

FY 2020-24 Five-Year Capital Improvement Program

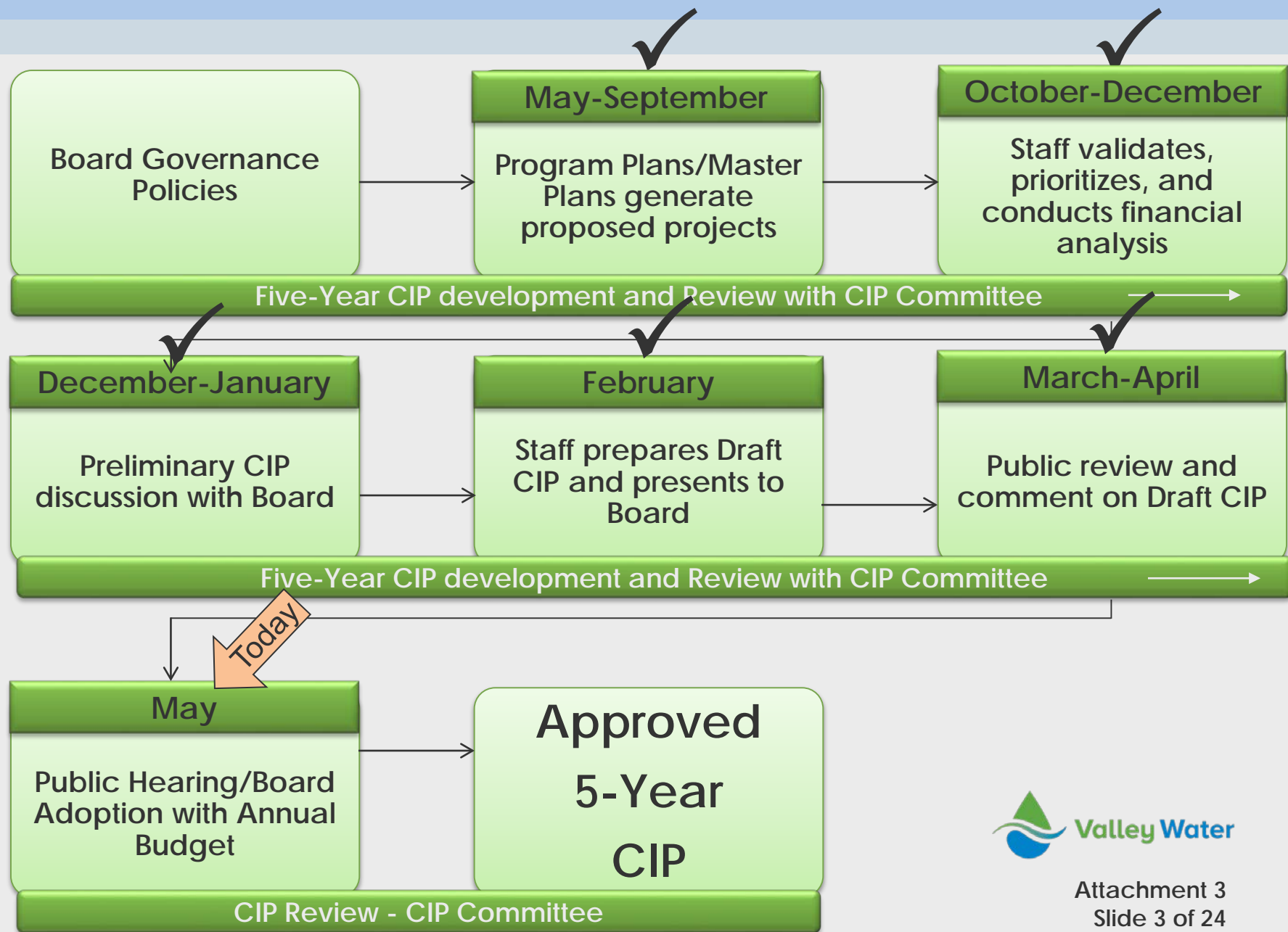
May 14, 2019



Presentation Outline

1. Process to Review and Approve CIP
2. Board CIP Committee Activities
3. Investing in the Community
4. What is Included in the 5-Year Program
5. Summary and Looking Ahead

