



Independent Monitoring Committee

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February 8, 2023

To: Santa Clara Valley Water District Board of Directors
Subject: Independent Monitoring Committee Report of Safe, Clean Water and Natural Flood Protection FY2021-2022 Annual Report

SUMMARY

The Independent Monitoring Committee (IMC) presents its first annual review of the renewed Safe, Clean Water and Natural Flood Protection Program (Program) for Fiscal Year 2021-2022 to the Santa Clara Valley Water District (Valley Water) Board of Directors (Board). The renewed Program is Valley Water's third special parcel tax approved by voters. Some of these projects have been carried over from measure to measure. Below is a chronological list of the voter-approved measures:

- Clean, Safe Creeks and Natural Flood Protection Plan (Clean, Safe Creeks Plan) – Measure B was approved by voters in November 2000 (implementation began in FY2001-2002 and was set to sunset in FY2015-2016)
- Safe, Clean Water and Natural Flood Protection Program (2012 Program) – Measure B was approved by voters in November 2012 and replaced the Clean, Safe Creeks Plan in its entirety (implementation began in FY2013-2014 and was set to sunset in FY2027-2028)
- Renewed Safe, Clean Water and Natural Flood Protection Program (Program) – Measure S was approved by voters in November 2020 and replaced the 2012 Program in its entirety (implementation began in FY2021-2022 and will continue until ended by voters or by the Board, as set forth in Resolution 20-64).

The Measure S Program consolidated and/or reorganized some programs and capital flood protection projects of the 2012 Program into Priority E and the new Program Priority F.

The Board approved the Program on July 2020, when it adopted Resolution No. 20-64. As set forth in Resolution 20-64,

"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.”

PROCESS

The IMC met on December 7, 2022, to begin its FY2021-2022 Program review process and elected a Chair and Vice Chair. The IMC set up subcommittees to review the six priorities in the Program report: Priorities A, B, C, D, E and F. To review the document, the IMC combined Priorities A and C. The IMC also established a Finance Subcommittee to review Program-level financial information, which is contained in “Appendices A: Financial Information” and not covered during individual Priority reviews.

The six subcommittees met with Valley Water staff from January 3-12, 2023. Each subcommittee elected a Chair. The subcommittees presented their findings to the full IMC on January 25, 2023.

IMC members agreed that subcommittee chairs led by the Chair of the IMC will draft the IMC report to the Board. The draft report was presented to the IMC on February 8, 2023, for final edits and approval. The IMC report consists of three parts: overview concerns/recommendations about the Program included in this letter, specific project recommendations for Board review (Attachment 1) and notes for Valley Water staff (Staff) for future Program reports (Attachment 2).

GENERAL RECOMMENDATIONS

This section is divided into two parts: A. Procedural Recommendations, and B. Program Recommendations. Measure S expressly authorizes the IMC to make recommendations to the Board regarding reasonably necessary measures to meet the priorities of the Program.

A. Procedural Recommendations:

In order to ensure full representation of all districts and optimal subcommittee discussions, the IMC recommends that all IMC positions be filled.

B. Program Recommendations:

General Comments:

Audits: Both the 2012 Program and the Measure S Program call for audits at least every five years. The last audit was conducted by Moss Adams to cover Fiscal Year 2014-2016 and was presented to the full Board on June 13, 2017. When Measure S was adopted by the voters, it also required audits at least every five years. However, the IMC was informed that due to the fact that the Measure S Program replaced the 2012 Program, the audit schedule was reset, and no audit is planned until the year 2026. The IMC submits that this revised schedule is not consistent with the intent of these Programs and recommends that a new audit be scheduled immediately to be consistent with the five-year schedule as originally intended, dating back to the end period of the previous audit.

Key Performance Indicators (KPIs): In the 2017 Audit, Moss Adams made a finding that “some KPIs focus on outputs rather than outcomes and do not address District success in achieving key objectives.” The recommendation at that time was to consider “revising output-focused KPIs to better demonstrate District success in meeting intended outcomes.” In a number of situations, the IMC recommends modification of KPIs for these same reasons, and/or to align the KPI to track reasonably necessary measures to meet the priorities of the specific Program.

Confidence Levels. Overall, the IMC recommends that Valley Water provide a more nuanced “Confidence Level” system that more succinctly captures the project’s status and the obstacles and challenges. It recommends that there be five confidence levels in next year’s report.

