

We ask that Valley Water, the city, and the county act responsibly, with integrity, and in good faith to complete the project for the Upper Guadalupe River. Do not use money from this project to subsidize the Upper Llagas project.

Sincerely,
Tisha St. John