Annual CIP Process Overview



FY 2020-24 CIP Development

CIP Committee – FY 2019 Activities

CIP Committee FY2019 Workplan																
	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan 3</u>		<u>Jan 14</u>	<u>Feb</u>		<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	
CIP Implementation																
Calero & Guadalupe Dams		X						B O A R D			B O A R D					
Safe, Clean Water Projects Implementation			X									X	X			
Calero Dam Seismic Upgrade and Water Reliability Analysis							X					X				
Anderson Dam Improvements Update							X		X							
Presentation on Design-Build									X							
Project Labor Agreement										X				X	X	
Construction Management Resource Needs										X						
Employee Workspace Study													X			
Capital Project Monitoring																
Construction	X			X				D E C I S I O N S	X		D E C I S I O N S		X			
Design		X			X					X					X	
Planning / Feasibility			X				X						X			X
Upcoming Consultant Agreements and Amendments				X			X		X				X			
CIP Development																
Project ranking criteria				X	X	X		D E C I S I O N S			D E C I S I O N S					
Preliminary CIP					X		X									
Criteria for Ranking Stewardship Projects	X															
Project w/ Environmental Justice Prioritization Criteria		X														



Investing in the Community

Two (2) projects in the FY 2019-23 CIP will be closed and removed from the CIP <\$16.6M>

- **Water Supply**
 - Pacheco Reservoir Feasibility Study (\$15.0M)

- **Information Technology**
 - Vena Software Implementation (\$1.6M)

