Santa Clara Valley Water District
SCW Independent Monitoring Committee (SCW IMC Meeting)

HQ Building Boardroom
5700 Almaden Expressway, San Jose

Alternate locations:
6535 Ravenna Ave NE, Seattle, WA
6360 Fountain Square Drive, Citrus Heights, CA

REGULAR MEETING AGENDA

Wednesday, December 4, 2024
4:00 PM

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

SAFE, CLEAN WATER PROGRAM INDEPENDENT MONITORING COMMITTEE (IMC)

COMMITTEE OFFICERS:
Jeffrey Hare, Committee Chair
TBD, Committee Vice Chair

During the COVID-19 restrictions, all public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available to the public through the legislative body agenda web page at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to participate in the legislative body's meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

Dave Leon (Committee Liaison)
Assistant Deputy Clerk II
DaveLeon@valleywater.org
(408) 630-2006

BOARD REPRESENTATIVES:
Nai Hsueh, Board Chairperson

Richard Santos, Board Vice-Chairperson

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

Santa Clara Valley Water District
SCW Independent Monitoring Committee (SCW IMC)

REGULAR MEETING
AGENDA

Wednesday, December 4, 2024 **4:00 PM** **HQ. Bldg. Boardroom, 5700 Almaden Expressway, San Jose, California**
Join Zoom Meeting:
https://valleywater.zoom.us/j/85611501656

IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS

Santa Clara Valley Water District (Valley Water) Board of Directors/Board Committee meetings are held as a "hybrid" meetings, conducted in-person as well as by telecommunication, and is compliant with the provisions of the Ralph M. Brown Act.

To maximize public safety while still maintaining transparency and public access, members of the public have an option to participate by teleconference/video conference or attend in-person. To observe and participate in the meeting by teleconference/video conference, please see the meeting link located at the top of the agenda. If attending in-person, you are required to comply with Ordinance 22-03 - AN ORDINANCE OF THE SANTA CLARA VALLEY WATER DISTRICT SPECIFYING RULES OF DECORUM FOR PARTICIPATION IN BOARD AND COMMITTEE MEETINGS located at https://s3.us-west-2.amazonaws.com/valleywater.org.if-us-west-2/f2-live/s3fs-public/Ord.pdf

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee during public comment or on any item listed on the agenda, may do so by filling out a Speaker Card and submitting it to the Clerk or using the "Raise Hand" tool located in the Zoom meeting application to identify yourself in order to speak, at the time the item is called. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board.

- Members of the Public may test their connection to Zoom Meetings at: https://zoom.us/test
- Members of the Public are encouraged to review our overview on joining Valley Water Board Meetings at: https://www.youtube.com/watch?v=TojJpYCxXm0

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This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has

not been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at https://emma.msrb.org/ and https://www.valleywater.org/how-we-operate/financebudget/investor-relations, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

Join Zoom Meeting:
https://valleywater.zoom.us/j/85611501656
Meeting ID: 856 1150 1656
Join by Phone:
1 (669) 900-9128, 85611501656#

1. CALL TO ORDER:

1.1. Roll Call.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.

Notice to the public: Members of the public who wish to address the Board/Committee on any item not listed on the agenda may do so by filling out a Speaker Card and submitting it to the Clerk or using the "Raise Hand" tool located in the Zoom meeting application to identify yourself to speak. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board/Committee. Speakers' comments should be limited to three minutes or as set by the Chair. The law does not permit Board/Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Board/Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Board/Committee may take action on any item of business appearing on the posted agenda.

2.1. Election of Chair and Vice Chair. 24-1064

Recommendation: Elect 2024-2025 Chair and Vice Chair.

3. APPROVAL OF MINUTES:

3.1. Approve the February 7, 2024 IMC Minutes. 24-1063

Recommendation: Approve the February 7, 2024 IMC minutes.

Manager: Candice Kwok-Smith, 408-930-3193

Attachments: Attachment 1: 020724 Draft IMC Minutes

Est. Staff Time: 5 Minutes

4. REGULAR AGENDA:

4.1. Independent Monitoring Committee's Annual Review of the Safe, Clean Water and Natural Flood Protection Program's Fiscal Year 2023-24 Annual Report. 24-1008

Attachments: Attachment 1: FY24 Safe Clean Water Program Annual Report
Attachment 2: Resolution 20-64.pdf
Attachment 3: Resolution 21-10 Establishing IMC.pdf
Attachment 4: Modifications Non-Implementation.pdf
Attachment 5: Project Text Adjustments.pdf
Attachment 6: PowerPoint

Est. Staff Time: 15 Minutes

4.2. Overview of Santa Clara Valley Water District's Fish Passage and Habitat Improvement Efforts. 24-1070

Recommendation: Receive Information on Santa Clara Valley Water District's Fish Habitat and Passage Improvement Efforts.

Manager: John Bourgeois, 408-630-2990

Attachments: Attachment 1: PowerPoint

Est. Staff Time: 10 Minutes

4.3. Receive the 2012 Safe, Clean Water and Natural Flood Protection (2012 Program) Performance Closeout Audit Report with Management Response and an Update on the Renewed Safe, Clean Water and Natural Flood Protection Program Audit. 24-1069

Recommendation:
A. Receive the 2012 Safe, Clean Water and Natural Flood Protection Program Performance Closeout Audit Report with Management Response; and
B. Receive an Update on the renewed Safe, Clean Water and Natural Flood Protection Program (Renewed Safe, Clean Water Program) Audit.

Manager: Luz Penilla, 408-630-2228

Attachments: Attachment 1: Resolution 12-62
Attachment 2: 2012 Program Closeout Audit
Attachment 3: Resolution 20-64
Attachment 4: Powerpoint

Est. Staff Time: 15 Minutes

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.

6. ADJOURN:

6.1. Adjourn to Regular Meeting at 4:00 p.m. on Thursday, January 30, 2024.

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Santa Clara Valley Water District

File No.: 24-1064

Agenda Date: 12/4/2024
Item No.: 2.1.

	Meeting Date:	12/4/2024
	Item No.	2.1
	Unclassified Manager:	Candice Kwok-Smith, 408-630-3193
SAFE, CLEAN WATER INDEPENDENT MONITORING COMMITTEE		

SUBJECT:
Election of Chair and Vice Chair.

RECOMMENDATION:
Elect 2024-2025 Chair and Vice Chair.

SUMMARY:
Per the Board Resolution, the duties of the Chair and Vice-Chair are as follows:

The officers of each Committee shall be a Chair and Vice-Chair, both of whom shall be members of that Committee. The Chair and Vice-Chair shall be elected by the Committee, each for a term of one year commencing on January 1 and ending on December 31. The Committee shall elect its officers at the first meeting of the calendar year. All officers shall hold over in their respective offices after their term of office has expired until their successors have been elected and have assumed office.

The Chair shall preside at all meetings of the Committee, and he or she shall perform other such duties as the Committee may prescribe consistent with the purpose of the Committee.

The Vice-Chair shall perform the duties of the Chair in the absence or incapacity of the Chair. In case of the unexpected vacancy of the Chair, the Vice-Chair shall perform such duties as are imposed upon the Chair until such time as a new Chair is elected by the Committee.

Should the office of Chair or Vice-Chair become vacant during the term of such office, the Committee shall elect a successor from its membership at the earliest meeting at which such election would be practicable, and such election shall be for the unexpired term of such office.

Should the Chair and Vice-Chair know in advance that they will both be absent from a meeting, the

Chair may appoint a Chair Pro-tempore to preside over that meeting. In the event of an unanticipated absence of both the Chair and Vice-Chair, the Committee may elect a Chair Pro-tempore to preside over the meeting in their absence.

ATTACHMENTS:
None.

Santa Clara Valley Water District

File No.: 24-1063

Agenda Date: 12/4/2024
Item No.: 3.1.

	Meeting Date:	February 7, 2024
	Item No.	3.1
	Unclassified Manager:	Candice Kwok-Smith
SAFE, CLEAN WATER INDEPENDENT MONITORING COMMITTEE		

SUBJECT:
Approve the February 7, 2024 IMC Minutes.

RECOMMENDATION:
Approve the February 7, 2024 IMC minutes.

SUMMARY:
A summary of Committee discussions, and details of all actions taken by the Committee, during all open and public Committee meetings, is transcribed and submitted for review and approval.

Upon Committee approval, minutes transcripts are finalized and entered into the District's historical records archives and serve as historical records of the Committee's meetings.

ATTACHMENTS:
Attachment 020724 Draft IMC Minutes

UNCLASSIFIED MANAGER:
Candice Kwok-Smith, 408-930-3193

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SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM
INDEPENDENT MONITORING COMMITTEE

DRAFT MINUTES

WEDNESDAY, FEBRUARY 7, 2024

(Paragraph numbers coincide with agenda item numbers)

A regularly scheduled meeting of the Safe, Clean Water and Natural Flood Protection Program Independent Monitoring Committee was held on February 7, 2024 at Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, CA 95118.

1. CALL TO ORDER
Committee Chair Jeffrey Hare called the meeting to order at 4:05 p.m.

1.1. ROLL CALL
A quorum was established with 8 Members present.

Members in attendance were:

District 1: Marc Rauser

District 2: Chairperson Jeffrey Hare, Kathleen Sutherland

District 3: Will Ector

District 5: Bill Hoeft, George Fohner

District 6: Patrick Kwok

District 7: Vice Chairperson Cari Templeton

Members not in attendance were:

District 3: Jean Marlowe

District 6: Andres Quintero

District 7: Forest Peterson, Ph.D

Board members in attendance were: Director Nai Hsueh, District 5; and Director Richard Santos, District 3.

Valley Water staff in attendance were: Emmanuel Aryee, Lisa Bankosh, Erin Baker, Sandra Benavidez, Mark Bilski, Wade Blackard, John Bourgeois, Jennifer Codianne, Jessica Collins, Meenakshi Ganjoo, Alex Gordon, Chris Hakes, Emelia Lamas, Dave Leon, Ryan McCarter, Judy Nam, Karl Neuman, Julianne O'Brien, Sophie Padilla, Tracy

Pena, Luz Penilla, Lisa Porcella, Metra Richert, Kevin Sibley, Kirsten Struve, Darin Taylor, Kristen Yasukawa, and Tina Yoke.

Public in attendance were: Rebecca Eisenberg, Katja Irvin, Osha Meserve, Forest Peterson, Rick, and John Varela.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA
There was no one who wished to speak.

3. APPROVAL OF MINUTES

3.1 APPROVE THE JANUARY 24, 2024 IMC MINUTES
It was moved by Member Kwok, seconded by Member Ector, and carried by unanimous vote, to approve the January 24, 2024 Committee meeting minutes as submitted.

Chairperson Hare announced that the purpose of the meeting is to discuss results of the various subcommittee meetings and review the final IMC report in response to the Valley Water report, including incorporating any feedback provided during the meeting and approval of staff recommendations.

Chairperson Hare moved the agenda to item 4.2.

4. REGULAR AGENDA

4.2 REPORT DRAFTING COMMITTEE PRESENTS FINAL INDEPENDENT MONITORING COMMITTEE (IMC) ANNUAL REPORT FOR FISCAL YEAR 2022-2023
Discussion ensued relating to Project E8, in which the key performance indicator mentions steelhead, but does not mention Chinook salmon. Jennifer Codianne proposed language that would include all native fish instead of singling out steelhead.

Chairperson Hare moved the agenda to item 4.1.

4.1 RECEIVE PRESENTATION ON PROJECT A1: PACHECO RESERVOIR EXPANSION
Ryan McCarter reviewed the information on this item, per the attached Committee Agenda Memo, and the corresponding presentation materials contained in Attachment 1 and was available to answer questions.

Discussion ensued relating to funding, flood protections, access for fish, and additional operating costs.

Public Comments: Osha Meserve spoke relating to disclosure of cost-sharing and the state of the current dam.

Further discussion ensued relating to the importance of the low point improvement project, pumping requirements to move water from San Luis to Pacheco, possible risks associated with stoppage of the project, and information relating to retailers, including whether they support flood protection measures, their position on funding, and their current commitment.

The Committee received the information and requested that staff include information in the report relating to a breakdown of actual benefits provided for the County and a graphic to show expenditures to date and the sources of those expenditures.

Chairperson Hare moved the agenda back to item 4.2.

4.2 REPORT DRAFTING COMMITTEE PRESENTS FINAL INDEPENDENT MONITORING COMMITTEE (IMC) ANNUAL REPORT FOR FISCAL YEAR 2022-2023
Meenakshi Ganjoo and Jessica Collins reviewed the information on this item, per the attached Committee Agenda Memo, and the corresponding presentation materials contained in Attachments 1, 2, and 3, and were available to answer questions.

Discussion ensued relating to various proposed edits to the report.

It was moved by Member Sutherland, seconded by Member Ector, and carried by unanimous vote, to approve all edits and feedback in the final report for submission to the Board of Directors.

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.
The Committee took no formal action.

6. ADJOURN
Chairperson Hare adjourned the meeting at 6:13 p.m.

Dave Leon
Assistant Deputy Clerk II
Office of the Clerk of the Board

Approved:

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Santa Clara Valley Water District

File No.: 24-1008

Agenda Date: 12/4/2024
Item No.: 4.1.

	Meeting Date: 12/4/24	
	Item No: 4.1	
	Unclassified Manager: Luz Penilla, 408-630-2228	
SAFE, CLEAN WATER INDEPENDENT MONITORING COMMITTEE		

SUBJECT:
Independent Monitoring Committee's Annual Review of the Safe, Clean Water and Natural Flood Protection Program's Fiscal Year 2023-24 Annual Report.

RECOMMENDATION:
A. Receive an overview of the third year of implementation of the Safe, Clean Water and Natural Flood Program (Safe, Clean Water Program) and the Fiscal Year 2023-24 (FY24) Program Annual Report (Annual Report);
B. Determine whether to continue existing or establish a new process to review the Annual Report; and
C. Consider and approve the schedule for finalizing the Independent Monitoring Committee's annual report on Santa Clara Valley Water District's FY24 Annual Report.

SUMMARY:
FY24 marked the third year Santa Clara Valley Water District (Valley Water) implemented the Safe, Clean Water Program that Santa Clara County voters overwhelmingly approved in November 2020.

The Safe, Clean Water Program became effective on July 1, 2021, and Valley Water is implementing it on a 15-year financial cycle. FY24 Annual Report (Attachment 1) is the third annual report prepared for the Program and it provides progress updates for each project under the following 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

In accordance with the transparency and accountability provisions of the ballot measure, Resolution No. 20-64, Section P (Attachment 2), on February 23, 2021, the Board passed Resolution 21-10 (Attachment 3), establishing the Independent Monitoring Committee (IMC) for the Safe, Clean Water Program.

IMC's responsibilities include conducting annual reviews of Valley Water's fiscal year annual reports of the Safe, Clean Water Program and providing the IMC's annual report to the Board regarding implementing the intended outcomes of the Safe, Clean Water Program.

FY24 Program Performance:

Annual Project Status

In FY24, 32 projects were implemented under the Safe, Clean Water Program. Of these, 27 projects (85%) are Active, three (3) projects (9%) are Scheduled to Start in future years, one (1) project (3%), D6: Restoration of Natural Creek Functions, was Completed and one (1) project (3%) was put On Hold.

Project F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship has four (4) KPIs, and the Board authorized postponing the FY24 standard grant cycle related to KPI #1, resulting in the project status being On Hold. The grant cycle was postponed as Valley Water worked on redesigning the grants program to align with the changes adopted through the passage of the Safe, Clean Water Program and address the recommendations from the 2021 Grants Management Performance Audit recommendations.

Change Control Process: Non-Implementation, Modifications and Adjustments
Non-Implementation and Modifications

Non-Implementation and Modification - On April 9, 2024, following a formal public hearing, the Board approved Not Implementing Project A1: Pacheco Reservoir Expansion under the Safe, Clean Water Program and Modifying Project E8: Upper Guadalupe River Flood Protection and F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship (Attachment 4).

The Board's decision to not implement Project A1 under the Safe, Clean Water Program was in response to funding gaps resulting from rising infrastructure project construction costs and growing community expectations impacting the progress
of other projects. Project A1 is one of the three Safe, Clean Water projects with a fiscal-based KPI. The deliverable is not to construct a project directly but to allocate a portion of funding, up to $10 million, to help construct the project, starting
in FY26. The $10 million allocation represented less than half a percent of its total estimated cost

in FY24. The Pacheco Project, which continues to be part of Valley Water's Capital Improvement Program, is primarily funded by the Water Utility Enterprise Fund and has continued to progress without any funding from the Safe, Clean Water Program.

The funding released from Project A1 would help fill the funding gap for the construction of Project E2: Sunnyvale East and Sunnyvale West Channels Flood Protection (Project E2) and also help deliver the Board-directed enhanced level of services under Project F5: Good Neighbor Program: Encampment Cleanup.

Project E8: Upper Guadalupe River Flood Protection KPI #2 was modified to reflect that aquatic habitat improvements made under the project will benefit all native fish species, not just migrating steelhead. The modification resulted from the IMC recommendation made during the FY23 annual review. To view the public hearing, visit *tinyurl.com/2024Apr9BoardMtg*.

Adjustments - In FY24, the Board approved schedule adjustments for five (5) capital projects: D4.2 the Ogier Ponds-Coyote Creek Separation Project (D4.2), E2: Sunnyvale East and Sunnyvale West Channels Flood Protection (E2), E4: Upper Penitencia Creek Flood Protection (E4), E5: San Francisquito Creek Flood Protection (E5), and E6 Upper Llagas Creek Flood Protection (E6).

Additionally, for several projects, the project benefits text was adjusted to explain how the project addresses climate change impacts. In some instances, the description was also updated to add details about addressing climate change. These adjustments are in response to an IMC recommendation. Furthermore, project descriptions of A3: Pipeline Reliability, E8: Upper Guadalupe River Flood Protection, and F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship descriptions were adjusted to remove or replace outdated information or to update the text to align with the modified KPIs (Attachment 5).

Program Highlights

Anderson Dam Seismic Retrofit: Valley Water released the Anderson Dam Seismic Retrofit Project Draft Environmental Impact Report on Sept. 1, 2023. In February 2024, Valley Water achieved a significant milestone in the Anderson Dam Tunnel Project (ADTP) by completing the 24-foot diameter and 1,400-foot Low-Level Outlet Tunnel excavation.

Upper Llagas Creek Flood Protection Project: In May 2024, Valley Water completed Phase 2A of the project, including construction of a 2,300-foot-long horseshoe-shaped underground tunnel and 1,600-foot-long twin reinforced concrete box culverts upstream and downstream of the tunnel in Morgan Hill.

Coyote Creek Flood Protection Project: Valley Water made significant progress on the Coyote Creek Flood Management Measures Project (CCFMMP or Phase 1), one of two projects undertaken to reduce flood risk along Coyote Creek. In June 2024, Valley Water completed the installation of over 8,500 feet of floodwalls along a four-mile stretch of Coyote Creek between Old Oakland Road and Highway 280. Phase 1 is part of the Anderson Dam Federal Energy

Regulatory Commission Order (FERC) Compliance Project for Anderson Dam Seismic Retrofit and is, therefore, funded by Valley Water's Water Utility Enterprise Fund. Meanwhile, Valley Water also completed 60% Design for the Coyote Creek Flood Protection Project (CCFPP or Phase 2).

Sunnyvale East and Sunnyvale West Channels Flood Protection Project: The Board approved increasing project funding to construct both phases and complete the project.

Partnerships for the Conservation of Habitat Lands: Valley Water provided $4.0 million to the Santa Clara Valley Habitat Agency to acquire 978 acres of Richmond Ranch near San José. The property at Richmond Ranch will ultimately be transferred to Santa Clara County, with the long-term vision of converting it into a nature preserve with hiking trails.

Water Conservation Rebates and Programs: Valley Water issued 1,118 rebates totaling nearly $3.2 million to convert more than 1.4 million square feet (sq ft) of lawns into low-water-use landscapes, upgrade irrigation equipment, and install rainwater capture systems. Of these rebates, the Safe, Clean Water Program provided $1.0 million to issue 620 rebates to successfully convert 1.0 million sq ft of lawn to low-water-use plants.

Bolsa Road Fish Passage Project: In March 2024, Valley Water completed construction of the Bolsa Road Fish Passage Improvements Project. The project provides improved passage for fish, including threatened steelhead trout, in the Uvas-Carnadero Creek south of Gilroy. The project also restored the creek's natural functions and bed and bank stability. The project was named the 2024 Project of the Year by the American Public Works Association (APWA) Silicon Valley Chapter.

Safe, Clean Water Grants and Partnerships: Valley Water awarded $95,000 in grants, comprising $50,000 in mini-grants for stewardship activities such as pollution prevention, watershed education, volunteer cleanups and education, etc., and $45,000 for water bottle refill stations.

Trash Removal: Five Safe, Clean Water projects include trash removal components to reduce and remove contaminants in our local streams and bays. This work is accomplished not only by Valley Water but with the help of volunteers and grantees. In FY24, 1,201 tons of trash were removed from local waterways.

Vegetation Control and Sediment Removal: Valley Water completed 2,126 acres of in-stream vegetation management to reduce flood risk along 178 miles of streams throughout Santa Clara County. In terms of volume, Valley Water removed approximately 372 cubic yards of vegetation from streams to restore capacity. In addition, 22 sediment removal projects were completed, removing approximately 54,452 cubic yards of sediment to ensure flood protection projects continue to deliver the protection they were designed to provide. The Program funds 21% of the sediment removal project.

Good Neighbor Program: Encampment Cleanup: Valley Water managed 3,515.16 acres to clean up 1,080.18 tons of trash, debris, and hazardous pollutants generated from encampments and to reduce the amount of these pollutants entering streams. Responding to higher volumes of encampment-generated trash and debris in creeks throughout the county, Valley Water exceeded

the annual project key performance indicator (KPI) of managing 300 acres annually.

FY24 Annual Report Review Process and Timeline:

Over the years, the IMC has used the sub-committee structure to review Valley Water's annual report and prepare and finalize the IMC's annual report with recommendations. If the IMC decides to continue with the process, the proposed schedule below is for the IMC's consideration and approval. The schedule includes proposed dates for sub-committee and full committee meetings to complete the IMC's Annual Report and its presentation to the Board of Directors by the IMC Chair.

Dec. 4, 2024 - IMC Review Kickoff Meeting (Full IMC meeting)
Jan. 6-10, 2025 - IMC project review via priority subcommittees
Jan. 30 - Subcommittee chairs report findings to IMC (Full IMC meeting)
Jan. 31 - IMC Report drafting meeting
Feb. 13 - IMC meeting to review/update/finalize the report (Full IMC meeting)
Mar. 11 - IMC Report & Management Response presented to the Board

ATTACHMENTS:
Attachment 1: FY24 Safe Clean Water Program Annual Report
Attachment 2: Resolution No. 20-64
Attachment 3: Resolution 21-10 Establishing IMC
Attachment 4: Project Modifications and Non-Implementation
Attachment 5: Project Text Adjustments
Attachment 6: PowerPoint

UNCLASSIFIED MANAGER:
Luz Penilla, 408-630-2228

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Valley Water

FY 2023-24 Annual Report

Safe, Clean Water and Natural Flood Protection

FY 2023–24 Annual Report

Valley Water

Safe, Clean Water and Natural Flood Protection

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Nai Hsueh
CHAIR, DISTRICT 5

John L. Varela
DISTRICT 1

Barbara F. Keegan
DISTRICT 2

Richard P. Santos
VICE CHAIR, DISTRICT 3

Jim Beall
DISTRICT 4

Tony Estremera
DISTRICT 6

Rebecca Eisenberg
DISTRICT 7

Submitted by

Luz Penilla
ASSISTANT OFFICER

Presented by

Jessica Collins
BUSINESS PLANNING AND ANALYSIS UNIT MANAGER

November 12, 2024

Valley Water

Safe, Clean Water and Natural Flood Protection Program

FY 2023–24 Annual Report

Prepared by

Meenakshi Ganjoo
SUPERVISING PROGRAM ADMINISTRATOR

Wade Blackard
SENIOR MANAGEMENT ANALYST

Sophie Padilla
MANAGEMENT ANALYST I

Budget Review Committee

Darin Taylor
CHIEF FINANCIAL OFFICER

Carmen Narayanan
FINANCIAL PLANNING & REVENUE MANAGER

Jennifer Abadilla
SENIOR MANAGEMENT ANALYST

Agnes Lee
SENIOR MANAGEMENT ANALYST

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Tina Yoke
Wendy Young
Emily Zedler

Valley Water

Safe, Clean Water and Natural Flood Protection Program

FY 2023–24 Annual Report

Recognitions

GRAPHIC TEAM

Benjamin Apolo III

Danny Burnham

Lana Sheehan

REPROGRAPHIC TEAM

Michelle Conlon

Allelie Grace Javier

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Message from the CEO

Rick L. Callender, Esq.
Chief Executive Officer, Valley Water

"With funding from the Safe, Clean Water Program, Valley Water is maintaining existing infrastructure, rebuilding aging systems, and constructing new infrastructure to help prepare for the future when weather extremes become more common due to climate change."

November 2024

Valley Water is dedicated to providing Santa Clara County with safe, clean water, flood protection and stewardship of streams. We continue to invest in infrastructure, develop new programs and expand existing ones to ensure this mission is achieved year after year. We are in a time of major investments and the renewed Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) is helping Valley Water make these vital capital investments. With the funding from the Safe, Clean Water Program, Valley Water is maintaining existing infrastructure, rebuilding aging systems and constructing new infrastructure to help prepare for the future when extreme weather becomes more common due to climate change.

Fiscal Year 2023–24 (FY24) marks the third year of Valley Water's renewed Safe, Clean Water Program, which Santa Clara County voters overwhelmingly approved in November 2020 and became effective on July 1, 2021. The Safe, Clean Water Program has 32 projects and this report provides an update on the progress of these projects during FY24. The projects are categorized under the following six Safe, Clean Water Program 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

The following are among the FY24 accomplishments from each of Valley Water's core mission areas.

Water Supply

Anderson Dam Seismic Retrofit: In February 2024, Valley Water achieved a significant milestone in the Anderson Dam Tunnel Project (ADTP) by completing the 24-foot diameter and 1,400-foot Low-Level Outlet Tunnel excavation. Valley Water completed work on the remaining 350 feet of the tunnel in the summer of 2024 using an 8-foot diameter Micro-tunnel Boring Machine, which broke through the ground and into the reservoir 30 feet below the water's surface. Progress was also made on the Diversion Outlet Structure, which will house two 132-inch diameter fixed cone valves. The construction of the Diversion Outlet Structure slabs and walls was successfully completed in April 2024, with completion of the structure's roofs in June 2024. At the beginning of September 2023, Valley Water released the Anderson Dam Seismic Retrofit Project Draft Environmental Impact Report, which identifies environmental

impacts associated with Valley Water's plan to rebuild Anderson Dam to modern-day seismic safety standards. The ADTP, which is funded by the Water Utility Enterprise Fund of Valley Water, is the first stage of the Anderson Dam Seismic Retrofit Project. The ADTP construction is anticipated to be completed in the summer of 2025. This large-diameter tunnel will allow Valley Water to draw down the reservoir reliably and quickly, providing greater control over the water levels in the reservoir and increasing public safety. For more information, see Project C1.

Water Conservation Rebates and Programs: Valley Water issued 1,118 rebates totaling nearly $3.2 million to convert more than 1.4 million square feet (sq ft) of lawns into low-water-use landscapes, upgrade irrigation equipment and install rainwater capture systems. Of these rebates, the Safe, Clean Water Program provided $1.0 million to issue 620 rebates to successfully convert 1.0 million sq ft of lawn to low-water-use plants. For more information about our conservation rebates and programs, visit ***watersavings.org***.

Pipeline Reliability Project: Valley Water began the construction of the Snell Pipeline line valve. Work on the four pipelines is being scheduled in conjunction with the 10-Year Pipeline Inspection and Rehabilitation Program. The construction of the Snell Pipeline valve will be followed by two additional valves along the West Pipeline and along the East Pipeline. The construction of the final valve along the East Pipeline is scheduled to be completed in FY28. Once completed, this project will allow Valley Water to isolate sections of pipelines for scheduled maintenance and repairs following a catastrophic event, such as a major earthquake, and allow the network of emergency wells to operate, even when there is damage upstream and downstream of individual wells. For more information, see Project A3.

Flood Protection

Coyote Creek Flood Protection Project: Valley Water made significant progress on the Coyote Creek Flood Management Measures Project (CCFMMP or Phase 1), one of two projects to reduce flood risk along Coyote Creek. In June 2024, Valley Water completed the installation of over 8,500 feet of floodwalls along a four-mile stretch of Coyote Creek between Old Oakland Road and Highway 280. Phase 1 is part of the Anderson Dam Federal Energy Regulatory Commission Order (FERC) Compliance Project for Anderson Dam Seismic Retrofit and is, therefore, funded by Valley Water's Water Utility Enterprise Fund. Meanwhile, Valley Water also continued designing the Safe, Clean Water Program-funded Coyote Creek Flood Protection Project (CCFPP or Phase 2), which will include the installation of floodwalls, passive barriers and berms along five reaches of Coyote Creek between Montague Expressway and Tully Road. For more information, see Project E1.

Upper Llagas Creek Flood Protection Project: In May 2024, Valley Water completed Phase 2A of the project, including the construction of a 2,300-foot-long horseshoe-shaped underground tunnel and a 1,600-foot-long twin reinforced concrete box culverts upstream and downstream of the tunnel in Morgan Hill. The final stage of work, Phase 2B, includes the construction of 1,900 feet of twin concrete box culverts, widening and deepening of Llagas Creek and its tributaries, revegetation of approximately 53 acres with thousands of native plantings, providing public trail and recreation opportunities and other work. With the completion of Phase 2B construction, estimated in FY27 (not including the 3-year plant establishment period), the project will help protect about 1,100 homes, 500 businesses and more than 1,300 acres of agricultural land from a 100-year flood. For more information, see Project E6.

Vegetation Control and Sediment Removal: Valley Water completed 2,125.61 acres of in-stream vegetation management to reduce flood risk along 173.4 miles of streams throughout Santa Clara County. In terms of volume, Valley Water removed approximately 371.6 cubic yards of vegetation from streams to restore capacity. We also completed 22 sediment removal projects, removing approximately 54,452 cubic yards of sediment to ensure flood protection projects continue to deliver the protection they were designed to provide. The Safe, Clean Water Program funds 21% of the sediment removal projects. For more information, see Project F1.

Stewardship

Bolsa Road Fish Passage Project: In March 2024, Valley Water completed the construction of the Bolsa Road Fish Passage Improvements Project. The project provides improved passage for fish, including threatened steelhead trout, in the Uvas-Carnadero Creek south of Gilroy. The project also restored the creek's natural functions and its bed and bank stability. The project was named the 2024 Project of the Year by the American Public Works Association (APWA) Silicon Valley Chapter. The APWA recognized the project as a public works project that demonstrated excellence in its planning, design, construction and efforts by various stakeholders to complete it. For more information, see Project D6.

Partnerships for the Conservation of Habitat Lands: Valley Water provided $4.0 million to the Santa Clara Valley Habitat Agency to acquire 978 acres of Richmond Ranch near San José. The property at Richmond Ranch will ultimately be transferred to Santa Clara County, with the long-term vision of converting it into a nature preserve with hiking trails. Richmond Ranch is a 3,653-acre property located north of the Coyote Ridge Open Space Reserve adjoining San Felipe Ranch to the west and Joseph D. Grant County Park to the north. It is an important linkage between protected open spaces along Coyote Ridge, including Henry W. Coe State Park, allowing wildlife to migrate from north to south. For more information, see Project D7.

Good Neighbor Program: Encampment Cleanup: Valley Water managed 3,515.16 acres to clean up 1,080.18 tons of trash, debris and hazardous pollutants generated from encampments and to reduce the amount of these pollutants entering streams. Responding to higher volumes of encampment-generated trash and debris in creeks throughout the county, Valley Water exceeded the annual project key performance indicator (KPI) of managing 300 acres annually. For more information, see Project F5.

Trash Removal: Five Safe, Clean Water projects include trash removal components to reduce and remove contaminants in our local streams and bay. This work is accomplished not only by Valley Water but with the help of volunteers and grantees. In FY24, 1,201 tons of trash were removed from local waterways. For more information, see Projects B1, B2, B4, F5 and F6 and Appendix D.

Safe, Clean Water Grants and Partnerships: Valley Water awarded $95,000 in grants, comprising $50,000 in mini-grants for stewardship activities such as pollution prevention, watershed education, volunteer cleanups and education, etc., and $45,000 for water bottle refill stations.

To ensure transparency and accountability, the Board established a new Independent Monitoring Committee (IMC) in 2021 to track the program's progress and ensure cost-efficient outcomes. Each year, the Board authorizes finalizing the prior fiscal year's annual report and submittal to the IMC for review. Valley Water appreciates each IMC member for volunteering and looks forward to the committee's review.

Following the review of the FY23 annual report of the renewed Safe, Clean Water Program, the IMC made recommendations to improve the report, which were presented to the Board. These improvements have been incorporated into this annual report. Improvements include briefly describing how a project addresses climate change, where applicable, and adding graphs illustrating funding allocation changes since 2020 to reflect the cost projection increases.

The accomplishments presented in this report are a testament to our employees' hard work, dedication and expertise. These accomplishments would not have been possible without their collective effort and commitment.

The FY24 annual report is available at ***tinyurl.com/SCWFY24AnnualReport***. The Safe, Clean Water Program's 5-Year Implementation Plan for Fiscal Years 2022–2026 is also available on the website ***valleywater.org/safe-clean-water-and-natural-flood-protection-program/safe-clean-water-program-archive***.

We welcome your inquiries and insightful comments on the FY24 annual report.

Sincerely,

Rick L. Callender, Esq.
Chief Executive Officer
Santa Clara Valley Water District

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Countywide Map of Projects

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Glossary

List of Abbreviations

Abbreviation	Description
AAC	Adopt-A-Creek
ACWA	Association of California Water Agencies
AMI	Advanced Metering Infrastructure
ADSRP	Anderson Dam Seismic Retrofit Project
AQPI	Advanced Quantitative Precipitation Information
AVW	Access Valley Water
BART	Bay Area Rapid Transit
BASMAA	Bay Area Stormwater Management Agencies Association
BCDC	San Francisco Bay Conservation and Development Commission
BMP	Best management practice
BRRIT	Bay Restoration Regulatory Integration Team
Cal-IPC	California Invasive Plan Council
CAP	Continuing Authorities Program
CASQA	California Stormwater Quality Association
CDFW	California Department of Fish and Wildlife
CCNEET	Coyote Creek Native Ecosystem Enhancement Tool
CEO	Chief Executive Officer
CEQA	California Environmental Quality Act
CESA	California Endangered Species Act
CFS	Cubic feet per second
CIP	Capital Improvement Program
CLOMR	Conditional Letter of Map Revision
CRAM	California Rapid Assessment Method
CRS	Community Rating System
CSC	Clean, Safe Creeks and Natural Flood Protection Plan
CY	Cubic yards
DEIR	Draft Environmental Impact Report
DSOD	Division of Safety of Dams
EAP	Emergency Action Plan
EOC	Emergency Operations Center
EIA	Economic Impact Area
EIR	Environmental Impact Report

List of Abbreviations

ESA	Endangered Species Act
FCSA	Feasibility Cost Share Agreement
FEMA	Federal Emergency Management Agency
FERC	Federal Energy Regulatory Commission
FY	Fiscal year
GI	General Investigation
GIS	Geographic Information Systems
GSI	Green Stormwater Infrastructure
IMC	Independent Monitoring Committee
IRWMP	San Francisco Bay Area Integrated Regional Water Management Plan
KPI	Key performance indicator
LEDPA	Least Environmentally Damaging Practicable Alternative
LFA	Limiting Factors Analysis
LOMR	Letter of Map Revision
LWD	Large woody debris
MAC	Multi-Agency Coordination
MidPen	Mid-Peninsula Regional Open Space District
MOA	Memorandum of agreement
MOU	Memorandum of understanding
NASA	National Aeronautics and Space Administration
NCCP	Natural Communities Conservation Plan
NFIP	National Flood Insurance Program
NMFS	National Marine Fisheries Service
NOAA	National Oceanographic and Atmospheric Administration
NPDES	National Pollutant Discharge Elimination System
NWR	National Wildlife Refuge
O&M	Operations and maintenance
RFP	Request for proposal
RWQCB	Regional Water Quality Control Board
RWRC	Recycling & Waste Reduction Commission
SBSPRP	South Bay Salt Pond Restoration Project
SCC	Santa Clara County
SCPP	Stream Corridor Priority Plan
SCVURPPP	Santa Clara Valley Urban Runoff Pollution Prevention Program
SFCJPA	San Francisquito Creek Joint Powers Authority

List of Abbreviations

SFEI	San Francisco Estuary Institute
SFPUC	San Francisco Public Utilities Commission
SJPD	San José Police Department
SMP	Stream Maintenance Program
SPRR	Southern Pacific Railroad
SWRCB	State Water Resources Control Board
SWRP	Storm Water Resource Plan
TAC	Technical Advisory Committee
TMDL	Total Maximum Daily Load
UPRR	Union Pacific Railroad
USACE	U.S. Army Corps of Engineers
USFWS	U.S. Fish and Wildlife Services
USGS	U.S. Geological Survey
Valley Water	Santa Clara Valley Water District
VHP	Santa Clara Valley Habitat Plan
VTA	Santa Clara Valley Transportation Authority

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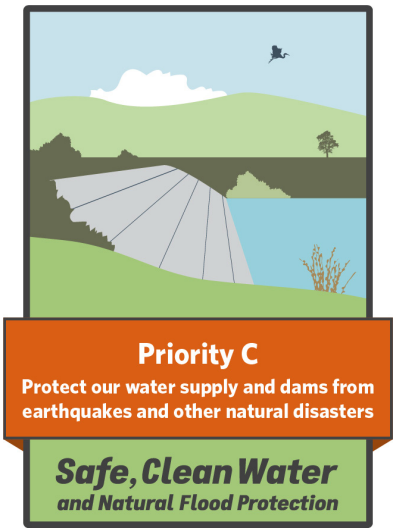
Safe, Clean Water and Natural Flood Protection

Priority A
Ensure a safe, reliable water supply

Safe, Clean Water and Natural Flood Protection

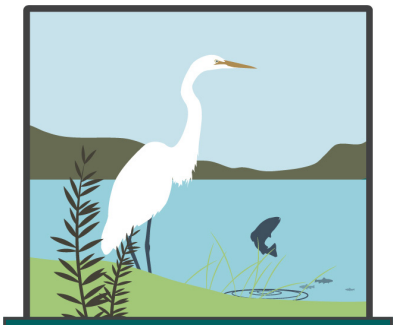
Priority B
Reduce toxins, hazards and contaminants in our waterways

Safe, Clean Water and Natural Flood Protection



Priority C
Protect our water supply and dams from earthquakes and other natural disasters

Safe, Clean Water and Natural Flood Protection



Priority D
Restore wildlife habitat and provide open space access

Safe, Clean Water and Natural Flood Protection

Priority E
Provide flood protection to homes, businesses, schools, streets and highways

Safe, Clean Water and Natural Flood Protection

Priority F
Support public health and public safety for our community

Safe, Clean Water and Natural Flood Protection

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Program Summary

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 (Safe, Clean Water 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.

To ensure the renewed Safe, Clean Water Program reflected community needs and priorities while balancing the diverse interests of stakeholders to the furthest extent possible, Valley Water conducted extensive public engagement and gathered feedback from more than 21,000 community members.

For transparency and accountability, Valley Water will publish annual reports providing progress updates for each project under the following renewed Safe, Clean Water Program 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

Key Performance Indicators

Each of the six priorities has operational, capital, or both types of projects with specific key performance indicators (KPIs) to monitor the long-term performance of the projects. KPIs help Valley Water track project performance, identify problems and maintain accountability. There are different categories of KPIs, which are listed below:

- Performance-based: Require completion of a specific activity.
- Fiscal-based: Require full allocation to be expended to accomplish desired outcomes.
- Schedule-based: Require the project to be completed according to a timeline.
- Preferred and Local-funding only: Some flood protection projects have Preferred KPIs, which require federal funding, and Local-funding only KPIs, which could include state funding. Preferred projects rely heavily on federal funding, and when federal funding to deliver the preferred project KPIs is hard to come by, Valley Water would focus on moving the projects towards delivering the local-funding-only KPIs while continuing to seek federal and other external funding sources.

Annual Project Status

This is the third annual report to be prepared for the renewed Safe, Clean Water Program implemented on a 15-year financial cycle. It provides project status towards accomplishing the KPIs and the targets identified in the Safe, Clean Water Program's 5-Year Implementation Plan for Fiscal Years 2022-2026 or Valley Water's FY 2024-2028 Capital Improvement Program.

The annual project status indicators with definitions are listed below:

Active - Status indicates the project is currently underway.

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

On Hold - Status indicates that work on delivering the project KPIs is temporarily on hold while efforts are underway to address the project challenges.

KPI Not Achieved - Status indicates the KPI was not met.

Completed - Status indicates that the project KPIs have been met.

Closed - Status indicates that the project KPIs have been met and the project has been closed out.

Change Control Process

The voter-approved measure includes a provision for the Valley Water Board of Directors (Board) to direct staff to modify or not implement projects due to various factors, including federal and state funding limitations, regulatory issues, etc. Changes to KPIs are considered "modifications." Also, as the Safe, Clean Water Program progresses, project descriptions, benefits, geographic area of benefit and funding or schedules, which don't impact KPIs, may need to be adjusted due to various factors.

The change control indicators with definitions are provided below:

Adjustments – These are updates to project text, schedule, and or funding that do not impact the delivery of any KPIs. These include text adjustments, such as name, description, history and benefits, for overall readability and accuracy; and schedule and funding adjustments to reflect the updated project plans. These require Board approval during a public session of the Board's meeting.

Modifications – These are changes to project KPIs or funding allocations that impact the delivery of any KPI in the Program. It requires a formal public hearing to be noticed by publication and notifications to interested parties, followed by a Board approval during a public session of the Board's meeting.

Non-Implementation – A decision not to implement a project. It requires a formal public hearing to be noticed by publication and notifications to interested parties, followed by a Board approval during a public session of the Board's meeting.

Annual Program Performance

In FY24 there were 32 projects under the Safe, Clean Water Program. As indicated in Figure 1, 27 projects (85%) are Active ( ), three (3) projects (9%) are Scheduled to Start ( ) in future years, one (1) project (3%), D6: Restoration of Natural Creek Functions, was Completed ( ) and one (1) project (3%) was put On Hold ( ). Project F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship has four (4) KPIs and the Board authorized postponing the FY24 standard grant cycle related to KPI #1, resulting in the project status being On Hold. The grant cycle was postponed as Valley Water worked on redesigning the grants program to align with the changes adopted through the passage of the renewed Safe, Clean Water Program and address the recommendations from the 2021 Grants Management Performance Audit.

Project Changes: Non-Implementation, Modifications and Adjustments

Non-Implementation and Modifications - On April 9, 2024, following a formal public hearing, the Board approved Not Implementing Project A1: Pacheco Reservoir Expansion under the Safe, Clean Water Program and Modifying Project E8: Upper Guadalupe River Flood Protection and F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship.

The Board's decision to not implement Project A1 under the Safe, Clean Water Program was in response to funding gaps resulting from rising infrastructure project construction costs and growing community expectations impacting the progress of other projects. Project A1 is one of the three renewed Safe, Clean Water projects with a fiscal-based KPI. The deliverable is not to construct a project directly, but to allocate a portion of funding, up to $10 million, to help construct the project, starting FY26. The $10 million allocation represented less than half a percent of its total estimated cost in FY24. The Pacheco Project, which continues to be part of Valley Water's Capital Improvement Program, is primarily funded by the Water Utility Enterprise Fund and has continued to progress without any funding from the renewed Safe, Clean Water Program.

The funding released from Project A1 would help fill the funding gap for the construction of Project E2: Sunnyvale East and Sunnyvale West Channels Flood Protection (Project E2), which is estimated to begin construction in 2025 and provide flood protection for 1,618 properties and 47 acres (11 parcels). Furthermore, a portion of the funds released from Project A1 would also help deliver the Board-directed enhanced level of services under Project F5: Good Neighbor Program: Encampment Cleanup.

Project E8: Upper Guadalupe River Flood Protection KPI #2 was modified to reflect that aquatic habitat improvements made under the project will benefit all native fish species, not just migrating steelhead. The modification was a result of the IMC recommendation made during the FY23 annual review.

Finally, the Board modified Project F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship (Project F9) to expand the project and initiate a new Creekside Neighbor Rebate Program in response to community needs.

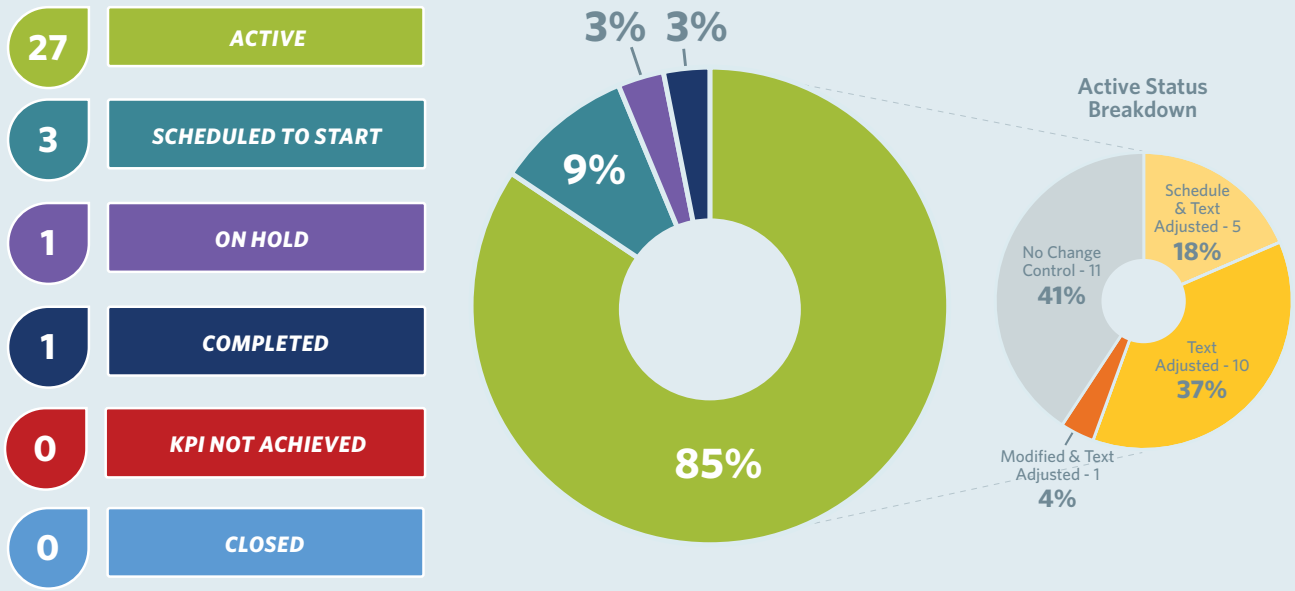
For details about the modifications, see individual project updates in the annual report and to view the public hearing, visit ***tinyurl.com/2024Apr9BoardMtg***.

Adjustments – In FY24, the Board approved schedule adjustments for five (5) capital projects: D4.2 the Ogier Ponds-Coyote Creek Separation Project (D4.2), E2: Sunnyvale East and Sunnyvale West Channels Flood Protection (E2), E4: Upper Penitencia Creek Flood Protection (E4), E5: San Francisquito Creek Flood Protection (E5) and E6 Upper Llagas Creek Flood Protection (E6).

The schedule changes were required for a variety of reasons, including delays in obtaining permits (E2), delays in acquiring right-of-way, potential design changes resulting from hydraulics/hydrology model changes (E5) and coordination with the local project partner (E6). However, Project D4.2 construction schedule was adjusted to begin construction a year sooner and complete three years earlier.

Additionally, for several projects, the project benefits text was adjusted to explain how the project addresses climate change impacts. In some instances, the description was also updated to add details about addressing climate change. These adjustments are in response to an IMC recommendation. Furthermore, project descriptions of A3: Pipeline Reliability, E8: Upper Guadalupe River Flood Protection and F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship descriptions were adjusted to remove or replace outdated information or update the text to align with the modified KPIs.

Figure 1. FY24 Status: 32 Projects Total



Capital Project Delivery Confidence Levels

The annual report also utilizes a rating system for capital projects that provides confidence levels for schedule, funding, permits and jurisdictional complexity (the level to which other entities or jurisdictions can impact a project's deliverables). By applying a confidence level to each of these factors, the IMC and community are made aware of the challenges that could impact the progress and status of each project. The confidence levels are addressed under each capital project's Opportunities and Challenges section. Listed below are the five confidence levels and the associated definitions:

1. **Very High Confidence** - Applies to projects that are under construction, have been awarded for construction, or are shovel-ready; have resolved all jurisdictional complexity issues where the projects have met their project planning/design

milestones; have secured all the regulatory permits; and have secured full funding. For capital projects with only Planning/Design KPIs, it applies to projects that have finalized Plans, Specifications, and Estimates; or planning projects that have received the Project Owner's approval of the Planning Study Report, as applicable.

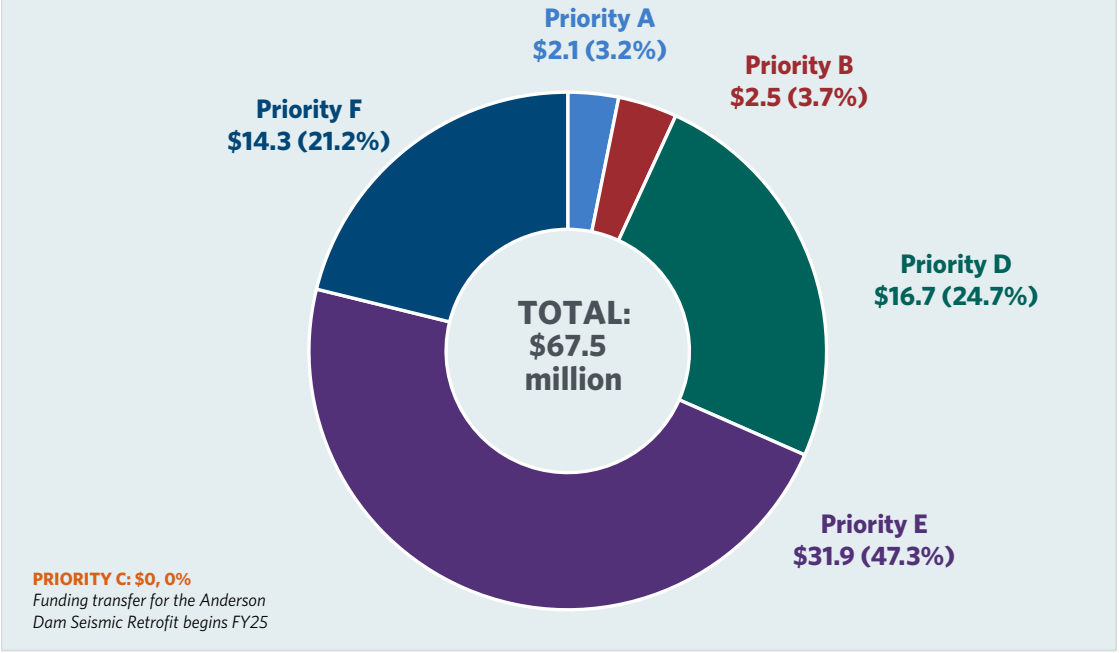
2. **High Confidence** - Applies to projects nearing construction award and meeting their project milestones (i.e., permit negotiations and land rights are nearing completion, etc.); have resolved most jurisdictional complexity issues and outstanding negotiations are nearing resolution where the projects are meeting their project planning/design milestones; secured most of the regulatory permits and the remaining negotiations are nearing completion; and have secured Safe, Clean Water funding and have received a commitment from other sources (if applicable). For capital projects with only Planning/Design KPIs, it applies to design projects that have completed 90% Plans, Specifications, and Estimates; or planning projects that are completing the Planning Study Report, as applicable.
3. **Medium High Confidence** - Applies to projects for which environmental review has been completed and are meeting most of their project milestones (i.e., submission of permit applications, appraisal, and offer process to acquire required land rights, etc.); are resolving jurisdictional complexity issues and have resolved at least one significant complexity issue where the projects are meeting most of their project planning/design milestones; have secured draft regulatory permits and negotiations are going on with permitting agencies; and have secured Safe, Clean Water funding and other funding sources are identified, and efforts are underway to secure funding (if applicable). For capital projects with only Planning/Design KPIs, it applies to projects that have completed 60% Plans, Specifications, and Estimates; or planning projects that have determined the Staff Recommended Alternative, as applicable.
4. **Medium Confidence** - Applies to projects that are progressing in design, including in the process of preparing environmental documentation and completing planning efforts; are in the process of resolving jurisdictional complexity issues where the projects are meeting some of their project planning/design milestones; have initiated resource agency consultation and received no warnings of substantive issues or problems preventing the advancement of the regulatory permit acquisition process; and do not have adequate Safe, Clean Water funding and efforts are underway to identify and secure other funding sources. For capital projects with only Planning/Design KPIs, it applies to design projects that have completed 30% Plans, Specifications, and Estimates; or planning projects that have performed Feasibility Alternative Analysis, as applicable.
5. **Low Confidence** - Applies to projects that are not meeting milestones due to logistical, technical, funding, or jurisdictional issues and require significant changes to the project scope or status; have a very low probability of resolving jurisdictional complexity issues, are not meeting their project planning/design milestones, have a very low probability of securing or have already been denied regulatory permits; and a very low probability of receiving full funding. Low Confidence is likely to trigger significant changes to the project in terms of schedule, scope, or status.

Annual Budget & Expenditures

For Fiscal Year 2023-24 (FY24), the adjusted budget for the renewed Safe, Clean Water Program totaled $165.5 million. Actual funds expended and encumbered as of June 30, 2024 (inclusive of 2012 Safe, Clean Water Program closeout costs, current program-related costs, and debt service), were approximately $79.9 million, approximately 48% of the Safe, Clean Water Program's adjusted budget.

Underspending was largely due to delays in capital project construction for several reasons, including delays in obtaining permits and right-of-way acquisitions, potential design changes resulting from hydraulics/hydrology model changes, and coordination with the local project partners. Among the capital projects underspent were Project E2: Sunnyvale East and Sunnyvale West Channels Flood Protection (E2), Project E5: San Francisquito Creek Flood Protection (E5) and Project E6: Upper Llagas Creek Flood Protection (E6).

Figure 2. FY24 Expenditures: Priorities A-F ($ millions)



Significant Rise in Construction Costs

The construction industry has experienced exceptionally steep and fast-rising materials costs compounded by major supply-chain disruptions and difficulty finding enough workers. In FY22, the actual construction cost escalation rate reached 14.1%. While in FY23 actual construction cost escalation was 0.1%, it went up 12% in FY24. Inflation is expected to be at 7% in FY25, fueled by the continued COVID-19 impact on the supply chain, tight labor market and inflation. Meanwhile, Valley Water continues to pursue alternative funding sources, including federal and state grants and low-interest loans, to counter the pressure on project budgets.

Seeking and Securing External Funding

Valley Water continues to pursue external funding, including grants, such as the Natural Resources are Conservation Service (NRCS) grant for Project E6: Upper Llagas Creek Flood Protection. Valley Water has received a commitment from NRCS to fund up to $80 million for Phase 2B of the project and the agreement is planned to be executed in July 2024.

In February 2024, the California Governor's Office of Emergency Services (CalOES) forwarded two Valley Water grant applications (Building Resilient Infrastructure and Communities and Flood Mitigation Assistance) for Project E2: Coyote Creek Flood Protection Project to FEMA for final consideration of grant funding. Grant funds up to $50 million are possible from one or the other grant application. Updates are expected in late summer/early fall 2024.

In April 2024, CalOES forwarded Valley Water's $23.5 million Hazard Mitigation Grant Program for the Sunnyvale East channel (Project E2: Sunnyvale East and Sunnyvale West Channels Flood Protection) to FEMA for final consideration. Valley Water expects FEMA's decision in the fall of 2024.

For further project and contact information, visit ***valleywater.org/safe-clean-water-and-natural-flood-protection-program***.

Figure 3. FY24 Project Status			
Project	**Project Description**	**Annual Status**	**Adjustment/Modification**
Priority A : Ensure a Safe, Reliable Water Supply			
A1	Pacheco Reservoir Expansion*	SCHEDULED TO START	NOT IMPLEMENT & ADJUSTED
A2	Water Conservation Rebates and Programs	ACTIVE	ADJUSTED
A3	Pipeline Reliability	ACTIVE	ADJUSTED
Priority B: Reduce Toxins, Hazards, and Contaminants in Our Waterways			
B1	Impaired Water Bodies Improvement	ACTIVE	ADJUSTED
B2	Inter-Agency Urban Runoff Program	ACTIVE	ADJUSTED
B3	Hazardous Materials Management and Response	ACTIVE	NONE
B4	Support Volunteer Cleanup Efforts	ACTIVE	NONE
Priority C : Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters			
C1	Anderson Dam Seismic Retrofit*	SCHEDULED TO START	ADJUSTED
Priority D: Restore Wildlife Habitat and Provide Open Space			
D1	Management of Riparian Planting and Invasive Plant Removal	ACTIVE	ADJUSTED
D2	Revitalize Riparian, Upland and Wetland Habitat	ACTIVE	NONE
D3	Sediment Reuse to Support Restoration Projects	ACTIVE	ADJUSTED
D4	Fish Habitat and Passage Improvement	ACTIVE	ADJUSTED
D5	Ecological Data Collection and Analysis	ACTIVE	ADJUSTED
D6	Restoration of Natural Creek Functions	COMPLETED	ADJUSTED
D7	Partnerships for the Conservation of Habitat Lands	ACTIVE	ADJUSTED
Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways			
E1	Coyote Creek Flood Protection	ACTIVE	ADJUSTED
E2	Sunnyvale East and Sunnyvale West Channels Flood Protection	ACTIVE	ADJUSTED
E3	Lower Berryessa Flood Protection, including Tularcitos and Upper Calera Creeks (Phase 3)	SCHEDULED TO START	ADJUSTED
E4	Upper Penitencia Creek Flood Protection	ACTIVE	ADJUSTED
E5	San Francisquito Creek Flood Protection	ACTIVE	ADJUSTED
E6	Upper Llagas Creek Flood Protection	ACTIVE	ADJUSTED
E7	San Francisco Bay Shoreline Protection	ACTIVE	ADJUSTED
E8	Upper Guadalupe River Flood Protection	ACTIVE	MODIFIED & ADJUSTED
Priority F: Support Public Health and Public Safety for Our Community			
F1	Vegetation Control and Sediment Removal for Capacity	ACTIVE	NONE
F2	Emergency Response Planning and Preparedness	ACTIVE	NONE
F3	Flood Risk Assessment Studies	ACTIVE	ADJUSTED
F4	Vegetation Management for Access and Fire Safety	ACTIVE	NONE
F5	Good Neighbor Program: Encampment Cleanup	ACTIVE	NONE
F6	Good Neighbor Program: Graffiti and Litter Removal and Public Art	ACTIVE	NONE
F7	Emergency Response Upgrades	ACTIVE	NONE
F8	Sustainable Creek Infrastructure for Continued Public Safety	ACTIVE	NONE
F9	Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship	ON HOLD	MODIFIED & ADJUSTED

*The project annual status is only in terms of the Safe, Clean Water Program KPI of providing funding for the project and is not reflective of the overall project schedule.

Priority A

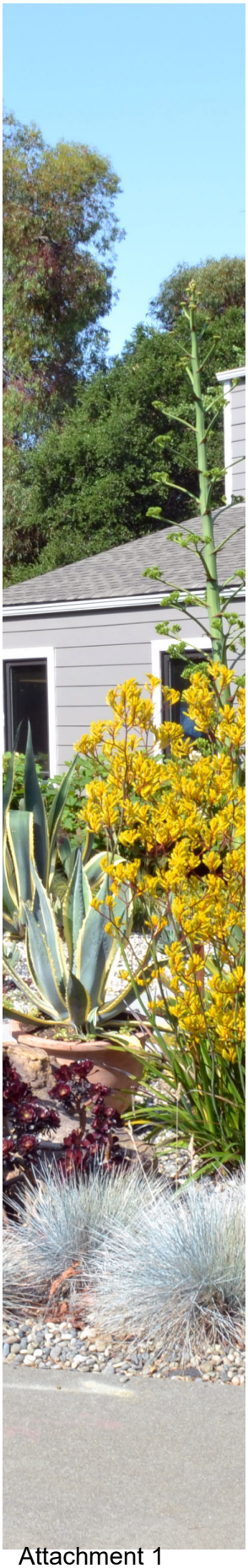
Ensure a Safe, Reliable Water Supply

Priority A projects upgrade aging water infrastructure, such as dams, pipelines and water storage and treatment systems, to reduce the risk of water outages. It includes the Pacheco Reservoir Expansion Project to increase water storage to provide more security for our drinking water supplies in emergencies and the project to provide water conservation rebates and programs to increase water-use efficiency and ensure sustainability for drinking water supplies throughout the county.

Project A1: Pacheco Reservoir Expansion

Project A2: Water Conservation Rebates and Programs

Project A3: Pipeline Reliability



Landscape Rebate Program

PROJECT A1
PACHECO RESERVOIR EXPANSION

A collaboration between Valley Water, the San Benito County Water District and the Pacheco Pass Water District, the Pacheco Reservoir Expansion Project is a strategic and long-term investment toward ensuring a more reliable supply of safe, clean drinking water in the face of climate change.

This project will boost Pacheco Reservoir's operational capacity from 5,500 acre-feet to up to 140,000 acre-feet, enough to supply up to 1.4 million residents with water for one year in an emergency. Located in southeast Santa Clara County, the expanded reservoir will also reduce the frequency and severity of water shortages during droughts, protect our drinking water supply and infrastructure and improve habitat for fish.

Valley Water has taken into consideration 2030 and 2070 projected future conditions with climate change to ensure that the reservoir is not only viable today, but can withstand the changes expected in the future.

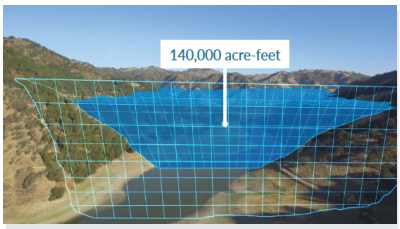
Benefits

- Ensures a reliable supply of drinking water
- Provides an emergency supply of drinking water
- Improves habitat for fish, including federally threatened steelhead
- Reduces flood risk to disadvantaged communities
- Allows for environmental water management that supports habitat projects and other environmental water needs
- Addresses climate change by considering 2030 and 2070 projected future conditions

Key Performance Indicator (FY22–36)

1. Provide a portion of funds, up to $10 million, to help construct the Pacheco Reservoir Expansion Project.

Geographic Area of Benefit: Countywide



Rendering of the proposed expanded reservoir.

SCHEDULED TO START

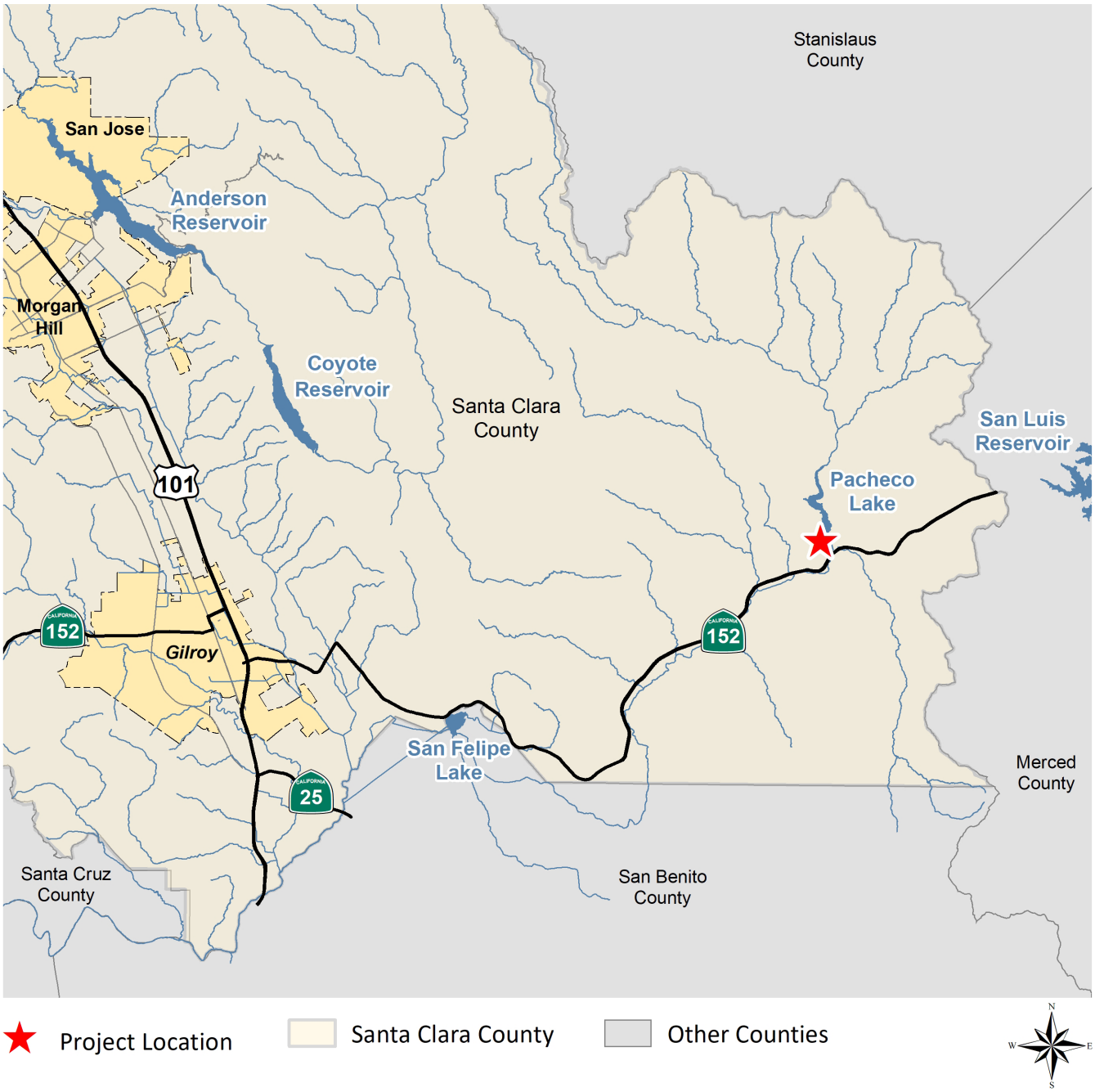
NOT IMPLEMENT and ADJUSTED

Project A1 FY24 Highlights

- The Board held a formal public hearing and approved not implementing the project under the Safe, Clean Water Program.
- The project, funded by the Water Utility Enterprise Fund, continued to progress as part of Valley Water's Capital Improvement Program (CIP).
- Continued to address the comments received on the Draft Environmental Impact Report (EIR) and develop the Final EIR/Environmental Impact Statement (EIS) document.

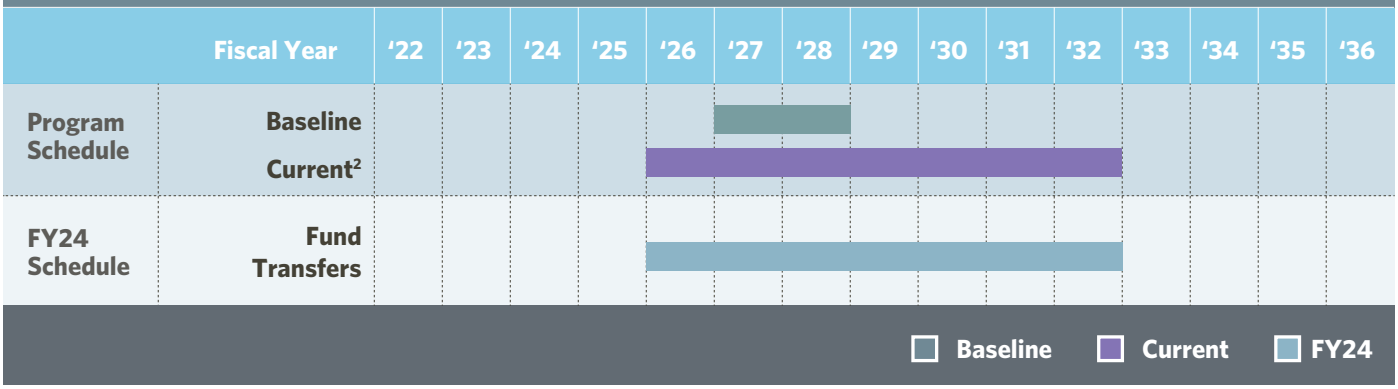
Project Location

Figure A1.1



Schedule

Figure A1.2 Pacheco Reservoir Expansion (Fund Transfer)[1]
Schedule Comparison Between the Safe, Clean Water Program (2020) and FY24



1. On April 9, 2024, the Valley Water Board held a formal public hearing per the Change Control Process and approved not implementing the project under the Safe, Clean Water Program, with effect from FY25.
2. Board approved schedule adjustments in FY21 and 24. The project was adjusted only in terms of the Safe, Clean Water Program KPI of providing funding. For the overall project schedule, see Figure A1.6.

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***SCHEDULED TO START***	***ADJUSTED***	The transfer of $10 million to the Water Utility Fund to take place from FY25–31 instead FY27 and FY28. The Board decision came into effect in FY22.	***FY22 (2021–2022)***
FY23	***SCHEDULED TO START***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***SCHEDULED TO START***	***NOT IMPLEMENT & ADJUSTED***	The project is removed from the Safe, Clean Water Program following the Board's decision not to implement it under the program. See details below.	

Status for FY24:

Annual Status	Change Control
SCHEDULED TO START	***NOT IMPLEMENT and ADJUSTED (Text Adjustment)***

On April 9, 2024, the Valley Water Board held a formal public hearing and approved not implementing Project A1: Pacheco Reservoir Expansion (Project A1) under the Safe, Clean Water Program and removing the project from the program. The Board's decision was in response to funding gaps resulting from rising infrastructure project construction costs and growing community expectations impacting the progress of other projects.

Project A1 is one of the three renewed Safe, Clean Water projects with a fiscal-based KPI. The deliverable is not to construct a project directly, but to allocate a portion of funding, up to $10 million, to help construct the Pacheco Reservoir Expansion Project (Pacheco Project). The $10 million allocation constituted less than half a percent of the Pacheco Project's estimated total cost in FY24. Furthermore, the Safe, Clean Water funding was scheduled to be transferred to the Water Utility Fund over seven years from FY2026 to FY2032, amounting to approximately $1.4 million annually.

The Pacheco Project, which continues to be part of Valley Water's Capital Improvement Program, is primarily funded by the Water Utility Fund and has continued to progress without any contributions from the renewed Safe, Clean Water Program. Given the project's other funding sources and relatively minor contributions from the renewed Safe, Clean Water Program, the absence of a $10 million allocation is not expected to significantly impact the Pacheco Project advancement.

Meanwhile, Valley Water is scheduled to begin construction of Phase 1 of Project E2: Sunnyvale East and Sunnyvale West Channels Flood Protection (Project E2) in 2025. However, construction for Phase 2 was delayed because of a funding shortfall. Constructing both phases without delaying Phase 2 would allow Valley Water to complete the entire project, thus providing 1% flood protection and helping the community to be removed from the FEMA flood zone.

Furthermore, in FY24, Valley Water strengthened its efforts to clean up encampment-generated trash, debris, and hazardous pollutants along waterways. In August 2023, Valley Water installed portable toilets and wash stations at critical locations along local creeks. Valley Water is also developing a program to provide debit cards to unsheltered residents who maintain camp areas free of trash and debris. However, the project did not have adequate funding to sustain this level of service.

As a result, the Board approved not implementing Project A1 and releasing the $10 million into the Safe, Clean Water Program's Operating and Capital Reserves (Fund 26). These funds will be reallocated to help complete the construction of Project E2, thus providing the much-needed and long-awaited flood protection and bolstering Project F5 to meet the growing needs of the community, including the unsheltered community. This additional funding and the strategic and flexible utilization of short-term and long-term debt issuances will provide sufficient funding to advance these critical projects.

Additionally, the text under Benefits is updated to include how the project addresses climate change impacts. This adjustment is in response to a recommendation by the Independent Monitoring Committee (IMC).

PROGRESS ON KPI #1:

The fund transfer was scheduled to take place in future years. However, the Board's decision not to implement the project removes it from the Safe, Clean Water Program, and starting FY25, the allocation will be released into the Operating and Capital Reserves of Fund 26.

The Pacheco Project is an ongoing effort. For more information, including current information, visit ***www.valleywater.org/project-updates/a1-pacheco-reservoir-expansion-project***. The project web page includes the project contact information and also a link to sign up for project updates via email.

Figure A1.3

A view of the Pacheco Reservoir.

Financial Information

There was no Safe, Clean Water budget allocation for this project in FY24 since the first fund transfer is to occur in FY25.

Figure A1.4 Pacheco Reservoir Expansion
Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$0	$0	$0	$0	$0	$0	$0	0%	$10,009	0%

Figure A1.5
Pacheco Reservoir Expansion
Total FY24 Project Budget: $42,834,040

Valley Water funds the Pacheco Reservoir Expansion project with more than the Safe, Clean Water fund (Fund 26). Figure A1.5 shows the total adjusted annual budget for the project, inclusive of all Valley Water Funding sources.

Opportunities and Challenges

This project is being evaluated as a new water storage opportunity under the Water Supply Master Plan 2050. This plan, which evaluates various water supply investments, including several storage projects, is Valley Water's guiding document for long-term water supply investments. Its primary goal is to ensure water supply reliability for Santa Clara County. Updated about every five years, this long-range plan entails a comprehensive review and evaluation of Valley Water's future water supply needs and various projects and portfolios for providing a reliable supply of water for Santa Clara County to achieve the Board-established level of service (LOS) goal through the planning horizon.

In 2023, Valley Water started a two-year process to develop the Water Supply Master Plan 2050, which extends the planning horizon to 2050 and will include project evaluation criteria to evaluate and compare projects to identify investment options that address future predicted water shortage. The previous Water Supply Master Plan 2040 was adopted by the Board in 2019.

For more WSMP-related information, including project contact information, visit ***https://www.valleywater.org/your-water/water-supply-planning/water-supply-master-plan***.

Pacheco Project Progress

In FY24, Valley Water continued to address the comments received on the Draft Environmental Impact Report (EIR) and develop the Final EIR/Environmental Impact Statement (EIS) document. Work also progressed on the 60% design. In addition, to inform the potential future Pacheco Project design and planning processes, Valley Water prepared an Initial Study in compliance with CEQA to evaluate impacts from the proposed Phase 2 Design Level Geotechnical Investigations. Based on the Initial Study, Valley Water prepared a Mitigated Negative Declaration. Valley Water also started undertaking additional environmental field investigations that were previously approved and not part of the Phase 2 Design Level Geotechnical Investigations Project; these additional environmental field investigations will continue into FY25.

Previously, in late 2021, Valley Water released the project Draft EIR for public review. After an extension, the review period was closed on February 15, 2022. The Draft EIR identified the project preferred alternative as an upstream hard-fill dam type with a capacity of 140,000 acre-feet (AF), located approximately one mile upstream of the existing North Fork Dam. Upon the release of the Draft EIR, the Department of Water Resources Division of Safety of Dams (DSOD) rejected the hard-fill dam concept due to limited performance history and stated that the earth-fill dam type alternative remained a feasible option.

Following DSOD's request, in November 2022, Valley Water completed the Planning Study Report (PSR). The PSR identified the recommended project as an upstream earth-fill dam type with 140,000 AF capacity located approximately one mile upstream of the existing dam. The PSR can be accessed on the project webpage www.valleywater.org/project-updates/a1-pacheco-reservoir-expansion-project, under the Reports & Documents section.

Valley Water would be proposing to make a number of Project changes. Some of these Project modifications are proposed in response to comments on the Draft EIR (e.g., comments by DSOD regarding the earth-fill design as discussed above). Other changes are proposed because the Project design (e.g., location and alignment of the electrical transmission line and construction access roads) has been refined since the release of the Draft EIR. Valley Water is planning to revise its Draft EIR to evaluate impacts of these revisions and recirculate it for public comments. The Recirculated Draft EIR is anticipated to be released in mid-2025 and the Final EIR is anticipated to be completed in mid-2026. The project schedule will be re-evaluated once the Phase 2 geotechnical work is completed, and any revisions to the schedule will be made at that time.

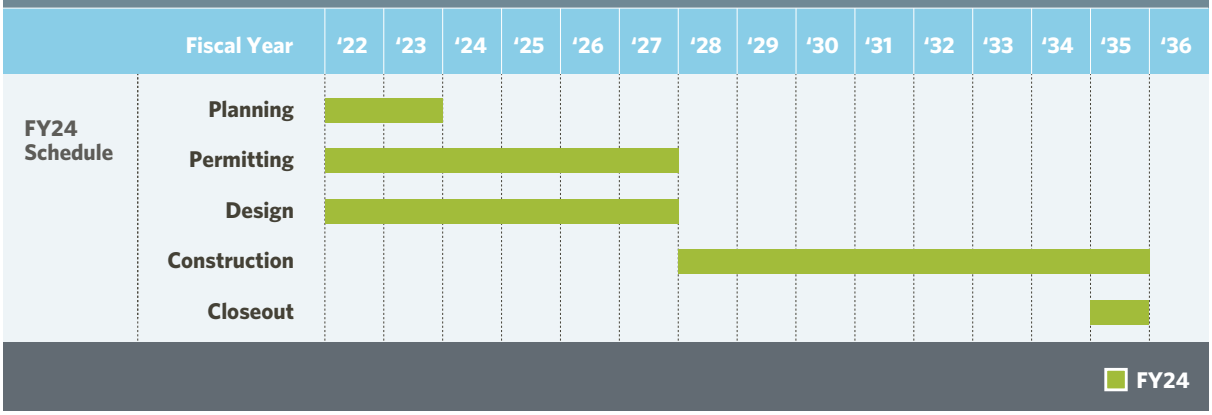
The estimated construction costs for the recommended project, including land acquisitions and other non-construction-contract costs (i.e., project management, construction management, regulatory compliance, and monitoring), excluding mitigation costs, are approximately $2.7 billion. Mitigation land would need to be acquired and managed to compensate for the project's environmental impacts. At this time, it is premature to provide a range of mitigation costs due to the extent and variety of environmental impacts associated with a project of this size and complexity until negotiation terms are somewhat established.

The planning phase was completed in December 2022. The environmental and design phases, along with permit acquisitions, are scheduled to be completed in mid-2027. This will be followed by a 7.5-year construction phase, with the close-out phase scheduled to be completed in mid-2035.

The project continues to be eligible for the California Water Commission (CWC) funding. On March 16, 2022, CWC increased the total conditional funding for the Pacheco Reservoir Expansion Project to $504 million. In April 2022, Valley Water applied for a Water Infrastructure Finance and Innovation Act (WIFIA) loan. This low-cost federal loan is typically cheaper than what Valley Water can borrow with similar terms in the capital markets. Valley Water closed on the WIFIA Master Agreement in November 2023, which will provide up to $1.4 billion in federal financing over eight (8) years and in up to 10 loans. The first loan that closed in October 2023 was for $92 million for the planning and design costs only.

Although the Safe, Clean Water Program fund transfer for the Pacheco Project was scheduled to take place in future years, the project has been progressing with funding from other sources, primarily Water Utility. Figure A1.5 shows the total adjusted annual budget and the associated funding sources for the Pacheco Project in FY24.

Figure A1.6 Pacheco Reservoir Expansion
Project Schedule FY24



Confidence levels

Schedule: ***Medium Confidence***

The project is currently in the design phase. While elements of the 60% design are on hold, pending the completion of the Phase 2 geotechnical work, elements not dependent on that work have continued to progress. Valley Water does not own the property, so access to perform site investigations remains a challenge. Valley Water continues to negotiate with the private property owners to secure the needed access. In FY24, additional property access was obtained and site investigation work was able to progress. The schedule will be re-evaluated once the Phase 2 geotechnical work is completed.

Funding: ***Medium Confidence***

Valley Water Board has committed to funding the project, which continues to be eligible to receive CWC grant funding. Valley Water has applied for a WIFIA loan and continues to solicit outside entities to partner financially. San Benito County Water District is continuing to be an active participant in funding conversations.

Permits: ***Medium Confidence***

The U.S. Army Corps of Engineers has been identified to be the National Environmental Policy Act (NEPA) lead agency for the project. Valley Water has received Draft EIR comments and is preparing to incorporate responses into the Recirculated Draft EIR. Regular inter-agency meetings are occurring with all federal, state, and local agencies participating and receiving detailed project updates. DSOD has reviewed the 30% design package and provided review comments, which are being addressed.

Jurisdictional Complexity: ***Medium Confidence***

San Benito County Water District and the Pacheco Pass Water District are project partners. San Benito County Water District is interested in investing in the project to serve its customers. Pacheco Pass Water District will maintain its water rights and is interested in transferring the Pacheco Reservoir operations and the property to Valley Water. Additional jurisdictional issues may come up as additional partners are identified and brought on board.

Figure A1.7 Pacheco Reservoir Expansion Project Jurisdictional Complexities: Confidence Level Regarding Outside Agencies FY24	
Partner/Outside Agency	**Confidence Level**
FUNDING	
State Grants: California Water Commission	High
Water Infrastructure Finance and Innovation Act	High
San Benito County Water District	Medium High
Other	Medium
REGULATORY PERMITTING	
U.S. Army Corps of Engineers	Medium
California Department of Fish and Wildlife	Medium
San Francisco Bay Regional Water Quality Control Board	Medium
United States Fish and Wildlife Service	Medium
CITIES/COUNTIES/OTHER AGENCIES	
San Benito County Water District	High
Pacheco Pass Water District	High

See *Appendix C: Capital Projects Jurisdictional Complexities* for a list of confidence levels for each project by outside agencies.

PROJECT A2
WATER CONSERVATION REBATES AND PROGRAMS

Permaculture pilot project students learning hands-on lawn conversion.

ACTIVE

ADJUSTED

Project A2 FY24 Highlights

- Provided $1 million towards water conservation activities, including rebates.
- The funding helped Valley Water issue rebates to convert more than 1,400,000 sq ft of lawns to low-water-use landscapes.
- 101 attendees participated in Qualified Water Efficient Landscaper Training, held online and in-person in English and Spanish.

This project to help meet and exceed long-term water conservation and reliability goals will increase water-use efficiency in the landscape, residential, schools and commercial sectors through water conservation rebates, technical assistance and public education.

Water Conservation rebate programs may include a residential leak detection and assistance program, an expanded landscape rebate program that promotes California-native plant species as well as water-saving plants, advanced metering infrastructure (AMI) and a restaurant-efficiency and school-efficiency upgrade program.

Water conservation helps manage risks to water supply reliability from climate change and reduces greenhouse gases. Without water conservation, Valley Water would need to import more water or develop additional infrastructure to yield a commensurate water supply every year. Water conservation reduces reliance on imported water supply by creating a more diverse portfolio of supply that is more resilient to risks and uncertainties.

For example, in fiscal year (FY) 2023, approximately 83,174 acre-feet of water were saved through Valley Water's long-term conservation programs and plumbing code regulations. Water conservation programs ensure water supply resiliency as the risk of drought increases due to climate change.

Supplying water requires a lot of energy to extract, convey, treat, and distribute, which may account for up to 10% of California's greenhouse gas (GHG) emissions. Hence, reducing water demand through conservation reduces GHG emissions. Valley Water's 2011 "From Watts to Water" report (***tinyurl.com/WattsToWater2011***) explains in more detail the crucial role water conservation plays in reducing GHG emissions.

Water conservation also helps adapt to climate change by conserving limited water supply and lessening demand to meet an uncertain water supply future.

Benefits

- Helps county residents exceed the countywide goal of conserving 110,000 acre-feet of water per year by 2040
- Increases water supply reliability by creating a more diverse portfolio of supply that is more resilient to risks and uncertainties
- Reduces greenhouse gases by reducing water usage, thereby decreasing the energy required for water conveyance, treatment, and distribution
- Supports climate change adaptation by conserving limited water supply and lessening demand to meet an uncertain water supply future
- Reduces pollution to the Bay by reducing irrigation runoff

Key Performance Indicators (FY22–36)

1. Award up to $1 million per year toward specified water conservation program activities, including rebates, technical assistance, and public education, within the first seven (7) years of the Program.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021–2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***ADJUSTED***	Project description and benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	***ADJUSTED (Text Adjustment)***

The project description is adjusted to include details about the linkage between the conservation and the reduction in greenhouse gas (GHG) emissions. Additionally, the text under Benefits is adjusted to briefly explain how the project reduces greenhouse gases, increases water supply reliability, and addresses climate change impacts. The adjustments are in response to the IMC recommendations.

PROGRESS ON KPI #1:

Landscape Rebate Program

Overall, in FY24, Valley Water issued 1,118 rebates through the Landscape Rebate Program, totaling nearly $3.2 million to convert more than 1.4 million square feet (sq ft) of lawn into low water-use landscapes, irrigation equipment upgrades, and rainwater capture system installations. Of the nearly $3.2 million in rebates issued and for nearly 620 of these rebates, the Safe, Clean Water Program funded $1.0 million to successfully convert 1,000,000 sq ft of lawn to low-water-use plants. In FY22, a year of severe drought, the implementation of the renewed Safe, Clean Water Program made possible an increase in the rebate rate from $1 per sq ft to $2 per sq ft. Though FY23 and FY24 saw a decline in application rate compared to the height of the drought in FY22, the program experienced a shift in site-type participation. Before FY23, commercial, industrial, and institution (CII) and multi-family (MF) sites accounted for about 5% of the applications rebated and about 25% of total lawn square footage converted. In FY23 and FY24, CII and MF participation rose to about 10% of the applications rebated and about 43% of the lawn conversion square footage. This increase in CII and MF participation is likely due to the increased per sq ft landscape conversion rate made possible by Safe, Clean Water funding and the July 1, 2022, site cap increase from $50,000 to $100,000. In addition, the ban on the irrigation of non-functional turf on CII and MF sites adopted by both Valley Water and the State of California likely attributed to increased rebate participation from those sectors. Among the sites benefiting from the rebate were:

- 57,090 sq ft of lawn converted at Ponderosa Towne Homes HOA in San José
- 55,129 sq ft of lawn converted at Holiday Estates Maintenance Association in Morgan Hill
- 17,958 sq ft of lawn conversion at the City of Campbell

Lawn Busters Program

In FY22, Valley Water expanded a partnership with the local nonprofit organization Our City Forest to offer the Lawn Busters Program to low-income community members, United States veterans, and other disadvantaged community members. With the Safe, Clean Water Program funding contributions, payment to Our City Forest for converting lawns to low water-use landscapes was increased from $2 per square foot to $4 per sq ft. In FY24, over 23,000 sq ft of lawns were converted across 23 projects.

For more information, visit ***ourcityforest.org/lawnbusters***.

Qualified Water Efficient Landscaper Training

In FY24, Valley Water continued to offer the Qualified Water Efficient Landscaper (QWEL) training for landscape professionals who live or work within Santa Clara County. The QWEL training, administered by the California Water Efficiency Partnership (CalWEP), presents an affordable, proactive local approach to reducing landscape water demand. The QWEL training equips our local landscapers, contractors, and designers with the tools they need to provide water-efficient landscaping to the residents of Santa Clara County. The training provided 101 participants in three (3) classes with knowledge in water-efficient and sustainable landscape practices, including water management and preservation of other valuable resources. The training was offered online for English and in-person for Spanish. In the winter of 2023 , an onsite training was offered in Spanish at Valley Water's facility, with 18 attendees. Many of the strategies and technologies taught in the course directly support water conservation programs provided by Valley Water, such as the Landscape Rebate Program and Graywater Rebate Program. For more information, visit ***www.qwel.net***.

For more current information about the project, visit ***www.valleywater.org/project-updates/a2-water-conservation-rebates-and-programs***.

Figure A2.1

Before (left) and after (right) of the City of Campbell lawn conversion project at the Campbell Community Center.

Financial Information

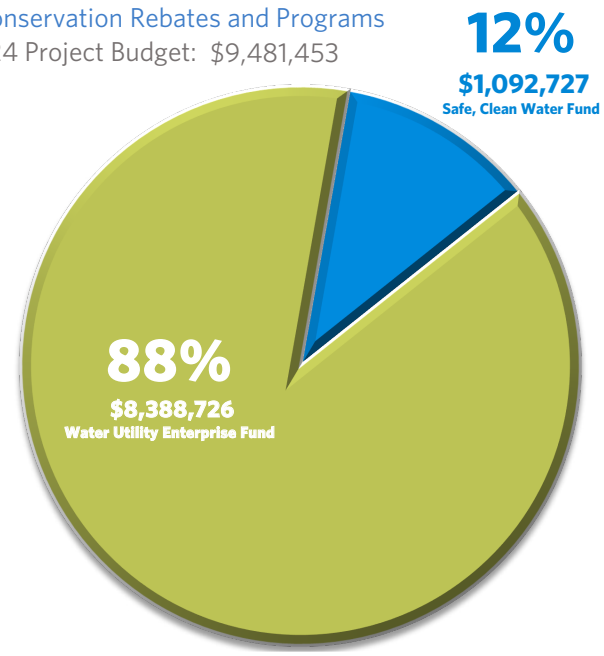
In FY24, 100% of the annual project budget was expended.

Figure A2.2 Water Conservation Rebates and Programs
Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$0	$0	$1,093	$1,093	$1,093	$0	$1,093	100%	$7,892	40%

Figure A2.3

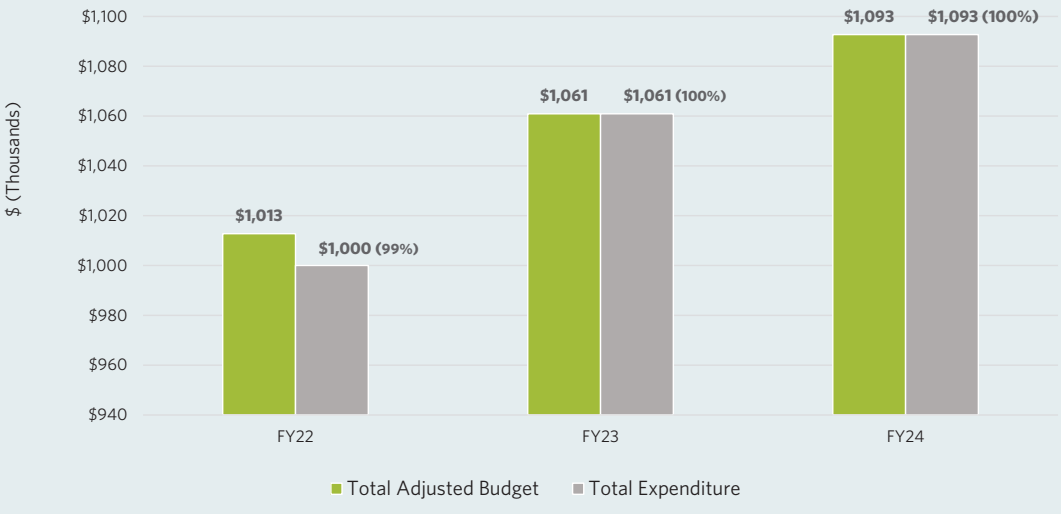
Water Conservation Rebates and Programs
Total FY24 Project Budget: $9,481,453



Valley Water funds the conservation efforts with more than the Safe, Clean Water fund (Fund 26). Figure A2.3 shows the total adjusted annual budget for conservation, inclusive of all Valley Water Funding sources.

Project Expenditure History

Figure A2.4 Water Conservation Rebates and Programs Budget vs. Expenditure



Opportunities and Challenges

Program Enhancement and Development

Safe, Clean Water Program funding allowed Valley Water to pilot additional programs, including the QWEL training. It also allowed for increased participation in existing programs, increasing the likelihood of the community meeting Valley Water's long-term savings goals of nearly 99,000 acre-feet in 2030 and nearly 110,000 acre-feet in 2040. The total square footage of lawn converted in FY24, at over 1.4 million, was approximately 29% lower than the previous fiscal year; however, it remains significantly higher than pre-Safe, Clean Water Program funding, at nearly 316% higher than FY21. Landscape Rebate Program participation is largely by single-family home sites. Valley Water is increasing outreach to commercial and institutional sites, such as school districts, to increase participation from these larger sites. As mentioned above, the proportion of CII and MF participation has increased since the addition of Safe, Clean Water Program funding. According to Valley Water's 2021 Water Conservation Strategic Plan, increased participation in outdoor conservation and increased overall participation by CII and MF sites are needed to reach the long-term savings goals.

Due to the success of the webinar series and Landscape Summits, funded by Safe, Clean Water Program in previous fiscal years, Valley Water released a Request for Proposal in FY24 for a permanent program contract, likely to start in early FY25. The Lawn Buster Program ended at the end of FY24. However, Valley Water is launching a new, enhanced Landscape Direct Installation Program in FY25, offering low-income residents in the county low or no-cost lawn conversion, irrigation equipment upgrades, rainwater capture features, and graywater laundry-to-landscape installations.

Additional Resources Required

Safe, Clean Water funding allowing an increased rebate amount for the Landscape Rebate Program during drought was both an opportunity and a challenge. The drought response further increased public awareness and demand for the rebates. As the drought subsided, program activity levels remained elevated, declining at a slower rate than compared to the last post-drought period. As drought-response funding waned, the significant, sustained high levels of participation continued to require more funding and increased staffing resources. Maintaining the higher proportions of CII and MF site participation is critical to meet the long-term savings goals, as these properties involve numerous stakeholders that Valley Water needs to motivate, convince, and incentivize to participate in actions that increase sustainability and water-supply reliability such as the Landscape Rebate Program projects. In FY25, as the public memory of drought response begins to fade after historic rainfall in FY23 and FY24, it will be essential to maintain a high level of public awareness and participation to meet Valley Water's long-term water savings goals.

Effectively training and managing new staff, support staff, and vendors continues to require significant time investments. As Valley Water transitions most of these programs piloted with Safe, Clean Water funding into full-scale, long-term programs, staff will continue supporting and growing other conservation programs, particularly through building relationships with CII and MF stakeholders to generate long-term savings. Balancing staffing and resource constraints between the expansion of pilot programs and investment in existing programs to increase CII and MF participation will become increasingly important. Though we now have additional vendors for some of our programs to ensure consistent customer service, having vendors to support the permanent QWEL and Landscape Direct Installation programs and the Landscape Summit and Webinar series will require considerable staff time for planning, procurement, and implementation. Overall, vendor support has allowed staff to focus on higher-level program management and enhancement. For example, refining outreach strategies to yield participation from large properties like schools will continue.

PROJECT A3
PIPELINE RELIABILITY PROJECT

This project constructs four (4) line valves at various locations along the East, West and Snell treated water pipelines in Saratoga, Cupertino and San José.

Continued from the 2012 Safe, Clean Water Program, this project will allow Valley Water to isolate sections of pipelines for scheduled maintenance and repairs following a catastrophic event, such as a major earthquake, and allow the network of emergency wells to operate, even when there is damage upstream and downstream of individual wells.

Plunger Valve at Main Avenue Ponds Vault.

ACTIVE

ADJUSTED

Project A3 FY24 Highlights

- Began construction of the Snell Pipeline valve.
- Construction of the Snell Pipeline valve is expected to be completed by FY27.

Benefits

- Supports shorter service interruption in the case of a pipeline break
- Provides operational flexibility for pipeline maintenance work
- Improves drinking water reliability
- Reduces the amount of water released in streams in the event of a pipeline maintenance or repair

Key Performance Indicator (FY22–36)

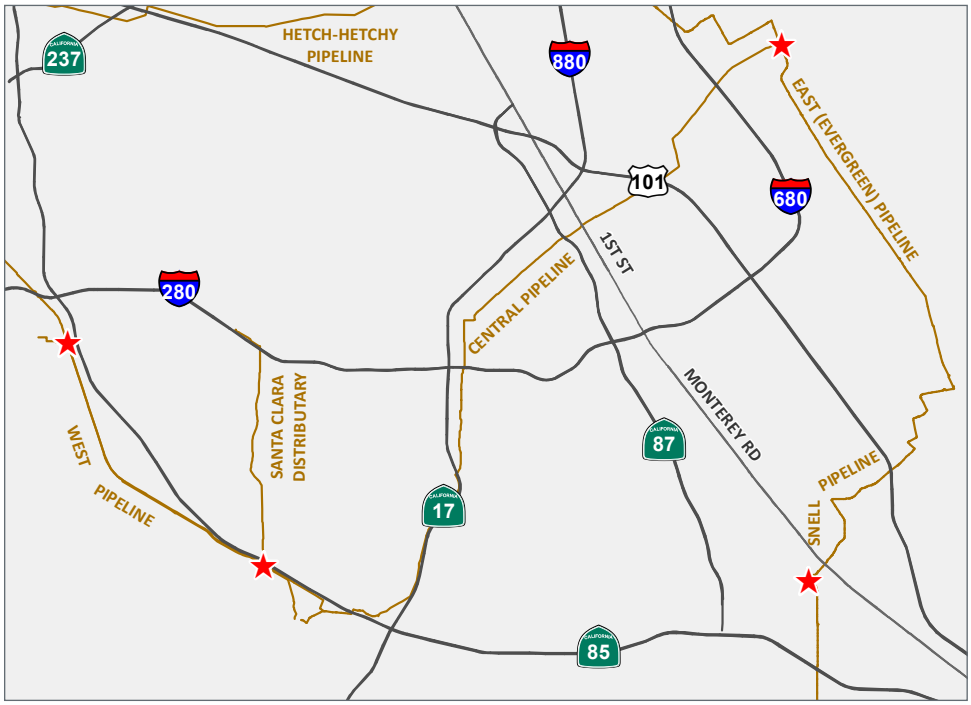
1. Install four (4) new line valves on treated water distribution pipelines.

Geographic Area of Benefit:

Mountain View, Sunnyvale, Santa Clara, Cupertino, Saratoga, Los Gatos, Los Altos, Campbell, San José and Milpitas

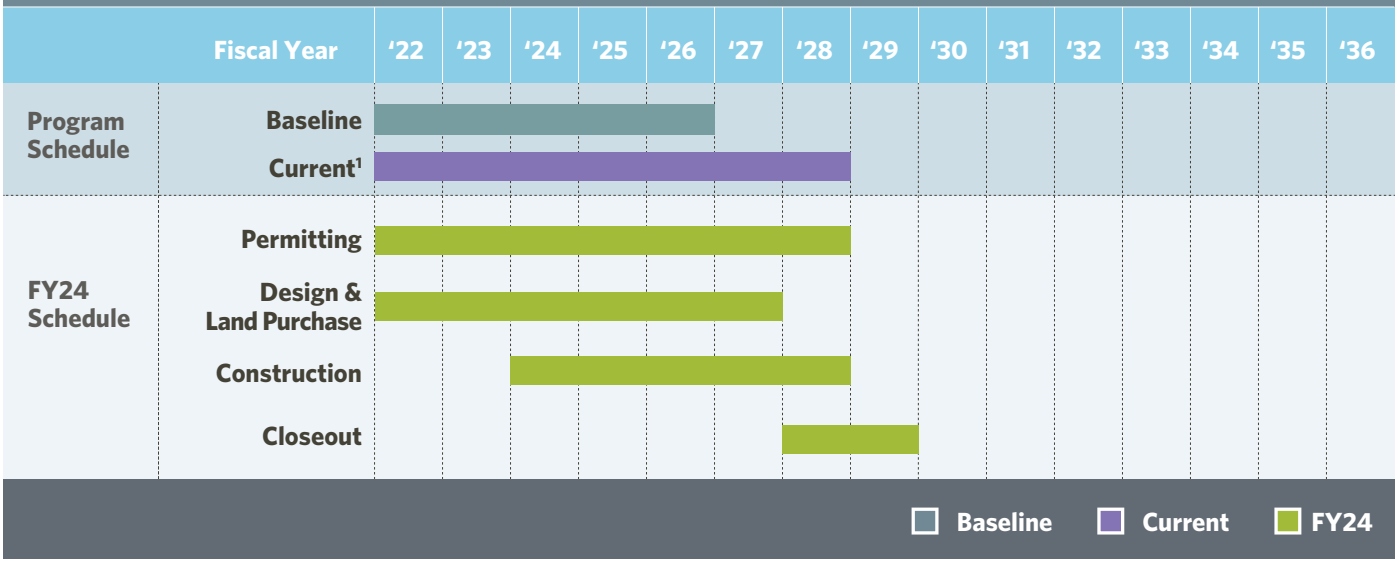
Project Location

Figure A3.1



Schedule

Figure A3.2 Pipeline Reliability Project
Schedule Comparison Between the Safe, Clean Water Program (2020) and FY24



1. Board approved schedule adjustment through the Change Control Process in FY21. The adjustment became effective in FY22.

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	*ACTIVE*	*ADJUSTED*	Project completion was extended by two years to be completed in FY28. The Board action became effective in FY22.	*FY22 (2021-2022)*
FY23	*ACTIVE*	*NONE*	Not Applicable	*FY23 (2022-2023)*
FY24	*ACTIVE*	*ADJUSTED*	Project description and benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	*ADJUSTED (Text Adjustment)*

The project description is adjusted to remove outdated information. The description mentioned that the project was closing out its design phase and nearing construction. The project design was completed in FY22 and as the update below shows, construction commenced in FY24.

PROGRESS ON KPI #1:

In FY24, Valley Water began construction of the Snell Pipeline line valve. Due to increased material lead times, the construction of the Snell Pipeline valve is anticipated to be completed in FY27. Work on the four pipelines is being scheduled in conjunction with the 10-Year Pipeline Inspection and Rehabilitation Program. The construction of the Snell Pipeline valve will be followed by two valves along the West Pipeline and along the East Pipeline. The construction of the final valve along the East Pipeline is scheduled to be completed in FY28.

For more current information on this project, visit ***https://www.valleywater.org/project-updates/a3-pipeline-reliability***.

Financial Information

In FY24, 29% of the annual project budget was expended.

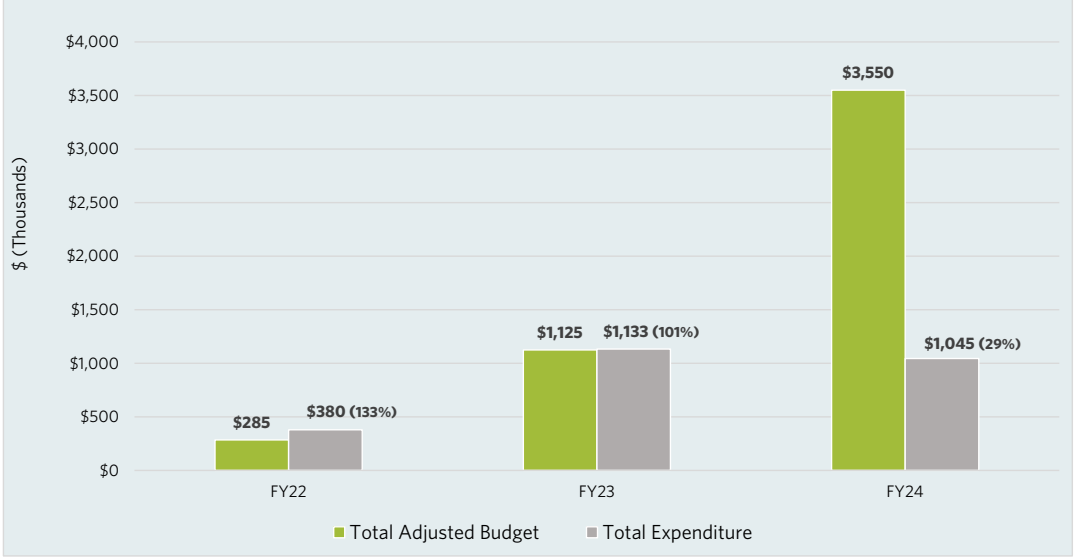
The under-expenditure was due to the increase in material lead times, resulting in a delay in procuring the materials.

Figure A3.3 Pipeline Reliability Project
Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$3,558	(9)	$0	$3,550	$898	$146	$1,045	29%	$14,531	13%

Project Expenditure History

Figure A3.4 Pipeline Reliability Project
Budget vs. Expenditure



Opportunities and Challenges

Acquisition of Easements

The project requires permanent and temporary easement acquisitions. Easements will be needed from Pacific Gas and Electric (PG&E), the Union Pacific Railroad, and private property owners. Line valves will be installed in existing Valley Water pipeline easements and public rights-of-way to the greatest extent possible.

Confidence levels

Schedule: ***High Confidence***

The installation of the valves will require the pipelines to be dewatered, which will take the pipelines out of service. Project construction is coordinated with the long-term maintenance plan and other projects to minimize water supply disruption to the community. Due to maintenance and other projects, the construction is projected to be completed in FY28.

Funding: *Medium High Confidence*

In FY24, the project cost estimates under the renewed Safe, Clean Water Program increased by approximately $9.9 million, primarily due to increased construction costs driven by post-COVID inflation and supply chain challenges. The renewed Safe, Clean Water Program's 15-year allocation for the project is $9.9 million and the additional $9.9 million in funding to cover the higher project cost will be borne by the Water Utility Fund (Fund 61). The new cost estimates are reflected in the Capital Improvement Program FY 2025-29 Five-Year Plan.

Permits: *Medium Confidence*

There has been no indication that permit acquisition from regulatory agencies will be challenging. The existing Pipeline Maintenance Program documents will help facilitate the regulatory permitting process. Valley Water acquired permits for the Snell Pipeline Line Valve, and efforts are ongoing to secure permits for the remaining line valves.

Jurisdictional Complexity: *Medium Confidence*

Valley Water is coordinating with the County of Santa Clara, the cities of San José, Saratoga, and Cupertino, PG&E, the Union Pacific Railroad, and the West Valley Sanitation District. Valley Water has quarterly meetings with PG&E to discuss upcoming project work and inform PG&E of any issues to ensure delays are minimized or eliminated. The Union Pacific Railroad may pose some jurisdictional issues. In anticipation of this, Valley Water is working on an alternative approach to ensure the completion of the project. There has been no indication that jurisdictional issues would arise from other agencies or entities.

Figure A3.5 Pipeline Reliability Project
Jurisdictional Complexities: Confidence Level Regarding Outside Agencies
FY24

Partner/Outside Agency	Confidence Level
REGULATORY PERMITTING	
California Department of Fish and Wildlife	High
San Francisco Bay Regional Water Quality Control Board	High
Santa Clara Valley Habitat Agency	High
CITIES/COUNTIES	
Cupertino	Medium High
San José	Medium High
Saratoga	Medium High
Santa Clara County	Medium High
OTHER AGENCIES	
Department of Water Resources	Medium High
Santa Clara Valley Transportation Authority (VTA)	Medium High
Union Pacific Railroad	Low
West Valley Sanitation District	Medium High
Pacific Gas and Electric (PG&E)	Medium

See *Appendix C: Capital Projects Jurisdictional Complexities* for a list of confidence levels for each project by outside agency for funding, regulatory permitting, cities, counties and other agencies.

Priority B

Reduce Toxins, Hazards, and Contaminants in Our Waterways

Priority B projects use multiple strategies to reduce and remove contaminants in our local creeks, streams and bays. Along with mercury treatment systems in our reservoirs, projects under this priority prevent toxins from entering waterways by working with municipalities and other agencies across the region to reduce runoff pollution. The priority includes funding to support the implementation of green stormwater infrastructure and provide rapid emergency response to hazardous materials spills and support volunteer cleanup efforts.

Project B1: Impaired Water Bodies Improvement

Project B2: Inter-agency Urban Runoff Program

Project B3: Hazardous Materials Management and Response

Project B4: Support Volunteer Cleanup Efforts

Water Column Sampling

PROJECT B1
IMPAIRED WATER BODIES IMPROVEMENT

This project reduces pollutants in streams, reservoirs and groundwater of Santa Clara County by supporting surface water quality pollution prevention activities. These programs address water quality concerns currently identified by local and state regulatory agencies, as well as contaminants of emerging concern. Initiatives under this project are consistent with the Regional Water Quality Control Board (RWQCB) impaired water bodies designation and Total Maximum Daily Loads (TMDLs), which are the maximum amount of a pollutant that a water body can receive and still safely meet water quality standards. Under this project, Valley Water studies and implements methods to reduce methylmercury formation in reservoirs, and helps create and carry out realistic plans to reduce contaminants, such as nutrients, bacteria, pesticides, polychlorinated biphenyls (PCBs) and others, in local creeks and reservoirs.

This project addresses both greenhouse gas (GHG) reduction and climate change adaptation, as reservoirs are a major source of GHG emissions (i.e. methane, a potent greenhouse gas) during low oxygen conditions. Microbes in the low-oxygen bottom waters of reservoirs and lakes produce methane seasonally. Oxygenation and other interventions may reduce methane production in reservoirs. Oxygenation is the current mechanism to control mercury in fish and may reduce methane emissions. Oxygenation can also reduce the formation of harmful algal blooms, which may become more frequent with warmer temperatures.

Benefits

- Reduces contaminants in streams and reservoirs
- Improves water quality, including water slated for drinking water treatment plants
- Increases understanding of mercury cycling in reservoirs to develop strategies that reduce toxic methylmercury in fish consumed by people and wildlife
- Increases the scientific understanding of environmental pollutants to assist in developing actions to manage them
- Supports regulatory compliance with surface water quality standards for local creeks and reservoirs
- Addresses climate change by providing data on the production of methane in reservoirs to estimate the magnitude of those emissions

Key Performance Indicators (FY22–36)

1. Investigate, develop, and implement actions to reduce methylmercury in fish and other organisms in the Guadalupe River Watershed.
2. Prepare and update a plan for the prioritization of surface water quality improvement activities, such as addressing trash and other pollutants.
3. Implement at least two (2) priority surface water quality improvement activities identified in the plan per 5-year implementation period.

Geographic Area of Benefit: Countywide

Lichen sampling at Guadalupe Reservoir for analysis to determine atmospheric mercury deposition.

ACTIVE

ADJUSTED

Project B1 FY24 Highlights

- Operated oxygenation treatment systems in two (2) reservoirs: Almaden and Calero.
- Completed monthly water quality monitoring and semiannual fish sampling at Almaden, Calero, Guadalupe, and Stevens Creek reservoirs.
- Continued a research project with UC Merced to study sorbent treatment methods for mercury control.
- Began sampling and analysis to investigate the seasonal formation pathways of methylmercury production in Guadalupe Reservoir in a research project with UC Davis.
- Implemented three (3) surface water quality improvement activities in nine (9) waterbodies, including a project to study greenhouse gas emissions from the surfaces of Valley Water reservoirs.

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021–2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***ADJUSTED***	Project description and benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	***ADJUSTED (Text Adjustment)***

The project description is adjusted to add details about the cause of seasonal methane production in reservoirs and lakes to explain the connection between oxygenation and reduction in methane production. Additionally, the text under Benefits is adjusted to briefly explain how the project addresses climate change impacts. This adjustment is in response to a recommendation by the Independent Monitoring Committee (IMC).

PROGRESS ON KPI #1:

In FY24, Valley Water conducted several activities to investigate, develop, and implement actions to reduce methylmercury in fish in the Guadalupe River Watershed. These activities are listed below.

- Valley Water deploys hypolimnetic oxygenation systems (HOSs) to reduce toxic methylmercury production in some reservoirs' bottom waters. HOSs consist of a large oxygen generator that produces oxygen gas and distribution lines that bubble that oxygen into the bottom waters. This prevents the waters from being anoxic, an environment that lacks oxygen. However, HOS operation can increase the temperature of reservoir releases and stimulate surface algae growth, particularly when storage volume is low. In FY24, Valley Water operated a HOS at Calero Reservoir from May to October 2023 and again in June 2024. HOSs were not deployed at Guadalupe and Stevens Creek reservoirs to preserve cold water releases for fish downstream. Due to maintenance issues, a HOS was not deployed at Almaden Reservoir until June 2024.
- The TMDL Monitoring Plan calls for monthly water quality sampling and spring and summer fish monitoring. Valley Water completed monthly water quality monitoring at Almaden, Calero, Guadalupe, and Stevens Creek reservoirs, and quarterly monitoring at Almaden Lake. In FY24, fish sampling was completed at Almaden, Calero, Guadalupe, and Stevens Creek reservoirs in summer 2023 and spring 2024. All data were analyzed and included in the next biennial progress report to the San Francisco Bay Regional Water Quality Control Board in April 2024.
- In accordance with the adaptive implementation plan for the Guadalupe River Watershed Mercury TMDL Program for the 2022- 2023 reporting period, Valley Water continued a collaborative research project with the University of California, Merced (UC Merced) to study sorbent treatment methods for mercury control as an alternative to reservoir oxygenation. Sorbents are solid materials that bind to specific compounds. In this case, the study is researching sorbents that preferentially bind to mercury or methylmercury, making it unavailable for entry into the food web. Sorbent treatment methods have the benefit that they do not cause warming or mixing. The project aims to identify effective and appropriate sorbents and application methods that could be used in a field trial in Guadalupe Reservoir. The project began in early FY23 and will continue into FY25.
- In June 2023, Valley Water entered into an agreement with the University of California, Davis (UC Davis) to study methylmercury sources and formation pathways in Guadalupe Reservoir. In FY24, researchers partnered with Valley Water staff to conduct augmented monthly sampling and analysis of various parameters to achieve the goals of the study. A more intensive bi-monthly sampling began in April 2024 and will continue into FY25. These intensive sampling events will investigate the seasonal formation pathway of methylmercury production by examining the biological and chemical makeup of bottom water and sediment. In December 2021, Valley Water entered into a collaborative agreement with the University of California, Santa Cruz (UC Santa Cruz) to study local atmospheric mercury deposition near the New Almaden Mining District using lichens as bioindicators. Field data collection was completed in the spring of 2022. Sample analysis and reporting were completed in FY23. Following this study, a second

agreement was established to study the sources of atmospheric mercury accumulated in lichen. The study began in FY23 and will continue into FY25.

- Valley Water coordinated with project partners and the Regional Water Quality Control Board to implement the second 5-year phase of the Coordinated Monitoring Program for the Guadalupe River Watershed Mercury TMDL project. Valley Water partners with Santa Clara County, Midpeninsula Regional Open Space District, and Guadalupe Rubbish Disposal Company on the TMDL project. For more information on the TMDL project, visit ***tinyurl.com/GuadalupeMercuryTMDL***. Stream fish monitoring was delayed in 2021 and 2022 due to dry conditions or water temperatures exceeding permit thresholds but resumed in June 2023 after January storms provided adequate flows and lower water temperatures. According to the Monitoring Plan, two of the several large storms in January 2023 were sampled for mercury and methylmercury in water. The Regional Water Quality Control Board approved a preliminary report and outline for the final Coordinated Monitoring Program Report. The final report was submitted in April 2024. In FY25, the partners will collaborate with Regional Water Quality Control Board staff on the next steps for the TMDL.

PROGRESS ON KPI #2:

Valley Water periodically reviews the Prioritization and Implementation of Pollution Prevention and Reduction Activities Plan to Address Impaired Water Bodies in Santa Clara County (Prioritization Plan). The review uses various sources of information, including the San Francisco Bay RWQCB Triennial Review of the Basin Plan and the State's list of impaired water bodies, to evaluate potential projects in water bodies within our jurisdiction. Since RWQCB priorities change over time as impairments are addressed and new problems are identified, the Prioritization Plan is a living document that is updated according to changing priorities. In FY23, Valley Water surveyed all data available in the California Environmental Data Exchange Network and internal environmental data to develop an objective assessment to identify and prioritize potential projects. A review of the existing data is in progress, and a draft updated Prioritization Plan is expected in FY25. The June 2017 Prioritization Plan can be accessed at ***tinyurl.com/PrioritizationPlan2017***.

PROGRESS ON KPI #3:

In FY24, Valley Water implemented three (3) surface water quality improvement activities. Figure B1.1 lists the activities and applicable waterbodies.

Surface Water Quality Improvement Activity #1: Accumulation Point Mapping and Removal (Coyote Creek and Guadalupe River)

Valley Water and the City of San José completed visual trash assessments along Coyote Creek and Guadalupe River in October 2023, February 2024, and March 2024. Five locations were prioritized for cleaning this fiscal year under the Memorandum of Agreement with the City of San José. A total of 2.96 tons was removed from four sites. One cleanup was completed in March 2024 along Coyote Creek, removing 1.6 tons of trash. From May through June 2024, 1.36 tons of trash were also removed from three sites along Coyote Creek. The fifth cleanup was not able to be completed due to environmental and safety issues at the site. There were no Guadalupe River locations selected, as the Coyote Creek sites met more of the prioritization criteria listed in the MOA. The Trash Accumulation Point Map can be accessed at ***tinyurl.com/B1TrashRaftsFY24***.

Surface Water Quality Improvement Activity #2: Reservoir Greenhouse Gas Emission Study

Valley Water is conducting a collaborative project with UC Davis to study greenhouse gas emissions from the surfaces of Almaden, Chesbro, Stevens Creek, and Uvas reservoirs. Since January 2021, researchers have completed sampling events to measure gas storage in reservoir sediments (measured quarterly) and greenhouse gas (primarily methane) fluxes from reservoir surfaces in conjunction with atmospheric and water quality data (measured monthly). Data collection continued through 2023, and results will be synthesized in a final report or manuscript. A second agreement with UC Davis for additional study in FY25 to further refine methane flux estimates and collect additional data on carbon dioxide and nitrous oxide is under development. The study's primary goal is to better estimate greenhouse gas emissions from all Valley Water reservoirs. Valley Water will evaluate the inclusion of reservoir-related emissions into its agencywide greenhouse gas inventory after the completion of this study.