Jurisdictional Complexities. In some areas, this category was not clear, and the IMC recommends that more details be provided.

For example, Project E-1 (Coyote Creek) reports “high confidence” inasmuch as “All local agencies, the City of San Jose and the County of Santa Clara, are fully cooperating due to the significant need for the project.” Given that the Annual Report notes that project easements and CEQA documentation have not been completed, one has to ask if there are other jurisdictions not included here, including Responsible Agencies such as the California Department of Fish and Wildlife, the State Water Resources Control Board, the State Division of Safety of Dams, as well as the Federal agencies, including FERC, the National Marine Fisheries, the EPA, and the USACE.

Project Labor Agreement. The IMC recommends that projects under labor agreements be identified.

Specific Project Recommendations:

Priority A: Ensure a Safe, Reliable Water Supply

For each of the three Projects under Priority A, the IMC agreed with the project status, as set forth in Attachment 1 hereto. With respect to Project A1: Pacheco Reservoir Expansion, the IMC recommends that supplemental information about the project progress be provided and suggests using a

project weblink and taking steps to ensure the information is regularly updated and current. If warranted, the IMC recommends that the KPI be modified. It currently states: “Provide a portion of funds, up to \$10 million, to help construct the Pacheco Reservoir Expansion Project.” Nothing in this KPI provides any way for the public to assess progress towards meeting the priority under this Program.

Similarly, the KPI for Project A.2, which is the “Water Conservation Rebate and Programs,” simply states that it is to “Award up to \$1 million per year toward specified water conservation program activities,” etc., “within the first seven (7) years of the Program.” This is a classic example of the comment by Moss Adams in the 2017 Audit, in that it is focused on “outputs” not “outcomes,” and needs to be modified to demonstrate Valley Water’s success in meeting the Program objectives. Staff provided the IMC with supplemental information about Valley Water’s conservation program, which underscored why Moss Adams noted that the KPI fails to adequately demonstrate its progress. The IMC recommends that the KPI be modified to reflect the outcome objectives necessary to meet program measures.

Priority B: Reduce Toxins, Hazards, and Contaminants in Our Waterways

The IMC adopted the subcommittee’s findings that the individual projects under Priority B were “On Target” and had no further recommendations.

Priority C: Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters

Project C.1, Anderson Dam Seismic Retrofit, has only one KPI: “Provide portion of funds, up to \$54.1 million, to help restore full operating reservoir capacity of 90,373 acre-feet.” The IMC agreed with Staff’s assessment that the status of this Project is “Adjusted,” but also noted that since the funding is not scheduled to start until FY2024-2025, the status is actually “Scheduled to Start.” (See “Notes,” Attachment 2). As with the Pacheco Reservoir Expansion Project, the IMC also agreed that the public needs more detailed information about this critical project, as noted in the comments in Attachment 1. Here, also, the IMC recommends modifying the KPI, possibly breaking it down by the various sub-projects, and clarifying where the funds are going, and on what schedule. Here, also, the IMC recommends adding a project weblink and taking steps to ensure that the information is regularly updated and current.

Priority D: Restore Wildlife Habitat and Provide Open Space

The IMC adopted the subcommittee’s findings that the individual projects under this Priority were “On Target” and had no further recommendations.

Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways

As noted in the Project Recommendations (Attachment 1), the IMC does not agree with Staff’s assessment that the status of Project E.1, “Coyote Creek Flood Protection,” is “On Target.” The IMC recommends that the public deserves a more accurate and comprehensive historical context. As currently stated, the single KPI simply states as follows:

“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.”

The 2012 Program carried forward a project from the 2000 Clean, Safe Creeks Plan for Coyote Creek. In or around 2005, Valley Water conducted public presentations of proposed flood protection measures that included the construction of berms, bypass channels, and other flood protection measures in the area of Downtown San Jose. When the 2000 program was transitioned to the 2012 Program, Valley Water stated that this project was “On Target to meet the project’s goals,” which included a planning study and “implementing limited construction,” with completion by December 2016.” However, no additional funding was proposed under the 2012 Program.