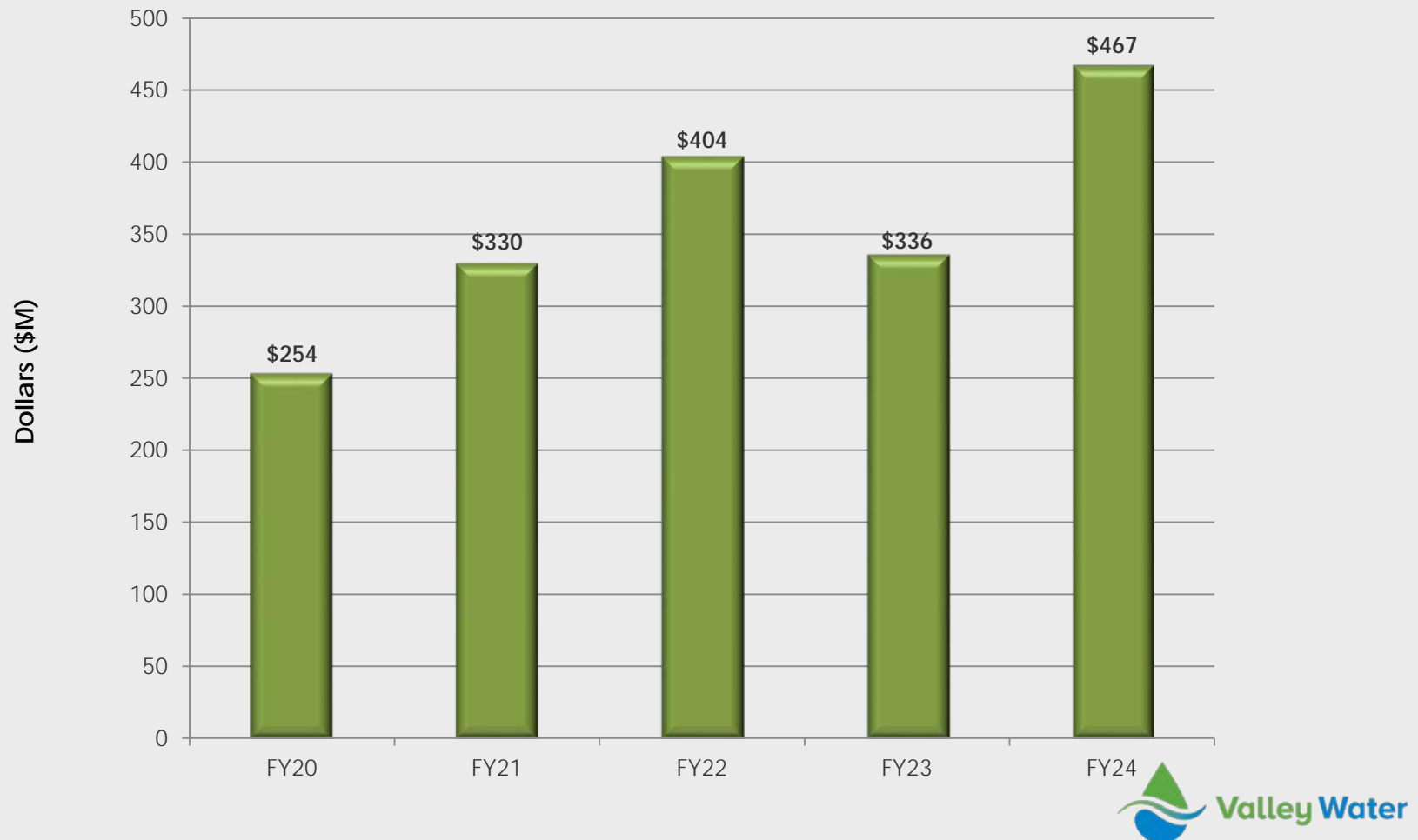
Investing in the Community

- \$1.7 billion planned expenditures over next five (5) years
 - Approximately \$1 billion planned construction work (10,000 – 20,000 jobs sustained or created)
- \$5.6 billion total investment when completed
- \$1.2 billion from outside sources (State/Federal/Other)



Investing in the Community

Planned Annual Capital Expenditures



Investing in the Community

Rehabilitation of aging infrastructure and new water storage 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 = 20	\$1,618	48%
Recycled /Purified Water Projects = 2	\$278	8%
New infrastructure projects = 5	\$1,374	41%
FAHCE Implementation= 1	\$130	3%
Total Water Supply CIP Projects = 28	\$3,400	

Investing in the Community

LEVERAGING EXTERNAL FUNDING*

- **California Water Commission Grant:**
 - \$485M Pacheco Reservoir Expansion Project
- **State Department of Water Resources Grants:**
 - \$24M for Lower Silver Creek Reaches 4-6 (Prop 1E)
 - \$12M for San Francisquito Creek (through the JPA)
 - \$30M for Berryessa & Lower Penitencia Creeks (Prop 1E)
- **Natural Resource Conservation Service Grant:**
 - \$5M for Cunningham Flood Detention Certification
- **State Subvention Reimbursements:**
 - ~\$40M planned to be received in FY 2020-24
- **Measure AA:**
 - \$61M for San Francisco Bay Shoreline



*See Appendix C of the CIP for a complete list of Funding Partnerships

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:
 - \$0.7M Lower Silver Creek – WSS*
 - \$1M Lower Llagas Creek – WSS*
 - \$14.2M Upper Guadalupe River –SCW**
 - \$20.5M Upper Llagas Creek –SCW**
 - \$4.9M Berryessa Creek Upper –SCW**