Surface Water Quality Improvement Activity #3 Unhoused Best Practices

Valley Water continued to collaborate with the Santa Clara County Parks and Recreation Department and the cities of Morgan Hill and Gilroy to provide vouchers for the responsible disposal of wastewater for unhoused individuals living in RVs. Vouchers can be used for free RV waste disposal at Coyote Lake and Mt. Madonna County Parks. In FY24, Morgan Hill and

Gilroy homeless outreach providers continued to distribute waste disposal vouchers to unhoused individuals. Additionally, to encourage voucher redemption, Valley Water purchased gas gift cards for distribution when vouchers were redeemed at Coyote Lake and Mt. Madonna County Park. Unfortunately, even with the additional incentive, no vouchers were redeemed in FY24. The unhoused best practices project is being reevaluated by South County Partners to identify barriers and develop possible alternatives.

Figure B1.1
Priority Pollution Prevention and Reduction Activities

Water Quality Improvement Activity	Waterbody[1]
#1: Accumulation Point Mapping and Removal	Coyote Creek (mapping) Guadalupe River (mapping and removal)
#2: Reservoir Greenhouse Gas Emission Study	Almaden Reservoir Chesbro Reservoir Stevens Creek Reservoir Uvas Reservoir
#3: Unhoused Best Practices	Pajaro River Llagas Creek Uvas Creek
Total: 3 Pollution Prevention Activities	**9 Waterbodies**

1 "Waterbody" includes creeks, lakes and reservoirs.

Figure B1.2

Before (left) and after (right) cleaning of a trash raft on Coyote Creek near Roosevelt Park in San José.

For more current information about this project, visit ***www.valleywater.org/project-updates/grants-and-environmental-protection/B1-impaired-water-bodies-improvement***.

Financial Information

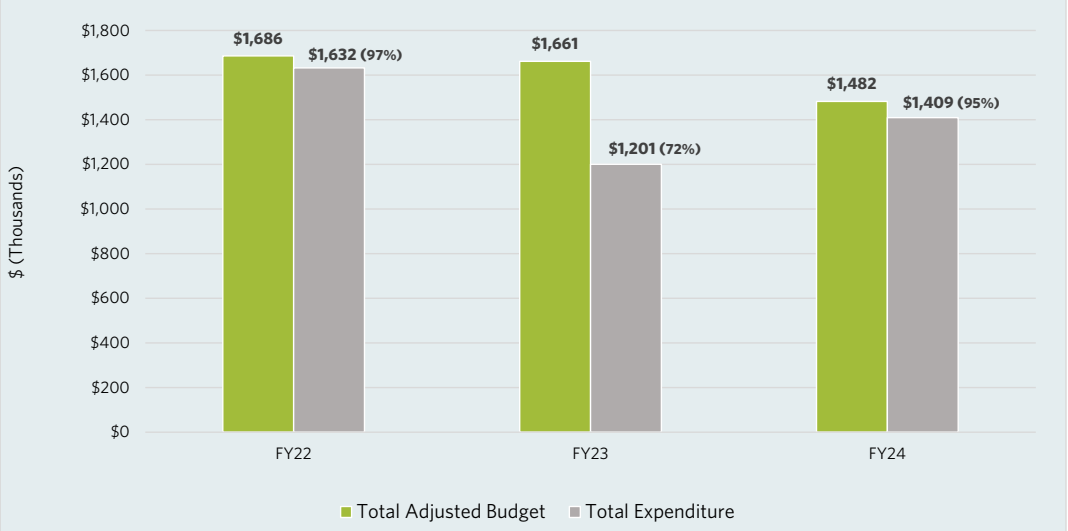
In FY24, 95% of the annual project budget was expended.

Figure B1.3 Impaired Water Bodies Improvement
Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$1,482	$0	$0	$1,482	$1,187	$222	$1,409	95%	$33,510	14%

Project Expenditure History

Figure B1.4 Impaired Water Bodies Improvement
Budget vs. Expenditure



Opportunities and Challenges

Pollution Prevention Partnership Opportunities

Valley Water continues to partner with cities, universities, private entities, non-profits, and volunteer groups to implement priority pollution prevention and reduction activities in water bodies throughout the county. This includes:

- Working with the City of San José on trash in Guadalupe River and Coyote Creek.
- Increased collaboration with the Regional Water Quality Control Board and mercury researchers, and presentation of mercury findings at various conferences.
- Partnership with the United States Geological Survey (USGS), UC Santa Cruz, and UC Merced on mercury studies.
- Coordinated Monitoring Program for Guadalupe River mercury monitoring.
- Active participation in the California Lake Management Society.

In addition, the project is coordinating with the ongoing Guadalupe and Calero dam seismic retrofit projects to protect and improve reservoir water quality.

Oxygenation Opportunities and Challenges

Operating the oxygenation systems consistently is challenging due to maintenance issues. The systems require stable voltages, frequent inspections, and costly specialized maintenance. The reservoirs are in rural areas that sometimes experience power failures or voltage fluctuations. This has caused frequent shutdowns that required manual reset. High ambient air temperatures have resulted in additional shutdowns due to overheating. To avoid overheating, Valley Water preemptively shut down the systems when high temperatures were predicted.

Hypolimnetic oxygenation using line diffuser systems may increase temperature, turbidity, and algae blooms, especially under drought or low water conditions. Oxygenation at Guadalupe and Stevens Creek reservoirs has been suspended indefinitely due to concerns about temperature and turbidity increases in reservoir releases.

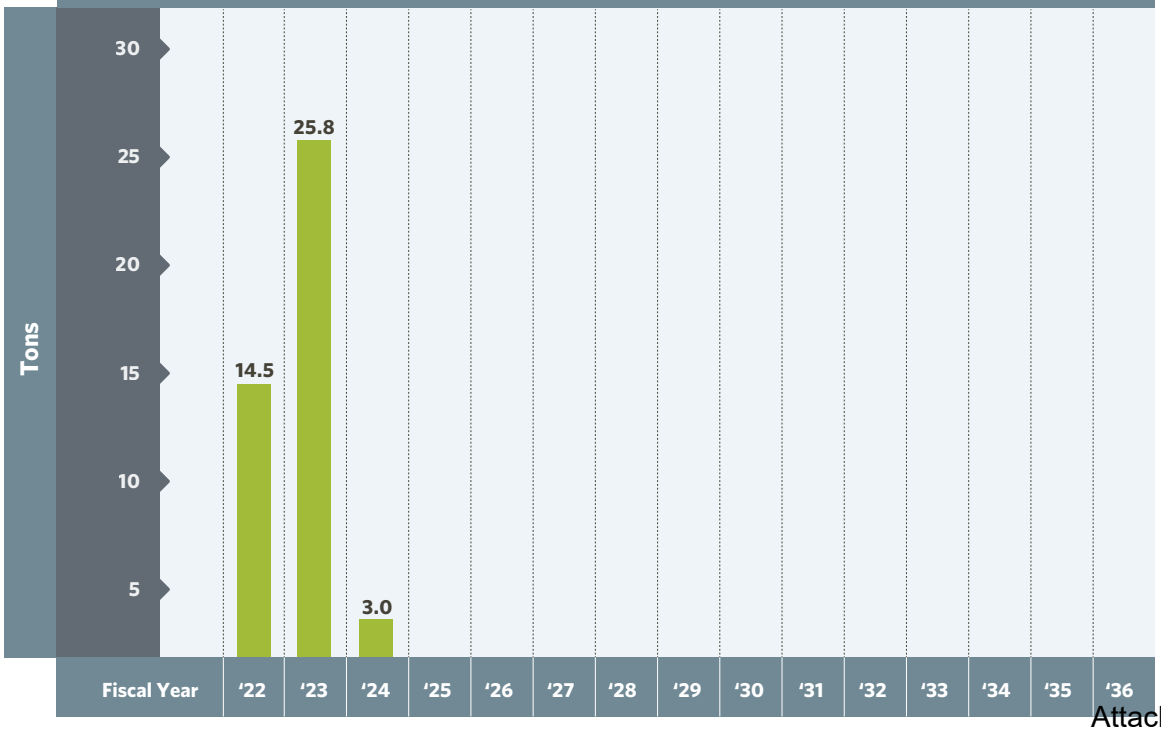
To address the drawbacks of HOSs and achieve better methylmercury reduction in fish, Valley Water is exploring other possible management actions, such as the sorbent study described above, modeling to optimize systems, and alternative methods of oxygenation that may lessen negative effects.

Unhoused Best Practices Challenges

The main challenges this activity faced were the lack of easily accessible disposal sites and the interest for individuals to leave their parked locations. During the initial development of this activity, Valley Water reached out to privately owned disposal sites, but none were interested in participating in the program. Santa Clara County was able to provide access to disposal facilities at Mt. Madonna and Coyote Lake County Parks for individuals to redeem disposal vouchers. These are the two closest county facilities to unhoused residents in need of disposal services, but they are on very steep terrain and are a significant drive from the areas in which individuals typically stay (e.g., Safe Parking sites).

At the end of FY23, none of the vouchers were redeemed at either county park. In FY24, in order to incentivize individuals to utilize the disposal services, Valley Water purchased gas gift cards to be distributed once the voucher was redeemed. Additionally, the vouchers were updated to reflect more information on the program and accessing the County Parks, including phone numbers. Although there was more interest expressed from outreach specialists and conversations with individuals at tabling events, none of the vouchers were redeemed or gift cards distributed in FY24. South County Partners will be discussing alternatives or possible replacement projects for this activity that may be more effective.

Figure B1.5
Tons of Trash and Debris Removed



PROJECT B2
INTER-AGENCY URBAN RUNOFF PROGRAM

This project supports Valley Water's continued participation in the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP) and South County stormwater programs. These programs enable Valley Water to reduce stormwater pollution through technical support and regional leadership. In addition, this project supports stormwater pollution prevention activities in South County Watersheds and green stormwater infrastructure (GSI). GSI allows rainwater runoff from roads, parking lots and other impervious surfaces to soak into the ground and be filtered by soil rather than discharge into storm drains that transport the water to creeks.

Project B2 allows Valley Water to participate in the regulatory development process related to stormwater by participating in stormwater permit re-issuance and providing review, analysis and comments on various water quality regulatory efforts. This project also allows Valley Water to collaborate with local agencies on public education and outreach activities to help prevent urban runoff pollution at the source.

Multi-benefit projects, such as green stormwater infrastructure, are important strategies to address water quality. Green infrastructure uses plants to soak water into the ground, which slows down, spreads and helps absorb rainwater instead of having it go down a storm drain. This improves water quality, can increase groundwater supplies and reduces peak flows to a creek.

Green stormwater infrastructure helps adapt to climate change by increasing groundwater recharge, reducing heat island effects, capturing carbon, lowering building energy demands, and increasing potential water supply sources.

Trash boom cleaning at Thompson Creek.

ACTIVE

ADJUSTED

Project B2 FY24 Highlights

- Operated four (4) trash capture devices (booms) in the county, collecting approximately two (2) tons of trash.
- Maintained municipal stormwater compliance program and several partnerships with cities and the county.
- Conducted a fourth phase of the South County Pet Waste Outreach project

Benefits

- Partners with municipalities and other agencies to reduce contaminants in stormwater and improve surface water quality in our streams, reservoirs, lakes and wetlands
- Maintains Valley Water compliance with the Regional Water Quality Control Board requirements in National Pollutant Discharge Elimination System (NPDES) permits
- Allows continued participation in SCVURPPP and South County urban runoff programs
- Allows Valley Water to help direct required monitoring efforts in ways that benefit Valley Water programs and projects
- Promotes stormwater pollution prevention
- Facilitates collaboration with partners on stormwater projects that provide multiple benefits and support Valley Water's mission
- Supports climate change adaptation by increasing groundwater recharge, reducing heat island effects, capturing carbon, and lowering building energy demands

Key Performance Indicators (FY22–36)

1. Address trash in creeks by maintaining trash capture devices or other litter control programs.
2. Maintain Valley Water's municipal stormwater compliance program and partner with cities to address surface water quality improvements, including participation in at least three (3) countywide, regional, or statewide stormwater program committees to help guide regulatory development, compliance, and monitoring.
3. Support at least one (1) stormwater quality improvement activity per 5-year implementation period in Santa Clara County, including providing up to $1.5 million over 15 years to support implementation of green stormwater infrastructure consistent with Santa Clara Basin and South County Stormwater Resource Plans.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021–2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***ADJUSTED***	Project description and benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	***ADJUSTED (Text Adjustment)***

The project description and Benefits text is adjusted to briefly explain how the project helps climate change adaptation. This adjustment is in response to a recommendation by the IMC.

PROGRESS ON KPI #1:

In FY24, four (4) trash capture devices (booms) were operated in Santa Clara County. Approximately 18 cubic yards (1.8 tons) of trash were collected and removed in San José and approximately 1.79 cubic yards (0.179 ton) were collected and removed in Palo Alto (Figure B2.3). The four (4) booms were located at:

- Thompson Creek upstream of Tully Rd., San José
- Lower Silver Creek near King Rd. and Schulte Dr., San José
- Matadero Creek at West Bayshore Rd., Palo Alto
- Adobe Creek at East Bayshore Rd., Palo Alto

The City of Palo Alto has managed the Matadero and Adobe creek booms under an agreement with Valley Water. Due to the partnership's success, in FY24, the agreement was extended for an additional nine years. Under the previous agreement, the two (2) booms in Palo Alto were typically removed each year between December and April, while the booms in San José are typically left in the creeks all year. In 2023, the Palo Alto booms were not re-installed until June due to high flows early in the year and pending final authorization of the partnership agreement extension. With the new agreement, the Palo Alto booms will typically be left in the creeks all year. Valley Water inspects all booms regularly.

Figure B2.1

Lower Silver Creek trash boom in San José before (left) and after (right) cleaning.

PROGRESS ON KPI #2:

Maintained Municipal Stormwater Compliance Program

In FY24, Valley Water continued to maintain the municipal stormwater compliance program, including new requirements and submittal of the Municipal Regional Stormwater Annual Report, as required under the Municipal Regional NPDES Stormwater Permit (MRP). The most recent MRP became effective on July 1, 2022, and will remain in effect through at least June 30, 2027.

Maintained Partnerships with Cities and Santa Clara County

In FY24, Valley Water maintained North County partnerships through participation in the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP). SCVURPPP is a partnership with Santa Clara County and 13 cities within the county to reduce pollution in urban runoff to the "maximum extent practicable," which will improve the water quality of South San Francisco Bay and the streams of Santa Clara County. Valley Water staff chairs the SCVURPPP Management Committee. Valley Water also participated in various regional stormwater workgroups in cooperation with SCVURPPP and other countywide stormwater organizations. More details about SCVURPPP and its partnership activities can be found at the links below.

- Valley Water contributes 30% of the SCVURPPP budget and chairs the management committee. More information can be found at ***https://scvurppp.org***.
- Information on the SCVURPPP regional outreach program can be found at ***www.mywatershedwatch.org***.
- SCVURPPP, municipalities, and Valley Water submit annual stormwater reports to the San Francisco RWQCB with accomplishments on the required activities. The reports are available at ***https://smarts.waterboards.ca.gov/smarts/faces/SwSmartsLogin.xhtml***.

Valley Water also maintained South County partnerships by participating in the South County Stormwater Coordination Committee. The committee includes representatives from Valley Water, Santa Clara County, and the cities of Gilroy and Morgan Hill. The committee meets regularly to discuss pollution prevention, stormwater permit compliance, and other relevant issues. Additionally, Valley Water facilitated and moderated the Pajaro River Watershed Bacteria TMDL Workgroup, which consisted of arranging and facilitating meetings, coordinating agendas, recording meeting minutes for participating agencies, and assisting in comment letter development to the Central Coast Regional Water Quality Control Board.

Valley Water continued participating in the Technical Advisory Committee (TAC) and Implementation Committee (IC) of the Santa Clara County Recycling and Waste Reduction Commission. The TAC works on various relevant issues, including waste and litter reduction, outreach, green business, and reducing disposables. The IC makes decisions and recommendations on all TAC's fiscal, management, and administrative issues.

Additionally, Valley Water served on several California Stormwater Quality Association (CASQA) subcommittees with representatives from around California dealing with stormwater issues of common concern. More information is available at ***https://www.casqa.org/about/subcommittees***.

PROGRESS ON KPI #3:

In FY24, Valley Water continued efforts to support two stormwater quality improvement activities in Santa Clara County.

South County Pet Waste Outreach

Valley Water continued to work with Santa Clara County and the cities of Morgan Hill and Gilroy to conduct a fourth phase of the South County Pet Waste Outreach project outreach throughout FY24. This followed the success of the initial project in FY21 and the second and third phases in FY22 and FY23.

The initial project included signage in public parks, a mailer, and a digital survey that provided information on the surface water quality impacts of improperly disposed pet waste. After the outreach was completed, field surveys reported an overall decrease in pet waste, especially in areas with signage.

The project's second phase focused on additional locations in South County, including dog parks. This included signage in high-priority locations based on first-phase field reconnaissance, distribution of a mailer with a digital survey, and tabling events at local dog parks. Positive feedback was received at the tabling events, which was also where most survey responses were received.

The third phase focused on distributing postcard-sized outreach flyers with a digital survey to local veterinary clinics, boarding facilities, and pet stores and tabling at outreach events. There was a higher survey response rate than in previous phases, potentially due to the distribution at the facilities listed above and outreach at tabling events. Due to the distribution success, additional postcards were purchased at the end of FY23 for summer outreach events.

The fourth phase continued to distribute the remaining postcard-sized outreach flyers from FY23 to previously identified facilities and outreach events in previous phases. The survey received another high response rate due to the outreach and distribution methods. Additionally, the City of Morgan Hill started developing an outreach animation video for electronic distribution in FY25.

South County Nutrient Program

Valley Water conducted a spatial analysis of South County agricultural parcels to identify farms at high risk for nutrient and pesticide pollution in an effort to reduce nutrient loading in the Uvas/Llagas Watershed. The analyses, funded by the 2012 Safe, Clean Water Program, considered a robust collection of attributes, including predicted nitrate concentrations in shallow groundwater, crop and irrigation type, and soil erosivity. Valley Water continues to evaluate the next steps to implement projects alongside South County Partners and Central Coast Regional Water Quality Control Board.

For more current information about these projects, visit ***www.valleywater.org/project-updates/creek-river-projects/B2-interagency-urban-runoff-program***.

Financial Information

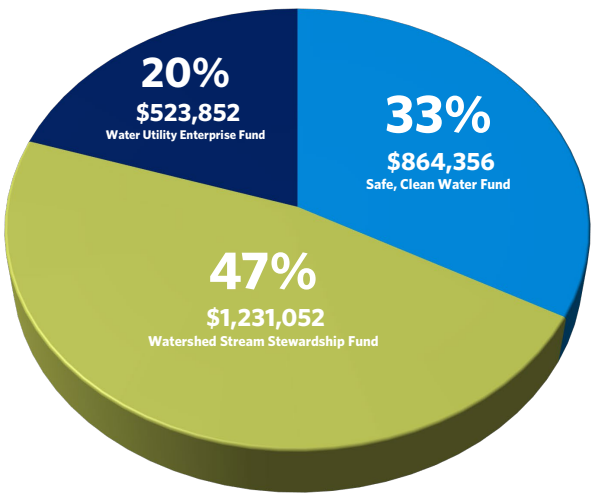
In FY24, 90% of the annual project budget was expended.

The under-expenditure was due to staffing vacancies and unspent funds designated for the implementation of green stormwater infrastructure.

Figure B2.1 Inter-agency Urban Runoff Program
Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$864	$0	$0	$864	$778	$0	$778	90%	$19,758	11%

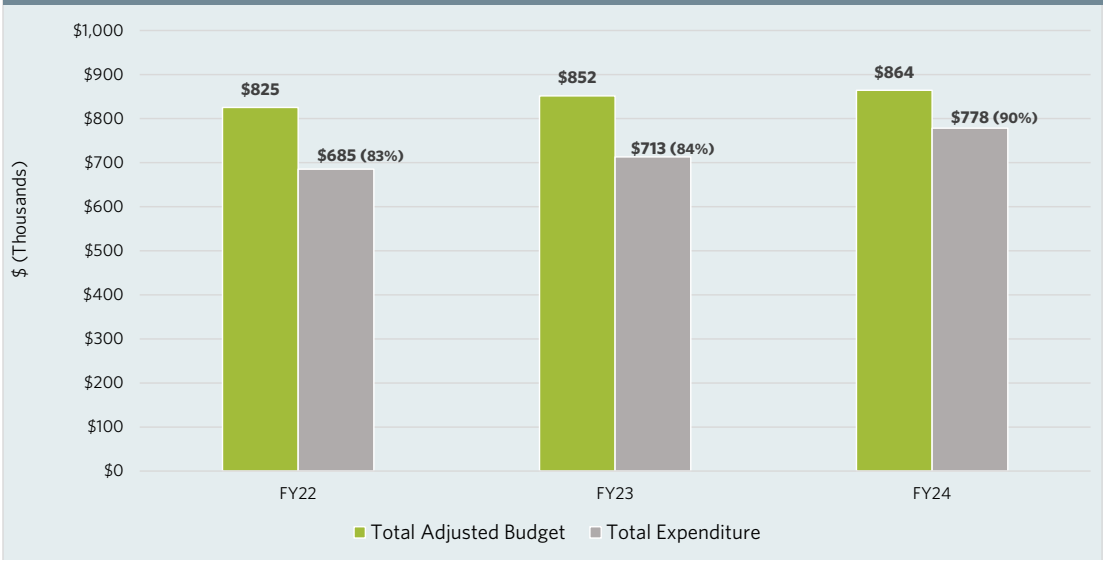
Figure B2.3
Inter-agency Urban Runoff Program
Total FY24 Project Budget: $2,619,259



Valley Water funds this project with more than the Safe, Clean Water Program fund (Fund 26). Figure B2.3 shows the project's total adjusted annual budget inclusive of all Valley Water funding sources.

Project Expenditure History

Figure B2.4 Inter-agency Urban Runoff Program Budget vs. Expenditure



Opportunities and Challenges

Trash Prevention

Through collaboration with cities as part of SCVURPPP, the Zero Litter Initiative and the Santa Clara County Recycling and Waste Reduction Commission's Technical Advisory Committee, Valley Water works on preventing trash through education and outreach. Valley Water's creek stewardship program, outreach, and school education programs also address reducing litter and waste.

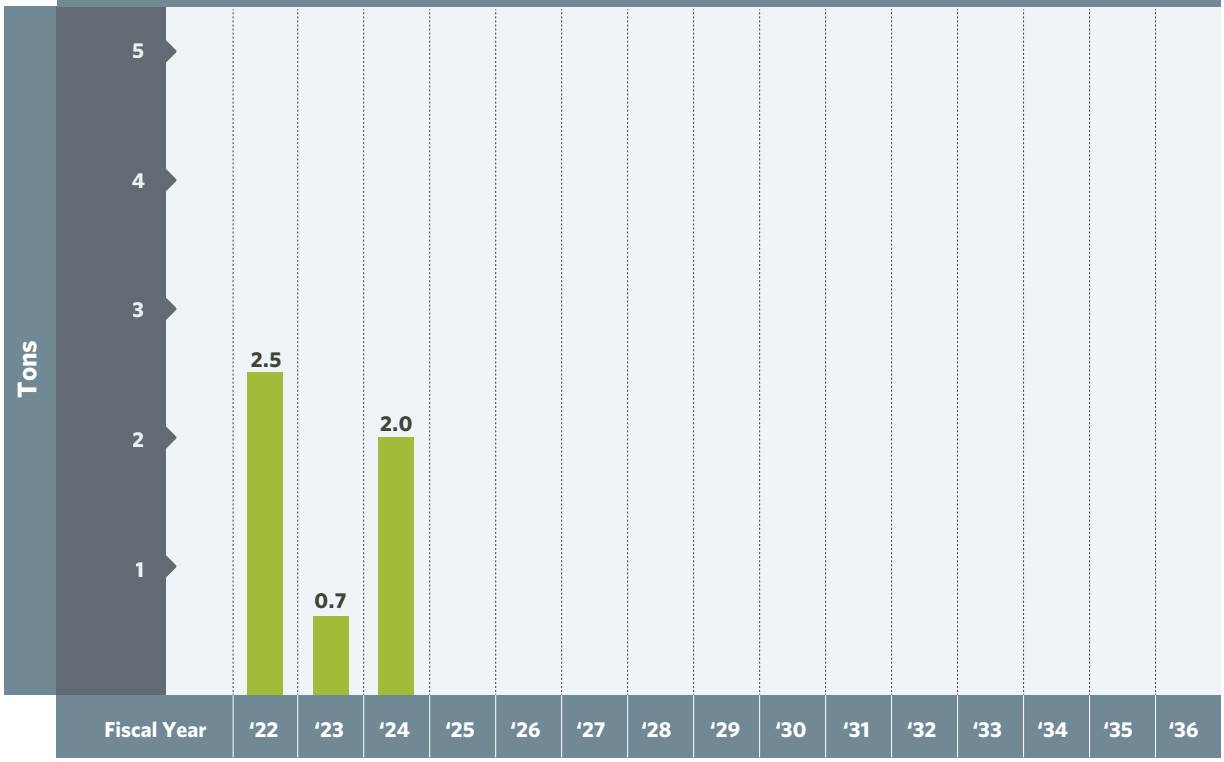
Encampments

Encampments along waterways are increasing and contributing significant amounts of trash to urban creeks. Several Priority B and Priority F projects focus on trash cleanup and pollution prevention at encampments. Valley Water meets regularly internally as well as with the City of San José to coordinate resources and cleanup efforts. Valley Water also hosts the Environmental Creek Cleanup Committee to discuss homelessness and encampment issues and to bring recommendations to the Board.

Coordination to Optimize Funding

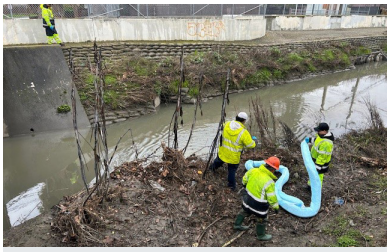
Some activities appear to overlap in Projects B1, B2, B4, F5, F6, and F9. Staff within these overlapping project areas maintain regular communication to avoid duplication of efforts and to cross-promote programs when appropriate. Coordination among staff helps to capitalize on opportunities and optimize funding.

Figure B2.4
Tons of Trash and Debris Removed from Trash Capture Devices



PROJECT B3
HAZARDOUS MATERIALS MANAGEMENT AND RESPONSE

This project allows Valley Water to continue providing a local number to report hazardous materials spills 24 hours a day, 7 days a week. Valley Water staff will respond within two (2) hours of the initial report, with spill cleanup in Valley Water rights-of-way performed in a timely manner. Appropriate agencies will be alerted when spills are outside Valley Water jurisdiction.



Crew cleaning up oil spill in Lower Penitencia Creek.

ACTIVE

Project B3 FY24 Highlights

- Met 100% of the required two (2) hour or less response time for urgent calls, with an average response time of 72 minutes countywide.
- Received 171 incident calls countywide, of which 50 received an on-site response and 17 were classified as urgent.

Benefits

- Prevents and reduces contaminants in surface and groundwater
- Encourages public to engage in protecting our waterways
- Provides a quick, professional response that reduces impacts of hazardous materials spills

Key Performance Indicator (FY22–36)

1. Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two (2) hours or less.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021–2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***NONE***	Not Applicable	

Status for FY24:

Annual Status	Change Control
ACTIVE	***NONE***

PROGRESS ON KPI #1:

In FY24, Valley Water received 171 incident calls countywide, of which 50 received an on-site response and 17 were classified as urgent. The remaining 121 calls did not receive on-site responses because they were outside of Valley Water's jurisdiction and reported an event that occurred in the past and was already mitigated or addressed by another Valley Water team. Valley Water met 100% of its required two (2) hour or less response time for urgent calls, with an average response time of 72 minutes countywide.

For more current information on this project, visit ***www.valleywater.org/project-updates/b3-hazardous-materials-management-and-response***.

Financial Information

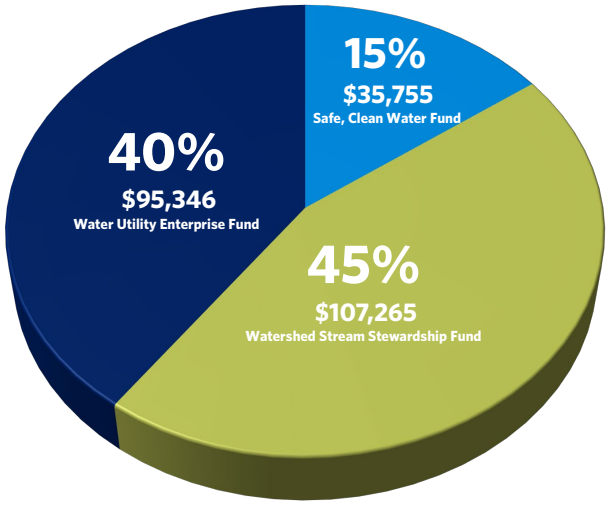
In FY24, 59% of the annual project budget was expended. Expenditures under this project can fluctuate widely based on the following:

- The number of calls received
- The number of calls requiring a field response
- The varying amount of time required to resolve/mitigate once in the field
- The unspecified amount of waste to be disposed of under the Emergency Response Program

Figure B3.1 Hazardous Materials Management and Response
Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$36	$0	$0	$36	$21	$0	$21	59%	$1,054	6%

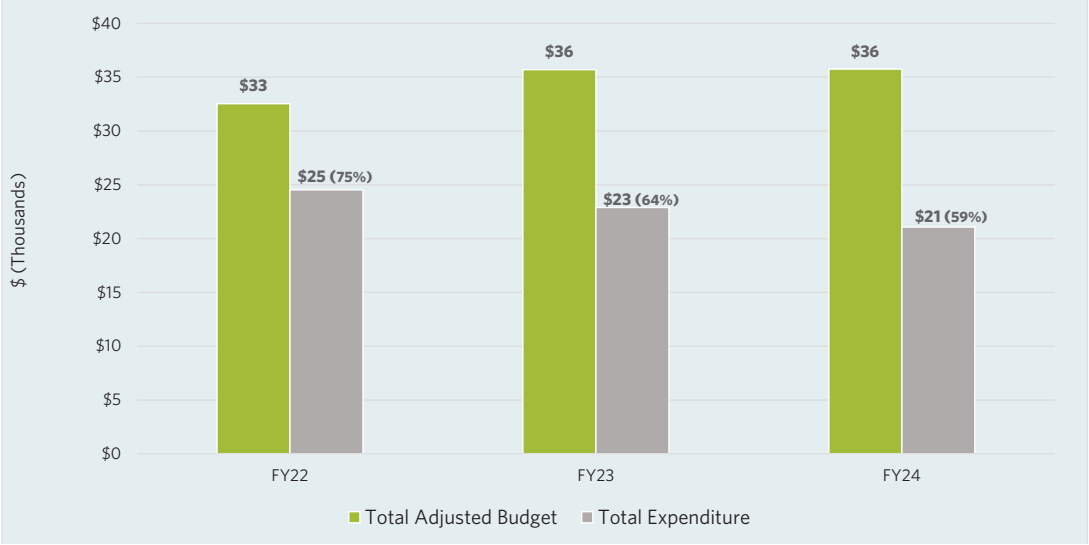
Figure B3.2
Hazardous Material Management and Response
Total FY24 Project Budget: $238,366



Valley Water funds this project with more than the Safe, Clean Water Program fund (Fund 26). Figure B3.2 shows the project's total adjusted annual budget inclusive of all Valley Water funding sources.

Project Expenditure History

Figure B3.3 Hazardous Materials Management and Response Budget vs. Expenditure

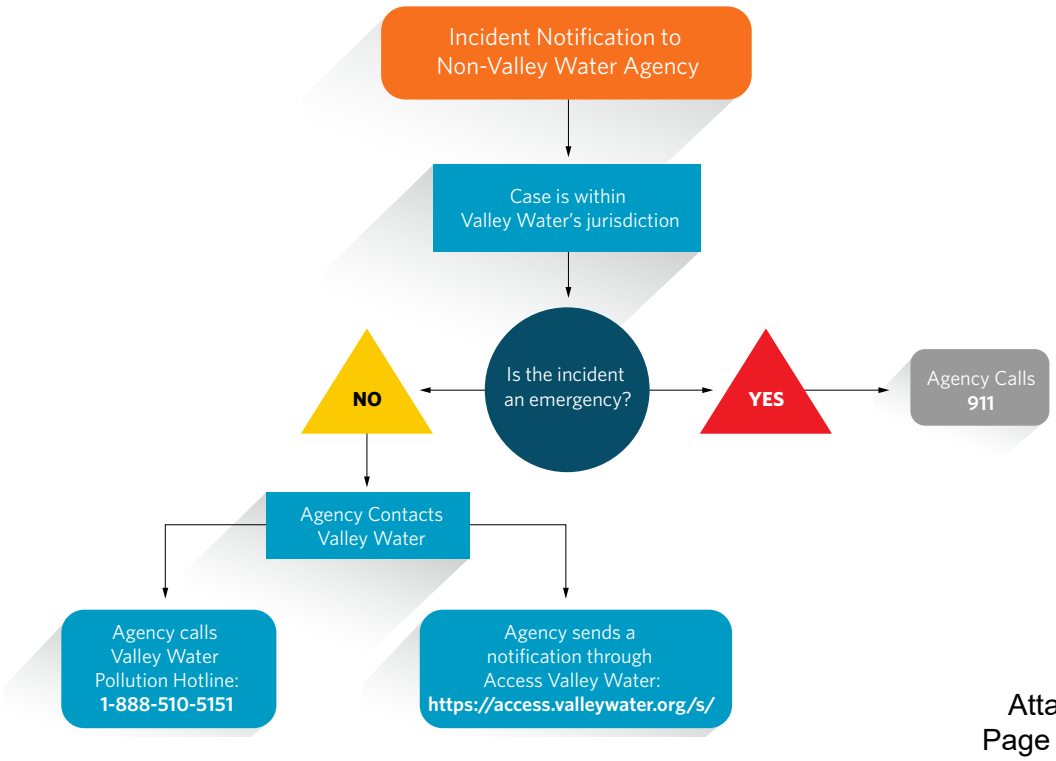


Opportunities and Challenges

Calls Through Other Agencies

Individual agencies have their specific workflow process. Figure B3.4 captures the general approach other agencies follow when they receive calls about incidents within Valley Water's jurisdiction.

Figure B3.4 Workflow Process for Calls Received by Other Agencies



PROJECT B4
SUPPORT VOLUNTEER CLEANUP EFFORTS

This project provides funding for Valley Water's creek stewardship program to support volunteer cleanup activities, such as National River Cleanup Day, California Coastal Cleanup Day, the Great American Litter Pick Up, Adopt-A-Creek and the Creek Connections Action Group; along with creekwise education and regional coordination efforts.

Volunteers removed trash from the banks of Coyote Creek in San José during the 2022 California Coastal Cleanup Day.

ACTIVE

Project B4 FY24 Highlights

- Continued funding Valley Water's creek stewardship program.
- 1,209 volunteers removed about 27,070 pounds of debris on the California Coastal Cleanup Day in September 2023.
- 690 volunteers removed about 17,255 pounds of debris on the National River Cleanup Day in May 2024.

Benefits

- Reduces contaminants entering our waterways and groundwater
- Engages and educates the community, and supports watershed stewardship
- Leverages volunteer community resources for efficient use of funds

Key Performance Indicator (FY22–36)

1. Fund Valley Water's creek stewardship program to support volunteer cleanup activities, such as annual National River Cleanup Day, California Coastal Cleanup Day, the Great American Litter Pick Up, and the Adopt-A-Creek Program.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021–2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***NONE***	Not Applicable	

Status for FY24:

Annual Status	Change Control
ACTIVE	***NONE***

PROGRESS ON KPI #1:

In FY24, Valley Water continued funding its creek stewardship program to support volunteer cleanup activities, including the following.

- California Coastal Cleanup Day (September 23, 2023): A total of 1,209 volunteers removed approximately 27,070 pounds of litter and debris, including 3,614 pounds of recyclables, at 53 cleanup sites along 61 miles of waterways and natural areas in Santa Clara County. Valley Water hosted the annual event in Santa Clara County in partnership with the Creek Connections Action Group (CCAG). Valley Water provided cleanup supplies, including litter sticks, garbage bags, gloves, personal protective equipment, and other materials to participants.

- National River Cleanup Day (May 18, 2024): A total of 690 volunteers removed approximately 17,255 pounds of debris, including 773 pounds of recyclables, at 42 cleanup sites along 66 miles of waterways and natural areas in Santa Clara County. Valley Water hosted the annual event in Santa Clara County in partnership with the Creek Connections Action Group (CCAG). Valley Water provided cleanup supplies, including litter sticks, garbage bags, gloves, personal protective equipment, and other materials to participants.
- Great American Litter Pickup (April 20, 2024): The Great American Litter Pickup was organized by the City of San José. Valley Water promoted the event to volunteers and Water Ambassadors through newsletters and the ***www.cleanacreek.org*** website.
- Adopt-A-Creek (year-round): At the end of the fiscal year, the program had 85 partners, including local businesses, neighborhood associations, individuals, and community groups. In FY24, program partners removed approximately 59,147 pounds of litter from local waterways. This total includes their contributions to the annual National River Cleanup and Coastal Cleanup Day totals. Valley Water provided cleanup supplies, including litter sticks, garbage bags, gloves, personal protective equipment, and other materials at no cost to Adopt-A-Creek partners.
- For more current information about this project, visit: ***www.valleywater.org/project-updates/grants-and-environmental-protection/B4-support-volunteer-cleanup-efforts***.

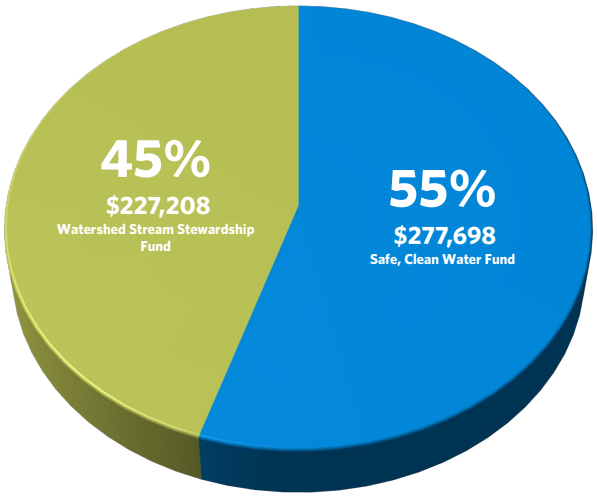
Financial Information

In FY24, 102% of the annual project budget was expended.

Figure B4.1 Support Volunteer Cleanup Efforts
Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$278	$0	$0	$278	$270	$14	$284	102%	$5,198	13%

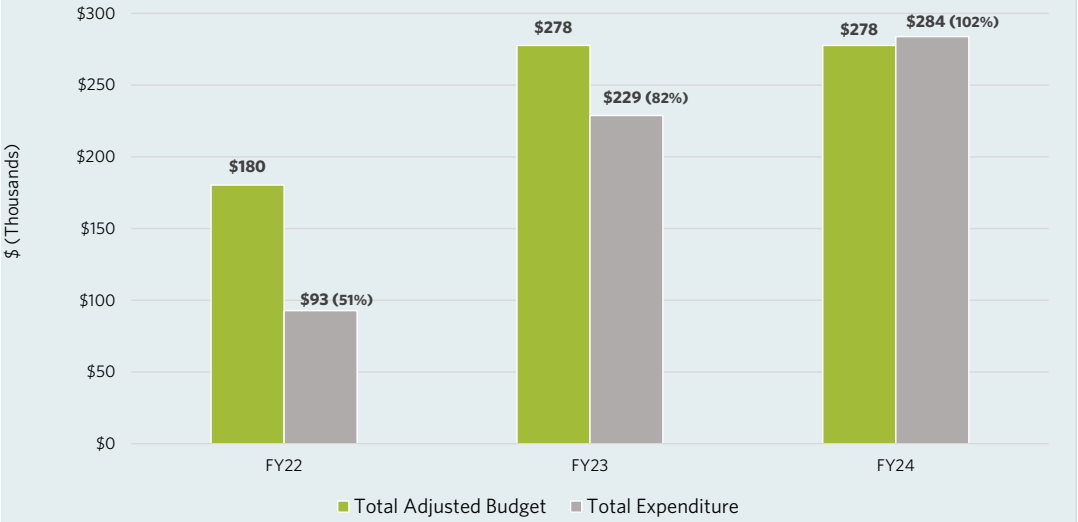
Figure B4.2
Support Volunteer Cleanup Efforts: Creek Stewardship
Total FY24 Project Budget: $504,906



Valley Water funds this project with more than the Safe, Clean Water Program fund (Fund 26). Figure B4.2 shows the project's total adjusted annual budget inclusive of all Valley Water funding sources.

Project Expenditure History

Figure B4.3 Support Volunteer Cleanup Efforts Budget vs. Expenditure



Opportunities and Challenges

Creek Connections Action Group

The Creek Connections Action Group (CCAG) is a consortium of Santa Clara County agencies that organize volunteer creek cleanup events in the county, including the annual National River Cleanup and California Coastal Cleanup Days. Valley Water serves as the chair. By working collaboratively, the group can leverage local knowledge and resources to maximize the reach of volunteer cleanup activities. For more information about the CCAG, visit ***www.cleanacreek.org.***

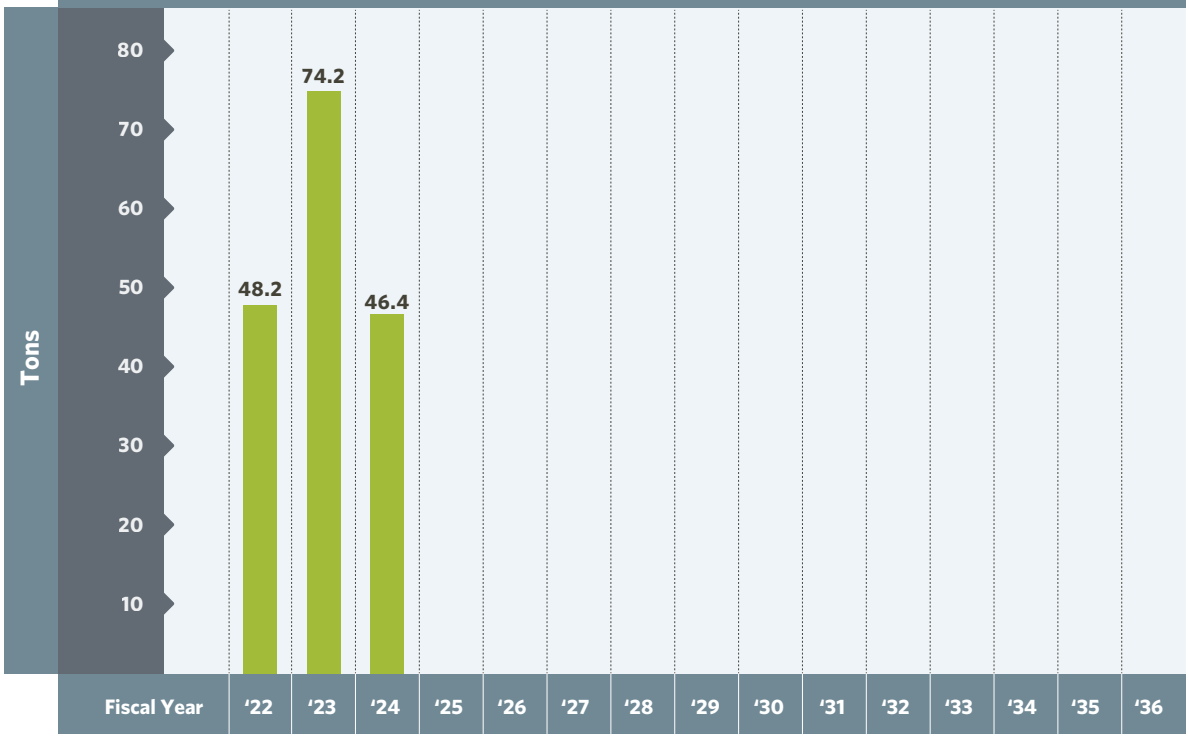
Annual Volunteer Recognition Event

As an opportunity to acknowledge volunteers, Valley Water hosted its annual volunteer recognition event on February 1, 2024. The event recognized Adopt-A-Creek partners, National River Cleanup Day and Coastal Cleanup Day volunteers, and Water Ambassadors. The event serves as an opportunity to recognize volunteers and their contributions to maintaining clean and healthy creeks and to help recruit new Adopt-A-Creek partners.

Coordination to Optimize Funding

Some activities appear to overlap in Projects B2, B4, F5, F6, and F9. Staff within these overlapping project areas maintain regular communication to avoid duplication of efforts and to cross-promote programs when appropriate. Coordination among staff helps to capitalize on opportunities and optimize funding.

Figure B4.4
Tons of Trash and Debris Removed

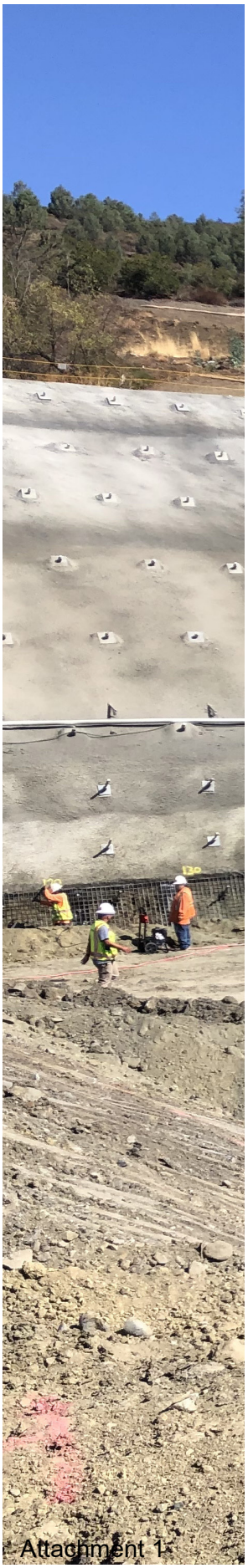


Priority C

Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters

The Priority C project helps protect our drinking water supply and water quality infrastructure from natural disasters, such as earthquakes. This priority provides partial funding to retrofit Anderson Dam so that it can safely withstand a large earthquake. Known as the Anderson Dam Seismic Retrofit project, the project would continue to ensure public safety and secure a reliable water supply.

Project C1: Anderson Dam Seismic Retrofit



Anderson Dam

PROJECT C1
ANDERSON DAM SEISMIC RETROFIT

Anderson Reservoir is currently limited in its capacity due to seismic concerns, costing Santa Clara County valuable drinking water resources. This project, which continues the 2012 Safe, Clean Water project, provides a portion of the funds required to help restore the full operating capacity of Anderson Reservoir.

Anderson Dam creates the county's largest surface water reservoir—Anderson Reservoir—which stores local rainfall runoff and imported water from the Central Valley Project. The reservoir is an important water source for drinking water treatment plants and the recharge of the groundwater basin. Besides restoring drinking water supplies and covering the earthquake retrofitting of Anderson Dam to improve reliability and safety, the upgrade also supports compliance with environmental regulations. Valley Water's regular reservoir releases ensure that downstream habitat has healthy flows to sustain wildlife.

A breach of Anderson Dam at full capacity could have catastrophic consequences, including inundation of surrounding land more than 30 miles northwest to San Francisco Bay, and more than 40 miles southeast to Monterey Bay.

Diversion Outlet Structure nearly complete. Micro Tunnel Boring Machine assembly.

SCHEDULED TO START

ADJUSTED

Project C1 FY24 Highlights

- Made significant progress on the Anderson Dam Tunnel Project, including the completing the excavation of the 24-foot diameter Low-Level Outlet tunnel
- Continued Coyote Creek Flood Management Measures Project construction.
- Continued construction on the Coyote Percolation Pond Dam Replacement.
- Completed construction of the Cross Valley Pipeline Extension.
- Released the Anderson Dam Seismic Retrofit Project Draft Environmental Impact Report for public review.

Benefits

- Brings the dam into compliance with today's seismic standards
- Increases reliability and safety of our area's largest reservoir by protecting it from earthquakes
- Eliminates operational restrictions issued by the two regulatory agencies—the Federal Energy Regulatory Commission (FERC) and the California Department of Water Resources Division of Safety of Dams (DSOD). In February 2020, FERC directed Valley Water to begin safely lowering the reservoir to an elevation of 488 feet (essentially almost emptying the reservoir) beginning October 1, 2020. This project would restore Anderson Reservoir to its full capacity of approximately 90,373 acre-feet of water storage for our current and future water supply
- Ensures compliance with environmental laws and regulations
- Enhances native fish and wildlife habitat with spawning gravel, instream complexities for habitat, and riparian corridor enhancement
- Minimizes the risk of uncontrollable releases from the reservoir, which could cause downstream flooding

Key Performance Indicator (FY22-36)

1. Provide portion of funds, up to $54.1 million, to help restore full operating reservoir capacity of 90,373 acre-feet.

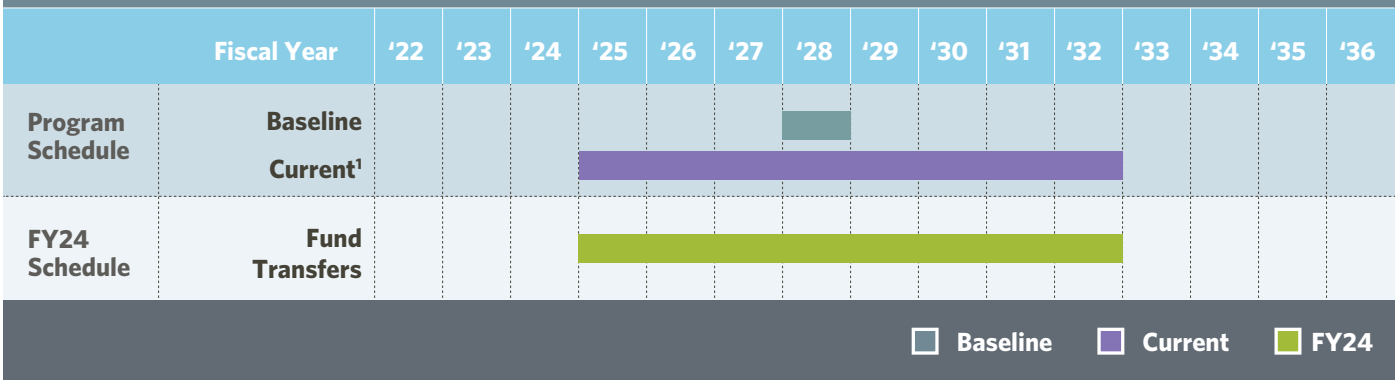
Geographic Area of Benefit: Countywide

Project Location

Figure C1.1

Schedule

Figure C1.2 Anderson Dam (Fund Transfer)
Schedule Comparison Between the Safe, Clean Water Program (2020) and FY24



1. Board approved schedule adjustment through the Change Control Process in FY21. The project is adjusted only in terms of the Safe, Clean Water Program KPI of providing funding. For overall project schedule, see Figure C1.6.

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***SCHEDULED TO START***	***ADJUSTED***	Transfer $54.1 million to the Water Utility Fund over eight years from FY25–32 instead of in FY28. The decision came into effect in FY22.	***FY22 (2021–2022)***
FY23	***SCHEDULED TO START***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***SCHEDULED TO START***	***ADJUSTED***	Project benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
SCHEDULED TO START	***ADJUSTED (Text Adjustment)***

The text under Benefits is adjusted to briefly explain how the project enhances native fish and wildlife habitat.

PROGRESS ON KPI #1:

The fund transfer is scheduled to begin in FY25 and be completed in FY32.

For more current information about this project, visit ***www.valleywater.org/project-updates/c1-anderson-dam-seismic-retrofit.***

Financial Information

There was no Safe, Clean Water budget allocation for this project in FY24 since, under the adjusted schedule, the first fund transfer is to occur in FY25.

Figure C1.3 Anderson Dam Deismic Retrofit Financial Summary ($ Thousands)									
Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$0	$0	$0	$0	$0	$0	$0	0%	$54,053	0%

Figure C1.4

Anderson Dam Seismic Retrofit

Total FY24 Project Budget: $26,733,749

0%
$0
Safe, Clean Water Fund

Valley Water funds this project with more than the Safe, Clean Water Program fund (Fund 26). Figure C1.4 shows the project's total adjusted annual budget inclusive of all Valley Water funding sources.

Opportunities and Challenges

Progress

Federal Energy Regulatory Commission (FERC) Order Compliance Project

In February 2020, FERC, the federal hydropower regulator, issued an order requiring Valley Water to immediately implement risk reduction measures to protect the public from the risk of Anderson Dam failure and downstream flooding in the event of a major earthquake, and to develop and implement necessary avoidance, minimization, and mitigation measures.

The FERC order included maintaining Anderson Reservoir at a level no higher than elevation 565 feet immediately and begin lowering the reservoir to an elevation of 488 feet (deadpool) in a safe manner no later than October 1, 2020. Deadpool is the lowest possible elevation at which water can be released from the reservoir. FERC issued a second order on October 1, 2020, that approved the measures of the Reservoir Drawdown and Operations Plan necessary for Valley Water to effectuate the reservoir drawdown. The October 2020 order required additional information regarding Valley Water's plans for the Anderson Dam Tunnel Project and associated mitigation measures, including maintaining drawdown of the reservoir, reservoir bank and rim stability improvements, existing intake structure modifications, imported water releases and Cross Valley Pipeline extension, and steelhead and fish avoidance and minimization measures.

In compliance with the February 2020 FERC order, Valley Water immediately restricted the reservoir to an elevation of 565 feet, began defining the interim risk reduction measures, and initiated emergency consultation processes regarding adverse environmental impacts of these interim risk reduction measures with the regulatory agencies, as appropriate. Furthermore, Valley Water created a project that is described in the Anderson Dam Federal Energy Regulatory Commission Order Compliance Project Engineer's Report and comprises the following subprojects:

- **Anderson Dam Tunnel Project** - On July 7, 2021, Valley Water held a groundbreaking ceremony for the Anderson Dam Tunnel Project, which is the first stage of the Anderson Dam Seismic Retrofit Project. In February 2024 (FY24), Valley Water achieved significant project construction milestones with the completion of the excavation of the 24-foot diameter Low-Level Outlet Tunnel. The construction contractor plans to launch the 8-foot diameter Micro-Tunnel Boring Machine in the summer of 2024 to advance the lake tap for the stage 1 diversion and thereby complete the Anderson Dam Tunnel Project tunneling operations. Progress was made on the Diversion Outlet Structure, which will house two 132-inch diameter fixed cone valves. The construction of the Diversion Outlet Structure slabs and walls was successfully completed in April 2024 and the construction of the Diversion Outlet Structure roofs was completed in June 2024. Additionally, the realignment of the Anderson Force Main was completed in spring 2024. Progress continues on the North Channel and North Channel Extension of Coyote Creek, which will be completed in FY25. Construction of the South Channel Weir is anticipated in the summer of 2025. The Anderson Dam Tunnel Project construction is anticipated to be completed in the summer of 2025. This large-diameter tunnel will allow Valley Water to better maintain water levels in Santa Clara County's largest reservoir and construct the Anderson Dam Seismic Retrofit Project.
- **Coyote Creek Flood Management Measures** - Construction work on the Coyote Creek Flood Management Measures Project (CCFMMP or E1: Coyote Creek Flood Protection Project, Phase 1) began in June 2023. The immediate objective of this project is to reduce the risk of flooding to homes, schools, businesses, and transportation networks from flood flows associated with an approximately 20-year recurrence interval flood, equivalent to the February 2017 flood event and may occur as a result of water releases from Anderson Dam after the construction of the Anderson Dam Tunnel Project. In FY24, construction proceeded installing approximately 8,500 linear feet of steel sheet pile floodwalls at seven locations along Coyote Creek in San José. The steel sheet piles were installed using specialized hydraulic press-in equipment to drastically reduce impacts to the surrounding environment, especially regarding noise and vibration. The remaining work, forecasted to occur in FY25, includes the installation of floodwall concrete encasement, flood doors, flood gates, various fence restoration, landscaping restoration, planting and seeding, and traffic island restoration.
- **Coyote Percolation Pond Dam Replacement** – In May 2023, Valley Water began construction to replace the existing steel flashboard dam at the Coyote Percolation Pond with an inflatable bladder dam. The current panels are placed to hold back water in the creek to replenish the groundwater aquifer and are removed under high-flow scenarios, such as during heavy rains, to allow for rapid water flows and prevent flooding. Operation of the new Anderson Dam Tunnel could cause flows as high as 2,500 cubic feet per second, which will overwhelm the current Coyote Percolation Dam, which cannot handle flows of more than 800 cubic feet per second. Removing the dam altogether to accommodate those higher flows would impact Valley Water's ability to recharge the groundwater basin. When finished, the inflatable dam can be quickly inflated or deflated based on the water flow from Anderson Dam. Construction is anticipated to be completed in FY25. Following the replacement, Valley Water plans to modify the channel downstream of the dam to allow fish to pass over the deflated dam safely. That work is scheduled for completion by 2027. The project will help protect the water supply, groundwater basins, and wildlife in Coyote Creek.
- **Cross Valley Pipeline Extension** – Valley Water has installed and extended the pipeline by about 1.25 miles to ensure that Coyote Creek and the Coyote Percolation Pond in south San José have a healthy water supply. Besides the pipeline, work included installing vaults, appurtenances, and a stilling well. Construction of two new PG&E electrical services is complete. Anderson Reservoir is normally the water source for Coyote Creek and the Coyote Percolation Ponds. Since Anderson Reservoir will have a low water level while Valley Water rebuilds the Anderson Dam, this pipeline extension is required to connect the pipeline to Coyote Creek to ensure the creek and the percolation pond continue to receive enough water to replenish groundwater supplies. The pipeline can provide up to 22,000 gallons of water a minute. The flow of water will also benefit wildlife and habitat along Coyote Creek.
- **Coyote Creek Stream Augmentation Fish Protection Measure (installation of chillers)** - Coyote Creek from the San Francisco Bay to Anderson Dam is a designated critical habitat for federally threatened rainbow trout (Oncorhynchus mykiss). Alteration of creek flows and the lack of a reliable cold-water pool from which to draw would impact rainbow trout and their habitat, particularly through the functional cold-water zone extending about five miles from the dam's base. The project aims to chill imported water and deliver the chilled water to the Coyote Creek functional cold-water zone to maintain a suitable aquatic habitat for native species and provide a habitat sufficient for rainbow trout survival during the implementation of the FERC Order Compliance Project. The project entails installing a Modular Chiller Plant at the southwest corner of the existing Coyote Pumping Plant. A new 24-inch pipe will be installed to connect to an existing 36-inch nozzle on the Cross Valley Pipeline to allow the chillers to receive imported water. The chiller system would chill 10 cfs of imported water to approximately 16° Celsius before releasing it into the creek through the 42-inch Coyote Discharge Line. Project construction started in October 2023, and all connections to existing buried pipelines have been completed. Construction completion is anticipated in FY25.

Figure C1.5

Federally threatened juvenile Central Coast Steelhead (Oncorhynchus (O.) mykiss)

Environmental Obligations

Valley Water continued to progress on the completion of environmental obligations for the Federal Energy Regulatory Commission (FERC) Order Compliance Project, including permit compliance and the development of advanced designs for the required Habitat Mitigation and Monitoring Plan that provides compensatory mitigation for impacts to Coyote Creek and associated habitats. A key component of the Habitat Mitigation and Monitoring Plan is a steelhead habitat enhancement project in Coyote Creek, just downstream of Anderson Dam, known as the Live Oak Restoration Reach. The Live Oak Restoration Reach project has reached 90% design, and the project will be implemented in spring 2025-fall 2026.

Anderson Dam Seismic Retrofit Project (ADSRP)

Valley Water continued to work with FERC to update the Anderson Dam Seismic Retrofit Project's environmental/ construction schedule. On September 1, 2023 (FY24), Valley Water released the Anderson Dam Seismic Retrofit Project Draft Environmental Impact Report (EIR) for public review.

Valley Water completed the Anderson Dam Seismic Retrofit Project 90% design in March 2023 and submitted the plans, specifications, and technical memoranda to the regulatory agencies. Comments on the 90% Design were received from FERC on November 29, 2023, and comments from the California Department of Water Resources Division of Safety of Dams (Division of Safety of Dams) are still pending. Construction of the remaining Anderson Dam Seismic Retrofit Project elements, including the high-level outlet works and removal and reconstruction of the spillway and the dam embankment, will commence after the Anderson Dam Tunnel Project is completed and will take approximately seven (7) years to construct.

In addition to advancing the Anderson Dam Seismic Retrofit Project design, Valley Water has been developing conservation measures that will improve habitat conditions in Coyote Creek to offset the anticipated impacts to the Coyote Creek and fisheries resources that will occur as a result of the Anderson Dam Seismic Retrofit Project. Valley Water has been working closely with the regulatory agencies since early 2018. More recently, Valley Water has been focused on the development of the Biological Evaluations for the National Marine Fisheries Service and the U.S. Fish and Wildlife Service protected species, as well as conservation measures to offset impacts from the Anderson Dam Seismic Retrofit Project undertaking, such as the Ogier Ponds-Coyote Creek Separation Project.

Agencies and Stakeholder Collaboration

Valley Water continued holding monthly technical working group and interagency consultation meetings with key regulatory agencies, including the Santa Clara County Department of Parks and Recreation, Santa Clara Valley Habitat Agency (Habitat Agency), U.S. Army Corps of Engineers (USACE), National Marine Fisheries Service, U.S. Fish and Wildlife Service, California Department of Fish and Wildlife, State Water Resources Board, and San Francisco Regional Water Quality Control Board. In addition, Valley Water continued to engage key agencies through FY24 to carry out permit compliance for the Federal Energy Regulatory Commission (FERC) Order Compliance Project and to make progress on the environmental review that is necessary to secure permits for the Anderson Dam Seismic Retrofit Project construction (see Permit section below).

Valley Water also continued to work with other stakeholders and the community to keep them informed of the project's progress. Staff also provided the Board with regular updates.

Surrendering Anderson Hydroelectric Facility

On January 26, 2021, the Board directed staff to pursue the surrender and decommissioning of the Anderson Hydroelectric Facility. The facility, which has been operating at the Anderson Dam for over 30 years, has been generating renewable energy as part of the overall Valley Water energy portfolio. Over the last several years, Valley Water has made significant strides in diversifying our energy portfolio towards much more economically favorable and greener solutions to the point that almost 100% of Valley Water's energy use is from carbon-free sources at a very competitive cost. Meanwhile, as with any aging infrastructure, the cost of operating and maintaining the facility has been increasing and exceeds the revenues from power generation at the facility. As a result, the Board directed staff to take the necessary steps to seek FERC's approval to surrender and decommission the facility, including but not limited to:

- Evaluate the surrender of the license exemption and decommissioning of the facility in the Anderson Dam Seismic Retrofit Project EIR; and
- Coordinate with FERC and other regulatory agencies to submit all applications and obtain any necessary approvals to implement the decommissioning of the facility as part of the Anderson Dam Seismic Retrofit Project.

Valley Water submitted the draft petition to FERC for the surrender and decommissioning of the Anderson Hydroelectric Facility on September 28, 2023, followed by a final petition on February 20, 2024.

Permits

While the FERC Order Compliance Project and the Anderson Dam Seismic Retrofit Project are two separate independent projects, Valley Water's goal is to incorporate most of the Anderson Dam Tunnel Project infrastructure into the future Anderson Dam Seismic Retrofit Project infrastructure and facilities. The California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) compliance and regulatory agency approval processes for the Anderson Dam Seismic Retrofit Project continue throughout the construction and operation of the FERC Order Compliance Project.

FERC is the federal lead agency under NEPA and issued an Environmental Assessment in support of its ordered dam safety directive on October 1, 2020. FERC issued a supplemental Environmental Assessment for the remaining components of the FERC Order Compliance Project on February 2, 2021. FERC will continue to be the federal lead for the Anderson Dam Seismic Retrofit Project. Valley Water submitted the final petition to surrender the hydropower facility on February 20, 2024, with the goal of having FERC complete its NEPA process and issue work authorizations for the Anderson Dam Seismic Retrofit Project in FY26.

The proposed projects are covered activities under the Santa Clara Valley Habitat Plan, which will provide the federal Endangered Species Act and state Natural Community Conservation Planning Act compliance for several special-status species that the project may affect, including California tiger salamander, California red-legged frog, and coyote ceanothus. Consistent with Habitat Plan requirements, Valley Water has consulted with wildlife agencies on project-specific design and construction details. Several additional informal consultation efforts have also occurred with individual regulatory agencies, including site visits with the USACE, California Department of Fish and Wildlife, State Water Resources Board, San Francisco Regional Water Quality Control Board, U.S. Fish and Wildlife Service, National Marine Fisheries Service, and the Habitat Agency.

Additionally, Coyote Creek downstream of Anderson Dam is designated critical habitat for Central California Coast steelhead and essential fish habitat for Chinook salmon. Early coordination with resource agencies indicates potential construction-related water quality concerns, fish passage considerations, and operational effects will require appropriate evaluation.

Extensive consultation has continued throughout the year with the National Marine Fisheries Service, California Department of Fish and Wildlife, State Water Resources Board, San Francisco Regional Water Quality Control Board, and the Habitat Agency on these issues.

The Draft EIR was released for public review on September 1, 2023, and evaluated the impacts of implementing the project. Subsequently, Valley Water met with the project Board of Consultants, which reviews the project and makes recommendations. In response to the Board of Consultants recommendations, Valley Water is proposing to make certain construction changes, such as extending work hours, adding some weekend days, and beginning work on certain project components sooner. Because these construction changes would cause additional impacts, Valley Water will revise the Draft Environmental Impact Report (EIR) to update project impacts on air quality, greenhouse gas emissions, noise, and aesthetics, and allow additional public comment on the construction changes and updated impact analyses. Consequently, Valley Water plans to partially recirculate limited sections of the draft EIR in early August, for a 45-day public review period. The final EIR is anticipated in 2025. Valley Water submitted permit applications in summer 2024, with the goal of obtaining all permits by fall 2025.

Figure C1.6 Anderson Dam Seismic Retrofit
Project Schedule FY24

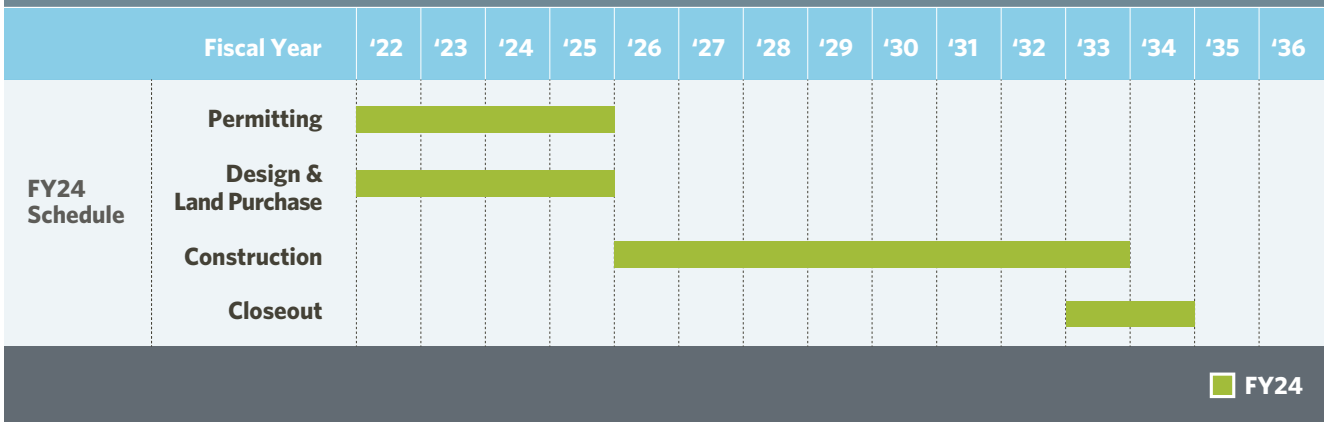


Figure C1.7 Anderson Dam Tunnel Project
Project Schedule FY24

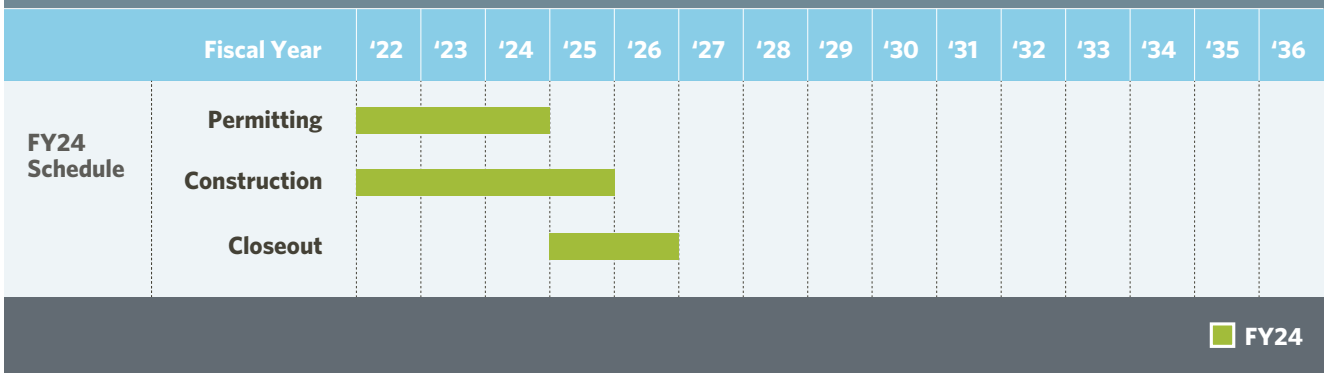


Figure E1.3 Coyote Creek Flood Management Measures
Project Schedule FY24

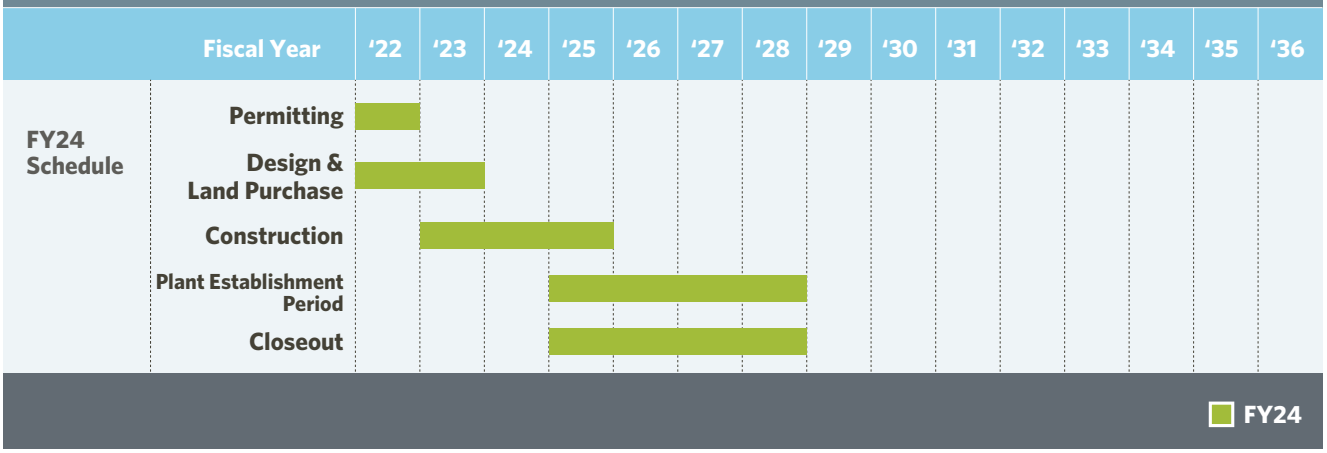


Figure C1.9 Coyote Percolation Pond Dam Replacement
Project Schedule FY24

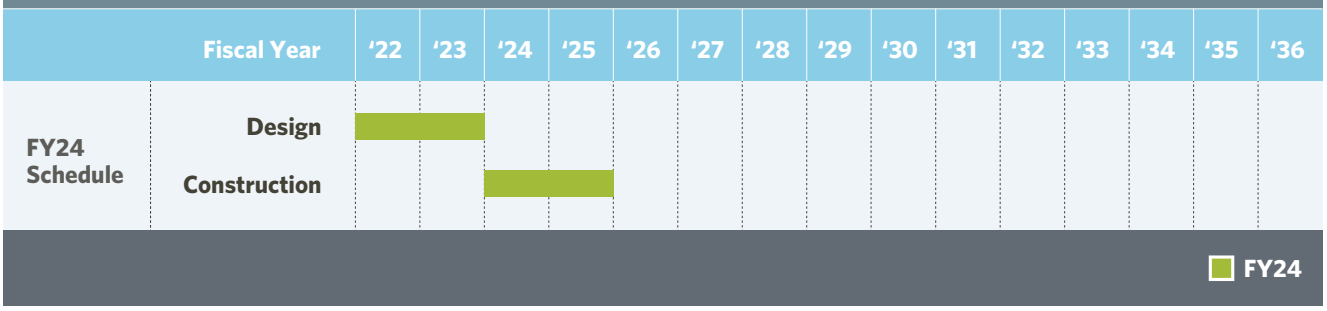
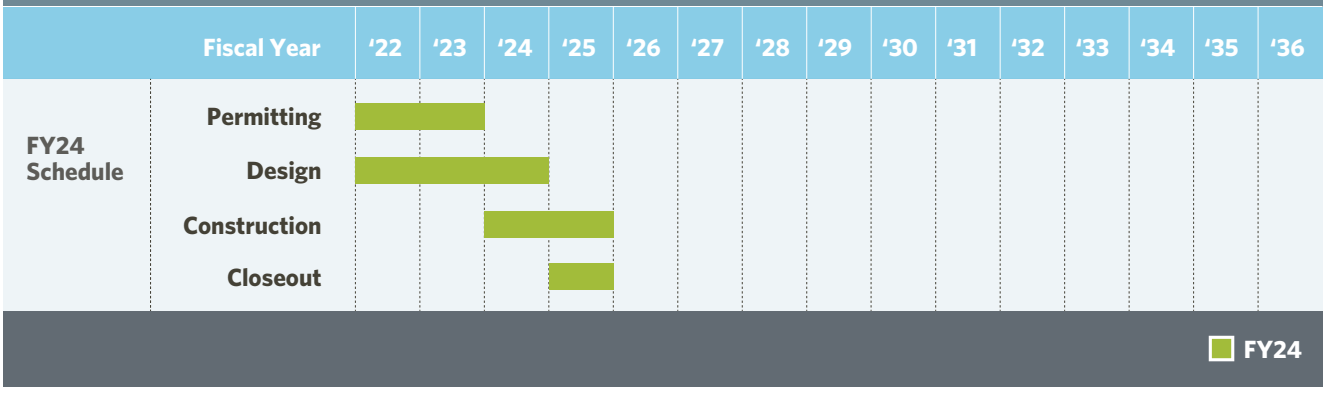


Figure C1.10 Coyote Creek Stream Augmentation Fish Protection Measure Project
Project Schedule FY24



Confidence levels

Anderson Dam Seismic Retrofit Project:

Schedule: ***Medium Confidence***

As a result of the Federal Energy Regulatory Commission (FERC) order, Valley Water expedited completing the plans and specifications for the FERC Order Compliance Project first. Construction for the Anderson Dam Tunnel Project started in the summer of 2021 and the estimated start of construction for the Anderson Dam Seismic Retrofit Project is FY26. The Anderson Dam Tunnel Project construction must be completed prior to the start of the Anderson Dam Seismic Retrofit Project. Difficult tunneling conditions and slow progress could potentially impact the construction schedule. Valley Water is working with the Anderson Dam Tunnel Project contractor to mitigate schedule impacts.

Minor delays to the release of the FERC authorization process could potentially cause the contractor to miss the first in-water construction season and delay the first year of construction by a full year. Valley Water has obtained additional resources to finalize the EIR and will continue to manage the complex procurement process to keep the schedule on track.

Funding: ***High Confidence***

The total project cost for the Anderson Dam Seismic Retrofit Project is estimated at $1.9 billion and is in Valley Water's Capital Improvement Program FY 2025-29 Five-Year Plan. This cost includes an estimated $61 million in FERC Order Compliance Project historical costs through FY22.

Permits: ***Medium Confidence***

Anderson Dam is operated under licenses from the Division of Safety of Dams and FERC. The project design will require their approval before construction. The permits from these agencies will depend mostly on the technical complexity of the project. Division of Safety of Dams and FERC will review the project at various design stages to facilitate the issuance of the permits from the different agencies that will be required for this project, including USACE, National Marine Fisheries Service, U.S. Fish and Wildlife Service, California Department of Fish and Wildlife, California Department of Industrial Relations/California Occupational Safety and Health, San Francisco Bay Area Air Quality Management District, State Water Resources Board, and the Habitat Agency. The State Water Resources Board issued a final water quality certification for the FERC Order Compliance Project on November 9, 2020. USACE and the California Department of Fish and Wildlife issued the final FERC Order Compliance Project permits in June and August of 2021. Valley Water continues to seek permit amendments for changes to the FERC Order Compliance Project designs that were not anticipated in 2020. Valley Water submitted permit applications for the Anderson Dam Seismic Retrofit Project in summer 2024, with the goal of having all permits obtained by September 2025.

Jurisdictional Complexity: ***Medium High Confidence***

Valley Water owns and operates Anderson Dam and Reservoir, which are located within the City of Morgan Hill. Santa Clara County Parks manages the recreational activities at Anderson Reservoir through a lease agreement with Valley Water. Valley Water is working with these various agencies throughout the project.

FERC Order Compliance Project (FOCP):

Schedule: ***Very High Confidence***

Construction for the first FERC Order Compliance Project sub-project, the Anderson Dam Tunnel Project, started in the summer of 2021 and is expected to be completed in 2025. The Cross Valley Pipeline Extension and Coyote Percolation Dam Replacement sub-projects are expected to be completed in FY25. The Coyote Creek Flood Management Protection Measures and the Coyote Creek Stream Augmentation Fish Protection Measure (Chillers) sub-projects are planned for completion in FY25.

Funding: ***Very High Confidence***

The FERC Order Compliance Project costs are estimated at $424 million (Capital Improvement Program FY 2025-29 Five-Year Plan). This cost does not reflect the estimated $61 million in historical costs through FY22 embedded in the Anderson Dam Seismic Retrofit Project.

Permits: *Very High Confidence*

Valley Water has received permits for the FERC Order Compliance Project from USACE, the State Water Resources Board , and the California Department of Fish and Wildlife. The Santa Clara Valley Habitat Plan compliance forms and fees have also been submitted. All FERC authorizations have been received. Valley Water is still heavily involved with permit compliance and evaluating whether permit modifications are required for design modifications that have arisen.

Jurisdictional Complexity: *Very High Confidence*

Valley Water owns and operates Anderson Dam and Reservoir, which are located within the City of Morgan Hill. Valley Water and Santa Clara County Parks have entered a Property Use Agreement to facilitate property right transfers.

Figure C1.11 Anderson Dam Seismic Retrofit Jurisdictional Complexities: Confidence Level Regarding Outside Agencies FY24

Partner/Outside Agency	Confidence Level	
	ADSRP	FOCP
FUNDING		
Water Infrastructure Finance and Innovation Act (WIFIA)	High	N/A
REGULATORY PERMITTING		
U.S. Army Corps of Engineers (Permits)	Medium	Very High
California Department of Fish and Wildlife	Medium	Very High
California Department of Industrial Relations/CA Occupational Safety	Medium	Very High
Department of Water Resources Division of Safety Dams	Medium	Very High
Federal Energy Regulatory Commission	Medium	Very High
National Marine Fisheries Service	Medium	Very High
Water Boards	Medium	Very High
Bay Area Air Quality Management District	Medium	Very High
San Francisco Bay Conservation and Development Commission	Medium	N/A
United States Fish and Wildlife Service	Very High	Very High
CITIES/COUNTIES		
Morgan Hill	High	Very High
Santa Clara County	High	Very High
OTHER AGENCIES		
PG&E	Medium High	Very High

See *Appendix C: Capital Projects Jurisdictional Complexities* for a list of confidence levels for each project by outside agencies for funding, regulatory permitting, cities, counties, and other agencies.

Priority D

Restore Wildlife Habitat and Provide Open Space

Priority D projects restore and protect wildlife habitat. Work under this priority includes controlling non-native, invasive plants; replanting native species; and maintaining previously replanted areas. Other projects include removing barriers to fish movement, improving steelhead habitat and stabilizing eroded creek banks. To support restoration projects, Valley Water will continue to build and update a comprehensive watershed database that tracks stream ecosystem conditions helping Valley Water and other organizations make informed watershed, asset management and natural resource decisions.

Project D1: Management of Riparian Planting and Invasive Plant Removal

Project D2: Revitalize Riparian, Upland and Wetland Habitat

Project D3: Sediment Reuse to Support Restoration Projects

Project D4: Fish Habitat and Passage Improvement

Project D5: Ecological Data Collection and Analysis

Project D6: Restoration of Natural Creek Functions

Project D7: Partnerships for the Conservation of Habitat Lands

Habitat enhancement at Alviso

PROJECT D1
MANAGEMENT OF RIPARIAN PLANTING AND INVASIVE PLANT REMOVAL

Removing giant reed (Arundo donax).

ACTIVE

ADJUSTED

Project D1 FY24 Highlights

- Maintained approximately 438.5 acres of riparian planting projects at 109 sites throughout Santa Clara County.
- Maintained 420 acres of invasive plant management projects at 19 sites throughout the county.
- Removed 0.86 acre of Arundo donax at 15 sites throughout the county.

This project supports Valley Water management of at least 300 acres of existing riparian planting projects and 200 acres of invasive plant removal projects throughout the five (5) watersheds. The project also funds maintenance of future riparian planting and invasive plant removal sites, which are anticipated as part of upcoming environmental mitigation requirements. Funding for this project ensures that all required riparian planting and invasive plant removal projects are maintained as functional habitat that can support wildlife. In addition, this project includes targeted control of especially damaging non-native, invasive plant species, such as Arundo donax, throughout the county.

Climate change has increased temperatures and lengthened growing seasons, which facilitates the spread of non-native invasive vegetation by allowing it to establish early in spring before native species, thus transforming ecosystems.

Riparian planting aims to reestablish native California plant species, combating habitat loss and fragmentation from urban development and sprawl. Carefully selected perennial plants, which can thrive for decades, aid in climate change mitigation by producing oxygen and absorbing and storing carbon in various forms. The shade provided by mature trees helps to moderate the urban heat island effect, reducing the need for additional energy sources to keep us comfortable. Invasive plant control targets non-native species, often less tolerant to climate extremes like flooding and droughts. These species can hinder the reestablishment of native plants after such disturbances and can diminish forest carbon storage capacity. Invasive plants also tend to form dense monospecific thickets, increasing the risk of more frequent and severe wildfires. Management of riparian planting and invasive plant removal helps prevent the spread of non-native species, making the natural habitat less vulnerable and more resilient to climate change. Furthermore, restoring habitats that are damaged during regular operations is an important component of sustainable stewardship to protect nearby natural areas. It helps improve native habitat.

Benefits

- Maintains 300 acres of existing riparian planting sites
- Maintains 200 acres of existing invasive plant management projects
- Allows Valley Water to monitor plant survival and habitat functions
- Complies with environmental laws, which require long-term habitat mitigation for routine stream maintenance, flood protection and water supply projects
- Provides for the maintenance of future riparian planting and invasive plant management sites
- Addresses climate change impacts by making the natural habitat less vulnerable and more resilient

Key Performance Indicators (FY22–36)

1. Maintain a minimum of 300 acres of riparian planting projects annually to meet regulatory requirements and conditions.
2. Maintain a minimum of 200 acres of invasive plant management projects annually to meet regulatory requirements and conditions.
3. Remove 25 acres of Arundo donax throughout the county over a 15-year period.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26):

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021–2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***ADJUSTED***	Project description and benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	***ADJUSTED (Text Adjustment)***

The project description and Benefits text is adjusted to explain how the project addresses climate change impacts. This adjustment is in response to a recommendation by the Independent Monitoring Committee (IMC).

PROGRESS ON KPI #1:

In FY24, Valley Water maintained 438.50 acres of riparian planting projects at 109 sites throughout Santa Clara County.

This maintenance work included invasive plant control, pruning, mowing, and irrigation of two (2) recently planted sites that require more routine maintenance. Infill and replacement planting were conducted at 10 planting sites to increase overall native plant cover due to losses experienced during the drought. An additional 12 existing planting sites were seeded with a custom native grass and wildflower mix to increase native cover between container plantings. Valley Water monitors the mitigation sites per the success criteria established by various regulatory agencies. Valley Water provides monitoring reports to regulatory agencies on an annual basis. The monitoring reports can be found at ***tinyurl.com/D1AgencyReportsFY24***.

PROGRESS ON KPI #2:

In FY24, Valley Water maintained 420.01 acres of invasive plant management projects at 19 sites throughout the county. This includes 200 acres funded by the Safe, Clean Water Fund and the remaining by the Watershed Stream Stewardship Fund. A detailed list of identified invasive plants can be found at ***tinyurl.com/InvasivePlantGuide***.

PROGRESS ON KPI #3:

In FY24, Valley Water removed 0.86 acres of giant reed (Arundo donax) at 15 sites throughout the county.

For more current information on this project, visit ***www.valleywater.org/project-updates/d1-management-riparian-planting-and-invasive-plant-removal***.

Figure D1.1

Giant reed (Arundo donax) prior to removal.

Figure D1.2
Acres of Annual Riparian Planting Maintained

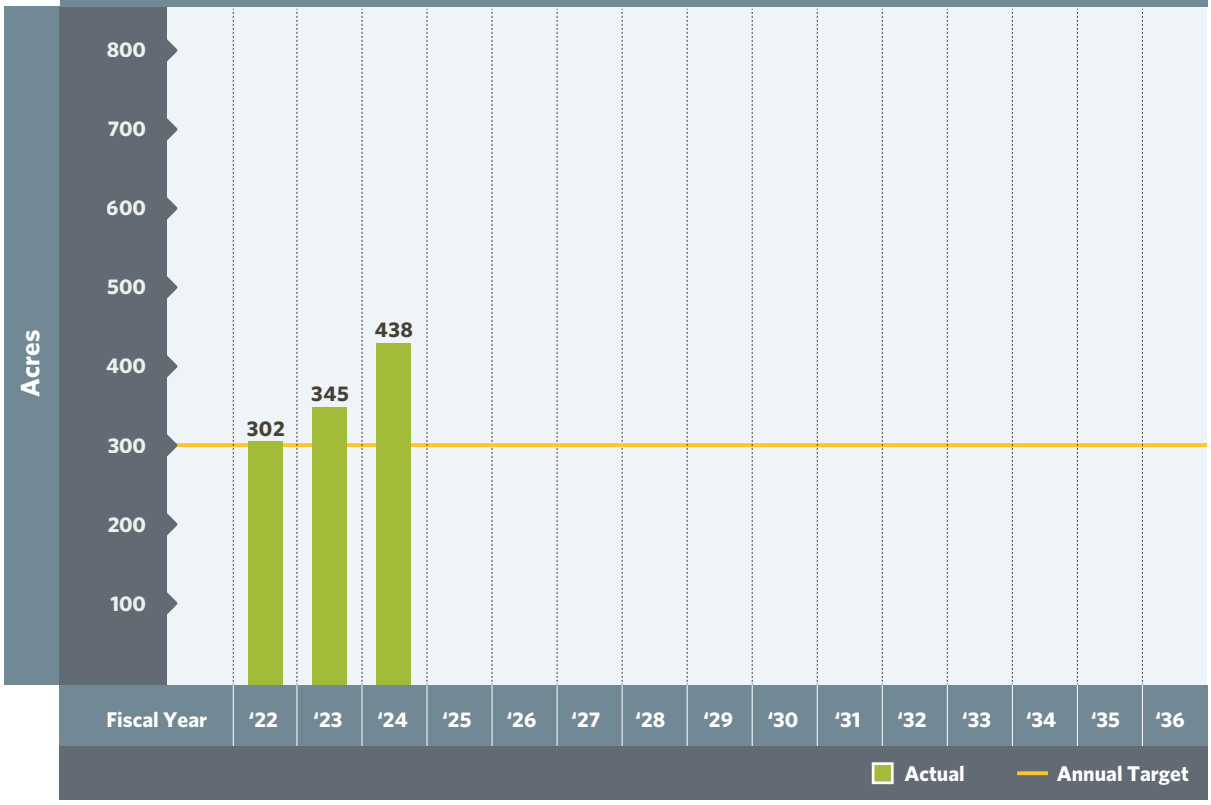


Figure D1.3
Acres of Invasive Plant Management

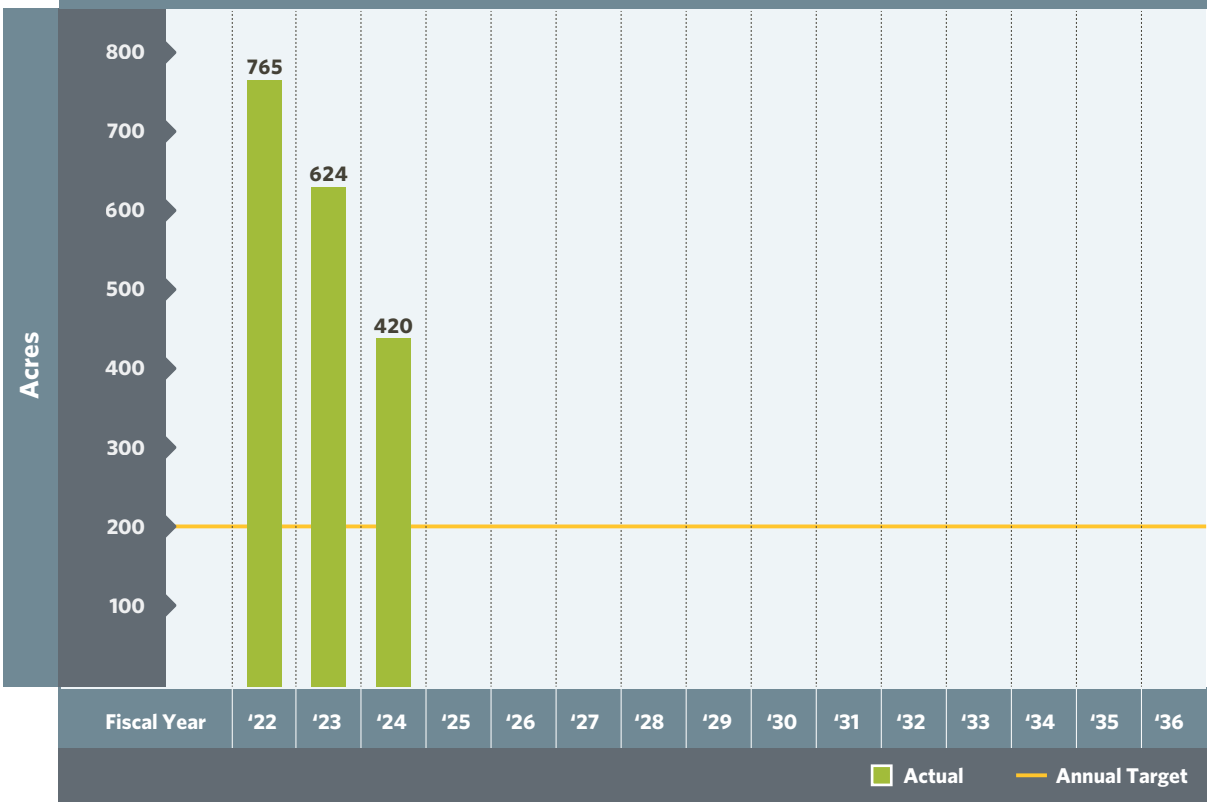
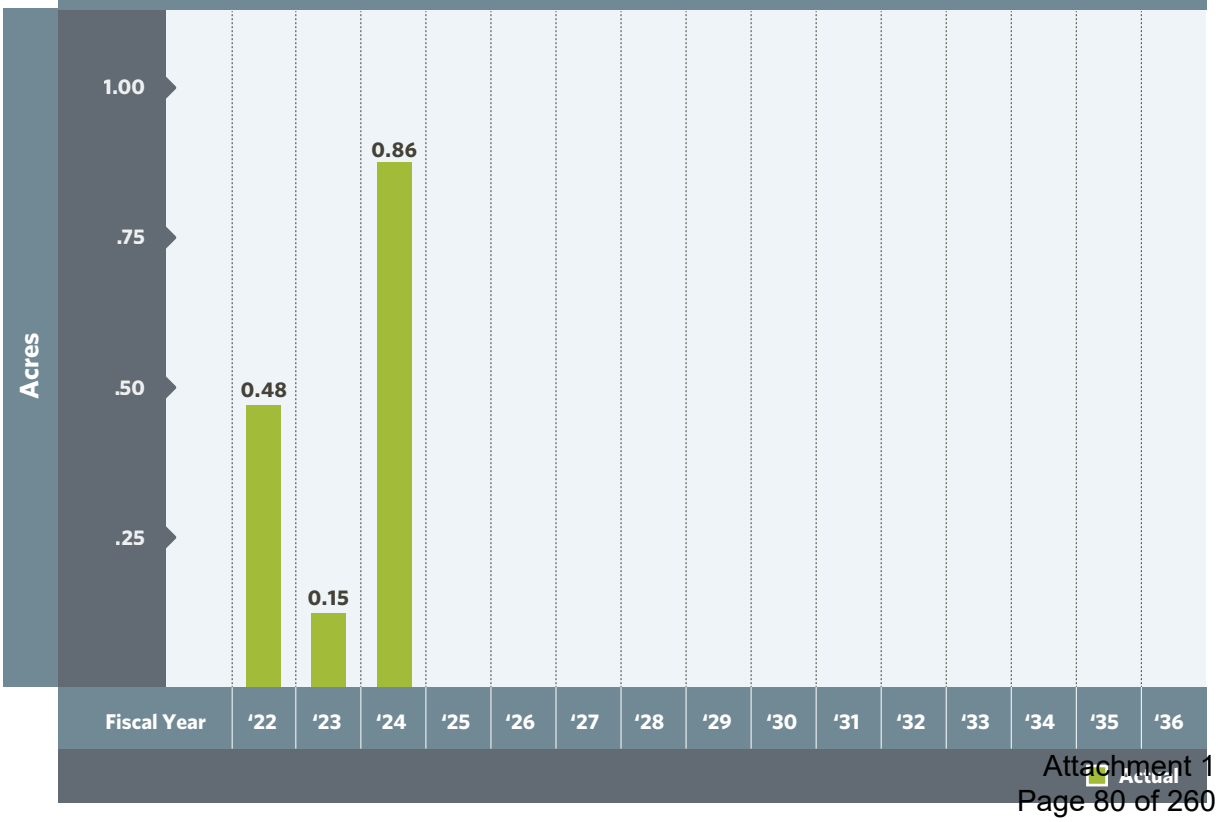


Figure D1.4
Acres of Arundo Donax Removed



Financial Information

In FY24, 105% of the annual project budget was expended.

Figure D1.5 Management of Riparian Planting and Invasive Plant Removal

Financial Summary ($ Thousands)

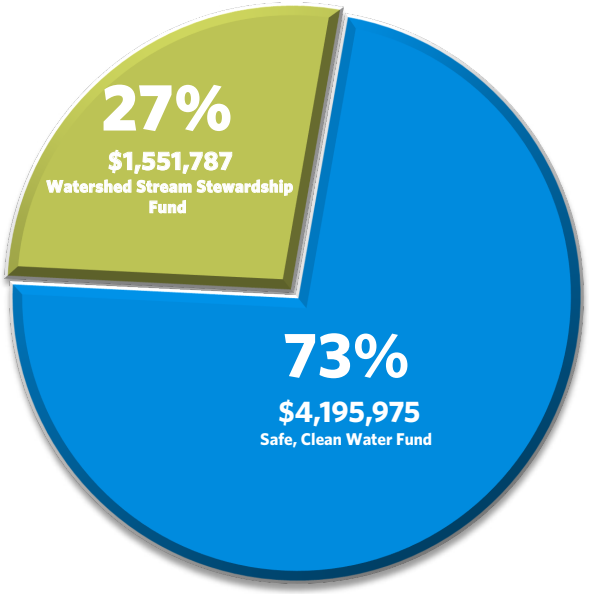
Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjust-ments*	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$2,143	$0	$2,053	$4,196	$4,369	$25	$4,394	105%	$52,741	14%

*The Budget Adjustment was a fund transfer made in FY24 to pay towards the 200 acres of invasive plant management (KPI #2) in FY22, FY23 and FY24 that was erroneously charged to Watersheds.

Figure D1.6

Management of Riparian Planting and Invasive Plant Removal

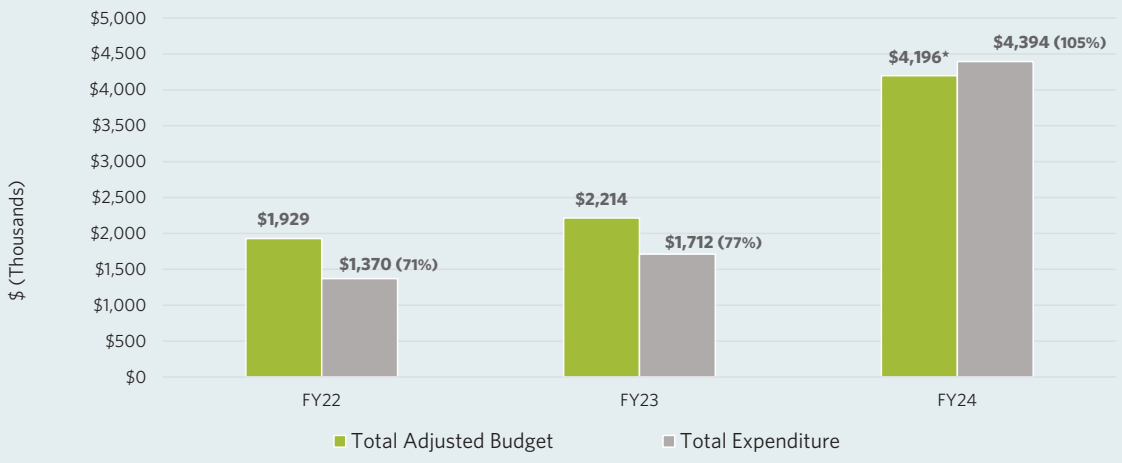
Total FY24 Project Budget: $5,747,762



Valley Water funds this project with more than the Safe, Clean Water Program fund (Fund 26). Figure D1.6 show the project's total adjusted annual budget inclusive of all Valley Water funding sources. The total adjusted budget includes a fund transfer made in FY24 to pay towards the 200 acres of invasive plant management (KPI #2) in FY22, FY23, and FY24 that was erroneously charged to the Watershed Stream Stewardship Fund.

Project Expenditure History

Figure D1.7 Management of Riparian Planting and Invasive Plant Removal Budget vs. Expenditure



*The adjusted budget includes a fund transfer made in FY24 to pay towards the 200 acres of invasive plant management (KPI #2) in FY22, FY23 and FY24 that was erroneously charged to the Watershed Stream Stewardship Fund.

Opportunities and Challenges

Storm Response (January-March)

Staff resources were partially focused on storm response during inclement weather events in early 2024. Debris removal, clearing downed vegetation, and supporting the public sandbag distribution program were priorities during the third quarter of FY24. The Safe, Clean Water Program did not fund this storm response effort.

Mulching and Seeding

Valley Water has continued using fresh woodchips around riparian planting basins to retain moisture, discourage weed growth, and improve soil health. This has been implemented due to declining plant performance and growth during the recent droughts. Woodchips are sourced and handled to reduce the risk of contamination by Phytophthora and other known plant pathogens. Sowing riparian planting sites with locally sourced native plant seeds (CA poppy, lupine, clarkia) has also helped to improve total native cover and overall mitigation site performance. Furthermore, the increase in diseased and dead trees due to drought has added to the pressure of completing weed abatement work in anticipation of early fire season.

Encampment Impacts

The presence of unsheltered individuals living along the waterways continues to pose a challenge for servicing mitigation sites and conducting routine vegetation management work. Worker safety is prioritized over routine vegetation management work where unsafe conditions exist. This is especially true with invasive plant management projects that tend to be located in areas with intact tree cover and high habitat values, where invasive plant control is especially important. Several mitigation sites have been abandoned in the last couple of years due to the proliferation of encampments of unsheltered individuals and staff safety concerns. Additionally, weed abatement work footprints have increased to reduce fire risk around these encampments. For information on the broader Valley Water response to unsheltered homelessness, see Project F5: Good Neighbor Program: Encampment Cleanup, Opportunities and Challenges section.

New Capital Project Mitigation

As capital projects are constructed, and after the initial three-year plant establishment period, additional acreages of mitigation will become part of Project D1 and require routine maintenance to meet their 10-year success criteria. Projections show that the following acres of mitigation will be transitioned into Project D1, resulting from the completion of specific capital projects:

- FY25 – An estimated 18 acres of mitigation from the Upper Llagas Creek Flood Protection (Phase 1, second portion) project
- FY26 - An estimated 1.3 acres of mitigation from the Hale Creek Enhancement Pilot and Lower Penitencia Creek Flood Improvements projects.
- FY27 – An estimated 0.7 acre of mitigation from the Calera Creek (Lower Berryessa Phase 3), the Uvas-Carnadero Creek (Bolsa Road Fish Passage), and Cross Valley Pipeline Extension projects.
- FY28 - An estimated 15 acres of mitigation from the Upper Berryessa Creek Flood Protection Project.
- FY29 - An estimated 0.4 acres of mitigation from the Calabazas Creek Flood Protection Project.
- FY30 - An estimated 55 acres of mitigation from Upper Llagas Creek Flood Protection Project (Phase 2)

In addition to the approximate 85 new acres received in FY24, these additional 90 mitigation acres will require significant maintenance and staff resources. Newer planting projects have higher maintenance needs than established ones. Valley Water anticipates needing to provide a lower level of service on older, established planting sites and will prioritize maintenance of recently planted sites and capital project mitigation as these transitions occur. Older planting sites will continue to be evaluated to improve ecological health, invasive species control, and wildfire resiliency. Valley Water continues to use contract labor crews to supplement its staff resources to comply with the mitigation requirements.

Figure D1.8
Acres of Riparian Planting
Projected New Acerage in Future FYs

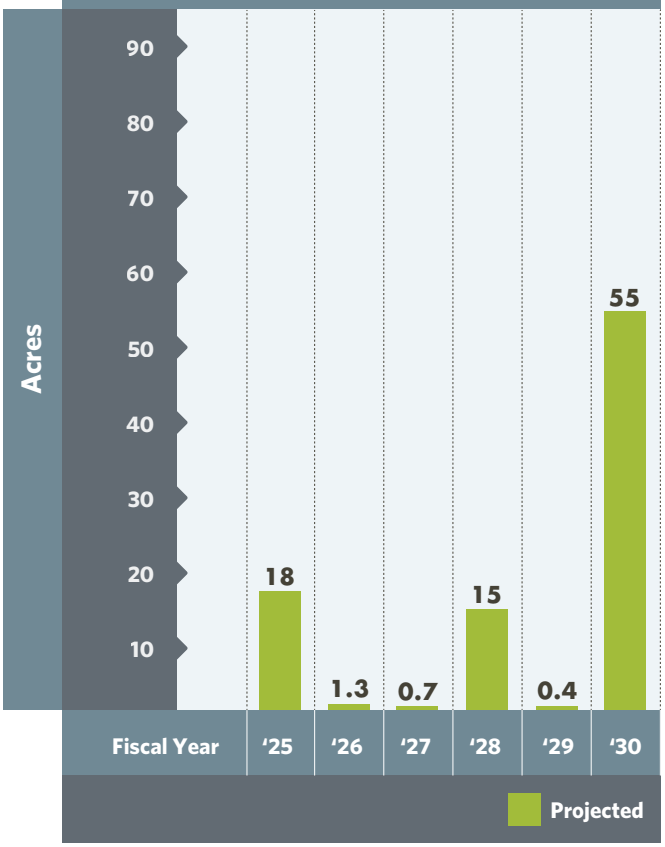
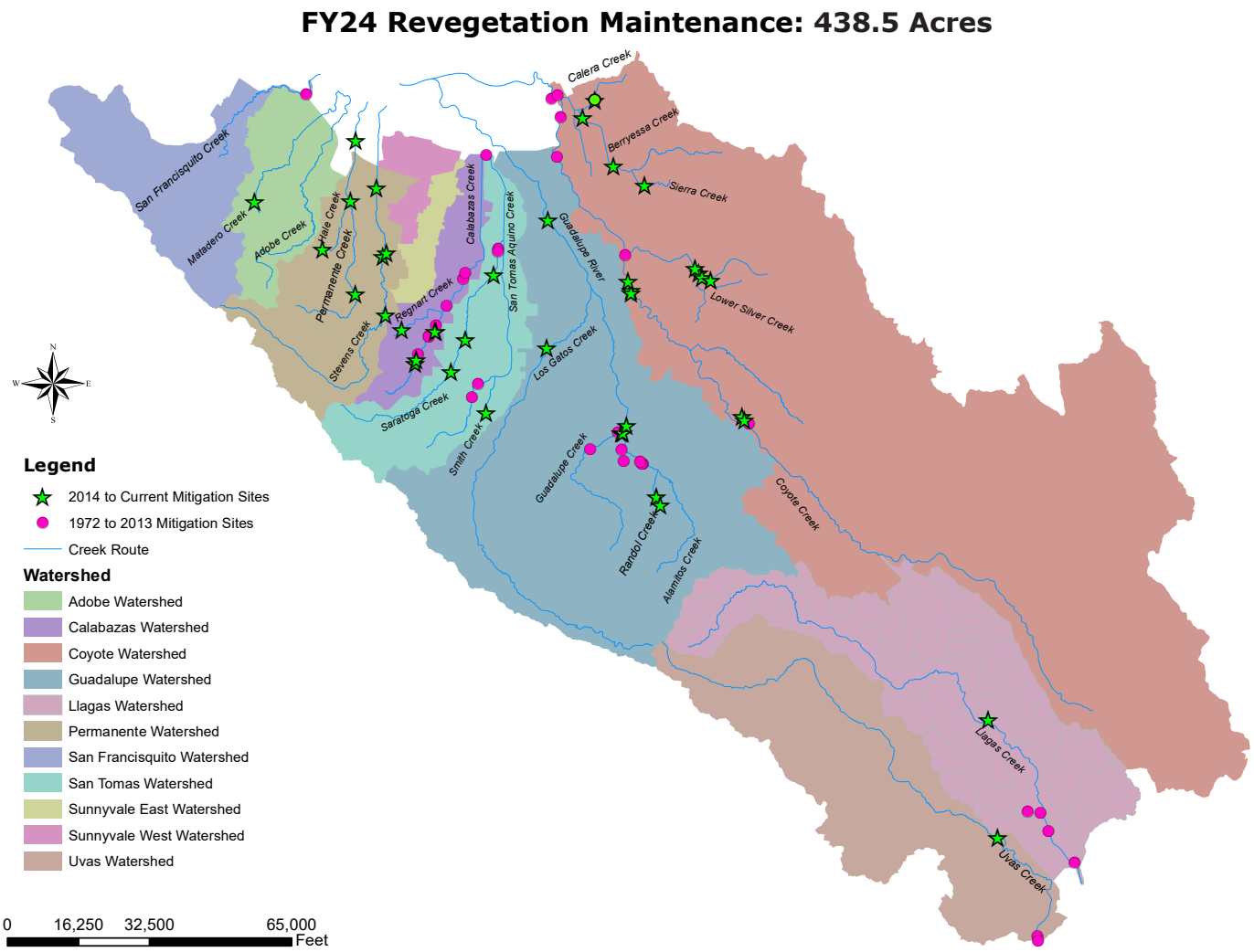


Figure D1.9



For a digital version of this map, please visit ***tinyurl.com/D1RevegMapFY24***.

PROJECT D2
REVITALIZE RIPARIAN, UPLAND AND WETLAND HABITAT

This project allows Valley Water to revitalize habitat for rare, threatened or endangered species or vegetation types, and create a more contiguous corridor for wildlife, including pollinators. Funding helps to restore degraded habitat by removing invasive plants and/or revegetating with native species. Funding is prioritized for projects that include community partnerships or provide education for nearby landowners and other stakeholder groups on the control of harmful species.

The project will also create an Early Detection and Rapid Response Program to identify and treat small infestations of new weeds before they become established.

Increasing the quality and quantity of native habitat areas and improving the connections between them are important adaptive strategies to support native species as climate conditions change. It increases access to new areas for migration and more room for hiding, hunting, breeding and rearing as needs evolve and increase.

California rose (Rosa californica) in the native plant restoration area at Alviso Bufferlands.

ACTIVE

Project D2 FY24 Highlights

- Valley Water and its partners revitalized 5.8 acres.
- Identified and documented 27 populations of target emergent invasive species.

Benefits

- Increases viability of native plant species by reducing competition from non-native, invasive species
- Improves habitat by installing tidal, riparian, and upland plant species or allowing native vegetation to passively regenerate after treatment/removal of invasive species
- Improves ecological function of existing riparian, wetland and potentially upland habitats to support more diverse wildlife species
- Improves patchy wildlife corridors by increasing connectivity with nearby habitat areas
- Increases community awareness about the damaging impact that non-native, invasive plants have on local ecosystems
- Helps to prevent new invasive species from becoming established
- Restoring a portion of the San José - Santa Clara Regional Wastewater Facility lands in Alviso for pollinator and burrowing owl foraging habitat. Over 825 plants installed in upland habitat island and seasonal wetland.
- Early Detection Invasive Species Information Sheets will guide staff and public on identification and treatment options, raise public awareness, and help prevent the spread of new noxious weeds

Key Performance Indicators (FY22–36)

1. Revitalize at least 21 acres over a 15-year period through native plant revegetation and/or removal of invasive exotic species.
2. Develop an Early Detection and Rapid Response Program Manual.
3. Identify and treat at least 100 occurrences of emergent invasive species over a 15-year period, as identified through the Early Detection and Rapid Response Program.
4. Develop at least eight (8) information sheets for Early Detection of Invasive Plant Species.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26):

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021-2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***NONE***	Not Applicable	

Status for FY24:

Annual Status	Change Control
ACTIVE	***NONE***

PROGRESS ON KPI #1:

In FY24, Valley Water and its partners revitalized 5.8 acres.

- Santa Clara Valley Habitat Agency (Habitat Agency) – In FY24, Valley Water and the Habitat Agency entered into a three-year agreement (MOU) to extend the work that began in the FY23 pilot project at the Baird and Davidson Reserves, which encompasses rare and sensitive serpentine plant communities, and Coyote Ridge East Preserve, which is home to extant populations of the federally threatened species California tiger salamander (Ambystoma californiense) and California red-legged frog (Rana aurora). In FY24, the Habitat Agency completed its work on 5.8 acres of barbed goatgrass (Aegilops triuncialis) at the Baird and Davidson Reserves. Work continues on multiple other projects, several of which are described below.

Work In Progress

- Midpeninsula Regional Open Space District (Midpen) –Midpen continues working on projects that were initiated in FY23, including projects to control multiple high-priority invasive species in reserves across Santa Clara County. These include projects at Sierra Azul, Fremont Older, Twin Creeks, and Bear Creek Redwoods Preserves. In FY24, Midpen began treating yellow starthistle (Centaurea solstitialis) and upright veldt grass (Ehrharta erecta) at Fremont Older Preserve. This work is expected to require 1-2 years of follow-up treatment. Midpen supported multiple outreach and volunteer efforts, including nine Preserve Partner events at Twin Creeks, Fremont Older, and Bear Creek Redwoods Preserves and fourteen Grassroots Ecology service-learning events at Bear Creek Redwoods Preserve. The service-learning events are volunteer events where Grassroots staff provide information about the habitat where work is being performed (in this case, the unique redwood (Sequoia sempervirens) wetland ecosystem) and about invasive plant eradication. Furthermore, they train volunteers on invasive plant removal methods.
- Midpen's revitalization efforts include removing invasive vegetation, such as teasel (Dipsacus spp.), yellow starthistle, French broom (Genista monspessulana), and stinkwort, and installing wetland and upland container plants and native seeds at service-learning events with Grassroots and other Midpen volunteer events, including "Land Stewards" volunteer events and Advanced Resource Management Stewards projects. The total proposed project area is 17.8 acres. The work has been initiated on 8.6 acres and is anticipated to continue through FY28. The acreage to be credited to D2 will be determined beginning in FY25.
- Santa Clara Valley Habitat Agency– In FY24, the Habitat Agency initiated work on several high-priority invasive plant removal projects on preserves across the county. These include improving grassland and rangeland quality on Coyote Ridge East Reserve and Coyote Ridge Open Space Preserve, artichoke thistle (Cynara cardunculus) treatment on multiple reserves, and 20 additional acres of barbed goatgrass treatment at Baird, Davidson, and Tilton Reserves. This work is expected to take up to three years to complete and progress will be reported in future annual reports. The Habitat Agency is also providing continuing support for the maintenance of Grassroots Ecology's 1-acre native plant restoration site at the San Jose – Santa Clara Regional Wastewater Facility in Alviso.

Maintaining Habitat Revitalization Sites

In some cases, invasive species removal may take dedicated work over multiple years to achieve the goal. The goal of the Invasive Spartina Project (ISP), administered by our partner, the California State Coastal Conservancy (Conservancy), is the eradication of four (4) introduced and highly invasive cordgrass species (Spartina spp.) from San Francisco Bay. Over the last 23 years, ISP has reduced the cover of invasive Spartina across San Francisco Bay by 96%. In FY24, the Conservancy treated 5.0 acres of invasive Spartina within a matrix of over 8,700 acres of tidal marsh and ecotone habitats in Valley Water's service area, as part of our continuing partnership that began under the 2012 Safe Clean Water Program. All 5.0 acres this year are re-treatment, ensuring that this aggressive invader and ecosystem engineer does not regain a foothold in the sensitive bayland habitats, imperiling endangered species such as the Ridgway's rail (Rallus obsoletus obsoletus). This partnership is scheduled to continue through 2026. Acreage will only be counted under KPI #1 if it is a new footprint not previously reported under the 2012 Safe Clean Water Program.

Since the beginning of the renewed Safe, Clean Water Program in FY22, through FY24, Valley Water and its partners have revitalized 7.81 acres under Project D2.

PROGRESS ON KPI #2:

In FY24, Valley Water's consultant began the Early Detection and Rapid Response Program (EDRR) manual development as part of the Integrated Invasive Plant Management Program (IIPMP) manual development. The CEQA process is expected to be initiated in FY25. The EDRR program manual is expected to be completed on the same timeline as the IIPMP manual, which is currently planned for FY25.

The EDRR program is integrated with the Valley Water's IIPMP, which will:

1. Develop a program manual, including EDRR;
2. Complete California Environmental Quality Act (CEQA) compliance documentation of the IIPMP; and
3. Obtain regulatory environmental permits to implement invasive plant management activities pursuant to the IIPMP.

The program will address the spread and management of invasive vegetation, which impacts the operations and maintenance of Valley Water assets. Invasive vegetation degrades the quality of the environment, poses direct and indirect risks to health and human safety, and impacts the resiliency of Valley Water's lands, assets, and infrastructure. The IIPMP will streamline the process for addressing the spread of invasive plant species, incorporate existing programs and permits to the extent possible, and increase Valley Water's ability to operate its assets safely and effectively.

PROGRESS ON KPI #3:

In FY24, Valley Water identified and documented 27 populations of target emergent invasive species. Combined with the 125 populations identified in FY23 and 69 populations identified in FY22, this results in 221 documented under the renewed Safe, Clean Water Program. Once the EDRR program is operational, all identified populations, including those identified and documented before the renewed Safe, Clean Water Program in July 2021, will be prioritized, and based on the outcome, a subset will be selected for treatment.

PROGRESS ON KPI #4:

Information sheets will be developed for high-priority early detection species in the county. An information sheet template and the first species sheet (for creeping water primrose, Ludwigia hexapetala) were created in FY24. The additional information sheet development timeline is expected to coincide with the EDRR manual, which is currently underway and anticipated to continue into FY25.

For more current information about this project, visit ***https://www.valleywater.org/project-updates/d2-revitalize-riparian-upland-and-wetland-habitat***.

Financial Information

In FY24, 88% of the annual budget was expended.

Staff hours were under-expended relative to expected due to changes in EDRR program development, namely the hiring of an intern, whose time is billed to services and supplies rather than labor costs, and schedule delays related to the integration of EDRR with the development of the IIPMP program.

