



STAFF RESPONSE

Independent Monitoring Committee Report Reviewing Fiscal Year 2014-2015 Annual Report Safe, Clean Water and Natural Flood Protection Program

IMC General Recommendations

Subject:	IMC Recommendation:	Staff Response:
Permitting	<p>The majority of capital projects in the Annual Report require permits from other agencies and obtaining these permits in a timely manner can be a challenge. Permit delays can increase construction costs and erode the public's trust.</p> <ul style="list-style-type: none">• The IMC recommends the District continue to look for new ways to reduce or eliminate permitting delays and provide the public with clear information about the timeline for each project including specific information about how long the District has been waiting for permits from other agencies and steps taken to address the delays.• The IMC recommends staff develop an action plan to make sure all options to address permit delays have been explored and include that information in the next Annual Report.	<p>Staff agrees and will continue to:</p> <ul style="list-style-type: none">• Look for new ways to reduce or eliminate permitting delays and provide the public with clear information about the timeline for each project including specific information about how long the District has been waiting for permits from other agencies and steps taken to address the delays.• Refine our strategic approach and action plan for securing permits from regulatory agencies in a timely manner.

Subject:	IMC Recommendation:	Staff Response:
Partnerships	<p>Large capital projects cannot be funded solely by the District and can rely heavily on funds from outside agencies. There are two areas which can prove challenging to the successful completion of these types of projects.</p> <p>Funding – Funding from outside agencies is not always guaranteed nor is it always delivered at the projected time.</p> <p>Local Priorities –</p> <ul style="list-style-type: none"> • The IMC recommends the District continue to develop projects that reflect our local priority of enhancing and improving the condition of our rivers and creeks while providing the necessary flood protection. 	<p>Staff agrees with the IMC recommendation and will continue to develop projects that reflect our local priority of enhancing and improving the condition of our rivers and creeks while providing the necessary flood protection.</p>
Climatic Extremes – Drought	<p>The effect of the drought on stream flow, water quality and vegetation restoration has created challenges for meeting specific KPIs in several projects. For the District as a whole, the immediate need for staff to address the impacts of the drought on available water has diverted staff time from the program to the pressing need to conserve and find other sources of water.</p> <ul style="list-style-type: none"> • The IMC recommends the District re-evaluate the timing and costs of projects significantly affected by the drought. • The IMC recommends the District provide information about how the need to address our critical water shortage has affected staff time for the Safe, Clean Water and Natural Flood Protection Program. 	<p>Staff agrees and will provide a report to the CEO evaluating the timing and costs of projects significantly affected by the current drought. Further, staff will provide information in the FY2016 Safe, Clean Water Program Annual Report on how the need to address our critical water shortage has affected staff time.</p>

IMC Recommendations – Annual Report Format

Subject:	IMC Recommendation:	Staff Response:
Annual Financial Summary Fiscal Year Project Tables	Expand this information to include columns for total budgeted amount for the entire SCW program (15 years) and % of the total budgeted amount spent to date.	Staff agrees with the IMC recommendation and will include the expanded tables in the FY2016 Safe, Clean Water Program Annual Report.
Appendix A2 – Cumulative Financial Summary Table	Provide an exhibit detailing the \$188 million of project costs included in the line item “Currently Authorized Projects”, clarifying how the funds are managed and how oversight of those funds is provided.	Staff agrees with the IMC recommendation and will provide an exhibit detailing the \$188 million of project costs included in the line item “Currently Authorized Projects”, clarifying how the funds are managed and how oversight of those funds in the FY2016 Safe, Clean Water Program Annual Report.
Key Performance Indicators (KPI) - completed	Clearly identify completed KPIs with month and year completed for each project.	Staff agrees with the IMC recommendation and will clearly identify completed KPIs with month and year completed for each project in the FY2016 Safe, Clean Water Program Annual Report.
Confidence Level	Where appropriate also include separate Confidence Level for Permitting, Funding, Scheduling, and Jurisdictional Complexity. Format all Confidence Level sections as in Project A1. (See page 39)	Staff agrees with the IMC recommendation and, where appropriate, will include a separate Confidence Level for Permitting, Funding, Scheduling, and Jurisdictional Complexity in the FY2016 Safe, Clean Water Program Annual Report.