*WSS = Watershed Stream Stewardship Fund

**SCW = Safe Clean Water Fund



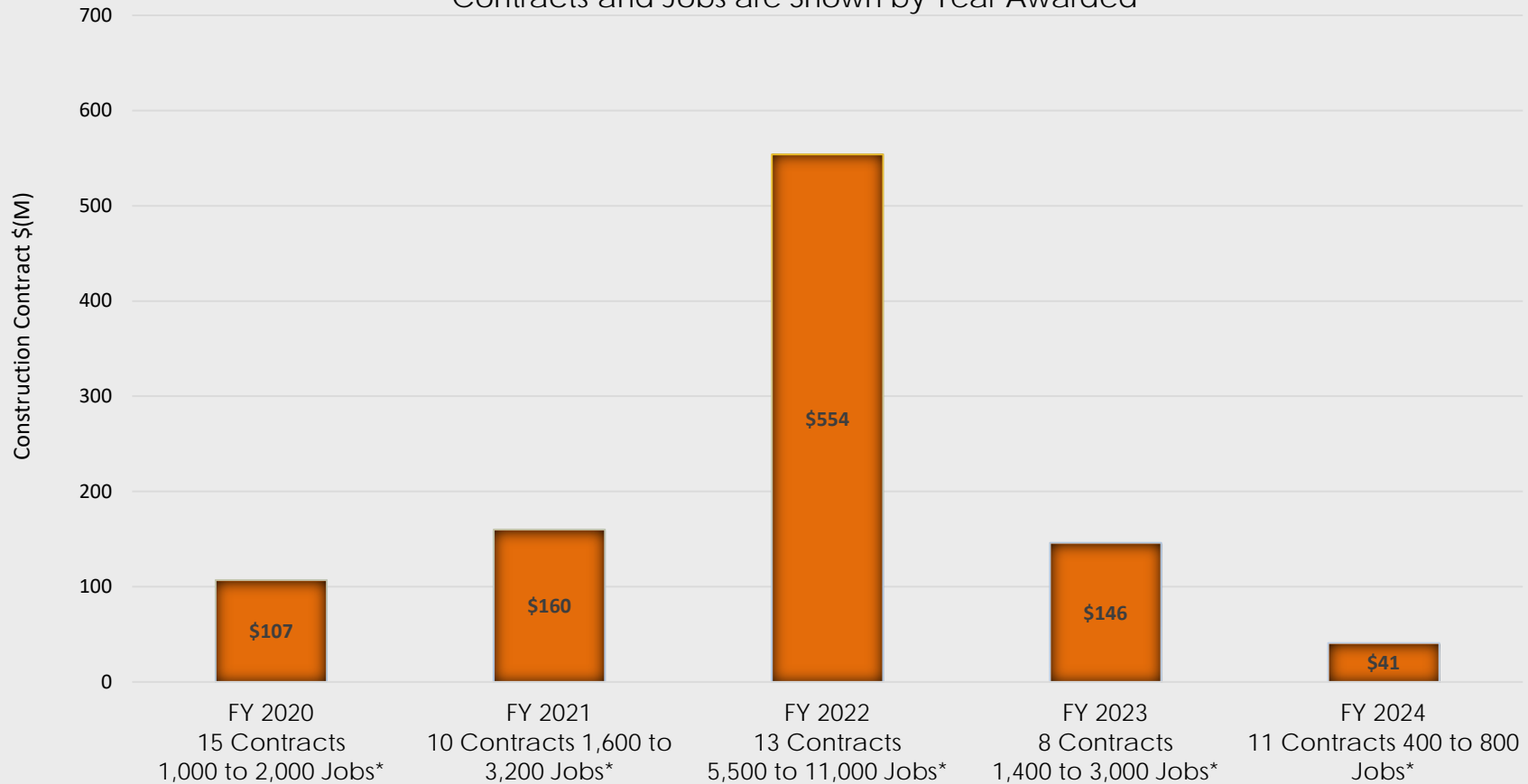
State Subvention Reimbursements

- Subventions can only be applied toward capital projects
- The Board has reserved the authority to determine which projects will be funded by subventions
- Safe Clean Water Subventions previously designated to remain in SCW Fund
- In FY2019-20 (through March) District has received \$4.1M in subvention reimbursements:
 - \$0.4M for Lower Silver (Watershed & Stream Stewardship, Fund 12)
 - \$3.7M for Upper Llagas (Safe Clean Water, Fund 26)
- Claims on hand April 2019: \$22.5M

Investing in the Community

Annual Construction Program for FY 2020-24 CIP

Contracts and Jobs are Shown by Year Awarded



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



Water Supply Highlights

- 28 projects (\$3.4B); funding to complete (\$2.9B)
 - New storage and Seismic Retrofit of Dams (\$2.1B)*
 - Water Treatment Plant Upgrades(\$233M)*
 - Recycled/Purified Water Program (\$227M)*
 - FAHCE Implementation (\$131M)
 - Pipeline Rehabilitation (\$134M)*



*Project values are funding to complete

Validated, Unfunded Water Supply Projects

Priority	Validated, Unfunded Water Supply Projects	Est. Cost (\$ Million)
72	Dam Seismic Retrofit at Chesbro & Uvas	\$90 M
71	Long-Term Purified Water Program Elements	\$207 M
32	So. County Recycled Water New Storage Tank	\$7 M
28	Alamitos Diversion Dam Improvements	\$3 M
28	Coyote Diversion Dam Improvements	\$2 M
25	Land Rights - South County Recycled Water Pipeline	\$6 M
	TOTAL	\$315 M

