

FY 2017-21 Five-Year Capital Improvement Program

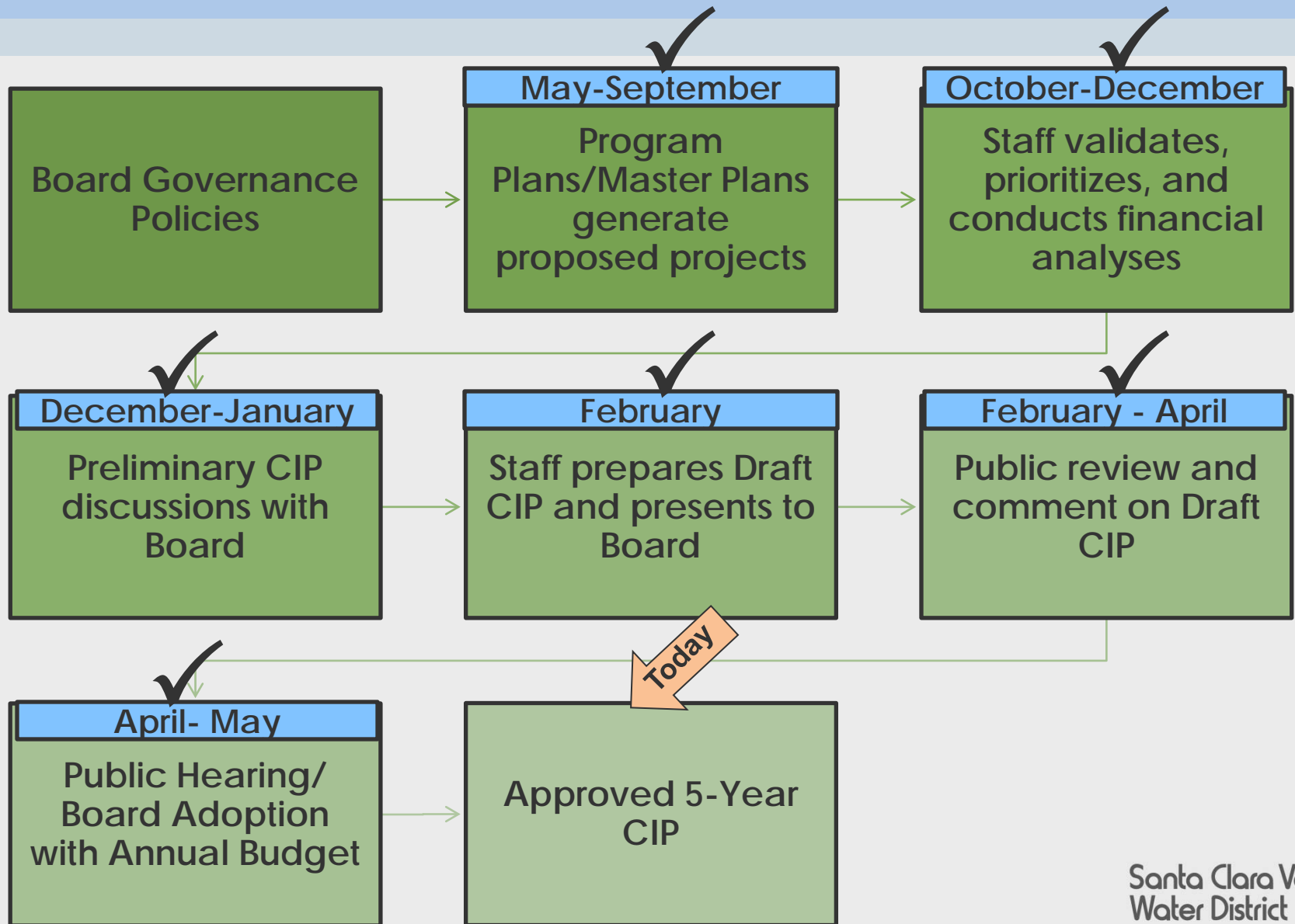
Presentation to District Board of Directors
May 10, 2016



Presentation Outline

- 1. Process to Review and Approve CIP**
2. Investing in the Community
3. What's included in the 5-Year Program
4. Summary and Looking Ahead

Annual CIP Process Overview



Capital Improvement Program

PROCESS TO REVIEW AND APPROVE

- ▶ December 11, 2015 – Board CIP Ad Hoc Committee Meeting
- ▶ January 12, 2016
 - ▶ Staff reports: New proposed CIP projects and scope/cost changes for existing projects
 - ▶ Board approved the preliminary list of FY 2017-21 CIP projects.
- ▶ February 23, 2016 – Board authorized Draft FY 2017-21 CIP to be released for public review.
- ▶ March – April 2016 – Public review and outreach to cities and County.
- ▶ April 26 – May 10, 2016 – Public hearing and approval of FY 2017-21 Five-Year CIP.