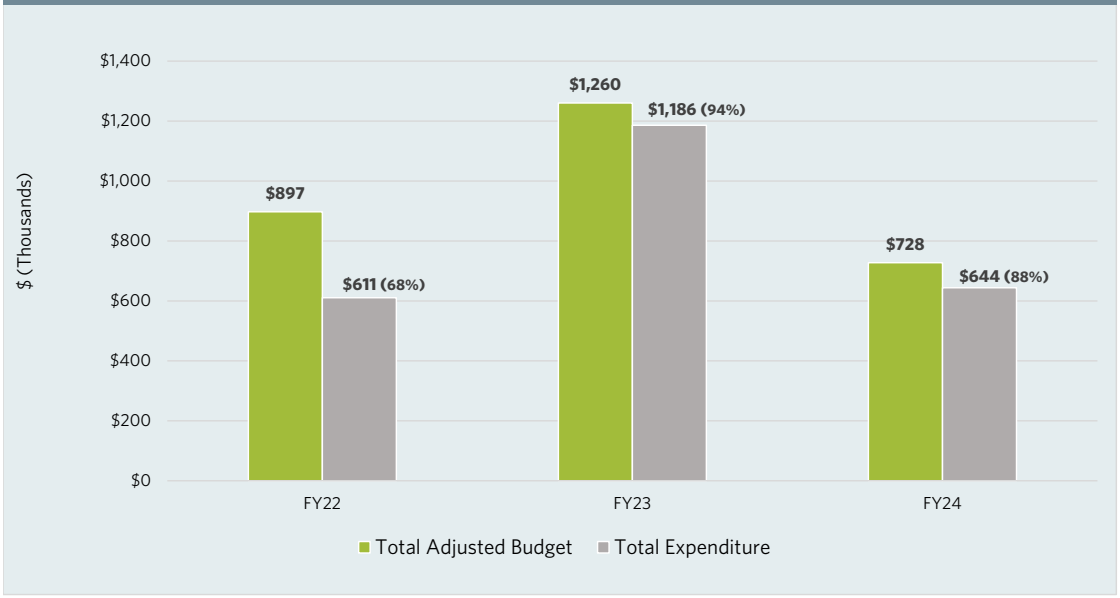
Figure D2.1 Revitalize Riparian, Upland and Wetland Habitat

Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$728	$0	$0	$728	$441	$203	$644	88%	$9,027	35%

Project Expenditure History

Figure D2.2 Revitalize Riparian, Upland and Wetland Habitat Budget vs. Expenditure



Opportunities and Challenges

Regional Collaboration

Valley Water is a founding and active member of the Santa Clara County Wildlife Corridor Technical Working Group, with partners including the United States Fish and Wildlife Service (USFWS), California Department of Fish and Wildlife (CDFW), Caltrans, Santa Clara Valley Transportation Authority (VTA), Santa Clara County Parks, Habitat Agency, Peninsula Open Space Trust (POST), Santa Clara Valley Open Space Authority (OSA), The Nature Conservancy (TNC), Midpen and others. In FY22, Valley Water, VTA, Habitat Agency, and Caltrans started planning for a wildlife corridor enhancement project in Coyote Valley. This project involves the clearing of several blocked culverts under US Highway 101, which have been completed, as well as fencing realignment and installation of a wildlife jump-out (a one-way escape ramp to allow animals that are within the highway's fenced right-of-way to exit to the safe side of the fence) at a previously cleared culvert immediately adjacent to Valley Water's existing D2 restoration site. This wildlife jump-out will be the first one installed in Caltrans District 4 (Bay Area counties). The project is ready to be completed pending Caltrans staff availability and is expected to be completed in FY25.

Figure D2.3

Example of a jump-out

Valley Water is also an active member of the Santa Clara Weed Management Area (SCWMA) working group with Santa Clara County Parks, California State Parks, County of Santa Clara Division of Agriculture, Caltrans, OSA, and other area partners. The wildlife corridor and SCWMA working groups offer Valley Water strong, diverse, and strategic partnerships. They increase opportunities to revitalize more habitats, expand EDRR, treat more invasive plant occurrences, disseminate information sheets, and conduct public outreach and education.

Encampments

Encampments along county waterways by the unhoused continue to be an issue. The inability to access sites to fully assess or revitalize due to unsafe working conditions has impacted Project D2 efforts, including at the City of San Jose Coyote Creek site (FY19-FY23).

There are several impacts to habitats at encampments, including vegetation clearing, excavated or compacted soil, temporary structures, unsanitary soil and water quality, trash and debris, and fire. Encampments are localized, though common along urban creeks. More information is available in Project F5: Good Neighbor Program: Encampment Cleanup.

PROJECT D3
SEDIMENT REUSE TO SUPPORT RESTORATION PROJECTS

This project reuses local sediment removed through Valley Water's Stream Maintenance Program, capital projects and other local sources to create and restore tidal marsh, riparian or wetland habitats. Sediment may be reused to support the South Bay Salt Pond Restoration project or other environmental enhancement and restoration projects. Valley Water removes sediment from streams to maintain their capacity to carry floodwaters. To secure environmentally appropriate reuse sites, partnership agreements may be required. This project also funds site improvements necessary to facilitate sediment delivery to the reuse sites.

Beneficial reuse of sediment has become a key component in tidal marsh, riparian or wetland restoration around the bay and throughout the country. As sea levels rise, natural sedimentation and vegetation rates cannot keep up and tidal zones are in danger of being submerged, erasing environmental gains from restoration work. By delivering clean sediment from local creeks that would have naturally flowed into the San Francisco or Monterey Bays, this project accelerates natural marsh- building processes and helps to keep up with sea-level rise. Activities necessary for sediment reuse may include testing, transport, cover material, and site improvements required for access.

Equipment moving sediment at Pond A8 in Sunnyvale.

ACTIVE

ADJUSTED

Project D3 FY24 Highlights

- Explored and Identified Pond A4 as a new location for sediment reuse.
- Continued testing of the sediment removed from local streams under the Stream Maintenance Program to ensure consistent sediment quality data is available as Valley Water works with the Regional Water Quality Control Board to modify criteria for reuse material.

Benefits

- Accelerates progress of important tidal wetland restoration projects, including tidal marsh, wetland, and riparian habitat
- Reduces disposal costs for sediment that has been removed from local channels
- Reduces disposal of clean fill into local landfills
- Addresses climate change impacts by accelerating the natural marsh-building process and helping keep up with the sea-level rise

Key Performance Indicators (FY22–36)

1. Reuse sediment meeting applicable screening criteria at available Valley Water or partnership project sites to support restoration.
2. Provide up to $4 million per 15-year period to support activities necessary for sediment reuse.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26):

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021–2022)***
FY23	***ACTIVE***	***MODIFIED & ADJUSTED***	KPI #1 modified after sediment at Pond A8 was no longer needed. As well, the project name, description, and benefits were adjusted.	***FY23 (2022-2023)***
FY24	***ACTIVE***	***ADJUSTED***	Project benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	*ADJUSTED (Text Adjustment)*

The text under Benefits is adjusted to briefly explain how the project addresses climate change impacts. This adjustment is in response to a recommendation by the IMC.

PROGRESS ON KPI #1:

In FY24, Valley Water tested removed sediment to see if it could be utilized at the Salt Pond A8 of the South Bay Salt Ponds Restoration Project (SBSPRP) to provide erosion protection for the closed landfill. This was to be a one-time effort to address minor storm damage from the previous winter. However, all tested soil failed to meet the Quality Assurance Project Plan (QAPP) criteria for re-use as foundation or cover material. In FY23, Valley Water stopped sediment delivery to Pond A8 following the July 2022 direction from the U.S. Fish and Wildlife Services that Pond A8 had received 100% of the material needed for the ecotone habitat that was designed and permitted as part of SBSPRP.

Subsequently, Valley Water explored and identified the Pond A4 Resilient Habitat Restoration Project (Pond A4 Project) site along the southern shoreline in Sunnyvale as a new location for sediment reuse. The site is expected to be ready to receive sediment in FY26.

Pond A4 Project is a new multi-benefit project designed to create a habitat for threatened and endangered species and promote community flood resilience by constructing a wetland and transitional habitat at the southern boundary of Pond A4. The Safe, Clean Water Program does not fund the Pond A4 Project. For more information on the project, see the Opportunities and Challenges section.

PROGRESS ON KPI #2:

In the past, because of the higher standards required to meet criteria under the new Quality Assurance Project Plan (QAPP), Valley Water was unable to find enough soil that met the foundation criteria and even less for cover, thus limiting Valley Water's ability to deposit the soil at Pond A8. SBSPRP, USFWS, and Valley Water are working with the San Francisco Regional Water Quality Control Board to modify the criteria for reuse material. As a part of that effort, Valley Water continued to test the sediment removed to ensure consistent sediment quality data was available.

For more current information about this project, visit ***https://www.valleywater.org/project-updates/creek-river-projects/sediment-reuse-support-restoration***

Financial Information

In FY24, 1% of the annual project budget was expended.

This project was under-expended due to the lack of approved sediment quantities meeting the reuse requirements, the inability to provide material to Pond A8, and the absence of a current reuse dump facility.

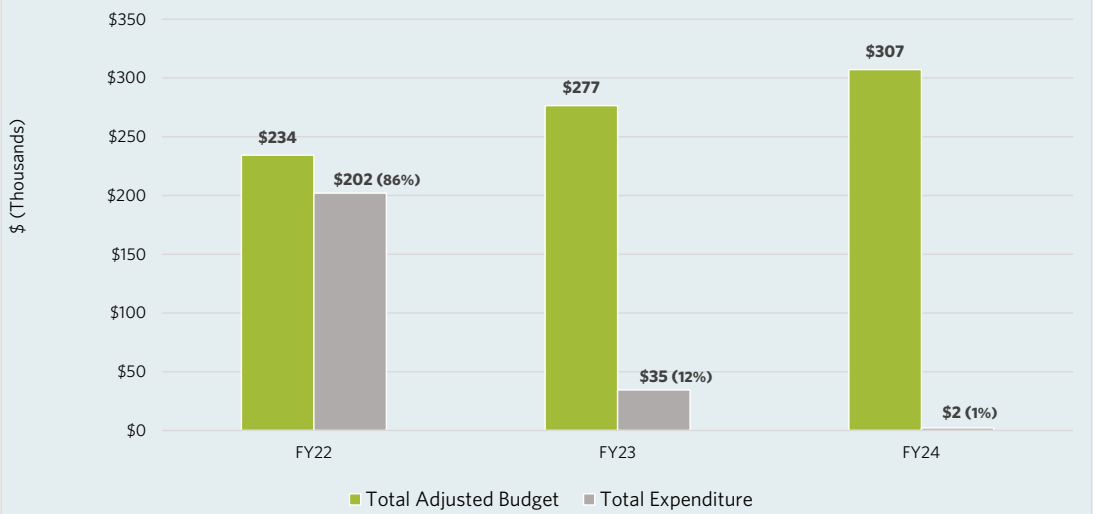
Figure D3.1 Sediment Reuse to Support Restoration Projects

Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$307	$0	$0	$307	$2	$0	$2	1%	$4,081	6%

Project Expenditure History

Figure D3.2 Sediment Reuse to Support Shoreline Restoration
Budget vs. Expenditure



Opportunities and Challenges

Valley Water's Pond A4 Resilient Habitat Restoration Project offers New Opportunity

The Pond A4 Resilient Habitat Restoration Project reflects Valley Water's commitment to environmental stewardship. The project aims to enhance and enlarge pond-upland ecotone habitat along Pond A4's southern shoreline in Sunnyvale. Pond A4 Project, a Valley Water multi-benefit project that the Board approved in April 2023, is designed to create shallow water habitat for shorebirds and promote flood resilience by beneficially reusing sediment harvested from our creeks to construct a habitat bench along the southern perimeter of Pond A4. This constructed habitat bench will also provide a great foundation for a potential upland transition zone if and when Pond A4 is restored to tidal action.

Valley Water has utilized an accelerated process under the California Department of Fish and Wildlife's "Cutting the Green Tape" initiative and received their concurrence for the application of a statutory exemption from the California Environmental Quality Act. The geotechnical investigation for the project was completed, and a draft report was submitted. Design work is in progress and permit applications are expected to be submitted in FY25. If permits are obtained by early spring 2025, construction of Phase 1, which allows sediment delivery by improving access, could commence in FY25. Phase 2, which includes delivery and sediment reuse, could potentially start in FY26.

Currently, Pond A4 provides limited foraging habitat for shorebirds, as water depths are suitable for use only in a very narrow band along the immediate shoreline and remnant internal berm features. As a result, this pond does not support large numbers of shorebirds. The project will beneficially reuse stream sediment to restore regionally scarce shorebird foraging habitat. In addition, the project will benefit the federal and state endangered salt marsh harvest mouse (Reithrodontomys raviventris) by expanding suitable habitat for the species along the upslope edge of the ecotone bench.

For more information on the Pond A4 Project, visit ***https://www.valleywater.org/project-updates/pond-a4-resilient-habitat-restoration-project***

Coordination with Project F1: Vegetation Control and Sediment Removal for Capacity

To the extent possible, Valley Water coordinates its sediment removal activities, funded partly by Project F1: Vegetation Control and Sediment Removal for Capacity, with Project D3: Sediment Reuse to Support Restoration Projects.

PROJECT D4
FISH HABITAT AND PASSAGE IMPROVEMENT

This project helps restore and maintain healthy fish populations, especially steelhead, by improving fish passage and habitat. Sites may include Alamitos Creek at Almaden Lake and County of Santa Clara-owned Ogier Ponds, where human-made creek alterations disrupt fish migration. Project D4, which includes coordinating and partnering with other external parties, incorporates studies of streams throughout the county to determine what and where habitat improvements will most benefit steelhead. These studies can be used by regional partners to implement complementary habitat enhancements.

The project also continues funding to place instream gravel, boulders, large wood, or other features to enhance fish habitat at appropriate locations. By adding natural stream features such as large wood, we can create habitat to provide refuge during fish migration, prolonged drought, or extreme rainfall events. Additionally, habitat restoration can improve ecosystem function and increase resiliency to climate change. By restoring natural functions, issues such as water quality may be less exacerbated and native species can continue to flourish and adapt.

Ogier Ponds, looking north.

ACTIVE

ADJUSTED

Project D4 FY24 Highlights

- Closed out the Design Phase of the Almaden Lake Improvement Project and delivered KPI #1.
- Completed Conceptual Alternatives Analysis Report for Ogier Ponds-Coyote Creek Separation Project.
- Began work on the Planning Study Report on the Moffett Fish Ladder.

Benefits

- Improves habitat and passage for steelhead and other native fish within Santa Clara County watersheds
- Contributes to required mitigation for environmental impacts of reservoir and recharge operations and countywide Stream Maintenance Program
- Maintains investment in earlier habitat improvements
- Improves fish passage and habitat conditions, strengthening the resiliency of native fish populations, including steelhead, against the impacts of climate change

Key Performance Indicators (FY22–36)

1. Complete planning and design for one (1) creek/lake separation.
2. Partially fund the construction of one (1) creek/lake separation project in partnership with local agencies.
3. Use $8 million for fish passage improvements by June 30, 2028.
4. Update study of all major steelhead streams in the county to identify priority locations for fish migration barrier removal and installation of large woody debris and gravel as appropriate.
5. Complete five (5) habitat enhancement projects based on studies that identify high priority locations for large wood, boulders, gravel, and/or other habitat enhancement features.

Geographic Area of Benefit: Countywide

Project Location

Figure D4.1 Almaden Lake Improvement Project (KPI#1)

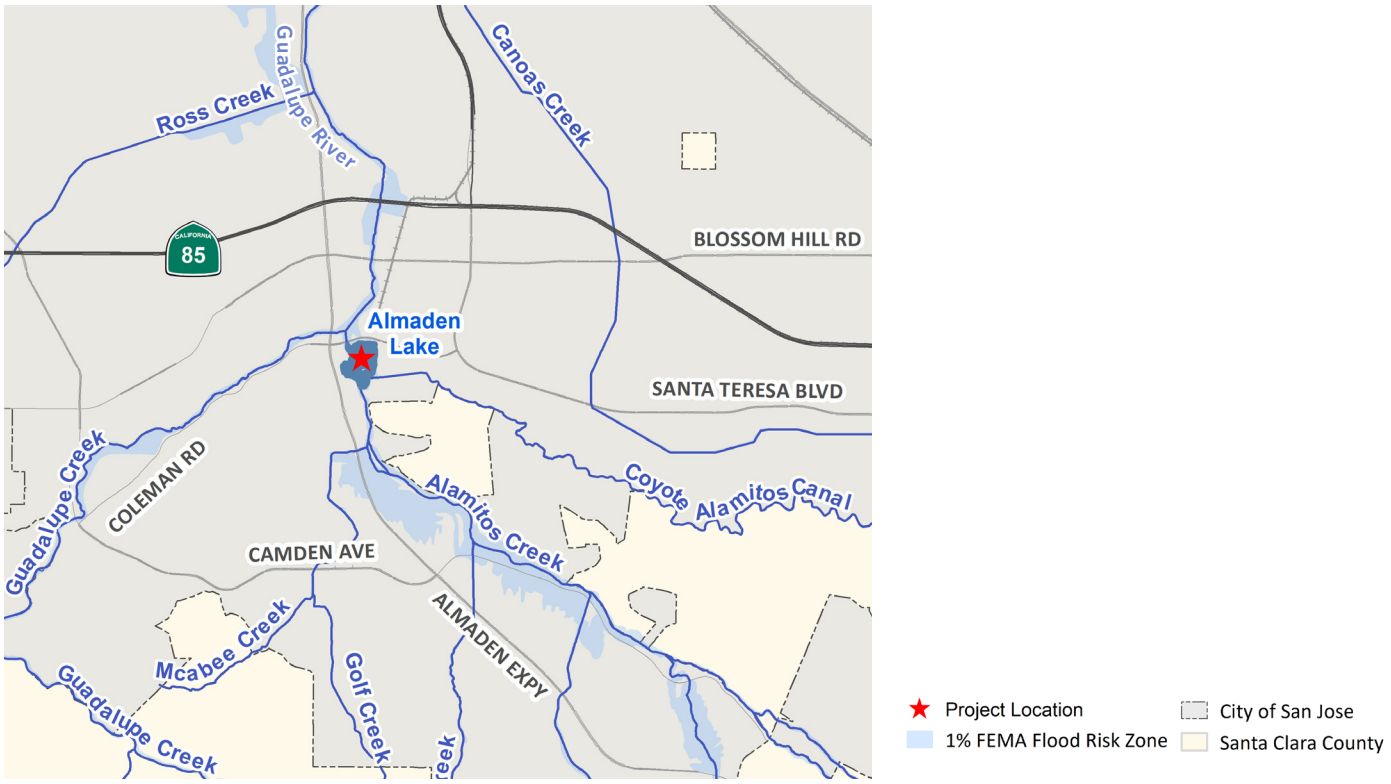


Figure D4.2 Ogier Ponds (KPI#2)

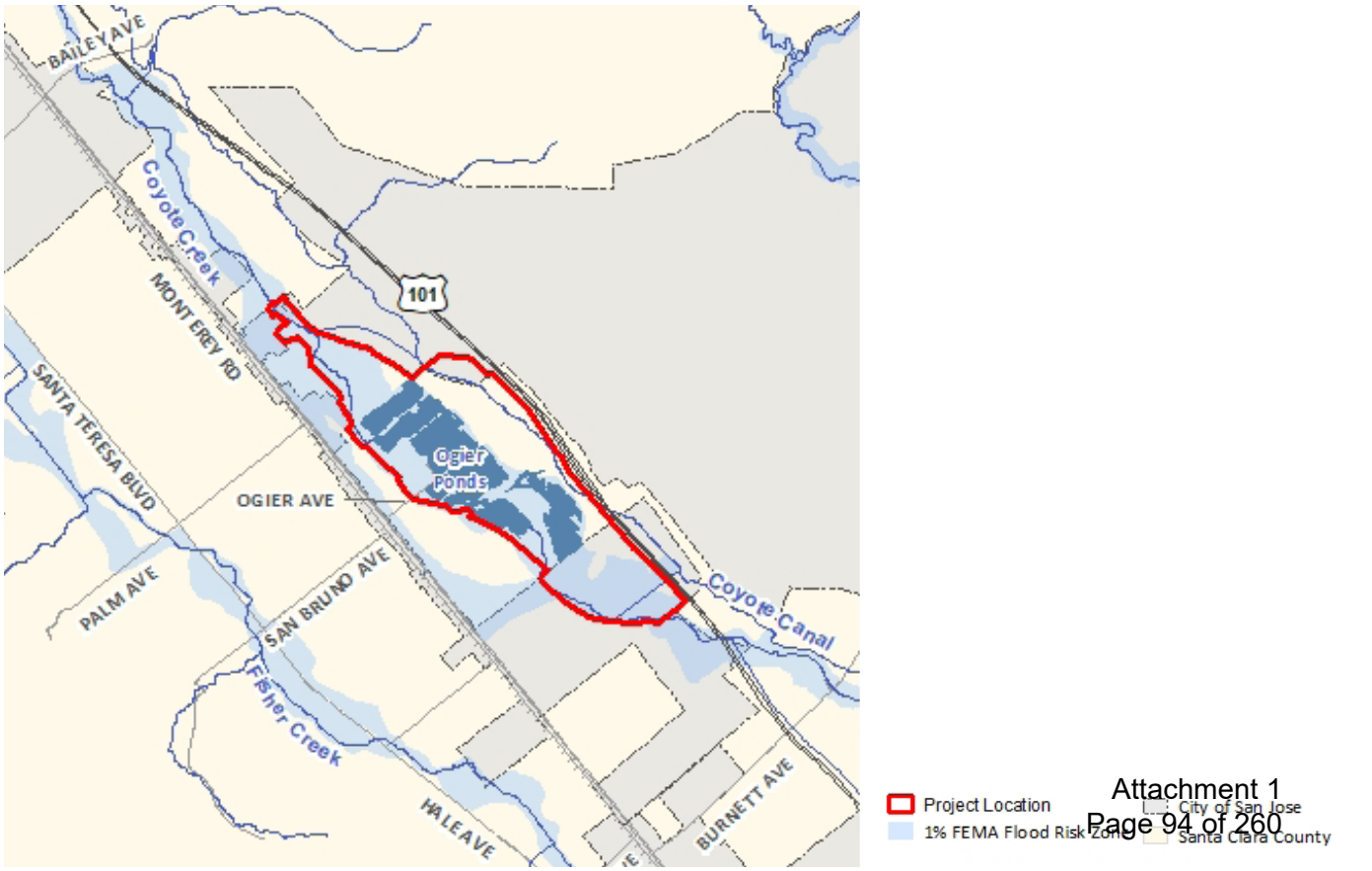


Figure D4.3 Moffett Fish Ladder (KPI#3)

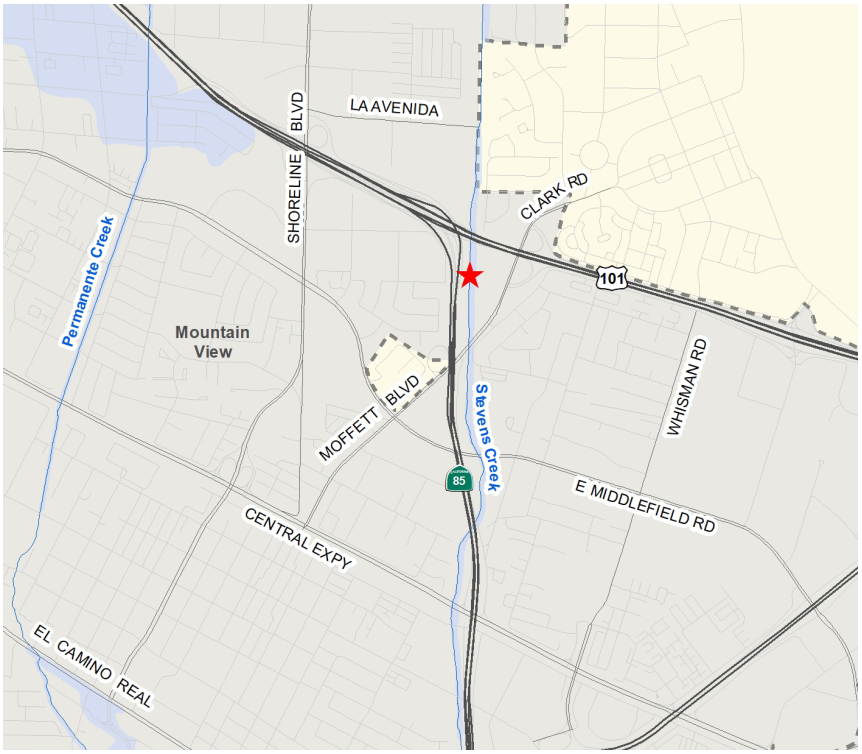


Figure D4.4 Uvas Creek Fish Habitat Improvement Project (KPI#5)

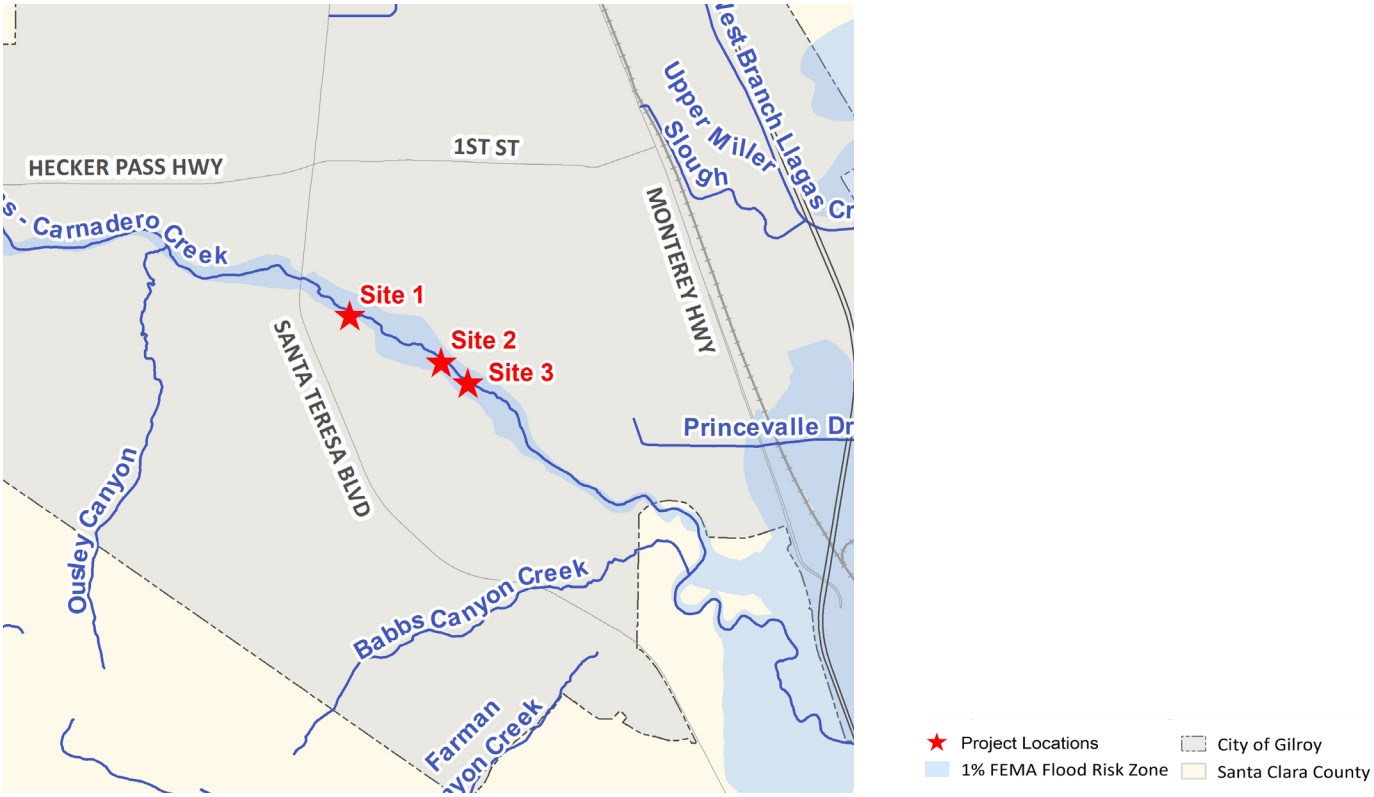
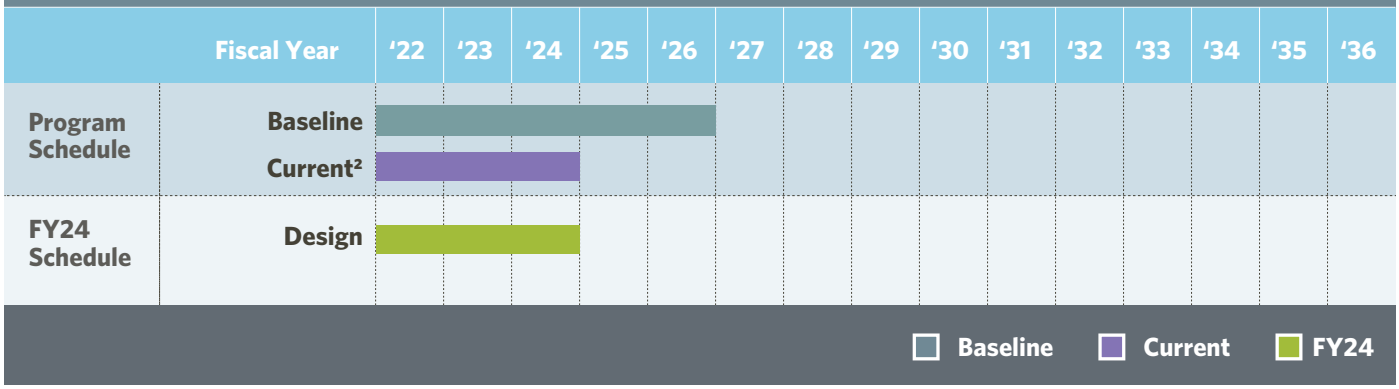
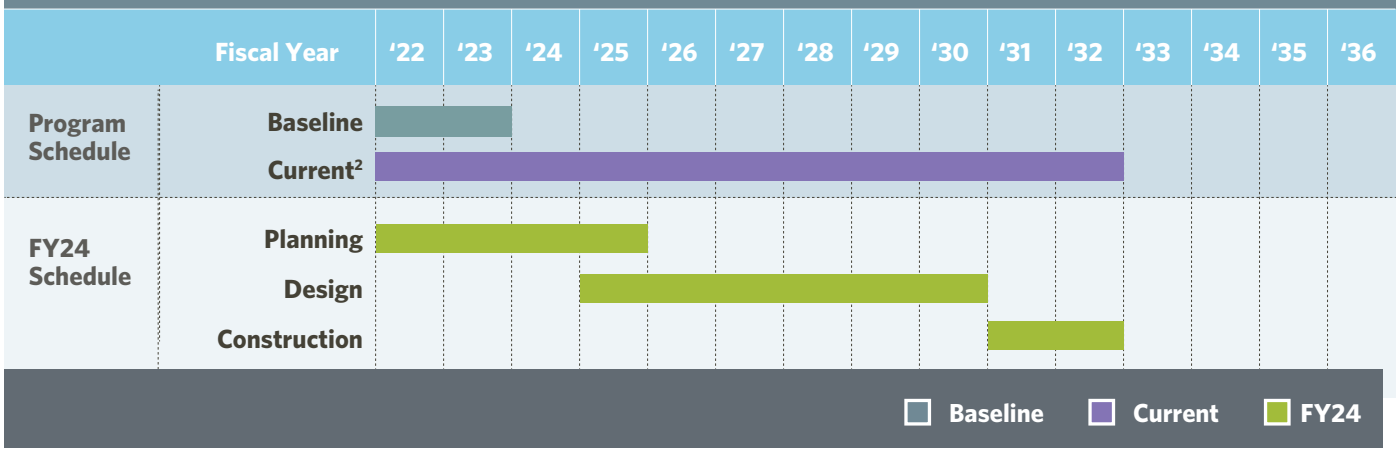


Figure D4.5 Fish Habitat and Passage Improvement
Almaden Lake Improvement Project (KPI #1)[1]
Schedule Comparison Between the Safe, Clean Water Program (2020) and FY24



1. Construction phase removed in FY23 following the Board selecting the project to deliver KPI #1.
2. Board approved schedule adjustment through the Change Control Process in FY23.

Figure D4.6 Fish Habitat and Passage Improvement
Ogier Ponds (KPI #2)[1]
Schedule Comparison Between the Safe, Clean Water Program (2020) and FY24



1. In FY23, the Board selected the project to partially fund the construction of one creek/lake separation project to deliver KPI #2.
2. Board approved schedule adjustment through the Change Control Process in FY22, FY23, and FY24.

Recent Project Status History (FY22–26):

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	*ACTIVE*	*ADJUSTED*	Ogier Ponds project planning and design extended by a year to be completed in FY26 instead of FY25.	*FY22 (2021–2022)*
FY23	*ACTIVE*	*MODIFIED & ADJUSTED*	Ogier Ponds construction schedule was pushed back, and KPI #2 was Modified due to construction cost escalations.	*FY23 (2022-2023)*
FY24	*ACTIVE*	*ADJUSTED*	Project benefits and Ogier Ponds construction schedule updated. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	*ADJUSTED (Schedule and Text Adjustment)*

In FY24, the Board approved the Ogier Ponds-Coyote Creek Separation Project (Ogier Ponds) construction schedule adjustment, with construction starting a year earlier in FY31 and completing three years sooner in FY32 instead of FY35.

The Ogier Ponds project is part of the Anderson Dam Seismic Retrofit Project (ADSRP) as a conservation measure. The design and construction of the Ogier Ponds project is closely linked to the completion of ADSRP, currently expected in FY33. Integration and ongoing coordination with ADSRP required changing construction phasing and reducing the construction period from four years to two years. Integration with ADSRP also expanded the planning scope, extending the planning phase by a year to be completed in FY25 instead of FY24. Subsequently, the design phase is pushed back by a year to begin in FY25 and extended by four years to be completed in FY30 instead of FY26. The design phase is extended to incorporate changes to site conditions that may result from bypassed high flows during Anderson Dam construction. The Board approved the schedule adjustment on May 14, 2024, with the adoption of the Capital Improvement Program FY 2025-29 Five-Year Plan.

Additionally, the text under Benefits is adjusted to briefly explain how the project contributes to the increased resiliency of native fish populations, including steelhead, in the face of climate change. This adjustment is in response to a recommendation by the IMC.

PROGRESS ON KPI #1:

Almaden Lake Improvement Project

The project's key objectives are to separate Alamitos Creek from Almaden Lake and return it to flow into the Guadalupe River naturally; reduce the production of methylmercury and mercury in fish in Almaden Lake; improve fish passage and habitat for native fish; and minimize impacts to the park and trails.

In FY24, Valley Water closed out the Design Phase and delivered KPI #1 to complete planning and design for one creek/lake separation. This followed the Board's decision in FY23 to have the Almaden Lake project deliver KPI #1 instead of KPI #2 to partially fund the construction of one (1) creek/lake separation project in partnership with local agencies. The Board's decision was in response to the project construction costs nearly tripling, making construction unfeasible. Since the KPI does not include construction, the design was completed to the 60% level. If, in the future, a decision is made to resume the project, the design would need to be updated to meet future regulatory and environmental requirements and conditions.

PROGRESS ON KPI #2:

Ogier Ponds-Coyote Creek Separation Project

The project entails separating Coyote Creek from Ogier Ponds to improve fish passage. Currently, the creek flows through the pond complex, a condition that increases the risk to steelhead, a federally threatened species, by non-native fish inhabiting the ponds, hinders steelhead migration, and can increase downstream water temperatures. The project contributes to the Anderson Dam Seismic Retrofit Project as a conservation measure.

In FY24, Valley Water completed the Conceptual Alternatives Analysis and prepared a draft Feasible Alternatives Report for review by stakeholders. Comments received from internal staff were addressed or incorporated to prepare the feasibility report for external stakeholder reviews. The project team has tentatively identified a Staff-Recommended Alternative for the Planning Study Report. An external stakeholder review of the feasibility report is expected to confirm the Staff-Recommended Alternative. The anticipated next step in FY25 will be to further develop the Staff-Recommended Alternative with preliminary design information for habitat features, a high-flow diversion system, and an outlet structure.

On May 31, 2023 (FY23), Valley Water and the Santa Clara County Department of Parks and Recreation held a public meeting to explain the project's need, describe the work completed, and present conceptual alternatives to separate Coyote Creek from Ogier Ponds.

The Ogier Pond complex is popular with bird watchers and other outdoor enthusiasts. The Coyote Creek Trail, which runs along the ponds, regularly attracts use by runners, walkers, and cyclists. Among other facilities, the site contains several multi-use pedestrian, bicycle, and equestrian trails, access roads, parking areas, and a radio-controlled model airplane field.

PROGRESS ON KPI #3:

Fish Passage Improvements

Moffett Fish Ladder – In FY24, Valley Water began work on the Planning Study Report (PSR) on the Moffett Fish Ladder on Stevens Creek and completed the Problem Definition and Conceptual Alternatives. Valley Water is working on the Feasible Alternatives Analysis to determine the Staff Recommended Alternative and complete the Planning Study Report. In FY23, Valley Water selected the existing Moffett Fish Ladder for fish passage improvement. According to the Stevens Creek Fish Passage Analysis Study (2020), this barrier is the highest ranked major barrier that is owned by Valley Water, and it is considered a high priority overall. Poor fish passage performance at this facility results from natural debris clogging the ladder and poor attraction flows at the entrance. Replacing this barrier will improve 0.4 miles of the Stevens Creek corridor for steelhead passage.

New Singleton Road Interim Pedestrian Bridge – In October 2021 (FY22), the City of San José, in partnership with Valley Water, completed the construction of a new bridge, replacing the Singleton Road low-water crossing at Coyote Creek. Earlier that year, Valley Water provided the city with permitting and design assistance for the project. In June 2021, the Valley Water Board approved a $1.0 million cost-share agreement for project construction. With bridge construction completed, Valley Water has committed to performing project monitoring until 2031.

The prior low water crossing had marginally functioned to convey water through damaged culverts. That barrier had impeded fish passage for decades. The newly completed project provides fish access to about 17 miles of Coyote Creek, where upstream spawning conditions are better.

Figure D4.7

Completed pedestrian bridge across Coyote Creek at Singleton Road allowing unimpeded fish passage. Photo courtesy Megan King.

PROGRESS ON KPI #4:

Fish Habitat Improvement Study

In FY23, Valley Water selected Guadalupe Creek, Alamitos Creek, and Arroyo Calero for a new fish passage barrier removal prioritization study. The selection followed internal Valley Water consultations with various units, including Environmental Mitigation Monitoring, Environmental Planning, Operations and Maintenance, and Environmental Support. During the year, Valley Water initiated the procurement process to acquire consultant services to support the study effort.

An internal stakeholder meeting was held in March to develop prioritization criteria. Site reconnaissance for potential fish impediment sites, based on the California Department of Fish and Wildlife Passage Assessment database, began in May and is expected to be completed by fall 2024.

PROGRESS ON KPI #5:

Fish Habitat Improvements

In August 2022 (FY23), Valley Water completed the construction of the large woody debris and gravel augmentation (LWDGA) project to improve the fish habitat along Uvas Creek in Gilroy.

The project is designed to increase instream habitat diversity, shelter complexity, and the amount of instream shelter at three sites along Uvas Creek. The design of Site 1, located approximately 1,200 feet downstream of Santa Teresa Boulevard, consists of an engineered log jam (ELJ) of rootwad logs on the right bank intended to create hydraulic complexity and increase shelter cover and complexity. The ELJs for Sites 2 and 3, located 1,500 feet and 600 feet upstream of Miller Avenue, include a bar apex jam at each site designed to cause channel bifurcation and increase habitat complexity.

Staff is coordinating with the Anderson Dam Tunnel Project team to implement a fish habitat project as part of the Live Oak Restoration Reach. The Live Oak Restoration Reach is an approximately 2,600-foot section of Coyote Creek along the Live Oak Area of Anderson Lake County Park that will be enhanced for steelhead spawning and rearing with features such as spawning gravel augmentation, large wood and boulder placement, and vegetated gravel bars. These enhancements will improve steelhead critical habitat for both spawning and summer and winter rearing where water temperatures are coolest, just downstream of Anderson Dam. The designs for the Live Oak Restoration Reach are compatible with Live Oak Area recreation and the final post-Anderson Dam Seismic Retrofit Project physical, hydrologic, and hydraulic conditions of this reach. Construction is expected to begin in the summer of 2025.

For more current information about Project D4, visit ***https://www.valleywater.org/project-updates/d4-fish-habitat-and-passage-improvement-0***.

Figure D4.8

Site 2 of the large woody debris and gravel augmentation project constructed in 2022 to improve the fish habitat along Uvas Creek.

Financial Information

In FY24, 27% of the annual project budget was expended.

The Almaden Lake Improvement Project (KPI #1) expended 1% of its annual budget. The project was under-expended due to the Board's FY23 decision not to pursue project construction following a significant increase in project cost estimates, making project construction unfeasible. The Board, instead, selected the Almaden Lake Improvement Project to deliver KPI #1 to complete planning and design for one (1) creek/lake separation.

The Ogier Ponds Planning Study (KPI #2) spent 73% of its annual budget. The project was under-expended due to loss of staff resources and delayed geotechnical investigations due to access restrictions from the Santa Clara County Department of Parks and Recreation.

Under KPI #3, the Singleton Road Interim Pedestrian Bridge at Coyote Creek, currently in the post-project performance monitoring phase, was over-expended by $25,000 (292%). Valley Water had to conduct a cross-section and longitudinal profile topographic survey, which is a requirement for project monitoring reporting. The Moffett Fish Ladder project expended 8% of the annual budget. The project was under-expended due to staffing transitions and limited staff availability. Despite the staffing challenges, Valley Water met its annual milestones by building on work that had been carried out previously, including feasibility analysis. Staff reviewed and utilized previous studies and completed the Problem Definition and Conceptual Alternative milestones of the planning study report.

The Fish Habitat Improvement project (KPIs #4 and #5) expended 20% of its annual budget. The under-expenditure was due to a delay in hiring a consultant. Staff is developing an on-call service contract instead of a narrowly scoped typical consultant services contract because it provides more flexibility and can serve future studies and implementation projects but takes more time to develop. However, it will not impact the study schedule.

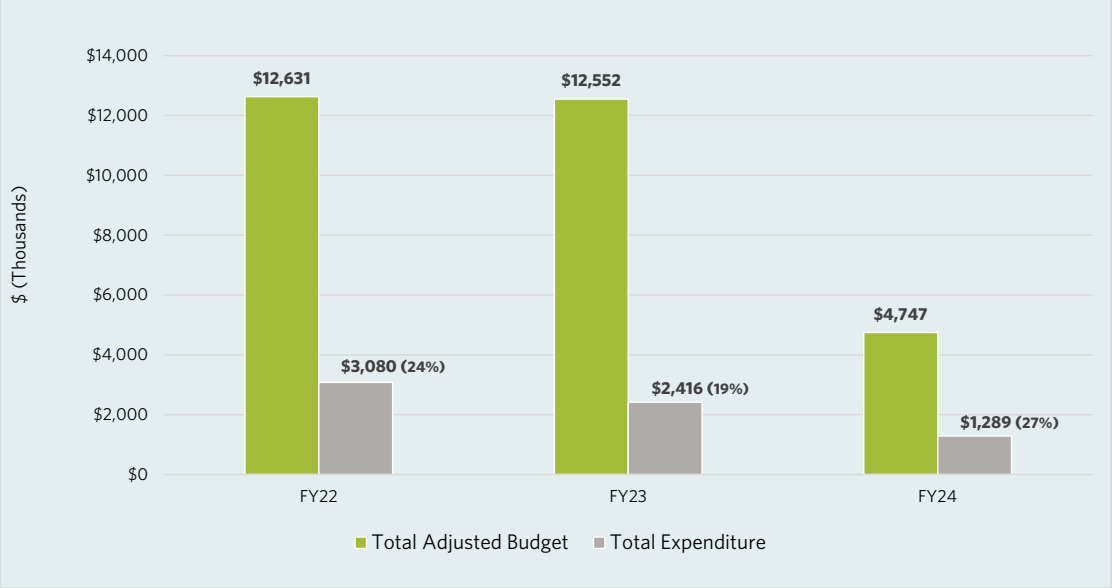
Figure D4.9 Fish Habitat and Passage Improvements

Financial Summary ($ Thousands)

Fiscal Year 2023-2024									15-year Plan	
Project No. and Name	Adopted Budget	Project Carry-forward	Budget Adjust-ments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
					Actual	Encumbrance	Total			
26044001 Almaden Lake Project	$0	$1,598	$0	$1,598	$23	$0	$23	1%	$1,427	130%
26044003 Ogier Ponds Project	$1,230	$47	$0	$1,278	$927	$0	$927	73%	$11,881	27%
26044002 Fish Passage Improvement: Singleton Bridge	$0	$16	$0	$16	$47	$0	$47	292%	$373	69%
26044005 Fish Passage Improvement: Moffett Fish Ladder	$666	$0	$0	$666	$52	$0	$52	8%	$7,613	1%
26042002 Fish Habitat Improvements	$714	$0	$475	$1,189	$240	$0	$240	20%	$9,314	20%
Total	**$2,611**	**$1,661**	**$475**	**$4,747**	**$1,289**	**$0**	**$1,289**	**27%**	**$30,608**	**24%**

Project Expenditure History

Figure D4.10 Fish Habitat and Passage Improvements Budget vs. Expenditure



Opportunities and Challenges

Confidence Levels

Almaden Lake:

In FY24, Valley Water closed out the design phase and delivered KPI #1, which was to complete planning and design for one creek/lake separation.

Ogier Ponds:

Schedule: Medium *Confidence*

Valley Water does not own the property and will work closely with Santa Clara County Department of Parks and Recreation staff during planning and design activities. Acquisition of private property will be required. Due to this jurisdictional complexity, the planning and design phase of the project may be extended. However, no impacts to the construction schedule, anticipated to begin in 2031, are anticipated.

Funding: *High Confidence*

The Safe, Clean Water funding covers the cost of the planning, design phases, and partial construction cost. The project is partially funded by the Anderson Dam Seismic Retrofit Project.

Permits: *Medium Confidence*

This project is part of the regularly scheduled Anderson Dam Seismic Retrofit Project technical working group meetings, which include natural resource agencies.

Jurisdictional Complexity: ***Medium Confidence***

The project includes a high level of regulatory engagement as several listed species are at the site; however, the primary objective is steelhead fish passage, which is expected to reduce regulatory challenges. The project is dependent on close coordination with Santa Clara County Department of Parks and Recreation and private land acquisition.

Figure D4.11 Fish Habitat and Passage Improvement Ogier Ponds (KPI #2) Jurisdictional Complexities: Confidence Level Regarding Outside Agencies FY23

Partner/Outside Agency	Confidence Level
FUNDING	
Santa Clara Valley Habitat Agency	Medium
REGULATORY PERMITTING	
U.S. Army Corps of Engineers (Permits)	Medium
California Department of Fish and Wildlife	Medium
National Marine Fisheries Service	Medium
San Francisco Bay Regional Water Quality Control Board	Medium
Santa Clara Valley Habitat Agency	Medium
CITIES/COUNTIES	
San José	Medium
Santa Clara County	Medium
OTHER AGENCIES	
Santa Clara County Parks and Recreation Department	Medium

See *Appendix C: Capital Projects Jurisdictional Complexities* for a list of confidence levels for each project by outside agencies for funding, regulatory permitting, cities, counties, and other agencies.

PROJECT D5
ECOLOGICAL DATA COLLECTION AND ANALYSIS

CRAM survey on Guadalupe Creek tributary.

ACTIVE

ADJUSTED

This project continues to build and update watershed data to track stream ecosystem conditions, helping Valley Water and other county agencies and organizations make informed watershed, asset management and natural resource decisions. The new and updated information will be used to develop or modernize integrated watershed plans (such as watershed profiles, One Water Plan and Stream Corridor Priority Plans) that identify potential projects, support grant applications, environmental analyses and permits, and are shared with land use agencies, environmental groups, and the public to make efficient and coordinated environmental decisions throughout the county. These data and plans will help integrate and enhance Valley Water's programs, projects, maintenance and stewardship actions through standardized, repeatable and defensible measurements that guide, organize and integrate information on stream and habitat conditions.

Measuring changes in ecological conditions through time allows Valley Water, resource agencies, land managers and the public to understand and respond to climate change effects and evolving creek and habitat conditions.

Project D5 FY24 Highlights

- Completed the Guadalupe River Watershed 10-year reassessment report.
- Completed watershed management plans for the Upper Pajaro River Watershed and the Guadalupe River Watershed.
- Began developing the Upper Pajaro Native Ecosystem Enhancement Tool.

Benefits

- Improves natural resource, watershed and asset management decisions
- Provides a systematic, scientific guide for decisions and actions to improve stream conditions
- Supports effective and environmentally sound design options
- Provides reliable data on countywide stream conditions and basis for measuring the success of past mitigation and environmental stewardship project projects
- Facilitates a watershed approach to resource management, permitting and restoration planning
- Supports climate change adaptation by providing data to better understand its effects on local habitats to enable increased habitat resiliency

Key Performance Indicator (FY22–36)

1. Reassess and track stream ecological conditions and habitats in each of the county's five (5) watersheds every 15 years.
2. Provide up to $500,000 per 15-year period toward the development and updates of five (5) watershed plans that include identifying priority habitat enhancement opportunities in Santa Clara County.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26):

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021-2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***ADJUSTED***	Project benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	***ADJUSTED (Text Adjustment)***

The text under Benefits is adjusted to briefly explain how the project addresses climate change impacts. This adjustment is in response to a recommendation by the IMC.

PROGRESS ON KPI #1:

In FY24, Valley Water completed the Guadalupe River Watershed 10-year reassessment report. Valley Water originally assessed this watershed in 2012 and again in 2022 (FY23). The reassessment found that streams in the watershed are primarily in fair condition, with worse conditions in urbanized areas and better conditions in the undeveloped hills. The reassessment also found that conditions generally have not changed in the past 10 years, indicating that resource management actions are maintaining stream conditions. The report is available at ***tinyurl.com/D5GuadRv2022***. The next watershed to be reassessed will be the Upper Pajaro River in FY25 and FY26.

Valley Water uses the California Rapid Assessment Method (CRAM) to reassess the ecological condition of creeks and document changes over time in Santa Clara County's five major watersheds. To learn more about the methodology, visit ***cramwetlands.org***. The CRAM scores that form the basis of the watershed assessments and that have been done for other projects along numerous county creeks, lakes, and wetlands can be accessed at ***ecoatlas.org***.

PROGRESS ON KPI #2:

In FY24, Valley Water completed watershed management plans for the Upper Pajaro River Watershed and the Guadalupe River Watershed. To bolster the ecological resources sections of both plans, existing vegetation maps, CRAM data, and other information sources were used to produce maps of where and what enhancement actions could be undertaken to support One Water ecological resource objectives and metrics. The plans are available at ***https://www.valleywater.org/project-updates/one-water-plan***.

Building on the recommendations of the One Water watershed management planning effort, Valley Water began developing the Upper Pajaro Native Ecosystem Enhancement Tool (UPNEET). This follows the successful Coyote Creek Ecosystem Enhancement Tool (CCNEET), an online decision-support tool to identify opportunities to improve ecological conditions. In FY24, Valley Water continued routine maintenance of the online CCNEET platform. More information about CCNEET is available at ***www.sfei.org/content/video-tour-coyote-creek-native-ecosystem-enhancement-tool***.

For more current information about this project, visit ***www.valleywater.org/project-updates/d5-ecological-data-collection-and-analysis-0***.

Financial Information

KPI #1: In FY24, 72% of the annual budget was expended.

KPI #2: In FY24, 11% of the annual budget was expended.

The under-expenditure for KPI #1 was primarily due to less than anticipated consultant services and Valley Water staff time required to wrap up the Guadalupe River reassessment effort and report.

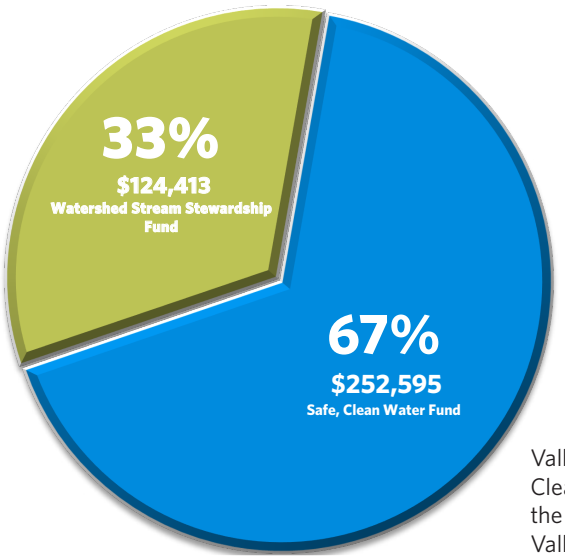
The under-expenditure for KPI #2 was due to the One Water plan schedule. It was determined that additional support from Project D5 would be more effective once the One Water plans were completed to further develop and prioritize habitat enhancement recommendations in the plans. One Water plans were not completed early enough in FY24 for funds from KPI #2 to be utilized during the year.

Figure D5.1 Ecological Data Collection and Analysis Financial Summary ($ Thousands)										
Fiscal Year 2023-2024									15-year Plan	
Project No. and Name	Adopted Budget	Project Carry-forward	Budget Adjust-ments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
					Actual	Encumbrance	Total			
26041047 Ecological Data Collection and Analysis	$253	$0	$0	$253	$181	$0	$181	72%	$7,089	14%
26041049 Watershed Plan	$105	$0	$0	$105	$11	$0	$11	11%	$500	23%
Total	**$357**	**$0**	**$0**	**$357**	**$192**	**$0**	**$192**	**54%**	**$7,589**	**15%**

Figure D5.2

Ecological Data Collection and Analysis (KPI #1)

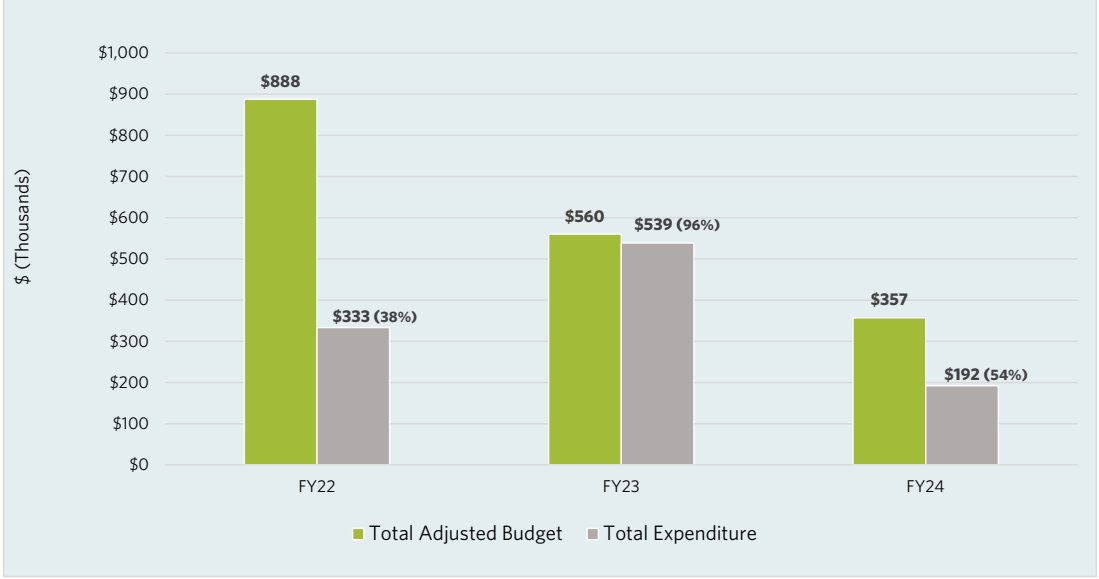
Total FY24 Project Budget: $377,008



Valley Water funds this project with more than the Safe, Clean Water Program fund (Fund 26). Figure D5.2 shows the project's total adjusted annual budget inclusive of all Valley Water funding sources

Project Expenditure History

Figure D5.3 Ecological Data Collection and Analysis Budget vs. Expenditure



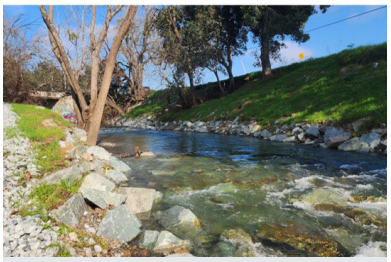
Opportunities and Challenges

The Guadalupe River Watershed Reassessment identifies several opportunities and constraints related to ecological resources. First, Valley Water owns only a small portion of streams in the watershed, so partnerships with and support for other agencies, organizations, and private landowners will be needed to realize watershed-scale improvement in ecological condition. Additionally, while streams in urbanized areas are generally not priorities for enhancement because of limited space and wildlife benefits, their lower ecological condition means that enhancement efforts are more likely to result in measurable improvement. Finally, the reassessment did detect drought effects on stream conditions, underscoring the importance of taking action to make habitats more resilient to climate change impacts. The data and reports produced under Project D5, especially the more specific guidance for ecological resource enhancement generated under KPI #2, can be used to take the next steps in all three of these areas.

PROJECT D6
RESTORATION OF NATURAL CREEK FUNCTIONS

This project will develop, compile and use local hydrologic and geomorphic data to identify, design and construct projects to restore and improve natural functions and stability of stream channels.

Geomorphically appropriate channels will be more resilient to damage from more intense rainfall patterns caused by climate change.



Construction completed on the Bolsa Road Fish Passage Project.

COMPLETED

ADJUSTED

Project D6 FY24 Highlights

- Completed the Bolsa Road Fish Passage Improvements Project.
- Bolsa Road Fish Passage Improvements Project named the 2024 Project of the Year by the American Public Works Association Silicon Valley Chapter.

Benefits

- Uses scientific principles to improve sediment balance and reduce erosion, enhance percolation and reduce instability and sedimentation in creeks
- Can help reduce annual maintenance cost for sediment removal where erosion and incision problems can be addressed
- Improves native aquatic habitat
- Improves the aesthetic value of a stream
- Addresses climate change impacts by constructing geomorphically appropriate channels that will be more resilient to intense rainfall patterns caused by climate change

Key Performance Indicators (FY22–36)

1. Construct the Hale Creek Enhancement Pilot Project, which includes restoration and stabilization of a 650-foot section of concrete-lined channel on Hale Creek, between Marilyn Drive and North Sunshine Drive on the border of Mountain View and Los Altos.
2. Construct the Bolsa Road Fish Passage Project along 1,700 linear feet of Uvas-Carnadero Creek in unincorporated Santa Clara County, which includes geomorphic design features that will restore stability and stream function.

Geographic Area of Benefit: Countywide

Project Location

Figure D6.1 Hale Creek Enhancement Pilot Project (KPI#1)

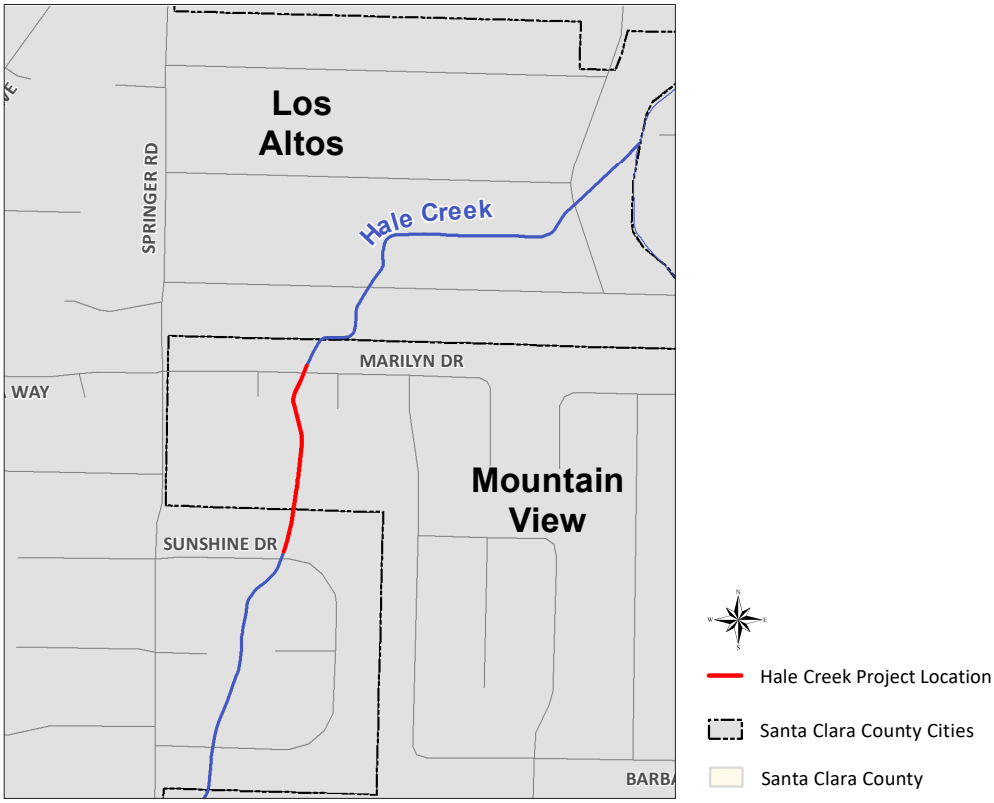
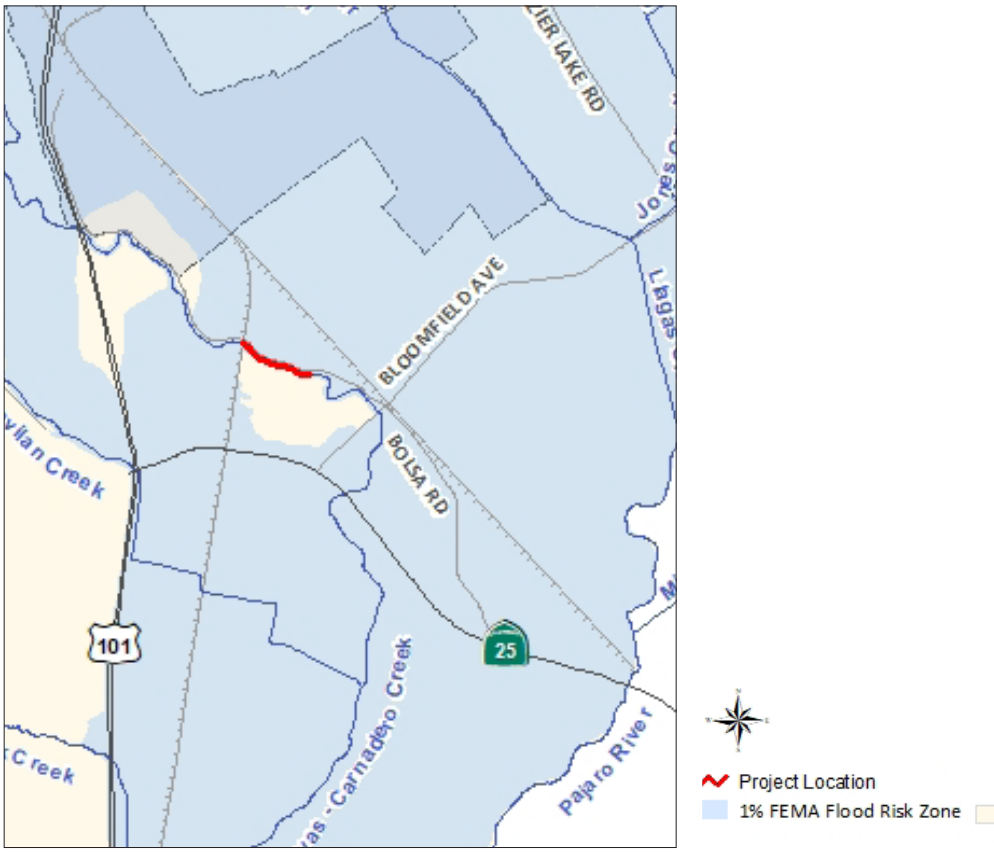


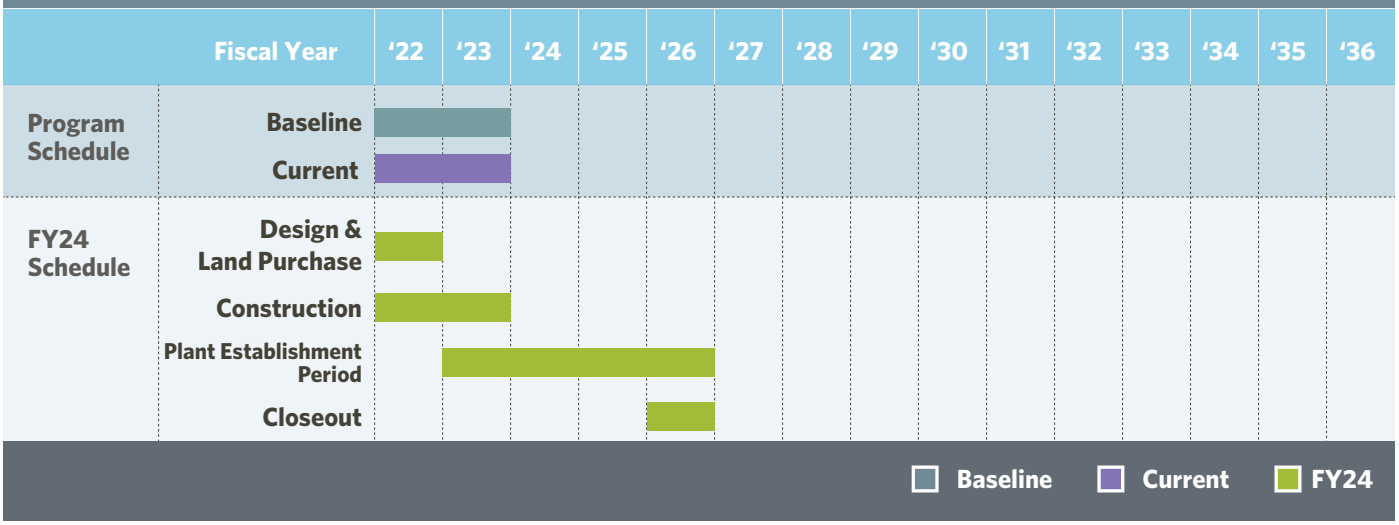
Figure D6.2 Bolsa Road Fish Passage Project (KPI#2)



Schedule

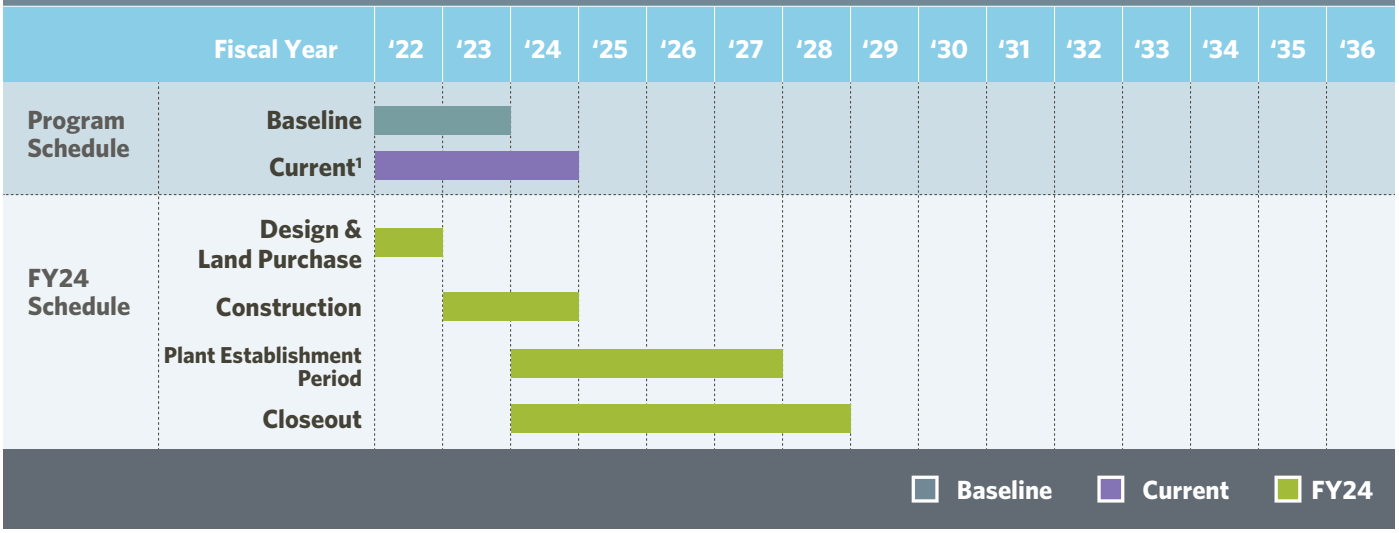
Hale Creek Enhancement Pilot Project

Figure D6.3 Restoration of Natural Creek Functions
Hale Creek Enhancement Pilot Project
Schedule Comparison Between the Safe, Clean Water Program (2020) and FY24



Bolsa Road Fish Passage Project

Figure D6.4 Restoration of Natural Creek Functions
Bolsa Road Fish Passage Project
Schedule Comparison Between the Safe, Clean Water Program (2020) and FY24



1. Board approved schedule adjustment through the Change Control Process in FY22.

Recent Project Status History (FY22–26):

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	ACTIVE	ADJUSTED	Bolsa Road Fish Passage (KPI #2) construction was extended by a year to be completed in FY24.	FY22 (2021–2022)
FY23	ACTIVE	MODIFIED	KPI #3 removed due to construction cost escalations across the Safe, Clean Water Program, impacting program's financial health. The Board decision followed a formal public hearing on January 24, 2023.	FY23 (2022-2023)
FY24	COMPLETED	ADJUSTED	Project description and benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
COMPLETED	ADJUSTED (Text Adjustment)

With the completion of the Bolsa Road Fish Passage Improvements Project in FY24, Valley Water has delivered both KPIs and completed Project D6.

The text under Benefits is adjusted to briefly explain how the project addresses climate change impacts. This adjustment is in response to a recommendation by the IMC.

PROGRESS ON KPI #1:

Hale Creek Enhancement Pilot Project (Completed in FY23)

Valley Water completed the Hale Creek Enhancement Pilot Project construction in January 2023. Construction work on the project, which extends from upstream of Marilyn Drive in Mountain View to Sunshine Drive in Los Altos, began in June 2022, with in-channel work completed in November 2022. The project is in the three-year plant establishment and monitoring period, and closeout is scheduled for FY26.

The project's main purpose is to restore geomorphic and riparian habitat functions while improving flood protection along a 650-foot-long reach of Hale Creek. In coordination with the San Francisco Regional Water Quality Control Board, the project was prioritized and selected for a pilot study to restore geomorphic creek features in a confined urbanized setting. The project included removing about 650 feet of concrete-lined channel, widening and deepening the creek, and restoring natural geomorphic and riparian functions by installing a soft-bottom channel planted with native plants. Valley Water crews will monitor and maintain the site for three years to establish native plants.

The project also enhances flood protection in the surrounding communities adjacent to Hale Creek. The original channels were constructed of concrete over 50 years ago and had begun to deteriorate. While the concrete channels helped reduce flood risk and damage over the years, the passage of time had caused issues. With the new natural, soft-bottom channels, some of those concerns will be resolved — specifically, decreasing stream velocity and restoring natural aquifer recharge.

The project's design is the first of its kind for Valley Water. If the pilot project is successful, the design will become the new standard for converting concrete-lined channels to natural channels.

The project was named the American Public Works Association (APWA) Silicon Valley Chapter's 2023 Project of the Year in the Environment/Parks category.

For detailed information about the geomorphology and design, view the Hale Creek Enhancement Pilot Project planning study memo, available online at ***www.valleywater.org/HaleCkPlanningMemo***.

Figure D6.5

BEFORE: Aged concrete-lined Hale Creek near Sunshine Dr.
AFTER: A wider and deeper vertical walled channel with a meandering natural creek bottom.

PROGRESS ON KPI #2:

Bolsa Road Fish Passage Project (Completed in FY24)

Valley Water completed the construction of the Bolsa Road Fish Passage Improvements Project in March 2024. Construction began in June 2023 and in-channel work was completed in October 2023. The project on Uvas-Carnadero Creek is in the three-year plant establishment and monitoring period, and closeout is scheduled for FY27. The project entailed rehabilitating the channel bed by installing a series of gradually sloped riffles and pools and improving the adjoining banks to achieve a stable channel configuration. The project is in the unincorporated Santa Clara County at the boundary of the City of Gilroy.

The project restored the stream invert elevation after decades of channel incision and channel bottom lowering. The stream bottom was steadily elevated over existing fish passage barriers, including a Union Pacific Railroad (UPRR) crossing support slab and a dysfunctional Denil fish ladder previously installed to bypass the UPRR crossing. Restoring the steelhead trout passage downstream of the UPRR crossing will provide access to spawning grounds in the upper reaches of the watershed. The project also provides maintenance access for the riffle-pool system, restored banks, and vegetation of Uvas-Carnadero Creek downstream of the UPRR crossing.

The Bolsa Road Fish Passage Improvements Project was named the 2024 Project of the Year by the APWA Silicon Valley Chapter. The Chapter recognized the project as a public works project that demonstrated excellence in its planning, design, construction, and efforts by various stakeholders to complete it.

Figure D6.6

BEFORE(left): Existing slope on Uvas-Carnadero Creek.
AFTER(right): Upstream ramp and creek near railroad bridge.

For more current information about this project, visit ***https://www.valleywater.org/project-updates/d6-restoration-natural-creek-functions.***

Financial Information

Hale Creek Enhancement Pilot Project

In FY24, 59% of the annual project budget was expended.

The under-expenditure on this pilot project was due to the delay in obtaining the necessary regulatory approvals to conduct post-construction maintenance, specifically repairing the erosion caused by January 2023 storms downstream of Sunshine Drive. The repair work, which was anticipated to be completed in FY24, has now been deferred to FY25.

Bolsa Road Fish Passage Project

In FY24, 98% of the annual project budget was expended.

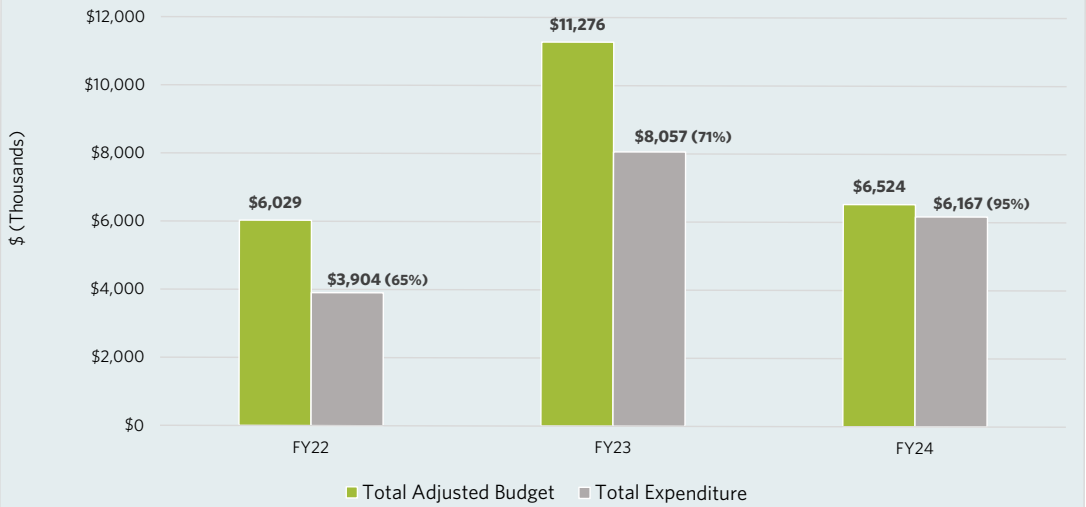
Figure D6.6 Restoration of Natural Creek Functions

Financial Summary ($ Thousands)

Fiscal Year 2023-2024									15-year Plan	
Project No. and Name	Adopted Budget	Project Carry-forward	Budget Adjust-ments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
					Actual	Encumbrance	Total			
26164001 Hale Creek Enhancement	$8	$494	$0	$502	$295	$0	$295	59%	$9,610	93%
26044004 Bolsa Road Fish Passage Improvement	$2,661	$3,362	$0	$6,022	$5,765	$107	$5,872	98%	$9,182	97%
Total	**$2,669**	**$3,855**	**$0**	**$6,524**	**$6,060**	**$107**	**$6,167**	**95%**	**$18,792**	**95%**

Project Expenditure History

Figure D6.7 Restoration of Natural Creek Functions
Budget vs. Expenditure



PROJECT D7
PARTNERSHIPS FOR THE CONSERVATION OF HABITAT LANDS

Coyote Ceanothus

ACTIVE

ADJUSTED

Project D7 FY24 Highlights

- Provided $4.0 million to the Santa Clara Valley Habitat Agency to acquire 978 acres of Richmond Ranch near San José.

Funding from this project helps the community acquire and protect important habitat land to preserve local ecosystems. The project supports implementation of multi-agency agreements, such as the Valley Habitat Plan, that pool mitigation or conservation dollars to protect or restore large areas of habitat land**.**

Acquiring, restoring, connecting and protecting habitat areas helps native species to adapt to a changing climate. Large, contiguous land patches allow species room to move and adapt, to find cover from the damaging effects of climate change and to reestablish resting and rearing areas.

Benefits

- Protects, enhances and restores natural resources in Santa Clara County
- Contributes to the recovery of special status species
- Coordinates regional mitigation or conservation projects to create larger, less fragmented conservation lands that are more beneficial for wildlife and the environment
- May fulfill a portion of Valley Water's responsibilities to the Valley Habitat Plan
- Addresses climate change impacts such as habitat fragmentation and biodiversity loss by conserving and restoring habitat land

Key Performance Indicator (FY22–36)

1. Provide up to $8 million per 15-year period for the acquisition or enhancement of property for the conservation of habitat lands.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26):

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021–2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***ADJUSTED***	Project benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	***ADJUSTED (Text Adjustment)***

The text under Benefits is adjusted to explain how the project addresses climate change impacts. This adjustment is in response to a recommendation by the IMC.

PROGRESS ON KPI #1:

In FY24, Valley Water provided $4.0 million to the Santa Clara Valley Habitat Agency to acquire 978 acres of Richmond Ranch near San José. The property at Richmond Ranch will ultimately be transferred to Santa Clara County, with the long-term vision of converting it into a nature preserve with hiking trails.

Richmond Ranch is a 3,653-acre property in the eastern portion of unincorporated Santa Clara County. The property is situated north of the Coyote Ridge Open Space Reserve adjoining San Felipe Ranch to the west and Joseph D. Grant County Park to the north. It is an important linkage between protected open spaces along Coyote Ridge, including Henry W. Coe State Park, allowing wildlife to migrate from north to south. This critical linkage promotes climate change resiliency for wildlife, in accordance with Valley Water's Climate Change Action Plan strategy to develop and expand programs and plans that support more climate-resilient ecosystems. For more information on the Climate Change Action Plan, visit ***https://www.valleywater.org/your-water/water-supply-planning/climate-change-action-plan***.

The property supports a variety of wildlife species, including Tule elk and mountain lion. It also contains habitat for 15 special status species, including occurrences of five special status plants. Nearly 800 acres of the ranch are designated by the United States Fish and Wildlife Service as critical habitat for the California red-legged frog, approximately 470 acres are designated for the California tiger salamander, and nearly 800 acres are designated for the Bay checkerspot butterfly. The purchase of Richmond Ranch ensures the property will be permanently protected from development, further protecting these species. Other conservation partners in the acquisition include Santa Clara County Parks and The Conservation Fund.

For more current information about this project, visit ***https://www.valleywater.org/project-updates/d7-partnerships-conservation-habitat-lands-0***.

Figure D7.1

Scenic view of Richmond Ranch. Photo courtesy of Creekside Science.

Financial Information

In FY24, 100% of the annual project budget was expended.

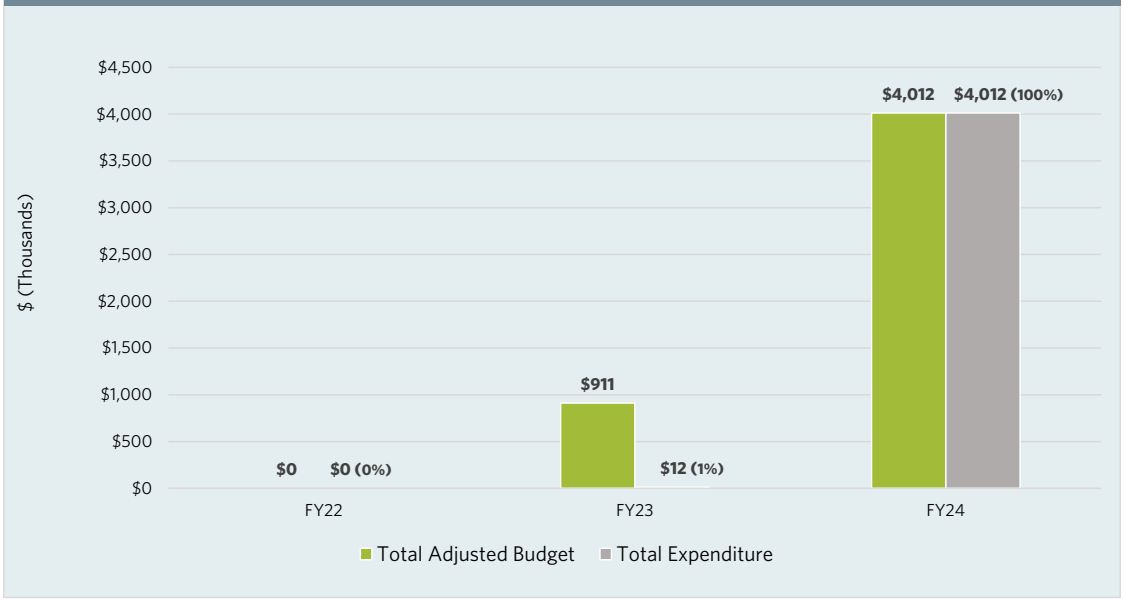
Project Expenditure History

Figure D7.2 Partnerships for the Conservation of Habitat Lands

Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$912	$0	$3,100	$4,012	$4,012	$0	$4,012	100%	$8,008	50%

Figure D7.3 Partnerships for the Conservation of Habitat Lands
Budget vs. Expenditure



Opportunities and Challenges

Valley Water has ongoing engagement with potential partners, such as the Santa Clara Valley Habitat Agency, regarding opportunities for the acquisition and enhancement of habitat lands in Santa Clara County. These opportunities are weighed against the criteria for allocating D7 funds to ensure the prioritization of high-value habitat lands for acquisition and enhancement. Criteria include the protection or enhancement of native habitats, special-status species, and habitat linkages/ movement corridors; regional coordination to create larger, more contiguous swaths of conservation lands; and mitigation of and adaptation to the effects of climate change.

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Priority E

Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways

Priority E focuses on providing flood protection through major capital construction projects. Projects are prioritized to protect the largest number of people, homes and businesses, as well as safeguard the highways, streets, public transportation and business centers that people depend on for their livelihoods.

Almost all the construction projects under this priority describe a preferred project that relies on state and federal government funding and a local-funding-only project. Should federal funding become scarce, Valley Water would reduce the project scope to the local-funding-only project, as described in the individual project summaries. Whenever possible, Valley Water also leverages funds from state, local municipalities and other stakeholders.

Climate change is a global reality and is expected to result in sea-level rise and more variable weather patterns, leading to potentially bigger and more frequent floods. Valley Water incorporates climate change projections, especially sea-level rise, in design and construction of more resilient flood protection projects that increase the capacity of channels to convey higher storm events without overbanking into local streets, highways and neighborhoods.

Guadalupe River Flood Protection Project

Project E1: Coyote Creek Flood Protection

Project E2: Sunnyvale East and Sunnyvale West Channels Flood Protection

Project E3: Lower Berryessa Flood Protection, including Tularcitos and Upper Calera Creeks (Phase 3)

Project E4: Upper Penitencia Creek Flood Protection

Project E5: San Francisquito Creek Flood Protection

Project E6: Upper Llagas Creek Flood Protection

Project E7: San Francisco Bay Shoreline Protection

Project E8: Upper Guadalupe River Flood Protection

PROJECT E1
COYOTE CREEK FLOOD PROTECTION, MONTAGUE EXPRESSWAY TO TULLY ROAD—SAN JOSÉ

Sheet piles being delivered to Corie Ct staging area in San José.

ACTIVE

ADJUSTED

Project E1 FY24 Highlights

- Completed installing over 8,500 feet of floodwalls along a four-mile stretch of Coyote Creek under the Coyote Creek Flood Management Measures Project (Phase 1).
- Completed 60% design for the Coyote Creek Flood Protection Project (Phase 2).
- Issued the Notice of Preparation of the Draft Environmental Impact Report for Phase 2.

This project is to plan, design and construct improvements along approximately nine (9) miles of Coyote Creek, between Montague Expressway and Tully Road, in San José. The primary objective is to provide protection from floods up to the level that occurred on February 21, 2017, equivalent to approximately a 5% flood (20-year event). In December 2019, the Valley Water Board of Directors voted to allocate local funding for construction of the preferred project; however, Valley Water is also exploring additional external funding sources and partnership opportunities.

Since 2017, Valley Water has implemented several short-term interim projects to help reduce the risk of flooding along Coyote Creek. These include the installation of an interim floodwall and embankment along the creek in the Rock Springs community. This structure protects the Rock Springs community from a flood event equivalent to the February 2017 flood. Other interim projects include repairing a 150-foot levee adjacent to the South Bay Mobile Home Park, installing flood gauges on bridges that provide real-time visual information on water levels and removing invasive vegetation from Valley Water and City property in parts of the creek that experienced the most flooding.

Benefits

- Protects approximately 600 parcels from the level of flooding that occurred on February 21, 2017, approximately a 5% flood
- Improves water quality, enhances stream habitat and increases recreational opportunities
- Provides opportunities to incorporate revegetation and aesthetic elements to the Coyote Creek park chain in the project
- Addresses climate change as the project is designed to increase flow capacity, thereby reducing flood risks from storm events projected to become more frequent and intense due to climate change. Additionally, Valley Water considered the implications of sea level rise (SLR) and determined that the project is outside SLR impact reach

Key Performance Indicator (FY22–36)

1. Construct flood protection improvements along Coyote Creek between Montague Expressway and Tully Road to provide protection from floods up to the level that occurred on February 21, 2017, approximately a 5% (20-year) flood event.

Geographic Area of Benefit: San José

Flooding History and Project Background

Flooding History

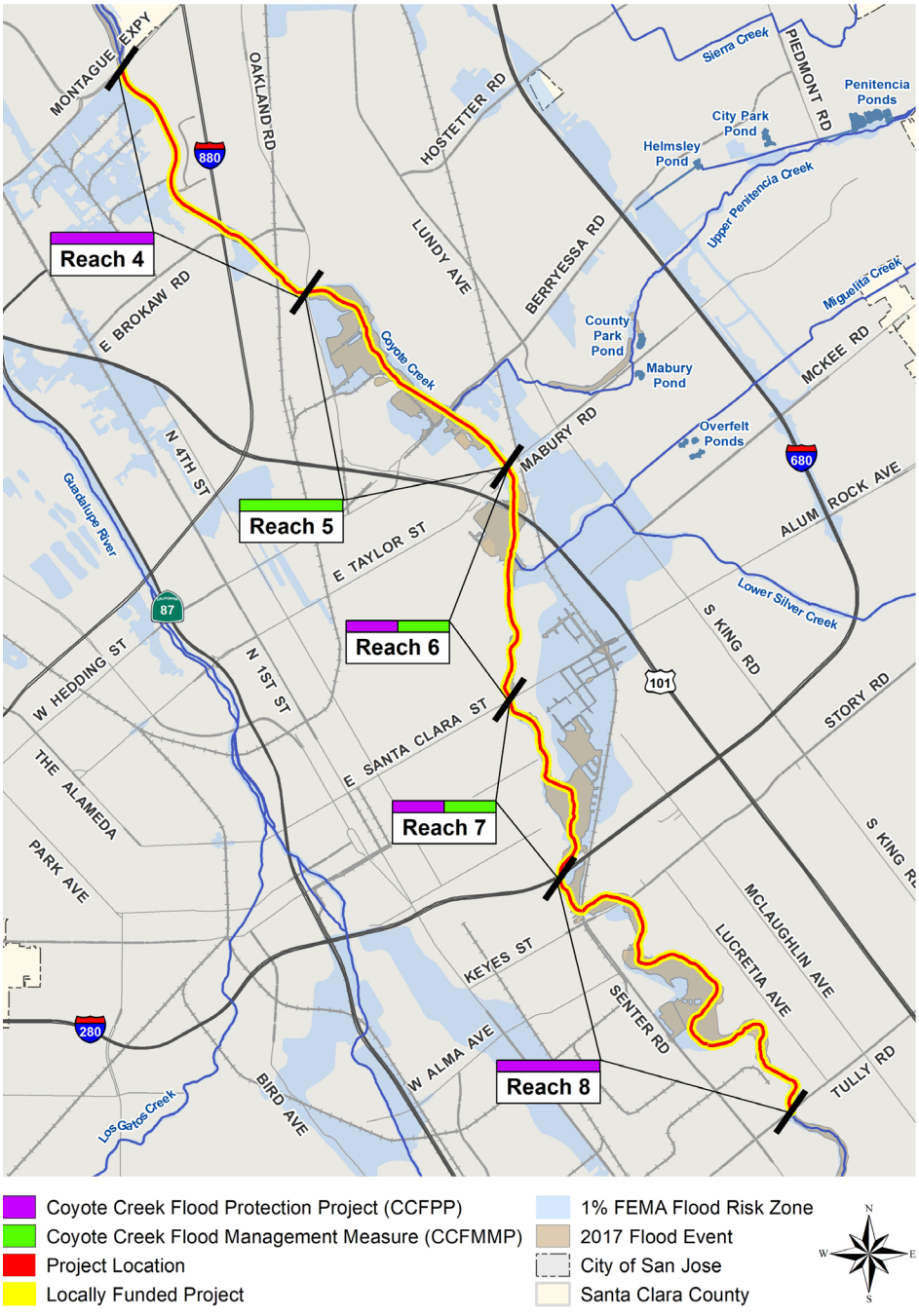
Flooding has occurred many times within the Coyote Creek Watershed, including along portions of Coyote Creek in 1911, 1917, 1931, 1958, 1969, 1982, 1983, 1997, 1998, and 2017. The largest flow recorded on Coyote Creek was 25,000 cubic feet per second in 1911, before the construction of the current two water-supply reservoirs in the upper watershed. The worst flooding in the project reach since Anderson Reservoir was constructed in 1950 occurred in February 2017. Coyote Creek overtopped its banks at several locations between Montague Expressway and Tully Road. Businesses and hundreds of homes were inundated by creek waters for many hours. Highway 101 near Watson Park and various local streets were closed due to flooding, and thousands of residents had to be evacuated and sheltered.

Project Background

Initially, the project was a part of Valley Water's first voter-approved measure, the Clean, Safe Creeks and Natural Flood Protection Plan (CSC Plan), which became effective on July 1, 2002. In 2012, voters approved replacing the CSC Plan with the Safe, Clean Water and Natural Flood Protection Program (2012 Program), which became effective on July 1, 2013. Subsequently, in November 2020, voters approved the renewed Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program), replacing the 2012 Program. The project has continued in the renewed Safe, Clean Water Program. To learn more about the project history, visit ***www.valleywater.org/project-updates/creek-river-projects/E1-coyote-creek-flood-protection*** and click on the History & Background section.

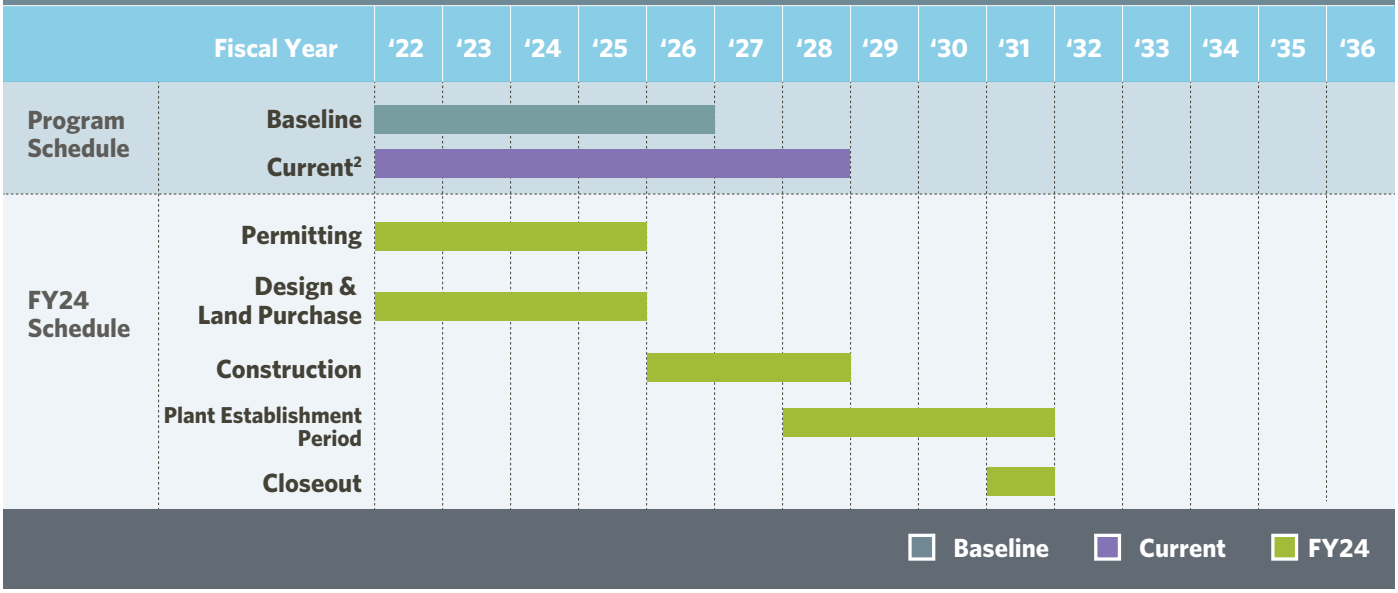
Project Location

Figure E1.1



Schedule

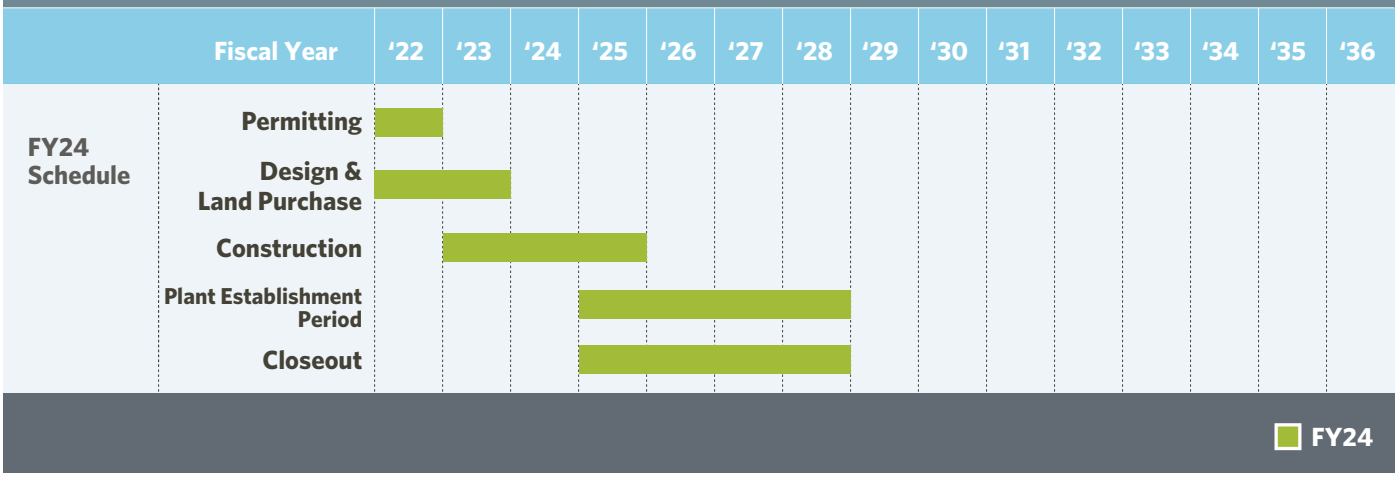
Figure E1.2 Coyote Creek Flood Protection Project[1]
Schedule Comparison Between the Safe, Clean Water Program (2020) and FY24



1 40% of the project is being constructed as part of the FERC-ordered compliance project for Anderson Dam as the Coyote Creek – Flood Management Measures Project.

2 Board approved schedule adjustment through the Change Control Process in FY23.

Figure E1.3 Coyote Creek Flood Management Measures
Project Schedule FY24



Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021–2022)***
FY23	***ACTIVE***	***ADJUSTED***	Project schedule adjusted with construction start and completion delayed by two years.	***FY23 (2022-2023)***
FY24	***ACTIVE***	***ADJUSTED***	Project benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	***ADJUSTED (Text Adjustment)***

The text under Benefits is adjusted to briefly explain how the project addresses climate change impacts. This adjustment is in response to a recommendation by the Independent Monitoring Committee (IMC).

PROGRESS ON KPI #1:

The project key performance indicator (KPI) is delivered through two projects, namely the Coyote Creek Flood Management Measures Project and the Coyote Creek Flood Protection Project.

Coyote Creek Flood Management Measures Project (CCFMMP or Phase 1)

In FY24, Valley Water continued Phase 1 construction activities, including installing approximately 8,500 linear feet of steel sheet pile floodwalls at seven locations along Coyote Creek in San José. The steel sheet piles were installed using specialized hydraulic press-in equipment to drastically reduce impacts to the surrounding environment, especially regarding noise and vibration. Floodwall installation work is anticipated to be completed in FY25. Valley Water also conducted continuous public outreach engagement during the year.

Work forecasted to occur in FY25 includes the installation of floodwall concrete encasement, flood doors, flood gates, fence restoration, landscaping restoration, planting and seeding, and traffic island restoration.

Phase 1 is part of the Anderson Dam Federal Energy Regulatory Commission Order (FERC) Compliance Project for Anderson Dam Seismic Retrofit and is, therefore, funded by Valley Water's Water Utility Enterprise Fund. FERC has jurisdiction over Anderson Dam on Coyote Creek in Morgan Hill. In February 2020, FERC directed Valley Water to immediately implement risk reduction measures to protect the public from the risk of Anderson Dam failure due to seismic activity and develop and implement necessary avoidance, minimization, and mitigation measures. In compliance with the FERC order, Valley Water took several actions, including the expedited construction of the Anderson Dam Tunnel Project.

Valley Water identified areas within Coyote Creek, approximately 40% of the Coyote Creek Project, at flood risk because of the construction of the new low-level outlet for the Anderson Dam Tunnel Project. Consequently, Valley Water created Phase 1 to implement along mid-Coyote Creek in San José, between Highway 280 and Oakland Road. The immediate objective of Phase 1 is to reduce the risk of flooding to homes, schools, businesses, and transportation networks from flood flows associated with an approximately 20-year recurrence interval flood, equivalent to the February 2017 flood event, that may occur as a result of water releases from Anderson Dam after construction of the Anderson Dam Tunnel Project. Phase 1 must be constructed by the completion of the Anderson Dam Tunnel Project, which is scheduled for FY25.

Coyote Creek Flood Protection Project (CCFPP or Phase 2)

During FY24, Valley Water completed the 60% design milestone for Phase 2 and continued progressing toward the 90% design milestone, issued the Notice of Preparation of the Draft Environmental Impact Report (EIR), and worked on preparing the Draft EIR. During the year, Valley Water held a public meeting for the Notice of Preparation in December 2023, two public meetings in April 2024 for design updates, and additional local community outreach/engagement project meetings.

Valley Water staff met weekly with City of San José staff on coordinated efforts for Phase 2 design, including the City of San José's Parks, Recreation & Neighborhood Services director and staff, regarding project elements that fall within the city-chartered parkland.

Phase 2, which is the remaining approximately 60% of the flood protection project, is funded by the Safe, Clean Water Program. Phase 2 must be constructed by the end of 2027 (FY28), the same time as the completion of the Anderson Dam Stage 2 diversion system.

The two projects—Phase 1 and Phase 2—will continue on their individual project timelines. The map in Figure E1.1 shows Reach 5 and sections of Reaches 6 and 7 as part of Phase 1, with construction beginning in FY23 and lasting through FY25. Reaches 4, 8, and parts of 6 and 7 comprise Phase 2, with construction anticipated to start in FY26 and be completed by the end of FY28.

For more current information about this project, visit ***https://www.valleywater.org/project-updates/creek-river-projects/E1-coyote-creek-flood-protection***.

Financial Information

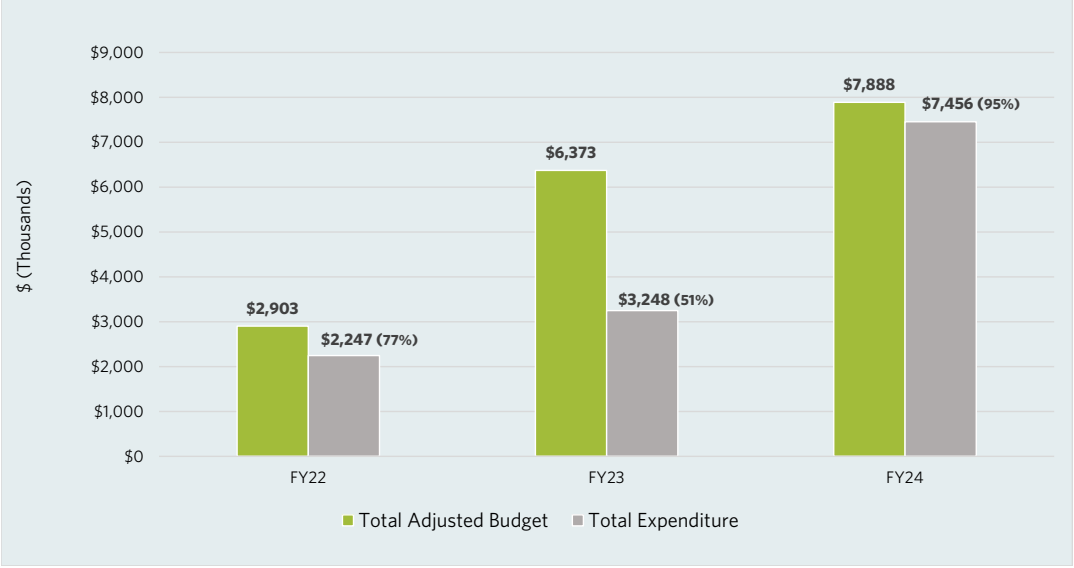
In FY24, 95% of the annual project budget was expended.

Figure E1.4 Coyote Creek Flood Protection
Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$1,604	$3,784	$2,500	$7,888	$6,593	$862	$7,456	95%	$208,765	7%

Project Expenditure History

Figure E1.5 Coyote Creek Flood Protection
Budget vs. Expenditure



Opportunities and Challenges

Project Cost Challenges

In FY24, Valley Water increased the budgeted amount for consultant design services to cover an additional level of effort for design services. Planned project expenditures were increased for FY24 and FY25 by $2.5 million and $2.4 million, respectively, increasing the total project cost by $4.9 million (uninflated).

Construction Schedule Challenge

An important challenge is that Phase 2 needs to be implemented by the end of 2027 (FY28), the same time as the completion of the Anderson Dam Stage 2 diversion system. This allows approximately six (6) years for the project to be designed and constructed, which is an ambitious target for a large and complicated project.

Confidence levels (Phase 2)

Schedule: ***Medium Confidence***

Valley Water completed the 60% Plans, Specifications and Estimate for Phase 2 and is progressing towards the 90% design. Preliminary environmental analysis was completed in FY23 and preparation of the EIR began in FY24. Valley Water has increased staff resources to support extensive coordination efforts to help overcome schedule obstacles.

Funding: ***Very High Confidence***

The Safe, Clean Water Program is funding Phase 2, which is approximately 60% of the larger Coyote Creek project. Valley Water's Water Utility Fund is funding Phase 1, which constitutes the remaining 40% of the Coyote Creek project. The Department of Water Resources (DWR) has awarded Valley Water $3.8 million in IRWMP grant funding for the construction of Phase 2. On February 14, 2023, the U.S. Environmental Protection Agency (EPA) and Valley Water entered into a Master Agreement for the Safe Clean Water program pursuant to the Water Infrastructure Finance and Innovation Act (WIFIA) Loan Program. Through WIFIA, the EPA will provide up to $147 million in low-cost loans to Valley Water to support crucial flood control initiatives, including Phase 2.

In February 2024, the California Governor's Office of Emergency Services (CalOES) forwarded two Valley Water grant applications (Building Resilient Infrastructure and Communities and Flood Mitigation Assistance) for the Coyote Creek Flood Protection Project to FEMA for final consideration of grant funding. Grant funds up to $50 million are possible from one or the other grant application. Updates are expected in late summer/early fall 2024.

Permits: ***Medium Confidence***

Phase 2 is designed to minimally impact creek resources, with almost all elements outside the creek banks. By minimizing in-channel work and its impacts, the permit application and acquisition process should proceed more expeditiously. Resource Agency coordination has begun and is in the early stages of Phase 2.

Jurisdictional Complexity: ***Medium Confidence***

The City of San José, a local agency, is fully cooperating due to the significant need for the project. Valley Water is coordinating with the City of San Jose Parks, Recreation & Neighborhood Services staff regarding the project elements within city-chartered parkland to acquire the necessary land rights to construct the project. Valley Water already has an agreement with the City of San José regarding unhoused encampment outreach and relocation for Phase 1 and there is an option to extend the agreement for Phase 2. Valley Water is also working closely with the San Jose Unified School District for elements near two schools.

Figure E1.6 Jurisdictional Complexities; Confidence Level Regarding Outside Agencies FY24 E1 Coyote Creek Flood Protection (CCFPP)	
Partner/Outside Agency	**Confidence Level**
FUNDING	
State Grants	Very High
Water Infrastructure Finance and Innovation Act (WIFIA)	Very High
Other	Medium High
REGULATORY PERMITTING	
California Department of Fish and Wildlife	Medium
San Francisco Bay Regional Water Quality Control Board	Medium
Santa Clara Valley Habitat Agency	Medium
CITIES/COUNTIES	
San José	Medium
SCHOOL DISTRICTS	
San José Unified School District	Medium High

Figure E1.7 Jurisdictional Complexities: Confidence Level Regarding Outside Agencies FY24 E1 Coyote Creek Flood Mitigation Measures Project (CCFMMP)	
Partner/Outside Agency	**Confidence Level**
REGULATORY PERMITTING	
California Department of Fish and Wildlife	Very High
San Francisco Bay Regional Water Quality Control Board	Very High
Valley Habitat Plan	Very High
CITIES/COUNTIES	
San José	Very High

See *Appendix C: Capital Projects Jurisdictional Complexities* for a list of confidence levels for each project by outside agency for funding, regulatory permitting, cities, counties and other agencies.

PROJECT E2
SUNNYVALE EAST AND SUNNYVALE WEST CHANNELS FLOOD PROTECTION, SAN FRANCISCO BAY TO INVERNESS WAY AND ALMANOR AVENUE—SUNNYVALE

Google Sunnyvale West Channel Enhancement Project (looking North/ Downstream).

ACTIVE

ADJUSTED

Project E2 FY24 Highlights

- The Board approved increasing project funding to construct both phases of the project.
- Resubmitted the regulatory permit applications following project refinements resulting from a partnership with Google Inc.
- Following regulatory agencies' comments, Valley Water to resubmit updated permit applications.

This project is to upgrade approximately 6.4 miles of the existing Sunnyvale East Channel to provide 1% flood protection (100-year event) to 1,618 parcels and approximately three (3) miles of the existing West Channel to provide 1% flood protection for 47 acres of highly valuable industrial lands, including the former Onizuka Air Force Base.

The Sunnyvale West Channel (Phase 1) and Sunnyvale East Channel (Phase 2) improvement projects have been combined into a single flood protection project with a single Environmental Impact Report (EIR) to reduce construction costs and improve efficiencies. Both projects decrease channel turbidity and sediment by repairing erosion sites, thereby improving water quality and reducing sediment to the San Francisco Bay

Benefits

- Provides 1% flood capacity for approximately 6.4 miles of channel along Sunnyvale East and approximately three (3) miles of channel along Sunnyvale West within the City of Sunnyvale, protecting 1,618 properties (Sunnyvale East) and 47 acres (11 properties) of industrial land (Sunnyvale West)
- Improves channel water quality by providing erosion control measures to decrease sediment and turbidity
- Identifies recreational opportunities that can be integrated by the City of Sunnyvale and others as appropriate
- Addresses climate change as the project is designed to increase flow capacity, thereby reducing flood risks from storm events projected to become more frequent and intense due to climate change. Furthermore, the project accounts for 2 feet of sea level rise

Key Performance Indicator (FY22–36)

1. Provide 1% (100-year) flood protection for 1,618 properties and 47 acres (11 parcels) of industrial land, while improving stream water quality and working with other agencies to incorporate recreational opportunities.

Geographic Area of Benefit: Sunnyvale

Flooding History and Project Background

Flooding History

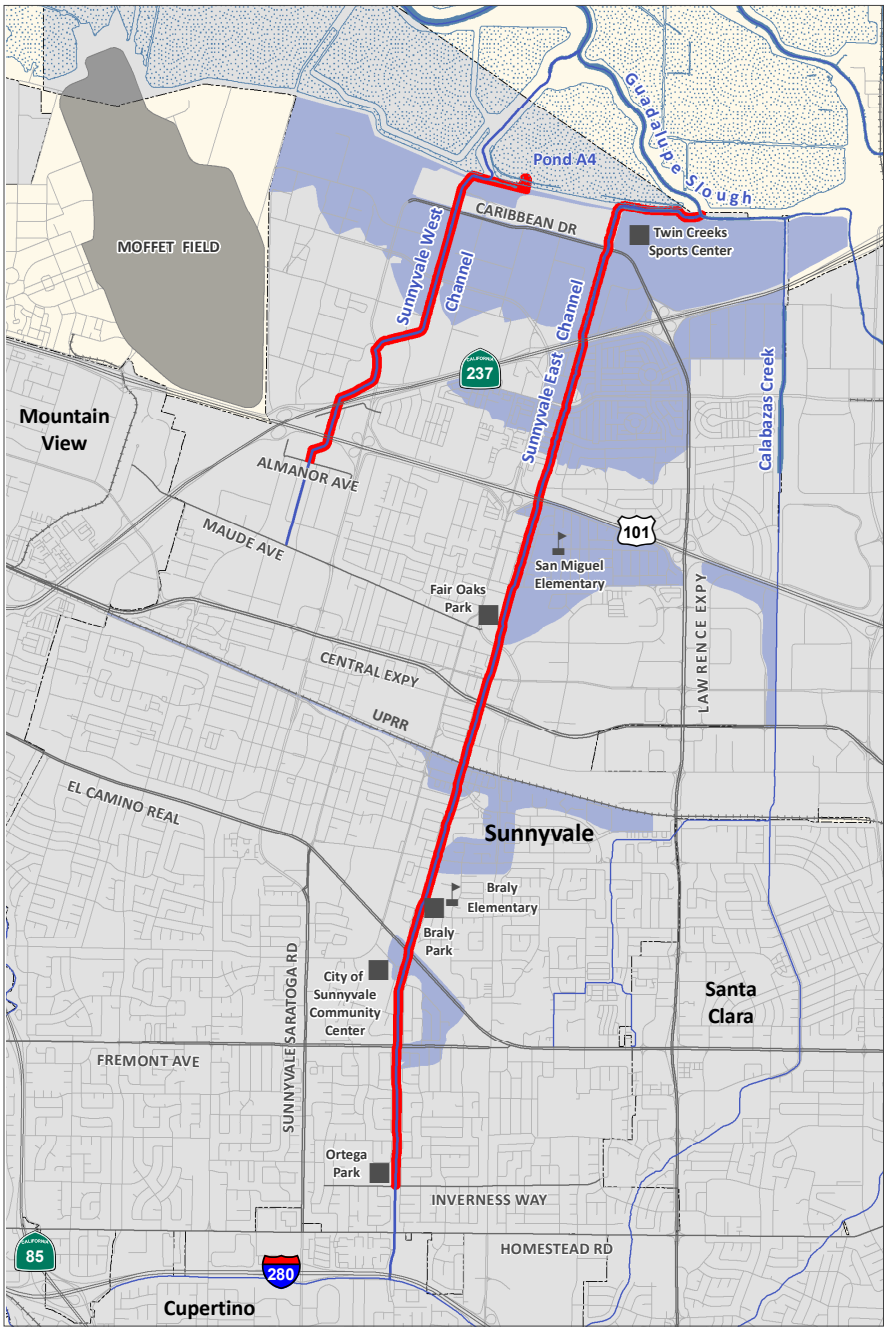
The Sunnyvale East and West Channels were constructed in the 1960s to serve as storm drains in response to flooding caused by a combination of major storm events, land subsidence, and inadequate drainage to the San Francisco Bay. Since construction, the channels have experienced flooding during major storm events in 1963, 1968, 1983, 1986 and 1998.

Project Background

Initially, the project was a part of Valley Water's first voter-approved measure, the Clean, Safe Creeks and Natural Flood Protection Plan (CSC Plan), which became effective on July 1, 2002. In 2012, voters approved replacing the CSC Plan with the Safe, Clean Water and Natural Flood Protection Program (2012 Program), which became effective on July 1, 2013. Subsequently, in November 2020, voters approved the renewed Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program), replacing the 2012 Program. The project has continued in the renewed Safe, Clean Water Program. To learn more about the project history, visit ***www.valleywater.org/project-updates/e2-sunnyvale-east-and-sunnyvale-west-channels-flood-protection*** and click on the History & Background section.

Project Location

Figure E2.1

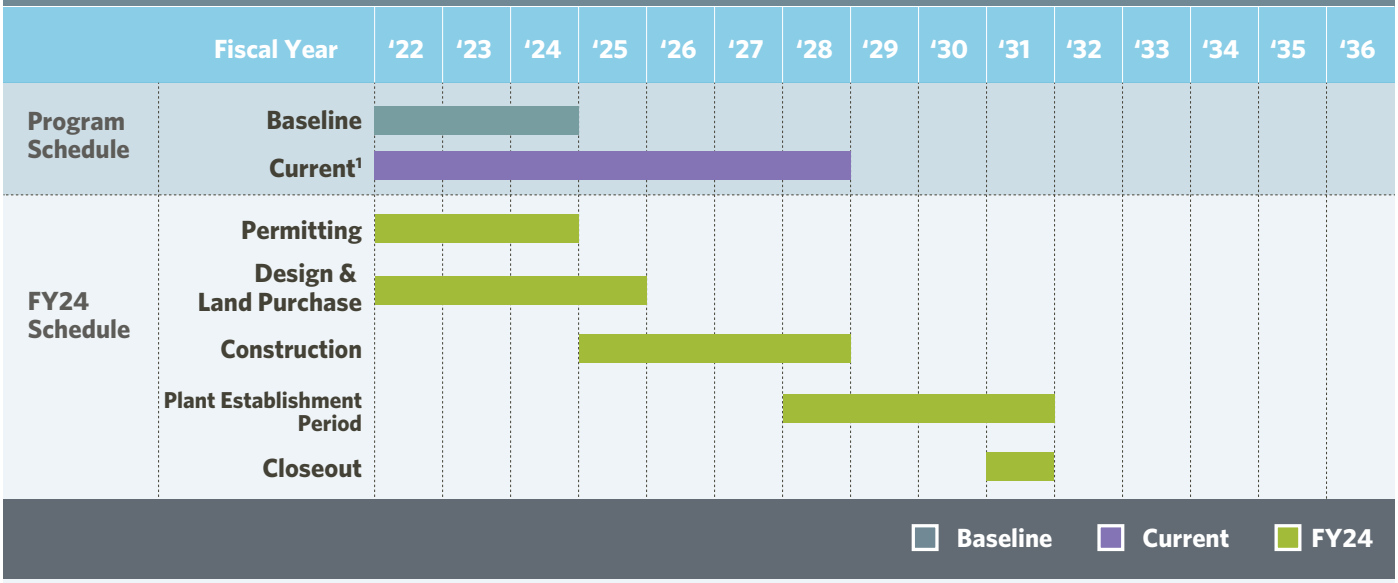


Legend

- Project Location
- 1% Flood Risk Zone (As of 2014)
- Santa Clara County Cities
- Santa Clara County

Schedule

Figure E2.2 Sunnyvale East and Sunnyvale West Channels Flood Protection[1]
Schedule Comparison Between the Safe, Clean Water Program (2020) and FY24



1. Board approved schedule adjustment through the Change Control Process in FY21, FY22, FY23, and FY24.

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	*ACTIVE*	*ADJUSTED*	Construction completion was delayed by three years to be completed in FY27 instead of FY24.	*FY22 (2021–2022)*
FY23	*ACTIVE*	*MODIFIED & ADJUSTED*	With effect from July 1, 2023, FY22-36 project funding is reduced from about $52.5M to about $37.8M, impacting the delivery of the complete project and KPI. Project description adjusted to reflect that the project is being constructed in phases and to remove dated information.	*FY23 (2022-2023)*
FY24	*ACTIVE*	*ADJUSTED*	Construction delayed to begin in FY25 instead of FY24. Project description also adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	*ADJUSTED (Schedule & Text Adjustment)*

In FY24, the project schedule was Adjusted, with construction starting in FY25 instead of FY24. The adjustment was required due to the delay in receiving regulatory permits, which are now expected in early FY25 instead of FY24. Consequently, project construction is expected to begin mid-2025 (FY25), with anticipated completion in FY28. The Board approved the schedule adjustment on May 14, 2024, with the adoption of the Capital Improvement Program FY 2025-29 Five-Year Plan.

On April 9, 2024, the Valley Water Board held a formal public hearing, approving changes to the Safe, Clean Water Program that will increase funding allocation for the Sunnyvale East and West Channels Project. With this additional funding, Valley Water would be able to construct both phases of the project and deliver the KPI.

The project description is adjusted to correct outdated information. The adjustment refers to the Onizuka Air Force Base, officially closed in 2010, as a former air force base. Furthermore, the text under Benefits is adjusted to add more detail about how the project addresses climate change. This adjustment is in response to a recommendation by the IMC.

PROGRESS ON KPI #1:

In August 2023, Valley Water resubmitted the regulatory permit applications following project refinements resulting from a partnership with Google Inc. Valley Water received comments and requests for additional information and subsequently decided to update the permit applications to address comments and provide additional information. Updated permit applications are anticipated to be submitted in summer 2024. As a result, Valley Water expects to receive the regulatory permits in early FY25. Once the required permits are received, the project will be advertised for construction, which is expected to be in mid-2025 (FY25), with construction anticipated to begin in FY25 instead of FY24.

Earlier, in FY23, Valley Water completed the 100% design documents. Design documents will be final once the City of Sunnyvale and resource agency permits are incorporated.