Under the 2012 Program, this project was one of the capital flood protection projects, with the objective of planning and design for flood protection of 1,400 businesses and homes from a 1% flood, and the KPI was to “Complete construction of downstream project elements.” The project included “planning, design, and partial construction.” In the first Annual Report for FY2013-2014, the status was listed as “Adjusted” due to an updated hydrology report that “confirmed that the proposed work at Anderson Dam has the potential of reducing the design flood for the Coyote Creek downstream of the dam.” (p. 90, 2012 Program Annual Report FY2013-2014).

In subsequent reports, the status of this project was changed several times: “Not on Target” (FY2014-2015); and “Adjusted” (FY2015-2016). In 2016, the project was placed “On Hold” until 2019, due to the “need for development of other planning projects that impact the Coyote Creek project.” (2012 Program Annual Report FY2015-2016, p. 146). In that year, Valley Water reported that it had only spent 11.0 % of the annual budget, and only a total of 3.0% of the total 15-year budget, on this project.

Following the flooding which took place immediately after the Presidents’ Day Weekend, on February 21, 2017, Valley Water modified this project in several respects. First, on June 13, 2017, the Board changed the target flood protection level from 1% to a 5% (20-year) flood event, reportedly to replicate the levels measured during the 2017 flood event. Second, it extended the scope of the 6.1-mile reach of the project by 2.9 miles south to Tully Road, to include the Rock Springs area which was impacted by the 2017 floods. Third, Valley Water noted that it still had \$25.8 million remaining in funds for this project and set a target completion date of 2025.

In the 2012 Program Annual Report for FY2017-2018, Valley Water reported it had constructed a floodwall in the Rock Springs neighborhood and fixed a levee in the South Bay Mobile Home Park damaged in the 2017 flood, and installed new visible gauge stations. The status was reported as “On Target.” This status did not change in FY2018-2019.

In the Annual Report for FY2019-2020, the project status was again “Adjusted” due to an Order issued by the Federal Energy Regulatory Commission (FERC) on February 20, 2020. Valley Water had to reallocate \$23 million from an Upper Penitencia Flood Protection Project to provide local funding for compliance with the FERC Order. Project completion was pushed back to 2026. (2012 Program Annual Report FY2019-2020, p. 177).

All of which brings us to the current Annual Report under the new Measure S Program, wherein the Coyote Creek Flood Protection Project is now included as Project E.1 under Priority E. In the Report, Staff notes that in FY2021-2022, Valley Water completed a 30% design for the Coyote Creek Flood Protection Project (CCFPP), which is one of two aspects of the Coyote Creek project. The other is the Coyote Creek Flood Management Measures Project (CCFMMP), which is funded separately by the Water Utility Fund.

In its Report, Staff noted that it had only expended 77% of the annual budget, noting as follows:

“The under-expenditure was because real estate transactions for project easements were not completed and the agreement for construction management services was not awarded in FY2021-2022. Also, the level of CEQA documentation had not been finalized in FY2021-2022. (Program Annual Report FY 2021-2022, p. 84).”

It goes without saying that these steps – real estate transactions for project easements, construction management agreements, and CEQA compliance – are not trivial matters. Although not included in the FY2021-2022 Annual Report, but recently reported to Valley Water at a Board meeting held on January 24, 2023, Staff has announced that Project E.1 is facing additional costs of up to \$162 million, which made it necessary to modify several other projects, including Project E.4, the Upper Penitencia Creek Flood Protection Project, from which funds were previously transferred under the 2012 Program to pay for Coyote Creek Flood Protection measures. For FY2021-2022, Project E.4 is only reported as “Adjusted.” The information that the funds will be transferred will most likely be reported in the FY2022-2023 Annual Report.

For the foregoing reasons, the IMC concluded that Project E-1 is “Not on Target” and recommends that the full historical context of these changes over the past two decades be made available to the public.

For Projects E-2 through E-8, the IMC adopted Staff’s conclusions that the projects were “On Target” and made no specific recommendations, other than as stated in the Notes (Attachment 2).

Priority F: Support Public Health and Public Safety for Our Community

Priority F was added to the Measure S Program and consists of a total of nine (9) separate projects. For the most part, the IMC agrees with Staff’s assessment of the status of these projects as being “On Target,” and offers some specific recommendations, as follows and as stated in Attachment 1.

Project F.1 – Vegetation Control and Sediment Removal for Capacity. The KPI clearly states that this project is to “Maintain completed flood protection projects for flow conveyance.” (Emphasis Added). However, the IMC recommends that Staff include HEC-RAS or similar modeling to show the actual flow conveyance achieved (or not) by the measures under this project. The IMC recommends that the status report include supplemental information to explain how the measures taken by Valley Water are linked to the desired outcomes.