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Investing in the Community

Five (5) projects removed from the CIP in FY 2015-16 (\$31M)

- ▶ Water Supply

- ▶ Completed:

- ▶ Pacheco Pumping Plant ASD Replacement (\$19.6M)

- ▶ Future Projects on Hold:

- ▶ Alamitos Diversion Dam (\$3.2M)

- ▶ Coyote Diversion Dam (\$2.5M)

- ▶ Reprogrammed:

- ▶ Infrastructure Reliability (\$2.0M)

- ▶ Penitencia Water Treatment Plant Water Pumps Modifications (\$3.7M)

Investing in the Community

- ▶ \$2 billion planned expenditures over next 5 years
 - ▶ Over \$1 billion planned construction work (12,000 – 24,000 jobs sustained or created)
- ▶ \$4.1 billion total investment when completed
- ▶ \$711 million from outside sources (State/Federal/Other)

Investing in the Community

Aging infrastructure and expansion of purified water facilities are key drivers in water rate increases

Water Supply	Water Supply CIP Costs (\$M)	Percent of Water Supply CIP Costs
Projects to repair/replace/upgrade infrastructure = 22	\$983	42%
Recycled /Purified Water Projects = 4	\$1,084	47%
New infrastructure projects = 3	\$127	5%
Habitat Conservation = 1	\$145	6%
Total Water Supply CIP Projects = 30	\$2,339	

Investing in the Community

LEVERAGING EXTERNAL FUNDING*

- ▶ State Department of Water Resources Grants:
 - ▶ \$4.1 M for Anderson Dam Seismic Retrofit
 - ▶ \$25.0 M for Lower Silver Creek Reaches 4-6 (Prop 1E)
 - ▶ \$8.0 M for San Francisquito Creek (Through the Joint Powers Authority)
 - ▶ \$0.4 M for Shoreline (Local Levee Assistance Program, Prop 84)
 - ▶ \$30.0 M for Berryessa & Lower Penitencia Creeks (Prop 1E)
 - ▶ \$2.5M for Wolfe Road (Prop 84)
- ▶ State Subvention Reimbursements:
 - ▶ \$73.0 M planned to be received in FY16 -21

State Subvention Reimbursements

State Flood Control Subventions Program

- ▶ Currently funded by Prop 84 and Prop 1E
- ▶ Project must be federally authorized, then appropriated through State budget process
- ▶ Subventions reimburses 50% -100% of local share
- ▶ CIP projects with planned reimbursements:
 - ▶ Lower Silver Creek – WSS*
 - ▶ Lower Llagas Creek - WSS
 - ▶ Upper Guadalupe River – CSC/SCW*
 - ▶ Upper Llagas Creek – CSC/SCW
 - ▶ Berryessa Ck, Upper – CSC/SCW