Valley Water has acquired all required permanent rights-of-way and is working to obtain temporary staging area easements for project construction. Valley Water completed the temporary construction staging area agreement with Santa Clara County and its tenant, Twin Creeks. Valley Water continues to work on executing a leasing agreement with the San Francisco Public Utilities Commission (SFPUC) and Abbott for temporary construction staging areas. All remaining leasing agreement acquisitions are anticipated to be executed in FY24, prior to construction advertisement.

For more current information about this project, visit ***www.valleywater.org/project-updates/e2-sunnyvale-east-and-sunnyvale-west-channels-flood-protection***.

Financial Information

In FY24, 18% of the annual project budget was expended.

The under-expenditure is due to the delay in starting construction because of the delay in obtaining regulatory permits.

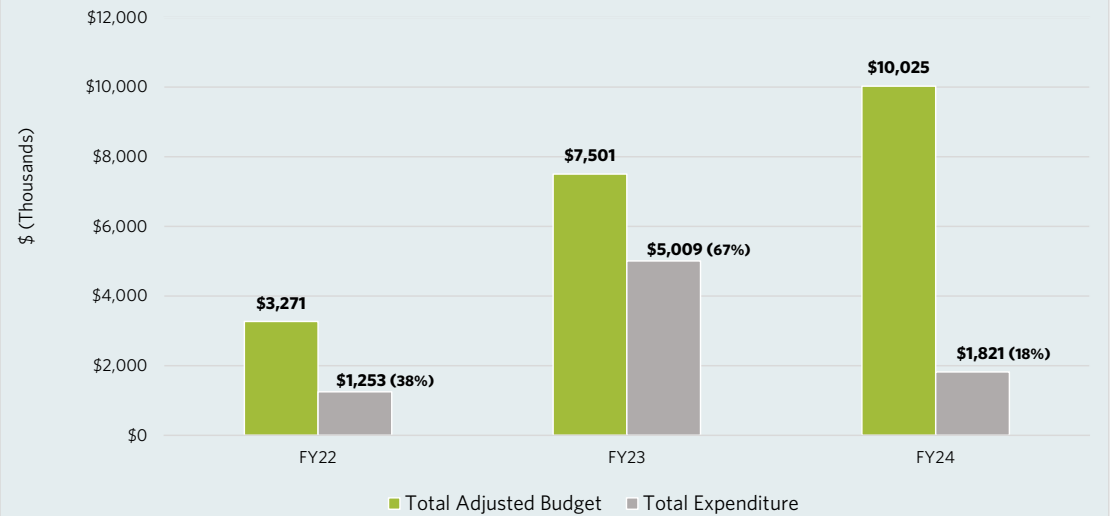
Figure E2.3 Sunnyvale East and Sunnyvale West Channels Flood Protection

Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$0	$10,025	$0	$10,025	$1,821	$0	$1,821	18%	$37,775	21%

Project Expenditure History

Figure E2.4 Sunnyvale East and West Channels Budget vs. Expenditure



Opportunities and Challenges

Confidence Levels

Schedule: *Medium Confidence*

Valley Water continues to work on acquiring the temporary rights-of-way acquisitions needed for construction and executing the necessary relocation agreements with the various utility owners. These activities are expected to be finalized in FY24, allowing project construction to begin in late FY24. The design is 100% complete, except for incorporating the City of Sunnyvale utility relocation design revisions and incorporation of the pending permit conditions into the construction documents. Permanent rights-of-way required for the project have been acquired.

Sunnyvale West Channel (Phase 1)

The most significant schedule challenge is coordinating the Carl Road culvert construction with the City of Sunnyvale Wastewater Pollution Control Plant (WPCP). Carl Road crossing serves as the only access to portions of the WPCP outlet pond facilities and the west landfill. In addition, vital landfill gas extraction lines and city sanitary sewer vitrified clay pipe (VCP) mains cross the existing Carl Road culvert and are required to remain in service 24 hours a day, seven days a week. To minimize the risk of interrupting service from damage to the existing VCP sewer lines during the construction and to partner with the city to replace aging sewer pipes, the sewer lines will be replaced with a single 36-inch sewer line. This line will cross the West Channel and connect to the existing sewer system.

Also, Valley Water and the City of Sunnyvale are partnering on a cost-sharing agreement for a shared portion of a perimeter wall (floodwall/security) around the city WPCP, located along the Sunnyvale West Channel. The shared portion of the wall would act as both a floodwall and a security wall for the WPCP. This shared portion of the wall would be constructed by the City of Sunnyvale, with a design review by Valley Water. The city is working on finalizing the design for the shared portion of the perimeter wall and estimates construction to begin in summer 2024. These partnerships with the city and Google described above resulted in minor project changes that required Valley Water to prepare an EIR addendum, which the Board approved on February 22, 2022.

Sunnyvale East Channel (Phase 2)

The most significant schedule challenge is the phased construction timeline to replace the existing Caribbean Drive Bridge with a new triple-reinforced concrete box culvert and relocate existing utilities crossing the bridge. The Caribbean Drive Bridge currently conveys multiple utilities, including 12-inch water and reclaimed water lines, multiple AT&T fiber-optic lines and PG&E power lines. Coordination with AT&T and PG&E to relocate fiber-optic lines and temporary relocation of power lines is ongoing and expected to be finalized before construction begins. Valley Water had previously requested that the City of Sunnyvale consider allowing a complete closure of Caribbean Drive to avoid a two-year construction window, expensive detours, lane closures, public safety, and other partial closure concerns. The City of Sunnyvale elected to require Valley Water to phase the construction with a partial closure of Caribbean Drive, thus requiring a two-year construction window.

Funding (combined): *Medium Confidence*

On April 9, 2024, the Valley Water Board held a formal public hearing, approving changes to projects under the Safe, Clean Water Program that will result in additional funding being allocated to the Sunnyvale East and West Channels Project. With this additional funding, Valley Water would be able to construct both phases of the project and deliver the KPI.

Meanwhile, Valley Water continues to explore external funding sources, including federal and state grants and loans, for the project. In FY23, the California Governor's Office of Emergency Services (Cal OES) invited Valley Water to submit a complete application for the Hazard Mitigation Grant Program for the project. Valley Water submitted an application in August 2023 for Sunnyvale East and West Channels. After further discussion with CalOES, Valley Water submitted a revised application for a $23.5 million grant focused on the Sunnyvale East channel. CalOES reviewed the application and forwarded it to FEMA for final consideration. Valley Water expects FEMA's decision in the fall of 2024.

Earlier, on February 14, 2023, the U.S. Environmental Protection Agency (EPA) and Valley Water entered into Master Agreements for the Water Infrastructure Finance and Innovation Act (WIFIA) Loan Program. Through WIFIA, the EPA will provide $727 million in low-cost loans to Valley Water to support crucial water supply and flood control initiatives, including the Sunnyvale East and West Channels project.

Partnerships:

On April 24, 2018, the Board approved a Memorandum of Understanding (MOU) with Google to form a partnership. On February 22, 2022, the Board approved an agreement with Google for a design change along approximately 1,100 linear feet of the Sunnyvale West Channel as part of its proposed site development for the Google Caribbean Campus Project. The Google project is currently under construction and will create onsite and in-kind mitigation opportunities by constructing a wider channel with larger setback levees without floodwalls. The Google project will enhance public access and provide Valley Water the opportunity to utilize excess onsite and in-kind mitigation created by the Google project to offset some impacts from the Valley Water project. Valley Water has agreed to contribute $2.6 million towards the Google project upon its' completion and approval. The amount of $2.6 million represents the estimated costs for the flood protection improvements, as designed by Valley Water, within the Google project limits that Valley Water will no longer need to construct.

Also, Valley Water is working with the City of Sunnyvale to finalize the cost-sharing agreement for the shared portion of the new perimeter wall around the city's WPCP. Similar to the Google agreement, the upcoming cost-share agreement between Valley Water and the city would only include the cost that Valley Water would have incurred to design and construct the Valley Water shared length of the wall. Valley Water's estimated contribution for the shared wall is currently $400,000 for the design and $3.55 million for the construction, subject to Board approval.

In December 2020, an amendment to a cost-sharing agreement between Valley Water and the City of Sunnyvale to construct recreational trails was finalized, extending an original 2016 cost-sharing agreement to December 2025. This extension accommodates the project's delayed construction timeline. A related and preceding Joint Use Agreement between Valley Water and the City of Sunnyvale for recreational trail use and maintenance remains in place, as enacted in 2016, for 25 years (until 2041).

Permits (combined): *Medium Confidence*

The most significant overall challenge to the project is securing the necessary regulatory agency permits in a timely manner to proceed with construction. Valley Water submitted all the required permit applications in June 2017 to the various state and federal regulatory agencies. However, due to the elapsed time, in June 2021, the Regional Water Quality Control Board (RWQCB) denied Valley Water's 2017 application and requested that the 401 Water Quality Certification be resubmitted, incorporating the project revisions addressed in Valley Water's California Environmental Quality Act (CEQA) addendum.

In August 2023 (FY24), Valley Water resubmitted the regulatory permit applications following project refinements resulting from a partnership with Google Inc. Valley Water received comments and requests for additional information and subsequently decided to update the permit applications to address comments and provide additional information. Updated permit applications are anticipated to be submitted in summer 2024. As a result, Valley Water expects to receive the regulatory permits in early FY25.

Upon receipt of the various regulatory agency permits, permit conditions and requirements will be incorporated into the Final Construction Documents before the project can be advertised for construction.

Jurisdictional Complexity (combined): *High Confidence*

The entire project is within the limits of the City of Sunnyvale. Valley Water has coordinated the planning and design efforts by forwarding to the city the 30%, 60%, 90%, and 100% design submittals for review and comment. Valley Water continues to work with the city to address their comments on the various city utility relocation designs required for the project. Valley Water and the city have previously executed a cost-sharing agreement to construct public trails as part of the project and have executed a Joint Use Trail Agreement. Google and Valley Water continue to meet monthly to coordinate the planning, design, and construction of this project and several other Google-Valley Water projects.

Figure E2.5 Sunnyvale East and Sunnyvale West Channels Flood Protection Jurisdictional Complexities: Confidence Level Regarding Outside Agencies FY24

Partner/Outside Agency	Confidence Level
FUNDING	
Water Infrastructure Finance and Innovation Act	High
Other	Medium
REGULATORY PERMITTING	
U.S. Army Corps of Engineers	Medium
California Department of Fish and Wildlife	Medium
National Marine Fisheries Service	Medium
San Francisco Bay Regional Water Quality Control Board	Medium
San Francisco Bay Conservation and Development Commission	Medium
CITIES/COUNTIES	
Sunnyvale	High
Santa Clara County	High
OTHER AGENCIES/ORGANIZATIONS	
California Department of Transportation (Caltrans)	Medium
Federal Emergency Management Agency (FEMA)	High
PG&E	Medium High
San Francisco Public Utilities Commission (SFPUC)	Medium High
Google LLC	Very High

See *Appendix C: Capital Projects Jurisdictional Complexities* for a list of confidence levels for each project by outside agency for funding, regulatory permitting, cities, counties and other agencies.

PROJECT E3
LOWER BERRYESSA FLOOD PROTECTION, INCLUDING TULARCITOS AND UPPER CALERA CREEKS (PHASE 3)—MILPITAS

This project is located in the City of Milpitas and includes Tularcitos Creek and Upper Calera Creek, which are two tributary creeks of Lower Berryessa Creek. Once constructed, this project will provide 1% (100-year event) flood protection to 1,100 parcels affected by Upper Calera Creek from the drop structure upstream of Arizona Avenue upstream to José Higuera Adobe Park, and to an estimated 320 parcels along Tularcitos Creek between its confluence with Berryessa Creek and Interstate 680. Additionally, this project will address inadequate maintenance access along all three creeks, which has made past maintenance more difficult, costly and time-consuming. Design for this project is slated to begin in 2032.

Berryessa Creek upstream of the confluence with Lower Penitencia Creek.

SCHEDULED TO START

ADJUSTED

Project E3 FY24 Highlights

- This project is scheduled to begin in 2032.

Benefits

- Provides 1% flood protection for an estimated 1,420 parcels along Upper Calera and Tularcitos creeks
- Improves access for long-term channel maintenance for both creeks
- Incorporates opportunities to integrate levees with the City of Milpitas trail system
- Identifies opportunities for stream habitat enhancement and/or restoration
- Addresses climate change as the project is designed to increase flow capacity, thereby reducing flood risks from storm events projected to become more frequent and intense due to climate change. Furthermore, the project accounts for 2 feet of sea level rise

Key Performance Indicator (FY22–36)

1. With local funding only: Complete the design phase of the 1% (100-year) flood protection project to protect an estimated 1,420 parcels.

Geographic Area of Benefit: Milpitas

Flooding History and Project Background

Flooding History

Flooding occurred along Berryessa Creek in 1982, 1983, and 1997. While no reports of flooding along Calera Creek or Tularcitos Creek have been discovered, the Federal Emergency Management Agency and Valley Water 1% flood maps indicate potential flooding along portions of Lower Berryessa Creek and Calera Creek. Flows in Lower Berryessa Creek have a backwater effect on most of Tularcitos Creek. Tularcitos Creek cannot contain design flows due to both this backwater effect and inadequate channel capacity. Also, though the existing levees on both sides of Tularcitos Creek are structurally stable, they are constructed with highly plastic clay that shrinks and swells, causing erosion and cracking along portions of the levees. Additionally, Upper Calera Creek cannot contain design flows due to inadequate channel capacity.

Project Background

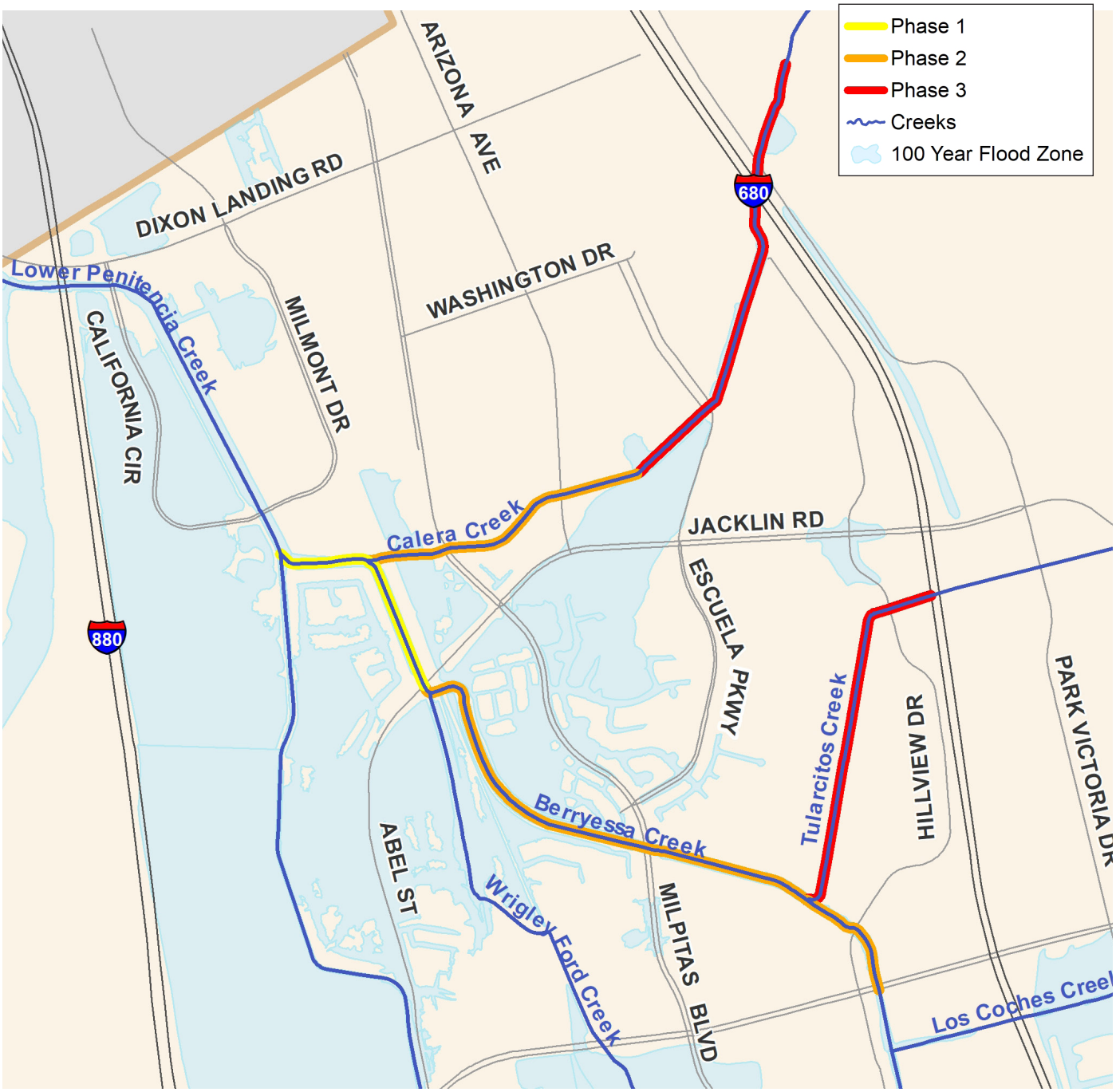
The Berryessa Creek Flood Protection Project, extending from Calaveras Boulevard to Interstate 680, was initially a part of Valley Water's first voter-approved measure, known as the Clean, Safe Creeks and Natural Flood Protection Plan (2000 Plan), which became effective on July 1, 2002. In 2012, voters approved replacing the CSC Plan with the Safe, Clean Water and

Natural Flood Protection Program (2012 Program), which became effective on July 1, 2013. The project construction was completed and the KPI was delivered in FY18. More information about this project can be found in the FY21 Annual Report for the 2012 Safe, Clean Water Program at ***https://tinyurl.com/SCWFY21AnnualReport***.

Lower Berryessa Creek Flood Protection Project (Phase 3) came about in the renewed Safe, Clean Water Program, which voters approved in November 2020. To learn more about the project history, visit ***www.valleywater.org/project-updates/creek-river-projects/lower-berryessa-creek-flood-protection-phase-3*** and click on the History & Background section.

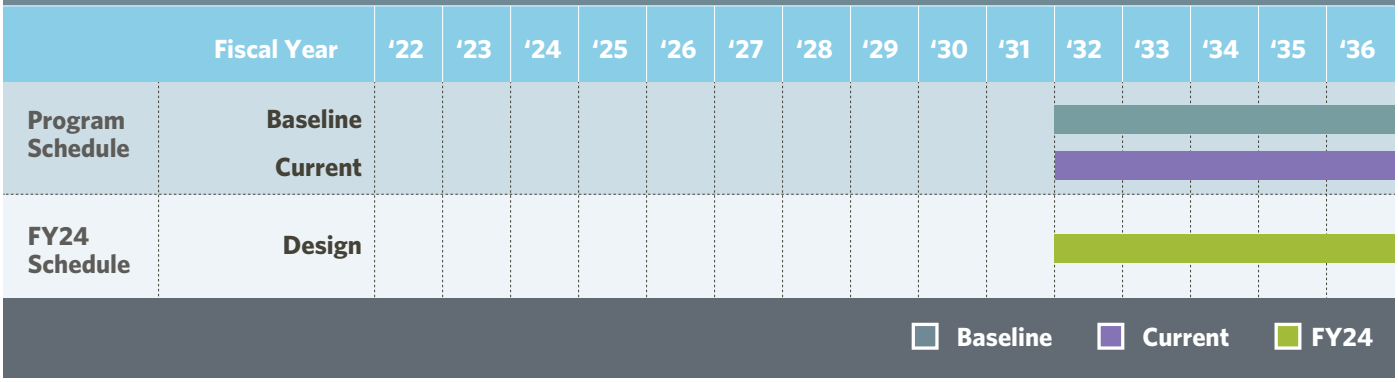
Project Location

Figure E3.1



Schedule

Figure E3.2 Lower Berryessa Flood Protection, including Tularcitos and Upper Calera Creeks (Phase 3)—Milpitas
Schedule Comparison Between the Safe, Clean Water Program (2020) and FY24



Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***SCHEDULED TO START***	***NONE***	Not Applicable	***FY22 (2021–2022)***
FY23	***SCHEDULED TO START***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***SCHEDULED TO START***	***ADJUSTED***	Project benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
SCHEDULED TO START	***ADJUSTED (Text Adjustment)***

The text under Benefits is adjusted to briefly explain how the project addresses climate change impacts. This adjustment is in response to a recommendation by the IMC.

For more current information about this project, visit ***https://www.valleywater.org/project-updates/creek-river-projects/lower-berryessa-creek-flood-protection-phase-3***.

Financial Information

This project is scheduled to begin in FY32, therefore, there was no budget allocation or expenditures in FY23.

Figure E3.3 Lower Berryessa Flood Protection Financial Summary ($ Thousands)									
Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$0	$0	$0	$0	$0	$0	$0	0%	$8,524	0%

Opportunities and Challenges

Opportunities and challenges related to this project may materialize during the project delivery cycle and will be reported in subsequent annual reports.

Confidence Levels

The confidence levels will be determined when work on the project begins in FY32.

See *Appendix C: Capital Projects Jurisdictional Complexities* for a list of confidence levels for each project by outside agency for funding, regulatory permitting, cities, counties and other agencies.

PROJECT E4
UPPER PENITENCIA CREEK FLOOD PROTECTION, COYOTE CREEK TO DOREL DRIVE—SAN JOSÉ

Upper Penitencia Creek along Commodore Park.

ACTIVE

ADJUSTED

Project E4 FY24 Highlights

- Began the Design Phase for the local-funding-only project (KPI #2), which includes Phases 1 and 2.
- Property acquisition discussions are ongoing to secure land rights for channel widening within Phase 1.

Preferred project: A federal-state-local partnership

This project continues a partnership with the U.S. Army Corps of Engineers (USACE), to plan, design and construct improvements along 4.2 miles of Upper Penitencia Creek from the confluence with Coyote Creek to Dorel Drive. Part of the project will protect the area around the Bay Area Rapid Transit's (BART) Berryessa station near King Road, which would otherwise be subject to flooding.

In addition to providing flood protection, this multi-objective project will provide ecological restoration and recreation benefits while preserving the water supply. The natural creek channel will be preserved while adjacent existing open space and parkland will remain as recreational areas, only rarely taking the role as a temporary floodplain so that floodwaters do not enter surrounding neighborhoods and commercial areas. Proposed construction measures may include modified floodplains, limited levees/ floodwalls, a bypass channel, and fish passage improvements.

Local-funding-only project

The original local-funding-only project was to acquire all necessary rights-of-way and construct a 1% (100-year event) flood protection project from Coyote Creek confluence to King Road, which would have protected 450 parcels. In December 2019, the Valley Water Board directed staff to use the available local funding to complete the design and construction of the locally funded project as well as build the reaches of the preferred project that can be constructed with the available funding. This approach extends the local-funding-only project from King Road to Capitol Avenue and provides 1% flood protection for an additional 800 parcels. As a result, the new local-funding-only project would be to construct flood improvements along Upper Penitencia Creek from the confluence of Coyote Creek to Capitol Avenue to increase the 1% flood protection provided with local available dollars to 1,250 parcels, including the new Berryessa BART station.

Benefits

- Preferred project provides up to 1% flood protection to approximately 8,000 homes, schools and businesses.
- Local-funding-only project provides 1% flood protection to 1,250 parcels, including the new Berryessa BART station.
- Restores/enhances ecological and riparian habitat
- Reduces sedimentation and maintenance requirements
- Improves water quality in Upper Penitencia and Coyote creeks
- Provides opportunities for recreation improvements consistent with the City of San José and Santa Clara County Park master plans
- Addresses climate change as the project is designed to increase flow capacity, thereby reducing flood risks from storm events projected to become more frequent and intense due to climate change. Furthermore, the project accounts for 2 feet of sea level rise

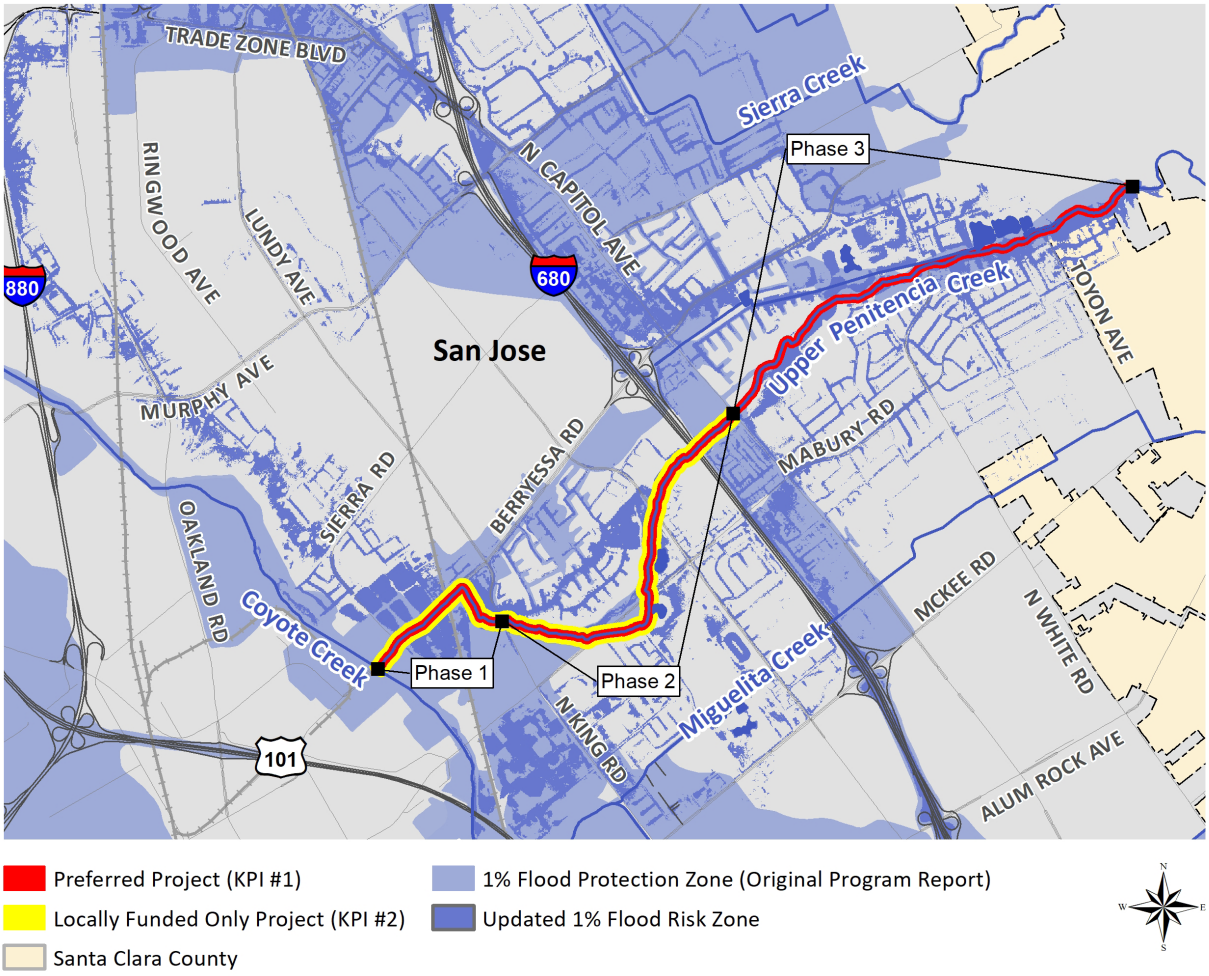
Key Performance Indicators (FY22–36)

1. Preferred project with federal and local funding: Construct a flood protection project to provide 1% (100-year) flood protection to 8,000 parcels.

2. With local funding only: Construct a 1% (100-year) flood protection project from Coyote Creek confluence to Capitol Avenue to provide 1% (100-year) flood protection to 1,250 parcels, including the new Berryessa BART station.

Geographic Area of Benefit: San José

Figure E4.1



Flooding History and Project Background

Flooding History

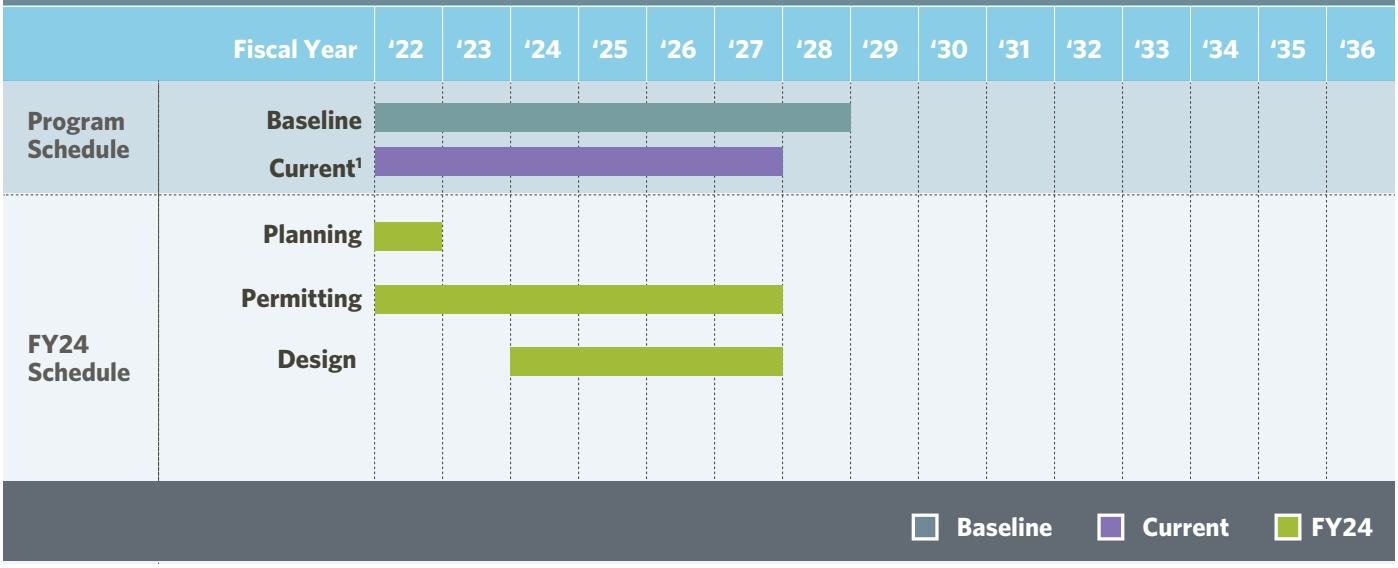
With the capacity to convey less than a 10-year flow event, Upper Penitencia Creek has had a history of flooding since Valley Water began preparing flood reports in 1967. Damaging flood events occurred in 1978, 1980, 1982, 1983, 1986, 1995, and 1998, impacting many homes, businesses, and surface streets. In 2017, the creek caused minor flooding when it overflowed its banks near Independence High School in San José. In 2023, stormwater from Penitencia Creek overflowed its creek banks and flooded the San Jose Flea Market and Penitencia Creek County Park, leaving debris and mud.

Project Background

The project was part of the 2012 voter-approved Safe, Clean Water and Natural Flood Protection Program (2012 Program) that became effective on July 1, 2013. Subsequently, in November 2020, voters approved the renewed Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program), replacing the 2012 Program. The project has continued in the renewed Safe, Clean Water Program. To learn more about the project history, visit ***www.valleywater.org/project-updates/e4-upper-penitencia-creek-flood-protection-0*** and click on the History & Background section.

Schedule

Figure E4.2 Upper Penitencia Creek Flood Protection
Schedule Comparison Between the Safe, Clean Water Program (2020) and FY24



1. Through the Change Control Process, Board approved schedule adjustments in FY22 and FY24. In FY23, Board modified the project funding allocation.

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	*ACTIVE*	*ADJUSTED*	Locally funded only project construction was pushed back by a year to begin in FY25 and complete in FY29.	*FY22 (2021-2022)*
FY23	*ACTIVE*	*MODIFIED & ADJUSTED*	Effective July 1, 2023, FY22-36 project funding is reduced from about $26.1M to about $9.2M, impacting the delivery of the complete project and KPI.	*FY23 (2022-2023)*
FY24	*ACTIVE*	*ADJUSTED*	Project schedule and benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	*ADJUSTED (Schedule and Text Adjustment)*

In FY24, the Board approved adjusting the project schedule, extending the Design Phase from two to four years. The Design Phase schedule was extended to incorporate Environmental and Design consultant procurement and design completion dates. The schedule incorporates additional design for bridge crossings in Reach 1 and design and utility relocations at King Road creek/bridge improvements. The Design Phase began in FY24 and is now scheduled to be completed in FY27 instead of FY25. Consequently, the Permitting Phase has also been extended to be completed in FY27 instead of FY25. The Board approved the schedule adjustment on May 14, 2024, with the adoption of the Capital Improvement Program FY 2025-29 Five-Year Plan.

The text under Benefits is adjusted to briefly explain how the project addresses climate change impacts. This adjustment is in response to a recommendation by the IMC.

PROGRESS ON KPI #1 & #2 (COMBINED):

In FY24, there was no federal funding for this project and Valley Water focused on the local-funded-only key performance indicator (KPI).

The Design Phase for the local-funding-only project (KPI #2) began in the summer of 2023 (FY24) and is expected to be completed in FY27. If funding allows, construction can begin soon after, in the summer of 2027. The Design Phase includes Phases I and II of the project, extending from Coyote Creek to Capitol Avenue. Phase III, Capitol Avenue to Dorel Road, is part of the project with federal and local funding (KPI #1). Property acquisition discussions are ongoing to secure land rights for channel widening within Phase 1.

For more current information about this project, visit ***www.valleywater.org/project-updates/e4-upper-penitencia-creek-flood-protection-0***.

Financial Information

In FY24, 27% of the annual project budget was expended.

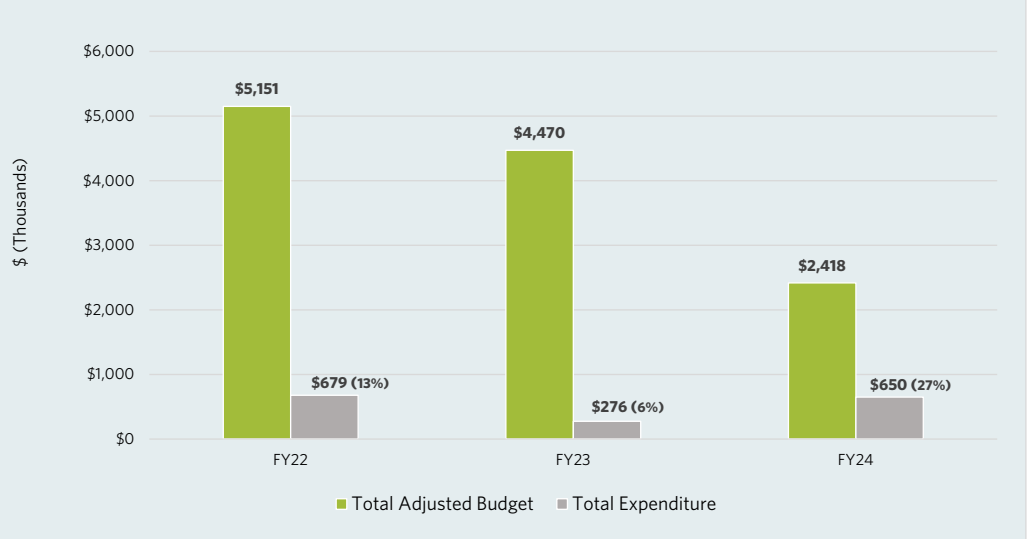
The under-expenditure was due to the procurement of a design and environmental consultant, which did not occur in FY24 but will occur in FY25. Work continues on securing land rights.

Figure E4.3 Upper Penitencia Creek
Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$0	$2,418	$0	$2,418	$650	$0	$650	27%	$9,209	17%

Project Expenditure History

Figure E4.4 Upper Penitencia Creek
Budget vs. Expenditure



Opportunities and Challenges

Water Supply

There are several water supply facilities along the project reaches, including groundwater percolation ponds. Project alternatives should not reduce recharge operations in the watershed and should look for the opportunity to preserve water supply functions.

Ecosystem Restoration

The natural corridor at Upper Penitencia Creek is among the best remaining habitat areas in the Santa Clara Valley between Coyote Creek and the Diablo Range. The habitat could support several special-status species, including steelhead trout, California red-legged frog, California tiger salamander, and western pond turtle. The upstream portion of the project area contains valuable and relatively undisturbed native California sycamore alluvial woodland.

Recreation

There are several parks and open spaces along the creek and the Penitencia Creek Trail. These recreational features are well-used by the community, and there are opportunities for this project to work jointly with its partners to improve these resources. A significant benefit the project will provide is the construction and extension of the Penitencia Creek Trail down to the Coyote Creek confluence and connecting it to the Coyote Creek Trail system.

Confidence Levels

Schedule: ***Low Confidence***

Following the January 24, 2023, modification, the Safe, Clean Water Program funding for the Design and Permitting phase is secured. Currently, there is no funding allocation for construction. Valley Water will reassess construction funding availability annually as part of the CIP financial planning process. Most of the preferred project is on public land and Valley Water has been working closely with the public entities. A portion of the preferred project is on private land and Valley Water has worked closely with the landowner to secure the necessary land dedication for the project. There is the potential of finding cultural artifacts along the project site during construction, which may result in schedule delays.

Funding: ***Low Confidence***

In FY14-18, Valley Water aggressively pursued federal funding for the project. The USACE project scope was limited to a single-purpose flood risk reduction project, while the community and environmental regulatory agencies advocated for a multi-purpose project. In support of a multi-purpose project, Valley Water decided to move forward with planning, which would also facilitate a local-funding-only project aimed at meeting multiple beneficial goals, including water quality and providing opportunities for recreation improvements and habitat restoration. However, following the modification on January 24, 2023, there is no funding allocation for construction. Valley Water will reassess construction funding availability annually as part of the CIP financial planning process. Meanwhile, Valley Water also continues to explore alternative funding sources, including federal and state grants and loans. On February 14, 2023, the U.S. Environmental Protection Agency (EPA) and Valley Water entered into a Master Agreement for the Safe, Clean Water Program pursuant to the Water Infrastructure Finance and Innovation Act (WIFIA) Loan Program. Through WIFIA, the EPA will provide $147 million in low-cost loans to Valley Water to support crucial flood control initiatives, including the Upper Penitencia Creek Flood Protection project.

Permits: ***Medium Confidence***

The resource agencies have been brought in very early in the planning process and will continue to be engaged during planning and design. It will help to shape a true watershed project with associated ecosystem restoration measures and facilitate the acquisition of regulatory permits.

Jurisdictional Complexity: ***Medium Confidence***

The project is entirely within the City of San José. A tri-party agreement between the City of San José, Santa Clara County, and Valley Water to jointly use mutual resources along the creek for recreation, flood protection, and water supply purposes aligns the local jurisdictions well with the project. Coordination with the city and county has gone well regarding the project reaches from Coyote Creek to Capitol Avenue. If and when Valley Water moves forward with the upper reaches, Capitol Avenue to Dorel Drive, Valley Water will have to conduct significant coordination efforts with the city and county to develop plans and land-use agreements for flood detention on public land.

Figure E4.5 Upper Penitencia Creek
Jurisdictional Complexities: Confidence Level Regarding Outside Agencies
FY24

Partner/Outside Agency	Confidence Level
FUNDING	
State Grants	Medium
Water Infrastructure Finance and Innovations Act	Medium
REGULATORY PERMITTING	
U.S. Army Corps of Engineers	Medium
California Department of Fish and Wildlife	Medium
National Marine Fisheries Service	Medium
San Francisco Bay Regional Water Quality Control Board	Medium
United States Fish and Wildlife Service	Medium
Valley Habitat Plan	Medium
CITIES/COUNTIES	
San José	Medium
Santa Clara County	Medium
OTHER AGENCIES	
Santa Clara Valley Transportation Authority (VTA)	Medium
PG&E	Medium

See *Appendix C: Capital Projects Jurisdictional Complexities* for a list of confidence levels for each project by outside agency for funding, regulatory permitting, cities, counties and other agencies.

PROJECT E5
SAN FRANCISQUITO CREEK FLOOD PROTECTION, SAN FRANCISCO BAY TO UPSTREAM OF HIGHWAY 101—PALO ALTO

Location of proposed in-channel widening along San Francisquito Creek.

ACTIVE

ADJUSTED

This project is led by the San Francisquito Creek Joint Powers Authority (SFCJPA), of which Valley Water is a member agency, in partnership with the U.S. Army Corps of Engineers (USACE).

Preferred project: A federal-state-local partnership

The project is to construct improvements along San Francisquito Creek from San Francisco Bay to Middlefield Road and additional detention of floodwaters upstream of Highway 280 to provide 1% (100-year event) flood protection, ecosystem protection and recreational benefits to surrounding communities.

Local-state-funding-only partnership

Highway 101 to Pope-Chaucer Bridge

This stretch of the project will remedy channel constrictions and replace bridges at Newell Road and Pope/Chaucer streets to allow the channel to contain floodwaters of approximately 7,500 cubic feet per second, equivalent to approximately a 1.4% flood event (70-year event). Allowing this level of water to flow through the channel will protect approximately 3,000 parcels in Palo Alto from a flood event close to the February 1998 flood, the largest on record. Currently, the channel can only convey approximately a 7% flood event (approximately a 15-year event).

Project E5 FY24 Highlights

- A third-party independent review validated the recalibrated Hydrologic Engineering Center's River Analysis System model that incorporates the conditions observed during the December 31, 2022, storm event.
- SFCJPA engaged a consultant to update the project objectives and design criteria and reevaluate the feasible alternatives listed in the Final Environmental Impact Report (EIR).

Newell Road Bridge

The Newell Road bridge replacement, unlike the rest of the project elements in this stretch, is led by the City of Palo Alto, which has applied for funding through Caltrans' Highway Bridge Program (HBP). The project has been programmed by Caltrans to fund approximately 89% of the total cost for replacing the Newell Road bridge, while the local match funds, approximately 11% of the total cost, will be funded by Valley Water through the Safe, Clean Water Program renewal. The City of East Palo Alto and the SFCJPA continue to provide input on the Newell Road Bridge replacement.

The SFCJPA continues to pursue partnerships with federal, state and local agencies for additional construction funding.

In 2019, Valley Water completed the construction of the San Francisco Bay to Highway 101 reach of the project to provide 1% flood protection and ecosystem benefits to the neighboring communities. Major improvements included construction of approximately 4,000 feet of floodwall and creating a significantly wider creek marsh plain. Therefore, completion of this stretch protects approximately 3,000 parcels in Palo Alto from a flood event close to the February 1998 flood, the largest on record.

Benefits

- Provides 1% flood protection to approximately 3,000 homes and businesses in Palo Alto
- Local-state-funding-only project provides approximately 1.4% (70-year event) flood protection for approximately 3,000 homes and businesses in Palo Alto
- Reduces bank erosion and sedimentation-related impacts along San Francisquito Creek

- Provides new or improved habitats for endangered species
- Improves water quality
- Enhances recreational opportunities for the community
- Leverages dollars via cost-shares and grants from the state Department of Water Resources and the California Department of Transportation
- Addresses climate change as the project is designed to increase flow capacity, thereby reducing flood risks from storm events projected to become more frequent and intense due to climate change. Furthermore, the project accounts for 2 feet of sea level rise

Key Performance Indicators (FY22–36)

1. Preferred project with federal, state and local funding: Protect more than 3,000 parcels by providing 1% (100-year) flood protection.
2. With state and local funding only: Protect approximately 3,000 parcels by providing 1% (100-year) flood protection downstream of Highway 101, and approximately 1.4% (70-year) protection upstream of Highway 101.

Geographic Area of Benefit: Palo Alto

Flooding History and Project Background

Flooding History

San Francisquito Creek can cause severe flood damage with very little warning and has overflowed eight times since 1910, including on December 31, 2022.

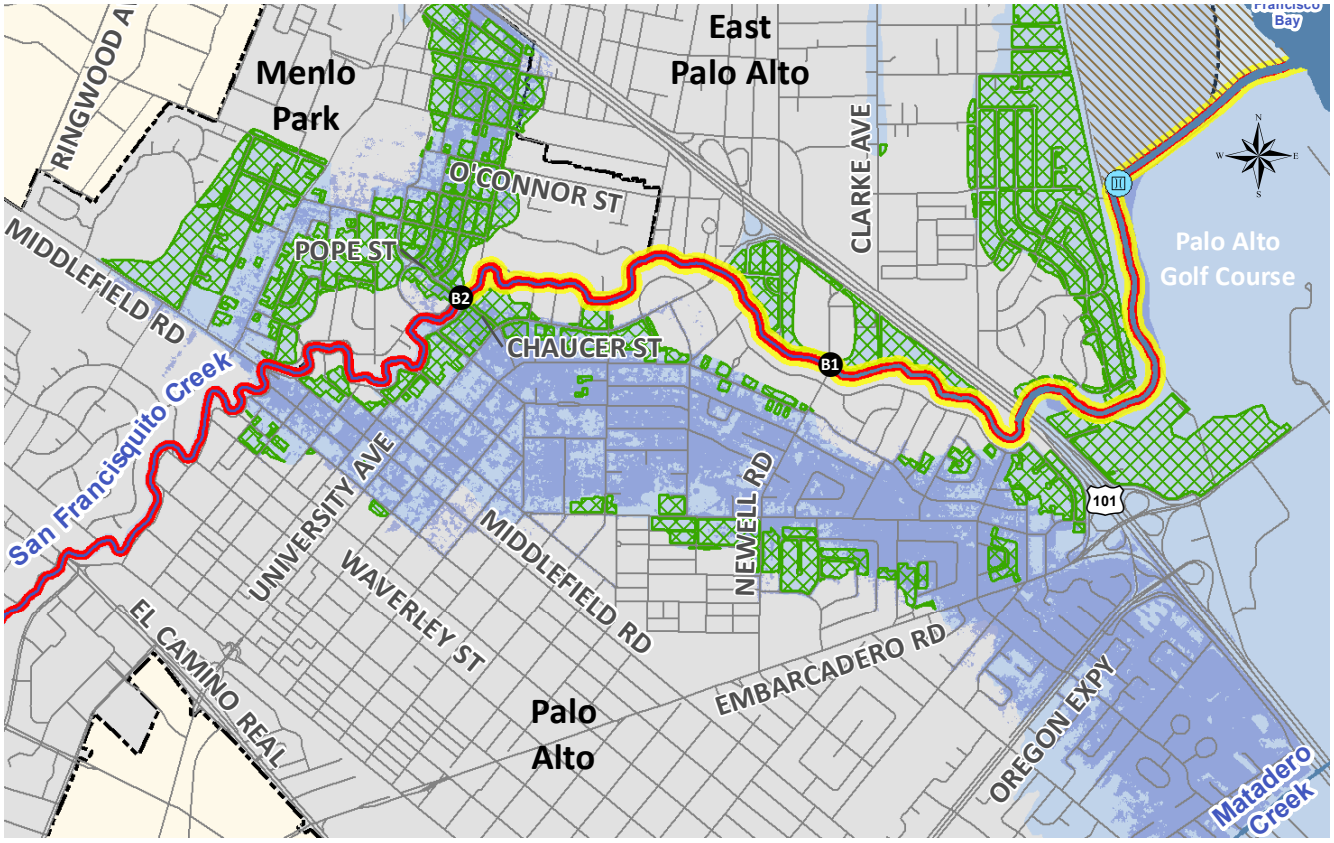
During the February 1998 El Niño event, record flooding caused an estimated $28 million in damages in Palo Alto, East Palo Alto, and Menlo Park. More than 1,100 homes were flooded in Palo Alto, and Highway 101 was closed, as were numerous other roadways. The largest flood on record before 1998 occurred in December of 1955 when the creek overtopped its banks in several locations, inundating about 1,200 acres of commercial and residential property. Damages were estimated at nearly $2 million in 1956 dollars. Total damages from a 1% flood event are estimated at $300 million in Santa Clara and San Mateo Counties, as calculated by the USACE in 2011.

Project Background

Initially, the project was a part of Valley Water's first voter-approved measure, the Clean, Safe Creeks and Natural Flood Protection Plan (CSC Plan), which became effective on July 1, 2002. In 2012, voters approved replacing the CSC Plan with the Safe, Clean Water and Natural Flood Program (2012 Program), which became effective on July 1, 2013. Subsequently, in November 2020, voters approved the renewed Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program), replacing the 2012 Program. The project has continued in the renewed Safe, Clean Water Program. To learn more about the project history, visit ***www.valleywater.org/project-updates/e5-san-francisquito-creek-flood-protection-0*** and click on the History & Background section.

Project Location

Figure E5.1



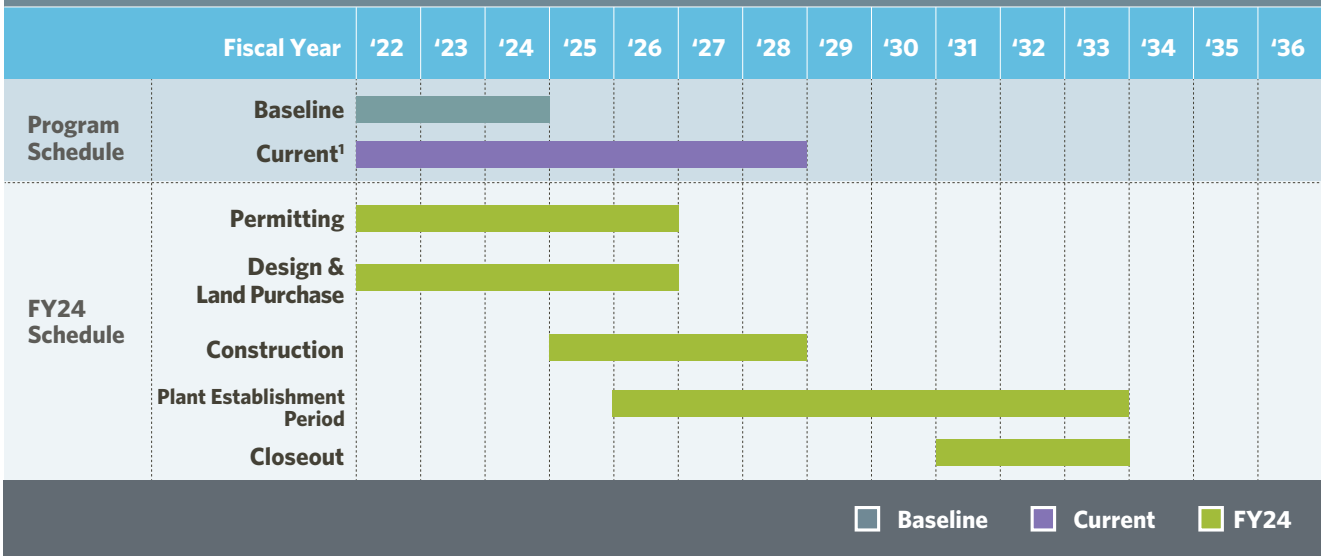
- Preferred Project (KPI #1)
- Local-State Funded Only Project (KPI #2)
- Locally Funded Project Improvement Area
- Faber Tract Marsh
- 1% FEMA Flood Risk Zone
- Updated 1% Flood Risk Zone
- Cities
- California Counties
- Friendship Bridge

Bridge Modification Projects:

- B1 Newell Rd (Palo Alto)
- B2 Pope/Chaucer St (Valley Water)

Schedule

Figure E5.2 San Francisquito Creek Flood Protection
Schedule Comparison Between the Safe, Clean Water Program (2020) and FY24



1. Board approved schedule adjustments through the Change Control Process in FY22, FY23, and FY24

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	*ACTIVE*	*ADJUSTED*	The state- and local-funding-only project (KPI #2) construction timeline was extended by a year to be completed in FY25 instead of FY24.	*FY22 (2021–2022)*
FY23	*ACTIVE*	*ADJUSTED*	Project schedule adjusted with construction start and completion delayed by two years.	*FY23 (2022-2023)*
FY24	*ACTIVE*	*ADJUSTED*	Project description, benefits, and schedule adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	*ADJUSTED (Schedule & Text Adjustment)*

On June 25, 2024, the Board approved a schedule adjustment that delayed construction by a year to begin in FY25 instead of FY24 and completion by two years to be completed in FY28 instead of FY26, as reflected in the Capital Improvement Program FY 2025-29 Five-Year Plan (FY2025-29 CIP).

The schedule adjustment is required for various reasons. The construction start of the Newell Road Bridge Replacement project, which was to begin in FY24, has been delayed by a year to begin in FY25. The delay is primarily due to right-of-way acquisition and regulatory permit issues. Channel Widening, Top-of-Bank Improvements, and the Pope/Chaucer Street Bridge Replacement projects are delayed because of the potential design changes resulting from the hydraulics/hydrology model changes. The hydraulic model, which was recalibrated following the storms that caused the creek banks to overflow on December 31, 2022, was validated by a third-party consultant in spring 2024.

The schedule adjustment provides SFCJPA time to change the design and revise the supplemental EIR in light of the new findings from the newly calibrated hydraulic/hydrology model. The SFCJPA is the official project lead and is ultimately responsible for the overall project design and for securing and finalizing permits and funding. Valley Water is one of the five-member agencies of the SFCJPA.

Additionally, the project description text is adjusted, clarifying that SFCJPA leads the project, while the City of Palo Alto leads the Newell Road Bridge Replacement sub-project. Furthermore, the text under Benefits is adjusted to briefly explain how the project addresses climate change impacts. This adjustment is in response to a recommendation by the IMC.

PROGRESS ON KPI #1 AND #2:

S.F. Bay to Highway 101 Project (completed)

Local-state-funding only - design and construction of 1% flood protection project

Flood protection improvements for this reach were completed in May 2019. It included constructing approximately 4,000 feet of floodwall; excavating sediment and degrading the existing levee from East Bayshore Road to Geng Road; degrading approximately 600 feet of levee on the East Palo Alto side of the creek adjacent to the Faber Marsh; and completing approximately 800 feet of the new offset levee on the Palo Alto side of the creek. Mitigation planting installation was completed in the summer of 2019. The SFCJPA took over mitigation monitoring responsibilities from Valley Water in 2022 and will continue to do so for the 10-year monitoring duration or until mitigation success criteria are met. Valley Water monitored California Ridgeway's rail for the fifth and potentially final year in winter 2023 and provided results to the SFCJPA.

Upstream of Highway 101 Project

In January 2023, SFCJPA, the lead agency, took over as the project's technical lead for the Upstream of Highway 101 Project from Valley Water. The update below is based on the information provided by the SFCJPA.

Federal, state and local funding - planning and design of 1% flood protection project

Elements of channel widening sites upstream of Highway 101 are being led and implemented by the USACE through the Continuing Authorities Program Section 205 (CAP 205). The draft feasibility study report was completed in July 2022, however, USACE put the feasibility study on hold in spring 2023 until the validation of the recalibrated hydraulics model is completed. The SFCJPA and Valley Water will continue to support the USACE CAP 205 study. It follows SFCJPA Board's June 2019 decision to approve the staff recommendation to pursue options for USACE funding that did not require Congressional authorization through the USACE CAP 205 process. The SFCJPA and USACE formally initiated the CAP 205 process in early FY20 by entering into a Feasibility Cost Share Agreement (FCSA) with the USACE on June 4, 2021 (FY21). The SFCJPA is leading the efforts to implement the other channel-widening elements.

The SFCJPA continued its effort in preparing applications for regulatory permits to construct the Reach 2 (Highway 101 to Middlefield Rd) elements of the San Francisquito Creek project. Newell Road Bridge replacement applications were submitted in winter 2023 and are now complete, with anticipated construction in late 2024. USACE will lead the effort to obtain permits for their channel-widening elements. Permit applications for Pope-Chaucer Bridge, any remaining channel-widening, top-of-bank work, and any future potential alternatives that follow will be submitted separately.

Local-state-funding-only - construction of approximately 70-year flood protection project

The Hydrologic Engineering Center's River Analysis System (HEC-RAS) model, used for hydraulic analysis of the creek, has been recalibrated to incorporate the conditions observed during the storms that caused the creek's banks to overflow on December 31, 2022. The storm event provided substantially more data to check the hydraulic model assumption. The initial Valley Water findings in 2023, validated by a third-party independent review in 2024, indicate that the creek capacity is about 25% less than previously thought.

The original design flow goal to provide flood protection from a 70-year event (KPI #2) was 7,200 cubic feet per second (cfs). Since the channel can carry less than initially thought, getting to 7,200 cfs will need significantly more work. Before the 2022 flood event, it was widely believed that the Pope-Chaucer bridge was the primary location of overbanking in this reach, but the creek overbanked at several locations downstream of the bridge. The 2022 flood also demonstrated that changing weather patterns can have greater impacts over a short duration.

Consequently, in 2024, the SFCJPA engaged a consultant to update the project objectives and design criteria based on the recalibrated hydraulics model and reevaluate the feasible alternatives listed in the Final Environmental Impact Report (EIR). This is a crucial step in selecting a preferred alternative for evaluation in a Supplemental Environmental Impact Report (SEIR). The chosen alternative will then be advanced to a 30% design. Concept plans of the various options and varying levels of protection will be evaluated by the SFCJPA Board and the community for what will then become the preferred design and project alternative.

However, some elements of the project, including the Newell Road Bridge Replacement Project, are "no regrets" actions (i.e., they will not imperil anyone by their implementation and will have an independent flood risk reduction benefit) and will move forward at an accelerated pace to take advantage of available grants. Documents about the projects, including Valley Water's draft final Technical Memorandum and SFCJPA's Independent Review of the HEC-RAS model for the Creek, can all be found on the SFCJPA website at: https://www.sfcjpa.org/reach-2-upstream-project.

Newell Road Bridge

The City of Palo Alto is the lead responsible agency managing the Newell Road Bridge Replacement project. The project is primarily funded by a Caltrans Highway Bridge Program (HBP) grant. Valley Water is contributing the required local cost share for the grant. In addition, the project received $2 million from Assembly Bill (AB) 129 Budget Act of 2022 which was transferred to the project in October 2023. As the lead under California Environmental Quality Act (CEQA), Palo Alto City Council certified the Final Environmental Impact Report (EIR) and approved the preferred project alternative in June 2020. As the lead under National Environmental Policy Act (NEPA) Caltrans certified Environmental Assessment in May 2020. The design was completed in March 2023 with minor adjustments made in January 2024.

In FY24, the City of Palo Alto secured seven temporary and one permanent easement agreements required to construct the project. The city also coordinated utility relocations and submitted the Utility Certification required by the HBP grant. Caltrans is currently reviewing the utility and right-of-way certification. The city also received encroachment permits from East Palo Alto and Valley Water. The city, along with SFCJPA, also secured a permit from San Francisco Bay Regional Water Quality Control Board and the USACE. The California Department of Fish and Wildlife (CDFW) provided its draft permit and the city and SFCJPA continue to work with CDFW on finalizing the draft permit. In June 2024, the city submitted a Request for Authorization to Caltrans to start the Construction phase. The city tentatively expects to complete permitting this summer and once the Right for Authorization is approved by Caltrans, the city will solicit bids for construction in the fall of 2024 with construction to follow. For more information, visit ***https://www.cityofpaloalto.org/Departments/Public-Works/Engineering-Services/Engineering-Projects/Newell-Road***.

Top-of-Bank Floodwalls

The design for top-of-bank improvements was at 60% and put on hold pending the outcome of the feasible alternatives analysis being conducted by the SFCJPA's design consultant following the hydraulic model's recalibration. The SFCJPA will resume preparing a Supplemental EIR in coordination with a consultant. The SFCJPA will take the lead in developing design documents, which may modify the current design.

Pope/Chaucer Street Bridge

Pope-Chaucer Street Bridge was at 90% design and put on hold pending the outcome of the alternatives analysis conducted by the consultant following the recalibration of the hydraulic model. Because the Pope/Chaucer Street Bridge is located further upstream of the Newell Road Bridge and because both bridges cannot be replaced in the same construction season due to negative traffic impacts, construction of the Pope/Chaucer Street Bridge would begin after the construction of the Newell Road Bridge and channel improvements are completed.

For more current information about this project, visit ***www.valleywater.org/project-updates/e5-san-francisquito-creek-flood-protection-0***.

Financial Information

In FY24, 8% of the annual project budget was expended.

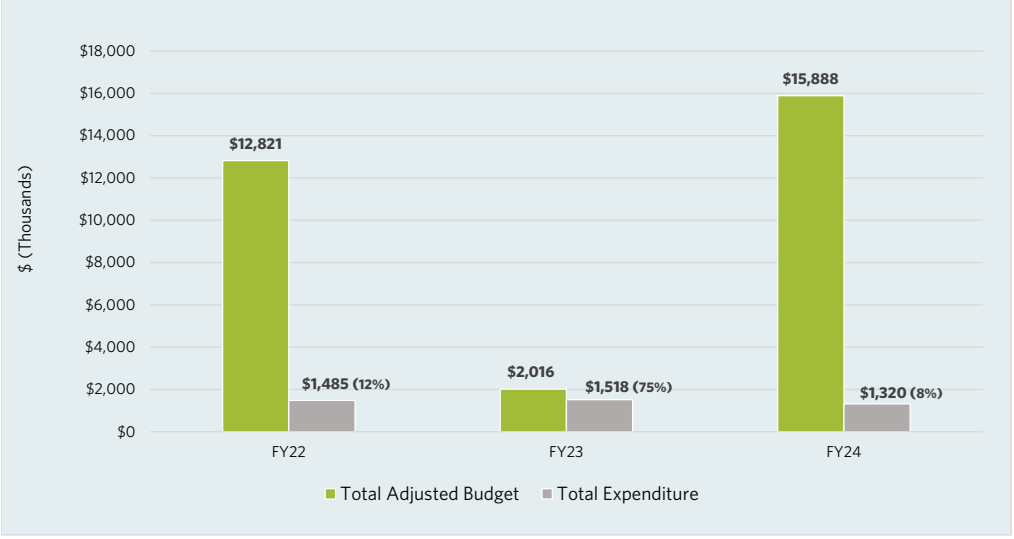
The underspending was primarily due to the schedule adjustment required, resulting from the delay in starting the construction of the Newell Road Bridge Replacement project, as well as third-party validation of the HEC-RAS model recalibration before proceeding further on other elements of the project.

Figure E5.3 San Francisquito Creek
Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$4,917	$10,972	$0	$15,888	$1,299	$22	$1,320	8%	$56,033	8%

Project Expenditure History

Figure E5.4 San Francisquito Creek
Budget vs. Expenditure



Attachment 1
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Opportunities and Challenges

Confidence Levels

Upstream of Highway 101 Project

***Schedule:** Low Confidence*

Before constructing the local-state-funding-only project, easements from private property owners must be secured, the CAP 205 study must be completed, and state and federal regulatory permits must be secured.

Project completion could be delayed due to the complexities and uncertainties related to resetting the project objective and design criteria, reevaluating the EIR alternatives and the preferred alternative, supplemental EIR, securing regulatory permits and easements, as well as funding shortfalls for a multi-jurisdictional project.

Funding: ***Medium Confidence***

There is a funding shortfall due to increasing construction costs and currently unknown design elements for the local-state-funding-only project. Valley Water's funding contribution has been secured through the renewal of the Safe, Clean Water Program. Additionally, the project is expected to receive approximately $17.5 million in grants while continuing to seek additional grant funding. As the funding shortfall narrows, the SFCJPA member agencies plan to enter into a construction funding agreement to close any remaining funding gap. Additionally, the SFCJPA, in conjunction with USACE, continues to seek $8.2 million in federal construction funding through the CAP 205 process for channel widening for 70-year flow conveyance upstream of Highway 101.

Permits: ***Medium Confidence***

Valley Water does not expect any significant challenges with the acquisition of the regulatory permits for the upstream Highway 101 project and is moderately confident it will receive the permits necessary to complete construction of the local-state-funding-only project by the Safe, Clean Water Program's identified completion date. The SFCJPA has conducted stakeholder meetings with regulators to address their concerns and has incorporated their comments in the EIR to facilitate the permitting process.

The SFCJPA continued its effort in preparing applications for regulatory permits to construct the Reach 2 elements of the San Francisquito Creek project. Applications for the Newell Road Bridge replacement will be submitted in the fall of 2023 (FY24), with anticipated construction beginning in the summer of 2024 (FY25). USACE will lead the permitting effort for channel widening. Permitting for Pope-Chaucer Bridge or any top-of-bank work that follows will be submitted separately, likely in 2025.

Jurisdictional Complexity: ***Medium High Confidence***

This project requires cooperation with the SFCJPA and its member agencies, which include Valley Water, the cities of Palo Alto, East Palo Alto, and Menlo Park, and the San Mateo County Flood and Sea Level Rise Resiliency District (previously known as San Mateo County Flood Control District). In addition, there are key project stakeholders, including USACE and Stanford University regarding their Searsville Dam Project. Despite this, Valley Water has high confidence that the jurisdictions will continue to work together to accomplish the common goal of providing flood protection along San Francisquito Creek. The SFCJPA continues to work closely with its member agencies to advance this project, and staff from all member agencies meet regularly to maintain a strong collaborative relationship.

Figure E5.4 San Francisquito Creek Jurisdictional Complexities: Confidence Level Regarding Outside Agencies FY24	
Partner/Outside Agency	**Confidence Level**
FUNDING	
U.S. Army Corps of Engineers	Medium
States Grants	High
REGULATORY PERMITTING	
U.S. Army Corps of Engineers	Medium
California Department of Fish and Wildlife	Medium
National Mariner Fisheries Service	Medium
San Francisco Bay Regional Water Quality Control Board	Medium
United States Fish and Wildlife Service	Medium
CITIES/COUNTIES	
East Palo Alto	Medium High
Menlo Park	Medium High
Palo Alto	Medium High
San Mateo County	Medium High
OTHER AGENCIES	
California Department of Transportation (Caltrans)	High
PG&E	Medium High
San Francisquito Creek Joint Powers Authority	Very High
San Mateo County and Sea Level Rise Resiliency District	Medium High

See *Appendix C: Capital Projects Jurisdictional Complexities* for a list of confidence levels for each project by outside agency for funding, regulatory permitting, cities, counties and other agencies.

PROJECT E6
UPPER LLAGAS CREEK FLOOD PROTECTION, BUENA VISTA AVENUE TO LLAGAS ROAD—MORGAN HILL, SAN MARTIN, GILROY

Llagas Creek Reach 4 post-construction storm event, upstream of Rucker Avenue.

ACTIVE

ADJUSTED

Project E6 FY24 Highlights

- Completed Phase 2A construction, including a 2,300-foot-long underground tunnel and 1,600-foot-long twin reinforced concrete box culverts.
- Advertised Phase 2B for construction, which is scheduled to begin in FY25.

Preferred project: A federal-state-local partnership

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. Valley Water continues to work with Congress to aggressively pursue federal funds to bring this project to full fruition.

Local-funding-only project

Construct flood protection improvements along Llagas Creek from Buena Vista Avenue to Highway 101 in San Martin (Reaches 4 and 5 (portion)), Monterey Road to Watsonville Road in Morgan Hill (Reach 7a), approximately W. Dunne Avenue to W. Main Avenue (a portion of Reach 8), and onsite compensatory mitigation at Lake Silveira.

Benefits

- Provides 1% flood capacity for four (4) miles along West Little Llagas Creek within downtown Morgan Hill, protecting approximately 1,100 homes and 500 businesses
- Provides 10% (10-year event) flood protection to approximately 1,300 agricultural acres in Morgan Hill, Gilroy and San Martin
- Locally funded project provides improved flood protection for a limited number of homes and businesses in Morgan Hill
- Improves stream habitat and fisheries
- Creates additional wetlands
- Improves stream water quality
- Identifies opportunities to integrate recreation improvements with the City of Morgan Hill and others as appropriate
- Addresses climate change as the project is designed to increase flow capacity, thereby reducing flood risks from storm events projected to become more frequent and intense due to climate change. Additionally, Valley Water considered the implications of sea level rise (SLR) and determined that the project is outside SLR impact reach

Key Performance Indicators (FY22–36)

1. Preferred project with federal and local funding: Plan, design and construct flood protection improvements along 13.9 miles of Upper Llagas Creek from Buena Vista Avenue to Llagas Road to provide flood protection to 1,100 homes, 500 businesses, and 1,300 agricultural acres, while improving stream habitat.

2. With local funding only: Construct flood protection improvements along Llagas Creek from Buena Vista Avenue to Highway 101 in San Martin (Reaches 4 and 5 (portion)), Monterey Road to Watsonville Road in Morgan Hill (Reach 7a), approximately W. Dunne Avenue to W. Main Avenue (portion of Reach 8), and onsite compensatory mitigation at Lake Silveira.

Geographic Area of Benefit: Morgan Hill, San Martin and Gilroy

Flooding History and Project Background

Flooding History

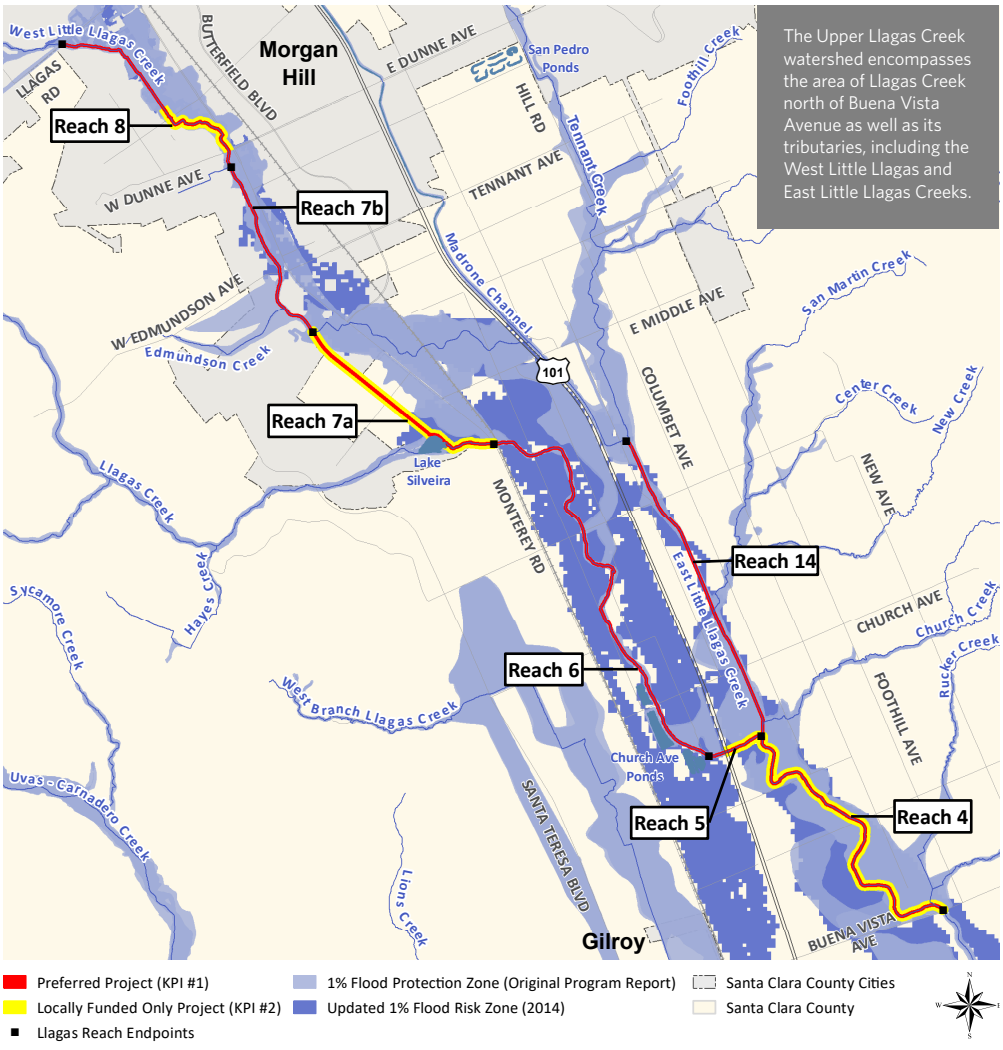
The area sustained damage in 1937, 1955, 1958, 1962, 1963, 1969, 1982, 1986, 1996, 1997, 1998, 2002, 2004, 2008, 2009, and 2011. In 2009, many businesses and residences in downtown Morgan Hill were flooded under one (1) foot of water.

Project Background

Initially, the project was a part of Valley Water's first voter-approved measure, the Clean, Safe Creeks and Natural Flood Protection Plan (CSC Plan), which became effective on July 1, 2002. In 2012, voters approved replacing the CSC Plan with the Safe, Clean Water and Natural Flood Protection Program (2012 Program), which became effective on July 1, 2013. Subsequently, in November 2020, voters approved the renewed Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program), replacing the 2012 Program. The project has continued in the renewed Safe, Clean Water Program. Subsequently, in November 2020, voters approved the current renewed Safe, Clean Water Program. To learn more about the project history, visit ***www.valleywater.org/project-updates/e6-upper-llagas-creek-flood-protection-0*** and click on History & Background section.

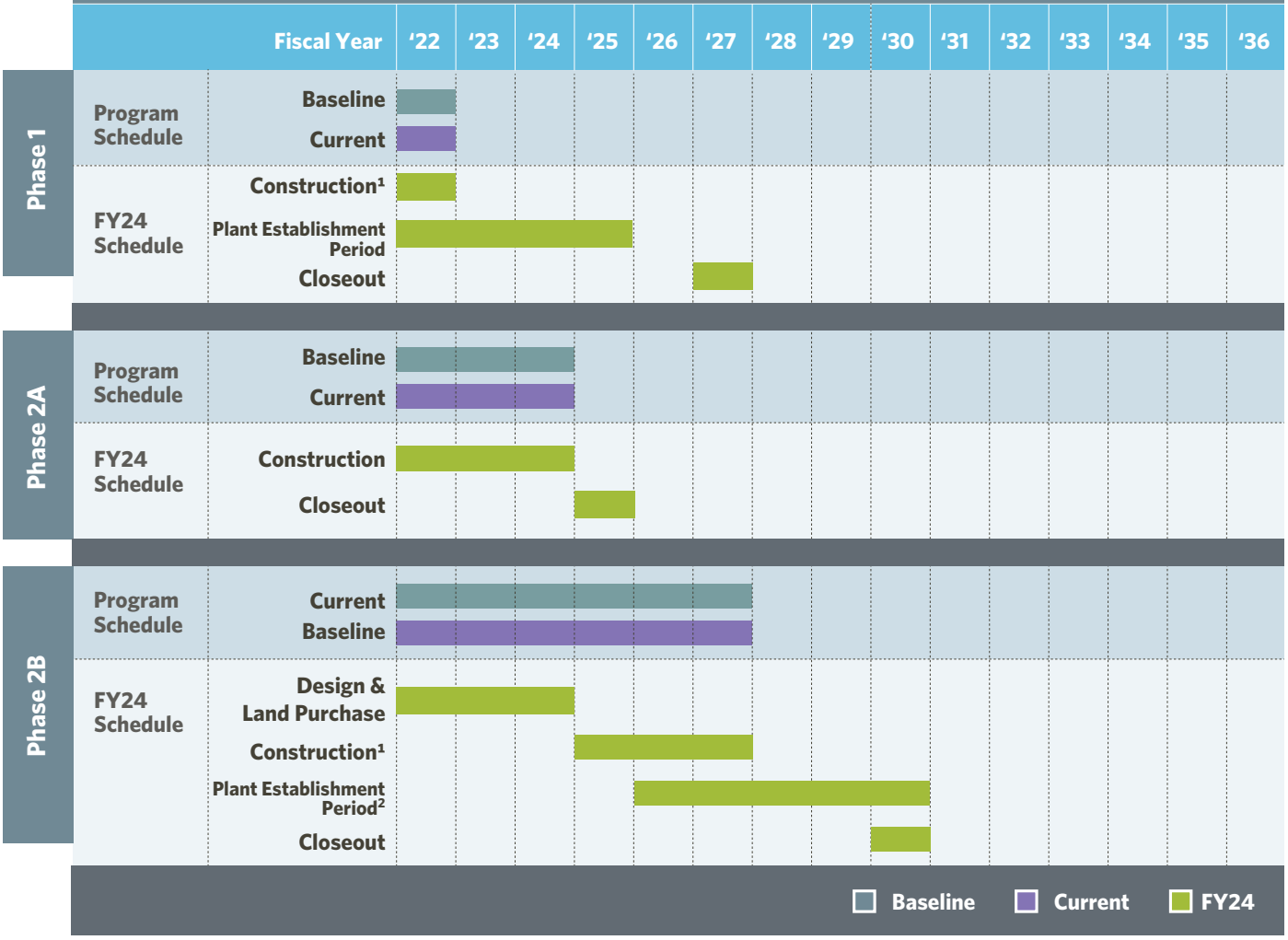
Project Location

Figure E6.1



Schedule

Figure E6.2 Upper Llagas Creek Flood Protection
Schedule Comparison Between the Safe, Clean Water Program (2020) and FY24



1. Board approved schedule adjustment through the Change Control Process in FY24.
2. Plant establishment will be done as construction is completed. For multi-year in-channel construction, plant establishment is phased: it starts when the first area of construction is complete and ends three years after the last area of construction is complete.

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	*ACTIVE*	*NONE*	Not Applicable	*FY22 (2021-2022)*
FY23	*ACTIVE*	*ADJUSTED*	Project description adjusted to remove dated information.	*FY23 (2022-2023)*
FY24	*ACTIVE*	*ADJUSTED*	Project schedule and benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	*ADJUSTED (Schedule & Text Adjustment)*

On June 25, 2024, the Board approved the schedule adjustment delaying the start of Phase 2B construction by a few months to begin in early FY25 instead of the end of FY24. The delay is primarily due to the coordination with the local project partner, the City of Morgan Hill, with the finalization of their local improvement plans incorporated into the Valley Water contract documents. The Phase 2B Specifications could not be finalized until the city had completed its plans so Valley Water could capture the various city (non-Valley Water) separate bid items to assist with the Natural Resources Conservation Service (NRCS) grant funding accounting. However, there is currently no anticipated delay in the completion of the construction, which is expected in FY27, not including the 3-year native plant revegetation establishment period following construction.

Additionally, the text under Benefits is adjusted to briefly explain how the project addresses climate change impacts. This adjustment is in response to a recommendation by the IMC.

PROGRESS ON KPI #1 AND #2 (COMBINED):

The project is being constructed in phases. In May 2024 (FY24), Valley Water completed the construction of Phase 2A in downtown Morgan Hill, extending from Ciolino Avenue to West Main Avenue. Closeout is anticipated in FY25.

Valley Water advertised Phase 2B for construction on May 14, 2024, and the bids were opened on June 26. Phase 2B construction is expected to begin in FY25 and be completed in FY27. Based on the bids received, the cost estimate has increased significantly, creating a funding shortfall, and Valley Water is working on resolving the funding gap.

Detailed update on each phase is provided below.

Phase 1 – Reaches 4, 5, and 7A (Buena Vista Avenue to Highway 101 in San Martin and from Monterey Road to Watsonville Road in Morgan Hill)

In April 2022, Valley Water completed Phase 1 construction. Construction started in September 2019 and was completed ahead of schedule. It included 4.4 miles of channel excavation, construction of the on-site compensatory mitigation at Lake Silveira wetlands, Masten Avenue Bridge concrete underpinning, Monterey Road Bridge concrete lining with a low flow channel for fish passage, installation of rock slope protection, storm drain outfall modifications, removal of concrete rubble, debris and legacy trash, and destruction of monitoring wells. It also included the installation of bat boxes, permanent fencing and gates, the removal of 12.5 acres of invasive blackberry bushes at Lake Silveira, the planting of approximately 45,000 new native plants on approximately 50 acres of Valley Water project property, and the restoration of 2,000 linear feet of Llagas Creek adjacent to Lake Silveira. Flood protection improvements were completed in April 2022. The project is now in a three-year native plant establishment and maintenance period that began in March 2022 and is anticipated to be completed in FY25.

Figure E6.3

Lake Silveira wetlands before (left) and after (right) construction.

Phase 2A – A portion of Reach 8 from Ciolino Avenue upstream to approximately 300 feet north of the existing West Main Avenue and Hale Avenue intersection.

Valley Water completed the construction of Phase 2A in May 2024. Construction began in June 2021 and closeout is expected in FY25.

Phase 2A includes approximately 2,300 linear feet of a 14 ft x 12ft a horseshoe-shaped underground tunnel and approximately 1,600 linear feet of 10 ft x 9 ft twin reinforced concrete box culverts upstream and downstream of the tunnel to carry high water flows. Low flows will remain within the existing creek that traverses through downtown Morgan Hill.

Figure E6.4

High flow bypass tunnel completed.

Phase 2B - Construction of Reach 6 (Highway 101 upstream to Monterey Road), Reach 7B (Watsonville Road to Ciolino Avenue), the remaining portion of Reach 8 (approximately West Main Avenue to Llagas Road), and Reach 14 (confluence with Reach 4 upstream to Sycamore Avenue).

Phase 2B construction consists of approximately 1,900 linear feet of twin reinforced concrete box culverts (10 ft x 9 ft), creek modifications and excavation by widening and deepening, installation of culverts at various street crossings, construction of an inlet basin weir split-flow structure adjacent to the intersection of Hale and Wright Avenues, and the Llagas Avenue bridge underpinning work. It also includes installing instream complexities, removing plantings and non-native plantings, habitat enhancements, revegetation, utility relocations and coordination, outfall modifications, aggregate base maintenance roads, access ramps, traffic controls/detours, fencing, soil testing as required for off-site disposal, concrete and other miscellaneous work, and community outreach and coordination.

On May 14, 2024, the Board adopted the plans and specifications and authorized advertisement for bids for the Phase 2B construction. The construction bids were opened on June 26 , 2024. Based on the bids received, the construction cost estimate has increased to approximately $142.202 million, including a 10% contingency.

The Safe, Clean Water Program has $90.3 million in funding for Phase 2B construction, which includes an $80 million commitment from the Natural Resources Conservation Service (NRCS) and a $4.2 million commitment from the City of Morgan Hill for city-specific improvements. This has left a funding shortfall of $51.9 million, and Valley Water is working to close this gap.

Valley Water is expected to enter into an approximately $80 million Grant Agreement with NRCS in early FY25 for funding to support Phase 2B construction.

Provided the funding shortfall is resolved, Phase 2B construction is anticipated to begin in FY25 and will take approximately two-and-a-half (2.5) years to complete. It will be followed by a three-year native plant revegetation establishment period.

For more current information about this project, visit ***www.valleywater.org/project-updates/e6-upper-llagas-creek-flood-protection-0***.

Financial Information

In FY24, 38% of the annual project budget was expended.

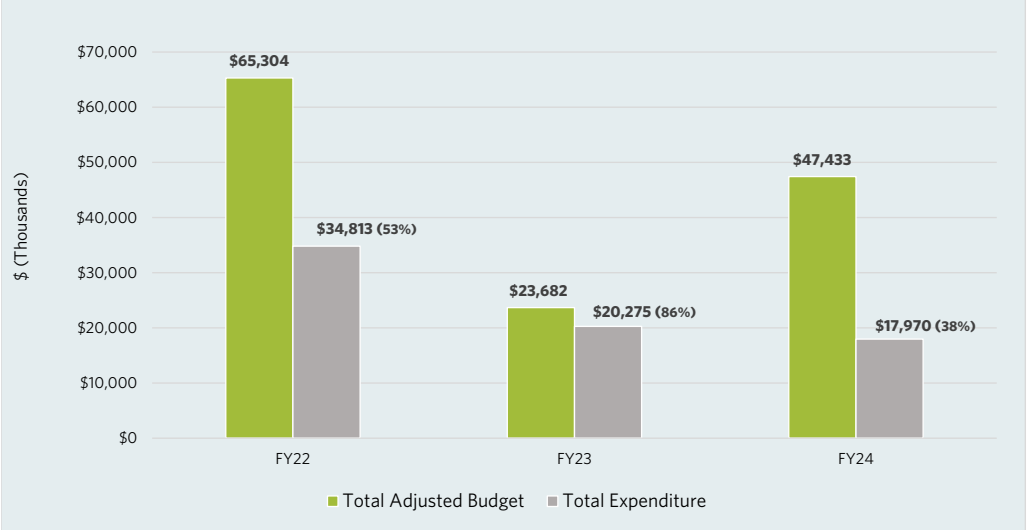
The under-expenditure was largely due to the delay of a few months in starting Phase 2B construction.

Figure E6.5 Upper Llagas Creek
Financial Summary ($ Thousands)

Fiscal Year 2023-2024									15-year Plan	
Project No. and Name	Adopted Budget	Project Carryfor-ward	Budget Adjust-ments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
					Actual	Encum-brance	Total			
26174051 Real Estate Acquisition	$22	$1,686	$2,000	$3,708	$2,374	$0	$2,374	64%	$3,125	121%
26174052 Construction	$0	$19,265	$0	$19,265	$11,795	$3,635	$15,430	80%	$77,687	109%
26174054 Design	(0)	$2,060	$0	$2,060	$144	$0	$144	7%	$5,837	13%
26174055 Phase 2B	$22,400	$0	$0	$22,400	$22	$0	$22	0%	$89,600	0%
Total	**$22,422**	**$23,011**	**$2,000**	**$47,433**	**$14,336**	**$3,635**	**$17,970**	**38%**	**$176,249**	**51%**

Project Expenditure History

Figure E6.6 Upper Llagas Creek
Budget vs. Expenditure



Attachment 1
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Opportunities and Challenges

Confidence Levels

Phase 1, Phase 2A, and Phase 2B of the project are constructed independently.

Phase 1

Schedule: *Very High Confidence*

Phase 1 construction was completed in FY22. The post-construction three-year native plant revegetation maintenance establishment period is underway and anticipated to be completed in April 2025 (FY25).

Funding: *Very High Confidence*

Fully funded through the Safe, Clean Water Program.

Jurisdictional Complexity: *Very High Confidence*

Cooperation on the project has included USACE, the California Department of Fish and Wildlife (CDFW), the Central Coast Regional Water Quality Control Board, the California Department of Water Resources (state subventions), Union Pacific Railroad, California Department of Transportation , the City of Morgan Hill, and the County of Santa Clara.

Phase 2A

Schedule: *Very High Confidence*

Phase 2A construction, which began in June 2021, was completed in May 2024. Closeout is anticipated to be completed in FY25.

Funding: *Very High Confidence*

Fully funded through the Safe, Clean Water Program.

Jurisdictional Complexity: *Very High Confidence*

Cooperation on the project has continued with USACE, the California Department of Fish and Wildlife, the Central Coast Regional Water Quality Control Board, the California Department of Water Resources (state subventions), and the City of Morgan Hill.

Phase 2B

Schedule: *High Confidence*

The construction bids were opened on June 26, 2024, with an award date and start of construction in early FY25. The construction bid estimate is significantly higher than Valley Water's estimates, resulting in a funding shortfall. Valley Water is working to address the shortfall. The project will take two-and-a-half (2.5) years to construct, followed by a three-year native plant revegetation establishment period.

Utility relocation coordination with various utility companies began during the project design more than five years ago and has been coordinated with the City of Morgan Hill. The project design team continues this ongoing coordination with the various utility owners and has executed several utility relocation agreements required for Phase 2B work.

Funding: *Medium Confidence*

Valley Water has received a commitment from the Natural Resources Conservation Service (NRCS) to fund an estimated $80 million for Phase 2B of the Upper Llagas Creek Project. Valley Water is now working with NRCS to complete that agency's consultation requirements to receive the signed funding agreement in 2024.

Jurisdictional Complexity: ***Very High Confidence***

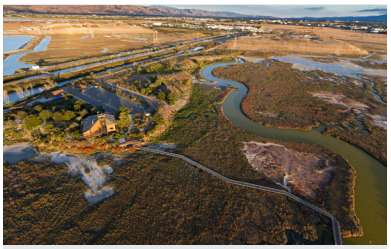
Given the successful completion of Phase 1 and Phase 2 construction, confidence is high that cooperation on Phase 2B of the project will continue with the USACE, the California Department of Fish and Wildlife, the Central Coast Regional Water Quality Control Board, the California Department of Water Resources (state subventions), City of Morgan Hill, and the County of Santa Clara.

Figure E6.7 Upper Llagas Creek
Jurisdictional Complexities: Confidence Level Regarding Outside Agencies
FY24

Partner/Outside Agency	Confidence Level
FUNDING	
Natural Resources Conservation Service	High
REGULATORY PERMITTING	
U.S. Army Corps of Engineers	Very High
California Department of Fish and Wildlife	Very High
National Marines Fisheries Service	Very High
Central Coast Regional Water Quality Control Board	Very High
United States Fish and Wildlife Service	Very High
CITIES/COUNTIES	
Morgan Hill	Very High
Santa Clara County	Very High
OTHER AGENCIES	
Department of Water Resources	High
Federal Emergency Management Agency	High
PG&E	High

See *Appendix C: Capital Projects Jurisdictional Complexities* for a list of confidence levels for each project by outside agency for funding, regulatory permitting, cities, counties and other agencies.

PROJECT E7
SAN FRANCISCO BAY SHORELINE PROTECTION—MILPITAS, MOUNTAIN VIEW, PALO ALTO, SAN JOSÉ, SANTA CLARA AND SUNNYVALE



San Francisco Bay Shoreline

ACTIVE

ADJUSTED

Project E7 FY24 Highlights

- EIAs 1-4: USACE concluded the South San Francisco Bay Shoreline Phase II Study.
- EIAs 5-9: The Shoreline Phase III Feasibility Study officially commenced.
- Valley Water signed a Feasibility Cost Share Agreement with USACE.
- The California State Coastal Conservancy also signed on as a local sponsor.

This project is a partnership with the California State Coastal Conservancy, the U.S. Army Corps of Engineers (USACE) and regional stakeholders to provide tidal flood protection, restore and enhance tidal marsh and related habitats, and provide recreational and public access opportunities along Santa Clara County's shoreline.

This project relies on federal participation from the USACE to develop the project and prepare the plans. Without federal participation, Valley Water cannot implement planning, design and construction on our own due to limited available funding. The Safe, Clean Water funding provides a portion of the local share of funding for planning, design and construction phases for Economic Impact Areas (EIAs) 1-4, and a portion of the local share of funding for the planning study and design phases for EIAs 5-9.

The 2012 Safe, Clean Water Program has already provided $15 million as a portion of Valley Water's local share of funding for flood protection improvements in Economic Impact Area (EIA) 11, which is the urban area of North San José and the community of Alviso. Once completed, EIA 11 will provide flood protection to more than 1,000 residential structures and 100 non-residential structures and allow for the restoration of 2,900 acres of tidal marsh and related habitats.

The project will provide coastal flood protection from a rising sea level and will restore and enhance tidal marsh by using a combination of flood protection levees, wetlands and transitional zone habitats also known as ecotones. Ecotones will provide an additional protective buffer for the levee and allow marsh habitat to migrate upslope as the sea level rises. This approach of using natural infrastructure will help develop a resilient and adaptable flood protection system that can evolve in the future.

Benefits

- Provides planning and design to protect nearly 4,700 acres and more than 5,000 structures, including roads, highways, parks, airports and sewage treatment plants in Santa Clara County
- Allows for restoration of tidal marsh habitat for endangered wildlife such as the salt marsh harvest mouse and Ridgway's rail; rich feeding grounds for shorebirds; and nursery areas for young fish such as leopard sharks and steelhead
- Provides educational, recreational and public access opportunities
- Protects more than 4,300 structures (EIAs 1-4)
- Allows for the restoration of 400 acres of tidal marsh and related habitats (EIAs 1-4)
- Addresses climate change by providing coastal flood protection from rising sea levels and restoring and enhancing tidal marshes

Key Performance Indicators (FY22–36)

1. Provide a portion of the local share of funding for planning, design and construction phases for the Santa Clara County shoreline area, EIAs 1-4.
2. Provide a portion of the local share of funding for planning and design phases for the Santa Clara County shoreline area, EIAs 5-9.

Geographic Area of Benefit: Milpitas, Mountain View, Palo Alto, San José, Santa Clara and Sunnyvale

Flooding History and Project Background

Flooding History

This project stems from the 2003 acquisition of thousands of acres of former South Bay salt production ponds, purchased for wetland restoration with combined public and private funding. Without incorporating flood protection measures along the inboard side of the former salt ponds, the proposed wetland restoration would likely increase coastal flood risks to the shoreline areas. Multiple flood events since the mid-1990s have damaged business operations in this area, home to major high-tech corporations, including Intel, Google, Yahoo, Cisco, and others. The project would also protect low-lying communities, as well as important infrastructure such as airports and sewage treatment plants.

Project Background

Initially, the project was a part of Valley Water's 2012 voter-approved Safe, Clean Water Program and Natural Flood Protection Program (2012 Program), which became effective on July 1, 2013. Subsequently, in November 2020, voters approved the renewed Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program), replacing the 2012 Program. The project has continued in the renewed Safe, Clean Water Program. To learn more about the project history, visit ***www.valleywater.org/shoreline*** and click on the History & Background section.

Project Location

Figure E7.1
South San Francisco Bay Shoreline Protection
E1A 11 Project Construction Phases

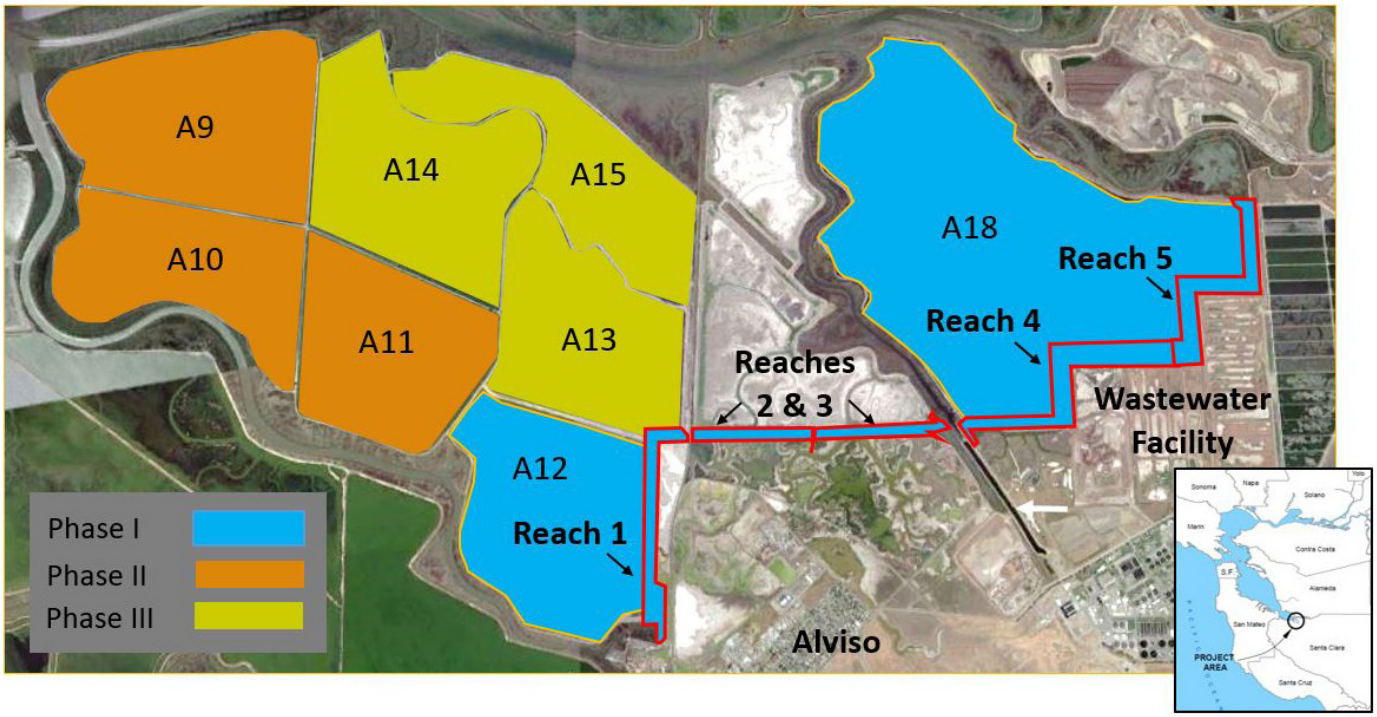
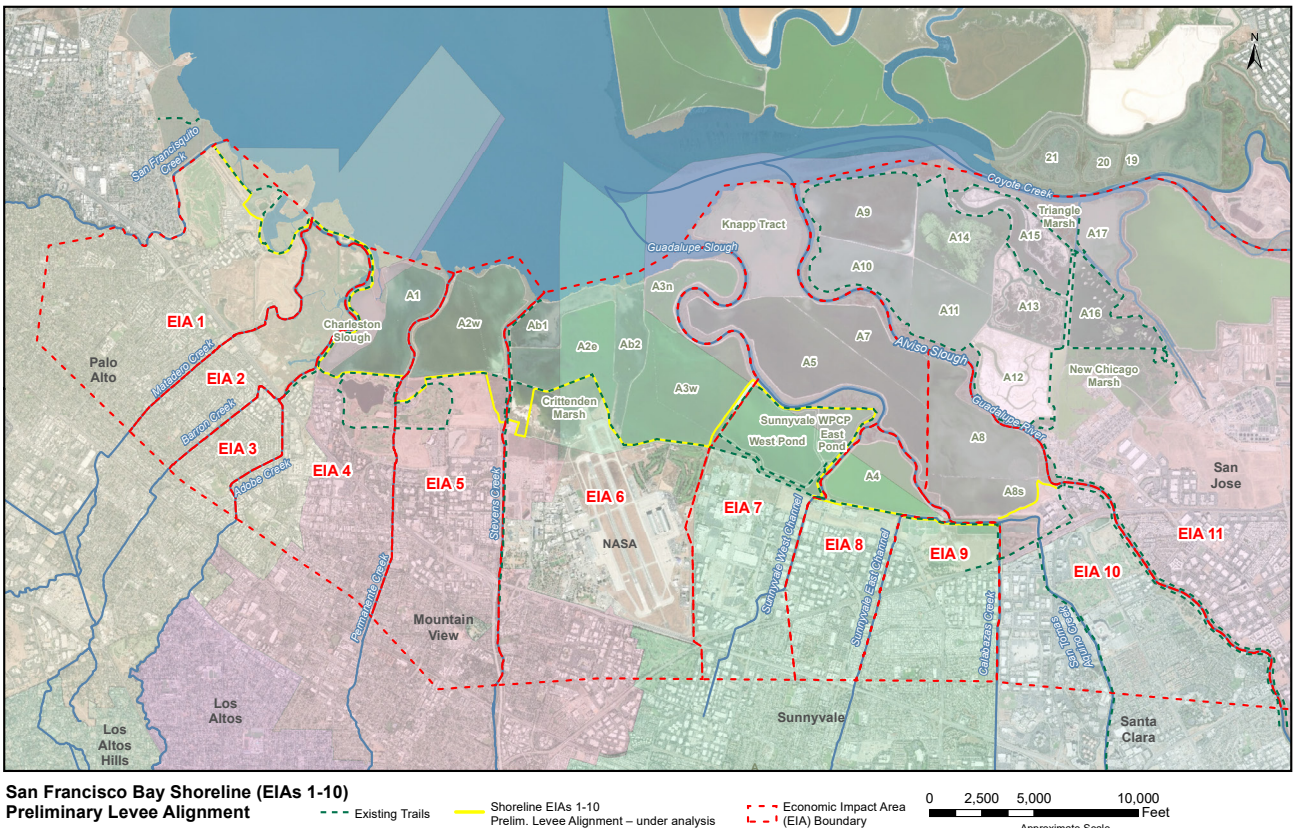
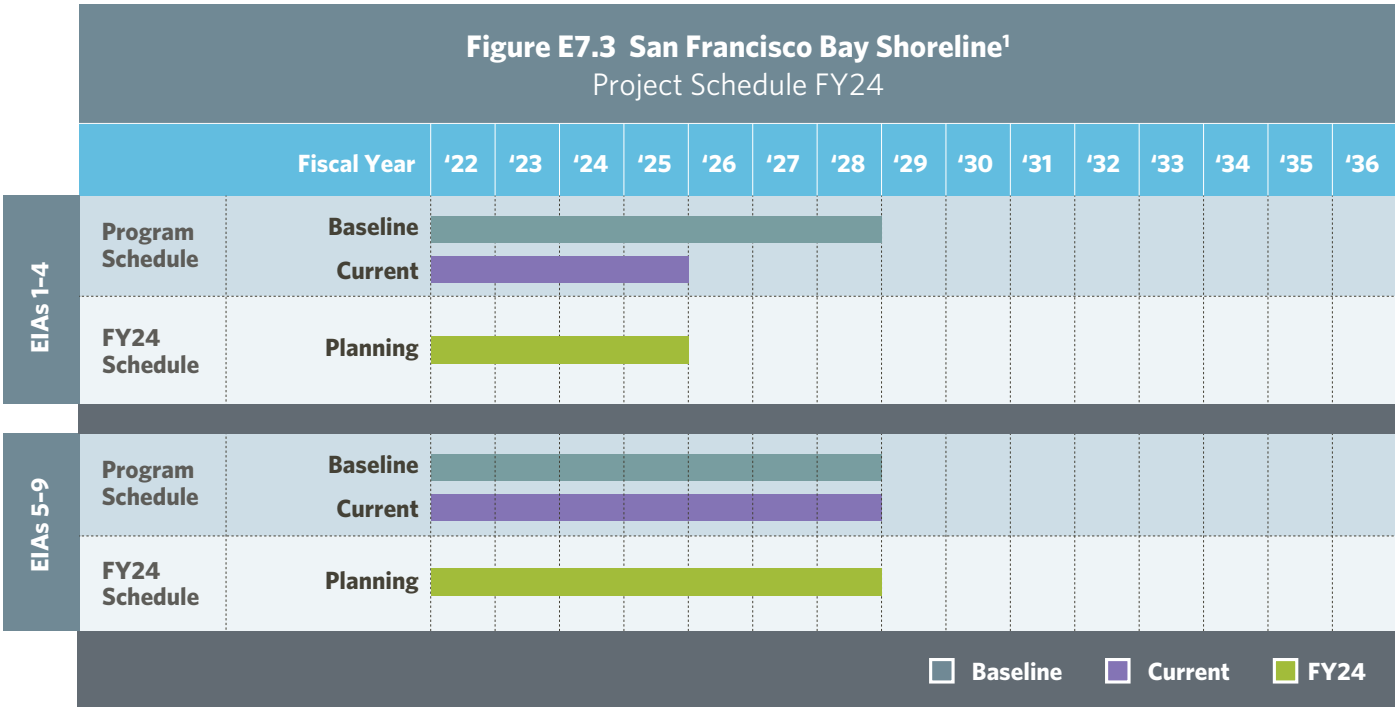


Figure E7.2



Schedule

Figure E7.3 San Francisco Bay Shoreline[1]
Project Schedule FY24



1. USACE is the project lead.

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021–2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***ADJUSTED***	Project benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	***ADJUSTED (Text Adjustment)***

The text under Benefits is adjusted to briefly explain how the project addresses climate change impacts. This adjustment is in response to a recommendation by the IMC.

PROGRESS ON KPI #1:

In FY24, the USACE concluded the South San Francisco Bay Shoreline Phase II Study, determining that the damages from coastal flooding are not great enough to justify the cost of a levee until sea level rise is greater in several decades. The Phase II Economic Impact Areas (EIAs) 1-4 encompass the shoreline areas located between San Francisquito Creek in Palo Alto and Permanente Creek in Mountain View and cover the communities of Palo Alto and Mountain View. Although USACE concluded the study in April 2024, the study authorization remains active, and a new study could potentially be conducted in the future. Meanwhile, Valley Water is considering alternate means of working with local partners or USACE on smaller projects in the study area to address near-term coastal flooding.

PROGRESS ON KPI #2:

In August 2023 (FY24), Valley Water signed the Feasibility Cost Share Agreement with USACE, followed by a kick-off meeting officially commencing the Shoreline Phase III Feasibility Study. Subsequently, in January 2024, the California State Coastal Conservancy (State Coastal Conservancy) also signed on as a local sponsor via an amendment.

USACE held a two-day planning charrette on November 30-December 1, 2023, with local sponsors, partner agencies, and stakeholders to identify potential project alternatives. Additionally, a public scoping meeting was held in February 2024 to gather public feedback on the study. Presentation slides and a recording of the meeting can be found on the project webpage at ***www.valleywater.org/shoreline***.

The USACE is developing a hydraulic model for the study area, gathering data from local stakeholders, and developing project alternatives. The USACE's first milestone in its planning process, the Alternatives Milestone Meeting, is scheduled for FY25.

For more current information about this project, visit ***www.valleywater.org/shoreline***.

Financial Information

In FY24, approximately 32% of the budget was expended.

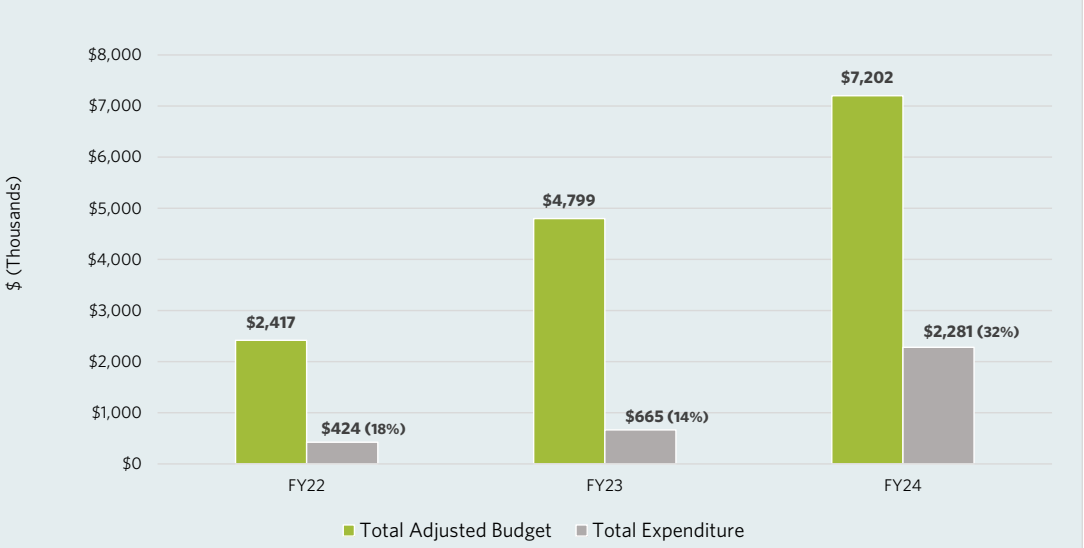
For KPI #1, 10% of the annual project budget was expended. Because the study is closing, the originally planned activities for FY24 were not conducted. Only minimal funds were needed to work with USACE on a final summary report.

For KPI #2, in FY24, 79% of the annual project budget was expended. The under-expenditure was due to a staff vacancy on the project for 3.5 months, which lead to lower labor charges than anticipated.

Figure E7.4 San Francisco Bay Shoreline Financial Summary ($ Thousands)										
Fiscal Year 2023-2024									15-year Plan	
Project No. and Name	Adopted Budget	Project Carry-forward	Budget Adjust-ments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
					Actual	Encum-brance	Total			
26444002 EIAs 1-4	$2,707	$2,245	$0	$4,952	$500	$0	$500	10%	$25,574	5%
26444004 EIAs 5-9	$1,045	$1,205	$0	$2,250	$1,305	$476	$1,781	79%	$13,412	15%
Total	**$3,752**	**$3,450**	**$0**	**$7,202**	**$1,805**	**$476**	**$2,281**	**32%**	**$38,986**	**9%**

Project Expenditure History

Figure E7.4 San Francisco Bay Shoreline
Budget vs. Expenditure



Opportunities and Challenges

Confidence Levels

KPI #1 – EIAs 1-4

Schedule, Funding, Permits, and Jurisdictional Complexities*: Low Confidence*

Based on their analysis, the USACE determined that EIAs 1-4 are not predicted to experience significant coastal flood damages until late in the study period. The study period is 50 years, starting in 2030 and ending in 2080. Because of this, a proposed project would not be competitive nationally for congressional funding. Thus, USACE made the difficult decision to close out the study. The USACE has stated that a new feasibility study, including EIAs 1-4, can be completed in the future. The Shoreline Phase II feasibility study will be closed out in FY25.

KPI #2 – EIAs 5-9

Schedule: ***Medium Confidence***

The USACE has received $600,000 to begin the Feasibility Study for the Shoreline Sunnyvale (Phase III) phase. Work on this phase began in the fall of 2023, and complexities are already delaying the desired project schedule. Shoreline is a large, jurisdictionally complex project that makes it challenging to adhere to USACE's strict feasibility study milestone requirements without schedule delays.

Funding: ***High Confidence***

The Shoreline Phase III feasibility study is currently fully funded. However, due to its complexity, additional federal funds could be required in the future to complete the extensive analysis required to meet regulatory and USACE requirements.

Permits: ***Medium Confidence***

The Bay Area is one of the most stringent regulatory environments in the nation, and Bay Area projects typically require more time and resources to complete the coordination and due diligence work that the resource agencies have come to expect to have a permittable project. Valley Water does not expect any significant challenges with the acquisition of the regulatory permits for Shoreline Phase III feasibility study and is moderately confident it will receive the permits necessary to complete the construction of a future project. The USACE will conduct regular stakeholder meetings with regulators to address their concerns and facilitate the permitting process.

Jurisdictional Complexity*: Medium Confidence*

The confidence level is medium due to the complexity involved with extensive regional coordination for a significant coastal flood protection project. Valley Water completed a visioning effort at the end of 2021 to understand stakeholder activities and identify potential favorable levee alignment locations in the study area. From this, Valley Water has assembled a robust stakeholder group to support future multijurisdictional coordination efforts. This stakeholder group includes the State Coastal Conservancy, the cities of Mountain View and Sunnyvale, the National Aeronautics and Space Administration's (NASA) Ames Research, the United States Fish and Wildlife Service, and the Midpeninsula Regional Open Space District.

Figure E7.6 San Francisco Bay Shoreline (EIAs 1-9)
Jurisdictional Complexities: Confidence Level Regarding Outside Agencies FY24

Partner/Outside Agency	Confidence Level
FUNDING	
U.S. Army Corps of Engineers	Medium
CITIES/COUNTIES	
Mountain View	Medium
Palo Alto	Medium
Sunnyvale	Medium
Santa Clara County	Medium
OTHER AGENCIES	
California State Coastal Conservancy	Medium
Midpeninsula Regional Open Space District	Medium
NASA Moffett Field	Medium

See *Appendix C: Capital Projects Jurisdictional Complexities* for a list of confidence levels for each project by outside agency for funding, regulatory permitting, cities, counties and other agencies.

PROJECT E8
UPPER GUADALUPE RIVER FLOOD PROTECTION, HIGHWAY 280 TO BLOSSOM HILL ROAD—SAN JOSÉ

Reach 6, site 1 of the Aquatic Habitat Improvement Project (post-construction).

ACTIVE

MODIFIED AND ADJUSTED

Project E8 FY24 Highlights

- USACE is addressing comments received during the technical, policy, public, and agency review of the draft General Reevaluation Report/ Supplemental Environmental Assessment (GRR/EA).
- A final GRR/EA is expected to be released by June 2025.

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 partnership 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 as the project is designed to increase flow capacity, thereby reducing flood risks from storm events projected to become more frequent and intense due to climate change. Furthermore, the project accounts for 2 feet of sea level rise

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

Flooding History and Project Background

Flooding History

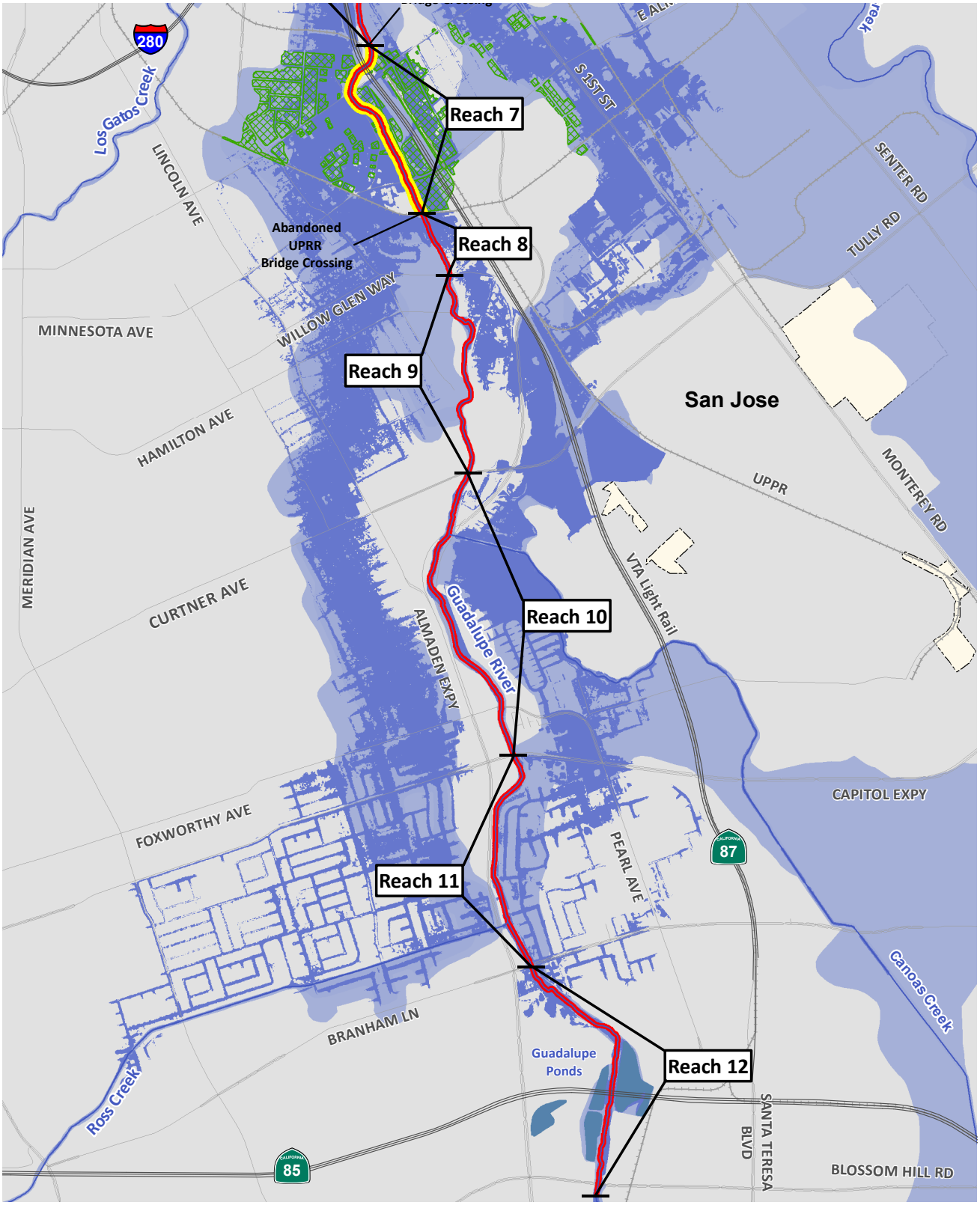
Damaging flood events occurred in 1982, 1983, 1986, 1995, and 1998. Severe flooding in 1995 damaged more than 150 homes in the Gardner, Willow Glen, and South San José residential districts and shut down Highway 87 and the parallel light rail line—both major commuter thoroughfares. Freeway and light rail flooding occurred again in 1998.

Project Background

Initially, the project was a part of Valley Water's first voter-approved measure, the Clean, Safe Creeks and Natural Flood Protection Plan (CSC Plan), which became effective on July 1, 2002. In 2012, voters approved replacing the CSC Plan with the Safe, Clean Water and Natural Flood Protection Program (2012 Program), which became effective on July 1, 2013. Subsequently, in November 2020, voters approved the renewed Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program), replacing the 2012 Program. The project has continued in the renewed Safe, Clean Water Program. To learn more about the project history, visit ***www.valleywater.org/project-updates/e8-upper-guadalupe-river-flood-protection-0*** and click on the History & Background section.