IMC Recommendations – Additional IMC Support

Subject:	IMC Recommendation:	Staff Response:
Additional IMC Support	<ul style="list-style-type: none"> Continue to provide opportunities for IMC members to visit projects to obtain a clearer understanding of each Project. Provide more information and presentations when appropriate regarding the following projects: A2 – Nitrate Treatment System Rebate Program including detailed outreach information to well users B1 – Trash map presentation D2 – Presentation on plant palettes and possible users D4- Fish Habitat and Passage Improvement including information regarding Water Rights, creek/lake separation at Almaden Lake and the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE), Report from the Board Ad Hoc committee focused on addressing needs of the homeless and the impacts to the rivers and creeks. Provide information regarding how and when the IMC can best make recommendations to revise KPIs. Provide a set of work-papers for the IMC to aid in its review of the Fiscal Year 2016 Annual Report for Year 3 of the Safe Clean Water and Natural Flood Protection Program. The work-papers should include financial tables and graphs for each project that show the projected expenditure plan overlaid with the budget (actual/encumbered) and include revised project cost projections. 	<p>Staff agrees and will:</p> <ul style="list-style-type: none"> Continue to provide opportunities for IMC members to visit projects to obtain a clearer understanding of each Project. Provide more information and presentations when appropriate regarding the following projects: A2 – Nitrate Treatment System Rebate Program including detailed outreach information to well users B1 – Trash map presentation D2 – Presentation on plant palettes and possible users D4- Fish Habitat and Passage Improvement including information regarding Water Rights, creek/lake separation at Almaden Lake and the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE), Provide a report on the Board Ad Hoc committee outcomes focused on addressing needs of the homeless and the impacts to the rivers and creeks. Provide information regarding how and when the IMC can best make recommendations to revise KPIs. Provide a set of work-papers for the IMC to aid in its review of the FY2016 Safe, Clean Water Program Annual Report for Year 3. The work-papers shall include financial tables and graphs for each project that show the projected expenditure plan overlaid with the budget (actual/encumbered) and include revised project cost projections.



STAFF RESPONSE
Independent Monitoring Committee Report
Reviewing Fiscal Year 2014-2015 Annual Report
Priority A
Ensure a Safe, Reliable Water Supply

Project:		Status:	Comment:	Staff Response:
A1	Main Avenue and Madrone Pipelines Restoration	On Target	<p>IMC agrees with project status. Recommendations are:</p> <ul style="list-style-type: none"> - IMC requests that in the FY2016 Annual Report, the financial explanation reflects the 2012 estimated cost, adjusted for inflation to 2018, because the project completion date has been moved up from 2025 to 2018. - IMC recommends that the FY2016 Annual Report include the explanation that this is partial funding, with Water Utility Enterprise fund paying for the remainder of the total project cost. 	Staff agrees and will incorporate the IMC's requested financial information into the FY2016 Safe, Clean Water Program Annual Report.

Project:		Status:	Comment:	Staff Response:
A2	Safe, Clean Water Partnerships and Grants	On Target	<p>IMC agrees with project status. Recommendations are:</p> <p><u>Water Conservation Grant Program</u> Include table of grants in next year's report.</p> <p><u>Nitrate Treatment System Rebate Program</u> The cost/benefit ratio is of concern for the Nitrate Treatment System Rebate Program. Despite staff efforts and an increase in the rebate incentive, there has not been an equivalent response from the targeted community. Labor for the project cost approximately \$24,000, while only \$1,049 in rebates were issued. The IMC recommends that the district continue to find new ways to reach out to the community and will reevaluate the project status next year.</p>	<p><u>Water Conservation Grant Program</u> Staff agrees and will incorporate the IMC's requested table into the FY2016 Safe, Clean Water Program Annual Report.</p> <p><u>Nitrate Treatment System Rebate Program</u> Staff agrees and will continue to find new ways to reach out to the community and reevaluate the project status for the FY2016 Safe, Clean Water Program Annual Report.</p>
A3	Pipeline Reliability Project	Scheduled to begin in 2025	<p>IMC agrees with project status. Recommendations are:</p> <ul style="list-style-type: none"> - The IMC requests that the Board consider the financial benefits/impacts of moving this project up to an earlier date, subject to staff availability or outsourcing opportunities. Additionally, there may be opportunity to do individual sites in conjunction with other water district projects. 	<p><u>Financial Impacts</u> If the Board would like to explore moving the project start date to an earlier fiscal year, staff would need some time to analyze the financial impact. The impact would likely be lower project costs due to the inflation impact, offset by potentially higher borrowing costs incurred to fund the project earlier than planned.</p> <p><u>Staff Availability</u> Staff is fully assigned to current active projects and will remain so for the next two to three years. The earliest the District would have the staff resources to initiate the IRP2 Line Valves project is in FY2019 or FY2020.</p>