Project F.2 – Emergency Response Planning and Preparedness. The IMC noted that during the recent winter storm event, Valley Water Staff demonstrated that their commitment to this objective was very much “On Target,” and commended Staff for their operational response to the real-time event.

Project F.5 – Good Neighbor Program: Encampment Cleanup. Here, the KPI is stated in terms of output (i.e., “manage 300 acres annually;” “provide up to \$500,000 per year in cost-share with local agencies for services ...”). The IMC recommends that Staff should provide better data and more details in terms of showing not just how much trash was collected, but what percentage does this represent of the total amount. Here again, the IMC recommends possibly modifying the KPI to better reflect progress towards Project outcomes based on changing circumstances.

Overall Recommendations and Comments:

The IMC generally recommends that the KPIs be modified to reflect more accurate and meaningful outcomes, as previously recommended in the Moss Adams Audit in 2017. The IMC feels that this would not only provide the public with better information with which to measure achievements towards the project outcomes and Program priorities, but also allow Valley Water and its Staff to more fully report its work towards these outcomes.

Although the role of the IMC is to review each Annual Report, the IMC suggests that such a narrow scope prevents a more realistic approach to evaluating Valley Water’s progress in support of the Program objectives. Measure S expressly provides that the IMC may make recommendations to the Board regarding reasonably necessary measures to meet the priorities of the Program (Measure S, Section P). As noted, the IMC no sooner had been provided with Staff’s assessment that a particular program (E-1) was “On Target” as of the end of FY2021-2022, than Staff turned to the Board to request major modifications to cover unexpected cost increases for this same Project to the tune of \$162 million. The IMC cannot be expected to turn a blind eye to the reality that these extraordinary cost increases only became apparent since the end of FY2021-2022. Even more to the point, if these costs were not anticipated, it underscores the IMC’s findings and recommendations that the KPIs need to be modified.

Requests to the Board

We request that the Board authorize and enable staff to collaborate with the IMC to help it track projects over time by aggregating and summarizing information from IMC’s annual evaluations to create an ongoing “dashboard” summary that covers the life of each project. Multi-year dashboards for the life of each project will better communicate progress on the individual projects. They also will highlight the systemic, external obstacles that are hindering many projects. The multi-year summaries and the process used to produce them can help the IMC inform the public and provide recommendations to the Board based on that multi-year perspective. Rather than focus on annual status ratings based on “moving targets,” we believe that the Priorities of Measure S are better served by identifying recurring, systemic reasons for delays and cost over-runs, and communicating those reasons to the public.

In addition to concerns about current KPIs, the IMC notes that of the 224 annual project status ratings given during the eight years of the 2012 Program (28 projects over eight years), projects were rated as being “Not on Target” only twice. We believe that a long series of “On Target” ratings

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interspersed with occasional “Adjusted” does not reflect the reality of many of the projects, especially construction projects, in a way that is meaningful to the public.

TOURS AND PRESENTATIONS

IMC members gain a greater understanding of Safe, Clean Water projects through tours and presentations. For FY2022-23, the IMC suggests the following:

Site Tours

1. Anderson Dam Seismic Retrofit Project
2. Pacheco Reservoir Expansion Project
3. Silicon Valley Advanced Purification Center
4. San Francisco Bay Shoreline Protection Project

Presentations

1. Summary of efforts that Valley Water is making to address the issue of encampments, including providing Valley Water’s estimate of the total cost of encampments on Valley Water operations and expenses.
2. A presentation on Project Labor Agreement (PLA).

Sincerely,

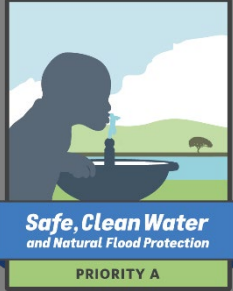


Jeffrey Hare, Chair
Independent Monitoring Committee

Attachments:

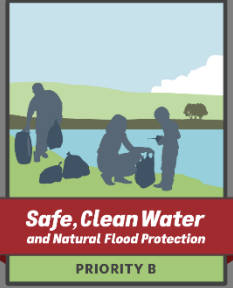
1. IMC Fiscal Year 2021-2022 Annual Report
2. IMC Notes for Future Program Annual Reports

cc: Independent Monitoring Committee Members



Independent Monitoring Committee Report Fiscal Year 2021-2022
Project Recommendations
Priority A - Ensure a Safe, Reliable Water Supply

Project:		KPI:	Status:	Comment:
A1	Pacheco Reservoir Expansion	1. Provide a portion of funds, up to \$10 million, to help construct the Pacheco Reservoir Expansion Project.	Adjusted	IMC agrees with the project status. Recommendation: <ul style="list-style-type: none">• Provide supplemental information about the project progress and, if warranted, modify the KPI.• Add the link to the Pacheco Reservoir project webpage and ensure posted material is updated.
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.	On Target	IMC agrees with the project status. Recommendations: <ul style="list-style-type: none">• Modify the KPI to reflect operational outcome objectives to meet program measures. Need to tie the KPI to the outcome of water being conserved. E.g., show trendline on conservation or how is overall conservation or progress.
A3	Pipeline Reliability	1. Install four (4) new line valves on treated water distribution pipelines.	Adjusted	IMC agrees with the project status. No recommendations.

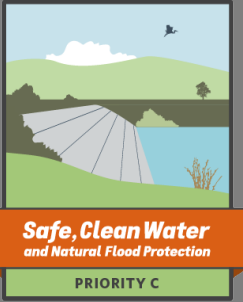


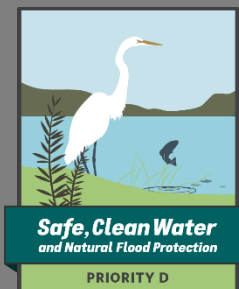
Independent Monitoring Committee Report Fiscal Year 2021-2022

Project Recommendations

Priority B – Reduce Toxins, Hazards, and Contaminants in Our Waterways

Project:		KPI:	Status:	Comment:
B1	Impaired Water Bodies Improvement	<ol style="list-style-type: none">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.	On Target	IMC agrees with the project status. No recommendations.
B2	Inter-Agency Urban Runoff Program	<ol style="list-style-type: none">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.	On Target	IMC agrees with the project status. No recommendations.
B3	Hazardous Materials Management and Response	<ol style="list-style-type: none">1. Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two (2) hours or less.	On Target	IMC agrees with the project status. No recommendations.
B4	Support Volunteer Cleanup Efforts	<ol style="list-style-type: none">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.	On Target	IMC agrees with the project status. No recommendations.

<div>  <div> <div>Independent Monitoring Committee Report Fiscal Year 2021-2022</div> <div>Project Recommendations</div> <div>Priority C - Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters</div> </div> </div>				
Project:		KPI:	Status:	Comment:
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.	Adjusted (Scheduled to Start in FY25)	IMC agrees with the project status. Recommendations: <ul style="list-style-type: none"> Develop a 5D BIM (Building Information Model). Provide details of the various sub-projects, project by project, where we are, where the money's being spent, and where we're going. Modify the KPI in terms of reporting whether or not you're making progress toward the ultimate goal. Maintain funds transferred but tie it to a sub-project or sub-projects within the larger project after the contract is awarded. Add the link to the Anderson Dam project webpage and ensure posted material is updated.



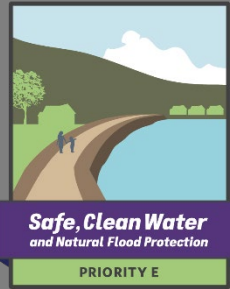
Independent Monitoring Committee Report Fiscal Year 2021-2022

Project Recommendations

Priority D - Restore Wildlife Habitat and Provide Open Space

Project:		KPI:	Status:	Comment:
D1	Management of Riparian Planting and Invasive Plant Removal	<ol style="list-style-type: none"> 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. 	On Target	IMC agrees with the project status. No recommendations.
D2	Revitalize Riparian, Upland and Wetland Habitat	<ol style="list-style-type: none"> 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. 	On Target	IMC agrees with the project status. No recommendations.
D3	Sediment Reuse to Support Shoreline Restoration	<ol style="list-style-type: none"> 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. 	On Target	IMC agrees with the project status. No recommendations.
D4	Fish Habitat and Passage Improvement	<ol style="list-style-type: none"> 1. Complete planning and design for one (1) creek/lake separations. 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. 	Adjusted	IMC agrees with the project status. No recommendations.
D5	Ecological Data Collection and Analysis	<ol style="list-style-type: none"> 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. 	On Target	IMC agrees with the project status. No recommendations.