Project Location

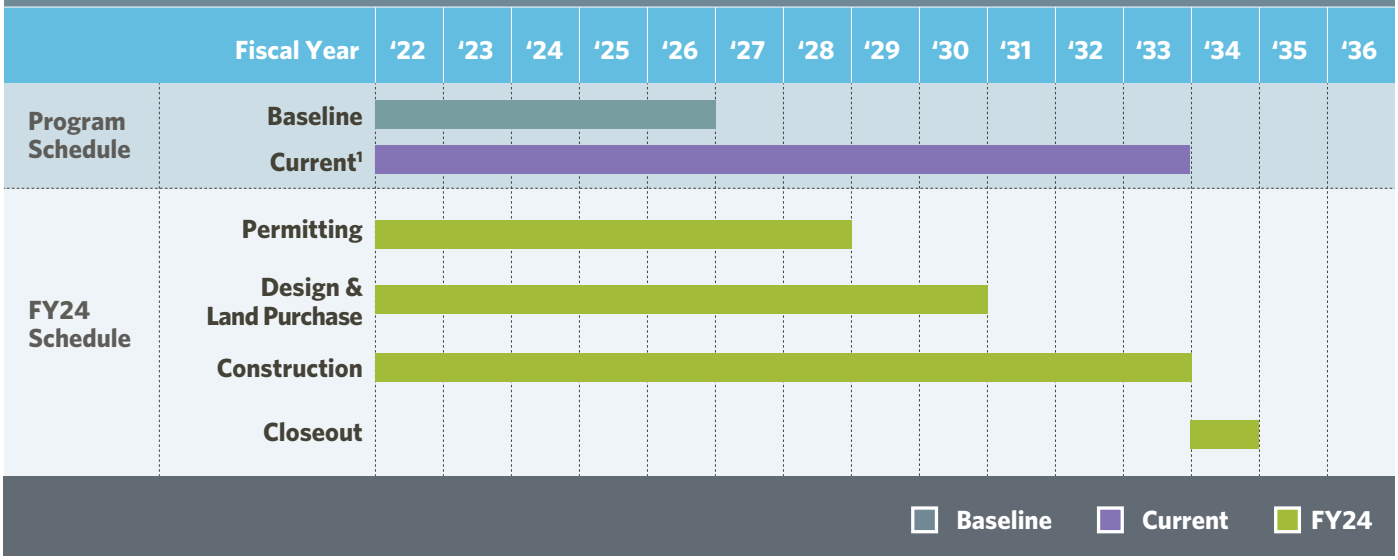
Figure E8.1



Preferred Project (KPI #1)
Locally Funded Only Project (KPI #2)
Locally Funded Project Improvement Area
1% Flood Protection Zone (Original Program Report)
Updated 1% Flood Risk Zone
Upper Guadalupe Reach Endpoints

Schedule

Figure E8.2 Upper Guadalupe River Flood Protection
Schedule Comparison Between the Safe, Clean Water Program (2020) and FY24



1. Board approved schedule adjustments through the Change Control Process in FY21, with effect in FY22, and FY23 .

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	*ACTIVE*	*ADJUSTED*	The construction schedule for the local funding-only project (KPI#2) was postponed by three years, with construction estimated to be completed in FY29. The adjustment became effective in FY22.	*FY22 (2021–2022)*
FY23	*ACTIVE*	*ADJUSTED*	The construction of Reach 7-12 flood protection elements is expected to start in FY27 and be complete in FY34, extending the construction period by four years.	*FY23 (2022-2023)*
FY24	*ACTIVE*	*MODIFIED & ADJUSTED*	KPI #2 modified, project description and benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	***MODIFIED (KPI #2) & ADJUSTED (Text Adjustment)***

On April 9, 2024 , the Valley Water Board held a formal public hearing and approved modifying KPI #2, which includes aquatic habitat improvements to benefit all native fish species. Originally, the local funding-only KPI (KPI 2) only mentioned improving aquatic habitat for migrating steelhead. The IMC recommended modifying the KPI during its review of the FY2022-23 Annual Report of the Safe, Clean Water Program.

The text under Benefits is adjusted to briefly explain how the project addresses climate change impacts. This adjustment is in response to a recommendation by the IMC. The project description is also adjusted to align with the USACE General Reevaluation Report (GRR) estimated completion date and to delete outdated text about the start of the Reach 6 gravel-augmentation work. The gravel augmentation project was completed in FY22.

PROGRESS ON KPI #1 AND #2 (COMBINED):

While the locally funded project requires Valley Water to construct only Reach 7 flood protection improvements and Reach 6 aquatic habitat improvement, Valley Water has previously used local funding (under the 2012 Safe, Clean Water Program and the preceding Clean, Safe Creeks Plan) to complete Reaches 6, 10B, and 12 and move the project forward.

Reach 6 (from Interstate 280 to the UPRR bridge crossing downstream of Willow Street)

In August 2021, Valley Water began constructing the Reach 6 Aquatic Habitat Improvement Project (Phase 1), which is part of the local-funding-only project under KPI #2. Valley Water completed installing the two gravel sites in October 2021. Mitigation planting, the last element of the construction project, was completed in November 2021. Valley Water is monitoring the stability of the two gravel augmentation sites and will continue this effort until 2026. Phase 2 design of the Aquatic Habitat Improvement Project will begin after the gravel monitoring of Phase 1 is completed.

Reaches 7 to 12 (from the UPRR bridge crossing downstream of Willow Street to Blossom Hill Road)

In FY23, the USACE prepared a draft General Reevaluation Report/Supplemental Environmental Assessment (GRR/EA) for the project. The draft report, developed in collaboration with Valley Water, evaluates various alternatives for managing flood risks in the project area between the Union Pacific Railroad Bridge and Blossom Hill Road and analyzes potential environmental impacts associated with those alternatives.

USACE conducted a public comment period on the draft GRR/EA from November 7, 2022, to December 16, 2022. Furthermore, on December 8, 2022, Valley Water and USACE held a public meeting to present the GRR/EA to provide the community an opportunity to review the document and update the public on the project's status. Input from attendees was also encouraged during the meeting.

At the meeting, USACE presented the tentatively selected plan (TSP) included in the draft GRR/EA. The TSP utilizes a combination of floodplain bench creation, floodwalls along Ross and Canoas Creeks (tributaries to the Upper Guadalupe River), and culvert/bridge replacements/rehabilitations to reduce the risk of flood damages while incidentally improving protected salmonid species habitat. Following the close of the GRR/EA review and comment period, USACE decided to move forward with the tentatively selected plan and completed the Agency Decision Milestone.

Meanwhile, USACE is addressing comments received during the technical, policy, public, and agency review processes. It will respond and incorporate any needed changes, refine the design, and seek Congressional authorization for the new plan. A Final GRR/EA incorporating the feedback received is expected to be released by June 2025.

As per the USACE schedule, the design process is projected to begin in 2026 and take two years, and construction is expected to begin in 2028 and be completed by 2033.

The local-funding-only KPI #2 includes Reach 7, stretching from the UPRR bridge crossing downstream of Willow Street to the abandoned UPRR bridge upstream of Alma Avenue. Valley Water has adequate local funding to complete this reach . Furthermore, Reaches 6, 10B, and 12 of the project were completed by 2015.

For more current information about this project, visit ***www.valleywater.org/project-updates/e8-upper-guadalupe-river-flood-protection-0***.

Financial Information

In FY24, 90% of the annual project budget was expended.

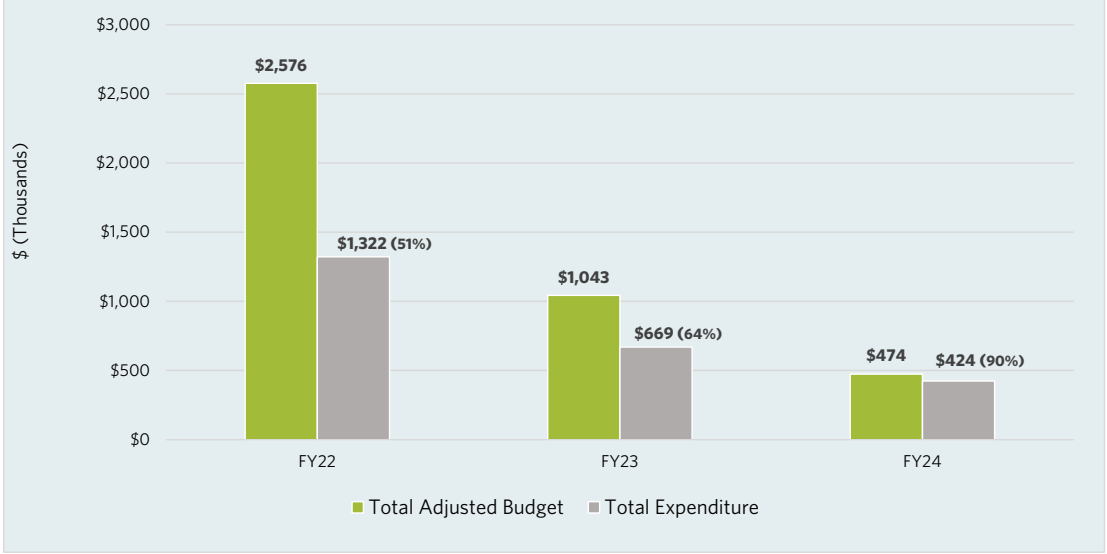
The Reach 6 budget was under-expended as no contingency dollars were expended this year. The project is in the gravel monitoring phase, and sometimes Valley Water requires additional support, such as in-creek surveys and hydraulic engineering analysis, but this year, those were not needed.

Figure E8.3 Upper Guadalupe River
Financial Summary ($ Thousands)

Fiscal Year 2023-2024									15-year Plan	
Project No. and Name	Adopted Budget	Project Carry-forward	Budget Adjust-ments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
					Actual	Encumbrance	Total			
26154002 Reach 6 (I-280 to S. Pacific Railroad	$0	$160	$0	$160	$86	$0	$86	53%	$4,107	30%
26154003 Reaches 7-12 (S. Pacific Railroad to Blossom Hill)	$0	$314	$0	$314	$339	$0	$339	108%	$60,017	10%
Total	**$0**	**$474**	**$0**	**$474**	**$424**	**$0**	**$424**	**90%**	**$64,124**	**12%**

Project Expenditure History

Figure E8.4 Upper Guadalupe River
Budget vs. Expenditure



Attachment 1
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Opportunities and Challenges

Confidence Levels

Reach 6 (I-280 to S. Pacific Railroad) Project

Valley Water completed the construction of the Reach 6 Aquatic Habitat Improvement Project. The two gravel sites were installed by October 2021. Mitigation planting, the last element of the construction project, was completed in November 2021. Reaches 7–12 (S. Pacific Railroad to Blossom Hill) Project

Schedule: ***Low confidence***

The schedule has been affected due to USACE's need to reevaluate the scope of the entire project and the associated benefits and construction cost in hopes of making the project more competitive for federal funding. This has delayed design and construction efforts for Reaches 7 and 8. Once the General Reevaluation Report is completed by June 2025, a new schedule will be determined for this project.

Funding: ***Medium Confidence***

Federal funding appropriation continues to be the main challenge for this project. The project did receive federal funds in FY20 for the General Reevaluation Study of all elements of Reaches 7 to 12. The USACE will be evaluating the entire project to determine the preferred scope of work. Valley Water will need to continue working with USACE leadership and federal elected officials to encourage federal appropriations for the design and construction of the remaining project reaches.

Permits: ***Medium Confidence***

USACE will acquire all the required regulatory permits once the General Reevaluation Study is concluded and a path forward for the project is determined. Throughout the general reevaluation study, the USACE and Valley Water have conducted several meetings and workshops with the regulatory permitting agencies, each of which has supported the Tentatively Selected Plan.

Jurisdictional Complexity: ***Medium Confidence***

As a local sponsor, Valley Water is responsible for acquiring all the rights-of-way and relocation of utilities. Even after Valley Water acquires easements or license agreements for the project from Caltrans, the Joint Power Board/Caltrain, and the City of San José, these agencies will continue to have jurisdiction over the Upper Guadalupe Flood Protection Project. The Joint Power Board/Caltrain has been coordinating with Valley Water for their railroad bridge replacement project just upstream of Reach 6.

Figure E8.5 Upper Guadalupe River Jurisdictional Complexities: Confidence Level Regarding Outside Agencies FY24	
Partner/Outside Agency	**Confidence Level**
FUNDING	
United States Army Corps of Engineers	Medium
REGULATORY PERMITTING	
U.S. Army Corps of Engineers	Medium
California Department of Fish and Wildlife	Medium
National Marine Fisheries Service	Medium
San Francisco Bay Regional Water Quality Control Board	Medium
United States Fish and Wildlife Service	Medium
CITIES/COUNTIES	
San José	Medium
OTHER AGENCIES	
California Department of Transportation (Caltrans)	Medium
Peninsula Corridor Joint Power Boards (Caltrain)	Medium
PG&E	Medium
Union Pacific Railroad	Medium

See *Appendix C: Capital Projects Jurisdictional Complexities* for a list of confidence levels for each project by outside agency for funding, regulatory permitting, cities, counties and other agencies.

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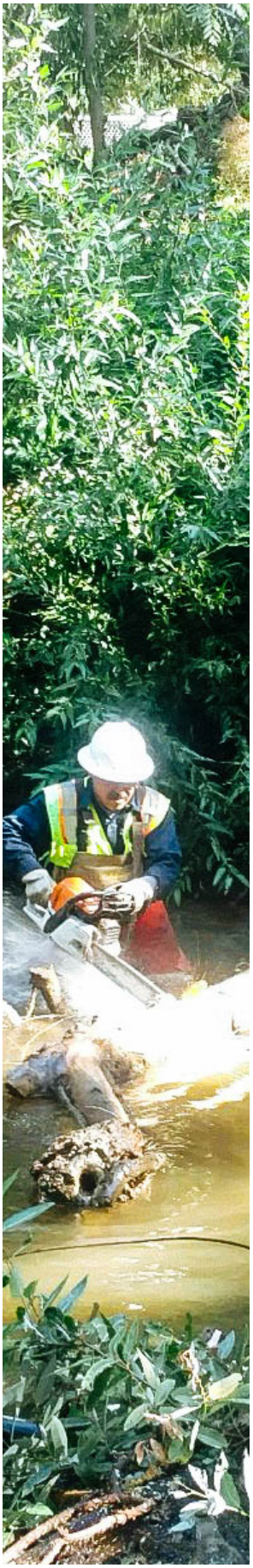
Priority F

Support Public Health and Public Safety for Our Community

With the advent of the COVID-19 pandemic that drastically altered our worldview, the critical need for safe, clean water supplies and essential water infrastructure, particularly during emergencies, has come into sharper focus. This new priority pulls together multi-benefit projects that were previously placed under other priorities in the 2012 Safe, Clean Water Program and groups them based on their common benefit of supporting public health and public safety along our waterways and critical infrastructure.

This priority includes enhanced funding to support public safety by partnering with local municipalities on services related to encampment cleanups; reducing trash and other pollutants from entering waterways from encampments to support public health; and ongoing vegetation control and sediment removal activities to maintain conveyance capacity of flood protection projects. It also provides additional funding for grants and partnerships for local agencies, organizations and individuals for water conservation, pollution prevention, creek cleanups and education, wildlife habitat and access to trails and open space.

Additionally, it includes two new efforts: a project to fund public art to beautify Valley Water property and infrastructure to deter graffiti and litter; and a long-term effort to ensure that existing flood protection infrastructure continues to function sustainably for continued public safety. Other projects include vegetation management for access and fire safety, removing flood-inducing blockages and improving coordination and communication in flood emergencies.



Stream maintenance work

Project F1: Vegetation Control and Sediment Removal for Capacity

Project F2: Emergency Response Planning and Preparedness

Project F3: Flood Risk Assessment Studies

Project F4: Vegetation Management for Access and Fire Safety

Project F5: Good Neighbor Program: Encampment Cleanup

Project F6: Good Neighbor Program: Graffiti and Litter Removal and Public Art

Project F7: Emergency Response Upgrades

Project F8: Sustainable Creek Infrastructure for Continued Public Safety

Project F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship

PROJECT F1
VEGETATION CONTROL AND SEDIMENT REMOVAL FOR CAPACITY

Sediment removal from Lower Silver Creek.

ACTIVE

Project F1 FY24 Highlights

- Managed over 178 miles of improved channels by removing sediment or in-stream vegetation to maintain flood protection projects for flow conveyance.
- Completed approximately 2,126 acres of in-stream vegetation management to reduce flood risk.
- Completed 22 projects, removing approximately 54,452 cubic yards of sediment to maintain flow conveyance.

This project supports Valley Water's ongoing vegetation control and sediment removal activities that reduce flood risk by maintaining the design conveyance capacity of flood protection projects. The project includes controlling in-stream vegetation and tree growth and removing sediment at appropriate intervals. Before carrying out in-stream maintenance, Valley Water's personnel perform biological pre-construction surveys to minimize environmental impacts. This project also helps fund future maintenance of flood protection projects completed under the Safe, Clean Water Program.

This project comprises two (2) sub-projects that support Valley Water's ongoing vegetation control and sediment removal activities. These sub-projects are:

- F1.1 Vegetation Control for Capacity
- F1.2 Sediment Removal for Capacity

Benefits

- Ensures that existing flood protection projects continue to provide flood protection
- Improves water quality

Key Performance Indicator (FY22–36)

1. Maintain completed flood protection projects for flow conveyance.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021–2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***NONE***	Not Applicable	

Status for FY24:

Annual Status	Change Control
ACTIVE	***NONE***

The design flow capacity of a channel can be reduced by the presence of sediment and/or vegetation in the channel. Flow capacity is restored by removing the impeding sediment and/or vegetation from the channel. Details about Valley Water's approach to creek capacity management can be accessed at ***tinyurl.com/CreekMgmtApproach***.

PROGRESS ON KPI #1:

In FY24, Valley Water managed over 178 miles of improved channels by removing sediment and/or in-stream vegetation to maintain flood protection projects for flow conveyance.

F1.1: Vegetation Control for Capacity

In FY24, Valley Water selectively managed vegetation on 2,125.61 acres of in-stream lands to reduce flood risk along 173.37 miles of streams throughout the county using an integrated combination of mechanical, hand labor, and herbicide methods. In terms of volumes, Valley Water selectively removed nearly 520.24 tons (approx. 371.60 cubic yards) of vegetation from streams countywide to restore capacity.

Work was performed countywide on smaller creeks as part of routine seasonal work. A couple of larger projects on Uvas Creek and Guadalupe River were completed at the request of Valley Water hydrologists/engineers. Both of these sites were prioritized due to reduced capacity and some flooding that occurred during inclement weather events in winter 2023. Target vegetation includes emergent plants such as cattails and tules, small trees, and invasive plant species.

Instream vegetation is taken to the green waste department at a landfill, where the material is composted and reused. Some plants, however, such as palms and Arundo donax, are too fibrous to be composted.

Figure F1.1

Uvas Creek at Luchessa Ave before (top) and after (bottom) vegetation management

F1.2: Sediment Removal for Capacity

In FY24, Valley Water completed 22 projects, removing approximately 54,452 cubic yards (CY) of sediment along approximately 4.6 miles of creeks to maintain design capacity. The Safe, Clean Water Program funds 21% of this work. Figure F1.1 shows the quantities of sediment removed from each watershed/creek, and a corresponding map can be found at ***tinyurl.com/FY24sediment***. Sites requiring sediment removal to maintain design flow conveyance capacity were identified prior to the FY24 season and, in general, correspond to those listed in Figure F1.2.

Figure F1.2 Vegetation Control and Sediment Removal for Capacity Sediment Removed

Watershed	Creek	Sediment Removed (CY)
Lower Peninsula	Stevens Creek	3,061
West Valley	Calabazas Creek (2 sites)	10,127
West Valley	San Tomas Aquino Creek	4,618
Guadalupe	Guadalupe River	727
Guadalupe	Canoas Creek (5 sites)	223
Guadalupe	Ross Creek (4 sites)	452
Coyote	Calera Creek	421
Coyote	Tularcitos Creek	1,369
Coyote	Los Coches Creek	221
Coyote	Berryessa Creek (2 sites)	5,801
Coyote	Lower Silver Creek	16,084
Coyote	Thompson Creek	8,348
Pajaro	Jones Creek	3,000
	Total	**54,452**

It is noted that in addition to the above, Valley Water removed 1,260 cubic yards of sediment from another site along Berryessa Creek to maintain design capacity in FY24. However, since expenditures for this work were charged to an emergency project in anticipation of potential cost recovery from the Federal Emergency Management Agency owing to late 2022/early 2023 storm impacts, this quantity is not represented in the Project F1 sediment removal total.

For more current information about this project, visit ***https://www.valleywater.org/project-updates/f1-vegetation-control-and-sediment-removal-capacity***.

Figure F1.3

Pre-project (left): Sediment and vegetation compromising design flow conveyance capacity of Calabazas Creek downstream of Highway 101, bordering the cities of Sunnyvale and Santa Clara. Post-project (right): Sediment and vegetation removed; stream can flow as designed.

Financial Information

In FY24, 94% of the annual project budget was expended.

Because of the dynamic and cyclical nature of streams and associated weather conditions, the amount of vegetation and/or sediment required to be removed to maintain stream flow conveyance capacity can vary from year to year, sometimes considerably.

For F1.1: Vegetation Control for Capacity, 86% of the annual project budget was expended. The annual project budget was under-expended due to the limited work window available (significant rains arrived in late October, preventing further work on some creeks), delayed regulatory approvals, and supporting other integrated vegetation work funded by the Safe, Clean Water Program.

For F1.2: Sediment Removal for Capacity, 110% of the annual project budget was expended. Sediment removal activities were overspent in FY24 due to increased sediment deposits that occurred as a result of the unprecedented winter storms of 2022-2023.

Figure F1.4 Vegetation Control and Sediment Removal For Capacity

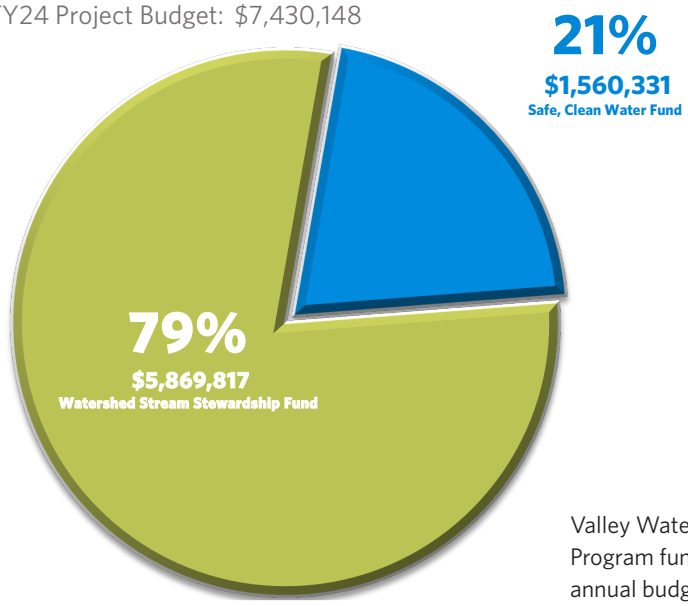
Financial Summary ($ Thousands)

Project No. and Name	Fiscal Year 2023-2024								15-year Plan	
	Adopted Budget	Project Carry-forward	Budget Adjust-ments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
					Actual	Encumbrance	Total			
26771067 Vegetation Control for Capacity	$3,531	$0	$0	$3,531	$3,018	$30	$3,048	86%	$78,061	10%
26761023 Sediment Removal for Capacity	$1,560	$0	$0	$1,560	$1,717	$0	$1,717	110%	$25,623	12%
Total	**$5,091**	**$0**	**$0**	**$5,091**	**$4,736**	**$30**	**$4,766**	**94%**	**$103,684**	**10%**

Figure F1.5

Watershed Sediment Removal

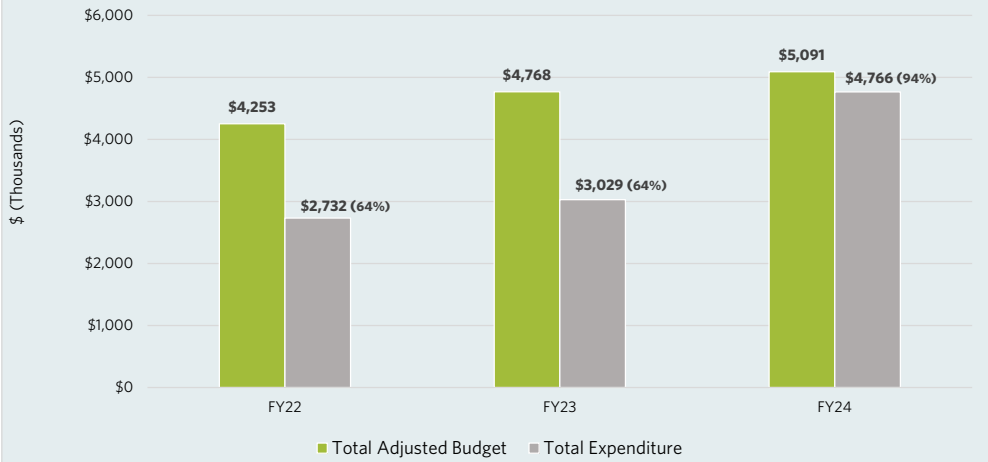
Total FY24 Project Budget: $7,430,148



Valley Water funds this project with more than the Safe, Clean Water Program fund (Fund 26). Figure F1.5 shows the portion of the adjusted annual budget inclusive of all Valley Water funding sources.

Project Expenditure History

Figure F1.6 Vegetation Control and Sediment Removal for Capacity Budget vs. Expenditure



Opportunities and Challenges

Coordination with Project D3: Sediment Reuse to Support Restoration Projects

To the extent possible, Valley Water coordinates its sediment removal activities with Project D3: Sediment Reuse to Support Restoration Projects. More specifically, removed sediment that meets specific reuse criteria is delivered to the U.S. Fish and Wildlife Service (USFWS)-owned Pond A8 to provide suitable substrate (e.g., dirt, gravel, sand, etc.) on which marsh vegetation can grow. However, in July 2022 (FY23), Valley Water was informed that Pond A8 had received all the material needed for the ecotone habitat that was designed and permitted as part of the South Bay Salt Ponds Restoration Project. Therefore, sediment deliveries to that location were paused. Valley Water plans to utilize the Pond A4 Resilient Habitat Restoration Project (Pond A4 Project) site along the southern shoreline in Sunnyvale as a new location for sediment reuse. The site is expected to be ready to receive sediment in FY26.

Regulatory Approvals

The Stream Maintenance Program (SMP) is Valley Water's program for implementing routine stream maintenance on the 295 miles of Santa Clara County waterways over which Valley Water has responsibility. Annual review and approval, as outlined in Regional General Permit 17 from the U.S. Army Corps of Engineers, is required from seven state and federal agencies for specific SMP work, including most sediment removal and instream vegetation management projects. Valley Water continues to work closely with regulatory agencies to streamline approval processes by funding multiple regulatory agency positions, meeting virtually, collaborating on on-site visits to discuss proposed projects, and creating project priority lists. Additional streamlining efforts are underway, including mitigation in perpetuity, as the next iteration of SMP permitting (SMP-3) is targeted for implementation in 2027.

Standard Operational Challenges

Environmental factors relating to access and topography, biological buffer zones, availability of equipment and trucking, and availability of materials are all challenges that continue to affect the scheduling and cost of stream maintenance work.

PROJECT F2
EMERGENCY RESPONSE PLANNING AND PREPAREDNESS

This project enables Valley Water to work with local municipalities to clearly delineate and communicate roles and responsibilities for floodplain management and flood emergency management. The resulting plans will also strengthen response capabilities for mutual assistance during other types of public health and safety emergencies or natural disasters. The project supports Valley Water's countywide emergency response, preparedness and mitigation activities, develops communication processes and disseminates web-based flood forecasting information developed under Project F7: Emergency Response Upgrades. Valley Water will also assist collaborating agencies in developing formal, site-specific flood-fighting strategies and will coordinate outreach throughout the county so that the public receives uniform warning messages during a flood emergency.

Valley Water and City of San José testing Joint Emergency Action Plan at Ross Creek.

ACTIVE

Project F2 FY24 Highlights

- Completed the Lower Penitencia Creek Watershed Emergency Action Plan.
- Completed an update of the Joint Emergency Action Plan for Severe Storm and Flood Response in City of San José to incorporate Berryessa Creek
- Conducted a tabletop exercise of the San Francisquito Creek Multi-Agency Coordination Operational Plan.
- Conducted a joint tabletop exercise of the Lower Penitencia Creek Watershed Emergency Action Plan in partnership with the City of Milpitas

Benefits

- Reduces flood damage
- Improves flood preparedness
- Provides effective coordinated response to disaster-related emergencies
- Improves community awareness about disaster-related risks

Key Performance Indicators (FY22–36)

1. Coordinate with local municipalities to merge Valley Water-endorsed flood emergency processes with their own emergency response plans and processes.
2. Complete five (5) flood management plans/procedures per 5-year period, selected by risk priorities.
3. Train Valley Water staff and partner municipalities annually on disaster procedures via drills and exercises before testing the plans and procedures.
4. Test flood management plans/procedures annually to ensure effectiveness.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021–2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***NONE***	Not Applicable	

Status for FY24:

Annual Status	Change Control
ACTIVE	***NONE***

PROGRESS ON KPI #1:

In FY24, Valley Water worked with local municipalities to plan and exercise response plans to enhance communication and coordination capabilities during an emergency. Exercises are planned scenario-based activities to develop, assess, or validate the capabilities of plans or procedures. In addition, further collaboration with municipalities took place during the annual updates to current Emergency Action Plans (EAPs). Examples of these efforts follow:

- On September 28, 2023, Valley Water met with the City of Milpitas staff to review the draft Lower Penitencia Creek Watershed Emergency Action Plan that included Berryessa Creek and Lower Penitencia Creek. Comments and corrections arising out of this meeting were incorporated into the final version of the EAP.
- In December 2023, Valley Water met with the City of San José to do a walk-through of the revised Joint Emergency Action Plan (JEAP) with the objective of familiarizing new city staff on the use of the JEAP and reviewing updates that included changes in anticipation of the Anderson Dam seismic retrofit work; a new section providing guidance for encampments of unsheltered individuals located within the waterways; and a new appendix for Berryessa Creek.
- On December 14, 2023, Valley Water met with the South Santa Clara Fire District, the CALFIRE Unit Chief, and members of the fire command staff to discuss ways to enhance communications and coordination between our two agencies, as well as explore possible partnership opportunities.
- Valley Water has developed eight (8) EAP Quick Guides for creeks that have recently been updated or completed. These five- to seven-page summaries of an EAP are designed to provide easy access to the key actionable information from the full EAP.

PROGRESS ON KPI #2:

- In November 2023, Valley Water completed a draft of the Lower Penitencia Creek Watershed Emergency Action Plan that includes flood management plans for Berryessa Creek and Lower Penitencia Creek and met with the City of Milpitas to review. Following the review, the new EAP was approved that same month and posted to the Valley Water website. The Berryessa Creek that flows through San José and Milpitas was also incorporated as an appendix into the draft update to the JEAP that the City of San José is currently reviewing.
- By January 2024, Valley Water completed minor updates to existing Emergency Action Plans for Lower Peninsula Watershed, West Valley Watershed, West Little Llagas Creek, and Uvas Creek that included changes to website links, contact information, Valley Water stakeholders, public information flyers, minor flooding thresholds, and sandbag locations.
- As of FY24, the following flood management plans/procedures have been completed under the renewed Safe, Clean Water Program:

    1. Completed a draft update of the Joint Emergency Action Plan for Severe Storm and Flood Response in City of San José to add the following:
        - Berryessa Creek
        - Guidance for Encampments of Unsheltered Individuals Located within Creeks
    2. Guidance for Encampments of Unsheltered Individuals Located within Creeks Emergency Action Plan for Severe Storm and Flood Response Lower Penitencia Creek Watershed, which covered the following areas:
        - Lower Penitencia Creek
        - Berryessa Creek
    3. Developed EAP Quick Guides for the following EAPs:
        - Permanente & Hale Creeks Quick Guide
        - San Francisquito Creek Quick Guide
        - Palo Alto Flood Basin Quick Guide
        - San Tomas Aquino Creek Quick Guide
        - Lower Penitencia Creek Quick Guide
        - Berryessa Creek Quick Guide
        - Uvas Creek Quick Guide
        - West Little Llagas Creek Quick Guide

PROGRESS ON KPI #3:

- In September 2023, Valley Water attended a meeting of the San Francisquito Creek Multi-Agency Coordination Operation (MAC) group to review the San Francisquito Creek Multi-Agency Coordination Operational Plan (MAC plan) prior to the start of the rainy season and to gather support for an exercise to be held in November.
- On November 30, 2023, Valley Water, in partnership with the City of Palo Alto and the Menlo Park Fire Protection District, conducted a tabletop exercise focused on the San Francisquito Creek MAC plan. A tabletop exercise is a discussion-based exercise responding to a scenario intended to generate a dialogue about various issues, such as plans, policies, or procedures. The exercise was focused on enhancing the coordination between the multiple agencies that would be involved in response to a flooding event along San Francisquito Creek. Over 40 representatives from 16 organizations participated in the exercise. In addition to the organizations listed above, the cities of Menlo Park, East Palo Alto, along with Stanford University, Woodside Fire Protection District, National Weather Service, San Mateo County Flood and Sea Level Rise Resiliency District, and the San Francisquito Creek Joint Powers Authority participated in the exercise.
- In April, Valley Water staff participated in a regional full-scale exercise conducted in the City of Santa Clara, which was put on by the Bay Area Urban Areas Security Initiative.
- On May 9, 2024, Valley Water conducted a tabletop exercise of the Lower Penitencia Creek Watershed EAP with the City of Milpitas at the Milpitas Police headquarters to help familiarize staff of both agencies on the EAP and how best to coordinate flooding response.
- In May 2024, Valley Water staff participated at Santa Clara County's EOC as players in a tabletop exercise, which was based on an atmospheric river event, that was jointly presented by Santa Clara County's Office of Emergency Management, Oklahoma State University, and the National Weather Service.
- In late May, the City of Sunnyvale's Department of Public Safety invited Valley Water staff to support by serving as an evaluator during the city's EOC functional exercise.
- In June 2024, Valley Water participated in an exercise hosted by CalFire and the South Bay Incident Management Team.

PROGRESS ON KPI #4:

- The City of San José and Valley Water held a winter storm after-action review in July 2023. This review focused on the effectiveness of the coordination between the two organizations and on identifying lessons learned and innovations that can be incorporated in updates of the Joint Emergency Action Plan.
- On November 30, 2023, Valley Water, in partnership with the City of Palo Alto and the Menlo Park Fire Protection District, conducted a tabletop exercise focused on the San Francisquito Creek MAC plan.
- On March 18, Valley Water staff met with the San Francisquito Creek MAC group coordinator to review the draft of the November 2023 tabletop exercise After-Action Report. An After-Action Meeting, which will include representatives from all the organizations that participated in the exercise, will be held to review the report's findings, and adopt an improvement plan based on the findings.
- On May 9, 2024, Valley Water conducted a tabletop exercise of the Lower Penitencia Creek Watershed EAP with the City of Milpitas.

For more current information about this project, visit ***www.valleywater.org/project-updates/f2-emergency-response-planning-and-preparedness***.

Financial Information

In FY24, 93% of the annual project budget was expended.

The under-expenditure was a result of the projected cost of exercises coming in lower than originally anticipated. Spending on exercises is expected to increase in the coming fiscal year. Although spending was under budget, all KPIs are on target, as indicated in the narratives above.

Figure F2.1 Emergency Response Planning and Preparedness

Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$225	$0	$0	$225	$103	$105	$208	93%	$7,269	7%

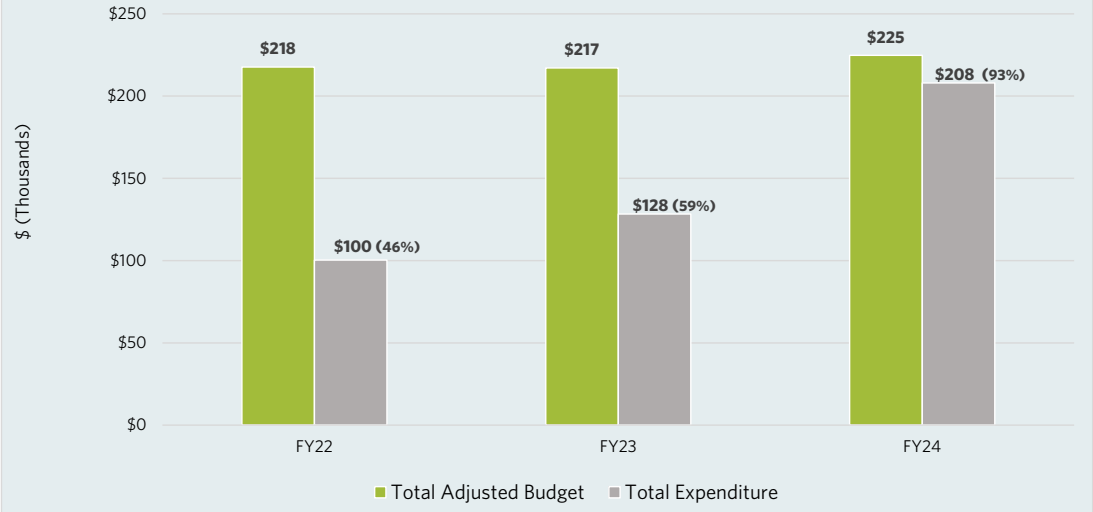
Figure F2.2

Left: Valley Water / Milpitas Joint Tabletop Exercise Documents

Right: Valley Water and City of Milpitas staff participating in a joint tabletop exercise

Project Expenditure History

Figure F2.3 Emergency Response Planning and Preparedness Budget vs. Expenditure



Opportunities and Challenges

Coordination with Project F7: Emergency Response Upgrades

When applicable, the flood forecasting products and data collected under Project F7: Emergency Response Upgrades are incorporated into Project F2: Emergency Response Planning and Preparedness documents to help inform decision-makers. Project F7 focuses on maintaining flood forecasting and warning capabilities and improving flood forecasting accuracy to assist flood responders by providing rainfall and streamflow forecasts and potential flooding information. Project F2 focuses on pre-event planning and collaboration with other agencies to develop flood response procedures that clarify roles and responsibilities before a flood event arises.

PROJECT F3
FLOOD RISK ASSESSMENT STUDIES

This project is to enable Valley Water scientists to update custom software models of local creeks for the most current and accurate understanding of potential flood risks in high priority flood-prone areas and then develop options for managing those risks. Existing models will be verified, updated and recalibrated as conditions change. Updating our knowledge-base will lead to more effective creek management and maintenance. Valley Water will also convey this information to the community and partner cities.

When creek conditions necessitate rehabilitation to preserve flood protection, this project also funds preliminary engineering studies to isolate problem areas and explore potential solutions.

Under the 2012 Safe, Clean Water Program, Valley Water completed engineering studies on five (5) reaches of creeks as part of the Flood Risk Assessment Studies project. These were on Coyote Creek (Bay to Anderson Dam, including Rock Springs Neighborhood); Adobe and Barron creeks tidal flood protection (Highway 101 to Middlefield Road in Palo Alto); Alamitos Creek (upstream of Almaden Lake in San José); and Ross Creek (Guadalupe River to Blossom Hill Road in San José). The Coyote Creek study completed under this project was utilized to develop the short-term interim projects that Valley Water built to help reduce the risk of flooding along Coyote Creek (See Project E1 - Coyote Creek Flood Protection Project). These include the installation of an interim floodwall and embankment along the creek to protect the Rock Springs community from a flood event equivalent to the February 2017 flood. Valley Water also updated the Alamitos Creek 2-D hydraulic (HEC-RAS) model of the 1% (100-year event) floodplain and shared the information with the City of San José.

Revising flood models on a regular basis enables Valley Water to keep pace with changes in rainfall patterns and intensity as our climate changes. An up-to-date understanding of flood risks allows us to work toward preventing future flooding.

Summer conditions at West Branch Llagas Creek and Lions Creek, upstream of Church Street in Gilroy

ACTIVE

ADJUSTED

Project F3 FY24 Highlights

- Made progress on updating the hydrology for Stevens Creek watershed using a new methodology developed by Valley Water.
- Completed a preliminary 100-year floodplain for Steven's Creek.
- Updated and calibrated Canoas Creek's 1D steady state model to the January 16, 2019, high flow event.
- Collected data to support and updated model cross sections for a 1D/2D hydraulic model of Lower Penitencia and Berryessa creeks.

Benefits

- Provides more current and accurate mapping of areas at risk of flooding
- Provides the technical basis for developing future flood protection plans, and for potential funding partnerships
- Identifies, in a timely manner, the needs to prevent creek deterioration
- Identifies the need for flood mitigation or creek rehabilitation projects
- Facilitates communication with partner cities on evolving flood risks and possible solutions
- Addresses climate change by updating hydrology studies, which incorporate recent flow data, and mapping out floodplains based on those updated studies

Key Performance Indicators (FY22–36)

1. Complete engineering studies on three (3) creek reaches to address 1% (100-year) flood risk.
2. Annually, update floodplain maps on a minimum of three (3) creek reaches in accordance with new FEMA standards.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021–2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***ADJUSTED***	Project benefits adjusted. See details below.	

Status for FY24:

Annual Status	Change Control
ACTIVE	***ADJUSTED (Text Adjustment)***

The text under Benefits is adjusted to briefly explain how the project addresses climate change impacts. This adjustment is in response to a recommendation by the Independent Monitoring Committee (IMC).

PROGRESS ON KPI #1:

Valley Water completed the South Babb Creek engineering study, the first of the three creek reaches engineering studies under the project, in FY22. With that, Valley Water met the five-year (FY2022–2026) target of completing an engineering study on one (1) creek reach to address 1% flood risk. As a result, in FY24, Valley Water focused on KPI #2.

PROGRESS ON KPI #2:

In FY24, Valley Water made the following progress:

Stevens Creek Floodplain Update – 100-Year Floodplain

HEC-RAS (Hydrologic Engineering Centers-River Analysis System) is a widely used hydraulic modeling software developed by the U.S. Army Corps of Engineers. It is designed to simulate and analyze river flow and water surface profiles in natural and constructed channels. The software is primarily used for floodplain mapping, river system management, bridge and culvert design, and flood risk assessment.

Valley Water is working on two related efforts to update the floodplain:

- A new hydrology study to estimate the flow distributions for up to the 100-year event, which accounts for the limited storm drain capacity. The approach leverages hydrology studies from other similar watersheds, explicitly modeling the pipes in the storm drain network to estimate flow distributions that account for the effects of storage storm drain network, which can result in reduced peak flow estimates.
- A 1D/2D HEC-RAS model, which will represent the creek as a 1D model and the floodplain as a 2D area. The 1D/2D model provides flooding pathways from creek spills.
    - Floodplains will be generated for both the new hydrology and design flows hydrology (which is more conservative and does not account for the effects of storage storm drain network, which can result in reduced peak flow estimates as well).

In FY24, substantial progress was made toward updating the hydrology for the Stevens Creek watershed using the new methodology developed by Valley Water. The hydrology has been calibrated and is waiting for review.

In FY24, the KPI to update the 100-year floodplain on three reaches was met by completing the 100-year floodplain for the entirety of Stevens Creek based on the design hydrology, which covers more than three reaches.

Canoas Creek Flooding Risk

This effort aims to assess Canoas Creek's flooding risk and develop new floodplains as appropriate.

In FY24, Valley Water updated and calibrated a 1D steady state model to the January 16, 2019, high flow event with a peak flow of 894 cubic feet per second (cfs) at Dow Drive (between a 2- and 5-year flow event). The calibrated model was converted to an unsteady 1D model, which is now being evaluated for overtopping locations to map out the floodplain.

Lower Penitencia Creek and Berryessa Floodplain

Valley Water is updating a hydrologic/hydraulic model developed in 2018 for the watershed area that drains to Lower Penitencia, Berryessa, and Upper Penitencia creeks and their tributaries. The update is to reflect as-built conditions of recently completed flood protection projects on Lower Penitencia and Berryessa creeks and to meet FEMA standards for a future Flood Insurance Rate Map update. The model combines the hydrology and hydraulic calculations by routing rainfall over land and through an explicitly represented storm drain network into the creeks and back out onto the floodplain where spills occur.

In FY24, Valley Water collected the data for the required updates and updated the model with cross sections on Lower Penitencia Creek and Berryessa, which reflect the as-built conditions. The updated floodplain will be completed in FY25 and will be used to support a Letter of Map Revision (the Federal Emergency Management Agency's vehicle for updating Flood Insurance Rate Maps) for this area to reflect flood protection projects on Lower Penitencia and Berryessa Creeks.

For more current information about this project, visit ***https://www.valleywater.org/project-updates/f3-flood-risk-assessment-studies***.

Financial Information

In FY24, 102% of the annual project budget was expended.

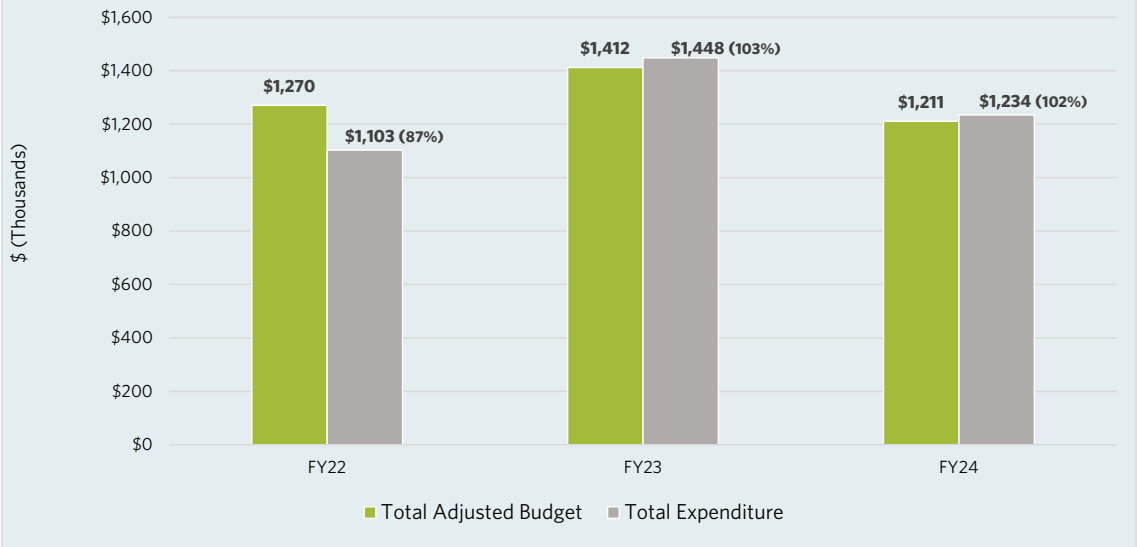
Figure F3.1 Flood Risk Assessment Studies

Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$1,211	$0	$0	$1,211	$1,229	$6	$1,234	102%	$22,007	17%

Project Expenditure History

Figure F3.2 Flood Risk Assessment Studies Budget vs. Expenditure



Opportunities and Challenges

Nexus to Other Valley Water Projects

Valley Water's emergency operations during storm events benefit from the floodplain modeling work done under Priority F3. These refined floodplain risks and maps are incorporated into our emergency action plans, which both Valley Water and the cities use during flood events. The maps are shared with the cities directly as additional information to use when regulating development within the floodplain.

Work done in FY24 with a nexus to emergency operations included generating updated floodplains for Stevens Creek (completed) and Canoas Creek (based on work done in FY24 but planned to be completed in the next fiscal year).

Updated 100-year floodplains on Lower Penitencia and Berryessa Creeks will be used directly in Valley Water's work to update the Federal Emergency Management Agency's Flood Insurance Rate Maps for the area. The map change will reflect completed flood protection projects on Lower Penitencia and Berryessa Creeks.

PROJECT F4
VEGETATION MANAGEMENT FOR ACCESS AND FIRE SAFETY

Mechanical mowing along Guadlupe River, near Alviso.

ACTIVE

Project F4 FY24 Highlights

- Completed approximately 2,663 acres of maintenance access and fire code compliance work in all five (5) watersheds.

This project supports Valley Water's ongoing vegetation management activities that reduce fire risk by maintaining creekside lands. These activities also ensure access for maintenance and emergency personnel and equipment.

The project includes vegetation management activities such as weed abatement, goat grazing, herbicide application and pruning to provide access and reduce fire risk. Before carrying out maintenance, Valley Water's personnel perform biological pre-construction surveys to minimize environmental impacts. Allocations for Project F4 also help fund future maintenance access of flood protection projects completed under the Safe, Clean Water Program.

Fire risk reduction will become a higher priority as the climate changes. This project will allow Valley Water to adapt to those changes.

Benefits

- Provides safe access for maintenance of creek channels
- Reduces fire risk along creek channels
- Addresses climate change by preparing for increased fire risk through vegetation management

Key Performance Indicator (FY22–36)

1. Provide vegetation management for access and fire risk reduction on an average of 495 acres per year, totaling 7,425 acres along levee, property lines and maintenance roads over a 15-year period.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021-2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***NONE***	Not Applicable	

Status for FY24:

Annual Status	Change Control
ACTIVE	***NONE***

PROGRESS ON KPI #1:

In FY24, Valley Water completed approximately 2,663 acres of maintenance access and fire code compliance work in all five (5) watersheds. Of this total acreage, 15%, or approximately 399.5 acres, was funded by the Safe, Clean Water Program.

Reducing Fire Ladders

Routine mowing specifically targets areas where annual grasses and forbs develop that can create fire ladders into adjacent woody vegetation. Reducing fuel ladders helps prevent fire ignition and spread onto adjacent lands. Routine mowing, pruning for access, grazing, and herbicide treatment along property lines, maintenance roads, levees, floodplains, pipelines/canals, dams, encampments, and vacant parcels are conducted as needed to reduce vegetation density and eliminate seasonal fire ladders created primarily by annual plant growth. Shaded fuel breaks are an acceptable form of wildfire risk reduction that includes seasonal mowing of low to mid-story vegetation while preserving the riparian overstory/trees.

Fire Safety Targets

Wildfire risk reduction is achieved through an integrated approach using seasonal mowing, herbicide application, invasive species management, grazing, and pruning of woody vegetation to maintain established maintenance routes and fuel breaks.

Geographic Areas

Because Valley Water manages creek areas in a natural condition, fire safety is a consideration across the entire service area. Routine work, including mowing, pruning for access, upland herbicide application, invasive species management, and grazing, has met fire safety needs for several decades. Additional scrutiny and adaptation of these programs with climate change in mind is currently underway.

For more current information about this project, visit ***https://www.valleywater.org/project-updates/f4-vegetation-management-access-and-fire-safety***.

Financial Information

In FY24, 134% of the annual project budget was expended.

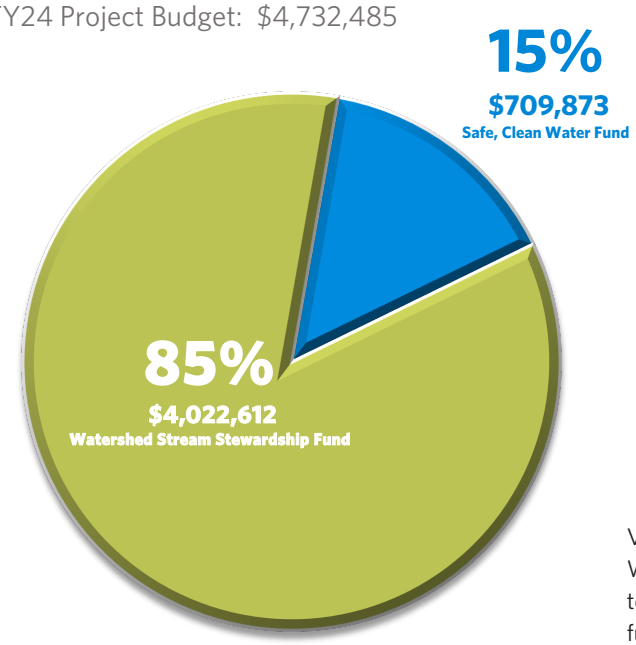
Late-season rain lead to multiple mowing events to comply with the county fire code. Herbicide resistance by certain plant species and the migration of new invasive species to Santa Clara County continue to challenge our upland herbicide programs. Spot spraying at some locations is required two or more times per year to maintain vegetation clear zones (i.e., maintenance roads, fuel breaks, and around infrastructure). Valley Water also mowed around established encampments of unsheltered individuals to provide fuelbreaks for fire safety, thus expanding routine treatment areas. Increased costs for material and labor continue to impact the annual budget for this project.

Figure F4.1 Vegetation Management for Access and Fire Safety

Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$710	$0	$0	$710	$952	$0	$952	134%	$12,001	21%

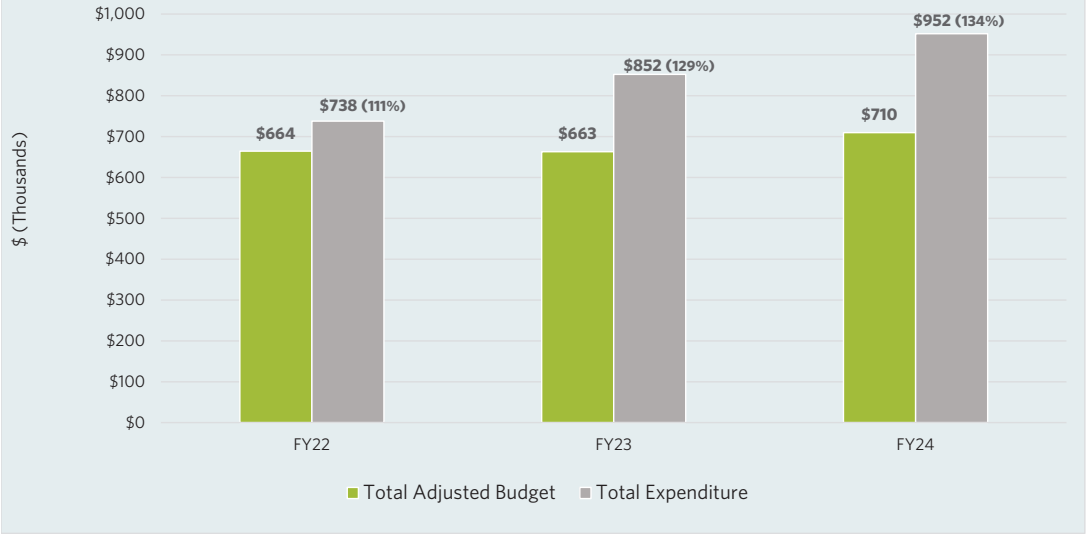
Figure F4.2
Vegetation Management for Access and Fire Safety
Total FY24 Project Budget: $4,732,485



Valley Water funds this project with more than the Safe, Clean Water Program fund (Fund 26). Figure F4.2 shows the project's total adjusted annual budget inclusive of all Valley Water funding sources.

Project Expenditure History

Figure F4.3 Vegetation Management for Access and Fire Safety Budget vs. Expenditure



Attachment 1
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Opportunities and Challenges

Storm Response (Winter 2024)

Staff resources were partly focused on storm response during inclement weather events in winter 2024. Debris removal, clearing downed vegetation, and supporting the public sandbag distribution program were priorities during the third quarter of FY24. This reduced staff time spent on vegetation management for access and fire safety. The Safe, Clean Water Program did not fund the storm response efforts.

Encampment Impacts

The presence of unsheltered individuals living in encampments along waterways in Santa Clara County continues to pose a challenge for servicing upland areas and performing annual fuel reduction work. Employee safety is prioritized over routine vegetation management work where unsafe conditions exist. Efforts are being made to perform weed abatement and vegetation control in the surrounding larger, established encampments to mitigate the threat of wildfire spreading to adjacent areas. For information on the broader Valley Water response to unsheltered homelessness, see Project F5: Good Neighbor Program: Encampment Cleanup, Opportunities and Challenges section.

Fuel Management Policy and Wildfire Resiliency Plan

Valley Water is developing a comprehensive Wildfire Resiliency Plan (WRP) that will systematically coordinate wildfire planning efforts across operations while weighing responsibility to safeguard Valley Water's land rights and valued resources and assets. The WRP, which will focus on vegetation as a fuel source for wildfires, will provide land management approaches and recommended treatment strategies to reduce fire severity while protecting and supporting sensitive ecological resources and other identified Valley Water lands and infrastructure. Valley Water is finalizing the development of a comprehensive risk assessment and modeling framework to delineate risk profiles associated with Valley Water land rights and High-Value Resources and Assets. As well as to establish a risk strategy and prioritization tool to inform and fully leverage the allocation of resources to mitigate wildfire impacts. Once the risk assessment and modeling framework is complete, Valley Water will finalize the comprehensive WRP to implement efforts to reduce wildfire risk and protect our valuable resources and assets.

PROJECT F5
GOOD NEIGHBOR PROGRAM: ENCAMPMENT CLEANUP

This project supports Valley Water's independent efforts and ongoing coordination with local cities and agencies to clean up trash, debris and hazardous pollutants generated by encampments near waterways or on Valley Water property. Such encampments contribute to contamination of waterways and damage to Valley Water facilities. This project includes cooperative efforts to partner with local municipalities and other agencies for services related to encampment cleanups and to help provide alternatives to homelessness.

This project will also provide funding for local municipalities' services supporting staff safety as they work around encampments and discouraging re-encampments along waterways.

Encampment cleanup in San José.

ACTIVE

Project F5 FY24 Highlights

- Exceeded the KPI #1 annual target by managing approximately 3,550 acres to clean up nearly 1,080 tons of trash, debris, and hazardous pollutants from encampments.
- Provided funding to the San Jose Police Secondary Employment Program to support staff safety during encampment cleanups.
- Provided funding to the County of Santa Clara to coordinate and provide outreach services to unsheltered individuals.

Benefits

- Reduces the accumulation of trash, debris, and hazardous pollutants in local waterways, including streams, wetlands, and water utility facilities (e.g. percolation ponds)
- Protects Valley Water facilities and reduces flood risk
- Improves the aesthetics of creeks in neighborhoods and along trails
- Coordinates Valley Water's efforts with multiple agencies to create lasting solutions to reduce encampments near waterways

Key Performance Indicators (FY22–36)

1. Manage 300 acres annually to clean up trash, debris, and hazardous pollutants generated from encampments and to reduce the amount of these pollutants entering streams.
2. Provide up to $500,000 per year in cost-share with local agencies for services related to encampment cleanups, including services supporting staff safety, discouraging re-encampments along waterways or addressing the socio-environmental crisis with the goal of reducing the need for encampment cleanups.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***MODIFIED & ADJUSTED***	KPI #1 was modified and the project description, benefits, and related Glossary definitions were adjusted in response to changing legal, political, and social climate related to encampment sites and homelessness in Santa Clara County.	***FY22 (2021–2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***NONE***	Not Applicable	

Status for FY24:

Annual Status	Change Control
ACTIVE	***NONE***

PROGRESS ON KPI #1:

In FY24, Valley Water exceeded this KPI by managing 3,549.97 acres to clean up 1,080.18 tons of trash , debris, and hazardous pollutants generated from encampments of unsheltered individuals, reducing the amount of these pollutants entering streams. Valley Water's encampment cleanup crew operates daily to manage encampments on Valley Water property countywide, continually revisiting the most heavily impacted areas. To capture the true extent and impact of Valley Water's encampment cleanup work, the KPI statistic for annual acres managed reflects the total accumulated acreage from each site visit, including repeat visits.

In August 2023, per the Board's direction, Valley Water launched the Portable Toilet Facilities Program, installing portable toilets and wash stations at critical locations along local creeks to improve water quality. Additionally, Valley Water is considering the feasibility of the planned Clean Camps, Clean Creeks Program, which would provide debit cards to incentivize unsheltered residing on Valley Water lands to maintain tidy camp areas free of trash.

While these initiatives are intended to better equip Valley Water to confront challenges posed by encampments of unsheltered people, the project did not have adequate funding to sustain the enhanced level of service. Staff front-loaded the project to implement these efforts and informed the Board that without additional funding, staff anticipated a funding shortfall in later years, starting FY30. Staff also committed to reassessing funding availability and the level of service required for the project and, if needed, present funding scenarios for the Board's consideration.

On April 9, 2024, the Board held a formal public hearing, approving changes to projects under the Safe, Clean Water Program. This resulted in additional funding being allocated to Project F5 to fund the enhanced level of service.

Figure F5.1

Guadalupe River at Willow Street BEFORE (Left), and AFTER (Right) 8 tons of debris were removed from 6 sites.

Los Gatos Creek near Bascom Avenue BEFORE (Left), and AFTER (Right) 17 tons of debris were removed from 50 sites.

PROGRESS ON KPI #2:

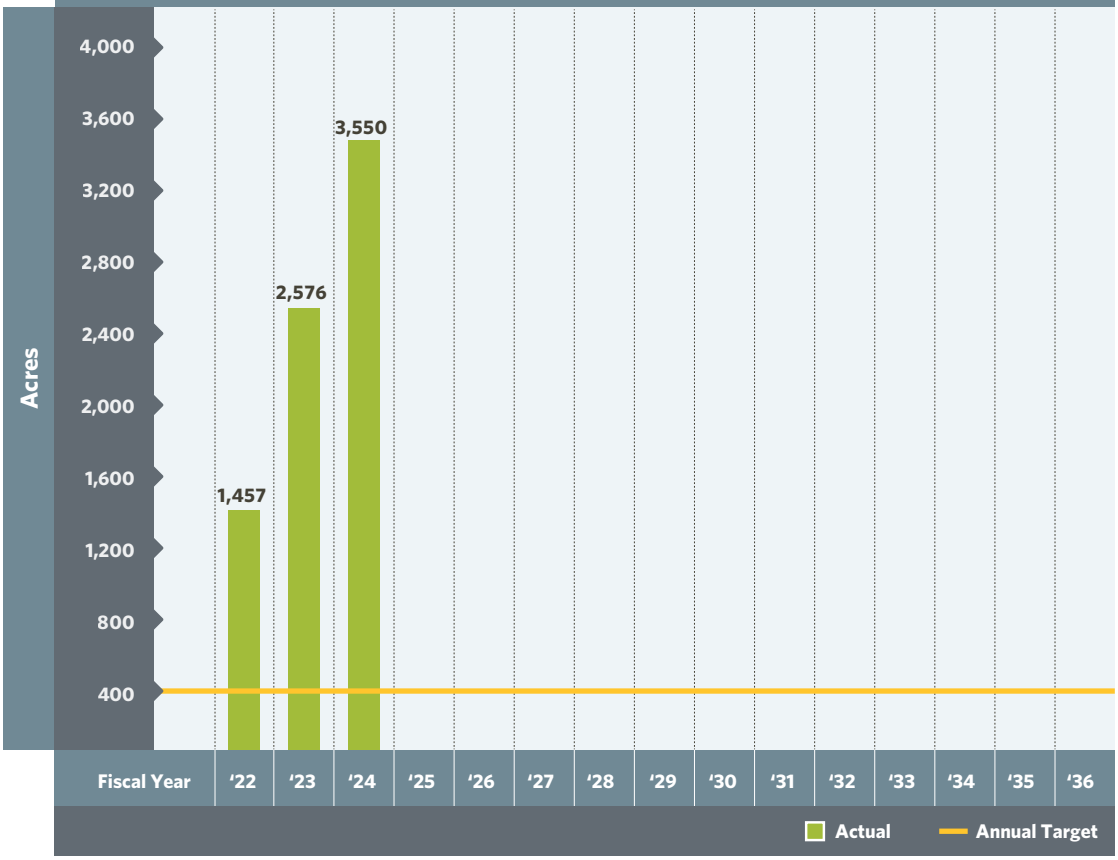
In FY24, Valley Water provided $175,230 to San José Police Department's Secondary Employment Unit (SEU) program to support staff safety during encampment cleanups.

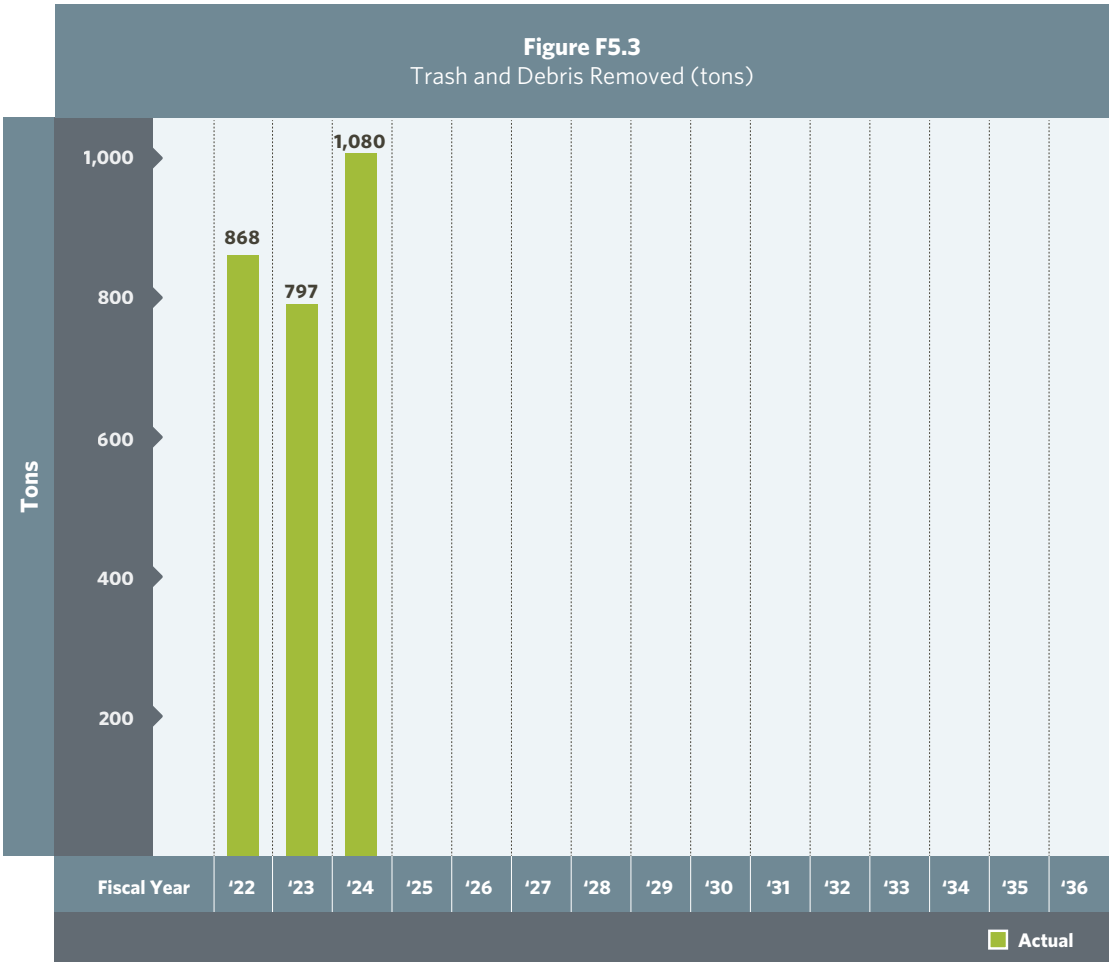
During the year, Valley Water also provided funding to the County of Santa Clara (County) to coordinate and provide outreach services to unsheltered individuals residing on Valley Water-owned property along the waterways throughout the county. The

County's outreach service delivery is focused on, but not limited to, areas outside the City of San José. Under this Outreach Services Agreement, Valley Water will provide up to $200,000 annually to the County. The agreement started in August 2023, and Valley Water expended $45,956 in FY24.

For more current information about this project, visit ***https://www.valleywater.org/project-updates/f5-good-neighbor-program-encampment-cleanup***.

Figure F5.2
Encampment Cleanups: Acres Managed





Financial Information

In FY24, 87% of the annual project budget was expended.

The under-expenditure was due to challenges associated with filling vacant positions and backfilling positions left open after internal promotions. Subsequently, organization-wide budget constraints resulted in a hiring freeze that contributed further to these challenges.

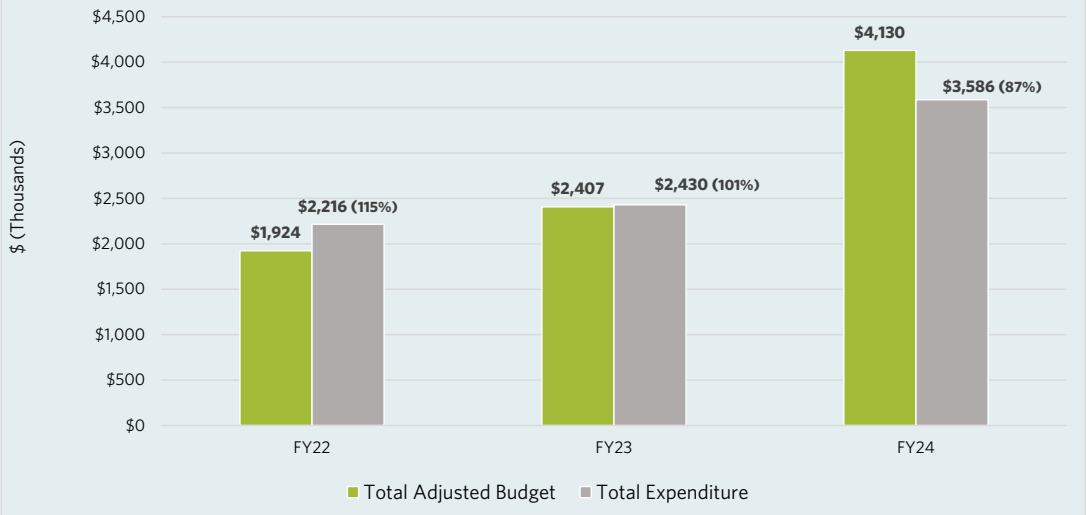
Figure F5.4 Good Neighbor Program: Encampment Cleanup

Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$4,130	$0	$0	$4,130	$3,313	$272	$3,586	87%	$38,709	21%

Project Expenditure History

Figure F5.5 Good Neighbor Program: Encampment Cleanup Budget vs. Expenditure



Opportunities and Challenges

External Funding and Grants

In 2023, the United States Environmental Protection Agency (EPA) awarded a $3 million grant to Valley Water to fund its Nine Creek Encampment Cleanup and Coyote Creek Bank Rehabilitation Project. The grant funding period began in July 2023 and will continue through June 2026.

The grant will provide $2.2 million to assist Valley Water in carrying out an enhanced creek cleanup initiative at nine (9) heavily impacted creeks in Santa Clara County by removing trash, debris, and hazardous pollutants generated by encampments of unsheltered individuals. The nine creeks are Berryessa Creek, Coyote Creek, Guadalupe Creek, Guadalupe River, Los Gatos Creek, Lower Silver Creek, Saratoga Creek, Thompson Creek, and West Branch Llagas Creek. As of the end of FY24, Valley Water has received $412,283 in grant reimbursements for this work.

The EPA grant will also support collaborative work with local partners (e.g., the City of San José and the San José Police Department) to rehabilitate a creek bank impacted by an encampment-related excavation and to remove trash rafts in Coyote Creek. The creek bank rehabilitation and trash raft removal is not part of the Safe, Clean Water Program and is instead funded by Valley Water's Watershed & Stream Stewardship Fund.

The EPA manages the competitive grant program, funded through the San Francisco Bay Water Quality Improvement Fund, to support projects to protect and restore San Francisco Bay.

Homelessness in Santa Clara County

In 2023, Santa Clara County reported that the number of people experiencing homelessness had decreased by 1% to 9,903 compared to 2022. In San José, which has the largest unsheltered population in the county, there was a 6% decline in homelessness. Despite this slight decline, many significant factors continue to contribute to homelessness in the county, including income inequality and the severe lack of affordable housing. The 2023 Santa Clara County Homeless Census and Survey Report is available at ***https://osh.sccgov.org/continuum-care/reports-and-publications/santa-clara-county-homeless-census-and-survey-reports***.

Federal Case Law Impact

In 2018, the U.S. Court of Appeals for the Ninth Circuit held, in the case of Martin v. Boise, that the City of Boise violated the Eighth Amendment of the U.S. Constitution (prohibiting cruel and unusual punishment) for enforcing two city ordinances that made it a misdemeanor to camp in public places even though there were not enough beds available in local homeless shelters to house all of the unsheltered. In June 2024, the United States Supreme Court reversed the Boise ruling through its own ruling in the case of Grants Pass v. Johnson. Valley Water staff is closely studying this decision to understand how it may affect Valley Water on an operational level. However, given the unprecedented need for transitional and long-term housing in Santa Clara County, Valley Water will continue to face challenges relocating encampments until sufficient housing alternatives are available.

Larger Valley Water Response to Homelessness

Project F5 is just one component of Valley Water's larger response to growing homelessness in Santa Clara County.

On August 22, 2023, Valley Water's Board of Directors approved the addition of new staffing resources to support greater service and coordination toward cleaning up trash, debris, and hazardous pollutants produced by encampments along waterways in Santa Clara County. This increased level of service means that Valley Water cleanup crews will be able to visit impacted areas more often. The new staffing resources will be funded by the Watershed & Stream Stewardship Fund, per funding availability.

Additionally, a Valley Water-sponsored State Assembly bill, AB 1469 (Kalra) Valley Water Assisting Unsheltered People, took effect on January 1, 2024. AB 1469 amends the Santa Clara Valley Water District Act to authorize Valley Water to assist unsheltered people living along streams, in riparian corridors, or otherwise in its jurisdiction, in consultation with a city or the County of Santa Clara, to provide solutions or improve outcomes for the unsheltered individuals. Specifically, the bill allows Valley Water more flexibility to use district land and part of an existing ad valorem property tax for lasting homelessness solutions.

The intent is to work with local cities or the County to construct low-barrier navigation centers, supportive housing, transitional housing, affordable housing, or other facilities to assist unsheltered people. These facilities would be operated by a city, the County, or a non-profit with the appropriate expertise to provide shelter and services that can improve outcomes for unsheltered people. Valley Water continues to hold discussions with city and County departments and nonprofit organizations to identify opportunities to develop housing or shelter on Valley Water-owned properties. AB 1469 will help Valley Water comply with the federal case law that requires a legitimate offer of shelter before relocating an unsheltered person from public land.

Valley Water's Board-established Environmental Creek Cleanup Committee (ECCC) focuses on the impacts of encampments of unsheltered people by facilitating discussions of relevant issues and making recommendations to the full Board.

At its May 17, 2024, meeting, the Board's Environmental Creek Cleanup Committee (ECCC) recommended that the Board adopt a proposed Water Resources Protection Zones Ordinance (Ordinance), which aims to reduce encampments, prevent re-encampments, and prohibit related activities along creeks, waterways, water supply facilities, and other lands where Valley Water holds land rights. The Ordinance is intended to protect water resources, endangered species, and other ecological resources, as well as to support and improve safety for Valley Water's field operations staff. The ECCC recommendation will be presented to the Board at the July 9, 2024 (FY25), meeting.

Coordination to Optimize Funding

Some activities appear to overlap in Projects B2, B4, F5, F6, and F9. Staff within these overlapping project areas maintain regular communication to avoid duplication of efforts and to cross-promote programs when appropriate. Coordination among staff helps to capitalize on opportunities and optimize funding.

PROJECT F6
GOOD NEIGHBOR PROGRAM: GRAFFITI AND LITTER REMOVAL AND PUBLIC ART

This project allows Valley Water to continue responding to requests for cleanup of illegal dumping, trash and graffiti on Valley Water's property and rights-of-way. Cleanup efforts include graffiti removal from floodwalls, concrete embankments, signs, structures and other Valley Water assets, as well as maintaining, repairing and installing fences and gates so that Valley Water structures and facilities remain safe and clean. The project also includes quarterly cleanups of problem trash sites to help reduce waterway pollution and keep creeks and riparian areas free of debris. The project also funds installation and maintenance of public art projects, such as murals, to beautify Valley Water property and infrastructure, to help deter graffiti and litter.

Removing trash and graffiti on Guadalupe Creek in San José.

ACTIVE

Project F6 FY24 Highlights

- Conducted a total of 571 cleanup visits, removing approximately 70 tons of trash and debris.
- Removed 95,811 square feet of graffiti.
- All Access Valley Water complaints regarding litter cleanup were responded to within 4.85 days.
- Continued developing a Public Art Strategic plan in collaboration with a consultant.

Benefits

- Reduces trash and contaminants in local waterways
- Improves the appearance of waterways in neighborhoods and parks by removing trash, graffiti and litter as well as illegally dumped items, such as cars, shopping carts, appliances, etc.
- Reduces illegal dumping into or near waterways by repairing and installing fencing on Valley Water property
- Provides coordinated response to community complaints about trash and graffiti in neighborhoods along waterways
- Helps deter graffiti and litter by implementing public art projects to beautify Valley Water property and infrastructure

Key Performance Indicators (FY22–36)

1. Cleanup identified trash and graffiti hotspots at approximately 80 sites four (4) times per year.
2. Respond to requests on litter or graffiti cleanup within five (5) working days.
3. Provide up to $1.5 million over 15 years to implement public art projects on Valley Water property and infrastructure.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021-2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***NONE***	Not Applicable	

Status for FY24:

Annual Status	Change Control
ACTIVE	*NONE*

PROGRESS ON KPI #1:

- In FY24, Valley Water serviced 107 hotspots for a total of 469 trash and debris cleanup visits during the year. In addition, Valley Water carried out 102 cleanup visits in response to staff inspections and public requests. Valley Water removed 69.72 tons (976.1 cubic yards) of trash and debris during the year.
- Valley Water serviced 83 identified graffiti hotspots bi-weekly, removing 59,198 square feet of graffiti. Frequent visits to these hotspots are important to discourage and deter graffiti activities. In addition, Valley Water also removed graffiti from sites based on internal inspections and/or public service requests. A total of 95,811 square feet of graffiti was removed at 5,111 sites during the year.

PROGRESS ON KPI #2:

In FY24, Valley Water received 157 public service requests regarding illegal dumping of trash and 72 public service requests regarding graffiti on Valley Water's online customer service center (Access Valley Water or AVW). All AVW complaints were responded to within an average of 4.85 working days. Each complaint is assessed to determine whether the reported site is located where Valley Water has land rights. All AVW complaints regarding litter cleanup were responded to within 3.93 days on average. For graffiti complaints, work was completed on average within 5.18 working days.

PROGRESS ON KPI #3:

In FY24, Valley Water continued developing a Public Art Strategic plan in collaboration with a consultant. This phase of the plan development included a robust public input process with external stakeholder meetings, a hybrid community meeting, and a multi-lingual community survey. This effort resulted in more than 400 responses and provided Valley Water with valuable feedback and ideas to shape the strategic plan. Valley Water also worked with the consultant to assess potential site opportunities amongst Valley Water's existing infrastructure and facilities. The strategic plan is expected to be completed in FY25.

Figure F6.1

Pilot mural artwork design for the Valley Water Blossom Hill Annex Building in San José was completed in June 2023.

For more current information about this project, visit ***www.valleywater.org/project-updates/f6-good-neighbor-program-graffiti-and-litter-removal-and-public-art***.

Financial Information

In FY24, 49% of the annual project budget was expended.

For KPI #1 and #2 to clean up illegal dumping, trash, and graffiti, 51% of the annual budget was expended. This project was underspent due to staffing shortages (staff diverted to flood protection activities as a result of winter rain events), efficient contracted graffiti services, and continuous adjustments to graffiti routes.

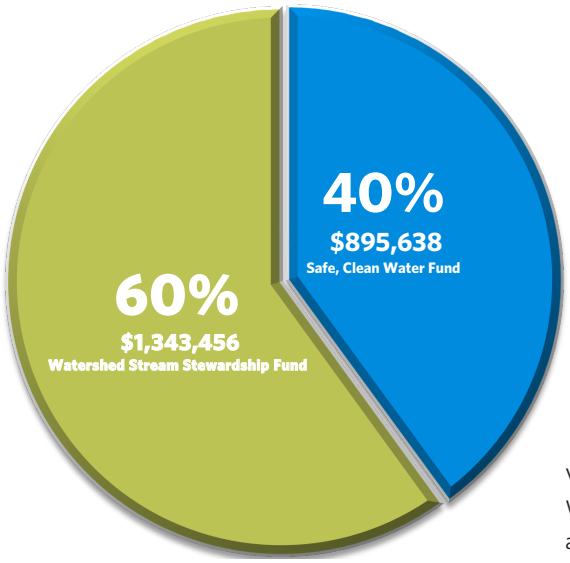
For KPI #3, the public art project, 39% of the annual budget was expended. The under-expenditure was due to the ongoing development of the Public Art Strategic Plan, which will provide guidance for future art projects. As a result, the funds allocated for public art projects and maintenance costs were not used. Furthermore, encumbered funds continue to be expended to cover the expenses of developing the Public Art Strategic Plan.

Figure F6.2 Good Neighbor Program: Graffiti and Litter Removal and Public Art

Financial Summary ($ Thousands)

Fiscal Year 2023-2024									15-year Plan	
Project No. and Name	Adopted Budget	Project Carry-forward	Budget Adjust-ments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
					Actual	Encumbrance	Total			
26761022 Graffiti and Litter Removal	$896	$0	$0	$896	$449	$10	$459	51%	$10,661	16%
26061020 Public Art	$246	$0	$0	$246	$69	$27	$96	39%	$2,536	11%
Total	**$1,141**	**$0**	**$0**	**$1,141**	**$518**	**$36**	**$555**	**49%**	**$13,197**	**15%**

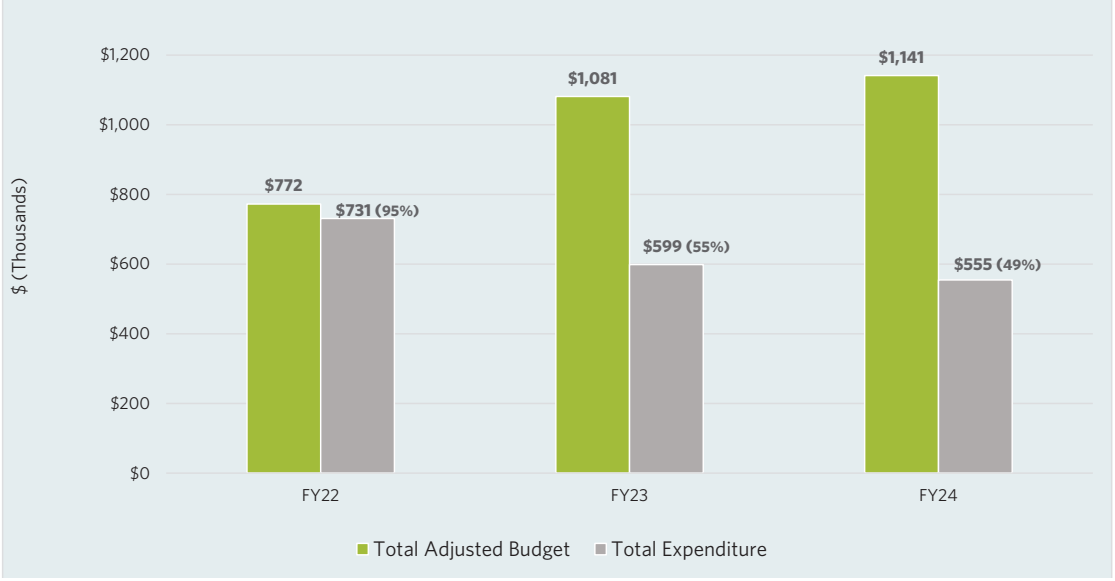
Figure F6.3
Watershed Good Neighbor Maintenance
Total FY24 Project Budget: $2,239,094



Valley Water funds this project with more than the Safe, Clean Water Program fund (Fund 26). Figure F6.3 shows the project's total adjusted annual budget inclusive of all Valley Water funding sources.

Project Expenditure History

Figure F6.4 Good Neighbor Program: Graffiti and Litter Removal and Public Art Budget vs. Expenditure

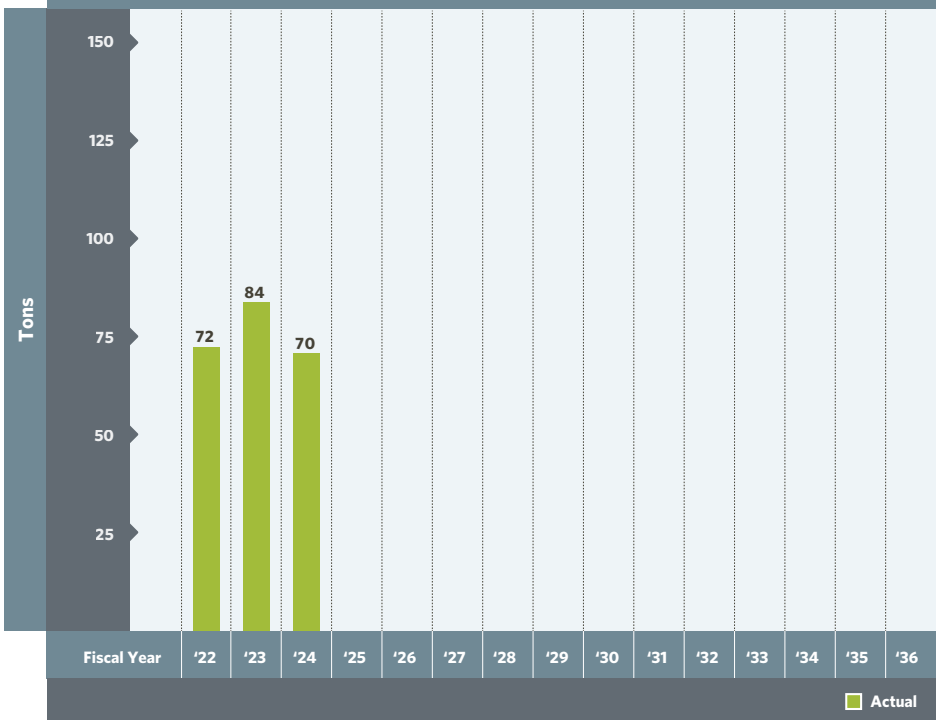


Opportunities and Challenges

Coordination to Optimize Funding

Some activities appear to overlap in Projects B2, B4, F5, F6, and F9. Staff within these overlapping project areas maintain regular communication to avoid duplication of efforts and to cross-promote programs when appropriate. Coordination among staff helps to capitalize on opportunities and optimize funding.

Figure F6.5 Remove Graffiti and Litter
Tons of Trash and Debris Removed



PROJECT F7
EMERGENCY RESPONSE UPGRADES

This project supports ongoing development and maintenance of a robust flood forecasting system. The system facilitates the efficient dissemination of information to emergency responders and the public.

X-Band radar atop Penitencia Water Treatment Plant.

ACTIVE

Project F7 FY24 Highlights

- Maintained the existing flood forecasting and warning capabilities in seven (7) flood-prone reaches.
- Tested an automated system to share rating curves of creeks and reservoirs with the National Weather Service.

Benefits

- Improves the accuracy of flood forecasting services
- Improves emergency response times and information dissemination regarding upcoming storms and potential floods
- Provides information toward improving reservoir management to optimize flood risk reduction and water supply management
- Provides a real-time website that tracks and offers public access to local weather and flood forecasting information
- Increases atmospheric data collection network, data management and maintenance
- Addresses climate changes through an adaptation strategy to track and understand uncertain future weather patterns

Key Performance Indicators (FY22–36)

1. Maintain existing capabilities for flood forecasting and warning.
2. Improve flood forecast accuracy and emergency response time working with the National Weather Service and through research and development.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021–2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***NONE***	Not Applicable	

Status for FY24:

Annual Status	Change Control
ACTIVE	***NONE***

PROGRESS ON KPI #1:

In FY24, Valley Water maintained the existing flood forecasting and warning capabilities in seven (7) flood-prone reaches: Upper Guadalupe River, Ross Creek, Canoas Creek, West Little Llagas Creek, San Francisquito Creek, Uvas Creek, and Upper Penitencia Creek.

PROGRESS ON KPI #2:

In FY24, Valley Water tested an automated system to share rating curves of creeks and reservoirs with the National Weather Service (NWS) so that NWS can use the latest available data to develop forecasts. Overall, the system performed very well and will be utilized in the future.

Valley Water developed a more efficient system for transmitting data from field sensors in FY24. Testing of the system will continue into FY25. Valley Water also incorporated additional custom weather forecast data from WeatherBELL in real-time flood forecasting.

Behind the scenes, an internal dashboard was tested to visualize all the data being generated from the system.

For more current information about this project, visit ***https://www.valleywater.org/project-updates/f7-emergency-response-upgrades***.

Financial Information

In FY24, 93% of the annual project budget was expended.

The under-expenditure was due to other, higher-priority tasks, partly related to a busier-than-expected storm season.

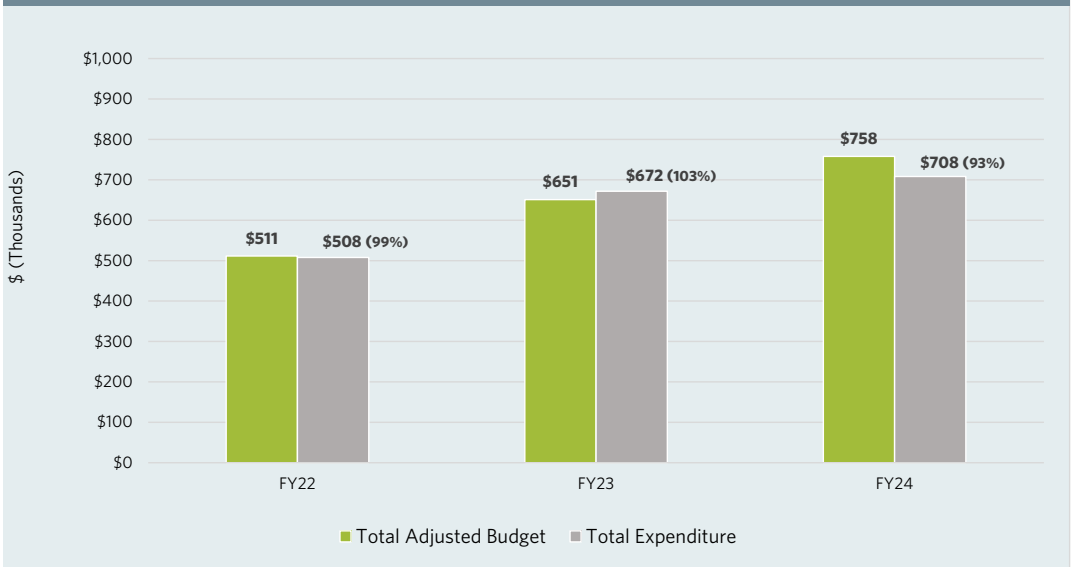
Figure F7.1 Emergency Response Updates

Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$758	$0	$0	$758	$658	$50	$708	93%	$13,195	14%

Project Expenditure History

Figure F7.2 Emergency Response Upgrades Budget vs. Expenditure



Opportunities and Challenges

Forecasting Reservoir Inflow

In addition to maintaining flood forecasting and warning capabilities in seven (7) flood-prone reaches, Valley Water is forecasting reservoir inflow, storage levels, and potential spills on all our major reservoirs: Stevens Creek, Lexington, Guadalupe, Almaden, Calero, Chesbro, Uvas, Anderson, and Coyote. The forecasting of reservoir outflows also directly informs the potential flooding of waterways downstream, which includes Stevens Creek, Los Gatos Creek, Guadalupe River, Llagas Creek, Uvas Creek, and Coyote Creek. Although not funded through the Safe, Clean Water Program, there is significant overlap with obvious synergy.

Notification System

Valley Water plans to set up a notification system in the future that will allow users to sign up for alerts. Initial work has commenced on creating a system for automatic notification triggers. Development work is ongoing for developing a reliable notification broadcasting system. Work on the notification system is expected to continue in FY25.

PROJECT F8
SUSTAINABLE CREEK INFRASTRUCTURE FOR CONTINUED PUBLIC SAFETY

Stevens Creek Asset Management Plan condition assessment site visit.

ACTIVE

This project supports Valley Water's long-term efforts to ensure that existing flood protection infrastructure continues to function sustainably and provide the level of service originally intended. The project includes: (1) assessing and prioritizing existing creek and watershed infrastructure; (2) preparing watershed and/or creek asset management plans; and (3) implementing recommendations of asset management plans.

Undertaking this project provides for adaptive management of existing infrastructure, ensuring infrastructure continues to provide flood protection and public safety as climate and other changes evolve.

Project F8 FY24Highlights

- Completed the Stevens Creek Asset Management Plan.
- Selected Regnart Creek Rehabilitation Project in Cupertino for design and construction.

Benefits

- Ensures that existing flood protection infrastructure continues to function sustainably and provide the level of service originally intended
- Preserves and extends the life of flood protection infrastructure
- Strengthens the reliability of flood protection infrastructure

Key Performance Indicator (FY22–36)

1. Provide up to $7.5 million in the first 15-year period to plan, design and construct projects identified through Watersheds asset management plans.

Geographic Area of Benefit: Countywide

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021–2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
FY24	***ACTIVE***	***NONE***	Not applicable	

Status for FY24:

Annual Status	Change Control
ACTIVE	***NONE***

PROGRESS ON KPI #1:

With the help of Safe, Clean Water Program funding, in FY24, Valley Water achieved the following:

- Completed the Stevens Creek Asset Management Plan.
- In FY24, based on the assessment and prioritization of all Valley Water-owned creeks, Valley Water selected to design and construct the Regnart Creek Rehabilitation Project in Cupertino. The project, stretching from Bubb Road

to Festival Drive, will address the erosion along the banks and bed in the natural section of Regnart Creek. The project entails applying geomorphic principles to reduce the frequency of erosion and the risk of bank failures that can impact adjacent properties. Accordingly, the project will be transitioned from an operations project to a capital project, and the new capital project will be initiated in FY25. The Regnart Creek Rehabilitation Design Study was completed under Project F8 in FY23.

- Since FY22, Valley Water has completed strategic planning for 19 creeks to identify potential planning studies, asset management plans, infrastructure improvement projects, and/or to continue the existing operations and maintenance management strategies. These are the Guadalupe River Regnart, Permanente, Randol, San Tomas Aquino, Calabazas, Stevens, Coyote, San Francisquito, Adobe, Hale, Matadero, Llagas, Thompson, Ross, Canoas, Berryessa, Sunnyvale East, and Sunnyvale West creeks.

For more current information about this project, visit ***https://www.valleywater.org/project-updates/f8-sustainable-creek-infrastructure-continued-public-safety***.

Financial Information

In FY24, 37% of the annual project budget was expended.

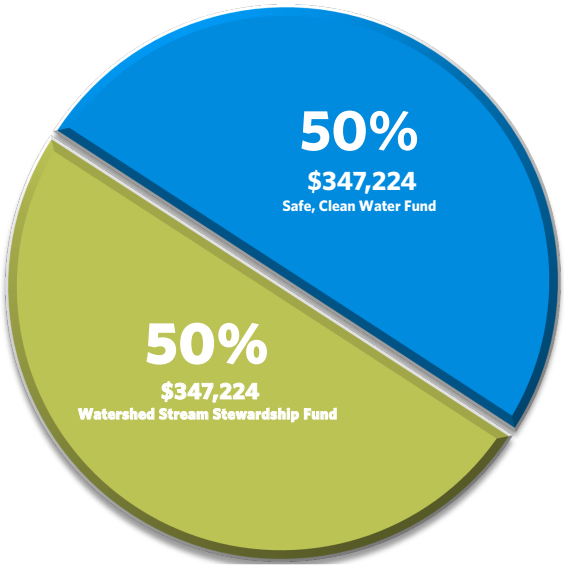
The under-expenditure was due to the utilization of fewer staff resources than anticipated. Nonetheless, all technical and project management tasks under this project progressed or were completed as planned.

Figure F8.1 Sustainable Creek Infrastructure for Continued Public Safety

Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$347	$0	$0	$347	$128	$0	$128	37%	$7,501	8%

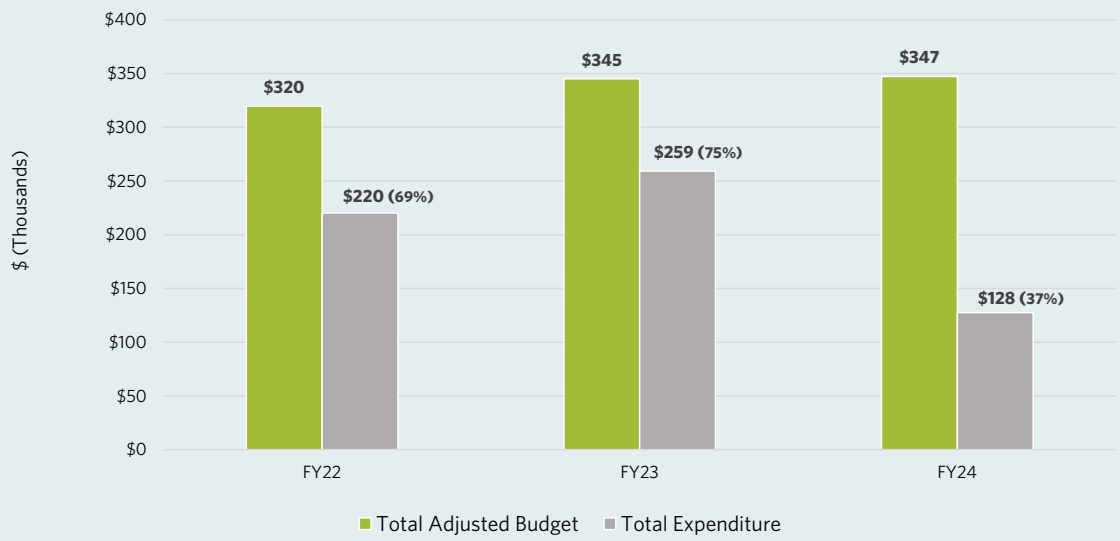
Figure F8.2
Sustainable Creek Infrastructure
Total FY24 Project Budget: $694,447



Valley Water funds this project with more than the Safe, Clean Water Program fund (Fund 26). Figure F8.2 shows the project's total adjusted annual budget inclusive of all Valley Water funding sources.

Project Expenditure History

Figure F8.3 Sustainable Creek Infrastructure for Continued Public Safety Budget vs. Expenditure



PROJECT F9
GRANTS AND PARTNERSHIPS FOR SAFE, CLEAN WATER, FLOOD PROTECTION AND ENVIRONMENTAL STEWARDSHIP

Trail users learn about environmental stewardship and riparian corridors via educational signs installed along Los Gatos Creek Trail.

ON HOLD

MODIFIED & ADJUSTED

Project F9 FY24 Highlights

- Standard grants put on hold for FY24 while the grants program is redesigned.
- Awarded nine (9) Refill Station grants amounting to $45,000.
- Awarded 10 mini-grants amounting to $50,000.
- Modified KPI #4 to create a new Creekside Neighbor Program.

This project provides grants, partnerships, and rebates for agencies, organizations, and individuals for water conservation, pollution prevention, creek cleanups and education, wildlife habitat restoration and wildlife corridors and crossings, and access to trails and open space. Eligible projects include water conservation; recycled water programs and infrastructure; pollution prevention programs; watershed stewardship; creek cleanups; education; and developing plans and/or implementing projects that create or enhance wetland, riparian and tidal marsh habitat; protect special status species; improve fish passage and habitat; remove non-native, invasive plant species; plant native species; partnerships to remove flood-inducing blockages, and provide access to creekside trails or trails that provide a significant link to the creekside trail network.

Benefits

- Leverages community resources for efficient use of funds to implement projects that conserve water, prevent trash and contaminants from entering our waterways and groundwater, enhance creek and bay ecosystems, and expand trail and open space access
- Increases collaborations and partnerships with cities, the County, nonprofit organizations, schools and other stakeholders
- Promotes public involvement, awareness and education of safe, clean drinking water, flood protection and environmental stewardship through community-led projects
- Broadens opportunities for smaller jurisdictions

Key Performance Indicators (FY22–36)

1. Provide a grant and partnership cycle each year for projects related to safe, clean drinking water, flood protection and environmental stewardship.
2. Provide annual funding for bottle filling stations to increase drinking water accessibility, with priority for installations in economically disadvantaged communities and locations that serve school-age children and students.
3. Provide annual mini-grant funding opportunity for projects related to safe, clean drinking water, flood protection and environmental stewardship.
4. Provide up to $3 million per 15-year period for a Creekside Neighbor Rebate Program for watershed activities, including bank repair, sediment removal, and downed tree management .

5. Geographic Area of Benefit: Countywide

Project Background

2012 Safe, Clean Water Grant Program Audit

In FY20, the Board Audit Committee (BAC) approved a desk audit of the grants program under the 2012 Safe, Clean Water and Natural Flood Protection Program (2012 Program). The desk audit, conducted by an external auditor, led to a subsequent performance audit of grants management and administration by an external auditor. Earlier, in their February 2020 letter to the Board, the 2012 Program Independent Monitoring Committee (IMC) reported that grantees had raised concerns such as long negotiation times to sign grant agreements, long delays in payments after projects have finished, and excessive reporting requirements. The IMC had recommended that Valley Water review its grant administration process to streamline the process. The audit resulted in 11 recommendations presented to the BAC and the Board. Valley Water staff regularly provides the BAC progress report on implementing the Grants Management Performance Audit recommendations. For progress reports on implementing the recommendations, visit the BAC meetings at ***www.valleywater.org/accordion/board-audit-committee***.

Recent Project Status History (FY22–26)

Fiscal Year	Status	Change Control	Change Control Summary	Report Link
FY22	***ACTIVE***	***NONE***	Not Applicable	***FY22 (2021-2022)***
FY23	***ACTIVE***	***NONE***	Not Applicable	***FY23 (2022-2023)***
Fiscal Year	**Status**	**Change Control**	**Change Control Summary**	**Report Link**
FY24	***ON HOLD (KPI #1)***	***MODIFIED & ADJUSTED***	KPI #4 Modified to expand access. See details below.	

Status for FY24:

Annual Status	Change Control
ON HOLD (KPI #1)	***MODIFIED (KPI #4) & ADJUSTED (Text Adjustment)***

On April 9, 2024 , the Valley Water Board held a formal public hearing and approved modifying KPI #4 to "Provide up to $3 million per 15-year period for a Creekside Neighbor Rebate Program for watershed activities, including bank repair, sediment removal, and downed tree management.

In the first three years of the renewed Safe, Clean Water Program, Valley Water had received no successful application for KPI #4, which was restricted to partnerships with "small municipalities (defined as under 50,000 people in the most recent census available), or special districts with boundaries substantially within the footprint of small cities."

Meanwhile, community members had expressed interest in receiving Valley Water assistance to implement watershed activities that provide community benefits, such as bank repair, sediment removal, and downed tree management. The modification broadens and expands access beyond small municipalities and special districts to include individuals with a rebate program covering watershed activities. For more information and to view the public meeting, visit ***https://tinyurl.com/2024Apr9BoardMtg***.

PROGRESS ON KPI #1:

Standard Grants

In FY24, the annual standard grants funding opportunity was temporarily put on hold while Valley Water worked on redesigning the grants program to align with the changes adopted through the passage of the renewed Safe, Clean Water Program and address the recommendations from the 2021 Grants Management Performance Audit. On February 27, 2024, the Board authorized postponing the FY24 standard grants cycle for projects related to safe, clean drinking water, flood protection, and environmental stewardship (KPI #1) until the Grants Redesign Project is completed. The Board also approved reallocating the unspent $1.4 million funds from FY24 to future standard grant cycles over the next three years. To view the

meeting, visit ***tinyurl.com/2024Feb27BoardMtg.***

The Grants Redesign Project consists of two parts: a) streamlining grant administration; and b) updating the standard grant criteria. Streamlining grant administration will address the audit recommendations that apply to standard grants, including scaling the application and reporting requirements to fit each grant's size, risk, and complexity and aligning with the expanded renewed Safe, Clean Water Program. The standard grant criteria is being re-evaluated to allow for multi-benefit projects as well as other improvements under the renewed Safe, Clean Water Program.

Grantees who provided stakeholder input expressed support for the Grants Redesign Project and Valley Water postponing the FY24 standard grant cycle until the new criteria and administrative procedures are in place. Valley Water plans to open the next standard grant cycle in fall 2024; however, all other year-round grant and partnership opportunities remain available.

Standard Partnerships

Valley Water engaged with five (5) potential partners and continues to pursue partnership opportunities.

For a cumulative list of standard grants and partnerships awarded to date, please visit ***tinyurl.com/SCWgrants***.

Figure F9.1

In June 2024, the Children's Discovery Museum hosted a ribbon-cutting event for their Exploration Portal: Preventing Pollution Project. The new outdoor space in San José is partly funded through a $144,500 Safe, Clean Water Grant.

PROGRESS ON KPI #2:

In FY24, Valley Water continued the Refill Station Grant Program and awarded a total of $45,000 in Safe, Clean Water funding to the following nine (9) locations for water bottle refill stations, each for $5,000:

- Campbell Little League - Campbell Little League Field
- Cathedral Basilica of St. Joseph
- City of Gilroy - Wheeler Gym
- Franklin-McKinley School District - Stonegate School
- Luther Burbank School District - Luther Burbank School
- PTA California Congress of Parents Teachers & Students Inc. - Pearl Zanker Elementary School
- Santa Teresa Parish

- Silicon Valley Academy – Sunnyvale campus
- Sunnyvale Congregational Christian Church of American Samoa

Valley Water received an additional two (2) water bottle refill station applications in FY24, amounting to a total funding request of $10,000. Valley Water is actively collaborating with the refill station applicants to expedite their streamlined applications through the review and agreement process.

After purchase and installation, the grantee may use any funds remaining from the award amount for maintenance. Results from an independent third-party survey of grantees in FY24 reported that 100% continue to maintain the refill station beyond the grant term.

PROGRESS ON KPI #3:

In FY24, a total of $50,000 in Safe, Clean Water mini-grant funding was awarded to the following 10 projects, each for $5,000:

- Bay Area Older Adults - Watershed & Wildlife Education Walks
- Bay Area Older Adults - Watershed Appreciation Program
- Children's Discovery Museum – Guadalupe River Watershed Exhibit
- Compasspoint Mentorship - Los Gatos Creek Park Mural
- Compasspoint Mentorship - Hellyer County Park Mural, Northern Restroom
- Flycasters Conservation and Education Foundation, Inc. – Trout in the Classroom
- Green Foothills – Healing in Nature
- Los Altos Mountain View Community Foundation – St. Nicholas Tree Restoration
- Smart Yards Education - Hands-On DIY Aquaponics Workshop
- StemBoost Corporation - Safe and Clean Water Starts from Children

In addition, eight (8) mini-grant applications were received in FY24 with a total request amount of $40,000. Valley Water continues to review the applications submitted and is working with the mini-grant applicants to move their applications forward in the review process.

For a cumulative list of mini-grants awarded to date, please visit ***tinyurl.com/SCWgrants***.

PROGRESS ON KPI #4:

On April 9, the Board modified the KPI. Since the KPI was modified towards the end of the fiscal year, it was too late to allocate the budget to develop the new rebate-based program. Consequently, the new program will be initiated in FY25. Staff began initial outreach to subject matter experts to define process requirements for issuing rebates and inform the development of a framework for the program.

For more current information about this project, visit ***www.valleywater.org/project-updates/f9-grants-and-partnerships-safe-clean-water-flood-protection-and-environmental***.

Financial Information

In FY24, 61% of the annual project budget was expended.

The under-expenditure was due to the Grants Redesign Project and the Board-approved postponement of the FY24 standard grant cycle, which meant no standard grants were awarded in FY24. Per Board direction, the $1.4 million standard grant funds budgeted for FY24 will be adjusted and budgeted for standard grants over the next three years, FY25-FY28.

In FY24, much of the effort was focused on the Grants Redesign Project and executing FY23 agreements. Staffing transitions and resources available to administer these grant funding opportunities also impacted the program's ability to award and manage grants.

The budgeted funds for mini-grants and refill station grants were partially expended due to continued collaboration with applicants to strengthen project applications. In addition, multiple mini-grant applicants decided to wait until FY25 to submit their application when the Board approved increasing the award limit to $10,000.

Funding was made available for partnerships, but no funds were awarded in FY24, and Valley Water continues to engage with eligible organizations on potential partnership projects.

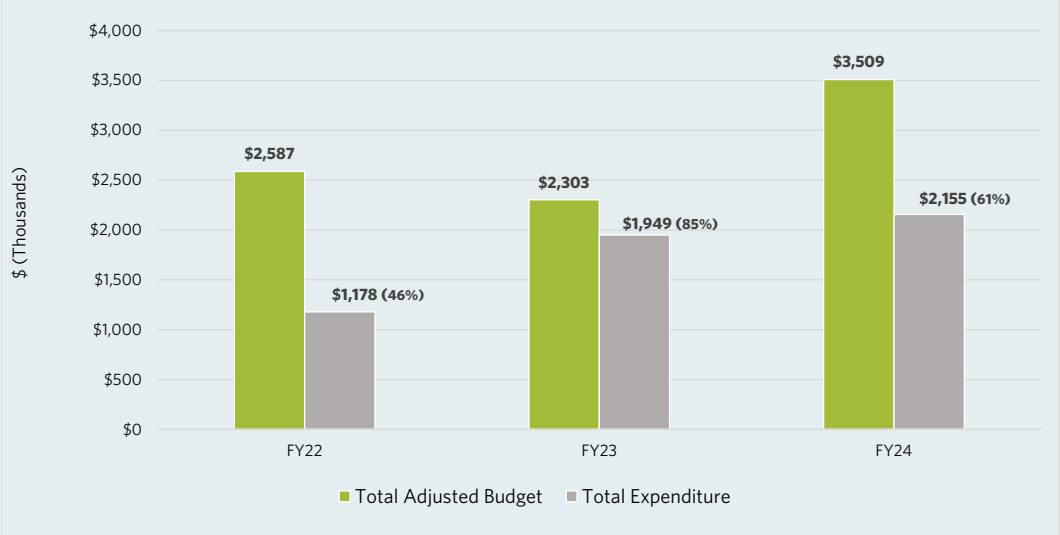
Figure F9.2 Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship

Financial Summary ($ Thousands)

Fiscal Year 2023-2024								15-year Plan	
Adopted Budget	Project Carryforward	Budget Adjustments	Adjusted Budget	Budgetary Actual			% of Budget Spent	Adjusted 15-year Plan	% of Adjusted 15-yr Plan Spent
				Actual	Encumbrance	Total			
$3,378	$0	$131	$3,509	$872	$1,283	$2,155	61%	$53,057	10%

Project Expenditure History

Figure F9.3 Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship Budget vs. Expenditure



Opportunities and Challenges

Administering 2012 Safe, Clean Water Program Grants

From FY14–21, 101 standard grants, 64 mini-grants and 10 partnerships were awarded. Of these, 15 standard grants, 10 mini-grants and 3 partnerships were yet to be closed at the end of FY23 and Valley Water continues to administer these projects under the renewed Safe, Clean Water program.

For more details, please visit ***tinyurl.com/SCWgrants2012***.

Coordination to Optimize Funding

Some activities appear to overlap in Projects B2, B4, F5, F6, and F9. Staff within these overlapping project areas maintain regular communication to avoid duplication of efforts and to cross-promote programs when appropriate. Coordination among staff helps to capitalize on opportunities and optimize funding.

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Appendices

Appendix A
Financial Information

Appendix B
Inflation Assumptions

Appendix C
Capital Projects Jurisdictional Complexities (Confidence Levels Regarding Outside Agencies)

Appendix D
Cumulative Trash Removal Data for Projects B1, B2, B4, F5 and F6

Appendix E
Schedule Comparison for Projects

Appendix F
Projects by Organizational Structure

Appendix G
Projects by Valley Water Mission Area

Appendix H
Countywide Map of Projects

Appendix I
Glossary

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Appendix A

The information presented in this report and all appendices are based on best available data at the time the report was developed. Financial information may change in the future.

FINANCIAL INFORMATION

To maintain transparency with members of the public the Appendix A section is prepared annually to complement the Safe, Clean Water and Natural Flood Protection (Safe, Clean Water) Annual Report. The Annual Report provides a wealth of information for individual program priorities and projects; the financial appendices summarize data for the entire program. The following schedules are included:

A-1.1 ANNUAL FINANCIAL SUMMARY highlights Safe, Clean Water projects by Priority for the year of the report (i.e. Fiscal Year 2023–2024). Information includes total program funding sources, annual adopted budget, any Board-approved budget adjustments, and actual expenditures.

A-1.2 CUMULATIVE FINANCIAL SUMMARY complements Appendix A-1.1, comparing the renewed Safe, Clean Water 15-year plan with cumulative program funding sources and expenditures. Similar to Appendix A-1.1, information includes total program funding sources, the adjusted 15-year plan by Priority (including any Board-approved budget adjustments), and actual program expenditures to date.

A-1.3 15-YEAR PLAN VS. ADJUSTED provides a graphical presentation by Priority, comparing the renewed Safe, Clean Water 15-year plan to an adjusted 15-year plan.

A-2.1 CURRENTLY AUTHORIZED PROJECT RESERVES shows current project reserve balance and increases to project reserves, if any. This appendix is focused on the report year only (i.e. Fiscal Year 2023–2024).

A-3.1 OTHER REVENUE compares other revenue sources by project, for the 15-year Safe, Clean Water program. Other revenue includes grants, state subventions, rental income, and cost share agreements or reimbursements. Program tax revenue is leveraged to bring in additional local, state and federal dollars, maximizing taxpayer dollars. Actuals to date and a forecast for remainder of the program are included. Other revenue sources are sorted by type and source.

A-3.2 TRANSFERS AND REFUNDING PROCEEDS identifies Safe, Clean Water transfers in, debt and refunding proceeds, and transfers out of the program. This appendix highlights activity to date and includes a forecast for the remaining 15-year program time frame. Where applicable, funds are identified by project.

Appendix A-1.1 Annual Financial Summary Fiscal Year 2023–2024 ($ Thousands)

		Adopted Budget	Carry-Forward	Budget Adjustment	Adjusted Budget	Budgetary Total Actual	% Receieved
Revenue	Special Tax	52,277		0	52,277	52,175	100%
	Interest	1,900		0	1,900	7,681	404%
	Other	23,400		0	23,400	3,939	17%
	SubTotal	**77,577**		**0**	**77,577**	**63,796**	**82%**
	Transfers In	0		0	0	0	
	Total Funding Sources	**77,577**		**0**	**77,577**	**63,796**	**82%**

Safe Clean Water Priority & Projects		Adopted Budget	Carry-Forward	Budget Adjustment	Adjusted Budget	Budgetary Actual			% of Budget Spent
						Actual	Total Encumbrance	Total Budgetary Actual	
Priority A: Ensure a Safe, Reliable Water Supply	A1: Pacheco Reservoir Expansion	0	0	0	0	0	0	0	0%
	A2: Water Conservation Rebates and Programs	0	0	1,093	1,093	1,093	0	1,093	100%
	A3: Pipeline Reliability Project	3,558	(9)	0	3,550	898	146	1,045	29%
	Subtotal	**3,558**	**(9)**	**1,093**	**4,642**	**1,991**	**146**	**2,137**	**46%**
Priority B: Reduce Toxins, Hazards and Contaminants in Our Waterways	B1: Impaired Water Bodies Improvement	1,482	0	0	1,482	1,187	222	1,409	95%
	B2: Inter-Agency Urban Runoff Program	864	0	0	864	778	0	778	90%
	B3: Hazardous Materials Management and Response	36	0	0	36	21	0	21	59%
	B4: Support Volunteer Cleanup Efforts	278	0	0	278	270	14	284	102%
	Subtotal	**2,660**	**0**	**0**	**2,660**	**2,256**	**236**	**2,492**	**94%**
Priority C: Protect Our Water Supply from Earthquakes and Natural Disasters	C1: Anderson Dam Seismic Retrofit	0	0	0	0	0	0	0	0%
	Subtotal	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0%**
Priority D: Restore Wildlife Habitat and Provide Open Space	D1: Management of Riparian Planting and Invasive Plant Removal	2,143	0	2,053	4,196	4,369	25	4,394	105%
	D2: Revitalize Riparian, Upland and Wetland Habitat	728	0	0	728	441	203	644	88%
	D3: Sediment Reuse to Support Restoration Projects	307	0	0	307	2	0	2	1%
	D4: Fish Habitat and Passage Improvement	2,611	1,661	475	4,747	1,289	0	1,289	27%
	D5: Ecological Data Collection and Analysis	357	0	0	357	192	0	192	54%
	D6: Restoration of Natural Creek Functions	2,669	3,855	0	6,524	6,060	107	6,167	95%
	D7: Partnerships for the Conservation of Habitat Lands	912	0	3,100	4,012	4,012	0	4,012	100%
	Subtotal	**9,727**	**5,517**	**5,628**	**20,871**	**16,366**	**335**	**16,701**	**80%**
Priority E: Provide Flood Protection to Homes, Business, Schools, Streets, and Highways	E1: Coyote Creek Flood Protection	1,604	3,784	2,500	7,888	6,593	862	7,456	95%
	E2: Sunnyvale East and Sunnyvale West Channels Flood Protection	0	10,025	0	10,025	1,821	0	1,821	18%
	E3: Lower Berryessa Flood Protection	0	0	0	0	0	0	0	0%
	E4: Upper Penitencia Creek Flood Protection	0	2,418	0	2,418	650	0	650	27%
	E5: San Francisquito Creek Flood Protection	4,917	10,972	0	15,888	1,299	22	1,320	8%
	E6: Upper Llagas Creek Flood Protection	22,422	23,011	2,000	47,433	14,336	3,635	17,970	38%
	E7: San Francisco Bay Shoreline Protection	3,752	3,450	0	7,202	1,805	476	2,281	32%
	E8: Upper Guadalupe River Flood Protection	0	474	0	474	424	0	424	90%
	Subtotal	**32,695**	**54,134**	**4,500**	**91,329**	**26,927**	**4,995**	**31,933**	**35%**

Appendix A-1.1 Annual Financial Summary Fiscal Year 2023–2024 ($ Thousands), cont'd

Safe Clean Water Priority & Projects		Adopted Budget	Carry-Forward	Budget Adjustment	Adjusted Budget	Budgetary Actual			% of Budget Spent
						Actual	Total Encumbrance	Total Budgetary Actual	
Priority F: Support Public Health and Public Safety for Our Community	F1: Vegetation Control and Sediment Removal for Capacity	5,091	0	0	5,091	4,736	30	4,766	94%
	F2: Emergency Response Planning and Preparedness	225	0	0	225	103	105	208	93%
	F3: Flood Risk Assessment Studies	1,211	0	0	1,211	1,229	6	1,234	102%
	F4: Vegetation Management for Access and Fire Safety	710	0	0	710	952	0	952	134%
	F5: Good Neighbor Program: Encampment Cleanup	4,130	0	0	4,130	3,313	272	3,586	87%
	F6: Good Neighbor Program: Graffiti and Litter Removal and Public Art	1,141	0	0	1,141	518	36	555	49%
	F7: Emergency Response Upgrades	758	0	0	758	658	50	708	93%
	F8: Sustainable Creek Infrastructure for Continued Public Safety	347	0	0	347	128	0	128	37%
	F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship	3,378	0	131	3,509	872	1,283	2,155	61%
	Subtotal	**16,991**	**0**	**131**	**17,122**	**12,508**	**1,783**	**14,291**	**83%**
	Subtotal of All Outcome Costs	**65,630**	**59,642**	**11,352**	**136,624**	**60,049**	**7,496**	**67,545**	**49%**
Close Out of 2012 SCW Program	Berryessa Creek Flood Protection	1,146	11,519	0	12,665	947	0	947	7%
	Permanente Creek Flood Protection	458	63	(458)	63	24	0	24	39%
	Subtotal	**1,604**	**11,581**	**(458)**	**12,727**	**971**	**0**	**971**	**8%**
SCW Planning & Development		5,326	85	1,260	6,671	6,138	9	6,147	92%
Debt Service		9,474	0	0	9,474	5,235	50	5,285	56%
	Total Program Cost	**82,034**	**71,308**	**12,154**	**165,496**	**72,394**	**7,555**	**79,948**	**48%**
Debt Proceeds		(38,361)	0	0	(38,361)	0	0	0	0%
	Net Total	**43,673**	**71,308**	**12,154**	**127,135**	**72,394**	**7,555**	**79,948**	**63%**
Net Increase/(Decrease) to Reserves		33,904	0	0	(49,558)	0	0	(16,153)	0%
	Total Outlay	**115,938**	**0**	**0**	**115,938**	**0**	**0**	**63,796**	**55%**

Note: Budgetary Actual numbers are based on the Draft Annual Comprehensive Financial Report and are subject to change.