Safe, Clean Water
and Natural Flood Protection

STAFF RESPONSE

Independent Monitoring Committee Report

Reviewing Fiscal Year 2014-2015 Annual Report

Priority B

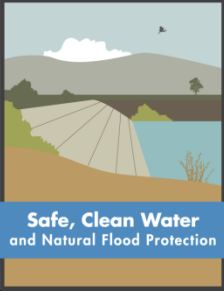
Reduce Toxins, Hazards and Contaminants in Our Waterways

Project:		Status:	Comment:	Staff Response:
B1	Impaired Water Bodies Improvement	On Target	<p>IMC agrees with status. No recommendation, however IMC suggests:</p> <ul style="list-style-type: none"> - Staff present on trash maps during the first IMC meeting for review of the FY2016 Annual Report. 	Staff agrees and will present on trash maps during the first IMC meeting for review of the FY2016 Safe, Clean Water Program Annual Report.
B2	Interagency Urban Runoff Program	On Target	IMC agrees with status. No recommendation.	No response required.
B3	Pollution Prevention Partnership and Grants	On Target	IMC agrees with status. No recommendation.	No response required.

Project:		Status:	Comment:	Staff Response:
B4	Good Neighbor Program: Illegal Encampment Cleanup	On Target	<p>IMC agrees with status. Recommendations are:</p> <ul style="list-style-type: none"> - Ad Hoc Committee review and analyze project funding trajectory in light of the complexity of the issue and potential funding sources within and outside of the water district. - Measure B funds be used according to KPI's, unless project is modified through a public hearing. - Staff presentation during the first IMC meeting for review of the FY2016 Annual Report on funding trajectory and Ad Hoc Committee outcomes. - FY2016 project report should include comment on funding trajectory. - FY2016 project report should include total amount of trash removed per year using consistent measurement throughout SCW projects, where applicable. 	<p>Staff agrees with IMC recommendations.</p> <ul style="list-style-type: none"> - Staff is prepared to present information to the Ad Hoc Committee upon request. - Staff will present on funding trajectory and Ad Hoc Committee outcomes during the first IMC meeting for review of the FY2016 Safe, Clean Water Program Annual Report. - Staff will include the total amount of trash removed per year using consistent measurement throughout the Safe, Clean Water Annual Report, where applicable.
B5	Hazardous Materials Management and Response	On Target	IMC agrees with status. No recommendation.	No response required.
B6	Good Neighbor Program: Remove Graffiti and Litter	On Target	<p>IMC agrees with status. Recommendations are:</p> <ul style="list-style-type: none"> - FY2016 project report should include total amount of trash removed per year using consistent measurement throughout SCW projects, where applicable. - Include a graph showing year to year amounts of litter/trash collected/removed. 	<p>Staff agrees with IMC recommendations.</p> <ul style="list-style-type: none"> - Staff will include the total amount of trash removed per year using consistent measurement throughout the Safe, Clean Water Annual Report, where applicable. - Staff will include a graph showing year to year amounts of litter/trash collected/removed.

Project:		Status:	Comment:	Staff Response:
B7	Support Volunteer Cleanup Efforts and Education	On Target	IMC agrees with status. No recommendation.	No response required.

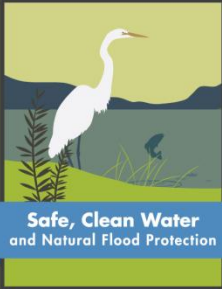
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STAFF RESPONSE
Independent Monitoring Committee Report
Reviewing Fiscal Year 2014-2015 Annual Report
Priority C
Protect our Water Supply from Earthquakes and Natural Disasters

Project:		Status:	Comment:	Staff Response:
C1	Anderson Dam Seismic Retrofit	On Target	IMC agrees with status. No recommendation.	No response required.
C2	Emergency Response Upgrades	On Target	IMC agrees with status. No recommendation.	No response required.