D6	Restoration of Natural Creek Functions	<ol style="list-style-type: none">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.	Adjusted	IMC agrees with the project status. No recommendations.
D7	Partnerships for the Conservation of Habitat Lands	<ol style="list-style-type: none">1. Provide up to \$8 million per 15-year period for the acquisition or enhancement of property for the conservation of habitat lands.	On Target	IMC agrees with the project status. No recommendations.



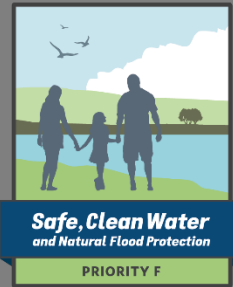
Independent Monitoring Committee Report Fiscal Year 2021-2022

Project Recommendations

Priority E - Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways

Project:		KPI:	Status:	Comment:
E1	Coyote Creek Flood Protection	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.	On Target	IMC does not agree with the project status and considers the project to be “Not on Target.” Recommendations: <ul style="list-style-type: none"> In future annual reports, provide the history of the Coyote Creek Flood Protection Project under the 2002, 2012 and the current 2020 programs. This is the third iteration of the project since initially proposed in 2005. Clarify that the project was changed from a 1% flood protection project to a 5% flood protection project.
E2	Sunnyvale East and Sunnyvale West Channels Flood Protection	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.	Adjusted	IMC agrees with the project status. No recommendations.
E3	Lower Berryessa Flood Protection, including Tularcitos and Upper Calera Creeks (Phase 3)	1. With local funding only: Complete the design phase of the 1% (100-year) flood protection project to protect an estimated 1,420 parcels.	Scheduled To Start	IMC agrees with the project status. No recommendations.
E4	Upper Penitencia Creek Flood Protection	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.	Adjusted	IMC agrees with the project status. No recommendations.
E5	San Francisquito Creek Flood Protection	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.	Adjusted	IMC agrees with the project status. No recommendations.
E6	Upper Llagas Creek Flood Protection	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.	On Target	IMC agrees with the project status. No recommendations.

E7	San Francisco Bay Shoreline Protection	<ol style="list-style-type: none">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.	On Target	IMC agrees with the project status. No recommendations.
E8	Upper Guadalupe River Flood Protection	<ol style="list-style-type: none">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 channel stability.	Adjusted	IMC agrees with the project status. No recommendations.



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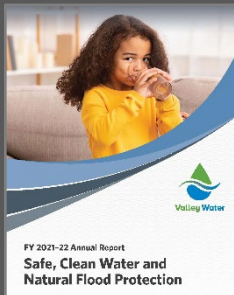
Project Recommendations

Priority F – Support Public Health and Public Safety for Our Community

Project:			Status:	Comment:
F1	Vegetation Control and Sediment Removal for Capacity	1. Maintain completed flood protection projects for flow conveyance.	On Target	IMC agrees with the project status. Recommendations: <ul style="list-style-type: none"> Using HEC-RAS or similar modeling to show flow conveyance. Under the status, provide supplemental information explaining how the actions taken are leading to the desired outcome.
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.	On Target	IMC agrees with the project status. No recommendations.
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.	On Target	IMC agrees with the project status. No recommendations.
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.	On Target	IMC agrees with the project status. No recommendations.
F5	Good Neighbor Program: Encampment Cleanup	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.	Modified	IMC agrees with the project status. Recommendations: <ul style="list-style-type: none"> Provide better data and more details; not just how much trash was collected, but more information on how much is out there vs. how much has been collected. If warranted, explore KPI modification based on changing circumstances.