Appendix A-1.2 Cumulative Financial Summary Fiscal Years 2022–2024 ($ Thousands)

		15-yr Plan	FY21 Actual Res Bal	Board Appv'd Adj [1]	Adjusted 15-yr Plan	Program-To-Date Actuals		Current 15-yr Forecast[4]	% Received
Revenue	Special Tax	826,487	0	0	826,487	148,631		874,731	17%
	Interest	14,763	0	0	14,763	14,027		33,697	42%
	Other[2]	117,039	0	6,800	123,839	17,826		127,857	14%
	Subtotal	**958,289**	**0**	**6,800**	**965,089**	**180,483**		**1,036,285**	
	Beginning FY22 Reserves	0	170,749	0	170,749	0		170,749	
	Transfers In[3]	2,516	0	0	2,516	2,606		14,706	
	Total Funding Sources	**960,805**	**170,749**	**6,800**	**1,138,354**	**183,090**		**1,221,740**	

		15-yr Plan	FY21 Enc Bal & Cap Proj Resrvs	Board Appv'd Adj [1]	Adjusted 15-yr Plan	Program-To-Date Actuals			% of Adjusted 15-yr Plan	Current 15-yr Forecast[4]	15-yr forecast above/ (below) 15-yr Plan
						Actuals	Encumbrance	Total			
Priority A: Ensure a Safe, Reliable Water Supply	A1: Pacheco Reservoir Expansion[5]	10,000	0	9	10,009	0	0	0	0%	0	(10,009)
	A2: Water Conservation Rebates and Programs	7,892	0	0	7,892	3,154	0	3,154	40%	7,862	(30)
	A3: Pipeline Reliability Project	9,816	(8)	4,724	14,531	1,613	207	1,819	13%	23,917	9,386
	Subtotal	**27,708**	**(8)**	**4,733**	**32,433**	**4,767**	**207**	**4,973**	**15%**	**31,780**	**(654)**
Priority B: Reduce Toxins, Hazards and Contaminants in Our Waterways	B1: Impaired Water Bodies Improvement	32,792	718	0	33,510	4,216	464	4,680	14%	27,650	(5,861)
	B2: Inter-Agency Urban Runoff Program	19,758	0	0	19,758	2,177	0	2,177	11%	16,079	(3,679)
	B3: Hazardous Materials Management and Response	1,054	0	0	1,054	68	0	68	6%	615	(439)
	B4: Support Volunteer Cleanup Efforts	5,051	147	0	5,198	638	18	656	13%	4,938	(259)
	Subtotal	**58,655**	**865**	**0**	**59,520**	**7,099**	**482**	**7,581**	**13%**	**49,282**	**(10,238)**
Priority C: Protect Our Water Supply from Earthquakes and Natural Disasters	C1: Anderson Dam Seismic Retrofit	54,053	0	0	54,053	0	0	0	0%	0	0
	Subtotal	**54,053**	**0**	**0**	**54,053**	**0**	**0**	**0**	**0%**	**54,053**	**0**
Priority D: Restore Wildlife Habitat and Provide Open Space	D1: Management of Riparian Planting and Invasive Plant Removal	68,913	18	(16,190)	52,741	7,448	25	7,473	14%	53,028	287
	D2: Revitalize Riparian, Upland and Wetland Habitat	8,138	889	0	9,027	2,284	861	3,145	35%	8,303	(724)
	D3: Sediment Reuse to Support Restoration Projects	4,081	0	0	4,081	239	0	239	6%	3,726	(355)
	D4: Fish Habitat and Passage Improvement	44,142	2,592	(16,126)	30,608	7,230	5	7,235	24%	33,992	3,384
	D5: Ecological Data Collection and Analysis	7,540	49	0	7,589	1,002	109	1,111	15%	7,853	264
	D6: Restoration of Natural Creek Functions	14,539	2,246	2,007	18,792	17,426	399	17,824	95%	19,096	304
	D7: Partnerships for the Conservation of Habitat Lands	8,008	0	0	8,008	4,025	0	4,025	50%	7,920	(87)
	Subtotal	**155,360**	**5,794**	**(30,309)**	**130,845**	**39,653**	**1,399**	**41,052**	**31%**	**133,917**	**3,072**
Priority E: Provide Flood Protection to Homes, Business, Schools, Streets, and Highways	E1: Coyote Creek Flood Protection	41,771	2,184	164,810	208,765	12,988	862	13,850	7%	205,944	(2,821)
	E2: Sunnyvale East and Sunnyvale West Channels Flood Protection	32,965	17,343	(12,533)	37,775	5,408	2,613	8,021	21%	37,700	(75)
	E3: Lower Berryessa Flood Protection	8,202	0	322	8,524	0	0	0	0%	6,839	(1,685)
	E4: Upper Penitencia Creek Flood Protection	20,403	6,571	(17,766)	9,209	1,587	17	1,604	17%	10,049	841
	E5: San Francisquito Creek Flood Protection[2]	31,516	2,389	22,127	56,033	4,519	242	4,761	8%	53,836	(2,197)
	E6: Upper Llagas Creek Flood Protection[2]	126,325	24,360	25,564	176,249	83,073	6,510	89,583	51%	195,516	19,267
	E7: San Francisco Bay Shoreline Protection	45,980	18	(7,012)	38,986	2,893	481	3,374	9%	40,210	1,225
	E8: Upper Guadalupe River Flood Protection	35,773	27,213	1,137	64,124	4,334	3,042	7,376	12%	66,129	2,005
	Subtotal	**342,935**	**80,080**	**176,649**	**599,664**	**114,802**	**13,767**	**128,569**	**21%**	**616,223**	**16,559**

Appendix A-1.2 Cumulative Financial Summary Fiscal Years 2022–2024 ($ Thousands), cont'd

		15-yr Plan	FY21 Enc Bal & Cap Proj Resrvs	Board Appv'd Adj [1]	Adjusted 15-yr Plan	Program-To-Date Actuals			% of Adjusted 15-yr Plan	Current 15-yr Forecast[4]	15-yr forecast above/ (below) 15-yr Plan
						Actuals	Encumbrance	Total			
Priority F: Support Public Health and Public Safety for Our Community	F1: Vegetation Control and Sediment Removal for Capacity	114,147	119	(10,581)	103,684	10,447	91	10,538	10%	100,655	(3,030)
	F2: Emergency Response Planning and Preparedness	7,178	91	0	7,269	413	105	518	7%	3,963	(3,306)
	F3: Flood Risk Assessment Studies	21,906	101	0	22,007	3,791	59	3,850	17%	22,076	69
	F4: Vegetation Management for Access and Fire Safety	12,001	0	0	12,001	2,529	3	2,532	21%	12,147	146
	F5: Good Neighbor Program: Encampment Cleanup	38,709	0	0	38,709	7,960	272	8,232	21%	52,178	13,469
	F6: Good Neighbor Program: Graffiti and Litter Removal and Public Art	13,092	105	0	13,197	1,902	41	1,943	15%	12,342	(855)
	F7: Emergency Response Upgrades	13,192	3	0	13,195	1,824	68	1,891	14%	13,115	(80)
	F8: Sustainable Creek Infrastructure for Continued Public Safety	7,501	0	0	7,501	607	0	607	8%	9,574	2,073
	F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship	53,057	0	0	53,057	3,500	1,836	5,336	10%	48,355	(4,702)
	Subtotal	**280,783**	**419**	**(10,581)**	**270,620**	**32,973**	**2,475**	**35,447**	**13%**	**274,405**	**3,785**
	Subtotal of All Outcome Costs	**919,494**	**87,149**	**140,492**	**1,147,136**	**199,293**	**18,329**	**217,623**	**19%**	**1,159,660**	**12,525**
Close out of 2012 SCW Program	Safe, Clean Water Partnerships and Grants	0	138	0	138	71	13	84	61%	140	3
	Pollution Prevention Partnerships and Grants	0	815	0	815	331	591	922	113%	814	(0)
	Grants and Partnerships to Restore Wildlife Habitat and Provide Access to Trails	0	3,224	0	3,224	1,262	1,766	3,028	94%	3,229	5
	San Francisquito Creek Flood Protection	0	384	(373)	11	12	0	12	108%	218	207
	Berryessa Creek Flood Protection	0	17,061	(3,717)	13,344	1,634	3,538	5,173	39%	5,159	(8,185)
	Permanente Creek Flood Protection	0	3,546	(1,927)	1,619	3,005	499	3,504	216%	3,648	2,029
	Subtotal	**0**	**25,168**	**(6,017)**	**19,151**	**6,290**	**6,408**	**12,698**	**66%**	**13,209**	**(5,942)**
SCW Planning & Development		22,062	36	23,760	45,857	15,810	33	15,843	35%	69,451	23,593
Debt Proceeds		(310,000)	0	0	(310,000)	(94,486)	0	(94,486)	30%	(373,832)	(63,832)
Debt Service		296,123	157	(31,523)	264,757	9,197	137	9,334	4%	258,804	(5,953)
	Total Program Cost	**617,679**	**112,511**	**126,712**	**856,902**	**136,104**	**24,908**	**161,012**	**19%**	**1,127,292**	**(39,610)**
Contingency Reserve		5,000	0	0	5,000	0	0	5,000	0%	5,000	0
Rate Stabilization Reserve		25,000	0	0	25,000	0	0	25,000	0%	4,000	0
Reserve for Encumbrance Balance		0	0	0	0	0	0	24,908	0%	0	0
Currently Authorized Projects Reserves[6]		0	0	0	0	0	0	112,252	0%	0	0
Operating & Capital Reserves[7]		313,126	58,238	(119,912)	251,452	0	0	42,721	0%	85,448	(166,004)
	Total Reserve Balance	**343,126**	**58,238**	**(119,912)**	**281,452**	**0**	**0**	**209,881**	**75%**	**94,448**	**(166,004)**
	Total Outlay	**960,805**	**170,749**	**6,800**	**1,138,354**	**0**	**0**	**370,893**	**0%**	**1,221,740**	**(205,614)**

[1] Board approved adjustments include changes to Safe, Clean Water capital projects based on the Board approved FY24 CIP; staff performed a detailed review of Board-approved adjustments to date (FY22 - FY24) and made updates accordingly.

[2] The $123.8M projected Other Revenue includes $110.0M in unsecured grant funding for the following: (1) $80.0M for Upper Llagas Creek and (2) $30.0M for San Francisquito Creek. Of note, $80.0M NRCS grant funding was secured for Upper Llagas Creek in July 2024, and will be reflected accordingly in the FY 2024-25 annual report. If funding is not secured, project scope will be modified accordingly. See Appendix A-3.1 for more detail.

[3] Transfers In of $2.6M is for the Upper Penitencia Creek project.

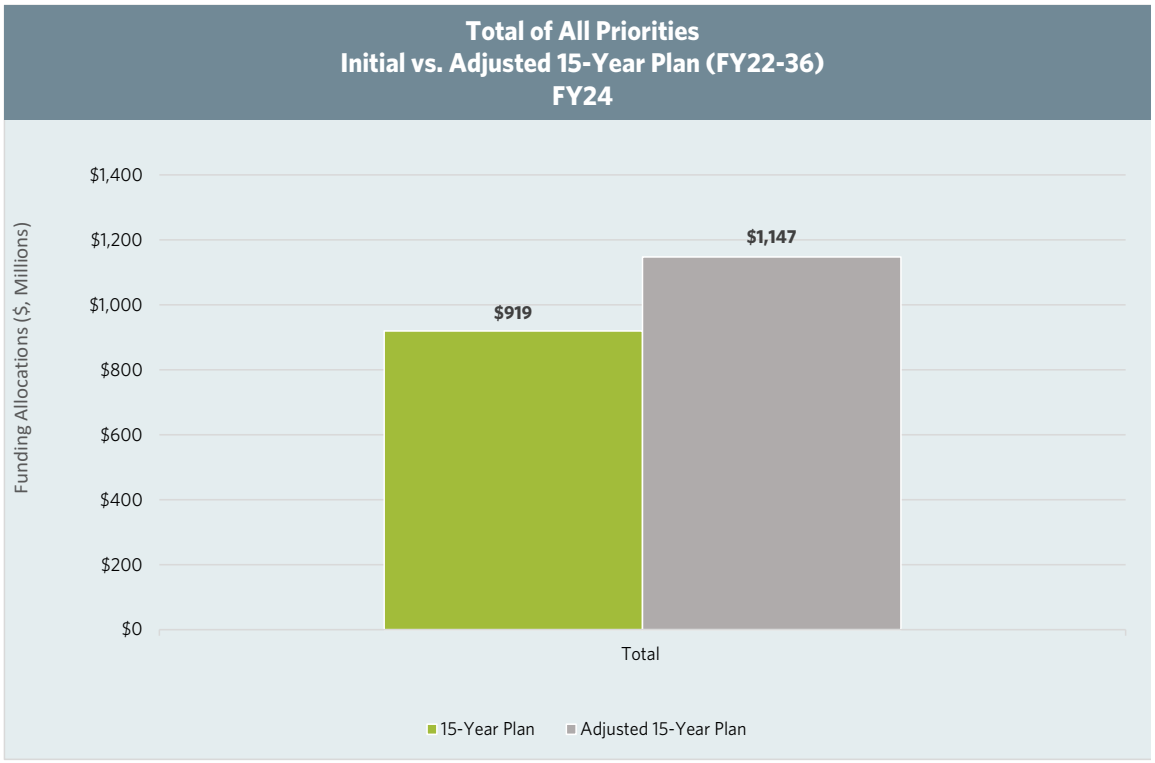
[4] Current 15-year Forecast is a staff forecast on which the Board has not taken any action and reflects the long-term forecast from the planning cycle following the report year. Of note, on April 9, 2024 the Board approved not implementing the Pacheco Reservoir Expansion Project under the Safe, Clean Water Project A1 KPI.

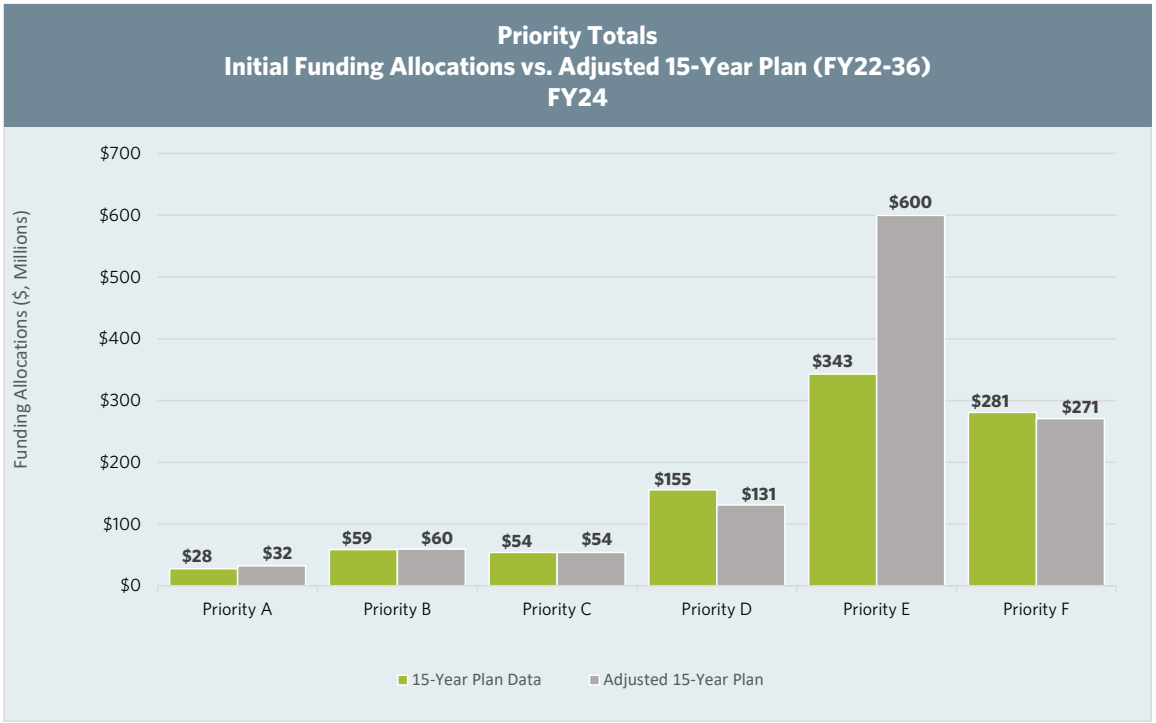
[5] Does not include Board-approved modifications (reflected in Board Approved Adjustment and Adjusted 15-year Plan columns) to certain projects within the Safe, Clean Water Program on April 9, 2024, that were effective July 1, 2024 (or FY 2024-25). Such modifications will be reflected in the FY 2024-25 annual report.

[6] Currently Authorized Project Reserves represents unspent capital project budget that will be carried forward and spent in a future year; refer to Appendix A2.1 for more detail.

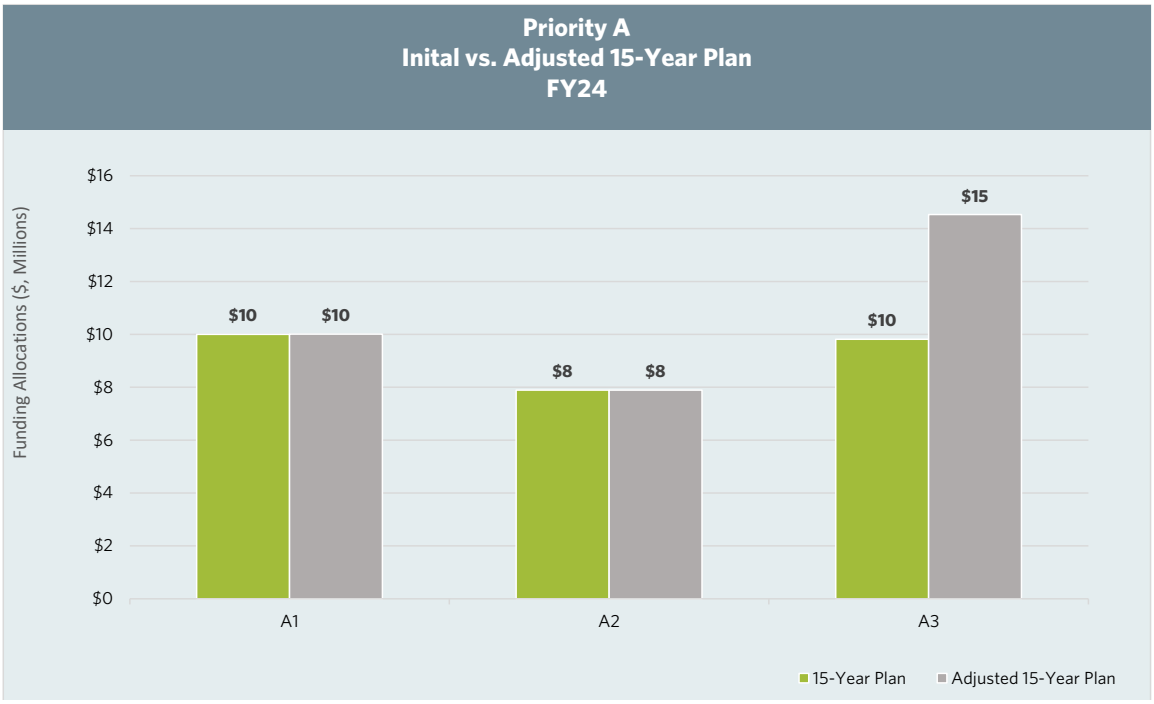
[7] Operating and Capital Reserves are to ensure adequate working capital for cash flow needs and to provide a funding source for operating and capital needs that arise during the year. See Summary Budget Book (Chapter 3 - Financial Review: Reserve Policy and Fund Balances) for further details.

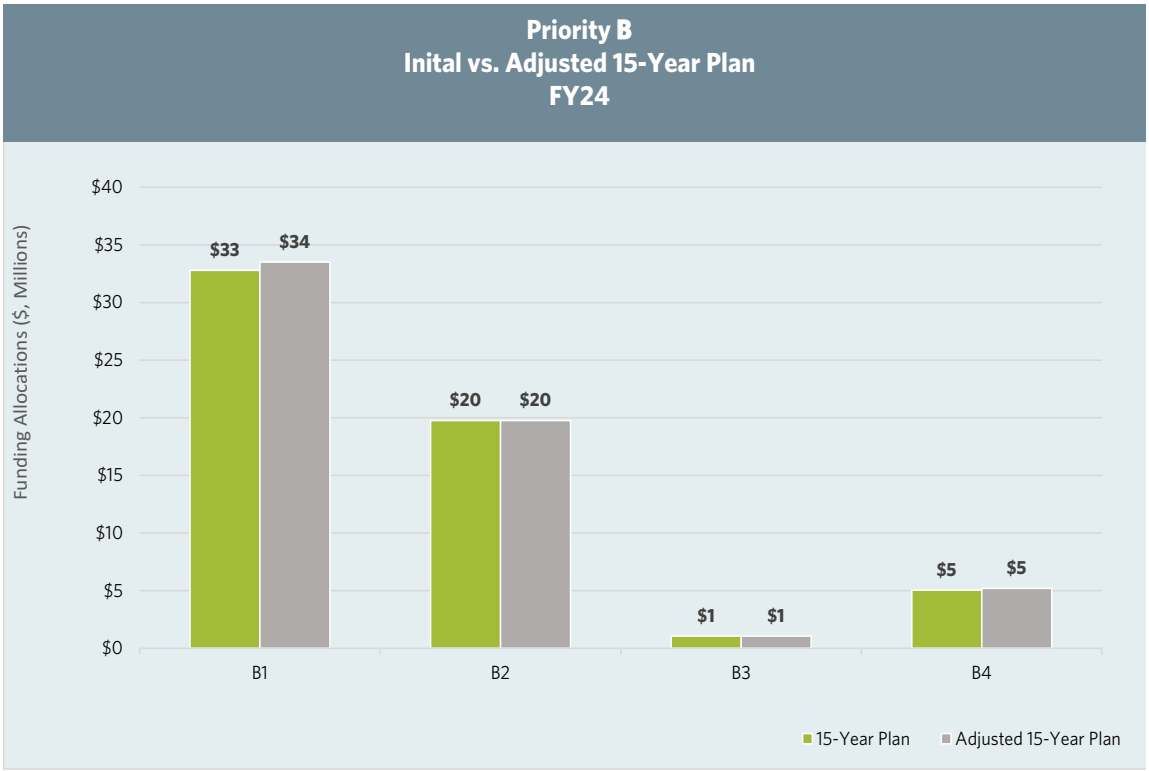
Appendix A-1.3 15-Year Plan vs. Adjusted ($ Millions)





Appendix A-1.3 15-Year Plan vs. Adjusted ($ Millions), cont'd





Attachment 1
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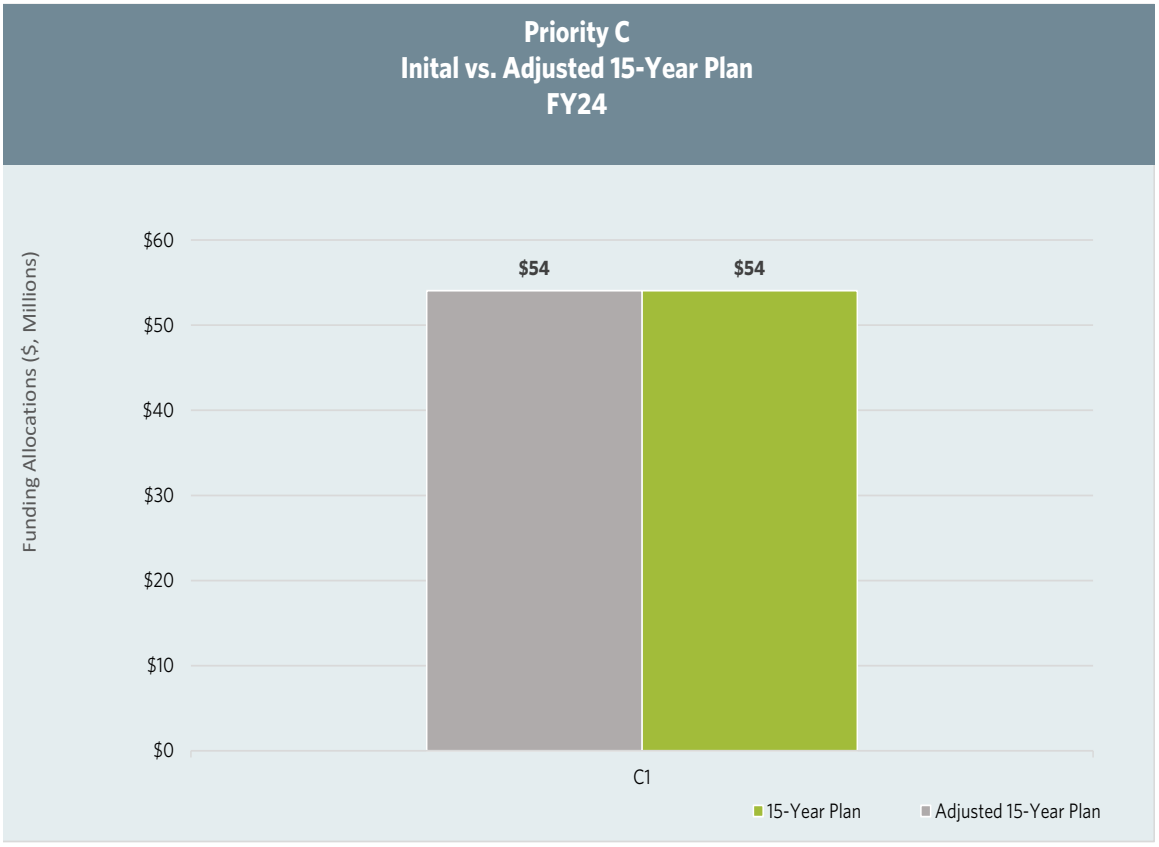
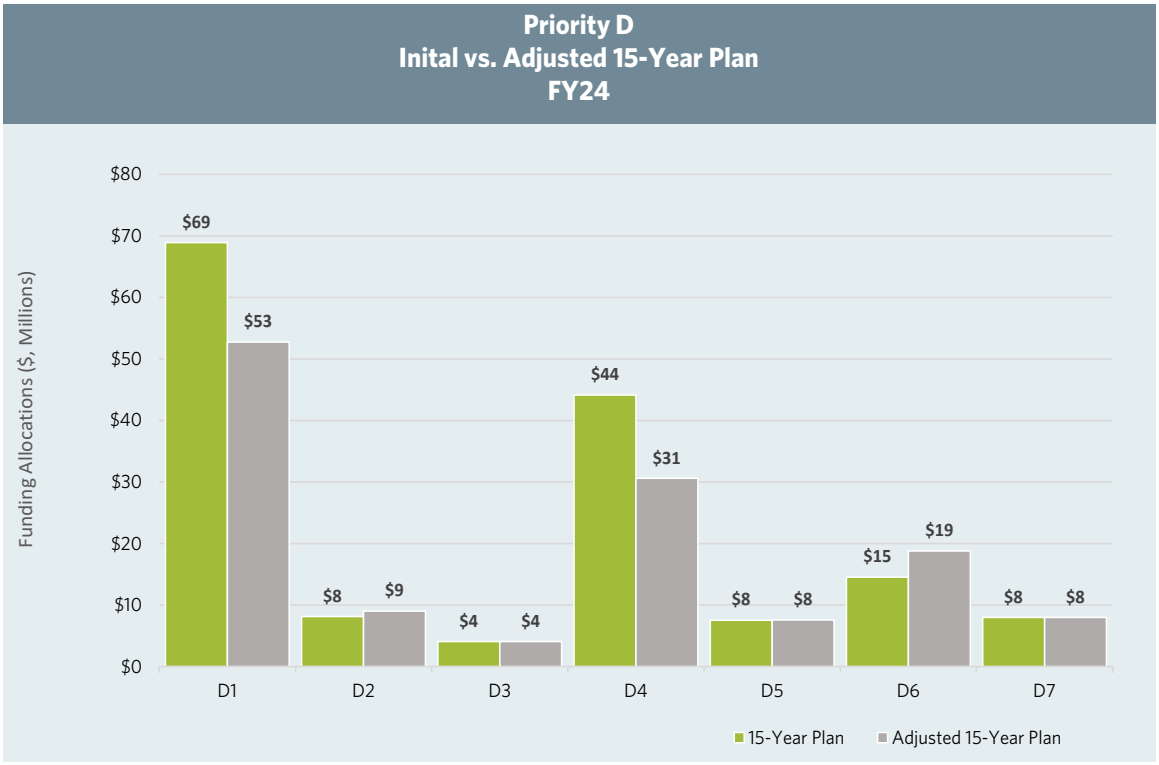
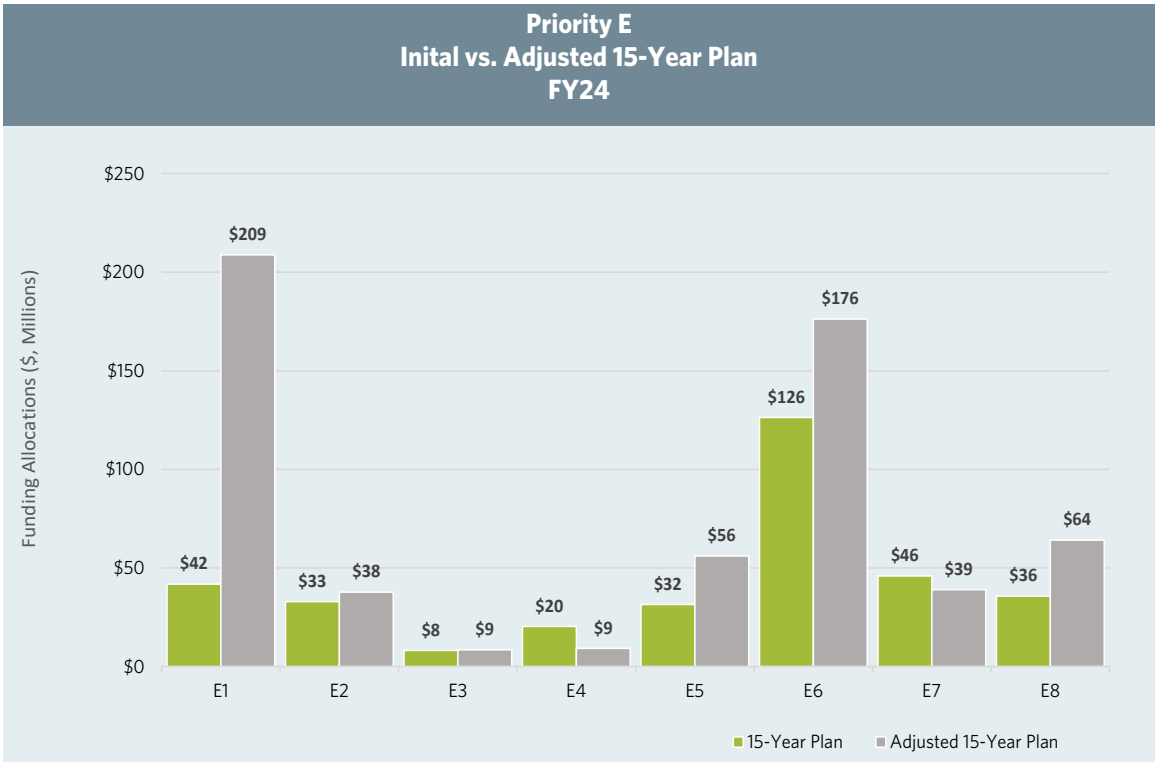
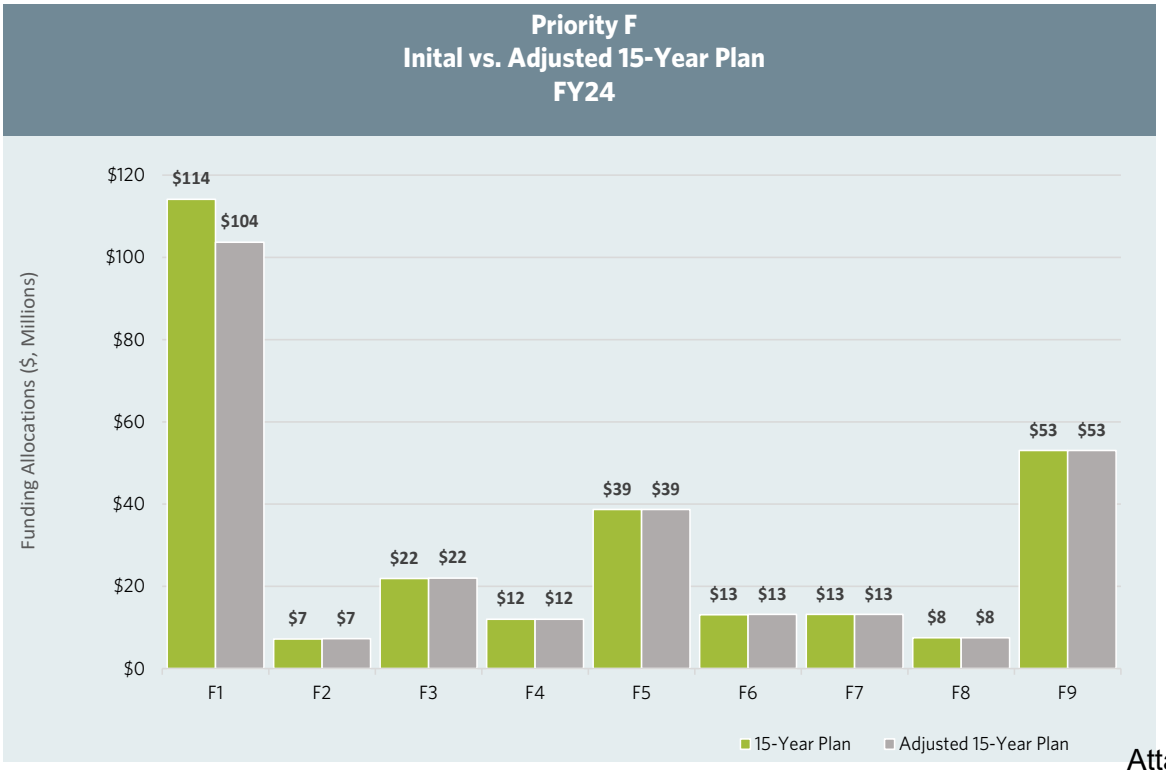
Appendix A-1.3 15-Year Plan vs. Adjusted 2023–2024 ($ Millions), cont'd





Appendix A-1.3 15-Year Plan vs. Adjusted 2023–2024 ($ Millions), cont'd





Appendix A-2.1 FY2023-2024 Currently Authorized Project Reserves ($ Thousands)

	Currently Authorized Project Reserves		
	Unspent Capital Project Budget	Unspent FY2023-24 Capital Project Reserves	Total Reserves
Priority A: Ensure a Safe, Reliable Water Supply			
A3: Pipeline Reliability Project	3,265	0	3,265
Subtotal	**3,265**	**0**	**3,265**
Priority D: Restore Wildlife Habitat and Provide Open Space			
D4: Fish Habitat and Passage Improvements	934	168	1,102
D6: Restoration of Natural Creek Functions	609	180	789
Subtotal	**1,544**	**348**	**1,892**
Priority E: Provide Flood Protection to Homes, Business, Schools, Streets, and Highways			
E1: Coyote Creek Flood Protection	433	0	433
E2: Sunnyvale East and Sunnyvale West Channels Flood Protection	8,303	1,949	10,252
E4: Upper Penitencia Creek Flood Protection	1,768	5,835	7,603
E5: San Francisquito Creek Flood Protection	14,599	972	15,572
E6: Upper Llagas Creek Flood Protection	29,468	5,971	35,439
E7: San Francisco Bay Shoreline Protection	4,921	685	5,606
E8: Upper Guadalupe River Flood Protection	52	20,379	20,431
Subtotal	**59,544**	**35,791**	**95,335**
Close out of 2012 SCW Program			
Berryessa Creek Flood Protection	11,718	0	11,718
Permanente Creek Flood Protection	42	0	42
Subtotal	**11,760**	**0**	**11,760**
Total	**76,113**	**36,139**	**112,252**

Appendix A-3.1: Other Revenue ($ Thousands)

Other Revenue Sources	Project Numbers	Original Forecast (FY21)	Preliminary Actuals Program-To-Date FY22–FY24	Preliminary Forecast FY25–FY36
Capital Reimbursements				
State Subventions				
E6: Upper Llagas Creek Flood Protection	26174051s	7,313	12,364	0
CSC: Berryessa Creek Flood Protection	26174041s	826	851	0
Grants				
E8: Upper Guadalupe River Flood Protection	26154003	0	2,169	0
National Resources Conservation Service Grant (Unsecured) E6: Upper Llagas Creek Flood Protection	26174051s	80,000	0	80,000
Department of Water Resources Prop. 84 Grant (Unsecured) E5: San Francisquito Creek Flood Protection	26284002	8,900	0	0
Other				
City of Morgan Hill E6: Upper Llagas Creek Flood Protection	26174051s	0	546	0
Cost Share Agreements				
San Francisquito Joint Powers Authority (Unsecured) E5: San Francisquito Creek Flood Protection	26284002s	20,000	0	30,031
Local Operating Grants				
Guadalupe River Coordinated Mercury Monitoring Plan B1: Impaired Water Bodies Improvement	26752043	0	141	0
Rental Income				
Safe, Clean Water (Fund 26)		0	1,051	0
Sources - Other*				
Safe, Clean Water (Fund 26)		0	292	0
Subtotal:		**117,039**	**17,826**	**110,031**
Combined Grand Total (Actuals & Forecast):				**127,857**

* Includes: Miscellaneous one-time Receipts and other Non-Operating Income, Claims & Judgements, and Cost Recovery for the program

Appendix A-3.2 FY2024 Transfers and Debt Proceeds ($ Thousands)

	Preliminary Actuals FY22-FY24	Preliminary Forecast FY25-FY36
Debt Proceeds[1]		
Debt (excluding WIFIA)	56,000	184,056
WIFIA loan	38,486	95,291
Total	**94,486**	**279,347**
Transfers In		
Watersheds Stream Stewardship (Fund 12)		
E4: Upper Penitencia Creek Flood Protection	2,606	0
F8: Sustainable Creek Infrastructure for Continued Public Safety (Regnart Creek)	0	2,200
Water Utility Enterprise (Fund 61)		
A3: Pipeline Reliability Project	0	9,900
Total	**2,606**	**12,100**
Transfers Out		
Water Utility Enterprise (Fund 61)		
A1: Pacheco Reservoir Expansion[2]	0	0
A2: Water Conservation Rebates and Programs[3]	(3,154)	(4,709)
C1: Anderson Dam Seismic Retrofit[4]	0	(54,054)
Total	**(3,154)**	**(58,763)**
Subtotal	**93,938**	**232,684**
Combined Grand Total		**326,623**

[1] See Annual Comprehensive Financial Report for further details [Notes to Basic Financial Statements, Short-Term and Long-Term Liabilities for Governmental Activities (typically Note #7)]

[2] Captured as a Project A1 expense

[3] Captured as a Project A2 expense

[4] Captured as a Project C1 expense

Appendix B: Inflation Assumptions

Inflation Assumptions															
	Actual FY22	Actual FY23	Actual FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36
COLA Increase %	4%	3%	3%	3%	3%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Step Increase %	2%	2%	2%	2%	2%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Benefits Rate	51%	57%	55%	60%	64%	65%	66%	68%	69%	70%	70%	71%	73%	74%	72%
Supplies & Svcs Inflation*	7%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Construction Cost Inflation**	14%	0%	12%	7%	6%	6%	6%	5%	5%	5%	5%	5%	5%	3%	3%

* Actual supplies and services inflation based on the San Francisco-Oakland-Hayward Consumer Price Index for all urban consumers as of June 2024

** Actual construction cost inflation based on the City Cost Index of Engineering News Record results for the San Francisco Bay Area as of June 2024

Note: Inflation projections are developed in advance of the beginning of the next fiscal year.

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Appendix C: Capital Projects Jurisdictional Complexities (Confidence Level Regarding Outside Agencies) Fiscal year 2023–24

Partners and Outside Agencies	A1 Pacheco Reservoir Expansion	A3 Pipeline Reliability	C1 Anderson Dam Seismic Retrofit		D4 Fish Habitat and Passage Improvement	E1 Coyote Creek Flood Protection Project		E2 Sunnyvale East/ West Channels Flood Protection	E4 Upper Penitencia Creek Flood Protection	E5 San Francisquito Creek Flood Protection	E6 Upper Llagas Creek Flood Protection	E7 San Francisco Bay Shoreline Protection	E8 Upper Guadalupe River Flood Protection
			ADSR	FOCP	KPI #2: Ogier Ponds	CCFPP	CCFMMP			Upstream of 101		EIAs 1–9	Reaches 7–12
Funding													
U.S. Army Corps of Engineers										M		M	M
State Grants	H					VH			M	H			
San Benito County Water District (Funding)	MH												
San Francisco Bay Restoration Authority (Measure AA)													
Water Infrastructure Finance and Innovation Act (WIFIA)	H		H			VH		H	M				
Natural Resources Conservation Service (NRCS)											H		
Santa Clara Valley Habitat Agency					M								
Other	M					MH		M					
Regulatory Permitting													
U.S. Army Corps of Engineers	M		M	VH	M			M	M	M	VH		M
Bay Area Air Quality Management District			M	VH									
California Department of Fish and Wildlife	M	H	M	VH	M	M	VH	M	M	M	VH		M
California Department of Industrial Relations/CA Occupational Safety			M	VH									
Department of Water Resources Division of Safety of Dams			M	VH									
Federal Energy Regulatory Commission			M	VH									
National Marine Fisheries Service			M	VH	M			M	M	M	VH		M
San Francisco Bay Regional Water Quality Control Board	M	H	M	VH	M	M	VH	M	M	M			M
Central Coast Regional Water Quality Control Board											VH		
San Francisco Bay Conservation and Development Commission			M					M					
United States Fish and Wildlife Service	M		VH	VH					M	M	VH		M
Santa Clara Valley Habitat Agency		H			M	M	VH		M				
Cities													
Cupertino		MH											
East Palo Alto										MH			
Los Altos													
Menlo Park										MH			
Morgan Hill			H	VH							VH		

NOTE:
VH - VERY HIGH, H - HIGH, MH - MEDIUM HIGH, M- MEDIUM, L- LOW
Empty cells are not applicable to that project.

Appendix C: Capital Projects Jurisdictional Complexities (Confidence Level Regarding Outside Agencies) Fiscal year 2023–24, cont'd

Partners and Outside Agencies	A1 Pacheco Reservoir Expansion	A3 Pipeline Reliability	C1 Anderson Dam Seismic Retrofit		D4 Fish Habitat and Passage Improvement	E1 Coyote Creek Flood Protection Project		E2 Sunnyvale East/ West Channels Flood Protection	E4 Upper Penitencia Creek Flood Protection	E5 San Francisquito Creek Flood Protection	E6 Upper Llagas Creek Flood Protection	E7 San Francisco Bay Shoreline Protection	E8 Upper Guadalupe River Flood Protection
			ADSR	FOCP	KPI #2: Ogier Ponds	CCFPP	CCFMMP			Upstream of 101		EIAs 1–9	Reaches 7–12
Mountain View												M	
Palo Alto										MH		M	
San José		MH			M	M	VH		M				M
Saratoga		MH											
Sunnyvale								H				M	
Counties													
Santa Clara County		MH	H	VH	M			H	M		VH	M	
San Mateo County										MH			
San Benito County Water District	H												
Other Agencies													
California Department of Transportation (Caltrans)								M		H			M
California State Coastal Conservancy												M	
Gate of Heaven Cemetery (Diocese of San José)													
Department of Water Resources		MH									H		
Santa Clara Valley Habitat Agency													
Santa Clara County Parks & Recreation Department					M								
Federal Emergency Management Agency (FEMA)								H			H		
Peninsula Corridor Joint Power Boards (Caltrain)													M
Midpeninsula Regional Open Space District												M	
Santa Clara Valley Transportation Authority (VTA)		MH							M				
West Valley Sanitation District		MH											
NASA Moffett Field												M	
PG&E		M	MH	VH				MH	M	MH	H		M
Pacheco Pass Water District	H												
San Francisquito Creek Joint Powers Authority										VH			
San Mateo County and Sea level Rise Resiliency District										MH			
Union Pacific Railroad		L											M
San Francisco Public Utilities Commission (SFPUC)								MH					
Google LLC								VH					
San José Unified School District						MH							

NOTE:
VH - VERY HIGH, H - HIGH, MH - MEDIUM HIGH, M- MEDIUM, L- LOW
Empty cells are not applicable to that project.

Appendix D: Cumulative Trash Removal Data for Projects B1, B2, B4, F5, F6 and F9

D-1: Estimated volume of trash removed by Projects B1, B2, B4, F5 and F6[1]

Project	Estimated amount of trash and debris removed in Tons and Cubic Yards (CY)			
	FY22-FY23		FY24	
	Est. Tons	Est. CY	Est. Tons	Est. CY
B1: Impaired Water Bodies Improvement (KPI#3: Accumulation point mapping and removal)[2]	40	403	3.0	29.6
B2: Inter-agency Urban Runoff Program (KPI#1: Trash booms)[2]	7.4	31.7	2.0	19.8
B2: Inter-agency Urban Runoff Program (KPI#1: Hot Spot cleanup)[2,5]	0.4	4.3	0.0	0.0
B4: Support Volunteer Cleanup Efforts (Cleanup day events)[3]	122	1,222	46	464
Coyote Creek Flood Management Measures Project (CCFMMP)	565	7,910	n/a	n/a
F5: Good Neighbor Program: Encampment Cleanups[4]	1,665	23,316	1,080	15,123
F6: Good Neighbor Program: Graffiti and Litter Removal and Public Art[4]	156	2,181	70	976
Estimated Totals	**2,556**	**35,068**	**1,201**	**16,612**

[1] Grants and partnership trash removal information for Project F9 is reported upon the completion of the grant, often spanning several years. Project F9 data by grant project is included in Table D-4.

[2] The San Francisco Bay Regional Water Quality Control Board has requested that all stormwater permittees report trash in volume rather than weight. Volume is a more meaningful measure of the trash present because it is not affected by the weight of wet vs. dry trash. For Projects B1 and B2, volume is visually estimated in the field and likely includes some vegetation and debris. Where data was only collected in weight, a conversion was used based on a solid waste calculator estimating 10 cubic yards per ton.

[3] Adopt-A-Creek partners use number of bags and approximate weights to estimate pounds. Using pounds simplifies measurement for volunteers and is consistent with the efforts of the other jurisdictions implementing Coastal Clean Up and National River Clean Up Days. Pounds were converted to tons (2,000 pounds = 1 US ton). Tons were then converted to cubic yards using an estimate of 10 cubic yards per ton. For project B4 cleanup day even totals, the Safe, Clean Water Program funds 55% of this project.

[4] Tons were converted to cubic yards using an estimate of 14 cubic yards per ton, which is based on a comparison with industry standard conversions and a watershed field operations field experiment and analysis. Project F5 and F6 quantities are based on landfill weights measured in tons.

[5] As of FY23, hot spot cleanups are no longer a requirement of the San Francisco Bay Region Municipal Regional Stormwater NPDES Permit.

D-2: Estimated volume of trash removed by watershed for Projects B1, B2, F5, and F6[1]

San Francisco Bay Watersheds	Estimated cubic yards (CY) of trash and debris removed	
	FY22-FY23	FY24
Lower Peninsula	184	185
West Valley	2,998	1,360
Guadalupe	7,999	8,225
Coyote	20,036	4,870
Uvas/Llagas (Pajaro)	2,458	1,508
Estimated Totals	**33,675**	**16,148**

D-3: Estimated cost of trash removal activities for Projects B4, F5, and F6[2]

Project	Estimated costs for trash removal	
	FY22-FY23	FY24
B4: Volunteer Cleanup Efforts and Education[3]	$82,600	$52,003
F5: Good Neighbor Program: Encampment Cleanup	$4,648,197	$3,492,214
F6: Good Neighbor Program: Graffiti and Litter Removal[4]	$880,798	$274,943
Estimated Totals	**$5,611,595**	**$3,819,160**

[1] Watershed information is not reported for Projects B4 and F9 because the work is performed by volunteers, who may not be aware of the different watershed boundaries.

[2] Cost information for trash removal activities are not available for Projects B1, B2, and CCFMMP because project budgets are tracked as a whole and not by specific KPI. Grants and partnership cost information for Project F9 is included in Table D-4.

[3] Project B4 funding is allocated: 55% Safe, Clean Water Fund, 45% Stream Stewardship Fund.

[4] The Project F6 estimated totals for FY22 and FY23 were revised based upon revised reporting calculations.

D-4: Trash removal information from partnerships and grants for Projects F9

Estimated amount of trash and debris removed in Pounds, Tons, and Cubic Yards (CY)[1]									
Project	Grant Cycle	Grantee/ community partner	Grant Project Name	Amount Awarded	Total Project Cost	Status	Estimated Amount of Trash Removed		
							Pounds	Tons	CY
Standard Grants and Partnership for Safe, Clean Water, Flood Protection and Environmental Stewardship (F9)	FY22	Downtown Streets Team	Upper Penitencia Creek Cleanup, Outreach, and Revitalization	$78,783	$131,378	In progress	TBD	TBD	TBD
	FY22	Grassroots Ecology	Mountain View Tidal Marsh Restoration Project	$200,450	$371,604	In progress	TBD	TBD	TBD
	FY22	Grassroots Ecology	McClellan Ranch Community Garden Hedgerow Project	$38,569	$158,360	In progress	TBD	TBD	TBD
	FY22	Guadalupe River Park Conservancy	Preventing Litter to Restore the River Initiative	$177,120	$449,145	Agreement execution in progress	TBD	TBD	TBD
	FY22	Saved By Nature	Headwaters to the Bay	$84,002	$147,076	In progress	1,470[2]	0.735	6.53
	FY22	South County Compassion Center (Gilroy Compassion Center)	Unhoused Creek Cleanup	$52,725	$144,211	Canceled	N/A	N/A	N/A
	FY22	Talon Ecological Research Group	Fisher Creek Enhancement Project	$149,579	$399,980	In Progress	TBD	TBD	TBD
	FY23	Bay Area Older Adults	Watershed Pollution Prevention Project (W3P)	$74,162	$105,894	Agreement execution in progress	TBD	TBD	TBD
	FY23	The California Native Garden Foundation	Coyote Creek Urban Farm Restoration and Stewardship Education	$57,286	$680,033	Agreement execution in progress	TBD	TBD	TBD
	FY23	West Valley Clean Water Program Authority	School Site Stormwater Quality Leadership Program	$44,000	$58,720	In Progress	TBD	TBD	TBD
Mini-Grants (F9)	FY22	Keep Coyote Creek Beautiful	Russo/McEntee School Mural	$5,000	$19,885	Closed on January 4, 2023	10[2]	0.005	0.05
	FY23	PitStop Outreach	We keep it clean!	$5,000	$15,000	Agreement execution in progress	TBD	TBD	TBD
	FY23	Bay Area Older Adults	Watershed Waste Reduction Program	$5,000	$19,810	Completed	150[2,3]	0.075	1.05
						Estimated Total	**1,630**	**0.815**	**7.63**

[1] Trash data is reported by the Grantee during invoicing or upon project completion. Grant projects that were listed in previous annual reports and did not have a trash removal component have been removed from this list.

[2] Original values reported by the grantee. Other amounts were converted by staff.

[3] Bay Area Older Adults reported 150 pounds of unwanted/expired drugs that were turned in through a mail back program with the County of Santa Clara through the Watershed Waste Reduction Program in FY23.

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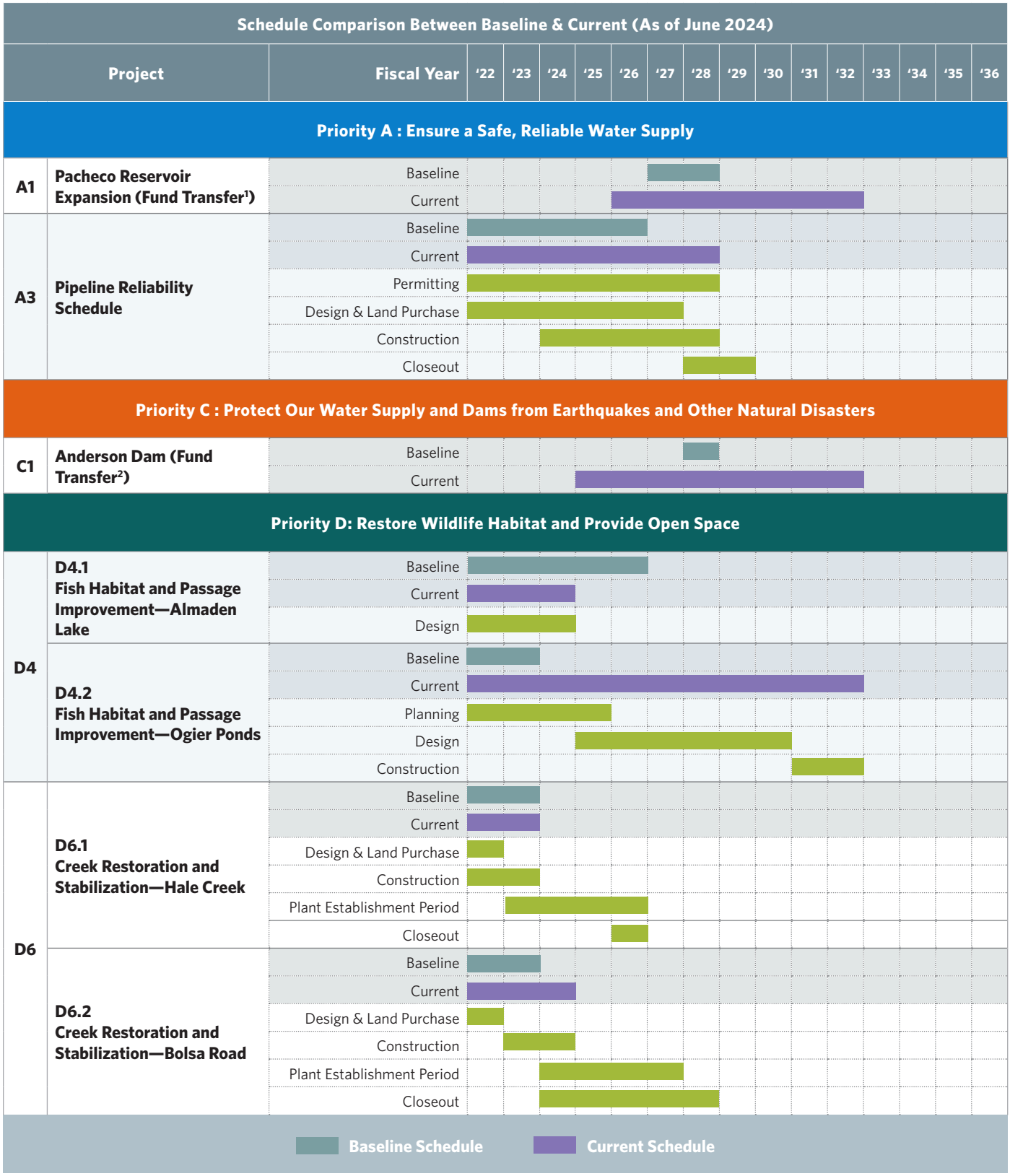
Appendix E-1.1: Cumulative Project Status

Cumulative Project Status (FY22–FY36)																
Project	**Project Description**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27**	**FY28**	**FY29**	**FY30**	**FY31**	**FY32**	**FY33**	**FY34**	**FY35**	**FY36**
Priority A : Ensure a Safe, Reliable Water Supply																
A1	Pacheco Reservoir Expansion	SCHEDULED TO START ADJUSTED	SCHEDULED TO START	SCHEDULED TO START NOT IMPLEMENT & ADJUSTED												
A2	Water Conservation Rebates and Programs	ACTIVE	ACTIVE	ACTIVE ADJUSTED												
A3	Pipeline Reliability	ACTIVE ADJUSTED	ACTIVE	ACTIVE ADJUSTED												
Priority B: Reduce Toxins, Hazards, and Contaminants in Our Waterways																
B1	Impaired Water Bodies Improvement	ACTIVE	ACTIVE	ACTIVE ADJUSTED												
B2	Inter-Agency Urban Runoff Program	ACTIVE	ACTIVE	ACTIVE ADJUSTED												
B3	Hazardous Materials Management and Response	ACTIVE	ACTIVE	ACTIVE												
B4	Support Volunteer Cleanup Efforts	ACTIVE	ACTIVE	ACTIVE												
Priority C : Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters																
C1	Anderson Dam Seismic Retrofit	SCHEDULED TO START ADJUSTED	SCHEDULED TO START	SCHEDULED TO START ADJUSTED												
Priority D: Restore Wildlife Habitat and Provide Open Space																
D1	Management of Riparian Planting and Invasive Plant Removal	ACTIVE	ACTIVE	ACTIVE ADJUSTED												
D2	Revitalize Riparian, Upland and Wetland Habitat	ACTIVE	ACTIVE	ACTIVE												
D3	Sediment Reuse to Support Restoration Projects	ACTIVE	ACTIVE MODIFIED & ADJUSTED	ACTIVE ADJUSTED												
D4	Fish Habitat and Passage Improvement	ACTIVE ADJUSTED	ACTIVE MODIFIED & ADJUSTED	ACTIVE ADJUSTED												
D5	Ecological Data Collection and Analysis	ACTIVE	ACTIVE	ACTIVE ADJUSTED												
D6	Restoration of Natural Creek Functions	ACTIVE ADJUSTED	ACTIVE MODIFIED	COMPLETED ADJUSTED												
D7	Partnerships for the Conservation of Habitat Lands	ACTIVE	ACTIVE	ACTIVE ADJUSTED												

Appendix E-1.1: Cumulative Project Status

Cumulative Project Status (FY22–FY36)																
Project	**Project Description**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27**	**FY28**	**FY29**	**FY30**	**FY31**	**FY32**	**FY33**	**FY34**	**FY35**	**FY36**
Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways																
E1	Coyote Creek Flood Protection	ACTIVE	ACTIVE ADJUSTED	ACTIVE ADJUSTED												
E2	Sunnyvale East and Sunnyvale West Channels Flood Protection	ACTIVE ADJUSTED	ACTIVE MODIFIED & ADJUSTED	ACTIVE ADJUSTED												
E3	Lower Berryessa Flood Protection, including Tularcitos and Upper Calera Creeks (Phase 3)	SCHEDULED TO START	SCHEDULED TO START	SCHEDULE TO START ADJUSTED												
E4	Upper Penitencia Creek Flood Protection	ACTIVE ADJUSTED	ACTIVE MODIFIED & ADJUSTED	ACTIVE ADJUSTED												
E5	San Francisquito Creek Flood Protection	ACTIVE ADJUSTED	ACTIVE ADJUSTED	ACTIVE ADJUSTED												
E6	Upper Llagas Creek Flood Protection	ACTIVE	ACTIVE ADJUSTED	ACTIVE ADJUSTED												
E7	San Francisco Bay Shoreline Protection	ACTIVE	ACTIVE	ACTIVE ADJUSTED												
E8	Upper Guadalupe River Flood Protection	ACTIVE ADJUSTED	ACTIVE ADJUSTED	ACTIVE MODIFIED & ADJUSTED												
Priority F: Support Public Health and Public Safety for Our Community																
F1	Vegetation Control and Sediment Removal for Capacity	ACTIVE	ACTIVE	ACTIVE												
F2	Emergency Response Planning and Preparedness	ACTIVE	ACTIVE	ACTIVE												
F3	Flood Risk Assessment Studies	ACTIVE	ACTIVE	ACTIVE ADJUSTED												
F4	Vegetation Management for Access and Fire Safety	ACTIVE	ACTIVE	ACTIVE												
F5	Good Neighbor Program: Encampment Cleanup	ACTIVE MODIFIED & ADJUSTED	ACTIVE	ACTIVE												
F6	Good Neighbor Program: Graffiti and Litter Removal and Public Art	ACTIVE	ACTIVE	ACTIVE												
F7	Emergency Response Upgrades	ACTIVE	ACTIVE	ACTIVE												
F8	Sustainable Creek Infrastructure for Continued Public Safety	ACTIVE	ACTIVE	ACTIVE												
F9	Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship	ACTIVE	ACTIVE	ON HOLD MODIFIED & ADJUSTED												

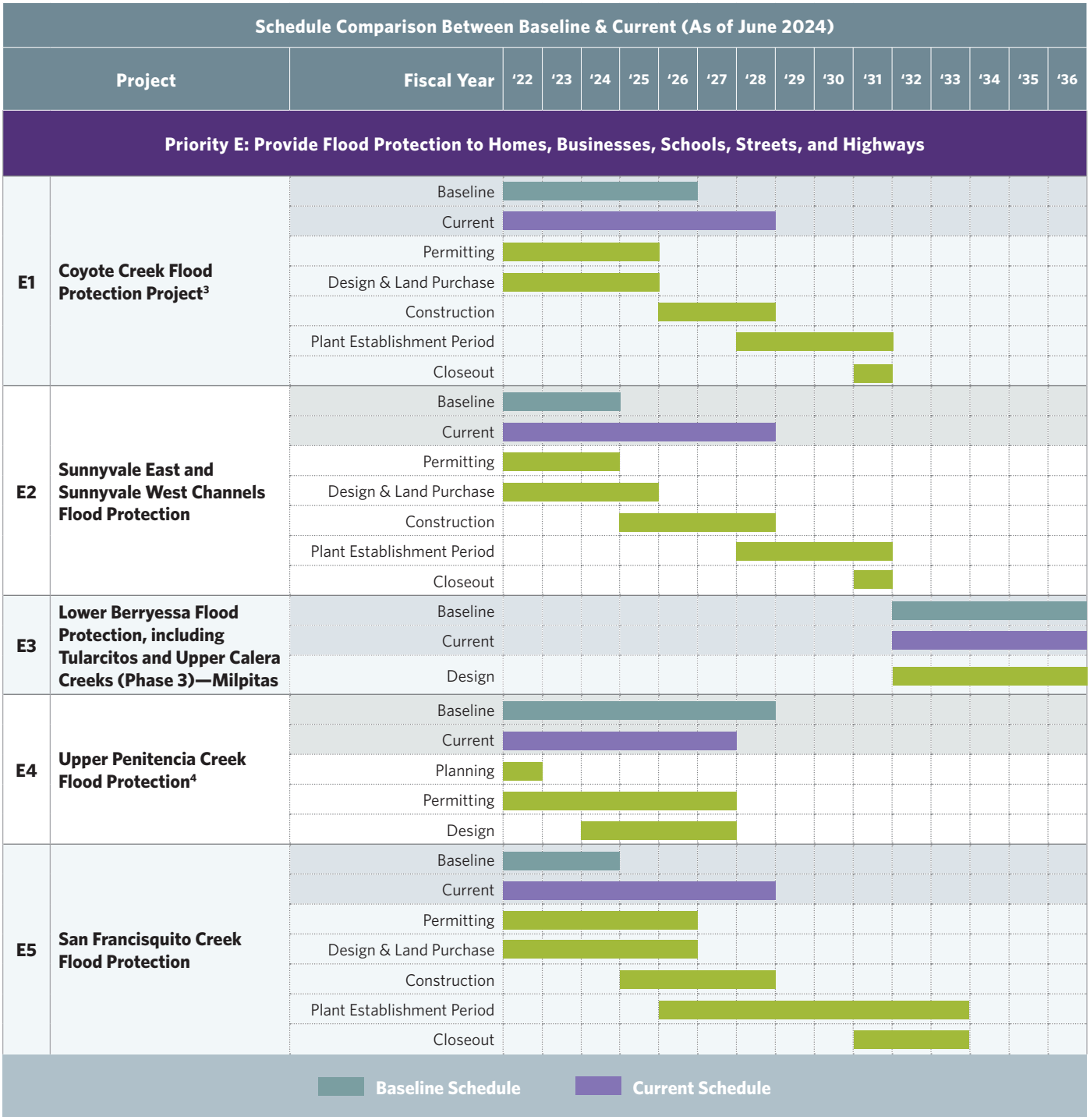
Appendix E-1.2: Schedule Comparison for Projects



[1] In FY24, the Board approved not implementing the project (fund transfer) under the Safe, Clean Water Program.

[2] The project is adjusted only in terms of the Safe, Clean Water Program KPI of providing funding for the project and is not reflective of the overall project schedule.

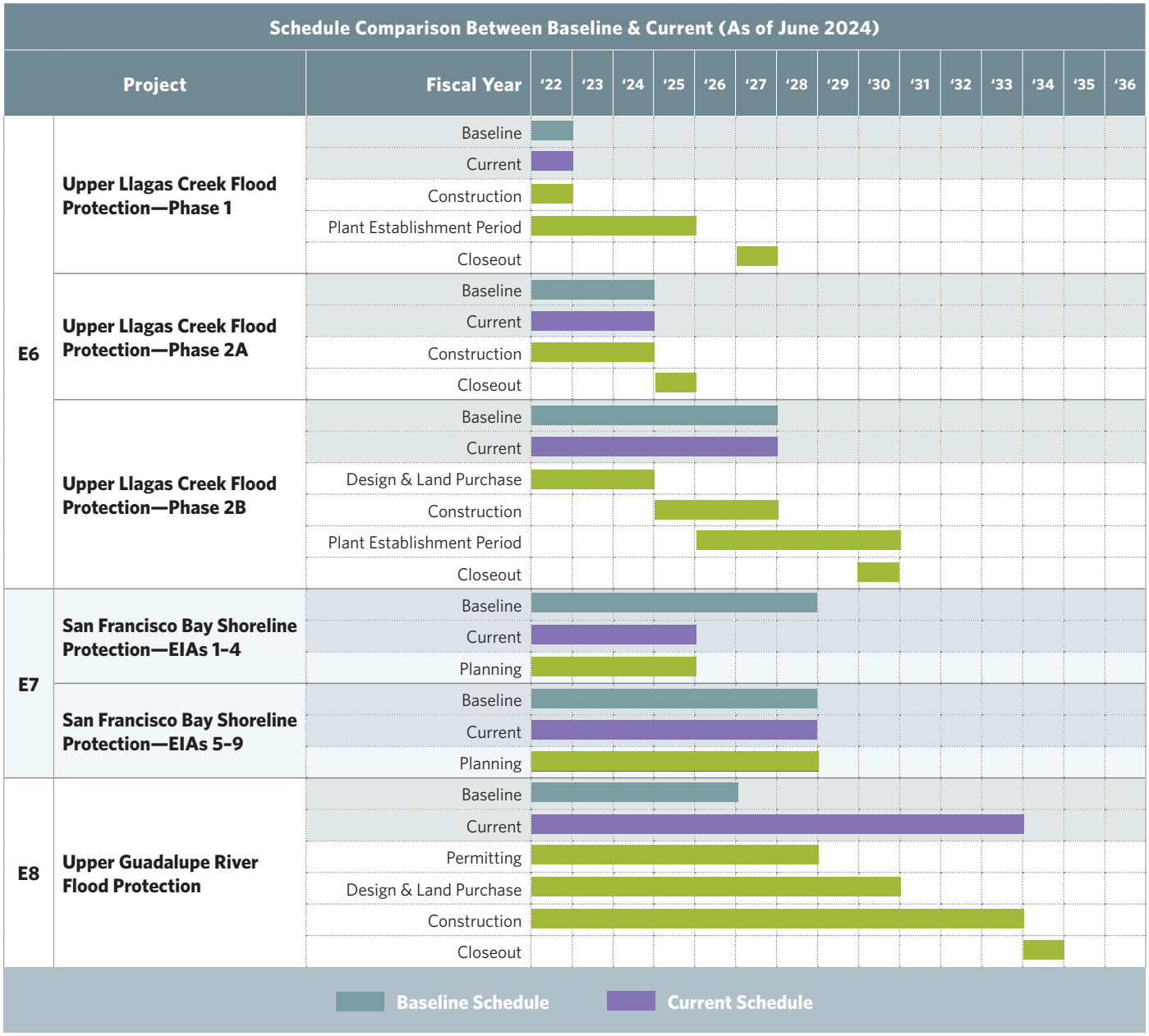
Appendix E-1.2: Schedule Comparison for Projects



[3] 40% of the project is being constructed as part of the FERC-ordered compliance project for Anderson Reservoir and Dam as the Coyote Creek – Flood Management Measures Project.

[4] Only includes planning, permitting, and design per Board-approved modification.

Appendix E1.2: Schedule Comparison for Projects

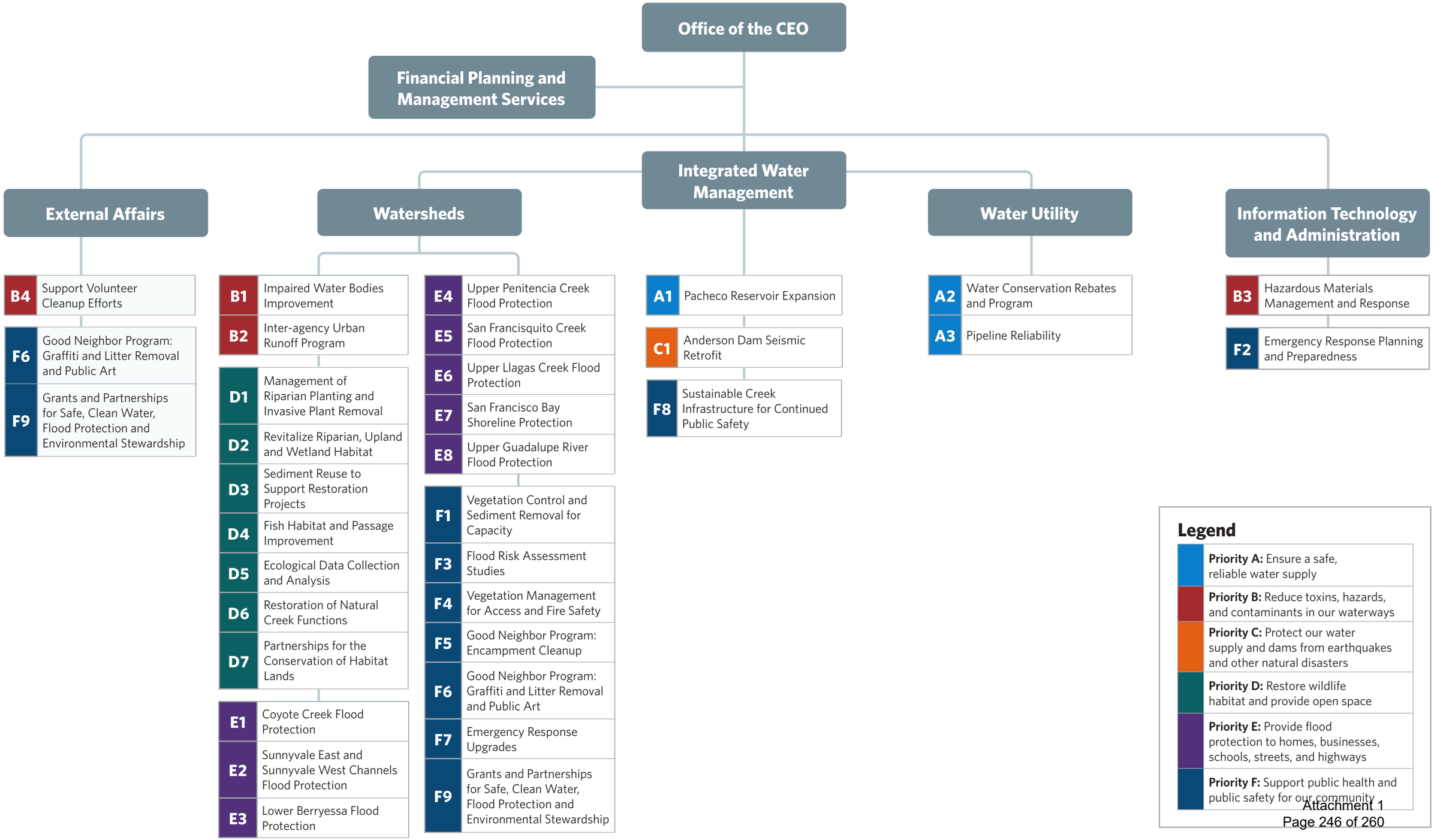


Appendix E-1.3: Project Status Categories - Old vs. New[1]

Old Categories	New Categories	
	Annual Status	Change Control
Adjusted	-	Adjusted
Modified	-	Modified
Not Implement	-	Not Implement
On Target	Active	-
Not on Target	KPI Not Achieved	-
On Hold	On Hold	-
Scheduled to Start	Scheduled to Start	-
Completed	Completed	-
-	Closed	-

[1] The project status categories were revised in FY23. See Appendix E-1.1 for each annual project status, using the new categories.

Appendix F: Projects by Organization Structure



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Appendix G: Projects by Valley Water Mission Area

Water Supply

- **A1** Pacheco Reservoir Expansion
- **A2** Water Conservation Rebates and Programs
- **A3** Pipeline Reliability
- **C1** Anderson Dam Seismic Retrofit

Flood Protection

- **D1** Management of Riparian Planting and Invasive Plant Removal
- **D3** Sediment Reuse to Support Restoration Projects
- **E1** Coyote Creek Flood Protection
- **E2** Sunnyvale East and Sunnyvale West Channels Flood Protection
- **E3** Lower Berryessa Flood Protection
- **E4** Upper Penitencia Creek Flood Protection
- **E5** San Francisquito Creek Flood Protection
- **E6** Upper Llagas Creek Flood Protection
- **E7** San Francisco Bay Shoreline Protection
- **E8** Upper Guadalupe River Flood Protection
- **F1** Vegetation Control and Sediment Removal for Capacity
- **F2** Emergency Response Planning and Preparedness
- **F3** Flood Risk Assessment Studies
- **F5** Good Neighbor Program: Encampment Cleanup
- **F7** Emergency Response Upgrades
- **F8** Sustainable Creek Infrastructure for Continued Public Safety

Stewardship

- **B1** Impaired Water Bodies Improvement
- **B2** Inter-Agency Urban Runoff Program
- **B3** Hazardous Materials Management and Response
- **B4** Support Volunteer Cleanup Efforts
- **D1** Management of Riparian Planting and Invasive Plant Removal
- **D2** Revitalize Riparian, Upland and Wetland Habitat
- **D3** Sediment Reuse to Support Restoration Projects
- **D4** Fish Habitat and Passage Improvement
- **D5** Ecological Data Collection and Analysis
- **D6** Restoration of Natural Creek Functions
- **D7** Partnerships for the Conservation of Habitat Lands
- **E4** Upper Penitencia Creek Flood Protection
- **E5** San Francisquito Creek Flood Protection
- **E6** Upper Llagas Creek Flood Protection
- **E7** San Francisco Bay Shoreline Protection
- **F4** Vegetation Management for Access and Fire Safety
- **F5** Good Neighbor Program: Encampment Cleanup
- **F6** Good Neighbor Program: Graffiti and Litter Removal and Public Art
- **F9** Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship

Legend

- **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

Please note that some projects have multiple benefits; therefore they are listed under more than one mission area.

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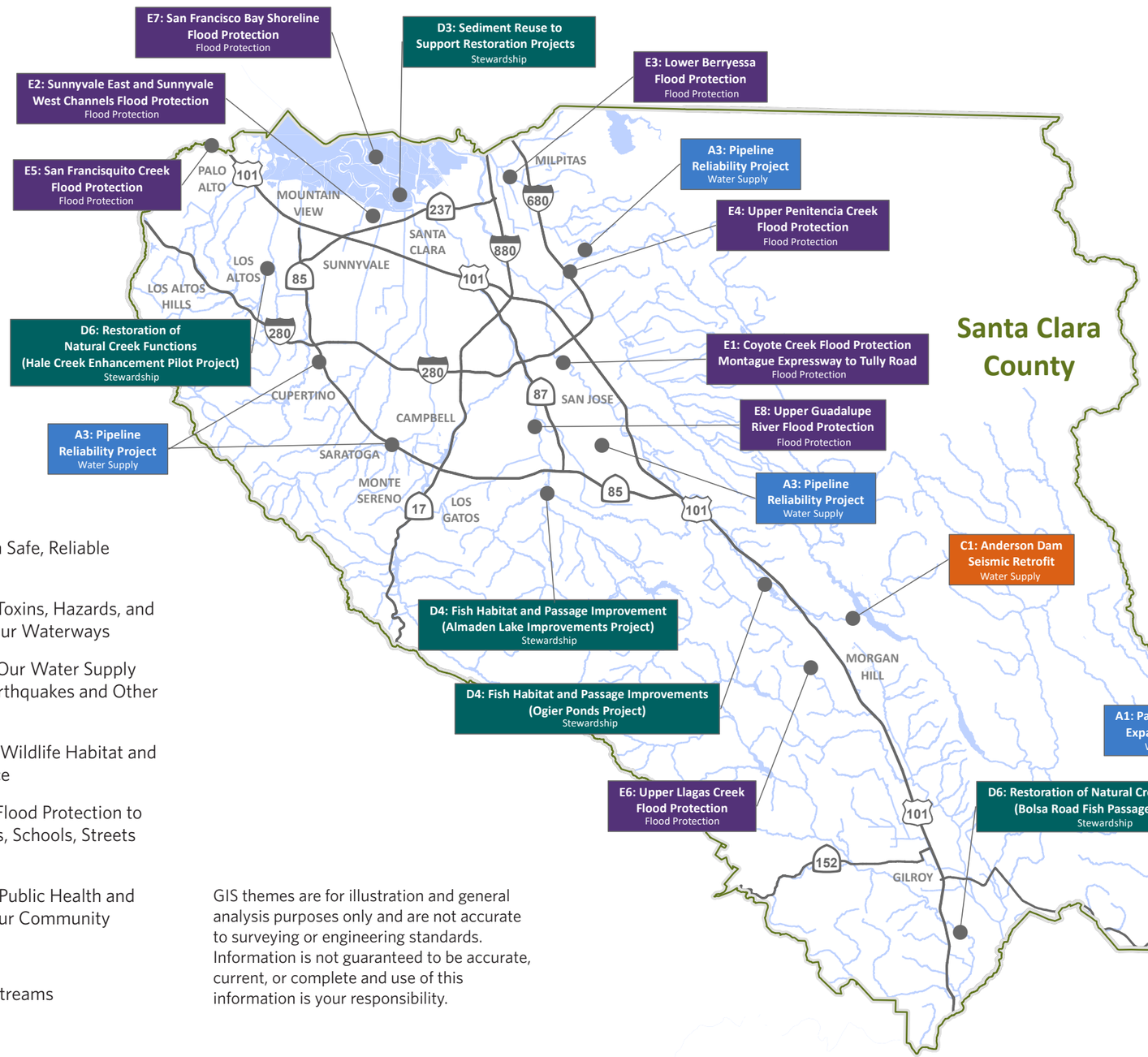
Appendix H: Countywide Map of Projects



Countywide Projects:

- A2: Water Conservation Rebates and Programs — Stewardship
- B1: Impaired Water Bodies Improvement — Stewardship
- B2: Interagency Urban Runoff Program — Stewardship
- B3: Hazardous Materials Management and Response — Stewardship
- B4: Support Volunteer Cleanup Efforts — Stewardship
- D1: Management of Riparian Planting and Invasive Plant Removal — Stewardship
- D2: Revitalize Riparian, Upland and Wetland Habitat — Stewardship
- D4: Fish Habitat and Passage Improvement — Stewardship
- D5: Ecological Data Collection and Analysis — Stewardship
- D6: Restoration of Natural Creek Functions — Stewardship
- D7: Partnerships for the Conservation of Habitat Lands — Stewardship
- F1: Vegetation Control and Sediment Removal for Capacity — Public Health and Safety
- F2: Emergency Response Planning and Preparedness — Public Health and Safety
- F3: Flood Risk Assessment Studies — Public Health and Safety
- F4: Vegetation Management for Access and Fire Safety — Public Health and Safety
- F5: Good Neighbor Program: Encampment Cleanup — Public Health and Safety
- F6: Good Neighbor Program: Graffiti and Litter Removal and Public Art — Public Health and Safety
- F7: Emergency Response Upgrades — Public Health and Safety
- F8: Sustainable Creek Infrastructure for Continued Public Safety — Public Health and Safety
- F9: Grants and Partnerships for Safe, Clean Water, Flood Protectionand Environmental Stewardship — Public Health and Safety

LEGEND

- 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
- Water Bodies
- Local Creeks and Streams

GIS themes are for illustration and general analysis purposes only and are not accurate to surveying or engineering standards. Information is not guaranteed to be accurate, current, or complete and use of this information is your responsibility.

* Map is not to scale. Some points indicate a central project location, while the geographic area of benefit may be broader. For an interactive map with specific project locations and reaches, visit valleywater.org

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Appendix I: Glossary

1% flood

A flood that has a 1% chance of occurring in any given year; also referred to as a 100-year flood.

50-year flood

A flood that has a 2% chance of occurring in any given year.

100-year flood

A flood that has a chance of occurring an average of once every 100 years; also referred to as a 1% flood.

Acre-feet (AF)

An acre-foot of water would cover 1 acre of land to a depth of 1 foot. 1 acre-foot equals approximately 325,000 gallons, the average amount of water used by 2 families of 5 in 1 year.

Anoxic

An environment that lacks oxygen.

Aquifer

An underground geologic formation of rock, soil, or sediment that is saturated with water; an aquifer stores groundwater.

Backwater Effect

The effect which a dam or other obstruction has in raising the surface of the water upstream from it.

Bypass channel

A channel built to carry excess water from a stream or to divert water from the main channel and then return the water to the channel at a point further downstream.

Carryforward

A portion or total of the unspent balance of an appropriation that is made available for expenditure in the succeeding fiscal year.

Cleanup

The removal of trash and debris generated from encampments or other illegal dumping; by Valley Water or by Valley Water in partnership or coordination with other agencies.

Contingency Appropriation

A provision for unforeseen expenditures.

Contingency Reserve - Voter Approved Safe, Clean Water Fund

This reserve fund is established and maintained as financial or other business conditions warrant. Funds accumulated in this reserve are used to ensure that Valley Water delivers on the commitments made in the November 2020 ballot. The minimum funding level is $0. The specific level is to be financially prudent and based on reasonably anticipated needs. The annual amount to contribute or withdraw will be determined as financial or other business conditions warrant and as approved by the Valley Water Board of Directors.

NOTE: Definitions of 'Cleanup' and 'Encampment' were adjusted and a new term, 'Encampment cleanup', was added on July 13, 2021.

Appendix I: Glossary

Currently Authorized Projects Reserve

These reserves are designated to fund those capital projects that are included in the annually adopted 5-Year Capital Improvement Program (CIP) and which have had funding appropriated by the Board in prior years. The amount of these reserves for each fund at the end of a given fiscal year shall be based on the accumulated unexpended and unencumbered balances of Board approved capital project appropriations remaining at the end of each fiscal year.

Ecosystem

An ecological community of plants, animals, and microorganisms in their environment, functioning together as a unit.

Ecotone

Transition area between two differing ecological spaces. Retains some of the characteristics of each respective ecological space, yet contains species not typically found in either environment.

Encampment

A site where people are living or storing personal property that is located illegally on Valley Water property or other public property. Encampments may generate trash, debris, and hazardous pollutants. Such encampments contribute to contamination of waterways and damage to Valley Water facilities.

Encampment cleanup

Valley Water, independently or in partnership and coordination with cities and local agencies, will seek to remove trash, debris and hazardous pollutants generated from encampments near waterways or on Valley Water property.

Encumbrances

Commitments related to unperformed (executory) contracts for goods or services. Encumbrances represent the estimated amount of expenditures that will result if unperformed contracts in process are completed.

Encumbrance Reserves

These reserves represent the balance of outstanding encumbrances (contractual commitments) at year end, for which the goods or services have not been received. The reserved balance is available for subsequent year expenditures based on the encumbered appropriation authority carried over to the next fiscal year. The funding level of these reserves will be adjusted annually, at year-end, based on the remaining balance of encumbrances still outstanding as of the end of the fiscal year.

Environmental enhancement

Action taken by Valley Water that benefits the environment, is not mitigation and is undertaken voluntarily. Enhancement actions may include environmental preservation or creation. In instances where enhancements are located in the same vicinity as a mitigation project, actions must exceed required compliance activities to be considered environmental enhancements.

Environmental Stewardship

To entrust the careful and responsible management of the environment and natural resources to one's care for the benefit of the greater community.

Erosion

The process by which soil is removed from a place by forces such as water or construction activity, and eventually deposited at a new place as sediment.

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Exercise

An event or activity delivered through discussion or action to develop, assess, or validate capabilities to achieve planned objectives.

Fiscal year (FY)

A period that a company or government uses for accounting purposes and preparing financial statements. The fiscal year may or may not be the same as a calendar year. Valley Water uses a fiscal year that begins on July 1 and ends on June 30, which coincides with the State of California's fiscal year. The fiscal year is denoted by the year in which it ends, so spending incurred on November 14, 2015, would belong to fiscal year 2016. The federal government's fiscal year begins on October 1 and ends on September 30.

Fisheries

An area with an associated fish or aquatic population.

Fish passage

A generic term for several methods incorporated into flood protection or other stream modification projects which allow native fish species to travel upstream to spawn.

Flood

A temporary inundation of inland or tidal waters onto normally dry land areas.

Flood conveyance capacity

The maximum amount of water that can flow through a channel, stream or culvert before there is flooding of surrounding properties.

Floodplain

The low, flat, periodically flooded lands adjacent to creeks and rivers.

Floodplain management

A city or county program of corrective, preventive and regulatory measures to reduce flood damage and encourage the natural and beneficial functions of floodplains. Careful local management of development in the floodplains results in construction practices that can reduce flood damages.

Floodwall

Walls used as levees to contain floodwaters within a stream. Floodwalls are used when right-of-way is limited.

Geomorphology/geomorphic

The study of the natural relationship between a stream and its bank and bed; pertaining to those processes that affect the form or shape of the surface of the earth, including creeks and streams.

Groundwater

Water that is found beneath the surface in small pores and cracks in the rock and substrate.

Appendix I: Glossary

Gravel Augmentation

Gravel augmentation or gravel replenishment means artificially adding gravel suitable in size distribution for salmon and steelhead trout habitat enhancement including spawning and fry emergence to streambeds that lacks such gravel, typically due to upstream impoundments.

Habitat

The specific, physical location or area in which a particular type of plant or animal lives. To be complete, an organism's habitat must provide all of the basic requirements of life for that organism.

Impaired water bodies

Waters that are too polluted or otherwise degraded to meet the water quality standards set by the State of California. Under the federal Clean Water Act, California is required to develop lists of impaired water bodies, including creeks, streams, and lakes.

Invasive plants

A non-native plant species that has spread into native or minimally managed plant communities (habitats).

Large woody debris (LWD)

The logs, sticks, branches, and other wood that falls into streams and rivers. This debris can influence the flow and shape of the stream channel. LWD plays an important biological role in streams by increasing channel complexity, enhancing fish habitat, and creating diversity in the food web.

Levee

An embankment constructed to provide flood protection from seasonal high water.

Market Valuation Reserve

The reserves for market valuation represent the increase/gain (only) in the market value of Valley Water's pooled investments as of the end of the fiscal year as a result of its compliance with the provisions of Government Accounting Standard Board Statement No. 31 (GASB 31), Accounting and Financial Reporting for Certain Investments and for External Investment Pools.

Methylmercury

An organic, highly toxic form of mercury that easily bioaccumulates in organisms, increasing in concentration as it travels up the food chain. Because of mercury contamination the public is advised against consuming fish caught in some Santa Clara County reservoirs and ponds.

Mitigation

Action taken to fulfill CEQA/NEPA, permit requirements and court-mandates to avoid, minimize, rectify or reduce adverse environmental impacts, or compensate for the impact(s) by replacing or providing substitute resources or environments.

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Multi-Agency Coordination Plan

1. Pre-incident planning prior to a storm/flood event.

2. Coordination of the stakeholders' interagency response and recovery operations.

3. Collaboration on public messaging.

Natural flood protection

A multiple-objective approach to providing environmental quality, community benefit and protection from creek flooding in a cost-effective manner through integrated planning and management that considers the physical, hydrologic and ecologic functions and processes of streams within the community setting.

Operating and Capital Reserve

These reserves serve to ensure adequate working capital for cash flow needs and to provide a funding source for operating and capital needs that arise during the year and, in the case of the water utility, to protect against revenue shortage caused by extreme weather events. The funding level for the Water Utility is a minimum of 15% of adopted budget operations outlays and a minimum of 50% for the Watershed and Safe, Clean Water Funds. For the General Fund and Internal Service Funds, the funding level is a minimum of 5% of total adopted budget operations outlays. The minimum level for each fund includes remaining available resources after the needs of all other reserves within those funds have been met. The specific level of this reserve is to be set based on reasonably anticipated needs.

Oxygenation treatment systems

Treatment systems that help increase the relative oxygen levels in a body of water.

Pay-as-you-go

A funding mechanism which collects revenue until sufficient funds are available to begin construction of a project, in contrast to debt financing, in which a large sum is borrowed so that construction can begin sooner.

Permitting requirements

A mechanism used to enforce state and federal laws that protect environmentally sensitive areas. Before moving forward on projects, Valley Water is required to obtain permits from the U.S. Army Corps of Engineers, U.S. Fish and Wildlife Service, NOAA Fisheries, Regional Water Quality Control Board and the California Department of Fish and Wildlife. Each permit gives the permitting agency an opportunity to attach specific measures to the project to reduce impact on the environment.

Preservation

Action taken to protect an ecosystem or habitat area by removing a threat to that ecosystem or habitat, including regulatory actions and the purchase of land and easements.

Reach (creek)

A portion of a creek or watercourse usually defined by both an upstream and a downstream unit.

Groundwater Recharge

The addition of new water to an aquifer or to the zone of saturation. See groundwater.

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Refunding

A procedure whereby an issuer refinances outstanding bonds by issuing new bonds. There are generally two major reasons for refunding: to reduce the issuer's interest costs; or to remove a burdensome or restrictive covenant imposed by the terms of the bonds being refinanced. The proceeds of the new bonds are either deposited in escrow to pay the debt service on the outstanding bonds when due in an "advance refunding" or used to promptly (typically within 90 days) retire the outstanding bonds in a "current refunding."

Reserve

An account used to indicate that a portion of a fund's assets are legally restricted for a specific purpose and is, therefore, not available for general appropriation.

Respond

For hazardous materials response (project B3) "Responded to" means that responder arrives at site within two (2) hours. For litter and graffiti removal (project F6) "Responded to" means that a request for Valley Water action is acknowledged either verbally, in writing, or by email within five (5) working days.

Restoration/restore

Action taken by Valley Water, to the extent practicable, toward the re-establishment as closely as possible of an ecosystem's pre-disturbance structure, function, and value, where it has been degraded, damaged, or otherwise destroyed.

Revegetate

To re-establish vegetation in areas which have been disturbed by project construction.

Revitalize

Improve habitat value, particularly in an effort to connect contiguous creek reaches of higher value, by removing invasive, non-native vegetation and diseased and/or non-thriving specimens, applying mulch to suppress weed competition, revegetating sites with native plants, and installing predation prevention measures such as browse protection or cautionary fencing to reduce impacts from animals and vandals.

Riparian

Pertaining to the banks and adjacent terrestrial habitat of streams, creeks or other freshwater bodies and watercourses.

Riparian corridor

The riverside or riverine environment next to a stream channel.

Riparian ecosystem

A natural association of soil, plants and animals existing within the floodplain of a stream and dependent for their survival on high water tables and river flow.

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Safe, Clean Water Rate Stabilization Reserve

This reserve is required to offset timing differences between expenses and collection of the Safe, Clean Water special parcel tax to meet debt service coverage requirements. The minimum funding level is $0. The specific level is to be financially prudent and based on reasonably anticipated needs. The annual amount to contribute or withdraw will be determined as financial conditions warrant and as approved by the Valley Water Board of Directors.

Sediment/sedimentation

Mineral or organic material that is deposited by moving water and settles at the bottom of a waterway. Sediment in a lake, reservoir or stream can either be suspended in the water column or deposited on the bottom. Sediment usually consists of eroded material from the watershed, precipitated minerals and the remains of aquatic organisms.

Sorbent Treatment

Sorbents are solid materials that bind to certain compounds. Project B1 is researching sorbents that preferentially bind to mercury or methylmercury, making it unavailable for entry into the food web. Sorbent treatment methods have the benefit that they do not cause warming or mixing.

Special status species

Any species that is listed or proposed for listing as threatened or endangered by the U.S. Fish and Wildlife Service or National Marine Fisheries Service under the provisions of the Endangered Species Act; any species designated by the U.S. Fish and Wildlife Service as a "listed," "candidate," "sensitive," or "species of concern," and any species which is listed by the State of California in a category implying potential danger of extinction.

Special tax

Any tax imposed for specific purposes or any tax imposed by a special purpose district or agency, such as the Santa Clara Valley Water District. A special district contemplating a special tax levy must hold a noticed public hearing and adopt an ordinance or resolution prior to placing the tax on the ballot.

The ordinance or resolution must specify the purpose of the tax, the rate at which it will be imposed, the method of collection and the date of the election to approve the tax levy. Approval by a 2/3 vote of the city, county or district electorate is necessary for adoption.

State Water Resources Control Board

The State Water Resources Control Board (State Water Board) was created by the Legislature in 1967. The mission of the State Water Board is to ensure the highest reasonable quality for waters of the State, while allocating those waters to achieve the optimum balance of beneficial uses. There are 9 regional water quality control boards that exercise rule-making and regulatory activities by basin. Santa Clara County is part of 2 regions: Region 2 - San Francisco Regional Water Quality Control Board (north of Morgan Hill) and Region 3 - Central Coast Regional Water Quality Control Board (south of Morgan Hill).

Subvention

Subventions are reimbursements for rights-of-way and relocation costs of channel improvements and levee projects provided to flood control agencies by the Department of Water Resources Flood Subventions Program. It is financial assistance to local agencies cooperating in construction of federally authorized flood control projects.

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Stream Maintenance Program (SMP)

Ensures flood protection projects continue to function as designed to protect homes and businesses along Valley Water streams. SMP work includes removal of sediment, management of vegetation, clearing of trash and debris, stabilization of eroded riverbanks over portions of 278 miles of creeks in Santa Clara County.

Tabletop Exercise

A discussion-based exercise responding to a scenario intended to generate a dialogue about various issues, such as plans, policies, or procedures.

Threatened species

A species which is likely to become an endangered species within the foreseeable future throughout all or a significant portion of its range.

Total Maximum Daily Loads (TMDLs)

The maximum pollutant load a waterbody can receive (loading capacity) without violating water quality standards.

Trash capture devices

Innovative devices used to capture wastes and trash in bodies of water and on land. Comprise of nets and sharp implements which can snare waste items.

Urban runoff

The water that runs over the impervious areas in cities, collecting pollutants as it flows. Runoff is recognized as a major source of water impairment.

Valley Water 1% Flood Risk Zone

Per Valley Water modeling, this is the area representing parcels that have a 1% chance of experiencing flooding, including less than 1 foot, in any given year.

Watershed

Land area from which water drains into a major body of water.

Watershed stewardship

Protecting and enhancing the county's creeks, streams and water bodies to preserve a vibrant, healthy ecosystem and provide recreational opportunities when appropriate.

Wetland

Areas that are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support vegetation adapted for life in saturated soil conditions, as well as the diverse wildlife species that depend on this habitat.

YOUR TAX DOLLARS AT WORK

Valley Water

Safe, Clean Water and Natural Flood Protection

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BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

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

WHEREAS, the Santa Clara Valley Water District (Valley Water) policy is to ensure current and future water supplies and provide healthy, clean, and reliable water in Santa Clara County; and

WHEREAS, Valley Water policy is to protect Santa Clara County creeks, reservoirs, Monterey Bay, and San Francisco Bay from toxins, pollutants, and contaminants; and

WHEREAS, Valley Water policy is to provide for flood water and storm water flood protection to residents, businesses, visitors, public highways, and the watercourses flowing within the District; and

WHEREAS, Valley Water policy is to protect our water supply, pipelines, and local dams from earthquakes and natural disasters; and

WHEREAS, Valley Water maintains a flood protection system of levees, channels, drains, detention basins, and other improvements upon which the lives and property of Valley Water residents depend, which said improvements must be kept in a safe and effective condition; and

WHEREAS, the Valley Water policy is to protect, enhance, and restore healthy Santa Clara County creeks, watersheds, and bay lands ecosystems; and

WHEREAS, in 2000, voters passed the 15-year Clean, Safe Creeks and Natural Flood Protection Plan; and

WHEREAS, the Valley Water policy is to engage in partnerships with the community to provide open spaces, trails, and parks along Santa Clara County creeks and watersheds; and

WHEREAS, in November 2012, voters passed the Safe, Clean Water and Natural Flood Protection Program which replaced the Clean, Safe Creeks and Natural Flood Protection Plan in its entirety when it became effective on July 1, 2013; and

WHEREAS, the Safe, Clean Water and Natural Flood Protection Program was originally scheduled to sunset on June 30, 2028; and

WHEREAS, in order to protect Santa Clara County water supplies, creeks, watersheds, and bay lands and ensure residents have an ample supply of clean water in the future, Valley Water will need a dedicated source of revenue in the future and beyond 2028 to maintain the programs established in the Safe, Clean Water and Natural Flood Protection Program; and

WHEREAS, the California State Legislature has authorized Valley Water to levy a special tax on each parcel of property within Valley Water or any zone or zones thereof upon approval by a two-thirds vote of the electorate of Valley Water or zones therein; and

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

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WHEREAS, the purpose of the special tax is to supplement other available but limited revenues to keep said 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 opportunities and access to recreation; to conduct environmental education; to protect and improve water quality; and to construct, operate, and maintain flood protection and storm drainage facilities; to support public health and public safety through efforts authorized by the District Act; and to fund the cost of financing such activities; and

WHEREAS, State California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4), states that government funding mechanisms are not projects subject to the requirements of CEQA.

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

FIRST: The Board hereby finds that since (a) the management of creeks, watersheds, and bay lands are necessary to ensure safe, clean water and to protect, enhance and restore healthy ecosystems, (b) the construction and management of flood protection services are made necessary by stormwater runoff, and (c) the lands from which runoff derives are benefitted by provision of means of disposition which alleviates or ends the damage to other lands affected thereby, by direct protection of loss of property, and other indirect means which include improved aesthetics and quality of life, the basis on which to levy the special tax is at fixed and uniform rates per area and county or city designated land use of each parcel, taxed as such parcel is shown on the latest tax rolls.

SECOND: Pursuant to the authority of Section 3 of the District Act, a Combined Zone consisting of the aggregate metes and bounds descriptions of Zones One, Two, Three, Four, and Five is presently existing as generally depicted in Attachment 1.

THIRD: A special Valley Water Election for November 3, 2020 will be called within said District, on the proposition of levy of a special tax.

FOURTH: Subject to approval by two-thirds of the electors of Valley Water voting at such election and pursuant to the authority vested in the Board, there is hereby established a special tax as authorized by this resolution, the proceeds of which shall be used solely for the purpose of supporting the priorities of the Safe, Clean Water and Natural Flood Protection Program. The priorities are summarized in Attachment 2. The Safe, Clean Water and Natural Flood Protection Program Report (hereafter “Report”) generally describes the priorities. This tax shall be instituted with the following provisions:

A. The Chief Executive Officer (CEO) or designee of Valley Water is directed to cause a written Report to be prepared for each fiscal year for which a special tax is to be levied and to file and record the same, all as required by governing law. Said Report shall include the proposed special tax rates for the upcoming fiscal year at any rate up to the maximum rate approved by the voters. Valley Water’s Board of Directors shall consider formal acceptance of this Report at a public meeting and shall thereafter make a final determination of special taxes with a confirming resolution. A special fund shall be established into which proceeds from the tax shall be deposited. Proceeds from the tax may be used only for the Safe, Clean Water and Natural Flood Protection Program.

B. The CEO, or designee of Valley Water may cause the special tax to be corrected in the same manner as assessor's or assessee's errors may be corrected but based only upon any or all of the following:

1. Changes or corrections in ownership of a parcel;

2. Changes or corrections of address of an owner of a parcel;

3. Subdivision of an existing parcel;

4. Changes or corrections in the use of all or part of a parcel;

5. Changes or corrections in the computation of the area of a parcel;

6. As to railroad, gas, water, telephone, cable television, electric utility right of way, electric line right of way, or other utility right of way properties.

Changes and corrections are not valid unless and until approved by the Board.

C. The Clerk of the Board shall immediately file certified copies of the final determination of special taxes and confirming resolution with the Auditor-Controller of the County of Santa Clara and shall immediately record with the County Recorder of said County a certified copy of the resolution confirming the special tax.

D. The special tax for each parcel set forth in the final determination by the Board shall appear as a separate item on the tax bill and shall be levied and collected at the same time and in the same manner as the general tax levy for county purposes. Upon recording of the resolution confirming the special tax such special tax shall be a lien upon the real property affected thereby.

E. Failure to meet the time limits set forth in this resolution for whatever reason shall not invalidate any special tax levied hereunder.

F. No special tax for the Safe, Clean Water and Natural Flood Protection Program shall be imposed upon a federal or state or local governmental agency. Where real property owned by a federal, state, or local agency is leased to a private person or private entity, the private interest so created shall be separately assessed as a possessory interest and the special tax for the Safe, Clean Water and Natural Flood Protection Program shall be levied on all holders of such possessory interests. With said exceptions, a Safe, Clean Water and Natural Flood Protection Program special tax is levied on each parcel of real property in the five Flood Control Zones of Valley Water subject to this resolution for the purposes stated in the Report and in this resolution. Except for the minimum special tax as hereinafter indicated, the special tax for each parcel of real property in each such zone is computed by determining its area (in acres or fractions thereof) and land use category (as hereinafter defined) and then multiplying the area by the special tax rate applicable to land in such land use category. A minimum special tax may be levied on each parcel of real property having a land area up to 0.25 acre for Groups A, B, and C, up to 10 acres for Groups D and E Urban and, for Group E Rural, the minimum special tax shall be that as calculated for the E Urban category.

G. Land use categories for each parcel of land in Valley Water are defined and established as follows:

Group A: Land used for commercial or industrial purposes.

Group B: Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including apartment complexes, mobile home parks, recreational vehicle parks, condominiums, and townhouses.

Group C: (1) Land used for single-family residences and multiple-family units up to four units and (2) the first 0.25 acre of a parcel of land used for single-family residential purposes.

Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses, and similar uses and (2) the portion of the land, if any, in excess of 0.25 acre of a parcel used for single-family residential purposes.

Group E: Vacant undisturbed land (1) in urban areas and (2) in rural areas including dry farmed land, grazing and pasture land, forest and brush land, salt ponds, and small parcels used exclusively as well sites for commercial purposes.

Group F: Parcels used exclusively as well sites for residential uses are exempt from the special tax.

H. The special tax amounts applicable to parcels in the various land uses shall be as prescribed by the Board of Directors in each fiscal year (July 1 through June 30) beginning with fiscal year 2021-2022 as set forth in Attachment 3, which is incorporated herein by reference, and as required by law; provided, that the annual basic special tax unit (single-family residential parcel of 1/4 acre or less) shall not exceed a maximum limit of $67.67 annually (averaging $0.006 per square foot annually), as adjusted by the compounded percentage increases of the San Francisco-Oakland-San Jose Consumer Price Index (CPI-U) for all Urban Consumers (or an equivalent index published by a government agency) in the year or years after April 30, 2021; provided, however, that appropriate amounts may be increased in any year by up to the percentage increase of the San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers in the preceding year or two percent (2%) whichever is greater; provided further, however, that in any period, not exceeding three years, immediately following a year in which the Governor of the State of California or the President of the United States has declared an area of said zones to be a disaster area by reason of flooding or other natural disaster, then to the extent of the cost of repair of Valley Water facilities damaged by such flooding or other natural disaster, the maximum tax rate shall be the percentage increase in CPI-U plus 4.5 percent; and provided, that special taxes for the Safe, Clean Water and Natural Flood Protection Program shall be levied annually until ended by voters.

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

I. In the event that the county or city designated land use for a parcel is different than the actual land use, the CEO of Valley Water may, pursuant to written policies and procedures, cause the special tax to be adjusted based upon any or all of the following:

1. The parcel owner shall provide Valley Water a claim letter stating that the present actual land use is different than the county or city designated land use, including an estimate of the portion of the parcel that is different than the designated land use. Such claim is subject to investigation by Valley Water as to the accuracy of the claim. Parcel owner shall furnish information deemed necessary by Valley Water to confirm the actual uses and areas in question which may include, but not be limited to, a survey by a licensed surveyor.

2. The parcel owner shall request Valley Water to inspect the parcel and reevaluate the parcel tax.

3. The parcel owner shall notify Valley Water after a substantial change in the actual land use occurs, including a new estimate of the portion of the parcel that is different than the designated land use.

4. Valley Water may inspect and verify the actual land use for these parcels on a regular basis and will notify the appropriate parcel owners when it is determined that the actual land use has matched a county or city designated land use. Valley Water shall then correct the special tax rates for these parcels accordingly.

J. Pursuant to state law, Valley Water may provide an exemption from the special tax for low income owner-occupied residential properties for taxpayer-owners who are 65 years of age or older, the following shall apply:

Residential parcels where the total annual household income does not exceed 75 percent of the latest available figure for state median income at the time the annual tax is set, and such parcel is owned and occupied by at least one person who is aged 65 years or older is qualified to apply for an exemption from the applicable special tax.

K. The Safe, Clean Water and Natural Flood Protection Program shall follow 15-year financial planning cycles. This will allow Valley Water to align its budget each year with the projects' key performance indicators as well as long-term financial planning efforts, such as the Capital Improvement Program. Prior to the development of each 15-year financial plan, Valley Water will conduct outreach to engage the community and key stakeholders, including the Safe, Clean Water and Natural Flood Protection Program's independent monitoring committee (IMC) and Valley Water advisory committees, to help ensure that the Safe, Clean Water and Natural Flood Protection Program's priorities remain aligned with the priorities of the residents of Santa Clara County.

L. After a period of no longer than fifteen (15) years, the Board of Directors shall evaluate the need for the Safe, Clean Water and Natural Flood Protection Program, and make an affirmative determination of whether the special tax should be reduced or repealed, or is needed to build additional Projects to achieve related programmatic benefits in accordance with the priorities of the Safe, Clean Water and Natural Flood Protection Program. Should the Board of Directors determine that no additional Projects are needed, the Safe, Clean Water and Natural Flood Protection Program special tax will be

reduced accordingly, to reflect a transition from funding new Projects to funding operation, maintenance and replacement of Projects that were constructed with Safe, Clean Water and Natural Flood Protection Program funds. This evaluation process shall include the Valley Water advisory committees and the Program's IMC, which will be charged with making recommendations to the Board of Directors on the determination of whether the special tax should be reduced, repealed, or maintained. Following the first fifteen-year determination of continued need for the special tax, the determination shall be made every fifteen (15) years thereafter.

M. As projects under the Program are completed, the Board of Directors shall identify and prioritize new projects for inclusion in the Program. These new projects may be identified and proposed for Board approval at a public meeting through the Board's review and approval of the Program's five-year implementation plans, the first of which will be produced by the CEO or designee of Valley Water in year one of the Program and every five years thereafter; or, as directed by the Board.

N. 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.

O. The Chief Financial Officer or designee of Valley Water shall file a fiscal year report with the Board of Directors no later than January 1 of each year for the prior fiscal year. The annual report shall contain both of the following: (a) the amount of funds collected and expended; and (b) the status of any project required or authorized to be funded under this resolution.

P. An external, independent monitoring committee (IMC) shall be appointed by the Valley Water Board of Directors to conduct an annual review of Valley Water's fiscal year report and provide an annual report from the IMC to the Board of Directors regarding implementation of the intended results of the Program. The IMC shall also review each proposed five-year implementation plan prior to its submittal for Board approval. Through review of both the annual reports and five-year implementation plans, the IMC may make recommendations to the Valley Water Board of Directors regarding reasonably necessary measures to meet the priorities of the Safe, Clean Water and Natural Flood Protection Program. Every fifteen years, the IMC will review, and recommend to the Board and general public, whether the special tax should be reduced or repealed, or is needed to build additional Projects to achieve related programmatic benefits in accordance with the priorities of the Safe, Clean Water and Natural Flood Protection Program as described in Paragraph L of this resolution.

Q. While the Safe, Clean Water and Natural Flood Protection Program is in effect, the Board of Directors shall conduct independent professional audits of the Program to provide for accountability and transparency at least every five years.

R. Grants and partnerships offered through the Safe, Clean Water and Natural Flood Protection Program, where aligned with the District Act and permitted by law, may

extend to state and local governmental organizations; organized community groups with an established structure; nonprofit organizations as defined by Internal Revenue Code subsections (c) or (d); schools, community colleges, or universities (public or nonprofit; non-profit organizations as defined under Internal Revenue Code section 501(c); religious or apostolic associations as defined under Internal Revenue Code section 501(d); for-profit organizations; and persons.

S. Pursuant to the State California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4), adoption of this resolution for continuation of the parcel tax and as a government funding mechanism, is not a project subject to the requirements of CEQA. Prior to commencement of any project included in the Safe, Clean Water and Natural Flood Protection Program, any necessary environmental review required by CEQA shall be completed.

T. Upon entering into effect, the Safe, Clean Water and Natural Flood Protection Program parcel tax authorized by this resolution and placed on the ballot by RESOLUTION NO. 20-63, shall repeal and replace the Safe, Clean Water and Natural Flood Protection Program parcel tax approved by the voters in 2012. On the date that the parcel tax authorized by this resolution and RESOLUTION NO. 20-63 goes into effect, the updated Safe, Clean Water and Natural Flood Protection Program (the priorities of which are summarized in Attachment 2) will replace in its entirety the previously approved Safe, Clean Water and Natural Flood Protection Program. Any tax payments already made by voters and collected for use by Valley Water for the prior Safe, Clean Water and Natural Flood Protection Program will be used to achieve priorities identified in this updated Safe, Clean Water and Natural Flood Protection Program. Funding for capital projects currently identified in the prior Safe, Clean Water and Natural Flood Protection Program, will continue under this updated Safe, Clean Water and Natural Flood Protection Program to meet previous commitments. All other projects and programs identified in the prior Safe, Clean Water and Natural Flood Protection Program will be replaced by comparable projects or programs with similar or expanded obligations under the updated Safe, Clean Water and Natural Flood Protection Program. Commitments for incomplete non-capital projects or programs carried forward from the 2012 Safe, Clean Water and Natural Flood Protection Program, shall continue at no less than the current levels (funding or key performance indicators) as identified in the comparable replacement projects or programs under the updated Safe, Clean Water and Natural Flood Protection Program, until such time as they are completed. Changes to funding levels or key performance indicators may only be made by the Board as set forth under Paragraphs K and L or through Board decisions via a Board-approved Change Control Process.

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

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on July 21, 2020:

AYES:	Directors	Santos, Estremera, Keegan, Kremen, LeZotte, Varela, Hsueh
NOES:	Directors	None.
ABSENT:	Directors	None.
ABSTAIN:	Directors	None.

SANTA CLARA VALLEY WATER DISTRICT

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

RL14541

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

ATTACHMENT 1
COVERSHEET

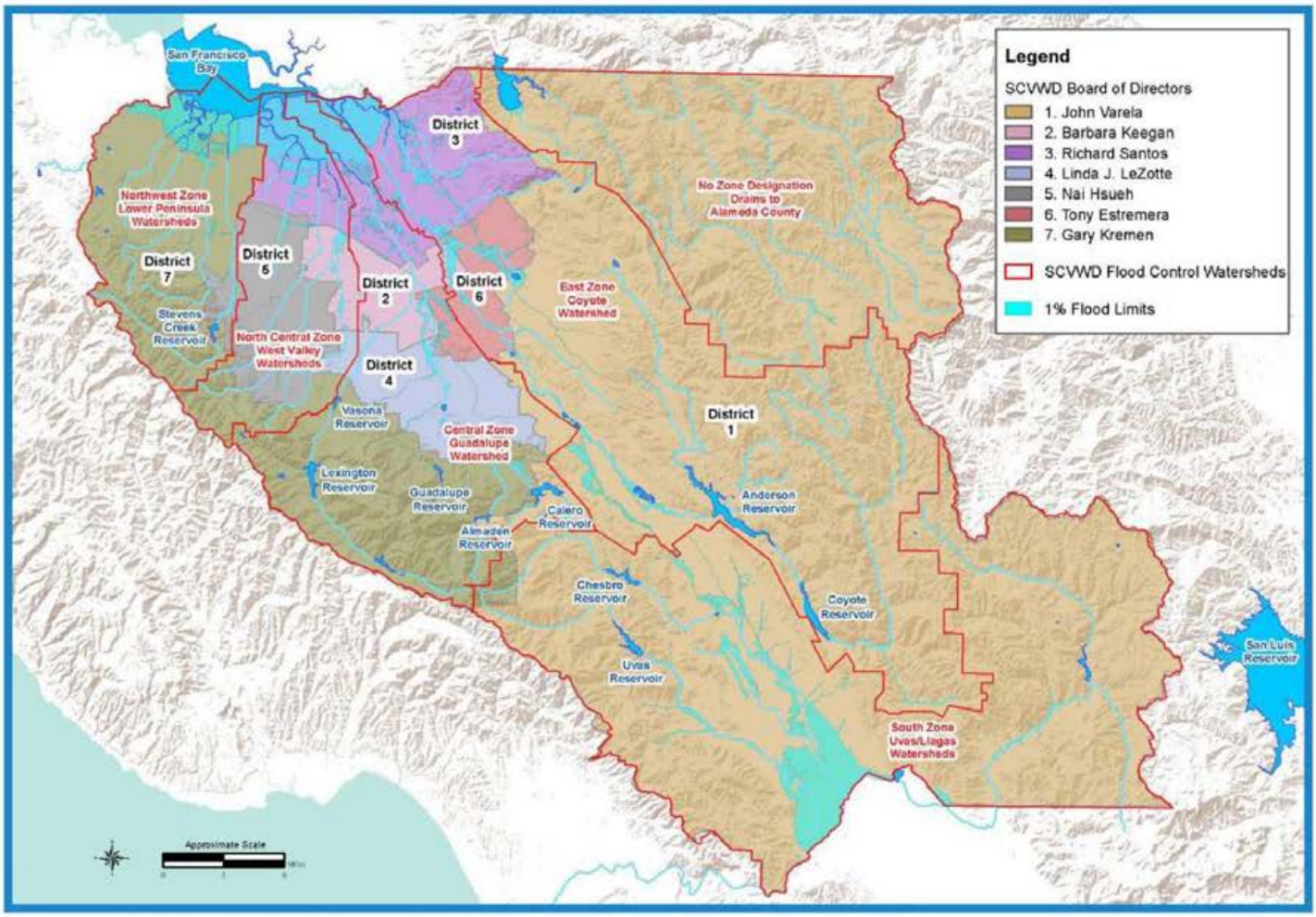
SCVWD FLOOD CONTROL ZONES AND BOARD DISTRICTS IN SANTA CLARA COUNTY

No. of Pages: 1

Additional Items: None.

Resolution APPENDIX A

SCVWD Flood Control Zones and Board Districts in Santa Clara County



GIS themes are for illustration and general analysis purposes only and are not accurate to surveying or engineering standards. Information is not guaranteed to be accurate, current, or complete and use of this information is your responsibility.

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Valley Water

1-1

RL14541

Attachment 2
Page 10 of 18

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

ATTACHMENT 2
COVERSHEET

SUMMARY OF KEY PERFORMANCE INDICATORS FOR THE FIRST 15 YEARS OF PROGRAM

No. of Pages: 5

Additional Items: None.

Summary of Key Performance Indicators for the First 15 Years of Program

Project	Key Performance Indicator
Priority A: Ensure a Safe, Reliable Water Supply	
A1 Pacheco Reservoir Expansion	1. Provide a portion of funds, up to $10 million, to help construct the Pacheco Reservoir Expansion Project.
A2 Water Conservation Rebates and Programs	1. Award up to $1 million per year toward specified water conservation program activities, including rebates, technical assistance and public education within the first seven (7) years of the Program.
A3 Pipeline Reliability	1. Install four (4) new line valves on treated water distribution pipelines.

Project	Key Performance Indicator
Priority B: Reduce Toxins, Hazards, and Contaminants in Our Waterways	
B1 Impaired Water Bodies Improvement	1. Investigate, develop and implement actions to reduce methylmercury in fish and other organisms in the Guadalupe River Watershed. 2. Prepare and update a plan for the prioritization of surface water quality improvement activities, such as addressing trash and other pollutants. 3. Implement at least two (2) priority surface water quality improvement activities identified in the plan per 5-year implementation period.
B2 Inter-Agency Urban Runoff Program	1. Address trash in creeks by maintaining trash capture devices or other litter control programs. 2. Maintain Valley Water's municipal stormwater compliance program and partner with cities to address surface water quality improvements, including participation in at least three (3) countywide, regional or statewide stormwater program committees to help guide regulatory development, compliance, and monitoring. 3. Support at least one (1) stormwater quality improvement activity per 5-year implementation period in Santa Clara County, including providing up to $1.5 million over 15 years to support implementation of green stormwater infrastructure consistent with Santa Clara Basin and South County Stormwater Resource Plans.
B3 Hazardous Materials Management and Response	1. Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two (2) hours or less.
B4 Support Volunteer Cleanup Efforts	1. Fund Valley Water's creek stewardship program to support volunteer cleanup activities such as annual National River Cleanup Day, California Coastal Cleanup Day, the Great American Litter Pick Up; and the Adopt-A-Creek Program.

Project	Key Performance Indicator
Priority C: Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters	
C1 Anderson Dam Seismic Retrofit	1. Provide portion of funds, up to $54.1 million, to help restore full operating reservoir capacity of 90,373 acre-feet.

Project	Key Performance Indicator
Priority D: Restore Wildlife Habitat and Provide Open Space	
D1 Management of Riparian Planting and Invasive Plant Removal	1. Maintain a minimum of 300 acres of riparian planting projects annually to meet regulatory requirements and conditions. 2. Maintain a minimum of 200 acres of invasive plant management projects annually to meet regulatory requirements and conditions. 3. Remove 25 acres of Arundo donax throughout the county over a 15-year period.
D2 Revitalize Riparian, Upland and Wetland Habitat	1. Revitalize at least 21 acres over a 15-year period through native plant revegetation and/or removal of invasive exotic species. 2. Develop an Early Detection and Rapid Response Program Manual. 3. Identify and treat at least 100 occurrences of emergent invasive species over a 15-year period, as identified through the Early Detection and Rapid Response Program. 4. Develop at least eight (8) information sheets for Early Detection of Invasive Plant Species.
D3 Sediment Reuse to Support Shoreline Restoration	1. Maintain partnership agreements to reuse sediment to improve the success of salt pond and tidal marsh restoration projects and activities. 2. Provide up to $4 million per 15-year period to support activities necessary for sediment reuse.
D4 Fish Habitat and Passage Improvement	1. Complete planning and design for one (1) creek/lake separation. 2. Construct one (1) creek/lake separation project in partnership with local agencies. 3. Use $8 million for fish passage improvements by June 30, 2028. 4. Update study of all major steelhead streams in the county to identify priority locations for fish migration barrier removal and installation of large woody debris and gravel as appropriate. 5. Complete five (5) habitat enhancement projects based on studies that identify high priority locations for large wood, boulders, gravel, and/or other habitat enhancement features.
D5 Ecological Data Collection and Analysis	1. Reassess and track stream ecological conditions and habitats in each of the county's five (5) watersheds every 15 years. 2. Provide up to $500,000 per 15-year period toward the development and updates of five (5) watershed plans that include identifying priority habitat enhancement opportunities in Santa Clara County.
D6 Restoration of Natural Creek Functions	1. Construct the Hale Creek Enhancement Pilot Project, which includes restoration and stabilization of a 650-foot section of concrete-lined channel on Hale Creek, between Marilyn Drive and North Sunshine Drive on the border of Mountain View and Los Altos. 2. Construct the Bolsa Road Fish Passage Project along 1,700 linear feet of Uvas-Carnadero Creek in unincorporated Santa Clara County, which includes geomorphic design features that will restore stability and stream function. 3. Identify, plan, design, and construct a third geomorphic-designed project to restore stability and stream function by preventing incision and promoting sediment balance throughout the watershed.

Priority D: Restore Wildlife Habitat and Provide Open Space cont…	
D7 Partnerships for the Conservation of Habitat Lands	1. Provide up to $8 million per 15-year period for the acquisition or enhancement of property for the conservation of habitat lands.

Project	Key Performance Indicator
Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways	
E1 Coyote Creek Flood Protection, Montague Expressway to Tully Road – San Jose	1. Construct flood protection improvements along Coyote Creek between Montague Expressway and Tully Road to provide protection from floods up to the level that occurred on February 21, 2017, approximately a 5% (20-year) flood event.
E2 Sunnyvale East and Sunnyvale West Channels Flood Protection, San Francisco Bay to Inverness Way and Almanor Avenue – Sunnyvale	1. Provide 1% (100-year) flood protection for 1,618 properties and 47 acres (11 parcels) of industrial land, while improving stream water quality and working with other agencies to incorporate recreational opportunities.
E3 Lower Berryessa Flood Protection, including Tularcitos and Upper Calera Creeks (Phase 3) – Milpitas	1. With local funding only: Complete the design phase of the 1% (100-year) flood protection project to protect an estimated 1,420 parcels.
E4 Upper Penitencia Creek Flood Protection, Coyote Creek to Dorel Drive – San Jose	1. Preferred project with federal and local funding: Construct a flood protection project to provide 1% (100-year) flood protection to 8,000 parcels. 2. With local funding only: Construct a 1% (100-year) flood protection project from Coyote Creek confluence to Capital Avenue to provide 1% (100-year) flood protection to 1,250 parcels, including the new Berryessa BART station.
E5 San Francisquito Creek Flood Protection, San Francisco Bay to Upstream of Highway 101 – Palo Alto	1. Preferred project with federal, state and local funding: Protect more than 3,000 parcels by providing 1% (100-year) flood protection. 2. With state and local funding only: Protect approximately 3,000 parcels by providing 1% (100-year) flood protection downstream of Highway 101, and approximately 1.4% (70-year) protection upstream of Highway 101.

Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways cont…	
E6 Upper Llagas Creek Flood Protection, Buena Vista Avenue to Llagas Road – Morgan Hill, San Martin, Gilroy	1. Preferred project with federal and local funding: Plan, design and construct flood protection improvements along 13.9 miles of Upper Llagas Creek from Buena Vista Avenue to Llagas Road to provide flood protection to 1,100 homes, 500 businesses, and 1,300 agricultural acres, while improving stream habitat. 2. With local funding only: Construct flood protection improvements along Llagas Creek from Buena Vista Avenue to Highway 101 in San Martin (Reaches 4 and 5 (portion)), Monterey Road to Watsonville Road in Morgan Hill (Reach 7a), approximately W. Dunne Avenue to W. Main Avenue (portion of Reach 8), and onsite compensatory mitigation at Lake Silveira.
E7 San Francisco Bay Shoreline Protection – Milpitas, Mountain View, Palo Alto, San Jose, Santa Clara, and Sunnyvale	1. Provide portion of the local share of funding for planning, design and construction phases for the Santa Clara County shoreline area, EIAs 1-4. 2. Provide portion of the local share of funding for planning and design phases for the Santa Clara County shoreline area, EIAs 5-9.
E8 Upper Guadalupe Flood Protection, Highway 280 to Blossom Hill Road – San Jose	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 Jose, from approximately the Union Pacific Railroad Bridge to West Virginia Street Bridge to improve aquatic habitat for migrating steelhead and channel stability.

Project	Key Performance Indicator
Priority F: Support Public Health and Public Safety for Our Community	
F1 Vegetation Control and Sediment Removal for Capacity	1. Maintain completed flood protection projects for flow conveyance.
F2 Emergency Response Planning and Preparedness	1. Coordinate with local municipalities to merge Valley Water-endorsed flood emergency processes with their own emergency response plans and processes. 2. Complete five (5) flood management plans/procedures per 5-year period, selected by risk priorities. 3. Train Valley Water staff and partner municipalities annually on disaster procedures via drills and exercises before testing the plans and procedures. 4. Test flood management plans/procedures annually to ensure effectiveness.
F3 Flood Risk Assessment Studies	1. Complete engineering studies on three (3) creek reaches to address 1% (100-year) flood risk. 2. Annually, update floodplain maps on a minimum of three (3) creek reaches in accordance with new FEMA standards.

Priority F: Support Public Health and Public Safety for Our Community cont…	
F4 Vegetation Management for Access and Fire Safety	1. Provide vegetation management for access and fire risk reduction on an average of 495 acres per year, totaling 7,425 acres along levee, property lines and maintenance roads over a 15-year period.
F5 Good Neighbor Program: Encampment Cleanup	1. Perform 300 annual cleanups to reduce the amount of trash and pollutants entering the streams. 2. Provide up to $500,000 per year in cost-share with other agencies for services related to encampment cleanups, including services supporting staff safety, discouraging re-encampments along waterways or addressing the homelessness crisis with the goal of reducing the need for encampment cleanups.
F6 Good Neighbor Program: Graffiti and Litter Removal and Public Art	1. Cleanup identified trash and graffiti hotspots at approximately 80 sites four (4) times per year. 2. Respond to requests on litter or graffiti cleanup within five (5) working days. 3. Provide up to $1.5 million over 15 years to implement public art projects on Valley Water property and infrastructure.
F7 Emergency Response Upgrades	1. Maintain existing capabilities for flood forecasting and warning. 2. Improve flood forecast accuracy and emergency response time working with the National Weather Service and through research and development.
F8 Sustainable Creek Infrastructure for Continued Public Safety	1. Provide up to $7.5 million in the first 15-year period to plan, design and construct projects identified through Watersheds asset management plans.
F9 Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship	1. Provide a grant and partnership cycle each year for projects related to safe, clean drinking water, flood protection and environmental stewardship. 2. Provide annual funding for bottle filling stations to increase drinking water accessibility, with priority for installations in economically disadvantaged communities and locations that serve school-age children and students. 3. Provide annual mini-grant funding opportunity for projects related to safe, clean drinking water, flood protection and environmental stewardship. 4. Provide up to $3 million per 15-year period for partnerships with small municipalities (defined as under 50,000 people in the most recent census available), or special districts with boundaries substantially within the footprint of small cities, for projects aligned with the District Act and related to safe, clean drinking water, flood protection and environmental stewardship.

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

ATTACHMENT 3
COVERSHEET

FIGURE 1
ACTUAL FY 2019–20 AND ACTUAL FY 2020–21 SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION SPECIAL TAX RATES

No. of Pages: 1

Additional Items: None.

FIGURE 1
Actual FY 2019–20 and Actual FY 2020–21
Safe, Clean Water and Natural Flood Protection Special Tax Rates

Land Use Categories	Actual FY '19-20	Actual FY '20-21
A - Commercial, Industrial		
Rate ($/Acre)	$541.60	$541.60
Minimum Assessment [1]	$135.39	$135.39
B - Apartment, Schools, Churches, Condominiums & Townhouse		
Rate ($/Acre)	$406.20	$406.20
Minimum Assessment [1]	$101.55	$101.55
Condominiums & Townhouses ($/unit)	$32.95	$32.95
C - Single Family Residential, Small Multiples (2-4 units) [2]		
Minimum Assessment [1]	$67.67 (Averaging $0.006 per square foot)	$67.67 (Averaging $0.006 per square foot)
D - Utilized Agriculture[2]		
Rate ($/Acre)	$3.47	$3.47
Minimum Assessment [1]	$34.70	$34.70
E - Urban - Nonutilized Agricultural, Grazing Land, Salt Ponds, Well Site in Urban Areas		
Rate ($/Acre)	$1.02	$1.02
Minimum Assessment [1]	$10.23	$10.23
E - Rural - Nonutilized Agricultural, Grazing Land, Well Sites in Rural Areas		
Rate ($/Acre)	$0.14	$0.14
Minimum Assessment [1]	$10.23	$10.23

[1] The minimum assessments shown for Categories A, B, and C apply to parcels 1/4 acre or less in size. Category C parcels larger than 1/4 acre pay the minimum assessment for the first 1/4 acre and the remaining acreage is assessed at the Category D rate. For Category D, the minimum assessment applies to parcels less than 10 acres. The minimum assessment for Group E parcels is the amount charged for 10 acres of urban undeveloped land; the minimum assessment is the same for both the Urban Category and the Rural Category parcels, however the Rural Category applies to parcels of 80 acres or less.

[2] Residential land in excess of 1/4 acre is assessed at the "D" rate.

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 21-10

PROVIDING FOR A SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM INDEPENDENT MONITORING COMMITTEE OF THE SANTA CLARA VALLEY WATER DISTRICT

RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

I. GENERAL

A. Resolution 20-64, approved by the voters of Santa Clara County by the passage of the November 3, 2020, Safe, Clean Water and Natural Flood

Protection Program (Program) (ballot Measure S), requires that the Santa Clara Valley Water District (Valley Water) Board of Directors (Board) appoint an external Independent Monitoring Committee (Committee) to: (1) conduct an annual review of Valley Water's fiscal year report on the Program; (2) provide an annual report from the Committee to the Board regarding implementation of the intended results of the Program; (3) review each five-year implementation plan for the Program prior to its submittal to the Board for approval; and (4) review and recommend to the Board and Public every fifteen years whether the special tax should be reduced or repealed, or is needed to build additional projects to achieve related programmatic benefits in accordance with the priorities of the Program. The Committee also may, through its review of the annual reports and five-year implementation plans, make recommendations to the Board regarding reasonably necessary measures to meet the priorities of the Program.

B. The Committee shall be comprised of 14 members who reside within Santa Clara County: two members to be nominated by each member of the Board. In nominating Committee members, Board members shall strive to ensure fair treatment and meaningful involvement of all peoples regardless of race, color, gender identity, disability status, national origin, tribe, culture, income, immigration status, English language proficiency, or religion.

C. In order to provide continuity, each Board member shall nominate one Committee member to serve a three-year term, and one Committee member to serve a two-year term. The terms of office of Committee members shall begin on July 1 of a given year and are subject to reappointment by the full Board.

D. Committee members shall be subject to Valley Water's Conflict of Interest Code (Code), including its filing requirements for statements of economic interest, if the Code is subsequently amended to specifically include them.

E. Independent of Valley Water's Conflict of Interest Code, Committee members shall have an obligation to promptly disclose to Valley Water and the Committee Chair any existing membership, employment, management, or governance relationship with any entity actively seeking or receiving monetary grants from the Program.

F. Meetings of the Committee shall be governed by the Ralph M. Brown Act, Government Code Sections 54950-54961.

II. PURPOSE

A. The Committee will provide for a regular meeting to be held not less than once per year.

B. Between December and February every year beginning in December 2022, the Committee shall conduct an annual review of the Program's prior fiscal year annual report and prepare and submit a summary of its findings to the Board, which shall be made available to Santa Clara County residents, regarding the Committee's review of the implementation of the intended results of the Program.

C. The Committee shall review each five-year implementation plan for the Program prior to its submittal to the Board for approval. In this review, the Committee will reasonably inform itself to the extent necessary to determine the degree to which Valley Water's five-year implementation plans for the Program are being accomplished.

D. Through its review of the annual reports and five-year implementation plans, the Committee may make recommendations to the Board regarding reasonably necessary measures to meet the priorities of the Program.

E. Every fifteen years, starting in 2035, the Committee shall review and recommend to the Board and Public whether the special tax should be reduced or repealed, or is needed to build additional projects to achieve related programmatic benefits in accordance with the priorities of the Program.

F. Valley Water shall fund clerical support.

III. CONDUCT OF MEETINGS

A. A majority of the Committee will be determined based upon the simple majority of the number of Committee members holding office.

B. The Chairperson or a majority of the Committee membership may call for a special meeting of the Committee from time to time in accordance with Section 54956 of the Government Code. Such meetings shall be held at the Valley Water Headquarters or such other place and time as the Chairperson may designate. Valley Water may request the Chairperson or Committee to convene a special meeting.

C. Notices of each Committee meeting, together with an agenda thereof and the draft minutes of the preceding meeting, shall be electronically mailed or sent by first class mail, postage prepaid, to each Committee member, and made available to the public in accordance with the Ralph M. Brown Act.

D. The Committee may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time.

E. The powers of the Committee shall be vested in the members thereof in office from time to time. A majority of the full membership of the Committee shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn from time to time until a quorum is obtained. With the exception above specified, actions of the Committee may be taken upon the affirmative vote of not less than a majority of a quorum present and voting.

F. The voting on all matters shall be by voice vote unless a roll call vote is called for by any member of the Committee.

G. Discussion on any particular matter by either Committee members or by any member of the general public may be limited, in the discretion of the Chairperson, to such length of time as the Chairperson may deem reasonable under the circumstances.

H. Whenever the Committee authorizes and instructs the Chairperson to appoint a subcommittee of the Committee or a committee composed of persons who are not members of the Committee, the members of such subcommittee or committee shall serve at the pleasure of the Chairperson. The Chairperson of such subcommittees and committees shall be appointed by the Chairperson of the Committee. All subcommittee meetings shalt be conducted in accordance with the Ralph M. Brown Act.

I. All meetings of the Committee shall be open and public.

J. The Committee may be adjourned sine die by the Chairperson at the close of consideration of the business before it and may thereafter be returned to a course of regular meetings upon the call of the Chairperson or of a majority of the Committee membership in the manner prescribed for a call a special meeting.

IV. OFFICERS

A. The officers of the Committee shall be a Chairperson and Vice Chairperson, both of whom shall be members of the Committee. The Committee shall elect its officers at the first meeting of the Committee's annual review cycle. The Chairperson and Vice Chairperson shall serve a term of one year. All officers shall hold over in their respective offices after their term of office has expired until their successors have been elected and have assumed office.

B. The Chairperson shall preside at all meetings of the Committee. The Chairperson shall sign all resolutions and all other instruments made or promulgated by the Committee and he or she shall perform such other duties as the Committee may prescribe consistent with the purpose of the Committee.

C. The Vice Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson; and in case of the resignation of or death of the Chairperson, the Vice Chairperson shall perform such duties as are imposed upon the Chairperson until such time as a new Chairperson is elected by the Committee.

D. Should the office of Chairperson or Vice Chairperson become vacant during the term of such office, the Committee shall elect a successor from its membership at the earliest meeting at which such election would be practicable, and such election shall be for the unexpired term of such office.

E. In the event the Chairperson and Vice Chairperson are both absent from a meeting, the Committee may elect a Chairperson Pro-tempore to preside over the meeting during the absence of the Chairperson and Vice Chairperson.

F. Additional bylaws may be adopted for the purpose of conducting the business of the Committee.

V. AMENDMENT

A. Amendment of this resolution consistent with or necessary to carry out or support the purpose of the Committee may be proposed by vote of the Committee or by Valley Water's Board of Directors. The Board will consider and act upon the proposed amendment without delay but following not less than three calendar days (72 hours) written notice to each Committee member of the time and place when and where the proposed amendment is to be acted upon.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on February 23, 2021:

AYES: Directors Hsueh, Santos, Keegan, Kremen, LeZotte, Varela, Estremera

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMERA
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

(NOT IMPLEMENT UNDER THE SAFE, CLEAN WATER PROGRAM)

PROJECT A1
PACHECO RESERVOIR EXPANSION

A collaboration between Valley Water, the San Benito County Water District and the Pacheco Pass Water District, the Pacheco Reservoir Expansion Project is a strategic and long-term investment toward ensuring a more reliable supply of safe, clean drinking water in the face of climate change.

This project will boost Pacheco Reservoir's operational capacity from 5,500 acre-feet to up to 140,000 acre-feet, enough to supply up to 1.4 million residents with water for one year in an emergency. Located in southeast Santa Clara County, the expanded reservoir will also reduce the frequency and severity of water shortages during droughts, protect our drinking water supply and infrastructure and improve habitat for fish.

Valley Water has taken into consideration 2030 and 2070 projected future conditions with climate change to ensure that the reservoir is not only viable today, but can withstand the changes expected in the future.

Benefits

- Ensures a reliable supply of drinking water
- Provides an emergency supply of drinking water
- Improves habitat for fish, including federally threatened steelhead
- Reduces flood risk to disadvantaged communities
- Allows for environmental water management that supports habitat projects and other environmental water needs
- Addresses climate change

Key Performance Indicator (FY22-36)

1. Provide a portion of funds, up to $10 million, to help construct the Pacheco Reservoir Expansion Project.

Geographic Area of Benefit: Countywide

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. 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. 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 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

PROJECT F9
GRANTS AND PARTNERSHIPS FOR SAFE, CLEAN WATER, FLOOD PROTECTION AND ENVIRONMENTAL STEWARDSHIP

This project provides grants, ~~and~~ partnerships, and rebates for agencies, organizations, and individuals for water conservation, pollution prevention, creek cleanups and education, wildlife habitat restoration and wildlife corridors and crossings, and access to trails and open space. Eligible projects include water conservation; recycled water programs and infrastructure; pollution prevention programs; watershed stewardship; creek cleanups; education; and developing plans and/or implementing projects that create or enhance wetland, riparian and tidal marsh habitat; protect special status species; improve fish passage and habitat; remove non-native, invasive plant species; plant native species; partnerships to remove flood-inducing blockages, and provide access to creekside trails or trails that provide a significant link to the creekside trail network.

Benefits

- Leverages community resources for efficient use of funds to implement projects that conserve water, prevent trash and contaminants from entering our waterways and groundwater, enhance creek and bay ecosystems, and expand trail and open space access
- Increases collaborations and partnerships with cities, the County, nonprofit organizations, schools and other stakeholders
- Promotes public involvement, awareness and education of safe, clean drinking water, flood protection and environmental stewardship through community-led projects
- Broadens opportunities for smaller jurisdictions

Key Performance Indicators (FY22–36)

1. Provide a grant and partnership cycle each year for projects related to safe, clean drinking water, flood protection and environmental stewardship.
2. Provide annual funding for bottle filling stations to increase drinking water accessibility, with priority for installations in economically disadvantaged communities and locations that serve school-age children and students.
3. Provide annual mini-grant funding opportunity for projects related to safe, clean drinking water, flood protection and environmental stewardship.
4. Provide up to $3 million per 15-year period for a Creekside Neighbor Rebate Program for watershed activities, including bank repair, sediment removal, and downed tree management. ~~partnerships with small municipalities (defined as under 50,000 people in the most recent census available), or special districts with boundaries substantially within the footprint of small cities, for projects aligned with the District Act and related to safe, clean drinking water, flood protection and environmental stewardship.~~

Geographic Area of Benefit: Countywide

PROJECT A1
PACHECO RESERVOIR EXPANSION

A collaboration between Valley Water, the San Benito County Water District and the Pacheco Pass Water District, the Pacheco Reservoir Expansion Project is a strategic and long-term investment toward ensuring a more reliable supply of safe, clean drinking water in the face of climate change.

This project will boost Pacheco Reservoir's operational capacity from 5,500 acre-feet to up to 140,000 acre-feet, enough to supply up to 1.4 million residents with water for one year in an emergency. Located in southeast Santa Clara County, the expanded reservoir will also reduce the frequency and severity of water shortages during droughts, protect our drinking water supply and infrastructure and improve habitat for fish.

Valley Water has taken into consideration 2030 and 2070 projected future conditions with climate change to ensure that the reservoir is not only viable today, but can withstand the changes expected in the future.

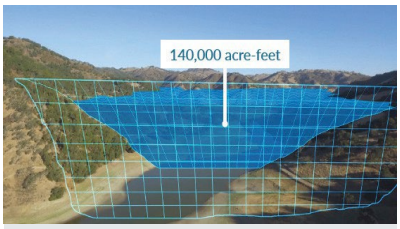
Benefits

- Ensures a reliable supply of drinking water
- Provides an emergency supply of drinking water
- Improves habitat for fish, including federally threatened steelhead
- Reduces flood risk to disadvantaged communities
- Allows for environmental water management that supports habitat projects and other environmental water needs
- Addresses climate change by considering 2030 and 2070 projected future conditions

Key Performance Indicator (FY22–36)

1. Provide a portion of funds, up to $10 million, to help construct the Pacheco Reservoir Expansion Project.

Geographic Area of Benefit: Countywide



Rendering of the proposed expanded reservoir.

SCHEDULED TO START

NOT IMPLEMENT and ADJUSTED

Project A1 FY24 Highlights

- The Board held a formal public hearing and approved not implementing the project under the Safe, Clean Water Program.
- The project, funded by the Water Utility Enterprise Fund, continued to progress as part of Valley Water's Capital Improvement Program (CIP).
- Continued to address the comments received on the Draft Environmental Impact Report (EIR) and develop the Final EIR/Environmental Impact Statement (EIS) document.

PROJECT A2
WATER CONSERVATION REBATES AND PROGRAMS

This project to help meet and exceed long-term water conservation and reliability goals will increase water-use efficiency in the landscape, residential, schools and commercial sectors through water conservation rebates, technical assistance and public education.

Water Conservation rebate programs may include a residential leak detection and assistance program, an expanded landscape rebate program that promotes California-native plant species as well as water-saving plants, advanced metering infrastructure (AMI) and a restaurant-efficiency and school-efficiency upgrade program.

Water conservation helps manage risks to water supply reliability from climate change and reduces greenhouse gases. Without water conservation, Valley Water would need to import more water or develop additional infrastructure to yield a commensurate water supply every year. Water conservation reduces reliance on imported water supply by creating a more diverse portfolio of supply that is more resilient to risks and uncertainties.

For example, in fiscal year (FY) 2023, approximately 83,174 acre-feet of water were saved through Valley Water's long-term conservation programs and plumbing code regulations. Water conservation programs ensure water supply resiliency as the risk of drought increases due to climate change.

Supplying water requires a lot of energy to extract, convey, treat, and distribute, which may account for up to 10% of California's greenhouse gas (GHG) emissions. Hence, reducing water demand through conservation reduces GHG emissions. Valley Water's 2011 "***From Watts to Water***" report explains in more detail the crucial role water conservation plays in reducing GHG emissions.

Water conservation also helps adapt to climate change by conserving limited water supply and lessening demand to meet an uncertain water supply future.

Permaculture pilot project students learning hands-on lawn conversion.

ACTIVE

ADJUSTED

Project A2 FY24 Highlights

- Provided $1 million towards water conservation activities, including rebates.
- The funding helped Valley Water issue rebates to convert more than 1,400,000 sq ft of lawns to low-water-use landscapes.
- 101 attendees participated in Qualified Water Efficient Landscaper Training, held online and in-person in English and Spanish.

Benefits

- Helps county residents exceed the countywide goal of conserving 110,000 acre-feet of water per year by 2040
- Increases water supply reliability by creating a more diverse portfolio of supply that is more resilient to risks and uncertainties
- Reduces greenhouse gases by reducing water usage, thereby decreasing the energy required for water conveyance, treatment, and distribution
- Supports climate change adaptation by conserving limited water supply and lessening demand to meet an uncertain water supply future
- Reduces pollution to the Bay by reducing irrigation runoff

Key Performance Indicators (FY22–36)

1. Award up to $1 million per year toward specified water conservation program activities, including rebates, technical assistance, and public education, within the first seven (7) years of the Program.

Geographic Area of Benefit: Countywide

PROJECT A3
PIPELINE RELIABILITY PROJECT

This project constructs four (4) line valves at various locations along the East, West and Snell treated water pipelines in Saratoga, Cupertino and San José.

Continued from the 2012 Safe, Clean Water Program, this project ~~is closing out its design phase and nearing construction. Once constructed, this project~~ will allow Valley Water to isolate sections of pipelines for scheduled maintenance and repairs following a catastrophic event, such as a major earthquake, and allow the network of emergency wells to operate, even when there is damage upstream and downstream of individual wells.

Plunger Valve at Main Avenue Ponds Vault.

ACTIVE

ADJUSTED

Project A3 FY24 Highlights

- Began construction of the Snell Pipeline valve.
- Construction of the Snell Pipeline valve is expected to be completed by FY27.

Benefits

- Supports shorter service interruption in the case of a pipeline break
- Provides operational flexibility for pipeline maintenance work
- Improves drinking water reliability
- Reduces the amount of water released in streams in the event of a pipeline maintenance or repair

Key Performance Indicator (FY22–36)

1. Install four (4) new line valves on treated water distribution pipelines.

Geographic Area of Benefit: Mountain View, Sunnyvale, Santa Clara, Cupertino, Saratoga, Los Gatos, Los Altos, Campbell, San José and Milpitas

PROJECT B1
IMPAIRED WATER BODIES IMPROVEMENT

This project reduces pollutants in streams, reservoirs and groundwater of Santa Clara County by supporting surface water quality pollution prevention activities. These programs address water quality concerns currently identified by local and state regulatory agencies, as well as contaminants of emerging concern. Initiatives under this project are consistent with the Regional Water Quality Control Board (RWQCB) impaired water bodies designation and Total Maximum Daily Loads (TMDLs), which are the maximum amount of a pollutant that a water body can receive and still safely meet water quality standards. Under this project, Valley Water studies and implements methods to reduce methylmercury formation in reservoirs, and helps create and carry out realistic plans to reduce contaminants, such as nutrients, bacteria, pesticides, polychlorinated biphenyls (PCBs) and others, in local creeks and reservoirs.

This project addresses both greenhouse gas (GHG) reduction and climate change adaptation, as reservoirs are a major source of GHG emissions (i.e. methane, a potent greenhouse gas) during low oxygen conditions. Microbes in the low-oxygen bottom waters of reservoirs and lakes produce methane seasonally. Oxygenation and other interventions may reduce methane production in reservoirs. Oxygenation is the current mechanism to control mercury in fish and may reduce methane emissions. Oxygenation can also reduce the formation of harmful algal blooms, which may become more frequent with warmer temperatures.

Benefits

- Reduces contaminants in streams and reservoirs
- Improves water quality, including water slated for drinking water treatment plants
- Increases understanding of mercury cycling in reservoirs to develop strategies that reduce toxic methylmercury in fish consumed by people and wildlife
- Increases the scientific understanding of environmental pollutants to assist in developing actions to manage them
- Supports regulatory compliance with surface water quality standards for local creeks and reservoirs
- Addresses climate change by providing data on the production of methane in reservoirs to estimate the magnitude of those emissions

Key Performance Indicators (FY22–36)

1. Investigate, develop, and implement actions to reduce methylmercury in fish and other organisms in the Guadalupe River Watershed.
2. Prepare and update a plan for the prioritization of surface water quality improvement activities, such as addressing trash and other pollutants.
3. Implement at least two (2) priority surface water quality improvement activities identified in the plan per 5-year implementation period.

Geographic Area of Benefit: Countywide

Lichen sampling at Guadalupe Reservoir for analysis to determine atmospheric mercury deposition.

ACTIVE

ADJUSTED

Project B1 FY24 Highlights

- Operated oxygenation treatment systems in two (2) reservoirs: Almaden and Calero.
- Completed monthly water quality monitoring and semiannual fish sampling at Almaden, Calero, Guadalupe and Stevens Creek reservoirs.
- Continued a research project with UC Merced to study sorbent treatment methods for mercury control.
- Began sampling and analysis to investigate the seasonal formation pathways of methylmercury production in Guadalupe Reservoir in a research project with UC Davis.
- Implemented three (3) surface water quality improvement activities in nine (9) waterbodies, including a project to study greenhouse gas emissions from the surfaces of Valley Water reservoirs.

PROJECT B2
INTER-AGENCY URBAN RUNOFF PROGRAM

Trash boom cleaning at Thompson Creek.

ACTIVE

ADJUSTED

Project B2 FY24 Highlights

- Operated four (4) trash capture devices (booms) in the county, collecting approximately two (2) tons of trash.
- Maintained municipal stormwater compliance program and several partnerships with cities and the county.
- Conducted a fourth phase of the South County Pet Waste Outreach project

This project supports Valley Water's continued participation in the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP) and South County stormwater programs. These programs enable Valley Water to reduce stormwater pollution through technical support and regional leadership. In addition, this project supports stormwater pollution prevention activities in South County Watersheds and green stormwater infrastructure (GSI). GSI allows rainwater runoff from roads, parking lots and other impervious surfaces to soak into the ground and be filtered by soil rather than discharge into storm drains that transport the water to creeks.

Project B2 allows Valley Water to participate in the regulatory development process related to stormwater by participating in stormwater permit re-issuance and providing review, analysis and comments on various water quality regulatory efforts. This project also allows Valley Water to collaborate with local agencies on public education and outreach activities to help prevent urban runoff pollution at the source.

Multi-benefit projects, such as green stormwater infrastructure, are important strategies to address water quality. Green infrastructure uses plants to soak water into the ground, which slows down, spreads and helps absorb rainwater instead of having it go down a storm drain. This improves water quality, can increase groundwater supplies and reduces peak flows to a creek.

Green stormwater infrastructure helps adapt to climate change by increasing groundwater recharge, reducing heat island effects, capturing carbon, lowering building energy demands, and increasing potential water supply sources.

Benefits

- Partners with municipalities and other agencies to reduce contaminants in stormwater and improve surface water quality in our streams, reservoirs, lakes and wetlands
- Maintains Valley Water compliance with the Regional Water Quality Control Board requirements in National Pollutant Discharge Elimination System (NPDES) permits
- Allows continued participation in SCVURPPP and South County urban runoff programs
- Allows Valley Water to help direct required monitoring efforts in ways that benefit Valley Water programs and projects
- Promotes stormwater pollution prevention
- Facilitates collaboration with partners on stormwater projects that provide multiple benefits and support Valley Water's mission
- ~~Addresses climate change~~ Supports climate change adaptation by increasing groundwater recharge, reducing heat island effects, capturing carbon, and lowering building energy demands

Key Performance Indicators (FY22–36)

1. Address trash in creeks by maintaining trash capture devices or other litter control programs.
2. Maintain Valley Water's municipal stormwater compliance program and partner with cities to address surface water quality improvements, including participation in at least three (3) countywide, regional, or statewide stormwater program committees to help guide regulatory development, compliance, and monitoring.
3. Support at least one (1) stormwater quality improvement activity per 5-year implementation period in Santa Clara County, including providing up to $1.5 million over 15 years to support implementation of green stormwater infrastructure consistent with Santa Clara Basin and South County Stormwater Resource Plans.

PROJECT C1
ANDERSON DAM SEISMIC RETROFIT

Anderson Reservoir is currently limited in its capacity due to seismic concerns, costing Santa Clara County valuable drinking water resources. This project, which continues the 2012 Safe, Clean Water project, provides a portion of the funds required to help restore the full operating capacity of Anderson Reservoir.

Anderson Dam creates the county's largest surface water reservoir—Anderson Reservoir—which stores local rainfall runoff and imported water from the Central Valley Project. The reservoir is an important water source for drinking water treatment plants and the recharge of the groundwater basin. Besides restoring drinking water supplies and covering the earthquake retrofitting of Anderson Dam to improve reliability and safety, the upgrade also supports compliance with environmental regulations. Valley Water's regular reservoir releases ensure that downstream habitat has healthy flows to sustain wildlife.

A breach of Anderson Dam at full capacity could have catastrophic consequences, including inundation of surrounding land more than 30 miles northwest to San Francisco Bay, and more than 40 miles southeast to Monterey Bay.

Benefits

- Brings the dam into compliance with today's seismic standards
- Increases reliability and safety of our area's largest reservoir by protecting it from earthquakes
- Eliminates operational restrictions issued by the two regulatory agencies—the Federal Energy Regulatory Commission (FERC) and the California Department of Water Resources Division of Safety of Dams (DSOD). In February 2020, FERC directed Valley Water to begin safely lowering the reservoir to an elevation of 488 feet (essentially almost emptying the reservoir) beginning October 1, 2020. This project would restore Anderson Reservoir to its full capacity of approximately 90,373 acre-feet of water storage for our current and future water supply
- Ensures compliance with environmental laws and regulations
- Enhances native fish and wildlife habitat with spawning gravel, instream complexities for habitat, and riparian corridor enhancement
- Minimizes the risk of uncontrollable releases from the reservoir, which could cause downstream flooding

Diversion Outlet Structure nearly complete. Micro Tunnel Boring Machine assembly.

SCHEDULED TO START

ADJUSTED

Project C1 FY24 Highlights

- Made significant progress on the Anderson Dam Tunnel Project, including the completing the excavation of the 24-foot diameter Low-Level Outlet tunnel
- Continued Coyote Creek Flood Management Measures Project construction.
- Continued construction on the Coyote Percolation Pond Dam Replacement.
- Completed construction of the Cross Valley Pipeline Extension.
- Released the Anderson Dam Seismic Retrofit Project Draft Environmental Impact Report for public review.

Key Performance Indicator (FY22–36)

1. Provide portion of funds, up to $54.1 million, to help restore full operating reservoir capacity of 90,373 acre-feet.

Geographic Area of Benefit: Countywide

PROJECT D1
MANAGEMENT OF RIPARIAN PLANTING AND INVASIVE PLANT REMOVAL

Removing giant reed (Arundo donax).

ACTIVE

ADJUSTED

This project supports Valley Water management of at least 300 acres of existing riparian planting projects and 200 acres of invasive plant removal projects throughout the five (5) watersheds. The project also funds maintenance of future riparian planting and invasive plant removal sites, which are anticipated as part of upcoming environmental mitigation requirements. Funding for this project ensures that all required riparian planting and invasive plant removal projects are maintained as functional habitat that can support wildlife. In addition, this project includes targeted control of especially damaging non-native, invasive plant species, such as Arundo donax, throughout the county.

Climate change has increased temperatures and lengthened growing seasons, which facilitates the spread of non-native invasive vegetation by allowing it to establish early in spring before native species, thus transforming ecosystems.

Riparian planting aims to reestablish native California plant species, combating habitat loss and fragmentation from urban development and sprawl. Carefully selected perennial plants, which can thrive for decades, aid in climate change mitigation by producing oxygen and absorbing and storing carbon in various forms. The shade provided by mature trees helps to moderate the urban heat island effect, reducing the need for additional energy sources to keep us comfortable. Invasive plant control targets non-native species, often less tolerant to climate extremes like flooding and droughts. These species can hinder the reestablishment of native plants after such disturbances and can diminish forest carbon storage capacity. Invasive plants also tend to form dense monospecific thickets, increasing the risk of more frequent and severe wildfires.

Project D1 FY24 Highlights

- Maintained approximately 438.5 acres of riparian planting projects at 109 sites throughout Santa Clara County.
- Maintained 420 acres of invasive plant management projects at 19 sites throughout the county.

  Removed 0.86 acre of Arundo donax at 15 sites throughout the county.

Management of riparian planting and invasive plant removal helps prevent the spread of non-native species, making the natural habitat less vulnerable and more resilient to climate change. Furthermore, restoring habitats that are damaged during regular operations is an important component of sustainable stewardship to protect nearby natural areas. It helps improve native habitat.

Benefits

- Maintains 300 acres of existing riparian planting sites
- Maintains 200 acres of existing invasive plant management projects
- Allows Valley Water to monitor plant survival and habitat functions
- Complies with environmental laws, which require long-term habitat mitigation for routine stream maintenance, flood protection and water supply projects
- Provides for the maintenance of future riparian planting and invasive plant management sites
- Addresses climate change impacts by making the natural habitat less vulnerable and more resilient

Key Performance Indicators (FY22–36)

1. Maintain a minimum of 300 acres of riparian planting projects annually to meet regulatory requirements and conditions.
2. Maintain a minimum of 200 acres of invasive plant management projects annually to meet regulatory requirements and conditions.
3. Remove 25 acres of Arundo donax throughout the county over a 15-year period.

PROJECT D3
SEDIMENT REUSE TO SUPPORT RESTORATION PROJECTS

This project reuses local sediment removed through Valley Water's Stream Maintenance Program, capital projects and other local sources to create and restore tidal marsh, riparian or wetland habitats. Sediment may be reused to support the South Bay Salt Pond Restoration project or other environmental enhancement and restoration projects. Valley Water removes sediment from streams to maintain their capacity to carry floodwaters. To secure environmentally appropriate reuse sites, partnership agreements may be required. This project also funds site improvements necessary to facilitate sediment delivery to the reuse sites.

Beneficial reuse of sediment has become a key component in tidal marsh, riparian or wetland restoration around the bay and throughout the country. As sea levels rise, natural sedimentation and vegetation rates cannot keep up and tidal zones are in danger of being submerged, erasing environmental gains from restoration work. By delivering clean sediment from local creeks that would have naturally flowed into the San Francisco or Monterey Bays, this project accelerates natural marsh- building processes and helps to keep up with sea-level rise. Activities necessary for sediment reuse may include testing, transport, cover material, and site improvements required for access.

Equipment moving sediment at Pond A8 in Sunnyvale.

ACTIVE

ADJUSTED

Project D3 FY24 Highlights

- Explored and Identified Pond A4 as a new location for sediment reuse.
- Continued testing of the sediment removed from local streams under the Stream Maintenance Program to ensure consistent sediment quality data is available as Valley Water works with the Regional Water Quality Control Board to modify criteria for reuse material.

Benefits

- Accelerates progress of important tidal wetland restoration projects, including tidal marsh, wetland, and riparian habitat
- Reduces disposal costs for sediment that has been removed from local channels
- Reduces disposal of clean fill into local landfills
- Addresses climate change impacts by accelerating the natural marsh-building process and helping keep up with the sea-level rise

Key Performance Indicators (FY22–36)

1. Reuse sediment meeting applicable screening criteria at available Valley Water or partnership project sites to support restoration.
2. Provide up to $4 million per 15-year period to support activities necessary for sediment reuse.

Geographic Area of Benefit: Countywide

PROJECT D4
FISH HABITAT AND PASSAGE IMPROVEMENT

Ogier Ponds, looking north.

ACTIVE

ADJUSTED

This project helps restore and maintain healthy fish populations, especially steelhead, by improving fish passage and habitat. Sites may include Alamitos Creek at Almaden Lake and County of Santa Clara-owned Ogier Ponds, where human-made creek alterations disrupt fish migration. Project D4, which includes coordinating and partnering with other external parties, incorporates studies of streams throughout the county to determine what and where habitat improvements will most benefit steelhead. These studies can be used by regional partners to implement complementary habitat enhancements.

The project also continues funding to place instream gravel, boulders, large wood, or other features to enhance fish habitat at appropriate locations. By adding natural stream features such as large wood, we can create habitat to provide refuge during fish migration, prolonged drought, or extreme rainfall events. Additionally, habitat restoration can improve ecosystem function and increase resiliency to climate change. By restoring natural functions, issues such as water quality may be less exacerbated and native species can continue to flourish and adapt.

Project D4 FY24 Highlights

- Closed out the Design Phase of the Almaden Lake Improvement Project and delivered KPI #1.
- Completed Conceptual Alternatives Analysis Report for Ogier Ponds-Coyote Creek Separation Project.
- Began work on the Planning Study Report on the Moffett Fish Ladder.

Benefits

- Improves habitat and passage for steelhead and other native fish within Santa Clara County watersheds
- Contributes to required mitigation for environmental impacts of reservoir and recharge operations and countywide Stream Maintenance Program
- Maintains investment in earlier habitat improvements
- ~~Addressed climate change~~ Improves fish passage and habitat conditions, strengthening the resiliency of native fish populations, including steelhead, against the impacts of climate change

Key Performance Indicators (FY22–36)

1. Complete planning and design for one (1) creek/lake separation.
2. Partially fund the construction of one (1) creek/lake separation project in partnership with local agencies.
3. Use $8 million for fish passage improvements by June 30, 2028.
4. Update study of all major steelhead streams in the county to identify priority locations for fish migration barrier removal and installation of large woody debris and gravel as appropriate.
5. Complete five (5) habitat enhancement projects based on studies that identify high priority locations for large wood, boulders, gravel, and/or other habitat enhancement features.

Geographic Area of Benefit: Countywide

PROJECT D5
ECOLOGICAL DATA COLLECTION AND ANALYSIS

CRAM survey on Guadalupe Creek tributary.

ACTIVE

ADJUSTED

This project continues to build and update watershed data to track stream ecosystem conditions, helping Valley Water and other county agencies and organizations make informed watershed, asset management and natural resource decisions. The new and updated information will be used to develop or modernize integrated watershed plans (such as watershed profiles, One Water Plan and Stream Corridor Priority Plans) that identify potential projects, support grant applications, environmental analyses and permits, and are shared with land use agencies, environmental groups, and the public to make efficient and coordinated environmental decisions throughout the county. These data and plans will help integrate and enhance Valley Water's programs, projects, maintenance and stewardship actions through standardized, repeatable and defensible measurements that guide, organize and integrate information on stream and habitat conditions.

Measuring changes in ecological conditions through time allows Valley Water, resource agencies, land managers and the public to understand and respond to climate change effects and evolving creek and habitat conditions.

Project D5 FY24 Highlights

- Completed the Guadalupe River Watershed 10-year reassessment report.
- Completed watershed management plans for the Upper Pajaro River Watershed and the Guadalupe River Watershed.
- Began developing the Upper Pajaro Native Ecosystem Enhancement Tool.

Benefits

- Improves natural resource, watershed and asset management decisions
- Provides a systematic, scientific guide for decisions and actions to improve stream conditions
- Supports effective and environmentally sound design options
- Provides reliable data on countywide stream conditions and basis for measuring the success of past mitigation and environmental stewardship project projects
- Facilitates a watershed approach to resource management, permitting and restoration planning
- ~~Addresses~~ Supports climate change adaptation by providing data to better understand its effects on local habitats to enable increased habitat resiliency

Key Performance Indicator (FY22–36)

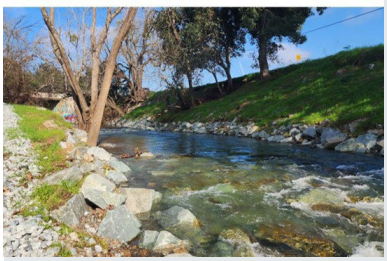
1. Reassess and track stream ecological conditions and habitats in each of the county's five (5) watersheds every 15 years.
2. Provide up to $500,000 per 15-year period toward the development and updates of five (5) watershed plans that include identifying priority habitat enhancement opportunities in Santa Clara County.

Geographic Area of Benefit: Countywide

PROJECT D6
RESTORATION OF NATURAL CREEK FUNCTIONS

This project will develop, compile and use local hydrologic and geomorphic data to identify, design and construct projects to restore and improve natural functions and stability of stream channels.

Geomorphically appropriate channels will be more resilient to damage from more intense rainfall patterns caused by climate change.



Construction completed on the Bolsa Road Fish Passage Project.

COMPLETED

ADJUSTED

Project D6 FY24 Highlights

- Completed the Bolsa Road Fish Passage Improvements Project.
- Bolsa Road Fish Passage Improvements Project named the 2024 Project of the Year by the American Public Works Association Silicon Valley Chapter.

Benefits

- Uses scientific principles to improve sediment balance and reduce erosion, enhance percolation and reduce instability and sedimentation in creeks
- Can help reduce annual maintenance cost for sediment removal where erosion and incision problems can be addressed
- Improves native aquatic habitat
- Improves the aesthetic value of a stream
- Addresses climate change impacts by constructing geomorphically appropriate channels that will be more resilient to intense rainfall patterns caused by climate change

Key Performance Indicators (FY22–36)

1. Construct the Hale Creek Enhancement Pilot Project, which includes restoration and stabilization of a 650-foot section of concrete-lined channel on Hale Creek, between Marilyn Drive and North Sunshine Drive on the border of Mountain View and Los Altos.
2. Construct the Bolsa Road Fish Passage Project along 1,700 linear feet of Uvas-Carnadero Creek in unincorporated Santa Clara County, which includes geomorphic design features that will restore stability and stream function.

Geographic Area of Benefit: Countywide

PROJECT D7
PARTNERSHIPS FOR THE CONSERVATION OF HABITAT LANDS

Coyote Ceanothus

ACTIVE

ADJUSTED

Project D7 FY24 Highlights

- Provided $4.0 million to the Santa Clara Valley Habitat Agency to acquire 978 acres of Richmond Ranch near San José.

Funding from this project helps the community acquire and protect important habitat land to preserve local ecosystems. The project supports implementation of multi-agency agreements, such as the Valley Habitat Plan, that pool mitigation or conservation dollars to protect or restore large areas of habitat land.

Acquiring, restoring, connecting and protecting habitat areas helps native species to adapt to a changing climate. Large, contiguous land patches allow species room to move and adapt, to find cover from the damaging effects of climate change and to reestablish resting and rearing areas.

Benefits

- Protects, enhances and restores natural resources in Santa Clara County
- Contributes to the recovery of special status species
- Coordinates regional mitigation or conservation projects to create larger, less fragmented conservation lands that are more beneficial for wildlife and the environment
- May fulfill a portion of Valley Water's responsibilities to the Valley Habitat Plan
- Addresses climate change impacts such as habitat fragmentation and biodiversity loss by conserving and restoring habitat land

Key Performance Indicator (FY22–36)

1. Provide up to $8 million per 15-year period for the acquisition or enhancement of property for the conservation of habitat lands.

Geographic Area of Benefit: Countywide

PROJECT E1

COYOTE CREEK FLOOD PROTECTION, MONTAGUE EXPRESSWAY TO TULLY ROAD—SAN JOSÉ

Sheet piles being delivered to Corie Ct staging area in San José.

ACTIVE

ADJUSTED

This project is to plan, design and construct improvements along approximately nine (9) miles of Coyote Creek, between Montague Expressway and Tully Road, in San José. The primary objective is to provide protection from floods up to the level that occurred on February 21, 2017, equivalent to approximately a 5% flood (20-year event). In December 2019, the Valley Water Board of Directors voted to allocate local funding for construction of the preferred project; however, Valley Water is also exploring additional external funding sources and partnership opportunities.

Since 2017, Valley Water has implemented several short-term interim projects to help reduce the risk of flooding along Coyote Creek. These include the installation of an interim floodwall and embankment along the creek in the Rock Springs community. This structure protects the Rock Springs community from a flood event equivalent to the February 2017 flood. Other interim projects include repairing a 150-foot levee adjacent to the South Bay Mobile Home Park, installing flood gauges on bridges that provide real-time visual information on water levels and removing invasive vegetation from Valley Water and City property in parts of the creek that experienced the most flooding.

Project E1 FY24 Highlights

- Completed installing over 8,500 feet of floodwalls along a four-mile stretch of Coyote Creek under the Coyote Creek Flood Management Measures Project (Phase 1).
- Completed 60% design for the Coyote Creek Flood Protection Project (Phase 2).
- Issued the Notice of Preparation of the Draft Environmental Impact Report for Phase 2.

Benefits

- Protects approximately 600 parcels from the level of flooding that occurred on February 21, 2017, approximately a 5% flood
- Improves water quality, enhances stream habitat and increases recreational opportunities
- Provides opportunities to incorporate revegetation and aesthetic elements to the Coyote Creek park chain in the project
- Addresses climate change as the project is designed to increase flow capacity, thereby reducing flood risks from storm events projected to become more frequent and intense due to climate change. Additionally, Valley Water considered the implications of sea level rise (SLR) and determined that the project is outside SLR impact reach

Key Performance Indicator (FY22–36)

1. Construct flood protection improvements along Coyote Creek between Montague Expressway and Tully Road to provide protection from floods up to the level that occurred on February 21, 2017, approximately a 5% (20-year) flood event.

Geographic Area of Benefit: San José

PROJECT E2

SUNNYVALE EAST AND SUNNYVALE WEST CHANNELS FLOOD PROTECTION, SAN FRANCISCO BAY TO INVERNESS WAY AND ALMANOR AVENUE—SUNNYVALE

Google Sunnyvale West Channel Enhancement Project (looking North/ Downstream).

ACTIVE

ADJUSTED

This project is to upgrade approximately 6.4 miles of the existing Sunnyvale East Channel to provide 1% flood protection (100-year event) to 1,618 parcels and approximately three (3) miles of the existing West Channel to provide 1% flood protection for 47 acres of highly valuable industrial lands, including the former Onizuka Air Force Base.

The Sunnyvale West Channel (Phase 1) and Sunnyvale East Channel (Phase 2) improvement projects have been combined into a single flood protection project with a single Environmental Impact Report (EIR) to reduce construction costs and improve efficiencies. Both projects decrease channel turbidity and sediment by repairing erosion sites, thereby improving water quality and reducing sediment to the San Francisco Bay

Project E2 FY24 Highlights

- The Board approved increasing project funding to construct both phases of the project.
- Resubmitted the regulatory permit applications following project refinements resulting from a partnership with Google Inc.
- Following regulatory agencies' comments, Valley Water to resubmit updated permit applications.

Benefits

- Provides 1% flood capacity for approximately 6.4 miles of channel along Sunnyvale East and approximately three (3) miles of channel along Sunnyvale West within the City of Sunnyvale, protecting 1,618 properties (Sunnyvale East) and 47 acres (11 properties) of industrial land (Sunnyvale West)
- Improves channel water quality by providing erosion control measures to decrease sediment and turbidity
- Identifies recreational opportunities that can be integrated by the City of Sunnyvale and others as appropriate
- Addresses climate change as the project is designed to increase flow capacity, thereby reducing flood risks from storm events projected to become more frequent and intense due to climate change. Furthermore, the project accounts for 2 feet of sea level rise

Key Performance Indicator (FY22–36)

1. Provide 1% (100-year) flood protection for 1,618 properties and 47 acres (11 parcels) of industrial land, while improving stream water quality and working with other agencies to incorporate recreational opportunities.

Geographic Area of Benefit: Sunnyvale

PROJECT E3
LOWER BERRYESSA FLOOD PROTECTION, INCLUDING TULARCITOS AND UPPER CALERA CREEKS (PHASE 3)—MILPITAS

This project is located in the City of Milpitas and includes Tularcitos Creek and Upper Calera Creek, which are two tributary creeks of Lower Berryessa Creek. Once constructed, this project will provide 1% (100-year event) flood protection to 1,100 parcels affected by Upper Calera Creek from the drop structure upstream of Arizona Avenue upstream to José Higuera Adobe Park, and to an estimated 320 parcels along Tularcitos Creek between its confluence with Berryessa Creek and Interstate 680. Additionally, this project will address inadequate maintenance access along all three creeks, which has made past maintenance more difficult, costly and time-consuming. Design for this project is slated to begin in 2032.

Berryessa Creek upstream of the confluence with Lower Penitencia Creek.

SCHEDULED TO START

ADJUSTED

Project E3 FY24 Highlights

- This project is scheduled to begin in 2032.

Benefits

- Provides 1% flood protection for an estimated 1,420 parcels along Upper Calera and Tularcitos creeks
- Improves access for long-term channel maintenance for both creeks
- Incorporates opportunities to integrate levees with the City of Milpitas trail system
- Identifies opportunities for stream habitat enhancement and/or restoration
- Addresses climate change as the project is designed to increase flow capacity, thereby reducing flood risks from storm events projected to become more frequent and intense due to climate change. Furthermore, the project accounts for 2 feet of sea level rise

Key Performance Indicator (FY22–36)

1. With local funding only: Complete the design phase of the 1% (100-year) flood protection project to protect an estimated 1,420 parcels.

Geographic Area of Benefit: Milpitas

PROJECT E4

UPPER PENITENCIA CREEK FLOOD PROTECTION, COYOTE CREEK TO DOREL DRIVE—SAN JOSÉ

Upper Penitencia Creek along Commodore Park.

ACTIVE

ADJUSTED

Project E4 FY24 Highlights

- Began the Design Phase for the local-funding-only project (KPI #2), which includes Phases 1 and 2.
- Property acquisition discussions are ongoing to secure land rights for channel widening within Phase 1.

Preferred project: A federal-state-local partnership

This project continues a partnership with the U.S. Army Corps of Engineers (USACE) to plan, design and construct improvements along 4.2 miles of Upper Penitencia Creek from the confluence with Coyote Creek to Dorel Drive. Part of the project will protect the area around the Bay Area Rapid Transit's (BART) Berryessa station near King Road, which would otherwise be subject to flooding.

In addition to providing flood protection, this multi-objective project will provide ecological restoration and recreation benefits while preserving the water supply. The natural creek channel will be preserved while adjacent existing open space and parkland will remain as recreational areas, only rarely taking the role as a temporary floodplain so that floodwaters do not enter surrounding neighborhoods and commercial areas. Proposed construction measures may include modified floodplains, limited levees/ floodwalls, a bypass channel, and fish passage improvements.

Local-funding-only project

The original local-funding-only project was to acquire all necessary rights-of-way and construct a 1% (100-year event) flood protection project from Coyote Creek confluence to King Road, which would have protected 450 parcels. In December 2019, the Valley Water Board directed staff to use the available local funding to complete the design and construction of the locally funded project as well as build the reaches of the preferred project that can be constructed with the available funding. This approach extends the local-funding-only project from King Road to Capitol Avenue and provides 1% flood protection for an additional 800 parcels. As a result, the new local-funding-only project would be to construct flood improvements along Upper Penitencia Creek from the confluence of Coyote Creek to Capitol Avenue to increase the 1% flood protection provided with local available dollars to 1,250 parcels, including the new Berryessa BART station.

Benefits

- Preferred project provides up to 1% flood protection to approximately 8,000 homes, schools and businesses.
- Local-funding-only project provides 1% flood protection to 1,250 parcels, including the new Berryessa BART station.
- Restores/enhances ecological and riparian habitat
- Reduces sedimentation and maintenance requirements
- Improves water quality in Upper Penitencia and Coyote creeks
- Provides opportunities for recreation improvements consistent with the City of San José and Santa Clara County Park master plans
- Addresses climate change as the project is designed to increase flow capacity, thereby reducing flood risks from storm events projected to become more frequent and intense due to climate change. Furthermore, the project accounts for 2 feet of sea level rise

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 8,000 parcels.

PROJECT E5

SAN FRANCISQUITO CREEK FLOOD PROTECTION, SAN FRANCISCO BAY TO UPSTREAM OF HIGHWAY 101—PALO ALTO

Location of proposed in-channel widening along San Francisquito Creek.

ACTIVE

ADJUSTED

Project E5 FY24 Highlights

- A third-party independent review validated the recalibrated Hydrologic Engineering Center's River Analysis System model that incorporates the conditions observed during the December 31, 2022, storm event.
- SFCJPA engaged a consultant to update the project objectives and design criteria and reevaluate the feasible alternatives listed in the Final Environmental Impact Report (EIR).

This project is led ~~sponsored~~ by the San Francisquito Creek Joint Powers Authority (SFCJPA), of which Valley Water is a member agency, in partnership with the U.S. Army Corps of Engineers (USACE).

Preferred project: A federal-state-local partnership

The project is to construct improvements along San Francisquito Creek from San Francisco Bay to Middlefield Road and additional detention of floodwaters upstream of Highway 280 to provide 1% (100-year event) flood protection, ecosystem protection and recreational benefits to surrounding communities.

Local-state-funding-only partnership

Highway 101 to Pope-Chaucer Bridge

This stretch of the project will remedy channel constrictions and replace bridges at Newell Road and Pope/Chaucer streets to allow the channel to contain floodwaters of approximately 7,500 cubic feet per second, equivalent to approximately a 1.4% flood event (70-year event). Allowing this level of water to flow through the channel will protect approximately 3,000 parcels in Palo Alto from a flood event close to the February 1998 flood, the largest on record. Currently, the channel can only convey approximately a 7% flood event (approximately a 15-year event).

Newell Road Bridge

The Newell Road bridge replacement, unlike the rest of the project elements in this stretch, is led ~~sponsored~~ by the City of Palo Alto, which has applied for funding through Caltrans' Highway Bridge Program (HBP). The project has been programmed by Caltrans to fund approximately 89% of the total cost for replacing the Newell Road bridge, while the local match funds, approximately 11% of the total cost, will be funded by Valley Water through the Safe, Clean Water Program renewal. The City of East Palo Alto and the SFCJPA continue to provide input on the Newell Road Bridge replacement.

The SFCJPA continues to pursue partnerships with federal, state and local agencies for additional construction funding.

In 2019, Valley Water completed the construction of the San Francisco Bay to Highway 101 reach of the project to provide 1% flood protection and ecosystem benefits to the neighboring communities. Major improvements included construction of approximately 4,000 feet of floodwall and creating a significantly wider creek marsh plain. Therefore, completion of this stretch protects approximately 3,000 parcels in Palo Alto from a flood event close to the February 1998 flood, the largest on record.

Benefits

- Provides 1% flood protection to approximately 3,000 homes and businesses in Palo Alto
- Local-state-funding-only project provides approximately 1.4% (70-year event) flood protection for approximately 3,000 homes and businesses in Palo Alto
- Reduces bank erosion and sedimentation-related impacts along San Francisquito Creek

- Provides new or improved habitats for endangered species
- Improves water quality
- Enhances recreational opportunities for the community
- Leverages dollars via cost-shares and grants from the state Department of Water Resources and the California Department of Transportation
- Addresses climate change as the project is designed to increase flow capacity, thereby reducing flood risks from storm events projected to become more frequent and intense due to climate change. Furthermore, the project accounts for 2 feet of sea level rise

Key Performance Indicators (FY22–36)

1. Preferred project with federal, state and local funding: Protect more than 3,000 parcels by providing 1% (100-year) flood protection.
2. With state and local funding only: Protect approximately 3,000 parcels by providing 1% (100-year) flood protection downstream of Highway 101, and approximately 1.4% (70-year) protection upstream of Highway 101.

Geographic Area of Benefit: Palo Alto

PROJECT E6
UPPER LLAGAS CREEK FLOOD PROTECTION, BUENA VISTA AVENUE TO LLAGAS ROAD—MORGAN HILL, SAN MARTIN, GILROY

Llagas Creek Reach 4 post-construction storm event, upstream of Rucker Avenue.

ACTIVE

ADJUSTED

Project E6 FY24 Highlights

- Completed Phase 2A construction, including a 2,300-foot-long underground tunnel and 1,600-foot-long twin reinforced concrete box culverts.
- Advertised Phase 2B for construction, which is scheduled to begin in FY25.

Preferred project: A federal-state-local partnership

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. Valley Water continues to work with Congress to aggressively pursue federal funds to bring this project to full fruition.

Local-funding-only project

Construct flood protection improvements along Llagas Creek from Buena Vista Avenue to Highway 101 in San Martin (Reaches 4 and 5 (portion)), Monterey Road to Watsonville Road in Morgan Hill (Reach 7a), approximately W. Dunne Avenue to W. Main Avenue
(a portion of Reach 8), and onsite compensatory mitigation at Lake Silveira.

Benefits

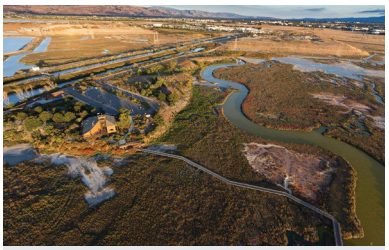
- Provides 1% flood capacity for four (4) miles along West Little Llagas Creek within downtown Morgan Hill, protecting approximately 1,100 homes and 500 businesses
- Provides 10% (10-year event) flood protection to approximately 1,300 agricultural acres in Morgan Hill, Gilroy and San Martin
- Locally funded project provides improved flood protection for a limited number of homes and businesses in Morgan Hill
- Improves stream habitat and fisheries
- Creates additional wetlands
- Improves stream water quality
- Identifies opportunities to integrate recreation improvements with the City of Morgan Hill and others as appropriate
- Addresses climate change as the project is designed to increase flow capacity, thereby reducing flood risks from storm events projected to become more frequent and intense due to climate change. Additionally, Valley Water considered the implications of sea level rise (SLR) and determined that the project is outside SLR impact reach

Key Performance Indicators (FY22–36)

1. Preferred project with federal and local funding: Plan, design and construct flood protection improvements along 13.9 miles of Upper Llagas Creek from Buena Vista Avenue to Llagas Road to provide flood protection to 1,100 homes, 500 businesses, and 1,300 agricultural acres, while improving stream habitat.

2. With local funding only: Construct flood protection improvements along Llagas Creek from Buena Vista Avenue to Highway 101 in San Martin (Reaches 4 and 5 (portion)), Monterey Road to Watsonville Road in Morgan Hill (Reach 7a), approximately W. Dunne Avenue to W. Main Avenue (portion of Reach 8), and onsite compensatory mitigation at

PROJECT E7
SAN FRANCISCO BAY SHORELINE PROTECTION—MILPITAS, MOUNTAIN VIEW, PALO ALTO, SAN JOSÉ, SANTA CLARA AND SUNNYVALE



S.F Bay Shoreline

ACTIVE

ADJUSTED

Project E7 FY24 Highlights

- EIAs 1-4: USACE concluded the South San Francisco Bay Shoreline Phase II Study.
- EIAs 5-9: The Shoreline Phase III Feasibility Study officially commenced.
- Valley Water signed a Feasibility Cost Share Agreement with USACE.
- The California State Coastal Conservancy also signed on as a local sponsor.

This project is a partnership with the California State Coastal Conservancy, the U.S. Army Corps of Engineers (USACE) and regional stakeholders to provide tidal flood protection, restore and enhance tidal marsh and related habitats, and provide recreational and public access opportunities along Santa Clara County's shoreline.

This project relies on federal participation from the USACE to develop the project and prepare the plans. Without federal participation, Valley Water cannot implement planning, design and construction on our own due to limited available funding. The Safe, Clean Water funding provides a portion of the local share of funding for planning, design and construction phases for Economic Impact Areas (EIAs) 1-4, and a portion of the local share of funding for the planning study and design phases for EIAs 5-9.

The 2012 Safe, Clean Water Program has already provided $15 million as a portion of Valley Water's local share of funding for flood protection improvements in Economic Impact Area (EIA) 11, which is the urban area of North San José and the community of Alviso. Once completed, EIA 11 will provide flood protection to more than 1,000 residential structures and 100 non-residential structures and allow for the restoration of 2,900 acres of tidal marsh and related habitats.

The project will provide coastal flood protection from a rising sea level and will restore and enhance tidal marsh by using a combination of flood protection levees, wetlands and transitional zone habitats also known as ecotones. Ecotones will provide an additional protective buffer for the levee and allow marsh habitat to migrate upslope as the sea level rises. This approach of using natural infrastructure will help develop a resilient and adaptable flood protection system that can evolve in the future.

Benefits

- Provides planning and design to protect nearly 4,700 acres and more than 5,000 structures, including roads, highways, parks, airports and sewage treatment plants in Santa Clara County
- Allows for restoration of tidal marsh habitat for endangered wildlife such as the salt marsh harvest mouse and Ridgway's rail; rich feeding grounds for shorebirds; and nursery areas for young fish such as leopard sharks and steelhead
- Provides educational, recreational and public access opportunities
- Protects more than 4,300 structures (EIAs 1-4)
- Allows for the restoration of 400 acres of tidal marsh and related habitats (EIAs 1-4)
- Addresses climate change by providing coastal flood protection from rising sea levels and restoring and enhancing tidal marshes

Key Performance Indicators (FY22–36)

1. Provide a portion of the local share of funding for planning, design and construction phases for the Santa Clara County shoreline area, EIAs 1-4.
2. Provide a portion of the local share of funding for planning and design phases for the Santa Clara County shoreline area, EIAs 5-9.

PROJECT E8
UPPER GUADALUPE RIVER FLOOD PROTECTION, HIGHWAY 280 TO BLOSSOM HILL ROAD—SAN JOSÉ

Reach 6, site 1 of the Aquatic Habitat Improvement Project (post-construction).

ACTIVE

MODIFIED AND ADJUSTED

Project E8 FY24 Highlights

- USACE is addressing comments received during the technical, policy, public, and agency review of the draft General Reevaluation Report/ Supplemental Environmental Assessment (GRR/EA).
- A final GRR/EA is expected to be released by June 2025.

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 Brahnam Lane to Blossom Hill Road), were completed in 2015 in partnership 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 as the project is designed to increase flow capacity, thereby reducing flood risks from storm events projected to become more frequent and intense due to climate change. Furthermore, the project accounts for 2 feet of sea level rise

PROJECT F3
FLOOD RISK ASSESSMENT STUDIES

This project is to enable Valley Water scientists to update custom software models of local creeks for the most current and accurate understanding of potential flood risks in high priority flood-prone areas and then develop options for managing those risks. Existing models will be verified, updated and recalibrated as conditions change. Updating our knowledge-base will lead to more effective creek management and maintenance. Valley Water will also convey this information to the community and partner cities.

When creek conditions necessitate rehabilitation to preserve flood protection, this project also funds preliminary engineering studies to isolate problem areas and explore potential solutions.

Under the 2012 Safe, Clean Water Program, Valley Water completed engineering studies on five (5) reaches of creeks as part of the Flood Risk Assessment Studies project. These were on Coyote Creek (Bay to Anderson Dam, including Rock Springs Neighborhood); Adobe and Barron creeks tidal flood protection (Highway 101 to Middlefield Road in Palo Alto); Alamitos Creek (upstream of Almaden Lake in San José); and Ross Creek (Guadalupe River to Blossom Hill Road in San José). The Coyote Creek study completed under this project was utilized to develop the short-term interim projects that Valley Water built to help reduce the risk of flooding along Coyote Creek (See Project E1 - Coyote Creek Flood Protection Project). These include the installation of an interim floodwall and embankment along the creek to protect the Rock Springs community from a flood event equivalent to the February 2017 flood. Valley Water also updated the Alamitos Creek 2-D hydraulic (HEC-RAS) model of the 1% (100-year event) floodplain and shared the information with the City of San José.

Revising flood models on a regular basis enables Valley Water to keep pace with changes in rainfall patterns and intensity as our climate changes. An up-to-date understanding of flood risks allows us to work toward preventing future flooding.

Summer conditions at West Branch Llagas Creek and Lions Creek, upstream of Church Street in Gilroy

ACTIVE

ADJUSTED

Project F3 FY24 Highlights

- Made progress on updating the hydrology for Stevens Creek watershed using a new methodology developed by Valley Water.
- Completed a preliminary 100-year floodplain for Steven's Creek.
- Updated and calibrated Canoas Creek's 1D steady state model to the January 16, 2019, high flow event.
- Collected data to support and updated model cross sections for a 1D/2D hydraulic model of Lower Penitencia and Berryessa creeks.

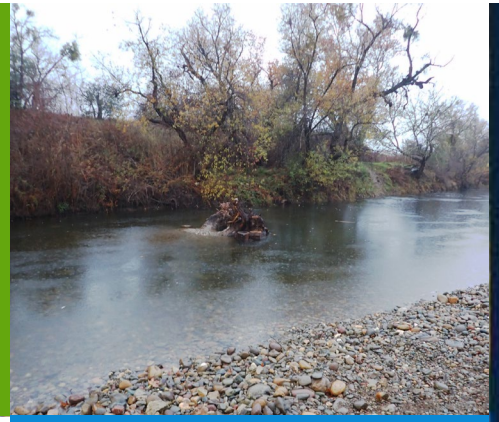
Benefits

- Provides more current and accurate mapping of areas at risk of flooding
- Provides the technical basis for developing future flood protection plans, and for potential funding partnerships
- Identifies, in a timely manner, the needs to prevent creek deterioration
- Identifies the need for flood mitigation or creek rehabilitation projects
- Facilitates communication with partner cities on evolving flood risks and possible solutions
- Addresses climate change by updating hydrology studies, which incorporate recent flow data, and mapping out floodplains based on those updated studies

Key Performance Indicators (FY22–36)

1. Complete engineering studies on three (3) creek reaches to address 1% (100-year) flood risk.
2. Annually, update floodplain maps on a minimum of three (3) creek reaches in accordance with new FEMA standards.

Geographic Area of Benefit: Countywide



Safe, Clean Water and Natural Flood Protection

Fiscal Year 2023-24 Annual Report

Presented by: **Meenakshi Ganjoo**, Program Administrator

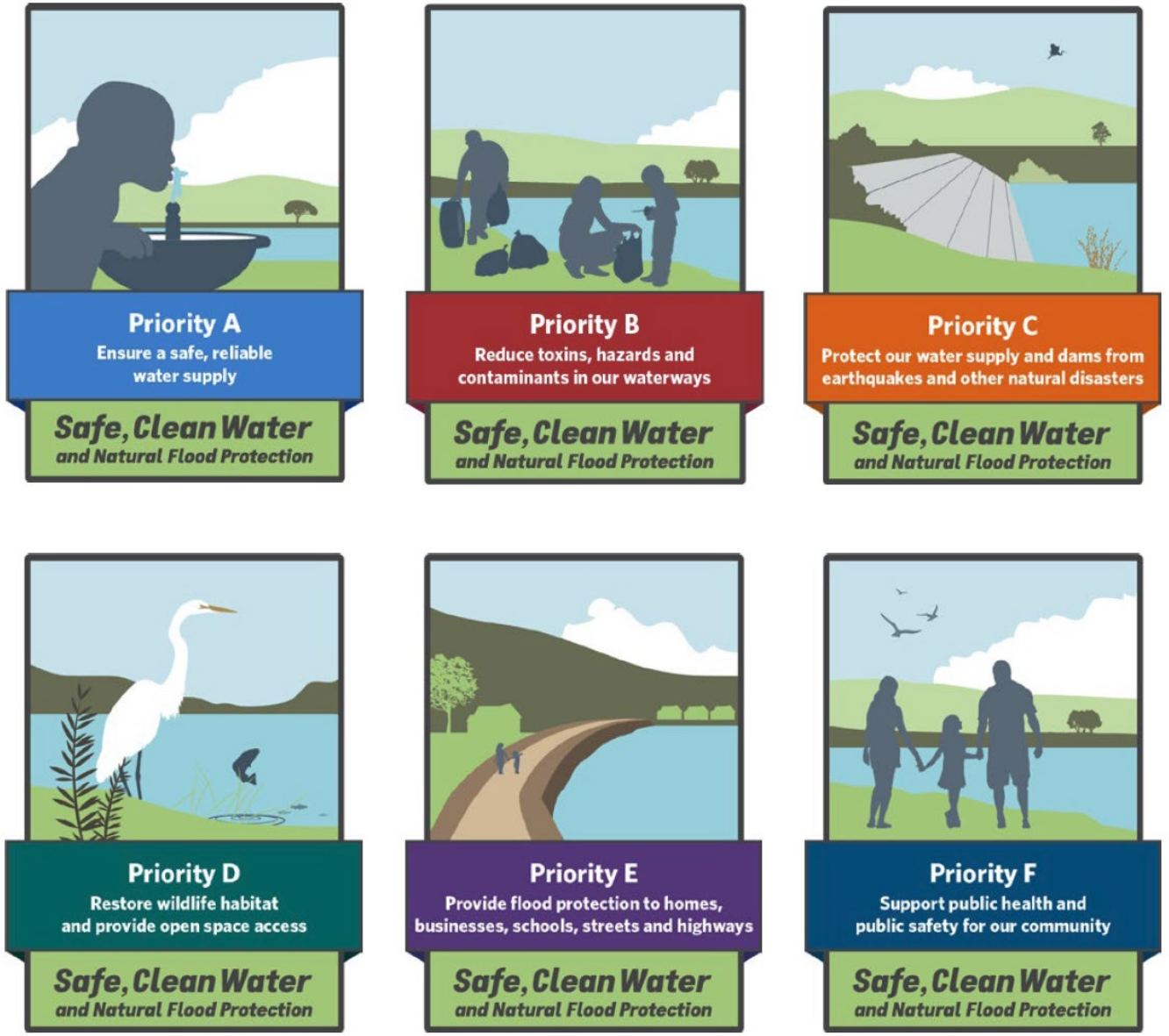
Safe, Clean Water Program Independent Monitoring Committee, December 4, 2024

Agenda

- Safe, Clean Water Program Implementation
- Annual Report Improvements
- FY24 Program Performance
- FY24 Annual Report Review Timeline

Program Implementation

Community-Preferred Priorities



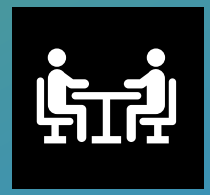
Transparency and Accountability

Multiple 15-Year Financial Planning Cycles

5-Year Checkpoints and Implementation Plans

Annual Reports; Website Updates

Independent Monitoring



5-Year Professional, Independent Audits

Change Control Process

Public & Stakeholder Engagement Process every 15-years

Valley Water Board Roles & Responsibilities

1. Approve implementation strategies, project budget, and budget adjustments
2. Conduct an annual detailed review of the Safe, Clean Water Program performance, financial analysis, and strategies
3. Direct project adjustments or modifications, including not implementing a project due to funding or other limitations
4. Initiate professional, independent audits of the program every five years.
5. Appoint the Independent Monitoring Committee (IMC)
6. Evaluate the need for the Safe, Clean Water Program at 15-year intervals

Staff Roles & Responsibilities

1. Plan Program implementation
2. Develop 5-year implementation plans with targets for the Board's consideration
3. Implement projects to meet project-specific KPIs
4. Publish annual reports to track and report on the Program's progress.
5. Perform financial analysis on an annual basis and recommend budget adjustments and modifications to funding allocations, as necessary
6. Recommend text and schedule adjustments, as necessary
7. Ensure project adjustments and modifications are carried out per the Board-approved Change Control Process
8. Maintain Program webpages
9. Support the work of the IMC

IMC Roles & Responsibilities

1. Conduct an annual review of Valley Water's fiscal year report on the Program
2. Provide an annual report to the Board regarding the implementation of the Program's intended results
3. Review each five-year implementation plan for the Program before it is submitted to the Board for approval
4. Through its review of the annual reports and five-year implementation plans, make recommendations to the Board regarding reasonably necessary measures to meet the Program's priorities
5. Review and recommend to the Board and Public every 15 years whether the special tax should be reduced or repealed or is needed to build additional projects to achieve related programmatic benefits in accordance with the priorities of the Program

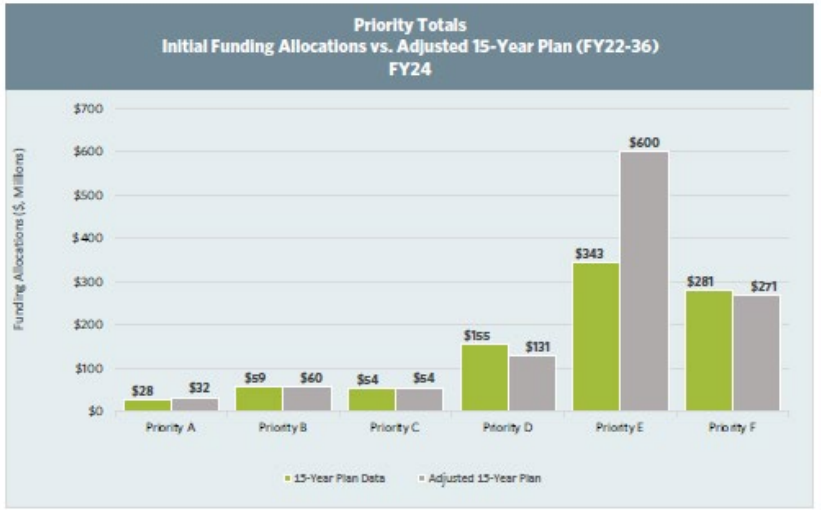
Annual Report Improvements

Report Improvements

Several report improvements, including:

1. Added new financial graphs comparing initial 15-year funding allocations to the FY24 Board-approved Adjusted 15-year plan
2. Where applicable, adjusted text to explain how the projects address climate change
3. Update project descriptions by replacing/deleting outdated information

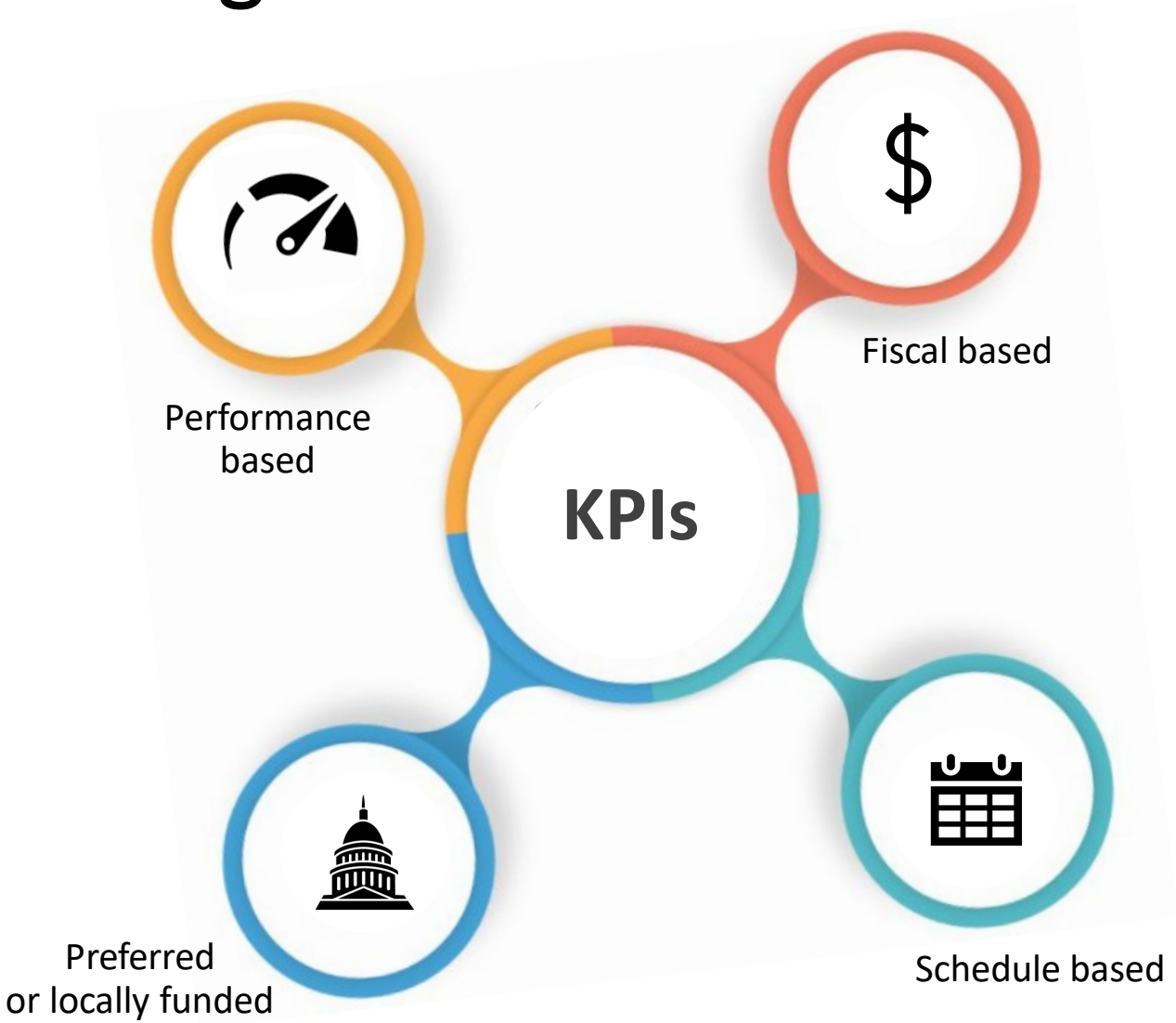
Appendix A-1.3 15-Year Plan vs. Adjusted ($ Millions)



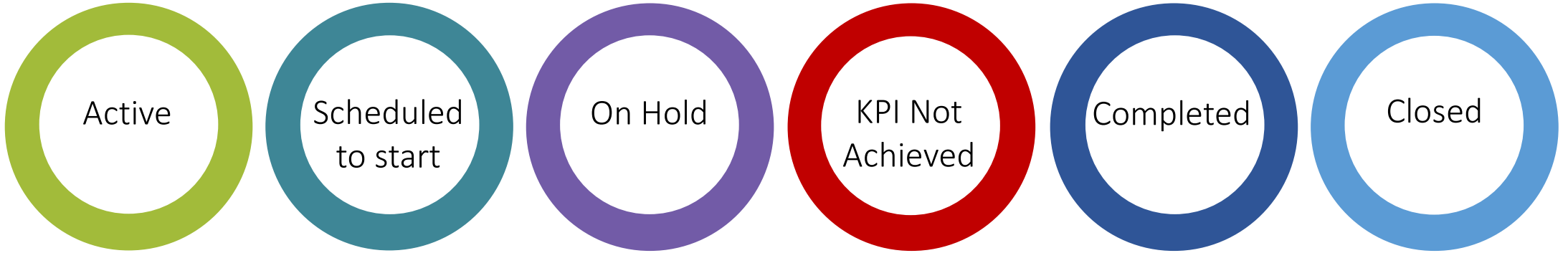
FY2023-24 Program Performance

Monitoring Projects & Program Performance

- KPIs are contained in the election resolution approved by the voters
- Board may modify KPIs as per the Change Control Process
- IMC may recommend to the Board KPI modification



Annual Project Status Categories

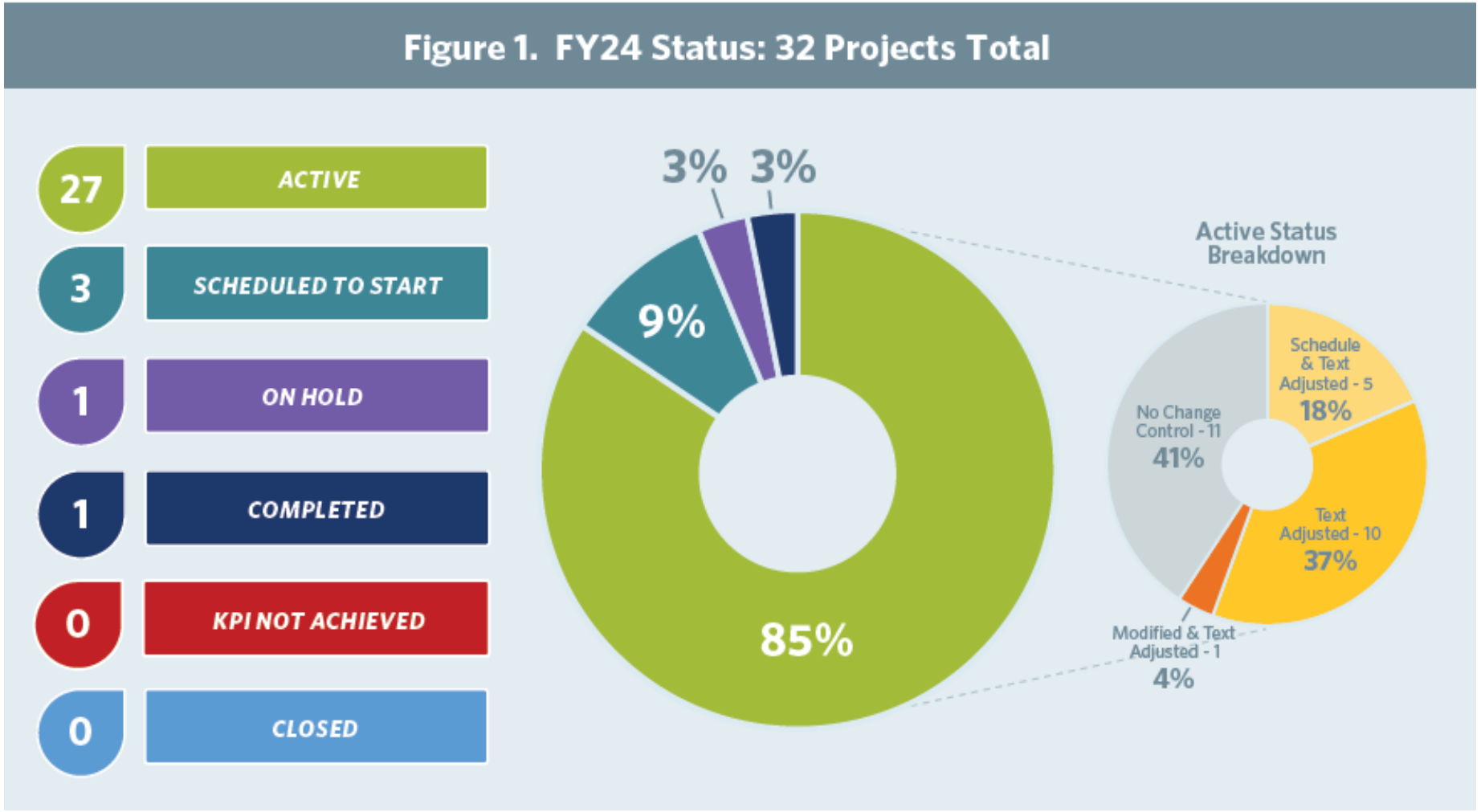


Active	Scheduled to start	On Hold	KPI Not Achieved	Completed	Closed
The project is currently underway.	The project is scheduled to start in a future fiscal year.	Work on delivering the project KPIs is temporarily on hold while efforts are underway to address the project's challenges.	Project KPIs were not met.	Project KPIs have been met.	Project KPIs have been met and the project has been closed out.

Change Control Status Categories

Adjustment (publicly noticed meeting)	Changes to a project text, funding, or schedule that don't impact Program KPIs
Modification (formal public hearing)	Changes to KPIs or funding changes that impact any Program KPIs
Not Implement (formal public hearing)	Decision to not implement a project

Annual Project Status



Project Non-Implementation & Modifications FY24

Following the close of the public hearing on April 9, 2024, the Board approved the following Program changes:

1. Non-Implementation - Project A1: Pacheco Reservoir Expansion under the Safe, Clean Water Program
2. Modifications - Project E8: Upper Guadalupe River Flood Protection and F9: Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship

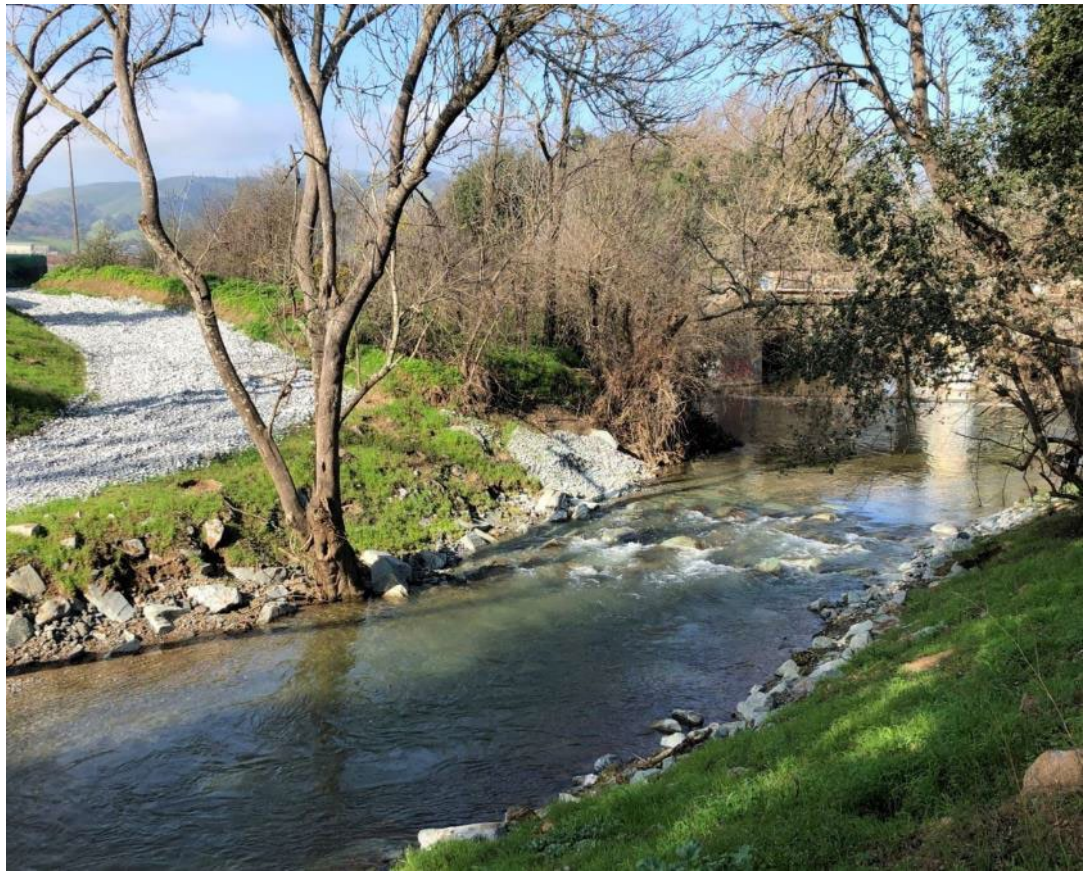
Public Hearing link:
https://scvwd.legistar.com/LegislationDetail.aspx?ID=6606593&GUID=315707B7-C9E7-4429-81D7-8A02289B2048

FY24 Program Highlights

Phase 2A finished tunnel

1. Released the Anderson Dam Seismic Retrofit Project Draft Environmental Impact Report on Sept. 1, 2023
2. Completed Phase 2A of the Upper Llagas Creek Flood Protection Project
3. Completed the installation of over 8,500 feet of floodwalls under the Coyote Creek Flood Mitigation Measures Project
4. The Board approved increasing project funding for the Sunnyvale East and Sunnyvale West Channels Flood Protection Project to construct both phases and complete the project

FY24 Program Highlights…cont.



Bolsa Road Fish Passage Improvements

5. Provided $4.0 million to the Santa Clara Valley Habitat Agency to acquire 978 acres of Richmond Ranch near San José
6. Provided $1 million for water conservation efforts, including rebates to help convert about 1.4 million sq ft of lawns into low-water use landscapes
7. Completed the Bolsa Road Fish Passage Project on Uvas-Carnadero Creek, south of Gilroy
8. Awarded $95,000 in grants, including grants for water-bottle refill stations

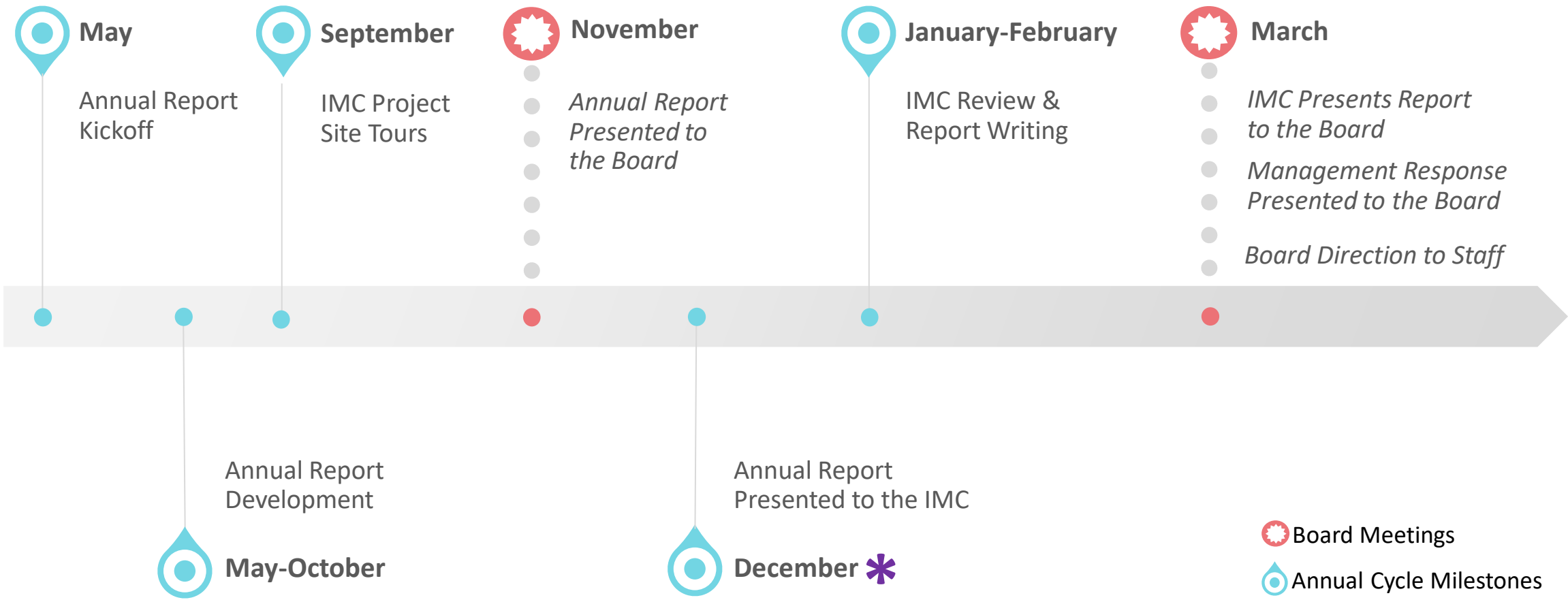
FY24 Program Highlights…cont.

Los Gatos Creek near Bascom Avenue before (above) and after (below) cleanup

9. Removed 1,201 tons of trash from local waterways
10. Removed about 372 cubic yards of vegetation and 54,452 cubic yards of sediment from local creeks to reduce flood risks
11. Managed nearly 3,515 acres to clean up encampment- generated trash, debris, and hazardous pollutants

Annual Report Review Timeline

Annual Report & IMC Review Timeline



IMC Review: Tentative Schedule

- **Sept. 19, 2024 -** Site visits✓
- **Dec. 4, 2024 -** IMC Review Kickoff Meeting*
- **Jan. 6-10, 2025 -** IMC project review via priority subcommittees
- **Jan. 30 -** Subcommittee chairs report findings to IMC
- **Jan. 31 -** IMC Report drafting meeting
- **Feb. 13 -** IMC meeting to review/finalize the report
- **Mar. 11 -** IMC Report & Management Response presented to the Board

QUESTIONS

Valley Water

Clean Water • Healthy Environment • Flood Protection

Santa Clara Valley Water District

File No.: 24-1070

Agenda Date: 12/4/2024
Item No.: 4.2.

	Meeting Date:	12/4/24
	Item No.	4.2
	Unclassified Manager:	John Bourgeois 408-630-2990
SAFE, CLEAN WATER INDEPENDENT MONITORING COMMITTEE		

SUBJECT:
Overview of Santa Clara Valley Water District's Fish Passage and Habitat Improvement Efforts.

RECOMMENDATION:
Receive Information on Santa Clara Valley Water District's Fish Habitat and Passage Improvement Efforts.

SUMMARY:
Santa Clara Valley Water District (Valley Water) has been making considerable efforts to improve fish passage and aquatic habitat in Santa Clara County. These projects, including those carried out under the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program), are a critical component of Valley Water's efforts to enhance and restore fish and wildlife habitat in the county. The presentation offers valuable insights into the progress made so far, highlights key achievements, and provides an overview of upcoming projects designed to further these goals.

ATTACHMENTS:
Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:
John Bourgeois, 408-630-2990

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Valley Water Fisheries Improvements

Presented by: **Lisa Porcella,** Environmental Mitigation & Monitoring Manager
SCW Independent Monitoring Committee - December 4, 2024

Progress by the numbers

- 20+ Fish Barriers Remediated
- 3+ Miles of Geomorphic Creek Restoration
- 7+ Gravel and Large Woody Debris Enhancements
- 10+ Scientific Studies and/or Fisheries Feasibility Studies
- 6+ Years of Watershed Specific Fisheries Monitoring and Reporting
- 45+ juvenile rearing monitoring stations
- 10+ PIT antenna stations
- 1500+ juvenile steelhead PIT tagged since 2018
- 4 Oxygenation Systems Operated to Reduce Methyl Mercury Production
- 3 automated fish counters
- 40+ temperature monitoring stations
- 100+ Stream Gages Maintained 35+ Gages with 24-Hour Alert Radios
- First full Year of Implementation of FAHCE Plus Flow Program in Guadalupe and Stevens

History of Fisheries Improvements

1998

- Coyote & Guadalupe -discontinued use of in-stream gravel dams
- Upper Penitencia Creek -Maybury Weir Retrofit and Fish Screen
- Guadalupe River- SJWC Low-Flow Crossing Remediation

1999

- Guadalupe River- Alamitos Drop Structure Fish Ladder Install
- Upper Penitencia Ck -Noble Fish Ladder and Fish Screen Install
- Coyote Creek Percolation Pond Fish Ladder Install

2000

- Guadalupe River- Hillsdale Avenue Bridge Fish Barrier Removal
- Guadalupe Creek – Masson Fish Ladder and Fish Screen Install

2001

- Guadalupe Ck- 1.6 mile Geomorphic and Riparian Restoration

2002

- Stevens Creek - Stream Gage 35 Barrier Removal
- Chinook Salmon Genetics Study- Santa Clara County

2003

- Guadalupe River - Old Julian Street Fish Barrier Removal

Hillsdale Avenue Fish Barrier Removal

Before- The concrete apron associated with the Hillsdale Bridge and deteriorated stream conditions downstream were impeding fish passage

After- In conjunction with bridge improvements made by the City of San José, instream bridge framework was removed, and boulder structures were used to construct a series of step-pools to adjust for the slope changes and provide fish passage.

History of Fisheries Improvements (cont.)

2004

- Guadalupe River - St. John Street Weir Fish Barrier Removal
- Guadalupe Creek - Stream Gage 43 Weir Retrofit

2006

- Guadalupe Mercury TMDL begins- Solar bees, calcine removal, habitat restoration, fisheries studies

2007

- Alamitos Creek –2300 ft Geomorphic restoration at Greystone Ln

2008

- Guadalupe Creek – U Frame Channel Fish Ladder Install
- Steelhead Population Genetics Study- Santa Clara County

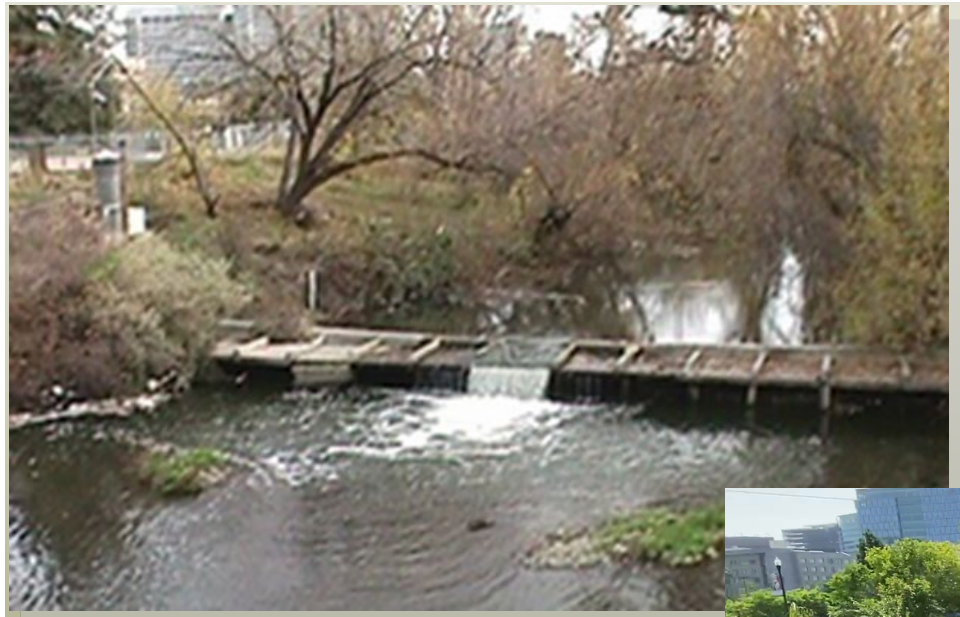
2009

- Stevens Creek -geomorphic restoration at Blackberry Farm:
  Removed 4 fish barriers, installed gravel, LWD and performed riparian habitat restoration
- Upper Penitencia Creek – LWD installed at Capital Ave.

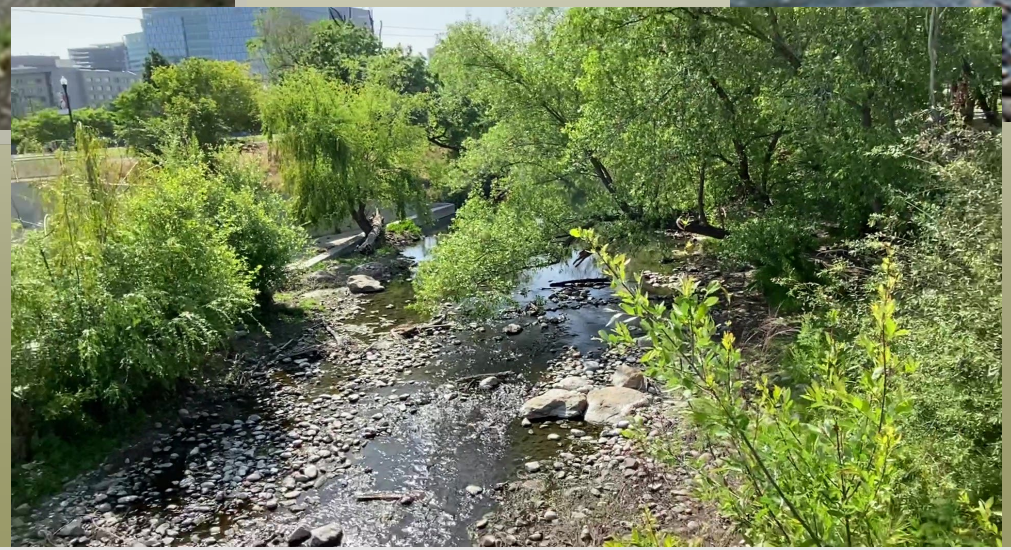
2013

- Guadalupe Watershed Reservoirs – Hypolimnetic Oxygenation installed to reduce methyl- mercury

St. John Street Stream Gage Weir Fish Barrier Removal



Before- The stream gage weir was a small dam-like structure with a single abrupt drop



After- Replaced the existing weir with stepped riffles that provided habitat, enhanced fish passage and improved channel stability.

Stevens Creek Restoration at Blackberry Farm

Before

Narrow channel, failed concrete lining, and low flow crossings presented fish barriers

Stevens Creek Restoration at Blackberry Farm

After

Vegetated log crib walls stabilize banks, fish barriers removed, boulders stabilize channel, channel widened and backwaters added

History of Fisheries Improvements (cont.)

2014

- Guadalupe River- Highway 880 Weir Retrofit for Fish Passage

2015

- Stevens Creek – LWD/Gravel installed at Clearcreek Ct
- Guadalupe River – LWD/Gravel installed at Blossom Hill Rd

2016

- Stevens Creek- Evelyn Fish Ladder Remediation

2018

- Phase 1 Countywide Large Woody Debris and Gravel Augmentation Study
- Moffett Fish Ladder Engineering Analysis
- Ogier Ponds Feasibility Study
- Alamitos Creek - LWD/Gravel installed at Mazzone Dr
- Stevens Creek – LWD/Gravel installed at McClellan Ranch
- FAHCE Programmatic Fisheries Monitoring Begins

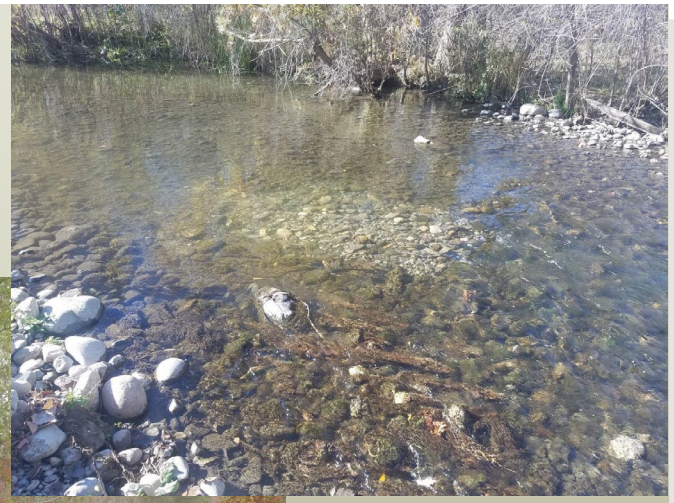
2019

- Los Gatos Creek – LWD/Gravel installed at Hwy 17

Los Gatos Creek LWD/Gravel Augmentation Project

Before – Lack of instream habitat complexity in Los Gatos Creek

After – LWD and gravel add complexity to the channel near Creekside Drive and Highway 17



History of Fisheries Improvements (cont.)

2020

- Stevens Ck – Fish Passage Study
- Llagas Ck – Lake Silveira Restoration (2,000 ft of channel)
- Pilot Implementation of FAHCE Plus rule curves Guadalupe and Stevens Cks (Year 1)

2021

- Lake Almaden Planning Study and Final EIR
- Guadalupe River – Gravel augmentation in downtown
- FAHCE Program Two Creeks Draft EIR- Guadalupe and Stevens Watersheds
- Coyote Creek Singleton Road Fish Barrier Removal

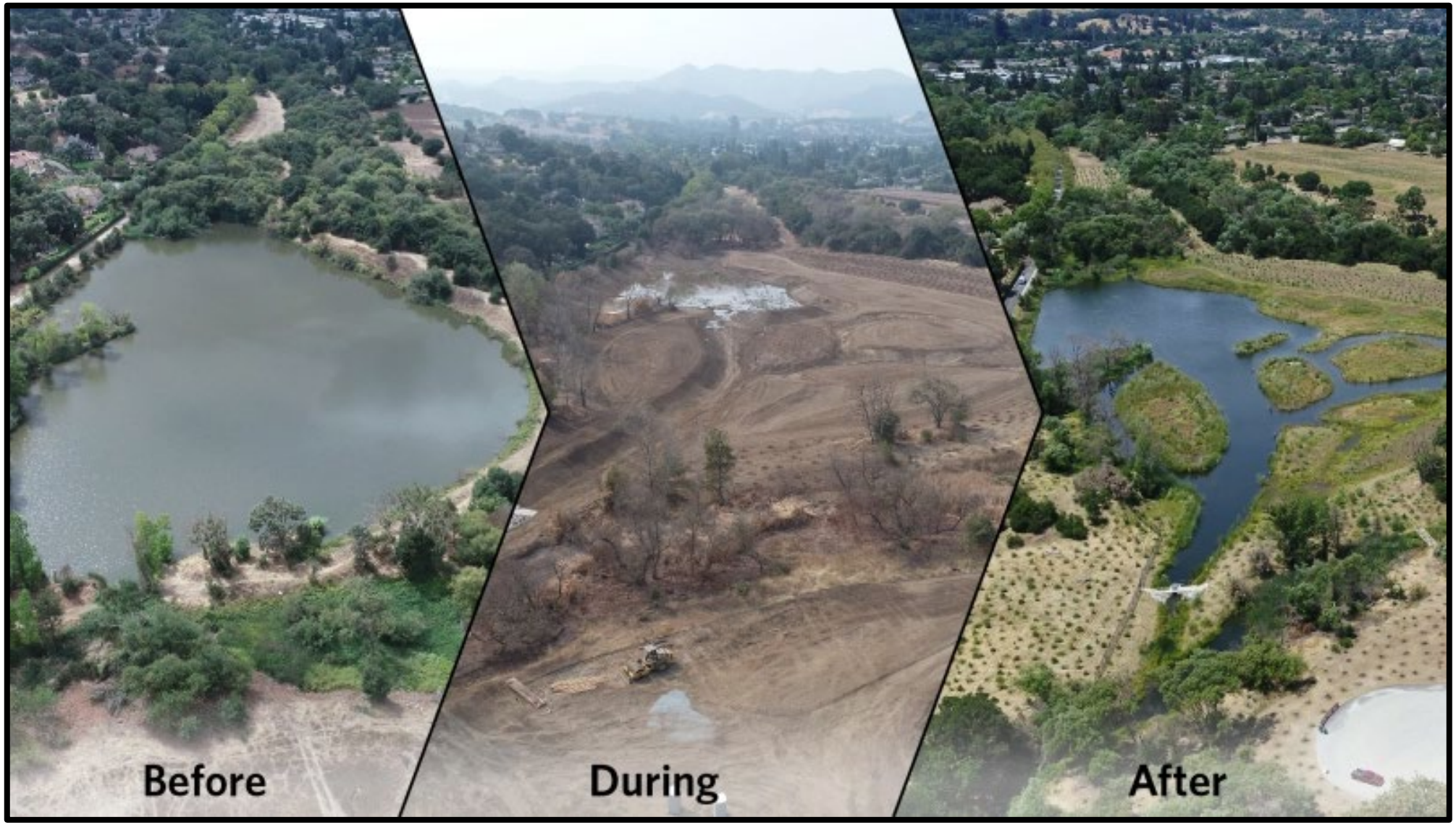
2022

- Uvas Ck – LWD and Gravel Augmentation between Miller Ave. and Santa Tersea Blvd.

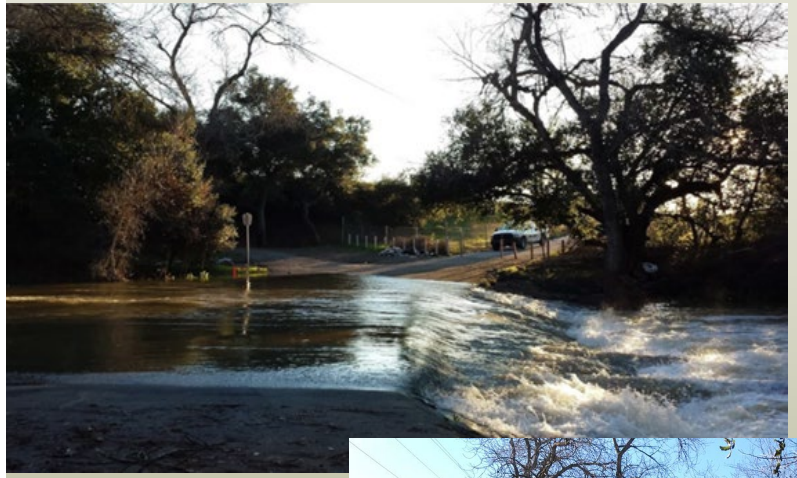
2023

- FAHCE Program Two Creeks Final EIR- Guadalupe and Stevens Watersheds
- Anderson Dam Seismic Retrofit Draft EIR
- Uvas Ck- Bolsa Road Fish Barrier Removal and 1700 foot Geomorphic Restoration

Llagas Creek- Lake Silveira Restoration



Coyote Creek Fish Barrier Removal at Singleton Road



Before – Existing road crossing was a fish barrier

After – A new clear span bridge with stablized channel enables access to ~ 17 miles of upstream habitat for migratory fish.

Uvas Creek Fish Habitat Improvement Project

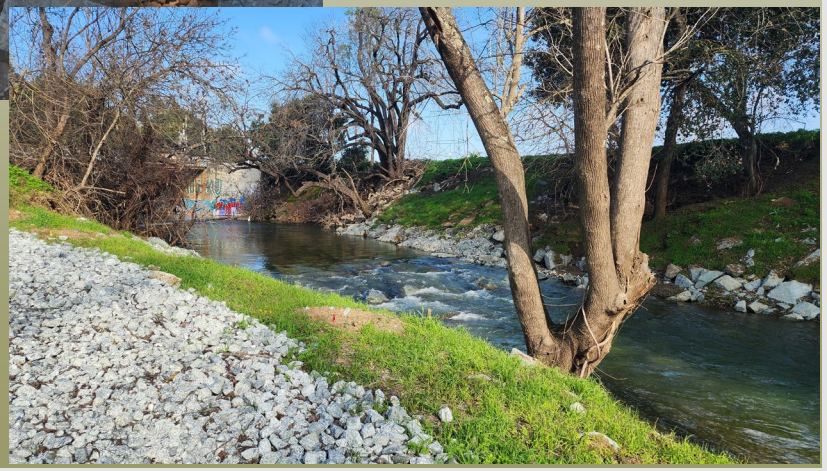
Before – Lack of instream habitat complexity

After – LWD, rootwads and gravel add complexity to the channel between Santa Teresa and Miller Ave.

Uvas Creek- Bolsa Road Fish Barrier Remediation and Geomorphic Restoration

Before –Old Denil style fishway gets easily clogged and can create a velocity barrier, in addition there were bank failures downstream

After – Bank and grade stabilization using native materials to create a graduated riffles.



History of Fisheries Improvements (cont.)

2024

- Full Implementation of FAHCE Plus program in Guadalupe and Stevens Ck Watersheds – flow and non-flow measures
- Coyote Creek Percolation Dam – bladder dam install, fish lane and fish ladder improvements
- Guadalupe River – Sediment removal to enhance fish passsage (Woz Way to Coleman Ave)
- Phase 2 -Countywide Large Woody Debris and Gravel Augmentation Study (Pajaro and San Francisquito watersheds and Calero Creek)
- Pajaro Watershed – One Water Plan completed
- Pickell‘s Dam removed on Little Arthur Creek - Uvas Creek Watershed

Uvas Watershed (Little Arthur Creek) – Pickell's Dam Removal

Before – A Collaborative Project with Trout Unlimited, CDFW, NMFS, the Amah Mutsun Tribe, VW, and the private land-owner to remove an old concrete dam and fishway on Little Arthur Creek.

After –Removal of the > 100 year old dam will enable access to ~3.5miles of high-quality spawning and rearing habitat for steelhead and will allow the stream to return to its natural processes, facilitating natural instream habitat feature formation.

Upcoming Planned Improvements

- Coyote Ck:
  - Live Oak Restoration in Design
  - Ogier Ponds Restoration Site in Planning and Design
  - Coyote Perc Facility Fish-lane extension and additonal Facility Improvements in Design
- Stevens Creek:
  - Evelyn Redesign and Improvements
  - Moffett Fishway Improvments in Planning and Design
- Guadalupe Watershed:
  - Fish Barrier Prioritization Study is in planning for Guadalupe, Alamitos and Calero Creeks.

QUESTIONS

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Santa Clara Valley Water District

File No.: 24-1069

Agenda Date: 12/4/2024
Item No.: 4.3.

	Meeting Date: 12/4/24	
	Item No. 4.3	
	Unclassified Manager: Luz Penilla, 408-630-2228	
SAFE, CLEAN WATER INDEPENDENT MONITORING COMMITTEE		

SUBJECT:
Receive the 2012 Safe, Clean Water and Natural Flood Protection (2012 Program) Performance Closeout Audit Report with Management Response and an Update on the Renewed Safe, Clean Water and Natural Flood Protection Program Audit.

RECOMMENDATION:

A. Receive the 2012 Safe, Clean Water and Natural Flood Protection Program Performance Closeout Audit Report with Management Response; and
B. Receive an Update on the renewed Safe, Clean Water and Natural Flood Protection Program (Renewed Safe, Clean Water Program) Audit.

SUMMARY:
On March 14, 2023 the Valley Water Board directed staff to conduct the following two separate professional independent audits:

1. A closeout audit for the Safe, Clean Water and Natural Flood Protection Program that voters approved in 2012 (2012 Program, Measure B), which ended on June 30, 2021 (Fiscal Year 2020-21); and
2. An audit for the November 2020 voter-approved Safe, Clean Water and Natural Flood Protection Program (Renewed Safe, Clean Water Program, Measure S) that began implementation in Fiscal Year 2021-22 (FY22).