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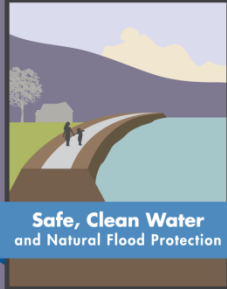
STAFF RESPONSE
Independent Monitoring Committee Report
Reviewing Fiscal Year 2014-2015 Annual Report
Priority D
Restore Wildlife Habitat and Provide Open Space

Project:		Status:	Comment:	Staff Response:
D1	Management of Revegetation Projects	On Target	IMC agrees with status. No recommendation.	No response required.
D2	Revitalize Stream, Upland and Wetland Habitat	On Target	<p>IMC agrees with status. No recommendation, however IMC suggests:</p> <ul style="list-style-type: none"> - Staff presents information on the plant palette and possible users during the first IMC meeting for review of the FY2016 Annual Report. - Staff creates a matrix of the plant palette by species (animal, insect, bird) and that it be made available on the website. - Staff includes maps of Stream Maintenance Program locations on the website. 	<p>Staff agrees and will:</p> <ul style="list-style-type: none"> - Present information on the plant palette and possible users during the first IMC meeting for review of the FY2016 Safe, Clean Water Program Annual Report. - Create a matrix of the plant palette by species (animal, insect, bird) and that it be made available on the website. - Include maps of Stream Maintenance Program locations on the website.

Project:		Status:	Comment:	Staff Response:
D3	Grants and Partnerships to Restore Wildlife Habitat and Provide Access to Trails	On Target	<p>IMC agrees with status. No recommendation, however IMC suggests:</p> <ul style="list-style-type: none"> - Staff adds a column to the FY2016 Annual Report table to show total project cost. - Staff edits the description of the Outdoor Learning Center and Creek Side Valley Loop Trail project to emphasize the Safe, Clean Water trail/trail access and open space components. 	<p>Staff agrees and will:</p> <ul style="list-style-type: none"> - Add a column to the FY2016 Safe, Clean Water Program Annual Report table to show total project cost. - Edit the description of the Outdoor Learning Center and Creek Side Valley Loop Trail project to emphasize the Safe, Clean Water grant trail access and open space components.
D4	Fish Habitat and Passage Improvement	On Target	<p>IMC agrees with status. No recommendation, however:</p> <ul style="list-style-type: none"> - To better understand the present scope of the project, the IMC has requested a presentation on and relationship among: <ul style="list-style-type: none"> o Water rights o Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) o Almaden Lake Improvements Project (creek/lake separation project) 	<p>On March 2, 2016, Staff provided a presentation to the IMC on the following topics and their relation to one another:</p> <ul style="list-style-type: none"> - Water rights - Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) - Almaden Lake Improvements Project (creek/lake separation project)
D5	Ecological Data Collection and Analysis	On Target	<p>IMC agrees with status. No recommendation, however IMC suggests:</p> <ul style="list-style-type: none"> - Staff makes available other forms of public notice/educational material highlighting the success and value of the Project and other SCW projects. 	<p>Staff agrees and will make available other forms of public notice/educational material highlighting the success and value of the Project and other SCW projects.</p>
D6	Creek Restoration and Stabilization	Scheduled to start FY18	IMC agrees with status. No recommendation.	No response required.

Project:		Status:	Comment:	Staff Response:
D7	Partnerships for the Conservation of Habitat Lands	On Target	IMC agrees with status. No recommendation.	No response required.
D8	South Bay Salt Ponds Restoration Partnership	On Target	IMC agrees with status. No recommendation.	No response required.

