



# Santa Clara Valley Water District

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**File No.:** 21-1011

**Agenda Date:** 10/6/2021

**Item No.:** 2.6.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Receive an Update on the South San Francisco Bay Shoreline Study.

### **RECOMMENDATION:**

Receive an update on the South San Francisco Bay Shoreline Study.

### **SUMMARY:**

The South San Francisco Bay Shoreline Study (Shoreline Study) will study the feasibility of implementing a project to safeguard hundreds of homes, schools, and businesses along Santa Clara County's 18 miles of shoreline from the risk of coastal flooding. The Shoreline Study will also study restoring tidal marsh and related habitat that was lost due to former salt production activities, providing recreational opportunities and public access along the bay shoreline, and takes into consideration safeguarding against sea level rise over a 50-year period (through Year-2067).

The Shoreline Study is being undertaken by Santa Clara Valley Water District (Valley Water) in partnership with the United States Army Corps of Engineers (USACE) and the State Coastal Conservancy (Conservancy). Congressional authorization to conduct the Shoreline Study was granted by the Water Resources Development Act in 1976. Valley Water and the Conservancy are the non-federal sponsors, also referred to as "local study sponsors." The Shoreline Study efforts began in 2005 for all of Santa Clara County, which was divided into 11 areas, called Economic Impact Areas (EIA). In September 2010, Valley Water requested that USACE re-evaluate the study scope and conduct the Shoreline Study in phases beginning with the area among the highest potential for flood damages and economic impacts. Conducting the study in phases was requested because studying the entire 18 miles was proving to take too long and resulting in study cost overruns. Valley Water's Board endorsed this new scope in March 2011, and the Feasibility Study was thereafter refocused to the EIA 11 area located in north San Jose between the Alviso Slough and Coyote Creek.

Phase I of the Shoreline Study in north San Jose received authorization for design and construction in December 2015, followed by receipt in July 2018 of a fixed federal fund amount of \$124.3 million from the Bipartisan Budget Act to design and construct the 'Project'. Phase I of the Shoreline Project has since realized significant cost growth compared to the 2015 Feasibility Study cost estimate. Despite the project team's due diligence to identify cost drivers and implement cost savings, the design and construction cost has grown from \$194M to \$518M (a 267% increase in cost). This is now posing significant challenges to fully implement this project by the study partners.

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In September of 2019, the study partners entered into a Feasibility Study Cost Share Agreement to conduct the Phase II Shoreline Feasibility Study for the remaining EIAs 1-10. However, USACE is bound to conduct a Feasibility Study in 3 years and \$3M cost shared 50-50 between USACE and local study sponsors. Within the first quarter of the Phase II Feasibility Study, it was determined that Phase II of the study would once again have to be narrowed to a single local area. As a result of an in-depth scoping analysis by USACE, the Phase II study was identified to focus on EIAs 1-4 mostly in the City of Palo Alto. It should also be noted that USACE has additionally now identified a need to increase the Feasibility Study timeline by nearly 3 years and increase the study cost by nearly \$3M. The study timeline and cost increase are due to meeting California's stringent environmental National Environmental Policy Act and California Environmental Quality Act requirements.

Initiation of a Shoreline Feasibility Study for Phase III is pending receipt of USACE funding for EIAs 5-10. USACE has requested funds in their fiscal year 2022 budget to initiate the Phase III Feasibility Study but funds have not been appropriated to date. In the meantime, Valley Water has been working with SFEI and ESA in collaboration with the City of Sunnyvale, NASA, Google, Lockheed Martin, the Conservancy and U.S. Fish and Wildlife Service on a Sunnyvale Shoreline Resilience Vision Process to identify acceptable coastal levee alignments to the local agencies and to gather as much information as possible to be ready to begin the Phase III Feasibility Study when USACE receives funds. The Vision document is in the final stages of review.

**FINANCIAL IMPACT:**

There is no financial impact associated with this item.

**CEQA:**

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

**ATTACHMENTS:**

Attachment 1: PowerPoint

**UNCLASSIFIED MANAGER:**

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