F6	Good Neighbor Program: Graffiti and Litter Removal and Public Art	<ol style="list-style-type: none"> 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. 	On Target	IMC agrees with the project status. No recommendations.
F7	Emergency Response Upgrades	<ol style="list-style-type: none"> 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. 	On Target	IMC agrees with the project status. No recommendations.
F8	Sustainable Creek Infrastructure for Continued Public Safety	<ol style="list-style-type: none"> 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. 	On Target	IMC agrees with the project status. No recommendations.
F9	Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship	<ol style="list-style-type: none"> 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. 	On Target	IMC agrees with the project status. No recommendations.
				<p><u>Overall recommendations/comments</u></p> <p>Program-wide recommendation under Priority C subcommittee meeting:</p> <ul style="list-style-type: none"> • Develop a more nuanced “Confidence Levels” system that succinctly captures the project’s status and the obstacles it is running into. So that we can start picking out the systematic problems these projects face and that the public need to understand. • Provide more details on jurisdictional complexities. • KPIs be modified to reflect more accurate and meaningful outcome. One of the shortcomings is it also doesn’t capture a lot of work Valley Water is doing. • IMC will deal with the KPI issue more generally in its cover letter to the Board. • Track projects on an ongoing basis, beyond just a single year.

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Independent Monitoring Committee Notes

Fiscal Year 2021-2022

Notes for future Annual Reports

Safe, Clean Water and Natural Flood Protection Program

Subject:	Note:
Program-wide	<ul style="list-style-type: none"> • Provide links to the project webpages. • Provide brief visual presentations to accompany project updates to the subcommittees. Short presentations that hit the key points and help the audience focus.
A2: Water Conservation Rebates and Programs	<ul style="list-style-type: none"> • Email IMC members the Water Conservation Savings Model presentation. <i>(done)</i> • Make links, such as the 2022 Landscape Summit, more accessible both digitally and in the annual report.
B1: Impaired Water Bodies Improvement	<ul style="list-style-type: none"> • Explain the sorbent treatment method at its first reference and include the technical terminology in the Glossary section.
B3: Hazardous Materials Management and Response	<ul style="list-style-type: none"> • Provide information on what the workflow looks like when calls originate through another system. What is the workflow on the back end? How do we make sure those other municipalities know who to contact, etc.? How do we ensure that nothing is going to a dead end?
C1: Anderson Dam Seismic Retrofit	<ul style="list-style-type: none"> • On page 42, under Confidence Levels for ADSR, Jurisdictional Complexity section is missing some text. • The status is Adjusted, with the funding schedule changed. However, since the funding doesn't start until FY25, the "Scheduled to Start" status is also applicable. When status categories are overlapping, they should be displayed distinctly.
E5: San Francisquito Creek Flood Protection	<ul style="list-style-type: none"> • On page 100, in the project map (Figure E5.1) add reference to the two bridges.
F1: Vegetation Control for Capacity & F1.2: Sediment Removal for Capacity	<ul style="list-style-type: none"> • Provide volumes of instream vegetation removed and indicate that it is composted at a green waste facility. • Clarify that workers and supporting resources were diverted from sediment removal to work on erosion repair projects; F1 funds were not. • Show before and after and how does this help.

F2: Emergency Response Planning and Preparedness	<ul style="list-style-type: none"> • Explain terminologies such as a tabletop exercise, artificialities, etc. • Importance of training preparedness needs to be ongoing.
F4: Vegetation Management for Access and Fire Safety	<ul style="list-style-type: none"> • Include graphics and more details to show how the overall fire safety targets are being met (e.g., by including reference to Valley Water’s Fuel Management Policy and Wildfire Resiliency Plan Development in “Opportunities and Challenges” section). • Explain Valley Water is trying to reduce the ladders that cause these fires. • Either with a graphic or in a narrative, show geographic areas that Valley Water is focused on to improve fire safety.
F5: Good Neighbor Program: Encampment Cleanup	<ul style="list-style-type: none"> • Give a presentation to the IMC about the various efforts Valley Water is making to address the issue of encampments, including providing Valley Water’s estimate of the total cost of encampments on Valley Water operations and expenses.
F7: Emergency Response Upgrades	<ul style="list-style-type: none"> • Report on maintaining existing flood forecasting and warning capabilities beyond the seven flood-prone reaches mentioned in FY22 annual report. There should be some education, especially to show that you are looking at the Coyote Creek system.
F9: Grants and Partnerships for Safe, Clean Water, Flood Protection, and Environmental Stewardship	<ul style="list-style-type: none"> • Add a footnote to Figure F9.1, the annual financial summary table, explaining the difference between annual expenditure and the total dollar amount of grants awarded during the year. • Note that this list of grant and partnership projects in the annual report does not include those awarded funds in previous years. In future annual reports clarify again which grants and projects funded under the renewed SCW program are listed and which can be found via on-line complete list.