*WSS = Watershed Stream Stewardship Fund

*CSC/SCW = Clean Safe Creeks /Safe Clean Water Fund

State Subvention Reimbursements

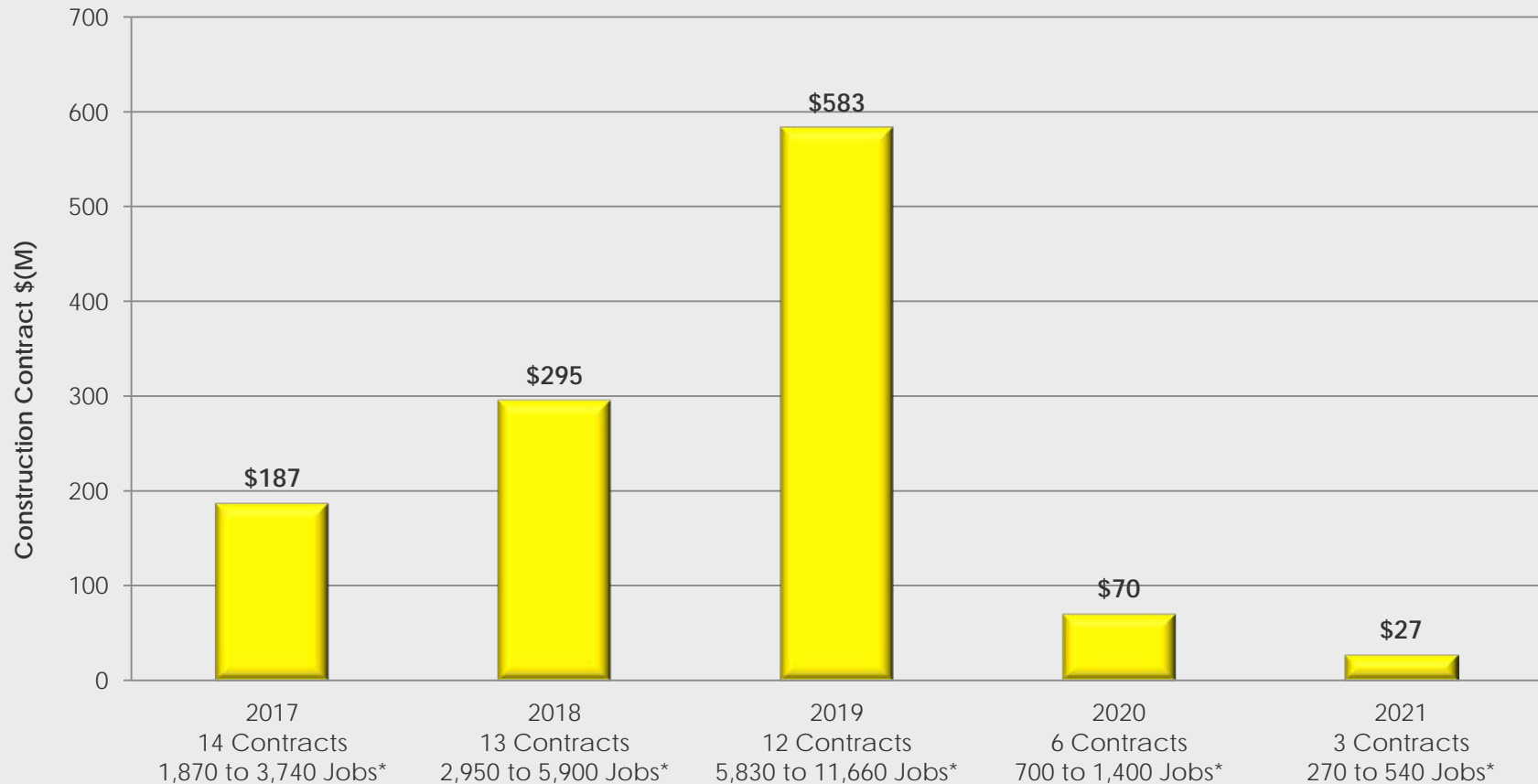
- ▶ Subventions can only be applied toward capital projects
- ▶ The Board has reserved the authority to determine which projects will be funded by subventions
- ▶ In FY15-16 (through April) District has received \$0.8M in subvention reimbursements:
 - ▶ \$0.8M for Upper Guadalupe (Safe Clean Water, Fund 26)

Investing in the Community



Investing in the Community

Annual Construction Program for FY 2017 -21 CIP



* Number of jobs include the estimated number of new jobs created and existing jobs retained

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2016 Board Direction on CIP

- ▶ FY 2017-21 CIP contains 4 new capital projects (\$198M):
 - ▶ Coyote Pumping Plant ASD Replacement (\$17.1M)
 - ▶ 10-Year Pipeline Inspection and Rehabilitation (\$100.1M)
 - ▶ Penitencia Water Treatment Plant Residuals Management (\$10.0M)
 - ▶ Erosion Repair Program (\$70.3M)

Water Supply Highlights - FY 2017-21 CIP

- ▶ 30 projects (\$2.3B), funding to complete (\$1.9B)
 - ▶ Water Treatment Plant Upgrades(\$259M)*
 - ▶ Dam Seismic Retrofit of Dams (\$357M)
 - ▶ Recycled/Purified Water Program (\$953M)
 - ▶ Penitencia Delivery/Force Mains(\$13M)



Flood Protection Highlights - FY 2017-21 CIP

- ▶ 18 projects (\$1.13B), funding to complete (\$410M)
 - ▶ Upper Guadalupe River (\$83M)*
 - ▶ San Francisquito Creek (\$15M)
 - ▶ Upper & Lower Llagas Creeks (\$138M)
 - ▶ Sunnyvale East/West Channels (\$55M)
 - ▶ Coyote Watershed (\$184M)



Water Resources Stewardship Highlights - FY 2017-21 CIP

- ▶ 8 projects (\$109M), funding to complete (\$85M)
 - ▶ Environmental Enhancements – 6 projects (\$22M)*
 - ▶ Mitigation – 1 projects (\$1M)
 - ▶ Stewardship – 1 projects (\$63M)



Santa Clara Valley
Water District



Attachment 3
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FY 2016-20 CIP Summary

- ▶ Funding the CIP requires annual groundwater production charge increases of 19.9% in North County and 10.4% for South County
- ▶ 4 new projects added to the FY 2017-21 CIP
- ▶ 45+ projects slated for construction FY 2017-21 (FY 2016-17 - \$171M construction)
- ▶ Approximately \$72M in subvention reimbursements planned to be received between FY 2017 and FY 2021

CIP Future Challenges

- ▶ Replacing/repairing aging infrastructure
- ▶ Dam seismic retrofits
- ▶ Three Creeks Habitat Conservation Plan Implementation
- ▶ Safe Clean Water Capital Projects
- ▶ Expansion of recycled water systems and water purification facilities.