The Board's decision followed a recommendation from the Independent Monitoring Committee (IMC) of the Renewed Safe, Clean Water Program. In its first annual report to the Board following the review of the Renewed Safe, Clean Water Program's FY22 Annual Report, the IMC recommended an

audit covering the previous 2012 Program and the Renewed Safe, Clean Water Program. The IMC stated that both programs required audits at least every five years. The last audit, covering FY2014-16, was presented in 2017. When the Renewed Safe, Clean Water Program replaced the 2012 Program, the audit schedule was reset, with the next audit scheduled to take place in FY26, five years into the program's implementation. However, the IMC recommended an immediate audit covering the two programs, contending that the delay conflicted with the original intent of a consistent five-year audit cycle.

Subsequently, on March 14, 2023, the Board directed staff to conduct separate independent audits for the two programs, including an immediate closeout audit for the 2012 Program (Measure B). The two separate audits were ordered because the 2012 Program had been replaced by the Renewed Safe, Clean Water Program in its entirety. While many of the projects from the 2012 Program were carried forward, the Renewed Safe, Clean Water Program included a new priority, new projects, new KPIs, and new funding allocations.

2012 Program Closeout Audit Update

The 2012 Program Resolution 12-62, Section N (Attachment 1), states, “During the Safe, Clean Water and Natural Flood Protection Program period, the Board of Directors shall conduct at least two professional audits of the Program to provide accountability and transparency.” The 2012 Program implementation began in July 2012 and the first professional audit of the program was conducted in 2017.

In accordance with the March 2023 Board decision, Valley Water engaged Moss Adams, LLP (Moss Adams) in April 2023 to conduct the performance closeout audit of the 2012 Program. The purpose of the audit was to validate compliance in the collection and expenditure of Measure B funds, verify compliance with Measure B tax provisions, evaluate Valley Water’s progress toward meeting the 2012 Program’s priorities and the stated key performance indicators (KPIs), and identify and document opportunities for operational efficiency for future iterations of the program.

On April 23, 2024, the Board received the 2012 Safe, Clean Water and Natural Flood Protection Program Closeout Performance Audit and the Management Response (Attachment 2).

Renewed Safe, Clean Program Audit Update

In October 2024, Valley Water engaged PMA Consultant, LLC (PMA) to conduct the first professional audit of the Renewed Safe, Clean Water Program. The audit is in accordance with the Renewed Safe, Clean Water Program Resolution No. 20-64, Section Q (Attachment 3), which states, “While the Safe, Clean Water and Natural Flood Protection Program is in effect, the Board of Directors shall conduct independent professional audits of the Program to provide for accountability and transparency at least every five years.”

PMA will provide a brief verbal update on the audit scope, process, and timeline.

ATTACHMENTS:

Attachment 1: Resolution 12-62
Attachment 2: 2012 Program Closeout Performance Audit Report
Attachment 3: Resolution 20-64
Attachment 4: PowerPoint

UNCLASSIFIED MANAGER:
Luz Penilla, 408-630-2228

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Appendix E

Election resolution and documents*

RESOLUTION NO. 12-62

PROVIDING FOR THE CONTINUATION AND LEVY OF A
SPECIAL TAX TO PAY THE COST OF A 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

WHEREAS, Santa Clara Valley Water District (District) policy is to ensure current and future water supplies and provide healthy, clean and reliable water in Santa Clara County; and

WHEREAS, District policy is to ensure reliable, clean water supplies for Santa Clara County and to protect Santa Clara County creeks, reservoirs, Monterey Bay, and San Francisco Bay from contaminants; and

WHEREAS, District policy is to provide for flood water and storm water flood protection to residents, businesses, visitors, public highways, and the watercourses flowing within the District; and

WHEREAS, District policy is to protect our water supply, pipelines and local dams from earthquakes and natural disasters; and

WHEREAS, the District maintains a flood protection system of levees, channels, drains, debris basins and other improvements upon which the lives and property of District residents depend, which said improvements must be kept in a safe and effective condition; and

WHEREAS, the District policy is to protect, enhance and restore healthy Santa Clara County creeks, watersheds and baylands ecosystems; and

WHEREAS, the need for protection of Santa Clara County water supplies, creeks, watersheds and baylands has increased since the voters passed the Clean, Safe Creeks and Natural Flood Protection Plan in 2000; and

WHEREAS, the District policy is to engage in partnerships with the community to provide open spaces, trails and parks along Santa Clara County creeks and watersheds; and

WHEREAS, the California State Legislature has authorized the District to levy a special tax on each parcel of property within the District or any zone or zones thereof upon receiving the approving vote of a two-thirds majority of the electorate of the District or zones therein; and

WHEREAS, the purpose of the special tax is to supplement other available but limited revenues to keep said improvements in a safe and effective condition; to enable the District 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 and storm drainage facilities; including in each case the cost of financing such activities; and

* The election resolution and associated documents are included as a reproduction of the actual election documents and are not an exact copy.

Attachment 1
Page 1 of 12

WHEREAS, State California Environmental Quality Act (CEQA) Guidelines section 15378(b)(4), states that government funding mechanisms are not projects subject to the requirements of CEQA.

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

FIRST: The Board hereby finds that since (a) the management of creeks, watersheds and baylands to ensure safe, clean water and to protect, enhance and restore healthy ecosystems; and the construction and management of flood protection services, are made necessary by stormwater runoff, and (b) the lands from which runoff derives are benefitted by provision of means of disposition which alleviates or ends the damage to other lands affected thereby, by direct protection of loss of property, and other indirect means which include improved aesthetics and quality of life, the basis on which to levy the special tax is at fixed and uniform rates per area and county or city designated land use of each parcel, taxed as such parcel is shown on the latest tax rolls.

SECOND: Pursuant to the authority of Section 3 of the District Act, a Combined Zone consisting of the aggregate metes and bounds descriptions of Zones One, Two, Three, Four and Five is presently existing.

THIRD: A special District Election will be called within said District, on the proposition of levy of a special tax.

FOURTH: Subject to approval by two-thirds of the electors of the District voting at such election and pursuant to the authority vested in the Board, there is hereby established a special tax as authorized by this resolution, the proceeds of which shall be used solely for the purpose of supporting the priorities of the Safe, Clean Water and Natural Flood Protection program. The priorities are summarized in Table 1. The Safe, Clean Water and Natural Flood Protection Program Report (hereafter "Report") generally describes the priorities. This tax shall be instituted with the following provisions:

A. The Chief Executive Officer (CEO) or designee of the District is directed to cause a written Report to be prepared for each fiscal year for which a special tax is to be levied and to file and record the same, all as required by governing law. Said Report shall include the proposed special tax rates for the upcoming fiscal year at any rate up to the maximum rate approved by the voters. A special fund shall be established into which proceeds from the tax shall be deposited. Proceeds from the tax may used only for the Safe, Clean Water and Natural Flood Protection Program.

B. The CEO, or designee of the District may cause the special tax to be corrected in the same manner as assessor's or assessee's errors may be corrected but based only upon any or all of the following:

1. Changes or corrections in ownership of a parcel;

2. Changes or corrections of address of an owner of a parcel;

3. Subdivision of an existing parcel;

4. Changes or corrections in the use of all or part of a parcel;

5. Changes or corrections in the computation of the area of a parcel;

6. As to railroad, gas, water, telephone, cable television, electric utility right of way, electric line right of way or other utility right of way properties.

Changes and corrections are not valid unless and until approved by the Board.

C. The Clerk of the Board shall immediately file certified copies of the final determination of special taxes and confirming resolution with the Auditor-Controller of the County of Santa Clara and shall immediately record with the County Recorder of said County a certified copy of the resolution confirming the special tax.

D. The special tax for each parcel set forth in the final determination by the Board shall appear as a separate item on the tax bill and shall be levied and collected at the same time and in the same manner as the general tax levy for county purposes. Upon recording of the resolution confirming the special tax such special tax shall be a lien upon the real property affected thereby.

E. Failure to meet the time limits set forth in this resolution for whatever reason shall not invalidate any special tax levied hereunder.

F. No special tax for the Safe, Clean Water and Natural Flood Protection Program shall be imposed upon a federal or state or local governmental agency. With said exception, a Safe, Clean Water and Natural Flood Protection Program special tax is levied on each parcel of real property in the five Flood Control Zones of the District subject to this resolution for the purposes stated in the Report and in this Resolution. Except for the minimum special tax as hereinafter indicated, the special tax for each parcel of real property in each such zone is computed by determining its area (in acres or fractions thereof) and land use category (as hereinafter defined) and then multiplying the area by the special tax rate applicable to land in such land use category. A minimum special tax may be levied on each parcel of real property having a land area up to 0.25 acre for Groups A, B, and C, up to 10 acres for Groups D and E Urban and, for Group E Rural, the minimum special tax shall be that as calculated for the E Urban category.

G. Land use categories for each parcel of land in the District are defined and established as follows:

Group A: Land used for commercial or industrial purposes.

Group B: Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including apartment complexes, mobile home parks, recreational vehicle parks, condominiums, and townhouses.

Group C: (1) Land used for single family residences and multiple family units up to four units. (2) The first 0.25 acre of a parcel of land used for single family residential purposes.

Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses and similar uses. (2) The portion of the land, if any, in excess of 0.25 acre of a parcel used for single family residential purposes.

Group E: Vacant undisturbed land (1) in urban areas and (2) in rural areas including dry farmed land, grazing and pasture land, forest and brush land, salt ponds and small parcels used exclusively as well sites for commercial purposes.

Group F: Parcels used exclusively as well sites for residential uses are exempt from the special tax.

H. The special tax amounts applicable to parcels in the various land uses shall be as prescribed by the Board of Directors in each fiscal year (July 1 through June 30) beginning with fiscal year 2013-2014 all as stated above, in the Report and as required by law; provided, that the annual basic special tax unit (single family residential parcel) shall not exceed a maximum limit of $56, as adjusted by the compounded percentage increases of the San Francisco-Oakland-San Jose Consumer Price Index (CPI-U) for all Urban Consumers (or an equivalent index published by a government agency) in the year or years since April 30, 2013; provided, however that appropriate amounts may be increased in any year by up to the larger of the percentage increase of the San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers in the preceding year or three percent (3%); and provided, further, however that in any period, not exceeding three years, immediately following a year in which the Governor of the State of California or the President of the United States has declared an area of said zones to be a disaster area by reason of flooding or other natural disaster, then to the extent of the cost of repair of District facilities damaged by such flooding or other natural disaster, the maximum tax rate shall be the percentage increase in CPI-U plus 4.5 percent and provided, that special taxes for the Safe, Clean Water and Natural Flood Protection Program shall be levied for a total of 15 years and, therefore, shall not be levied beyond June 30, 2028.

I. Pursuant to the State California Environmental Quality Act (CEQA) Guidelines section 15378(b)(4), adoption of this resolution for continuation of the parcel tax and as a government funding mechanism, is not a project subject to the requirements of CEQA. Prior to commencement of any project included in the Safe, Clean Water and Natural Flood Protection Program, any necessary environmental review required by CEQA shall be completed.

J. 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. 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.

K. In the event that the county or city designated land use for a parcel is different than the actual land use, the CEO of the District may, pursuant to written policies and procedures, cause the special tax to be adjusted based upon any or all of the following:

1. The parcel owner shall provide the District a claim letter stating that the present actual land use is different than the county or city designated land use, including an estimate of the portion of the parcel that is different than the designated land use. Such claim is subject to investigation by the District as to the accuracy of the claim. Parcel owner shall furnish information deemed necessary by the District to confirm the actual uses and areas in question which may include, but not be limited to, a survey by a licensed surveyor.

2. The parcel owner shall request the District to inspect the parcel and reevaluate the parcel tax.

3. The parcel owner shall notify the District after a substantial change in the actual land use occurs, including a new estimate of the portion of the parcel that is different than the designated land use.

4. The District may inspect and verify the actual land use for these parcels on a regular basis and will notify the appropriate parcel owners when it is determined that the actual land use has matched a county or city designated land use. The District shall then correct the special tax rates for these parcels accordingly.

L. Pursuant to state law, the District may provide an exemption from the special tax for low income owner-occupied residential properties for taxpayer-owners who are 65 years of age or older, the following shall apply:

Residential parcels where the total annual household income does not exceed 75 percent of the latest available figure for state median income at the time the annual tax is set, and such parcel is owned and occupied by at least one person who is aged 65 years or older is qualified to apply for an exemption from the applicable special tax.

M. An external, independent monitoring committee shall be appointed by the District Board of Directors to conduct an annual audit and provide an annual Report to the Board of Directors regarding implementation of the intended results of the Safe, Clean Water and Natural Flood Protection Program; at the fifth and tenth anniversaries of the Safe, Clean Water and Natural Flood Protection Program, the committee will identify to the District Board of Directors such modifications as may be reasonably necessary to meet the priorities of the Safe, Clean Water and Natural Flood Protection Program.

N. During the Safe, Clean Water and Natural Flood Protection Program period, the Board of Directors shall conduct at least two professional audits of the Program to provide for accountability and transparency.

O. Upon entering into effect, the Safe, Clean Water and Natural Flood Protection Program parcel tax authorized by this resolution and placed on the ballot by RESOLUTION NO. 12-63 will repeal and replace the Clean, Safe Creeks and Natural Flood Protection Plan parcel tax approved by the voters in 2000. On the date that the parcel tax authorized by this resolution and RESOLUTION NO. 12-63 goes into effect, the Safe, Clean Water and Natural Flood Protection Program will replace in its entirety the Clean, Safe Creeks and Natural Flood Protection Plan; any tax payments already made by voters and collected for use by the Water District for the Clean, Safe Creeks and Natural Flood Protection Plan will be used to achieve priorities identified in the Safe, Clean Water and Natural Flood Protection Program. Funding for capital projects currently identified in the Clean, Safe Creeks and Natural Flood Protection Plan, will continue under the Safe, Clean Water and Natural Flood Protection Program to meet previous commitments. All other projects and programs identified in the Clean, Safe Creeks and Natural Flood Protection Plan will be replaced by comparable projects or programs with similar or expanded obligations under the Safe, Clean Water and Natural Flood Protection Program.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on July 24, 2012:

AYES: Directors T. Estremera, P. Kwok, D. Gage, J. Judge, R. Santos, B. Schmidt, L. LeZotte

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
LINDA J. LEZOTTE
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk/Board of Directors

Attachment 1
Page 6 of 12

TABLE - 1 RESOLUTION NO. 2012 - 62

Providing for the continuation and levy of a special tax to pay the cost of a 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

Summary of Key Performance Indicators for the 15-Year Program

Project	Key Performance Indicator
Priority A: Ensure a Safe, Reliable Water Supply	
A1 Main and Madrone Avenue Pipelines Restoration	1. Restore transmission pipelines to full operating capacity of 37 cubic feet per second from Anderson Reservoir. 2. Restore ability to deliver 20 cubic feet per second to Madrone Channel.
A2 Safe, Reliable Water Grants and Partnerships	1. Award up to $1 million to test new conservation activities. 2. Increase number of schools in Santa Clara County in compliance with SB 1413 and the Healthy Hunger-Free Kids Act, regarding access to drinking water by awarding 100% of eligible grant requests for the installation of hydration stations; a maximum of 250 grants up to $254k. 3. Reduce number of private well water users exposed to nitrate above drinking water standards by awarding 100% of eligible rebate requests for the installation of nitrate removal systems; a maximum of 1000 rebates up to $702k.
A3 Pipeline Reliability Project	1. Install 4 new line valves on treated water distribution pipelines.

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Project	Key Performance Indicator
Priority B: Reduce Toxins, Hazards, and Contaminants in our Waterways	
B1 Impaired Water Bodies Improvement	1. Operate and maintain existing treatment systems in 4 reservoirs to remediate regulated contaminants, including mercury. 2. Prepare plan for the prioritization of pollution prevention and reduction activities. 3. Implement priority pollution prevention and reduction activities identified in the plan in 10 creeks.
B2 Inter-Agency Urban Runoff Program (includes Santa Clara Valley Urban Runoff Pollution Prevention and South County programs)	1. Install at least 2 and operate 4 trash capture devices at stormwater outfalls in Santa Clara County. 2. Maintain partnerships with cities and County to address surface water quality improvements. 3. Support 5 pollution prevention activities to improve surface water quality in Santa Clara County either independently or collaboratively with south county organizations.
B3 Pollution Prevention Partnerships and Grants	1. Provide 7 grant cycles and 5 partnerships that follow pre-established competitive criteria related to preventing or removing pollution.
B4 Good Neighbor Program: Illegal Encampment Cleanup	1. Perform 52 annual clean-ups for the duration of the Safe, Clean Water program to reduce the amount of trash and pollutants entering the streams.
B5 Hazardous Materials Management and Response	1. Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two hours or less.
B6 Good Neighbor Program: Remove graffiti and litter	1. Conduct 60 clean-up events (4 per year). 2. Respond to requests on litter or graffiti cleanup within 5 working days.
B7 Support Volunteer Cleanup Efforts and Education	1. Provide 7 grant cycles and 3 partnerships that follow pre-established competitive criteria related to cleanups, education and outreach, and stewardship activities. 2. Fund District support of annual National River Clean Up day, California Coastal Clean Up Day, the Great American Pick Up, and fund the Adopt-A-Creek Program.

Project	Key Performance Indicator
Priority C: Protect Our Water Supply and Dams From Earthquakes and Other Natural Disasters	
C1 Anderson Dam Seismic Retrofit	1. Provide portion of funds, up to $45 million, to help restore full operating reservoir capacity of 90, 373 acre-feet.
C2 Emergency Response Upgrades	1. Map, install, and maintain gauging stations and computer software on seven flood-prone reaches to generate and disseminate flood warnings.

Project	Key Performance Indicator
Priority D: Restore Wildlife Habitat and Provide Open Space Access	
D1 Management of Revegetation Projects	1. Maintain a minimum of 300 acres of revegetation projects annually to meet regulatory requirements and conditions.
D2 Revitalize Riparian, Upland and Wetland Habitat	1. Revitalize at least 21 acres, guided by the 5 Stream Corridor Priority Plans, through native plant revegetation and removal of invasive exotic species. 2. Provide funding for revitalization of at least 7 of 21 acres through community partnerships. 3. Develop at least 2 plant palettes for use on revegetation projects to support birds and other wildlife.
D3 Partnerships and Grants to Restore Wildlife Habitat and Provide Access to Trails	1. Develop 5 Stream Corridor Priority Plans to prioritize stream restoration activities. 2. Provide 7 grant cycles and additional partnerships for $21 million that follow pre-established criteria related to the creation or restoration of wetlands, riparian habitat and favorable stream conditions for fisheries and wildlife, and providing new public access to trails.
D4 Fish Habitat and Passage Improvements	1. Complete planning and design for two creek/lake separations. 2. Construct one creek/lake separation project in partnership with local agencies. 3. Use $6 million for fish passage improvements. 4. Conduct study of all major steelhead streams in the County to identify priority locations for installation of large woody debris and gravel as appropriate. 5. Install large woody debris and/or gravel at a minimum of 5 sites (1 per each of 5 major watersheds).
D5 Ecological Data Collection and Analysis	1. Establish new or track existing ecological levels of service for streams in 5 watersheds. 2. Re-assess streams in 5 watersheds to determine if ecological levels of service are maintained or improved.
D6 Creek Restoration and Stabilization	1. Construct 3 geomorphic designed projects to restore stability and stream function by preventing incision and promoting sediment balance throughout the watershed.
D7 Partnerships for the Conservation of Habitat Lands	1. Provide up to $8 million for the acquisition of property for the conservation of habitat lands.
D8 South Bay Salt Ponds Restoration Partnership	1. Establish agreement with the US Fish and Wildlife Service to reuse sediment at locations to improve the success of Salt Pond restoration activities. 2. Construct site improvements up to $4 million to allow for transportation and placement of future sediment.

Project	Key Performance Indicator
Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets and Highways	
E1.1 Vegetation Control for Capacity	1. Maintain 90% of improved channels at design capacity.
E1.2 Sediment Removal for Capacity	
E1.3 Maintenance of Newly Improved Creeks	
E1.4 Vegetation Management for Access	1. Provide vegetation management for 6,120 acres along levee & maintenance roads.
E2.1 Coordination with Local Municipalities on Flood Communication	1. Coordinate with agencies to incorporate District-endorsed flood emergency procedures into their Emergency Operations Center plans.
E2.2 Flood-Fighting Action Plans	1. Complete 5 flood-fighting action plans (one per major watershed).
E3 Flood Risk Reduction Studies	1. Complete engineering studies on 7 creek reaches to address 1% flood risk. 2. Update floodplain maps on a minimum of 2 creek reaches in accordance with new FEMA standards.
E4 Upper Penitencia Creek	1. With federal and local funding, construct a flood protection project to provide 1 percent flood protection to 5,000 homes, businesses and public buildings. 2. With local funding only, acquire all necessary right-of-ways and construct a 1 percent flood protection project from Coyote Creek confluence to King Road.
E5 San Francisquito Creek	1. With federal and local funding, protect more than 3,000 parcels by providing 1 percent flood protection. 2. With local funding only, protect approximately 3,000 parcels from flooding (100-year protection downstream of HWY 101, 50-year protection upstream of HWY 101).
E6 Upper Llagas Creek	1. With federal and local funding, provide flood protection to 1,100 homes, 500 businesses, and 1,300 agricultural acres, while improving stream habitat. 2. With local funding only, provide 100-year flood protection for Reach 7 only (up to W. Dunne Avenue in Morgan Hill). A limited number of homes and businesses will be protected.
E7 San Francisco Bay Shoreline Study	1. Provide portion of the local share of funding for planning and design phases for the former salt production ponds and Santa Clara County shoreline area. 2. Provide portion of the local share of funding toward estimated cost of initial project phase (Economic Impact Area 11).
E8 Upper Guadalupe River	1. With federal and local funding, construct a flood protection project to provide 1 percent 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 SPRR crossing, downstream of Willow Street, to UPRR crossing, downstream of Padres Drive. Flood damage will be reduced; however, protection from the 1-percent flood is not provided until completion of the entire Upper Guadalupe River Project.

AMENDED
RESOLUTION NO. 12-63

CALLING A SPECIAL ELECTION TO BE HELD
IN THE
SANTA CLARA VALLEY WATER DISTRICT ON NOVEMBER 6, 2012
REQUESTING SERVICES OF REGISTRAR OF VOTERS,
REQUESTING CONSOLIDATION OF ELECTIONS, AND SPECIFYING
CERTAIN PROCEDURES FOR THE CONSOLIDATION ELECTION

WHEREAS, Santa Clara Valley Water District (District) RESOLVED, by the Board of Directors of Santa Clara Valley Water District (District), as follows:

FIRST: A special election is hereby called within said District, which election is to be consolidated with the general election to be held on November 6, 2012, to submit to the qualified electors of the District the following question:

Safe, Clean Water Program

To:
- Ensure safe, reliable water supply;
- Reduce toxins, hazards and contaminants in waterways;
- Protect water supply and dams from earthquakes and natural disasters;
- Restore wildlife habitat and provide open space;
- Provide flood protection to homes, schools and businesses;
- Provide safe, clean water in creeks and bays,

Shall Santa Clara Valley Water District renew an existing, expiring parcel tax without increasing rates, and issue bonds, described in Resolution 12-62, with independent citizen oversight and annual audits?

SECOND: The Registrar of Voters is requested to give notice of said election in accordance with law and to perform all other acts which are required for the holding and conducting of said election.

THIRD: The Board of Supervisors of the County of Santa Clara is hereby requested to order the consolidation of the special District election with the other elections to be held on November 6, 2012, and to provide the election precincts, polling places, and voting booths which shall in every case be the same, and that there shall be only one set of election officers in each of said precincts; and to further provide that the question set forth above shall be set forth in each form of ballot to be used at said election. Said Board of Supervisors is further requested to order the Registrar of Voters (a) to set forth on all sample ballots relating to said consolidation elections, to be mailed to the qualified electors of the District, the question set forth above and (b) to provide absentee voter ballots for said consolidation election for use by qualified electors of said District who are entitled thereto, in the manner provided by law.

FOURTH: The Registrar of Voters is hereby authorized and requested to canvass, or cause to be canvassed, as provided by law, the returns of said special district election with respect to the total votes cast for and against said question and to certify such canvass of the votes cast to the Board of Directors of Santa Clara Valley Water District.

FIFTH: The Clerk of this Board is hereby authorized and directed to certify to the due adoption of this resolution and to transmit a copy hereof so certified with the Registrar of Voters of the County.

SIXTH: Resolution No. 12-62 and attached Table 1 will comprise the full text of this ballot measure.

SEVENTH: The District recognizes that the County will incur additional costs because of the consolidation of the election on this measure with the November 6, 2012 election and agrees to reimburse the County for those relevant, additional costs. The Chief Executive Officer is hereby authorized and directed to expend the necessary funds to pay for the District's cost of placing the measure on the election ballot.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on August 8, 2012:

AYES: Directors T. Estremera, P. Kwok, D. Gage, J. Judge, R. Santos, B. Schmidt, L. LeZotte

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By: _____
LINDA J. LEZOTTE
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

_____
Clerk/Board of Directors

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FINAL REPORT

Santa Clara Valley Water District

2012 SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM

CLOSEOUT PERFORMANCE AUDIT

March 25, 2024

Moss Adams LLP
999 Third Avenue, Suite 2800
Seattle, WA 98104
(206) 302-6500

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I. EXECUTIVE SUMMARY

A. BACKGROUND, SCOPE, AND METHODOLOGY

The Santa Clara Valley Water District (Valley Water) engaged Moss Adams LLP (Moss Adams) to conduct a closeout performance audit of its 2012 Safe, Clean Water and Natural Flood Protection Program (the Program), established by the passage of Measure B in 2012. The purpose of this performance audit was to validate compliance in the collection and expenditure of Measure B funds, verify compliance with Measure B tax provisions, evaluate Valley Water's progress toward meeting the Program's priorities and stated key performance indicators (KPIs), and identify and document opportunities for operational efficiency for future iterations of the Program. We conducted this performance audit between May 2023 and October 2023 using a four-phased approach consisting of project initiation and management, fact-finding, data analysis, and reporting.

B. SUMMARY OF FINDINGS AND RECOMMENDATIONS

Findings and recommendations are grouped into two themes: compliance and performance. They are summarized in the following table and are presented in greater detail in Section V of this report.

Since this audit was focused on the last five years of the Program, which has since been replaced, the recommendations can be applied to the revised 2020 Program or future iterations of the Program. Additionally, some recommendations apply more broadly to Valley Water overall.

FINDINGS AND RECOMMENDATIONS		
1.	**Finding**	Valley Water does not have a conflict-of-interest policy that applies to the Independent Monitoring Committee (IMC) members. Conflicts of interest, whether real or perceived, can harm the Program's reputation and integrity.
	Recommendation	Develop a conflict-of-interest policy that applies to IMC members and incorporate education on conflicts of interest into IMC orientation and training procedures.
2.	**Finding**	According to a 2021 performance audit, grant management and administration during the 2012 Program experienced challenges with processes, timeliness, and reporting.
	Recommendation	Continue implementation of the remaining recommendations made in the 2021 grants management and administration performance audit.

FINDINGS AND RECOMMENDATIONS		
3.	**Finding**	Some Program KPIs relied on external organizations for completion, which made them more difficult to achieve on schedule. Additionally, some KPIs were based on outputs instead of outcomes, which created limitations in the measurement of the Program's impact on the community.
	Recommendation	Examine KPIs in future iterations of the Program and make revisions as needed to better reflect KPIs that are within Valley Water's control and focus on outcome-based KPIs. Where KPIs are not able to be fully within Valley Water's control, consider defining Valley Water's level of responsibility (e.g., primary or contributing responsibility) and develop strategies for addressing external factors that limit the ability of the KPIs to be achieved.
4.	**Finding**	While Valley Water's practices related to external coordination are largely aligned with best practice, a high degree of interjurisdictional complexity resulted in some capital projects being delayed.
	Recommendation	In future iterations of the Program, implement strategies to improve project continuity for projects heavily reliant on external agency cooperation, including strategies to prioritize knowledge transfer, project documentation, and relationship building at multiple levels.
5.	**Finding**	The effectiveness of contract development and management processes was limited by a lack of standardization, employee training, and lengthy reviews.
	Recommendation	Conduct robust training and establish annual refresher training for staff involved in contracting processes.

II. INTRODUCTION

A. PROJECT OVERVIEW

Background

The Santa Clara Valley Water District (Valley Water) manages an integrated water resources system that includes the provision of clean, safe water; flood protection; and stewardship of streams on behalf of Santa Clara County's nearly two million residents and businesses. Valley Water maintains 10 dams and surface water reservoirs, three water treatment plants, nearly 400 acres of groundwater recharge ponds, and more than 275 miles of streams.

On November 6, 2012, Santa Clara County voters passed Measure B, the Safe, Clean Water and Natural Flood Protection Program (the 2012 Program) as a countywide special parcel tax (Measure B). The tax went into effect on July 1, 2014, and its purpose was to support local projects that delivered safe, clean water, natural flood protection, and environmental stewardship to all communities served in Santa Clara County. The Program was first passed in 2000 as the Clean, Safe Creeks and Natural Flood Protection Plan before being approved again in 2012, and on November 3, 2020, voters in Santa Clara County approved Measure S, a revised renewal of the 2012 Program. This performance audit is focused on the 2012 Program only, as described in the Scope and Objectives section below.

Through a comprehensive community engagement process, Valley Water identified five priorities for the 2012 Program. These five priorities, listed below, comprised multiple projects with unique operations and capital needs. Each project had its own KPIs and estimated schedules and received an allocated portion of funding.

- Priority A: Ensure a safe, reliable water supply
- Priority B: Reduce toxins, hazards, and contaminants in waterways
- Priority C: Protect water supply and dams 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

Scope and Objectives

Valley Water engaged Moss Adams to conduct a closeout performance audit of the last five years of the 2012 Program, which were fiscal years (FY) 2017 through 2021. Moss Adams previously audited the first three years of the 2012 Program in a separate audit. This performance audit of the 2012 Program addressed the following objectives:

1. Assess and determine whether Measure B funds were collected and expended by Valley Water in accordance with the tax measure
2. Verify compliance with all applicable provisions of the Measure B tax, including stated provisions A through O
3. Assess and determine whether Valley Water made reasonable progress toward meeting the Program's priorities and KPIs by year eight of the 15-year Program

4. Assess and determine whether Valley Water properly implemented and complied with the approved change control processes to make necessary Program adjustments and modifications
5. Assess and document lessons learned that could be considered in the future

Since this closeout audit was focused on the last five years of the 2012 Program that has since been replaced, the recommendations can be applied to the revised 2020 Program or future iterations of the Program. Additionally, some recommendations apply more broadly to Valley Water overall.

Methodology

The project consisted of four phases. Our analysis was informed by employee interviews, document review, testing, and research into best practices.

Phase		Description
1	**Project Initiation and Management**	This phase concentrated on comprehensive planning and project management, including identifying employees to interview, identifying documents to review, communicating results, and establishing processes to review project status on a regular basis.
2	**Fact-Finding**	This phase included interviews, document review, and testing. • *Interviews:* We conducted interviews and focus groups with leadership and staff to gain insights into the current operational environment, strengths, and opportunities for improvement related to the 2012 Program. • *Document Review:* We reviewed a variety of documents and information provided by staff, including organizational charts, policies and procedures, performance reports, and the Measure B resolution. • *Testing:* We conducted tests of detail to verify Program operational integrity, adherence to Program change control protocols, and compliance with Measure provisions.
3	**Analysis**	Based on the information gained during our fact-finding phase, we performed a gap analysis of current conditions and identified opportunities for improvement. Leveraging best practice information, and our own experience from working with similar entities, we developed practical recommendations.
4	**Reporting**	We communicated the results of our analysis with findings and recommendations presented first in a draft report that was reviewed with management to confirm the practicality and relevance of recommendations before finalizing the report.

B. STATEMENT OF COMPLIANCE WITH GAGAS

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

III. COMMENDATIONS

Based on insights gathered throughout our assessment, we noted the following areas of strength:

- **Transparency to Stakeholders:** Valley Water had many processes in place to support transparency to its stakeholders. Annual Program reports detailing progress toward achieving KPIs were developed timely and contained detailed information for members of the public to understand project status, challenges, and any modifications. Furthermore, changes to project descriptions, KPIs, and schedules were made largely in accordance with Valley Water's change control process.
- **Program Expenditures:** Based on testing a sample of 30 expenditures occurring between FY 2017 and FY 2021, Measure B funds were used appropriately for the Program.
- **California Environmental Quality Act (CEQA) Reviews:** Based on testing a sample of three projects, the Program administration properly executed required CEQA reviews for SCW Program projects in compliance with Program requirements.
- **Low-Income Senior Property Tax Exemption**: Based on testing a sample of 10 low-income senior property tax exemptions, the requests were properly completed, and the requestors were eligible for the tax exemption according to Program requirements.
- **Special Tax Summary Reports**: For each fiscal year in the audit period, the Special Tax Summary Reports were completed, approved, and filed according to Program requirements.
- **Adaptive and Flexible Budgeting:** Despite challenges with overspending and underspending largely due to unexpected project needs and inflation, the 2012 Program had many effective practices in place managing project budgets. The Program conducted comprehensive project planning, regularly monitored project spending, and had a robust change control process in place to help identify and address necessary budget changes.
- **Independent Monitoring Committee (IMC) Onboarding:** In 2018, Valley Water developed formal onboarding and training materials for members of the committee that outlined IMC roles and responsibilities. This is aligned with best practice for effective governance.
- **Operational Flexibility:** Program staff were able to work around obstacles, such as those posed by the COVID-19 pandemic, to meet the needs of Valley Water and the 2012 Program.
- **Mission-Driven Employees:** Program staff were aware of and driven by the importance of the work they do to provide safe, clean water and natural flood protection to Santa Clara County and the communities they serve.

We would like to thank Valley Water staff for their willingness to assist us in this audit process. These commendations, coupled with our findings and recommendations, provide an overview of areas of strengths and opportunities for improvement that can help enhance operations and reduce risk within the renewed Safe, Clean Water and Natural Flood Protection Program and other future iterations of the initiative.

IV. PROGRESS TOWARD PRIORITIES AND KPIS

The following tables include an evaluation of the progress Valley Water made toward achieving the five priorities and associated KPIs of the 2012 Program FY 2021. Overall, Valley Water was on track to meet the majority of the KPIs had the Program continued. Only one project was not on target, as indicated below. We determined project status based on a review of KPIs for each project and relevant Program reports.

PRIORITY A: ENSURE A SAFE, RELIABLE WATER SUPPLY			
Project	**15-Year KPIs**	**Project Status as of FY 2021 Report**	**Moss Adams Determined Status**
A1: Main Avenue and Madrone Pipelines Restoration	• Restore transmission pipeline to full operating capacity of 37 cfs from Anderson Reservoir. • Restore ability to deliver 20 cfs to Madrone Channel.	Completed	Completed
A2: Safe, Clean Water Partnerships and Grants	• Award up to $1 million to test new conservation activities. • Increase number of schools in Santa Clara County in compliance with SB 1413 and the Healthy Hunger-Free Kids Act, regarding access to drinking water by awarding 100% of eligible grant requests for the installation of hydration stations; a maximum of 250 grants up to $254,000. • Reduce number of private well water users exposed to nitrate above drinking water standards by awarding 100% of eligible rebate requests for the installation of nitrate removal systems—up to $30,000 for all rebates.	On target	On target
A3: Pipeline Reliability Project	• Install four new line valves on treated water distribution pipelines.	Adjusted	Adjusted in FY 2021

PRIORITY B: REDUCE TOXINS, HAZARDS, AND CONTAMINANTS IN OUR WATERWAYS			
Project	**15-Year KPIs**	**Project Status as of FY 2021 Report**	**Moss Adams Determined Status**
B1: Impaired water bodies improvement	• Operate and maintain existing treatment systems in four reservoirs to remediate regulated contaminants, including mercury. • Prepare a plan for the prioritization of pollution prevention and reduction activities.	On target	On target

PRIORITY B: REDUCE TOXINS, HAZARDS, AND CONTAMINANTS IN OUR WATERWAYS			
Project	**15-Year KPIs**	**Project Status as of FY 2021 Report**	**Moss Adams Determined Status**
	• Implement priority pollution prevention and reduction activities identified in the plan in 10 creeks.		
B2: Interagency urban runoff program	• Install at least two and operate four trash capture devices at storm water outfalls in Santa Clara County. • Maintain partnerships with cities and County to address surface water quality improvements. • Support five pollution prevention activities to improve surface water quality in Santa Clara County, either independently or collaboratively with south county organizations.	On target	On target
B3: Pollution prevention partnerships and grants	• Provide seven grant cycles and five partnerships that follow pre-established competitive criteria related to preventing or removing pollution.	On target	On target
B4: Good neighbor program: Illegal Encampment Cleanup	• Perform 52 annual cleanups for the duration of the Safe, Clean Water Program to reduce the amount of trash and pollutants entering the streams.	Not on target	Not on target in FY 2021.[1]
B5: Hazardous materials management and response	• Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two hours or less.	On target	On target
B6: Good neighborhood program: Remove Graffiti and Litter	• Conduct 60 clean-up events (four per year). • Respond to requests on litter or graffiti cleanup within five working days.	On target	On target

[1] Cleanups were curtailed due to COVID-19 related restrictions concerning unhoused encampments.

PRIORITY B: REDUCE TOXINS, HAZARDS, AND CONTAMINANTS IN OUR WATERWAYS			
Project	**15-Year KPIs**	**Project Status as of FY 2021 Report**	**Moss Adams Determined Status**
B7: Support volunteer cleanup efforts and education	• Provide seven grant cycles and three partnerships that follow pre-established competitive criteria related to cleanups, education and outreach, and stewardship activities. • Fund District support of annual National River Cleanup Day, California Coastal Cleanup Day, the Great American Litter Pick Up, and the Adopt-A-Creek Program.	On target	On target

PRIORITY C: PROTECT OUR WATER SUPPLY AND DAMS FROM EARTHQUAKES AND NATURAL DISASTERS			
Project	**15-Year KPIs**	**Project Status as of FY 2021 Report**	**Moss Adams Determined Status**
C1: Anderson Dam Seismic Retrofit	• Turn a portion of funds, up to $45 million, to help restore full operating reservoir capacity of 90,373 acre-feet.	On target	On target
C2: Emergency response upgrades	• Map, install, and maintain gauging stations and computer software on seven flood-prone reaches to generate and disseminate flood warnings.	On target	On target

PRIORITY D: RESTORE WILDLIFE HABITAT AND PROVIDE OPEN SPACE			
Project	**15-Year KPIs**	**Project Status as of FY 2021 Report**	**Moss Adams Determined Status**
D1: Management of revegetation projects	• Maintain a minimum of 300 acres of revegetation projects annually to meet regulatory requirements and conditions.	On target	On target
D2: Revitalize stream, upland, and wetland habitat	• Revitalize at least 21 acres, guided by the five Stream Corridor Priority Plans, through native plan revegetation and removal of invasive exotic species. • Provide funding for revitalization of at least seven of 21 acres through community partnerships. • Develop at least two plant palettes for use on revegetation projects to support birds and other wildlife.	Completed	Completed

PRIORITY D: RESTORE WILDLIFE HABITAT AND PROVIDE OPEN SPACE			
Project	**15-Year KPIs**	**Project Status as of FY 2021 Report**	**Moss Adams Determined Status**
D3: Grants and partnerships to restore wildlife habitat and provide access to trails	• Develop five Stream Corridor Priority Plans to prioritize stream restoration activities. • Provide seven grant cycles and additional partnerships for $21 million that follow pre-established criteria related to the creation or restoration of wetlands, riparian habitat, and favorable stream conditions for fisheries and wildlife, and providing new public access to trails.	On target	On target
D4: Fish habitat and passage improvement	• Complete planning and design for two creek/lake separations. • Construct one creek/lake separation project in partnership with local agencies. • Use $6 million for fish passage improvements. • Conduct study of all major steelhead streams in the County to identify priority locations for installation of large woody debris and gravel, as appropriate. • Install large woody debris and/or gravel at a minimum of five sites (one per each of five major watersheds).	Adjusted	Adjusted in FY 2021
D5: Ecological data collection and analysis	• Establish new or track existing ecological levels of service for streams in five watersheds. • Reassess streams in five watersheds to determine if ecological levels of service are maintained or improved.	On target	On target
D6: Creek restoration and stabilization	• Construct three geomorphic designed projects to restore stability and stream function by preventing incision and promoting sediment balance throughout the watershed.	Adjusted	Adjusted in FY 2021
D7: Partnerships for the conservation of habitat lands	• Provide up to $8 million for the acquisition of property for the conservation of habitat lands.	Completed	Completed
D8: South Bay Salt Ponds restoration partnership	• Establish agreement with U.S. Fish and Wildlife Service to reuse sediment at locations to improve the success of Salt Pond restoration activities. • Construct site improvements up to $4 million to allow for transportation and placement of future sediment.	On target	On target

PRIORITY E: PROVIDE FLOOD PROTECTION TO HOMES, BUSINESSES, SCHOOLS, AND HIGHWAYS			
Project	**15-Year KPIs**	**Project Status as of FY 2021 Report**	**Moss Adams Determined Status**
E1: Vegetation control and sediment removal for flood protection	• Maintain 90% of improved channels at design capacity. • Provide vegetation management for 6,120 acres along levee and maintenance roads.	On target	On target
E2: Emergency response planning	• Coordinate with agencies to incorporate District-endorsed flood emergency procedures into their Emergency Operations Center plans. • Complete five flood-fighting action plans (one per major watershed).	On target	On target
E3: Flood risk reduction studies	• Complete engineering studies on seven creek reaches to address 1% flood risk. • Update floodplain maps on a minimum of 2 creek reaches in accordance with new FEMA standards.	On target	On target
E4: Upper Penitencia Creek flood protection Coyote Creek to Dorel Drive—San Jose	• *Preferred project with federal and local funding:* Construct a flood protection project to provide 1% flood protection to 5,000 homes, businesses, and public buildings. • *With local funding only:* Acquire all necessary rights-of-way and construct a 1% flood protection project from Coyote Creek confluence to King Road.	On target	On target
E5: San Francisquito Creek flood protection, San Francisco Bay to Middlefield Road—Palo Alto	• *Preferred project with federal, state, and local funding:* Protect more than 3,000 parcels by providing 1% flood protection. • *With state and local funding only:* Protect approximately 3,000 parcels from flooding (100-year protection downstream of Highway 101, and approximately 30-year protection upstream of Highway 101).	On target	On target
E6: Upper Llagas Creek flood protection project Buena Vista Avenue to Wright Avenue—Morgan Hill, San Martin, Gilroy	• *Preferred project with federal and local funding:* Provide flood protection to 1,100 homes, 500 businesses, and 1,300 agricultural acres, while improving stream habitat. • *With local funding only:* Provide 100-year flood protection for Reach 7 only (up to W. Dunne Avenue in Morgan Hill). A limited number of homes and businesses will be protected.	On target	On target
E7: San Francisco Bay shoreline study	• Provide a portion of the local share of funding for planning and design phases for the former salt production ponds and Santa Clara County shoreline area. • Provide a portion of the local share of funding toward the estimated cost of the initial project phase (Economic Impact Area 11).	On target	On target

PRIORITY E: PROVIDE FLOOD PROTECTION TO HOMES, BUSINESSES, SCHOOLS, AND HIGHWAYS			
Project	**15-Year KPIs**	**Project Status as of FY 2021 Report**	**Moss Adams Determined Status**
E8: Upper Guadalupe River flood protection	• *Preferred project with federal and local funding:* Construct a flood protection project to provide 1% flood protection to 6,280 homes, 320 businesses, and 10 schools and institutions. • *With local funding only:* Construct flood protection improvements along 4,100 feet of Guadalupe River between the Southern Pacific Railroad crossing downstream of Willow Street to the Union Pacific Railroad crossing downstream of Padres Drive. Flood damage will be reduced; however, protection from the 1% flood is not provided until completion of the entire Upper Guadalupe River project.	Adjusted	Adjusted in FY 2021

OTHER FLOOD PROTECTION PROJECTS AND CLEAN, SAFE CREEKS GRANTS PROJECTS			
Project	**15-Year KPIs**	**Project Status as of FY 2021 Report**	**Moss Adams Determined Status**
Permanente Creek Flood Protection	• Provide flood protection to 1,664 parcels downstream of El Camino Real, including Middlefield Road and Central Expressway	Completed	Completed
Sunnyvale East and Sunnyvale West Channels Flood Protection	• Provide riverine flood protection for 1,618 properties and 47 acres (11 parcels) of industrial land, while improving stream water quality and providing for recreational opportunities.	Adjusted	Adjusted in FY 2021
Berryessa Creek Flood Protection	• Local and federal funding flood damage reduction for 1,662 parcels, including 1,420 homes, 170 businesses, and 5 schools/institutions. • Using local funds only, a reduced project would extend from the confluence with Lower Penitencia upstream to Montague Expressway, modifying 2 miles of channel and protecting approximately 100 parcels.	Completed	Completed
Coyote Creek Flood Protection	• Preferred project with federal, state, and local funding: Secure alternative funding sources to construct a flood protection project that provides flood risk reduction from floods up to the level of flooding that occurred on February 21, 2017, approximately a 20 to 25 year flood event, between Montague Expressway and Tully Road.	On target	On target

OTHER FLOOD PROTECTION PROJECTS AND CLEAN, SAFE CREEKS GRANTS PROJECTS			
Project	**15-Year KPIs**	**Project Status as of FY 2021 Report**	**Moss Adams Determined Status**
	• With local funding only: (a) Identify short-term flood relief solutions and begin implementation prior to the 2017-2018 winter season; (b) Complete the planning and design phases of the preferred project; and (c) With any remaining funds, identify and construct prioritized elements of the preferred project.		
Calabazas Creek Flood Protection	• Flood damage reduction for 2,483 parcels that include: 2,270 homes, 90 businesses, and 7 schools/institutions.	Completed	Completed
Clean Safe Creeks Grants Projects	• CSC 2.1: Reduce urban runoff pollutants in south county cities. • CSC 3.2: Creation of additional wetlands, riparian habitat and favorable stream conditions for fisheries and wildlife. (Equivalent of 100 acres of tidal or riparian habitat created or restored). • CSC 4.1: Community partnership to identify and provide public access to 70 miles of open space or trails along creeks.	Completed	Completed

V. FINDINGS AND RECOMMENDATIONS

Our aim with these findings and recommendations was to provide Program and Valley Water leadership with actionable information on opportunities for improvement, with recommendations intended to provide positive impacts on operational effectiveness and efficiency for future iterations of the Program.

A. COMPLIANCE

There were no compliance findings and recommendations. Based on our testing, Valley Water complied with Measure requirements.

B. PERFORMANCE

Ethics

1.	Finding	Valley Water does not have a conflict-of-interest policy that applies to the Independent Monitoring Committee (IMC) members. Conflicts of interest, whether real or perceived, can harm the Program's reputation and integrity.
	Recommendation	Develop a conflict-of-interest policy that applies to IMC members and incorporate education on conflicts of interest into IMC orientation and training procedures.

To ensure accountability to voters, Measure B also created an Independent Monitoring Committee (IMC), appointed by the Valley Water Board of Directors. According to the IMC Handbook, the IMC annually reviews the implementation of the intended results of the Program and reports its findings to Board, which makes the committee report available to the residents and voters of Santa Clara County. During the 2012 Program, concerns were raised about potential conflicts of interest among IMC members that could have influenced their recommendations and actions in their oversight role. Valley Water did not have a conflict-of-interest policy in place that applied to IMC members, and Valley Water's General Counsel considered these potential conflicts legally allowable since the IMC serves in an advisory role that does not have decision-making authority. However, it can be helpful for advisory committees to have conflict-of-interest policies since their recommendations are often accepted by other decision-making bodies.

Conflicts of interest, whether real or perceived, can present many challenges, including erosion of public trust and potential risk of compromised integrity of the IMC and the Program overall. Impaired public perception may also jeopardize future funding for the Program. The Program should develop a conflict-of-interest policy that applies to IMC members and incorporate education on conflicts of interest into IMC orientation and training procedures. Valley Water may leverage its existing conflict-of-interest policies and Board Code of Conduct when developing a conflict-of-interest policy for IMC members, as is common in other similar governmental organizations. Valley Water should consider what specific conflict-of-interest standards are needed for its advisory committees, but at a minimum the conflict-of-interest policy should require those with a conflict or potential conflict to disclose the conflict and prohibit IMC members from participating in discussions on topics where there is a real or perceived conflict. Generally, conflict-of-interest policies include the following:

- Definition of what constitutes a conflict of interest, such as situations where a committee member has a personal or financial interest in matters being discussed
- Requirements for disclosing potential conflicts of interest in a timely and transparent manner
- Processes for evaluating potential conflicts of interest
- Requirements for recusal when a conflict of interest is determined to exist
- Documentation requirements to ensure records are maintained about conflicts of interest and how they were resolved
- Consequences for violating the policy, such as potential removal from the committee
- Required training related to conflicts of interest

Developing conflict-of-interest policies, frameworks, and training will help preserve the integrity of the Program and promote ongoing public trust.

Grants Management

2.	Finding	According to a 2021 performance audit, grant management and administration during the 2012 Program experienced challenges with processes, timeliness, and reporting.
	Recommendation	Continue implementation of the remaining recommendations made in the 2021 grants management and administration performance audit.

A performance audit of grants management and administration in the 2012 Program reviewed FY 2018 through FY 2020 and was completed in January 2021. This audit found Valley Water needed to scale grant application and reporting requirements to be more proportional to the size and scope of each individual grant, require orientation for new grantees, establish timeliness metrics, and implement other process, timeliness, and reporting improvements. In interviews, staff expressed significant challenges with the Program's grant management and administration during the duration of the 2012 Program.

While beyond the scope of this audit, staff reported seven of the 11 recommendations have been implemented since the audit was completed in 2021. The remaining recommendations are still in progress. To support continued improvement of grants management and administration, Program leadership should continue to implement the remaining recommendations. Implementing these recommendations is important to the success and sustainability of future iterations of the Program. A summary of recommendation status as reported by staff as of a May 2023 progress report is included below.

Recommendation	Staff Reported Status
Valley Water should consider developing clear guidelines for "right-sized" application and reporting processes, meaning that application and reporting requirements should be scaled to fit the size, risk, and complexity of each individual grant: • Valley Water should develop a formal due diligence policy and perform a due diligence review for high risk grant projects. A due diligence review of applicants determines the reasonableness of the grant and grantee's ability to perform and assess the extent of the grantee's reliance on grant funds. This would include analysis of managerial and fiscal capacity and past performance. For example, verify grantees have the requisite financial management systems that will produce invoice detail required by the grant agreement, or, gain an understanding of the type of system capabilities the non-profit has to assess whether they can comply with financial reporting required by the grant agreement. • For high-risk grants where financial statements are required, analyze fiscal health indicators of the entity and formalize the analysis within the grant file. For areas where Valley Water already implements a number of best practices such as checking GuideStar to verify the non-profits current status and to view the grantee's IRS Form 990, staff should also memorialize its analysis in the grant file. • For smaller non-profits or community groups, based on risk, Valley Water should consider simplifying reporting requirements or developing alternative requirements for projects under a dollar threshold, like $25,000, or establish a tiered structure and treat smaller projects similar to mini-grants.	In Progress
As new grants are awarded, an orientation for new grantees should be mandatory, and Civic Engagement should provide an electronically accessible grantee guide, outlining all requirements for programmatic and financial reporting compliance. This can be as simple as compiling existing documents, developing reporting templates and developing a process map and including instructions on who to call based on the nature of the question.	Implemented – November 2022
Best practices suggest utilizing a grant management information system to run regular reports to track timeliness and to conduct other monitoring activities. While many monitoring functionalities for FLUXX remain in progress, we recommend, at a minimum, adding another column to the Grant Tracker spreadsheet to track the 45-calendar day payment window once initial contact has been made with the grantee. These payment cycle time metrics should be tracked and reported internally monthly, and to the Board Audit Committee quarterly.	Implemented – September 2021
Monitoring should be conducted, either manually or through automated reminder emails in FLUXX, to ensure that a progress report, or another form of communication from a grantee, is submitted quarterly ensure that Valley Water is kept apprised of project status and to ensure that work is aligned with the grant agreement.	Implemented – September 2021
In addition to right sizing invoicing requirements based on the grant's risk level, Valley Water should right-size the level of progress reporting detail required for smaller dollar value standard grants, for example, under $25,000.	In Progress

Recommendation	Staff Reported Status
Valley Water should explore where, within existing policies, it can augment grant requirements for grant agreements and invoicing for certain grantees based on risk: partnerships, repeat grantees, establish grant value thresholds, and determine whether the number of approvals and signatures for payments are appropriate. At a minimum, for smaller, lower risk grants, Valley Water should re-assess its reporting and invoicing requirements based on risk, dollar value, and project complexity. • For example, Valley Water could treat grant agreements up to $25,000 like mini-grants and expedite payment for low-risk grants and low dollar amount invoices from trusted long-term grantees. Valley Water could consider paying unquestioned amounts earlier, and focus more scrutiny on riskier, larger dollar amount invoices from new grantees. • Valley Water could also consider reimbursing expenses when invoiced and then using the closeout process to reconcile remaining amounts below a reasonable threshold. For example, if a grantee bills $10,000 for its performance, and Valley Water questions $500 of that amount, it could consider paying the unquestioned amount first, then resolve the questioned amount by project. • Staff should focus their review on whether grantee costs are reasonable, allocable and allowable in accordance with the project budget and grant agreement guidelines. Spot checks would be performed to ensure calculations are correct and that receipts match the totals. The level of scrutiny applied and depth of review would be based on the grant and grantee risk factors, as determined by management.	In Progress
Should Valley Water decide to continue to require the same information for progress and invoice submission, they should: • Confirm the integrity of grantee financial management system data used for review before award. • Include language in the grant agreement such as, “Failure to submit an accurate financial invoice in a timely manner may result in payments being withheld, delayed, or denied, and will result in payment delays”.	In Progress
Valley Water should solicit grantee and partnership feedback regularly, conducted by an independent third party, as best practices suggest. In addition to assessing satisfaction with the program, inquiries should be made to determine the extent to which partial funding has impacted the grantee and the project.	Implemented – September 2021
Valley Water should determine a reasonable goal and timeline for final closeout and final payment, including the release of retention. The established dates and timelines should be monitored in the Grant Tracker and when possible, included in any automated flags and alerts that FLUXX can provide.	Implemented – September 2021
Valley Water should prioritize developing a grants management operations manual containing all relevant policies and procedures.	Implemented – November 2022

Recommendation	Staff Reported Status
To ensure that staff understand and carry out their internal control responsibilities, and to promote accountability, Valley Water should consider reconfiguring job assignments to enhance the grants management function once the backlog has been addressed and policies and procedures are developed: • Option 1: Assign Staff by Priority Area and Specific Grants. This would allow staff to become familiar with the priority area, programs and grantees, as well as create a balanced number of programs a grant manager is expected to manage. This would benefit the grantee with the assignment of a single point of contact for questions at any phase of the project. This would allow for important information concerning a grantee, and project details learned in the application stage to transfer to active project management and throughout the life of the project. The downside to this option is that grant managers would still be required to perform duties that they might not have the technical capacity, knowledge or authorization to properly perform, such as a subject expert having responsibility for invoice processing, or a finance and accounting expert having responsibility for program oversight. • Option 2: Split Application and Active Grant Management Duties. Civic Engagement may consider dividing the work performed during the application cycle and work performed during the active project management cycle into two separate positions or teams. From an efficiency perspective, this delineation could improve overall workflow by decreasing bottlenecks that occur during certain times of the year (e.g., the allocation/application cycle) and ensure that a sufficient number of staff remains focused on active grant management, such as invoice review processing and monitoring. Additionally, with such a delineation of duties, one individual could be assigned to or specialize in contracts and billings for all grants. • Once job assignments are determined, the Supervising Program Administrator and Unit Manager should develop a training manual and schedule that clearly identifies the type of training needed to effectively perform specified job duties to address any gaps in staff knowledge, skills and abilities. • As the Safe, Clean Water grants program grows, and the grants management function within Civic Engagement expands, develop grants management position descriptions.	Implemented – September 2021

Key Performance Indicators

3.	Finding	Some Program KPIs relied on external organizations for completion, which made them more difficult to achieve on schedule. Additionally, some KPIs were based on outputs instead of outcomes, which created limitations in the measurement of the Program's impact on the community.
	Recommendation	Examine KPIs in future iterations of the Program and make revisions as needed to better reflect KPIs that are within Valley Water's control and focus on outcome-based KPIs. Where KPIs are not able to be fully within Valley Water's control, consider defining Valley Water's level of responsibility (e.g., primary or contributing responsibility) and develop strategies for addressing external factors that limit the ability of the KPIs to be achieved.

While Valley Water commendably had defined KPIs for each project within the Program, there were limitations to the effectiveness of some KPIs, especially KPIs that relied on external organizations for completion. Staff reported these KPIs were difficult to achieve as they were fully or partially outside of Valley Water's control. Additionally, as noted in the prior audit conducted by Moss Adams in 2017,

some project KPIs for the Program were based on outputs rather than outcomes, which limited their ability to portray the impact Valley Water and the Program had on the community. Outputs can also limit flexibility in approach when conditions change or unexpected events occur because they are more narrowly focused on completion of specific tasks.

KPI Responsibility

Generally, it is best practice to develop KPIs that are within an organization's influence and control to avoid setting unrealistic expectations and creating confusion about responsibility for achieving KPIs. To improve the usefulness of KPIs, Valley Water should examine KPIs in future iterations of the Program to identify whether the indicators are within Valley Water's control. KPIs that are not within Valley Water's control should ideally be revised to better reflect Valley Water's activities and abilities. When KPIs cannot be revised, Valley Water should develop strategies for communicating this with stakeholders. This could include defining Valley Water's level of responsibility for each KPI, such as whether Valley Water is the primary responsible party or a contributing responsible party. For example, the City of Salem defines its role in its strategic plan as a doer, convener, or partner to provide clarity on the City's role in achieving each of its activities and objectives. Valley Water should also develop strategies for addressing external factors that may limit the ability of the KPI to be achieved. This may involve myriad strategies depending on the project, such as increasing collaboration with external partners and stakeholders, seeking additional resources or support, or developing new approaches to achieve the KPI. Valley Water has already implemented many of these best practices, as noted in Finding 4. As a best practice, Valley Water should also ensure KPIs and related responsibilities are clearly defined in agreements with external partners where relevant.

Outcomes

While outputs are helpful to track progress and ensure work is done according to plan, outputs do not portray whether Valley Water is having its intended impact on the community. For example, the KPI for project A2 was to award up to $1 million to test new conservation activities. This KPI does not address whether outcomes from the use of the funds have been realized, such as reduced water demand. When reviewing KPIs in future iterations of the Program, Valley Water should also consider adopting more outcome-based KPIs where possible, especially for KPIs that are within Valley Water's control. This will enable Valley Water to communicate the impact of its investment more effectively in priorities, rather than simply stating the volume of work that was accomplished.

External Coordination

4.	Finding	While Valley Water's practices related to external coordination are largely aligned with best practice, a high degree of interjurisdictional complexity resulted in some capital projects being delayed.
	Recommendation	In future iterations of the Program, implement strategies to improve project continuity for projects heavily reliant on external agency cooperation, including strategies to prioritize knowledge transfer, project documentation, and relationship building at multiple levels.

Many capital projects and associated KPIs in the Program required extensive coordination with other government agencies, including larger projects that needed additional funding or resources and projects that required easements, permissions, or coordination from other jurisdictions to achieve

KPIs. This reliance on other governmental agencies is common for agencies like Valley Water, yet it created challenges and project delays given the need to navigate different laws, regulations, partnership agreements, policies, and procedures. Some staff reported difficulty balancing their project goals with the goals and interests of other agencies.

In alignment with best practice, Valley Water staff proactively engaged in productive conversations and regular meetings with partner organizations and established formal partnership agreements. These are practices that should be continued and strengthened. Additionally, longstanding relationships between personnel at both agencies contributed to many successful partnerships. However, as external parties and project teams experienced turnover, relationships were sometimes impacted. Strategies to prioritize effective knowledge transfer, project documentation, and relationship building should be implemented to improve project continuity. Valley Water should ensure roles and responsibilities are clearly defined for projects and that all project-related information such as meeting minutes and communications are well-organized and maintained. Additionally, for projects that require a high degree of coordination with external agencies, Valley Water should ensure clear succession plans are in place to facilitate continued relationships should key staff move onto other roles within or outside of the organization. This could include ensuring multiple staff have strong relationships with key external organizations and clearly maintaining documentation.

Valley Water should also continue to build upon its existing practices to support successful collaboration, including continuing to:

- Support collaborative structures and regular communication with external organizations
- Clearly define the roles, responsibilities, and expectations of each agency involved in each project
- Provide sufficient resources at the appropriate authority level within Valley Water to support interjurisdictional project needs
- Emphasize common outcomes and goals while allowing flexible approaches to project implementation

Contract Development and Management

5.	Finding	The effectiveness of contract development and management processes was limited by a lack of standardization, employee training, and lengthy reviews.
	Recommendation	Conduct robust training and establish annual refresher training for staff involved in contracting processes.

An audit of Valley Water's post-award contract process was completed in 2015 that resulted in several findings and recommendations, including findings related to needing formal policies and procedures and improved training. Management reported all the recommendations in that audit were implemented as of early 2023. However, staff reported some issues related to contract development and management processes still existed at the end of the 2012 program:

- Contract development and management were the responsibility of project managers, but several reported they did not feel adequately trained for these tasks. While there were formalized policies and processes in place to guide staff to effectively develop and manage contracts, staff reported limited awareness of these guidance documents. It is important for policies and procedures to be

effectively communicated to staff to avoid gaps in knowledge. Without effective training and communication to support staff in contract development and management, these processes are likely to be inefficient and take longer than needed. Additionally, contracts may be developed or managed poorly, which can increase risks that contracts are out of compliance with laws and regulations or do not achieve their intended outcomes.

- Staff reported concerns with the use of poor performing contractors. The use of poor performing contractors can result in inefficiencies, unnecessary costs, and increased reputational risks if contractor performance is visible to the public. While Valley Water established processes to communicate and track poor performing contractors, staff reported limited awareness of these processes. As noted above, it is important to promote staff awareness of processes through regular communication and training.
- Contract development processes reportedly took a long time, largely due to lengthy legal and risk management reviews and the process of getting on a Board agenda. Lengthy contracting processes can result in project delays and increased costs.

These issues reportedly contributed to delays in some projects and limited effective contract management overall. Given the level of contracting for services and construction at Valley Water, these issues present an ongoing risk for future iterations of the Program. To support more effective practices, Valley Water should conduct robust training and establish annual refresher training for staff involved in contracting processes to support improved efficiency and effectiveness as it relates to contract development and management. At a minimum, this should include training related to:

- Reviewing and approving contracts, monitoring contracts, renewing contracts, and terminating contracts
- Contract development and management, including best practices for drafting contract language, monitoring contract performance, and ensuring compliance with laws and regulations
- Awareness building of available templates, such as RFP templates or contract templates for common contract or agreement types
- Training on other tips and tools, such as checklists for reviewing or managing contracts or assessing risks related to contracts

Such training will promote consistency in contracting practices and better support project managers who do not have contracting experience.

APPENDIX A – PROCESS IMPROVEMENT OPPORTUNITIES

Moss Adams identified opportunities for process improvements as a result of the audit testing. The table below summarizes these opportunities.

	CATEGORY	PROCESS IMPROVEMENT OPPORTUNITIES
1	**Change Control Processes**	Valley Water implemented a change control process in 2016 that detailed how adjustments and modifications could be made to project and KPI text, schedules, and funding. Based on testing a sample of 10 changes between FY 2017 and FY 2021 (three text adjustments, four schedule adjustments, and three modifications), changes were largely processed in accordance with change control processes with one minor exception. We were unable to verify that an email notice was sent to the Blue Ribbon Committee (BRC) for the three modifications tested, as required by the process. The change control process required Valley Water to notify all stakeholders of proposed changes and lists the BRC as a constituent. Program staff reported the BRC's main purpose was to help develop the 2012 Program and that it was disbanded once the Program was developed and implemented. The change control process should be updated to remove the email notice requirement for the BRC to represent the current operating environment and practices more accurately. Valley Water staff reported they will be bringing a change forward to the Board in Fall 2023 to remove this requirement from the change control process
2	**Low Income Senior Property Tax Exemption Forms**	During our testing to determine whether requestors for the low-income senior property tax exemption were eligible according to the Program, we noted that the Low-Income Senior Property Tax Exemption Form used to document the application and approval could be improved. Valley Water should consider updating the Low-Income Senior Property Tax Exemption Form to include a section specific for Valley Water notations and approvals. This section should be identified as "For Valley Water Use Only" and might include lines for account number, driver's license verification, initials of approver, and date approved.

	CATEGORY	PROCESS IMPROVEMENT OPPORTUNITIES
3	**Special Tax Bill Calculations**	To test that property owners were billed the appropriate special tax amount according to Program requirements, we obtained the annual tax bills for five different property owners for each fiscal year in the audit period. During our testing we found: • One annual tax bill for a property owner was overbilled by $1.63 based on the designated tax assessment for that land use type for that fiscal year. The property owner was billed $32.36, but the set assessment for the land use B category was $30.73 for the 2017–2018 tax year. • Two annual tax bills for the same property owner in land use category E were overbilled by $2.21 and $3.38 for the 2016–2017 and 2017–2018 tax years, respectively. This recalculation was based on acres of property owned, and we obtained the property acreage from the Santa Clara Assessor's website. • One annual tax bill for a property owner increased from the prior tax bill by more than the allowed percentage change based on the Consumer Price Index (CPI) change. The CPI change for tax year 2017–2018 was 3.44%, but this property owner's special tax assessment increased 3.50% from the prior tax year. The effect of the overbilling rounds to $0.02. Although these amounts are relatively immaterial, we recommend that Program administration reviews special tax calculations for future programs at least every two years. This review might include performing spot checks on a sample of property owners across different land use categories to ensure that the proper special tax has been assessed.
4	**Document Retention**	In three instances across our different testing procedures, Valley Water was unable to provide supporting documentation for our testing requests. Two of these instances pertained to a special tax correction, and the other instance pertained to the Special Tax Board Resolution being confirmed with the County Controller-Treasury Department. However, in all instances, the Valley Water Board had approved the items at the time, and Valley Water provided evidence of this Board approval. We recommend that Valley Water enact and follow document retention policies and procedures until the respective program has been fully closed and audited (if required).

APPENDIX B – MANAGEMENT RESPONSE

PERFORMANCE AUDIT FINDINGS

	RECOMMENDATION	RESPONSIBLE PARTY	MANAGEMENT'S RESPONSE / IMPLEMENTATION PLAN
1	**Finding:** Valley Water does not have a conflict-of-interest policy that applies to the Independent Monitoring Committee (IMC) members. Conflicts of interest, whether real or perceived, can harm the Program's reputation and integrity.	Chief of Staff/ District Counsel	☒ Agree ☐ Disagree
	Recommendation: Develop a conflict-of-interest policy that applies to IMC members and incorporate education on conflicts of interest into IMC orientation and training procedures.		Management agrees with the recommendation. Staff will evaluate the processes and committees to which the conflict-of-interest policy would be applicable. A plan and policy are expected to be in place by October 2024. **Implementation Date:** Estimated to be fully implemented by October 2024
2	**Finding:** According to a 2021 performance audit, grant management and administration during the 2012 Program experienced challenges with processes, timeliness, and reporting.	Office of Community Engagement	☒ Agree ☐ Disagree
	Recommendation: Continue implementation of the remaining recommendations made in the 2021 grants management and administration performance audit.		Management agrees with this recommendation to continue implementing the recommendations made in the 2021 grants management and administration performance audit. Of the 11 audit recommendations, seven have been implemented and four remain in progress and on target to be implemented with the completion of the grants redesign. Staff will continue to provide bi-annual updates to the Board Audit Committee until all recommendations are achieved. **Implementation Date:** Estimated to be fully implemented by Q2, FY25.

	RECOMMENDATION	RESPONSIBLE PARTY	MANAGEMENT'S RESPONSE / IMPLEMENTATION PLAN
3	**Finding:** Some Program KPIs relied on external organizations for completion, which made them more difficult to achieve on schedule. Additionally, some KPIs were based on outputs instead of outcomes, which created limitations in the measurement of the Program's impact on the community.	Business Planning and Analysis Unit	☒ Agree ☐ Disagree
	Recommendation: Examine KPIs in future iterations of the Program and make revisions as needed to better reflect KPIs that are within Valley Water's control and focus on outcome-based KPIs. Where KPIs are not able to be fully within Valley Water's control, consider defining Valley Water's level of responsibility (e.g., primary or contributing responsibility) and develop strategies for addressing external factors that limit the ability of the KPIs to be achieved.		Staff acknowledges the recommendation and sees the upcoming independent audit of the renewed Safe, Clean Water and Natural Flood Protection Program (Renewed Program Audit) as the appropriate opportunity to review the KPIs. The renewed Program replaced the 2012 Program in its entirety and includes a new priority, new projects, and KPIs. The renewed Program replaced the 2012 Program in its entirety and includes a new priority, new projects, and KPIs. The renewed Program has three categories of KPIs, namely Performance-based, requiring completion of a specific activity; Fiscal-based, requiring full allocation to be expended to accomplish desired outcomes; and Schedule-based, requiring project completion according to a timeline, and these will be reviewed as part of the Renewed Program Audit. **Background:** The Safe, Clean Water Program Resolution No. 20-64, Section Q states "While the Safe, Clean Water and Natural Flood Protection program is in effect, the Board of Directors shall conduct independent professional audits of the Program to provide for accountability and transparency at least every five years." Following a recommendation from the Independent Monitoring Committee in February 2023, the Board approved two separate audits: a closeout audit for the 2012 Program (the current audit) and a distinct audit for the renewed Safe, Clean Water Program. The renewed Program, which voters approved in 2020 and became effective on July 1, 2021, is now in its third year of implementation. Staff expects to engage an auditor for the renewed Program by July 2024 and will share the 2012 Program closeout audit recommendations with the new auditor. **Implementation Date:** Estimated to be fully implemented by Q4, FY2025.

	RECOMMENDATION	RESPONSIBLE PARTY	MANAGEMENT'S RESPONSE / IMPLEMENTATION PLAN
4	**Finding:** While Valley Water's practices related to external coordination are largely aligned with best practice, a high degree of interjurisdictional complexity resulted in some capital projects being delayed.	Business Planning and Analysis Unit	☒ Agree ☐ Disagree
	Recommendation: In future iterations of the Program, implement strategies to improve project continuity for projects heavily reliant on external agency cooperation, including strategies to prioritize knowledge transfer, project documentation, and relationship building at multiple levels.	Business Planning and Analysis Unit	The renewed Safe, Clean Water Program's annual report thoroughly outlines the jurisdictional complexities of Safe, Clean Water capital projects on a project-specific level. It specifies the involved jurisdictions, such as funding agencies, regulatory permitting bodies, cities, counties, and other agencies, rating their confidence levels using a five-point scale ranging from Very High to Low. The annual report includes detailed information within individual project updates, and Appendix C consolidates the confidence levels for all capital projects. The implementation of the recommendation has been completed through the implementation of the following program, processes, and project-level improvements. However, we are committed to ongoing refinement of our process and continue to look for opportunities to improve. **Program Level:** In response to the 2019 Construction Contract Change Order Management and Administration audit, which focused on change order management and administrative activities for large capital construction projects, staff has developed the Capital Project Management and Project Controls (CPMPC) Program under the Business Planning and Analysis Unit, which is responsible for the development and implementation of Projectmates, Valley Water's new capital Project Management Information System (PMIS). Projectmates promotes cross-functional collaboration and knowledge transfer by acting as a system for document management across all phases of capital projects; providing contracts management and project budget tools, including invoicing, pay application processing, change orders; and supporting workflows during construction. The system engages both internal and external project staff in the areas of task management, scheduling, milestones, action lists, punch lists, and meeting minutes. Additionally, maintaining the documents in Projectmates allows for a seamless knowledge transfer between project phases or during staff transition.

RECOMMENDATION	RESPONSIBLE PARTY	MANAGEMENT'S RESPONSE / IMPLEMENTATION PLAN
		Process Level: Furthermore, VW addresses outreach and engagement, including external agency coordination and engagement through the CIP, Capital QEMS processes and capital project delivery level as follows. • At the Program level engagement - As part of the annual Capital Improvement Program Five-Year Plan approval process the Draft plan is released for a 60-day public review period. This outreach is to all land use agencies having land use authority within Valley Water boundaries to ensure alignment with their General Plans. Additionally, VW staff is in the process of creating an over-arching CIP Development Manual to serve as an umbrella policy for capital QEMS procedures to document all existing CIP procedures and practices, which already include outreach and engagement requirements for VW's Capital Improvement Program. • CPMPC takes the lead in coordinating with capital project teams to keep Valley Water's Capital quality management (QEMS) documents up to date and to facilitate mandatory biennial capital staff training. Each training session focuses on varying quality management aspects, highlighting updates, industry standards and best practices. CPMPC also coordinates the Technical Review Committee's annual lessons learned training as well as the Capital Improvement Program's annual CIP training. • Outreach and engagement steps are referenced in VW's Capital Project Delivery Process (QEMS Form F-751-093). At several project milestones and phase transitions Capital Projects require Board engagement and action, where the public is informed and encouraged to recommend and engage in the Capital Project Delivery Process. **Project Level:** Additionally, relationship building for projects with high jurisdictional complexities is proactively managed by the respective capital deputies and unit managers. Depending on the complexity and urgency of the project, Valley Water has regular meetings at multiple levels with different agencies, jurisdictions, and partners to build relationships and establish continuity. These meetings could be held at project managers, deputies, ACEO, and the CEO levels. Additionally, Valley Water may establish project task forces or fund positions at regulatory agencies to facilitate the progress of Valley Water projects.. **Implementation Date:** Completed Q3, FY 2023.

	RECOMMENDATION	RESPONSIBLE PARTY	MANAGEMENT'S RESPONSE / IMPLEMENTATION PLAN
5	**Finding:** The effectiveness of contract development and management processes was limited by a lack of standardization, employee training, and lengthy reviews.	Purchasing and Consultant Contracts Services Unit	☒ Agree ☐ Disagree
	Recommendation: Conduct robust training and establish annual refresher training for staff involved in contracting processes.		Valley Water began using ISO/QEMS in the early 2000s to standardize and document processes across the agency. While we may have faced challenges in the past, Valley Water did have standardized processes in place since 2010 for contract development and management processes. Staff have made strides in addressing these process and training concerns through the creation of documented processes, development of manuals, and training programs that have been implemented to enhance employees' understanding of standardized procedures, ensuring that staff are well-equipped to navigate contract development and management efficiently. Moreover, streamlined review processes and the establishment of standardized protocols have contributed to a more effective and expedited workflow. The ongoing commitment to training and process optimization reflects staff's proactive approach to overcoming previous limitations, ultimately improving the overall effectiveness of contract development and management. **Implementation Date:** Completed by Q4, FY 2010.

PROCESS IMPROVEMENT OPPORTUNITIES

	CATEGORY	PROCESS IMPROVEMENT OPPORTUNITIES	MANAGEMENT RESPONSE
1	**Change Control Processes**	Valley Water implemented a change control process in 2016 that detailed how adjustments and modifications could be made to project and KPI text, schedules, and funding. Based on testing a sample of 10 changes between FY 2017 and FY 2021 (three text adjustments, four schedule adjustments, and three modifications), changes were largely processed in accordance with change control processes with one minor exception. We were unable to verify that an email notice was sent to the Blue Ribbon Committee (BRC) for the three modifications tested, as required by the process. The change control process required Valley Water to notify all stakeholders of proposed changes and lists the BRC as a constituent. Program staff reported the BRC's main purpose was to help develop the 2012 Program and that it was disbanded once the Program was developed and implemented. The change control process should be updated to remove the email notice requirement for the BRC to represent the current operating environment and practices more accurately. Valley Water staff reported they will be bringing a change forward to the Board in Fall 2023 to remove this requirement from the change control process	On November 14, 2023, the Board approved the updated Change Control Process for the renewed Safe, Clean Water Program. The 2016 Change Control Process was updated to align it with the renewed Safe, Clean Water Program that voters approved in November 2020 and came into effect in FY22. The updates included removing the requirement to email public hearing notices to the BRC. Similar to the 2012 Program, during the development of the renewed Program, Valley Water hosted a Blue-Ribbon Forum solely to receive feedback while developing the renewed Program. It was part of the comprehensive and extensive public outreach effort to engage residents, community members, and stakeholders to develop the Program. The forum was discontinued once the Program was developed and put on the ballot.
2	**Low Income Senior Property Tax Exemption Forms**	During our testing to determine whether requestors for the low-income senior property tax exemption were eligible according to the Program, we noted that the Low-Income Senior Property Tax Exemption Form used to document the application and approval could be improved. Valley Water should consider updating the Low-Income Senior Property Tax Exemption Form to include a section specific for Valley Water notations and approvals. This section should be identified as "For Valley Water Use Only" and might include lines for account number, driver's license verification, initials of approver, and date approved.	Staff appreciates this recommendation; it will be implemented for the upcoming 2024 tax year application.

	CATEGORY	PROCESS IMPROVEMENT OPPORTUNITIES	MANAGEMENT RESPONSE
3	**Special Tax Bill Calculations**	To test that property owners were billed the appropriate special tax amount according to Program requirements, we obtained the annual tax bills for five different property owners for each fiscal year in the audit period. During our testing we found: • One annual tax bill for a property owner was overbilled by $1.63 based on the designated tax assessment for that land use type for that fiscal year. The property owner was billed $32.36, but the set assessment for the land use B category was $30.73 for the 2017–2018 tax year. • Two annual tax bills for the same property owner in land use category E were overbilled by $2.21 and $3.38 for the 2016–2017 and 2017–2018 tax years, respectively. This recalculation was based on acres of property owned, and we obtained the property acreage from the Santa Clara Assessor's website. • One annual tax bill for a property owner increased from the prior tax bill by more than the allowed percentage change based on the Consumer Price Index (CPI) change. The CPI change for tax year 2017–2018 was 3.44%, but this property owner's special tax assessment increased 3.50% from the prior tax year. The effect of the overbilling rounds to $0.02. Although these amounts are relatively immaterial, we recommend that Program administration reviews special tax calculations for future programs at least every two years. This review might include performing spot checks on a sample of property owners across different land use categories to ensure that the proper special tax has been assessed.	Recommendation is noted and appreciated. In response to the first bullet point, and after additional research, this property had a land use category change as provided in data from the County in 2017. Previously the parcel was open land around 4.5 acres. It was then split into nearly 60 parcels as Condo/Townhouses.
4	**Document Retention**	In three instances across our different testing procedures, Valley Water was unable to provide supporting documentation for our testing requests. Two of these instances pertained to a special tax correction, and the other instance pertained to the Special Tax Board Resolution being confirmed with the County Controller-Treasury Department. However, in all instances, the Valley Water Board had approved the items at the time, and Valley Water provided evidence of this Board approval. We recommend that Valley Water enact and follow document retention policies and procedures until the respective program has been fully closed and audited (if required).	Following the audit, staff was able to provide documentation for the two tax corrections. Valley Water staff continues to follow established document retention policies and procedures, as reflected in the "Santa Clara Valley Water District Records Retention Schedules" adopted by Board of Directors on 8/22/2023.

BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

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

WHEREAS, the Santa Clara Valley Water District (Valley Water) policy is to ensure current and future water supplies and provide healthy, clean, and reliable water in Santa Clara County; and

WHEREAS, Valley Water policy is to protect Santa Clara County creeks, reservoirs, Monterey Bay, and San Francisco Bay from toxins, pollutants, and contaminants; and

WHEREAS, Valley Water policy is to provide for flood water and storm water flood protection to residents, businesses, visitors, public highways, and the watercourses flowing within the District; and

WHEREAS, Valley Water policy is to protect our water supply, pipelines, and local dams from earthquakes and natural disasters; and

WHEREAS, Valley Water maintains a flood protection system of levees, channels, drains, detention basins, and other improvements upon which the lives and property of Valley Water residents depend, which said improvements must be kept in a safe and effective condition; and

WHEREAS, the Valley Water policy is to protect, enhance, and restore healthy Santa Clara County creeks, watersheds, and bay lands ecosystems; and

WHEREAS, in 2000, voters passed the 15-year Clean, Safe Creeks and Natural Flood Protection Plan; and

WHEREAS, the Valley Water policy is to engage in partnerships with the community to provide open spaces, trails, and parks along Santa Clara County creeks and watersheds; and

WHEREAS, in November 2012, voters passed the Safe, Clean Water and Natural Flood Protection Program which replaced the Clean, Safe Creeks and Natural Flood Protection Plan in its entirety when it became effective on July 1, 2013; and

WHEREAS, the Safe, Clean Water and Natural Flood Protection Program was originally scheduled to sunset on June 30, 2028; and

WHEREAS, in order to protect Santa Clara County water supplies, creeks, watersheds, and bay lands and ensure residents have an ample supply of clean water in the future, Valley Water will need a dedicated source of revenue in the future and beyond 2028 to maintain the programs established in the Safe, Clean Water and Natural Flood Protection Program; and

WHEREAS, the California State Legislature has authorized Valley Water to levy a special tax on each parcel of property within Valley Water or any zone or zones thereof upon approval by a two-thirds vote of the electorate of Valley Water or zones therein; and

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

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WHEREAS, the purpose of the special tax is to supplement other available but limited revenues to keep said 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 opportunities and access to recreation; to conduct environmental education; to protect and improve water quality; and to construct, operate, and maintain flood protection and storm drainage facilities; to support public health and public safety through efforts authorized by the District Act; and to fund the cost of financing such activities; and

WHEREAS, State California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4), states that government funding mechanisms are not projects subject to the requirements of CEQA.

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

FIRST: The Board hereby finds that since (a) the management of creeks, watersheds, and bay lands are necessary to ensure safe, clean water and to protect, enhance and restore healthy ecosystems, (b) the construction and management of flood protection services are made necessary by stormwater runoff, and (c) the lands from which runoff derives are benefitted by provision of means of disposition which alleviates or ends the damage to other lands affected thereby, by direct protection of loss of property, and other indirect means which include improved aesthetics and quality of life, the basis on which to levy the special tax is at fixed and uniform rates per area and county or city designated land use of each parcel, taxed as such parcel is shown on the latest tax rolls.

SECOND: Pursuant to the authority of Section 3 of the District Act, a Combined Zone consisting of the aggregate metes and bounds descriptions of Zones One, Two, Three, Four, and Five is presently existing as generally depicted in Attachment 1.

THIRD: A special Valley Water Election for November 3, 2020 will be called within said District, on the proposition of levy of a special tax.

FOURTH: Subject to approval by two-thirds of the electors of Valley Water voting at such election and pursuant to the authority vested in the Board, there is hereby established a special tax as authorized by this resolution, the proceeds of which shall be used solely for the purpose of supporting the priorities of the Safe, Clean Water and Natural Flood Protection Program. The priorities are summarized in Attachment 2. The Safe, Clean Water and Natural Flood Protection Program Report (hereafter “Report”) generally describes the priorities. This tax shall be instituted with the following provisions:

A. The Chief Executive Officer (CEO) or designee of Valley Water is directed to cause a written Report to be prepared for each fiscal year for which a special tax is to be levied and to file and record the same, all as required by governing law. Said Report shall include the proposed special tax rates for the upcoming fiscal year at any rate up to the maximum rate approved by the voters. Valley Water’s Board of Directors shall consider formal acceptance of this Report at a public meeting and shall thereafter make a final determination of special taxes with a confirming resolution. A special fund shall be established into which proceeds from the tax shall be deposited. Proceeds from the tax may be used only for the Safe, Clean Water and Natural Flood Protection Program.

B. The CEO, or designee of Valley Water may cause the special tax to be corrected in the same manner as assessor's or assessee's errors may be corrected but based only upon any or all of the following:

1. Changes or corrections in ownership of a parcel;

2. Changes or corrections of address of an owner of a parcel;

3. Subdivision of an existing parcel;

4. Changes or corrections in the use of all or part of a parcel;

5. Changes or corrections in the computation of the area of a parcel;

6. As to railroad, gas, water, telephone, cable television, electric utility right of way, electric line right of way, or other utility right of way properties.

Changes and corrections are not valid unless and until approved by the Board.

C. The Clerk of the Board shall immediately file certified copies of the final determination of special taxes and confirming resolution with the Auditor-Controller of the County of Santa Clara and shall immediately record with the County Recorder of said County a certified copy of the resolution confirming the special tax.

D. The special tax for each parcel set forth in the final determination by the Board shall appear as a separate item on the tax bill and shall be levied and collected at the same time and in the same manner as the general tax levy for county purposes. Upon recording of the resolution confirming the special tax such special tax shall be a lien upon the real property affected thereby.

E. Failure to meet the time limits set forth in this resolution for whatever reason shall not invalidate any special tax levied hereunder.

F. No special tax for the Safe, Clean Water and Natural Flood Protection Program shall be imposed upon a federal or state or local governmental agency. Where real property owned by a federal, state, or local agency is leased to a private person or private entity, the private interest so created shall be separately assessed as a possessory interest and the special tax for the Safe, Clean Water and Natural Flood Protection Program shall be levied on all holders of such possessory interests. With said exceptions, a Safe, Clean Water and Natural Flood Protection Program special tax is levied on each parcel of real property in the five Flood Control Zones of Valley Water subject to this resolution for the purposes stated in the Report and in this resolution. Except for the minimum special tax as hereinafter indicated, the special tax for each parcel of real property in each such zone is computed by determining its area (in acres or fractions thereof) and land use category (as hereinafter defined) and then multiplying the area by the special tax rate applicable to land in such land use category. A minimum special tax may be levied on each parcel of real property having a land area up to 0.25 acre for Groups A, B, and C, up to 10 acres for Groups D and E Urban and, for Group E Rural, the minimum special tax shall be that as calculated for the E Urban category.

G. Land use categories for each parcel of land in Valley Water are defined and established as follows:

Group A: Land used for commercial or industrial purposes.

Group B: Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including apartment complexes, mobile home parks, recreational vehicle parks, condominiums, and townhouses.

Group C: (1) Land used for single-family residences and multiple-family units up to four units and (2) the first 0.25 acre of a parcel of land used for single-family residential purposes.

Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses, and similar uses and (2) the portion of the land, if any, in excess of 0.25 acre of a parcel used for single-family residential purposes.

Group E: Vacant undisturbed land (1) in urban areas and (2) in rural areas including dry farmed land, grazing and pasture land, forest and brush land, salt ponds, and small parcels used exclusively as well sites for commercial purposes.

Group F: Parcels used exclusively as well sites for residential uses are exempt from the special tax.

H. The special tax amounts applicable to parcels in the various land uses shall be as prescribed by the Board of Directors in each fiscal year (July 1 through June 30) beginning with fiscal year 2021-2022 as set forth in Attachment 3, which is incorporated herein by reference, and as required by law; provided, that the annual basic special tax unit (single-family residential parcel of 1/4 acre or less) shall not exceed a maximum limit of $67.67 annually (averaging $0.006 per square foot annually), as adjusted by the compounded percentage increases of the San Francisco-Oakland-San Jose Consumer Price Index (CPI-U) for all Urban Consumers (or an equivalent index published by a government agency) in the year or years after April 30, 2021; provided, however, that appropriate amounts may be increased in any year by up to the percentage increase of the San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers in the preceding year or two percent (2%) whichever is greater; provided further, however, that in any period, not exceeding three years, immediately following a year in which the Governor of the State of California or the President of the United States has declared an area of said zones to be a disaster area by reason of flooding or other natural disaster, then to the extent of the cost of repair of Valley Water facilities damaged by such flooding or other natural disaster, the maximum tax rate shall be the percentage increase in CPI-U plus 4.5 percent; and provided, that special taxes for the Safe, Clean Water and Natural Flood Protection Program shall be levied annually until ended by voters.

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
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I. In the event that the county or city designated land use for a parcel is different than the actual land use, the CEO of Valley Water may, pursuant to written policies and procedures, cause the special tax to be adjusted based upon any or all of the following:

1. The parcel owner shall provide Valley Water a claim letter stating that the present actual land use is different than the county or city designated land use, including an estimate of the portion of the parcel that is different than the designated land use. Such claim is subject to investigation by Valley Water as to the accuracy of the claim. Parcel owner shall furnish information deemed necessary by Valley Water to confirm the actual uses and areas in question which may include, but not be limited to, a survey by a licensed surveyor.

2. The parcel owner shall request Valley Water to inspect the parcel and reevaluate the parcel tax.

3. The parcel owner shall notify Valley Water after a substantial change in the actual land use occurs, including a new estimate of the portion of the parcel that is different than the designated land use.

4. Valley Water may inspect and verify the actual land use for these parcels on a regular basis and will notify the appropriate parcel owners when it is determined that the actual land use has matched a county or city designated land use. Valley Water shall then correct the special tax rates for these parcels accordingly.

J. Pursuant to state law, Valley Water may provide an exemption from the special tax for low income owner-occupied residential properties for taxpayer-owners who are 65 years of age or older, the following shall apply:

Residential parcels where the total annual household income does not exceed 75 percent of the latest available figure for state median income at the time the annual tax is set, and such parcel is owned and occupied by at least one person who is aged 65 years or older is qualified to apply for an exemption from the applicable special tax.

K. The Safe, Clean Water and Natural Flood Protection Program shall follow 15-year financial planning cycles. This will allow Valley Water to align its budget each year with the projects' key performance indicators as well as long-term financial planning efforts, such as the Capital Improvement Program. Prior to the development of each 15-year financial plan, Valley Water will conduct outreach to engage the community and key stakeholders, including the Safe, Clean Water and Natural Flood Protection Program's independent monitoring committee (IMC) and Valley Water advisory committees, to help ensure that the Safe, Clean Water and Natural Flood Protection Program's priorities remain aligned with the priorities of the residents of Santa Clara County.

L. After a period of no longer than fifteen (15) years, the Board of Directors shall evaluate the need for the Safe, Clean Water and Natural Flood Protection Program, and make an affirmative determination of whether the special tax should be reduced or repealed, or is needed to build additional Projects to achieve related programmatic benefits in accordance with the priorities of the Safe, Clean Water and Natural Flood Protection Program. Should the Board of Directors determine that no additional Projects are needed, the Safe, Clean Water and Natural Flood Protection Program special tax will be

reduced accordingly, to reflect a transition from funding new Projects to funding operation, maintenance and replacement of Projects that were constructed with Safe, Clean Water and Natural Flood Protection Program funds. This evaluation process shall include the Valley Water advisory committees and the Program's IMC, which will be charged with making recommendations to the Board of Directors on the determination of whether the special tax should be reduced, repealed, or maintained. Following the first fifteen-year determination of continued need for the special tax, the determination shall be made every fifteen (15) years thereafter.

M. As projects under the Program are completed, the Board of Directors shall identify and prioritize new projects for inclusion in the Program. These new projects may be identified and proposed for Board approval at a public meeting through the Board's review and approval of the Program's five-year implementation plans, the first of which will be produced by the CEO or designee of Valley Water in year one of the Program and every five years thereafter; or, as directed by the Board.

N. 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.

O. The Chief Financial Officer or designee of Valley Water shall file a fiscal year report with the Board of Directors no later than January 1 of each year for the prior fiscal year. The annual report shall contain both of the following: (a) the amount of funds collected and expended; and (b) the status of any project required or authorized to be funded under this resolution.

P. An external, independent monitoring committee (IMC) shall be appointed by the Valley Water Board of Directors to conduct an annual review of Valley Water's fiscal year report and provide an annual report from the IMC to the Board of Directors regarding implementation of the intended results of the Program. The IMC shall also review each proposed five-year implementation plan prior to its submittal for Board approval. Through review of both the annual reports and five-year implementation plans, the IMC may make recommendations to the Valley Water Board of Directors regarding reasonably necessary measures to meet the priorities of the Safe, Clean Water and Natural Flood Protection Program. Every fifteen years, the IMC will review, and recommend to the Board and general public, whether the special tax should be reduced or repealed, or is needed to build additional Projects to achieve related programmatic benefits in accordance with the priorities of the Safe, Clean Water and Natural Flood Protection Program as described in Paragraph L of this resolution.

Q. While the Safe, Clean Water and Natural Flood Protection Program is in effect, the Board of Directors shall conduct independent professional audits of the Program to provide for accountability and transparency at least every five years.

R. Grants and partnerships offered through the Safe, Clean Water and Natural Flood Protection Program, where aligned with the District Act and permitted by law, may

extend to state and local governmental organizations; organized community groups with an established structure; nonprofit organizations as defined by Internal Revenue Code subsections (c) or (d); schools, community colleges, or universities (public or nonprofit; non-profit organizations as defined under Internal Revenue Code section 501(c); religious or apostolic associations as defined under Internal Revenue Code section 501(d); for-profit organizations; and persons.

S. Pursuant to the State California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4), adoption of this resolution for continuation of the parcel tax and as a government funding mechanism, is not a project subject to the requirements of CEQA. Prior to commencement of any project included in the Safe, Clean Water and Natural Flood Protection Program, any necessary environmental review required by CEQA shall be completed.

T. Upon entering into effect, the Safe, Clean Water and Natural Flood Protection Program parcel tax authorized by this resolution and placed on the ballot by RESOLUTION NO. 20-63, shall repeal and replace the Safe, Clean Water and Natural Flood Protection Program parcel tax approved by the voters in 2012. On the date that the parcel tax authorized by this resolution and RESOLUTION NO. 20-63 goes into effect, the updated Safe, Clean Water and Natural Flood Protection Program (the priorities of which are summarized in Attachment 2) will replace in its entirety the previously approved Safe, Clean Water and Natural Flood Protection Program. Any tax payments already made by voters and collected for use by Valley Water for the prior Safe, Clean Water and Natural Flood Protection Program will be used to achieve priorities identified in this updated Safe, Clean Water and Natural Flood Protection Program. Funding for capital projects currently identified in the prior Safe, Clean Water and Natural Flood Protection Program, will continue under this updated Safe, Clean Water and Natural Flood Protection Program to meet previous commitments. All other projects and programs identified in the prior Safe, Clean Water and Natural Flood Protection Program will be replaced by comparable projects or programs with similar or expanded obligations under the updated Safe, Clean Water and Natural Flood Protection Program. Commitments for incomplete non-capital projects or programs carried forward from the 2012 Safe, Clean Water and Natural Flood Protection Program, shall continue at no less than the current levels (funding or key performance indicators) as identified in the comparable replacement projects or programs under the updated Safe, Clean Water and Natural Flood Protection Program, until such time as they are completed. Changes to funding levels or key performance indicators may only be made by the Board as set forth under Paragraphs K and L or through Board decisions via a Board-approved Change Control Process.

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

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on July 21, 2020:

AYES:	Directors	Santos, Estremera, Keegan, Kremen, LeZotte, Varela, Hsueh
NOES:	Directors	None.
ABSENT:	Directors	None.
ABSTAIN:	Directors	None.

SANTA CLARA VALLEY WATER DISTRICT

NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

RL14541

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
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ATTACHMENT 1
COVERSHEET

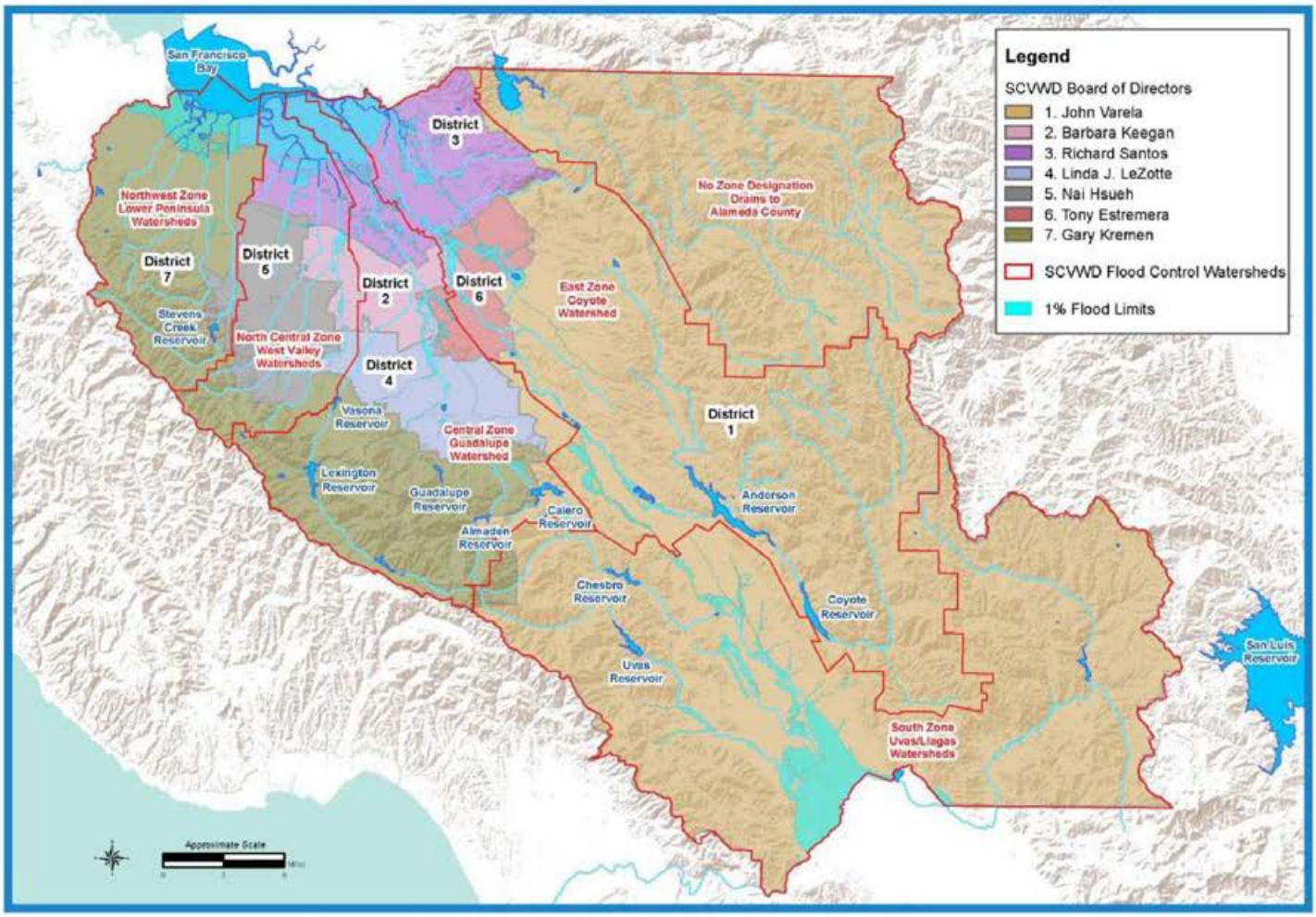
SCVWD FLOOD CONTROL ZONES AND BOARD DISTRICTS IN SANTA CLARA COUNTY

No. of Pages: 1

Additional Items: None.

Resolution APPENDIX A

SCVWD Flood Control Zones and Board Districts in Santa Clara County



GIS themes are for illustration and general analysis purposes only and are not accurate to surveying or engineering standards. Information is not guaranteed to be accurate, current, or complete and use of this information is your responsibility.

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Valley Water

1-1

RL14541

Attachment 3
Page 10 of 18

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
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ATTACHMENT 2
COVERSHEET

SUMMARY OF KEY PERFORMANCE INDICATORS FOR THE FIRST 15 YEARS OF PROGRAM

No. of Pages: 5

Additional Items: None.

Summary of Key Performance Indicators for the First 15 Years of Program

Project	Key Performance Indicator
Priority A: Ensure a Safe, Reliable Water Supply	
A1 Pacheco Reservoir Expansion	1. Provide a portion of funds, up to $10 million, to help construct the Pacheco Reservoir Expansion Project.
A2 Water Conservation Rebates and Programs	1. Award up to $1 million per year toward specified water conservation program activities, including rebates, technical assistance and public education within the first seven (7) years of the Program.
A3 Pipeline Reliability	1. Install four (4) new line valves on treated water distribution pipelines.

Project	Key Performance Indicator
Priority B: Reduce Toxins, Hazards, and Contaminants in Our Waterways	
B1 Impaired Water Bodies Improvement	1. Investigate, develop and implement actions to reduce methylmercury in fish and other organisms in the Guadalupe River Watershed. 2. Prepare and update a plan for the prioritization of surface water quality improvement activities, such as addressing trash and other pollutants. 3. Implement at least two (2) priority surface water quality improvement activities identified in the plan per 5-year implementation period.
B2 Inter-Agency Urban Runoff Program	1. Address trash in creeks by maintaining trash capture devices or other litter control programs. 2. Maintain Valley Water's municipal stormwater compliance program and partner with cities to address surface water quality improvements, including participation in at least three (3) countywide, regional or statewide stormwater program committees to help guide regulatory development, compliance, and monitoring. 3. Support at least one (1) stormwater quality improvement activity per 5-year implementation period in Santa Clara County, including providing up to $1.5 million over 15 years to support implementation of green stormwater infrastructure consistent with Santa Clara Basin and South County Stormwater Resource Plans.
B3 Hazardous Materials Management and Response	1. Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two (2) hours or less.
B4 Support Volunteer Cleanup Efforts	1. Fund Valley Water's creek stewardship program to support volunteer cleanup activities such as annual National River Cleanup Day, California Coastal Cleanup Day, the Great American Litter Pick Up; and the Adopt-A-Creek Program.

Project	Key Performance Indicator
Priority C: Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters	
C1 Anderson Dam Seismic Retrofit	1. Provide portion of funds, up to $54.1 million, to help restore full operating reservoir capacity of 90,373 acre-feet.

Project	Key Performance Indicator
Priority D: Restore Wildlife Habitat and Provide Open Space	
D1 Management of Riparian Planting and Invasive Plant Removal	1. Maintain a minimum of 300 acres of riparian planting projects annually to meet regulatory requirements and conditions. 2. Maintain a minimum of 200 acres of invasive plant management projects annually to meet regulatory requirements and conditions. 3. Remove 25 acres of Arundo donax throughout the county over a 15-year period.
D2 Revitalize Riparian, Upland and Wetland Habitat	1. Revitalize at least 21 acres over a 15-year period through native plant revegetation and/or removal of invasive exotic species. 2. Develop an Early Detection and Rapid Response Program Manual. 3. Identify and treat at least 100 occurrences of emergent invasive species over a 15-year period, as identified through the Early Detection and Rapid Response Program. 4. Develop at least eight (8) information sheets for Early Detection of Invasive Plant Species.
D3 Sediment Reuse to Support Shoreline Restoration	1. Maintain partnership agreements to reuse sediment to improve the success of salt pond and tidal marsh restoration projects and activities. 2. Provide up to $4 million per 15-year period to support activities necessary for sediment reuse.
D4 Fish Habitat and Passage Improvement	1. Complete planning and design for one (1) creek/lake separation. 2. Construct one (1) creek/lake separation project in partnership with local agencies. 3. Use $8 million for fish passage improvements by June 30, 2028. 4. Update study of all major steelhead streams in the county to identify priority locations for fish migration barrier removal and installation of large woody debris and gravel as appropriate. 5. Complete five (5) habitat enhancement projects based on studies that identify high priority locations for large wood, boulders, gravel, and/or other habitat enhancement features.
D5 Ecological Data Collection and Analysis	1. Reassess and track stream ecological conditions and habitats in each of the county's five (5) watersheds every 15 years. 2. Provide up to $500,000 per 15-year period toward the development and updates of five (5) watershed plans that include identifying priority habitat enhancement opportunities in Santa Clara County.
D6 Restoration of Natural Creek Functions	1. Construct the Hale Creek Enhancement Pilot Project, which includes restoration and stabilization of a 650-foot section of concrete-lined channel on Hale Creek, between Marilyn Drive and North Sunshine Drive on the border of Mountain View and Los Altos. 2. Construct the Bolsa Road Fish Passage Project along 1,700 linear feet of Uvas-Carnadero Creek in unincorporated Santa Clara County, which includes geomorphic design features that will restore stability and stream function. 3. Identify, plan, design, and construct a third geomorphic-designed project to restore stability and stream function by preventing incision and promoting sediment balance throughout the watershed.

Priority D: Restore Wildlife Habitat and Provide Open Space cont…	
D7 Partnerships for the Conservation of Habitat Lands	1. Provide up to $8 million per 15-year period for the acquisition or enhancement of property for the conservation of habitat lands.

Project	Key Performance Indicator
Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways	
E1 Coyote Creek Flood Protection, Montague Expressway to Tully Road – San Jose	1. Construct flood protection improvements along Coyote Creek between Montague Expressway and Tully Road to provide protection from floods up to the level that occurred on February 21, 2017, approximately a 5% (20-year) flood event.
E2 Sunnyvale East and Sunnyvale West Channels Flood Protection, San Francisco Bay to Inverness Way and Almanor Avenue – Sunnyvale	1. Provide 1% (100-year) flood protection for 1,618 properties and 47 acres (11 parcels) of industrial land, while improving stream water quality and working with other agencies to incorporate recreational opportunities.
E3 Lower Berryessa Flood Protection, including Tularcitos and Upper Calera Creeks (Phase 3) – Milpitas	1. With local funding only: Complete the design phase of the 1% (100-year) flood protection project to protect an estimated 1,420 parcels.
E4 Upper Penitencia Creek Flood Protection, Coyote Creek to Dorel Drive – San Jose	1. Preferred project with federal and local funding: Construct a flood protection project to provide 1% (100-year) flood protection to 8,000 parcels. 2. With local funding only: Construct a 1% (100-year) flood protection project from Coyote Creek confluence to Capital Avenue to provide 1% (100-year) flood protection to 1,250 parcels, including the new Berryessa BART station.
E5 San Francisquito Creek Flood Protection, San Francisco Bay to Upstream of Highway 101 – Palo Alto	1. Preferred project with federal, state and local funding: Protect more than 3,000 parcels by providing 1% (100-year) flood protection. 2. With state and local funding only: Protect approximately 3,000 parcels by providing 1% (100-year) flood protection downstream of Highway 101, and approximately 1.4% (70-year) protection upstream of Highway 101.

Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways cont…	
E6 Upper Llagas Creek Flood Protection, Buena Vista Avenue to Llagas Road – Morgan Hill, San Martin, Gilroy	1. Preferred project with federal and local funding: Plan, design and construct flood protection improvements along 13.9 miles of Upper Llagas Creek from Buena Vista Avenue to Llagas Road to provide flood protection to 1,100 homes, 500 businesses, and 1,300 agricultural acres, while improving stream habitat. 2. With local funding only: Construct flood protection improvements along Llagas Creek from Buena Vista Avenue to Highway 101 in San Martin (Reaches 4 and 5 (portion)), Monterey Road to Watsonville Road in Morgan Hill (Reach 7a), approximately W. Dunne Avenue to W. Main Avenue (portion of Reach 8), and onsite compensatory mitigation at Lake Silveira.
E7 San Francisco Bay Shoreline Protection – Milpitas, Mountain View, Palo Alto, San Jose, Santa Clara, and Sunnyvale	1. Provide portion of the local share of funding for planning, design and construction phases for the Santa Clara County shoreline area, EIAs 1-4. 2. Provide portion of the local share of funding for planning and design phases for the Santa Clara County shoreline area, EIAs 5-9.
E8 Upper Guadalupe Flood Protection, Highway 280 to Blossom Hill Road – San Jose	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 Jose, from approximately the Union Pacific Railroad Bridge to West Virginia Street Bridge to improve aquatic habitat for migrating steelhead and channel stability.

Project	Key Performance Indicator
Priority F: Support Public Health and Public Safety for Our Community	
F1 Vegetation Control and Sediment Removal for Capacity	1. Maintain completed flood protection projects for flow conveyance.
F2 Emergency Response Planning and Preparedness	1. Coordinate with local municipalities to merge Valley Water-endorsed flood emergency processes with their own emergency response plans and processes. 2. Complete five (5) flood management plans/procedures per 5-year period, selected by risk priorities. 3. Train Valley Water staff and partner municipalities annually on disaster procedures via drills and exercises before testing the plans and procedures. 4. Test flood management plans/procedures annually to ensure effectiveness.
F3 Flood Risk Assessment Studies	1. Complete engineering studies on three (3) creek reaches to address 1% (100-year) flood risk. 2. Annually, update floodplain maps on a minimum of three (3) creek reaches in accordance with new FEMA standards.

Priority F: Support Public Health and Public Safety for Our Community cont…	
F4 Vegetation Management for Access and Fire Safety	1. Provide vegetation management for access and fire risk reduction on an average of 495 acres per year, totaling 7,425 acres along levee, property lines and maintenance roads over a 15-year period.
F5 Good Neighbor Program: Encampment Cleanup	1. Perform 300 annual cleanups to reduce the amount of trash and pollutants entering the streams. 2. Provide up to $500,000 per year in cost-share with other agencies for services related to encampment cleanups, including services supporting staff safety, discouraging re-encampments along waterways or addressing the homelessness crisis with the goal of reducing the need for encampment cleanups.
F6 Good Neighbor Program: Graffiti and Litter Removal and Public Art	1. Cleanup identified trash and graffiti hotspots at approximately 80 sites four (4) times per year. 2. Respond to requests on litter or graffiti cleanup within five (5) working days. 3. Provide up to $1.5 million over 15 years to implement public art projects on Valley Water property and infrastructure.
F7 Emergency Response Upgrades	1. Maintain existing capabilities for flood forecasting and warning. 2. Improve flood forecast accuracy and emergency response time working with the National Weather Service and through research and development.
F8 Sustainable Creek Infrastructure for Continued Public Safety	1. Provide up to $7.5 million in the first 15-year period to plan, design and construct projects identified through Watersheds asset management plans.
F9 Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship	1. Provide a grant and partnership cycle each year for projects related to safe, clean drinking water, flood protection and environmental stewardship. 2. Provide annual funding for bottle filling stations to increase drinking water accessibility, with priority for installations in economically disadvantaged communities and locations that serve school-age children and students. 3. Provide annual mini-grant funding opportunity for projects related to safe, clean drinking water, flood protection and environmental stewardship. 4. Provide up to $3 million per 15-year period for partnerships with small municipalities (defined as under 50,000 people in the most recent census available), or special districts with boundaries substantially within the footprint of small cities, for projects aligned with the District Act and related to safe, clean drinking water, flood protection and environmental stewardship.

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

ATTACHMENT 3
COVERSHEET

FIGURE 1
ACTUAL FY 2019–20 AND ACTUAL FY 2020–21 SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION SPECIAL TAX RATES

No. of Pages: 1

Additional Items: None.

FIGURE 1
Actual FY 2019–20 and Actual FY 2020–21
Safe, Clean Water and Natural Flood Protection Special Tax Rates

Land Use Categories	Actual FY '19-20	Actual FY '20-21
A - Commercial, Industrial		
Rate ($/Acre)	$541.60	$541.60
Minimum Assessment (1)	$135.39	$135.39
B - Apartment, Schools, Churches, Condominiums & Townhouse		
Rate ($/Acre)	$406.20	$406.20
Minimum Assessment (1)	$101.55	$101.55
Condominiums & Townhouses ($/unit)	$32.95	$32.95
C - Single Family Residential, Small Multiples (2-4 units) (2)		
Minimum Assessment (1)	$67.67 (Averaging $0.006 per square foot)	$67.67 (Averaging $0.006 per square foot)
D - Utilized Agriculture(2)		
Rate ($/Acre)	$3.47	$3.47
Minimum Assessment (1)	$34.70	$34.70
E - Urban - Nonutilized Agricultural, Grazing Land, Salt Ponds, Well Site in Urban Areas		
Rate ($/Acre)	$1.02	$1.02
Minimum Assessment (1)	$10.23	$10.23
E - Rural - Nonutilized Agricultural, Grazing Land, Well Sites in Rural Areas		
Rate ($/Acre)	$0.14	$0.14
Minimum Assessment (1)	$10.23	$10.23

(1) The minimum assessments shown for Categories A, B, and C apply to parcels 1/4 acre or less in size. Category C parcels larger than 1/4 acre pay the minimum assessment for the first 1/4 acre and the remaining acreage is assessed at the Category D rate. For Category D, the minimum assessment applies to parcels less than 10 acres. The minimum assessment for Group E parcels is the amount charged for 10 acres of urban undeveloped land; the minimum assessment is the same for both the Urban Category and the Rural Category parcels, however the Rural Category applies to parcels of 80 acres or less.

(2) Residential land in excess of 1/4 acre is assessed at the "D" rate.

MOSSADAMS

Santa Clara Valley Water District
2012 SCW Closeout Performance Audit

December 4, 2024

Agenda

01 AUDIT OBJECTIVES

02 SCOPE & METHODOLOGY

03 COMMENDATIONS

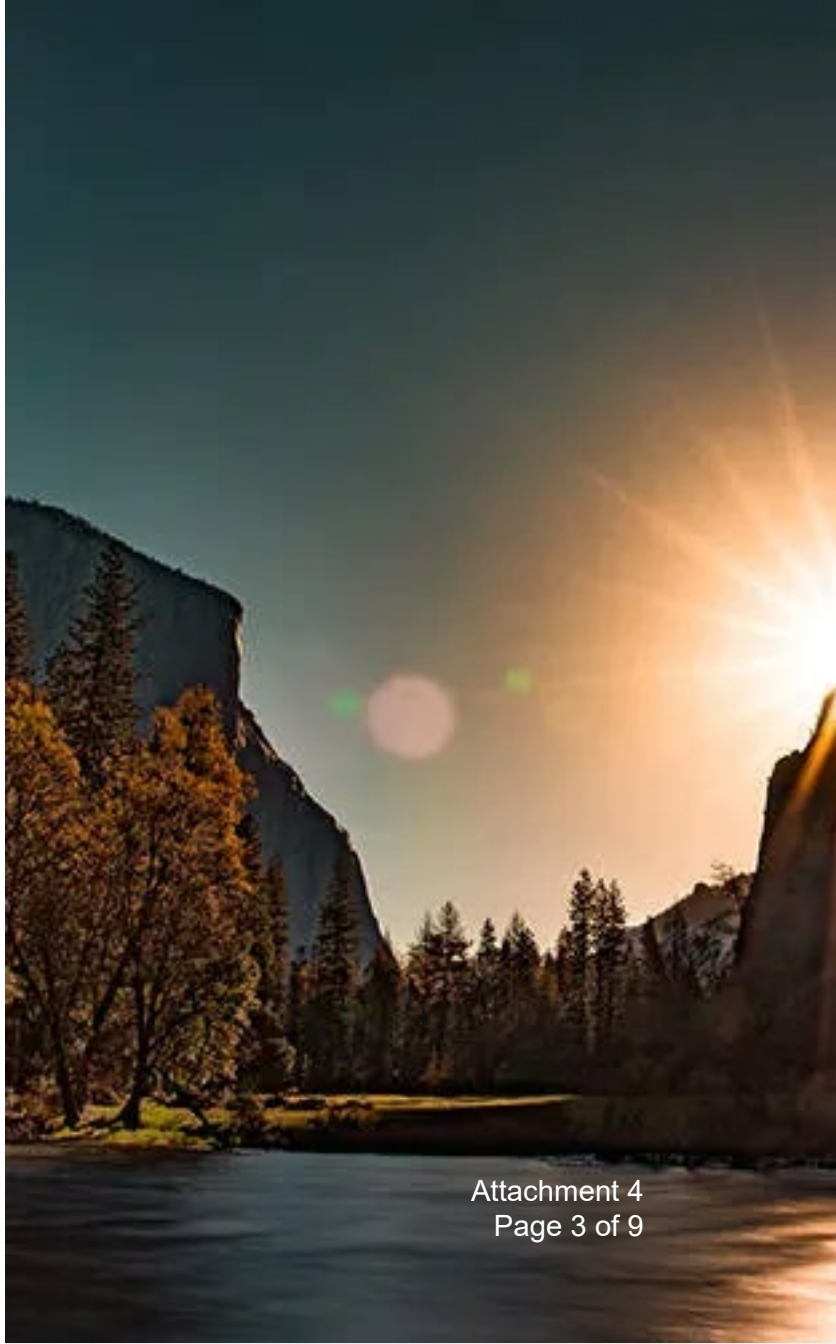
04 RECOMMENDATIONS

05 Q&A

442

Audit Objectives

1. Assess and determine whether Measure B funds were collected and expended by Valley Water in accordance with the tax measure
2. Verify compliance with all applicable provisions of the Measure B tax, including stated provisions A through O
3. Assess and determine whether Valley Water made reasonable progress toward meeting the Program's priorities and KPIs by year eight of the 15-year program
4. Assess and determine whether Valley Water properly implemented and complied with the approved change control processes to make necessary Program adjustments and modifications
5. Assess and document lessons learned that could be considered in the future



Scope & Methodology

- Audit period: Fiscal Years 2017 through 2021
- Methodology:
  - Interviews and focus groups with Valley Water leadership and staff
  - Reviewed documents such as policies and procedures, performance reports, the Measure B resolution, annual reports, etc.
  - Conducted testing to review adherence to the Program change control protocols and compliance with Measure provisions
- Audit was conducted under GAGAS

Commendations

- Transparency to stakeholders through comprehensive annual reports
- Adaptive and flexible budgeting processes
- IMC Onboarding
- Operational flexibility during the COVID-19 pandemic
- On track to meet most Program KPIs
- Mission-driven employees

Compliance Highlights:

- All tested Measure B funds were used appropriately for the Program
- Program administration properly executed CEQA reviews
- Low-income senior property tax exemptions were properly completed
- Special tax summary reports for each fiscal year were appropriately filed
- The Change Control Process was properly adhered to

Summary of Recommendations

- Develop a conflict-of-interest policy that applies to IMC members
- Continue implementation of the 2021 grant management and administration performance audit recommendations
- Examine future program KPIs to define what falls within Valley Water's control and focus on outcomes
- Implement strategies to promote project continuity among Valley Water staff, particularly for projects that are heavily reliant on external agency cooperation
- Conduct annual training for staff involved in contracting processes

Process Improvements

- Remove BRC email notice requirement from the Change Control Process to reflect current practice
- Update the low-income senior property tax exemption form to notate application review and approval by Valley Water staff
- Review special tax calculations every two years
- Ensure document retention policies and procedures are followed

Q&A

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