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STAFF RESPONSE
Independent Monitoring Committee Report
Reviewing Fiscal Year 2014-2015 Annual Report
Priority E
Provide Flood Protection to Homes, Businesses, Schools and Highways

Project:		Status:	Comment:	Staff Response:
E1	Vegetation Control and Sediment Removal for Flood Protection	On Target	IMC agrees with status. No recommendation, however, IMC did note an error in the title of the graph on page 75 of the FY2015 Annual Report.	Staff agrees and will correct the error in the title of the graph on page 75 of the FY2015 Annual Report.
E2	Emergency Response Planning	On Target	IMC agrees with status. No recommendation.	No response required.
E3	Flood Risk Reduction Studies	On Target	IMC agrees with status. No recommendation.	No response required.
E4	Upper Penitencia Creek Flood Protection Coyote Creek to Dorel Drive – San José	Adjusted	IMC agrees with status. No recommendation.	No response required.
E5	San Francisquito Creek Flood Protection San Francisco Bay to Middlefield Road – Palo Alto	On Target	IMC agrees with status. IMC recognizes: <ul style="list-style-type: none"> - The challenges brought on by the jurisdictional complexity of this project. While Safe, Clean Water is a key funding source, the District is only one of five entities that comprise the joint powers authority, which is the decision making authority for the project. 	Staff agrees that this is a challenging project with high jurisdictional complexity.

Project:		Status:	Comment:	Staff Response:
E6	Upper Llagas Creek Flood Protection Buena Vista Avenue to Wright Avenue – Morgan Hill, San Martin, Gilroy	Adjusted	IMC agrees with status. IMC recommends: <ul style="list-style-type: none"> - Adding Phase 1 to the schedule and updating the map to show project reaches. 	Staff agrees with IMC recommendations. <ul style="list-style-type: none"> - Staff will add Phase 1 to the schedule and updating the map to show project reaches.
E7	San Francisco Bay Shoreline Study Milpitas, Mountain View, Palo Alto, Santa Clara and Sunnyvale	On Target	IMC agrees with status. IMC recommends that the FY2016 Annual Report include: <ul style="list-style-type: none"> - Geographic area as part of the project description. - An explanation that EIAs 1-10 are a moving target and will be separated out. - Clarification of the planning process. 	Staff agrees with IMC recommendations and will include the following in the FY2016 Safe, Clean Water Program Annual Report: <ul style="list-style-type: none"> - Geographic area as part of the project description. - An explanation that EIAs 1-10 are a moving target and will be separated out. - Clarification of the planning process.
E8	Upper Guadalupe River Flood Protection Highway 280 to Blossom Hill Road – San José	On Target	IMC agrees with status. IMC recommends that the FY2016 Annual Report include: <ul style="list-style-type: none"> - An updated map showing the project reaches. 	Staff agrees with IMC recommendation and will include an updated map showing the project reaches in the FY2016 Safe, Clean Water Program Annual Report.



STAFF RESPONSE

Independent Monitoring Committee Report

Reviewing Fiscal Year 2014-2015 Annual Report

Other Capital Flood Protection Projects and

Clean, Safe Creeks Grants Projects

Project:	Status:	Comment:	Staff Response:
Permanente Creek Flood Protection San Francisco Bay to Foothill Expressway – Mountain View	Adjusted	IMC agrees with status. No recommendation.	No response required.
Sunnyvale East and Sunnyvale West Channel Flood Protection San Francisco Bay to Inverness Way and Almanor Avenue – Sunnyvale	Adjusted	IMC agrees with status. No recommendation.	No response required.
Berryessa Creek Flood Protection Calaveras Boulevard to Interstate 680 – Milpitas and San José	On Target	IMC agrees with status. No recommendation.	No response required.
Coyote Creek Flood Protection Montague Expressway to Interstate 280 – San José	Not On Target	Due to recent regulatory changes that require holistic watershed-scale investigations to develop the Least Environmentally Damaging Practicable Alternatives, this project needs to be re-scoped to allow consideration of potential new opportunities in the Coyote Creek Watershed. IMC agrees with status. No recommendation.	Staff will request the Board's approval of an updated project schedule that incorporates re-scoping the project.
Calabazas Creek Flood Protection Miller Avenue to Wardell Road – Sunnyvale	On Target	IMC agrees with status. No recommendation.	No response required.

Project:	Status:	Comment:	Staff Response:
Clean, Safe Creeks Grants Projects	On Target	IMC agrees with status. No recommendation.	No response required.