Flood Protection Highlights

- 19 projects (\$1.4B); funding to complete (\$666M)
 - Upper Guadalupe River (\$54M)*
 - San Francisquito Creek (\$29M)*
 - Upper & Lower Llagas Creeks (\$126M)*
 - Sunnyvale East/West Channels (\$42M)*
 - Coyote Watershed (\$160M)*



*Project values are funding to complete

Validated, Unfunded Flood Protection Projects

Priority	Validated, Unfunded Flood Protection Projects	Est. Cost (\$ Million)
45	Guadalupe River (Montague Exwy to Airport Parkway)	\$76 M
32	Los Gatos Ck Restoration and Flood Protection Phase 2	\$10 M
	TOTAL	\$86 M

Water Resources Stewardship Highlights

- 10 projects (\$162M); funding to complete (\$130M)
 - Environmental Enhancements – 8 projects (\$128M)*
 - Mitigation – 1 project (\$0.8M)*
 - Feasibility Studies – 1 project (\$0.5M)*



*Project values are funding to complete

Safe Clean Water

- Projects relying on unsecured funding to be completed on schedule:
 - San Francisquito Creek (~\$20M)* - partnership/grants funding through JPA
 - Upper Llagas Creeks Phase 2 (~\$47M)* - NRCS Grants
- Total Project Cost unknown
 - Coyote Creek Montague Expy. to Tully Rd.
 - Upper Penitencia Creek, Coyote Creek to Dorel Drive



Safe Clean Water Decisions

In preparation for next CIP cycle (late summer/fall), decisions will be brought to the Board when the following information is available:

- Coyote Creek Montague to Tully Flood Protection Planning Study Report
- Upper Penitencia Creek, Coyote Creek to Dorel Drive Flood Protection Planning Study Report
- Availability of NCRS grants for Llagas Creek – Upper, Buena Vista Ave to Llagas Rd.
- Extent of partnership/grants funding through JPA for San Francisquito Creek
- Whether to proceed with local-only funding option for Upper Guadalupe



Buildings & Grounds and Information Technology Highlights

- 2 Buildings & Grounds projects (\$54M);
 - Facility Management, Small Caps – (\$2M per year)
 - Headquarters Operations Building (place holder) – (\$16M)

- 8 Information Technology projects (\$55M);
 - ERP System Implementation– (\$19M)
 - Software Upgrades & Enhancements - (\$18M)
 - WTP-WQL Network Equipment – (\$12M)
 - Telephone System Voiceover IP – (\$1.2M)
 - Capital Construction Management System – (\$1M)



FY 2020-24 CIP Summary

- Funding the CIP requires annual groundwater production charge increases of 6.6% in North County and 6.9% for South County in FY 2019-20
- 8 new projects added to the FY 2020-24 CIP
- 60+ projects slated for construction FY 2020-24
(FY 19 - \$107M construction)
- Approximately \$40M in subvention reimbursements planned to be received between FY 2020 and FY 2024

Preliminary FY 2020-24 CIP -Summary of Project Costs

	Appropriated /Actual thru FY-19	Remaining Cost to Completion	Total Project Costs
Water Supply	\$496 M	\$2,913 M	\$3,409 M
Flood Protection	\$787 M	\$666 M	\$1,453 M
Stewardship	\$32 M	\$130 M	\$162 M
Buildings/Grounds	\$3 M	\$51 M	\$54 M
Information Technology	\$15 M	\$41 M	\$55 M
TOTAL CIP	\$1,333M	\$3,801 M	\$5,133 M

CIP Future Challenges

- Replacing/repairing aging infrastructure
- Additional storage
- Dam seismic retrofits
- FAHCE Implementation
- Fund Safe Clean Water Capital Projects
- Expansion of recycled water systems and water purification facilities

Board Actions

- A. Reconvene the public hearing from April 24, 2019 to receive comments regarding the Santa Clara Valley Water District's Fiscal Years 2020-2024 Five-Year Capital Improvement Program;
- B. Close the public hearing; and
- C. Adopt the Resolution APPROVING FISCAL YEARS 2020-2024 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM