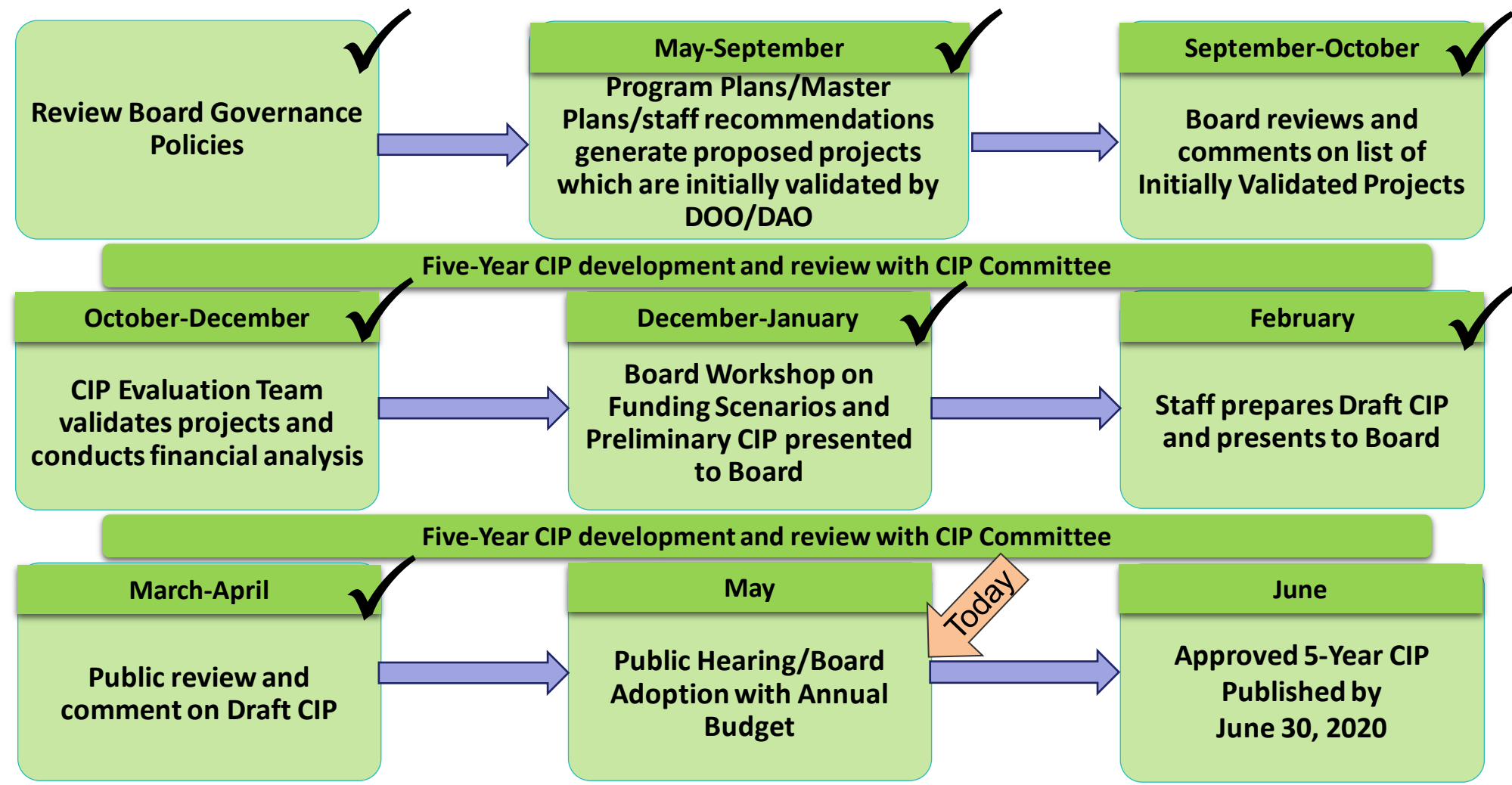


FY 2021-2025 Five-Year Capital Improvement Program (CIP)

Presentation Outline

1. Annual CIP Process Overview
 - a. Updates to Draft CIP (Board-Approved Changes)
2. FY 2021-25 CIP – What's Included
 - a. Investing in the Community
 - b. Project/Program Highlights by Type of Improvement
 - c. Leveraging External Funding
 - d. Validated/Unfunded Projects
 - e. Future Challenges
 - f. Summary
3. Next Steps
 - a. Board Actions – Document Production

Annual CIP Process Overview



Updates to the Draft FY 2021-25 CIP

Board Approved Changes to the FY 2021-25 Draft CIP

| | Project Name | FY21 Budget | Amount | Reason | Overall Project Cost |
|---------------|---|-------------|--------|--|----------------------|
| Water Utility | RWTP Residuals Remediation Project (93294058) | ↓ | \$3M | Portion of construction funds not expended until FY22 | Unchanged |
| | RWTP Reliability Improvement Project (9329057) | ↓ | \$10M | Deferring Phases 3-6 construction schedule | Unchanged |
| | 10-Year Pipeline Project (95084002) | ↓ | \$3M | Portion of construction funds not expended until FY22 | Unchanged |
| | EPWP Indirect Potable Water (91304001)* | ↓ | \$7M | Due to near-term rate impacts, construction start deferred from FY24 to FY27 | Unchanged |
| | South County Recycled Water Pipeline Project (91094009) | ↓ | \$9M | Schedule delay due to continuation of cultural resource studies | Unchanged |

*Changes to this project are being applied to align with Board direction given during the May 29, 2020 Work Study Session.

These may be revised in the FY 2022-2026 CIP pending Board direction during the upcoming Expedited Purified Water Program Workshop scheduled for June 16, 2020.

Updates to the Draft FY 2021-25 CIP

Board Approved Changes to the FY 2021-25 Draft CIP

| | Project Name | FY21 Budget | Amount | Reason | Overall Project Cost |
|------------|---|-------------|--------|--|----------------------|
| Watersheds | San Francisquito Creek - Construction, SF Bay to Middlefield Rd. (26284002) | ↓ | \$4M | Schedule delay in line with City of Palo Alto's Newell Rd Bridge Replacement Project | Unchanged |
| | Guadalupe River, Tasman Dr. to I-880 (30154019) | ↓ | \$1.6M | Schedule change - Planning extended | Unchanged |
| | Coyote Creek Flood Protection Project (26174043) | ↓ | \$100K | Adding \$100K to FY20 for cultural resources and geotechnical investigation | Unchanged |
| | Ogier Ponds Separation from Coyote Creek (26044003) | ↓ | \$600K | Changes to scope, schedule, cost to include Design Phase costs | Increased by \$1M |
| | SCW Fish Passage Improvements - Bolsa Road (26044002) | ↓ | \$3M | Construction of the Bolsa Rd. Fish Passage Project deferred to FY22 | Unchanged |
| | Guadalupe River - Upper, I-280 to SPRR (R6) (26154002) | ↓ | \$800K | Construction of the Gravel Augmentation Project deferred to FY22 | Unchanged |

FY 2021-25 Capital Improvement Program

Investing in the Community

Projects completed in FY 2020 approximately \$25M:

Water Utility

- Main and Madrone Pipeline Restoration Project \$17.5M

Flood Protection

- Canoas Creek Rodent Damage Repair \$6.9M

Information Technology

- E-Discovery Management System \$560K

Projects removed from CIP*

Water Resources Stewardship

- Los Gatos Creek \$9M

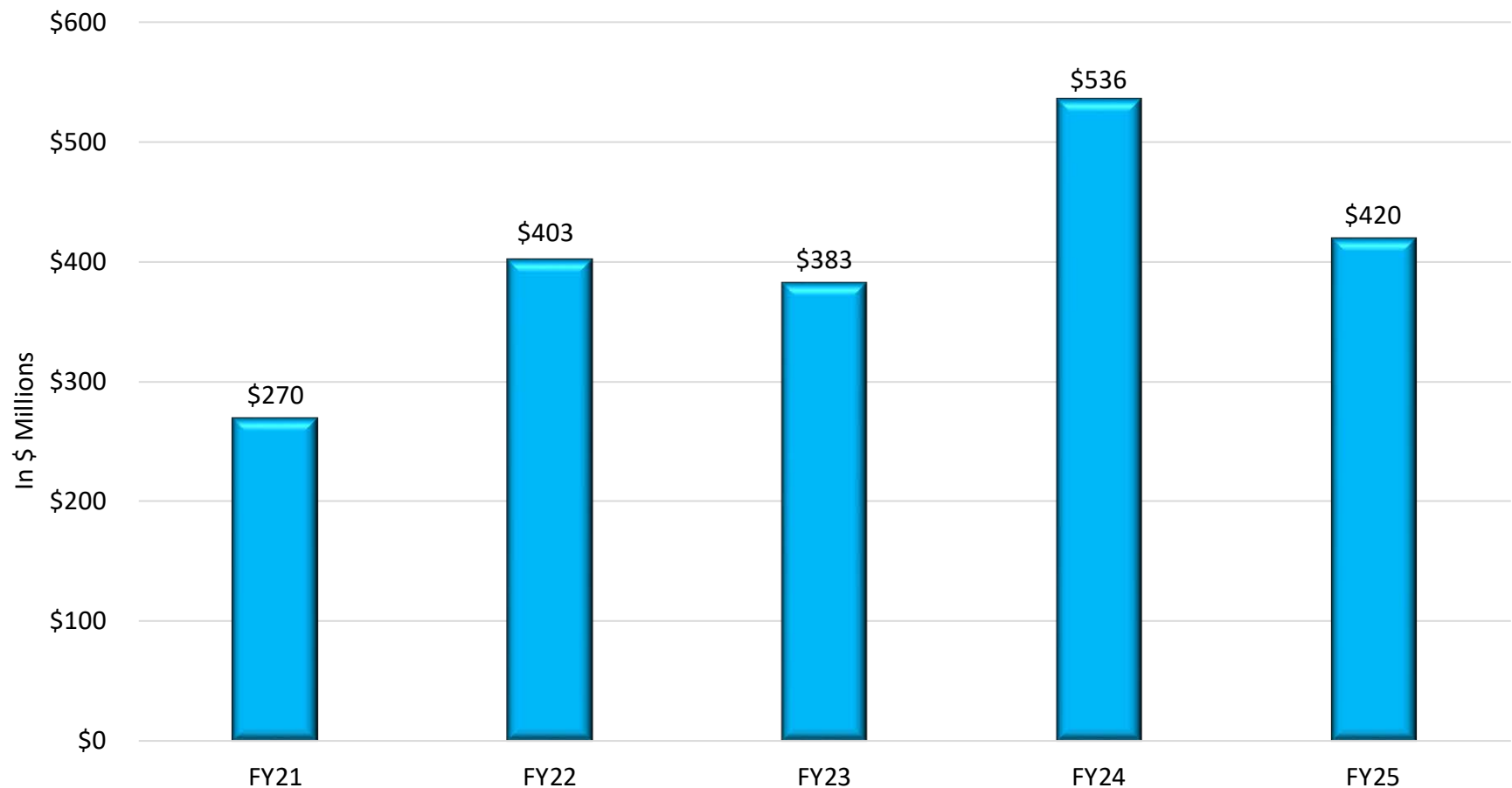
Investing in the Community

The FY2021-25 CIP includes five new Water Utility projects

- Almaden Valley Pipeline Replacement Project (\$89.7 million);
- Land Rights – South County Recycled Water Pipeline Project (\$7.6 million);
- Water Treatment Plant Implementation Project (\$8.4 million);
- SCADA Implementation Project (\$6.7 million); and
- Distribution System Implementation Plan (\$8.2 million).

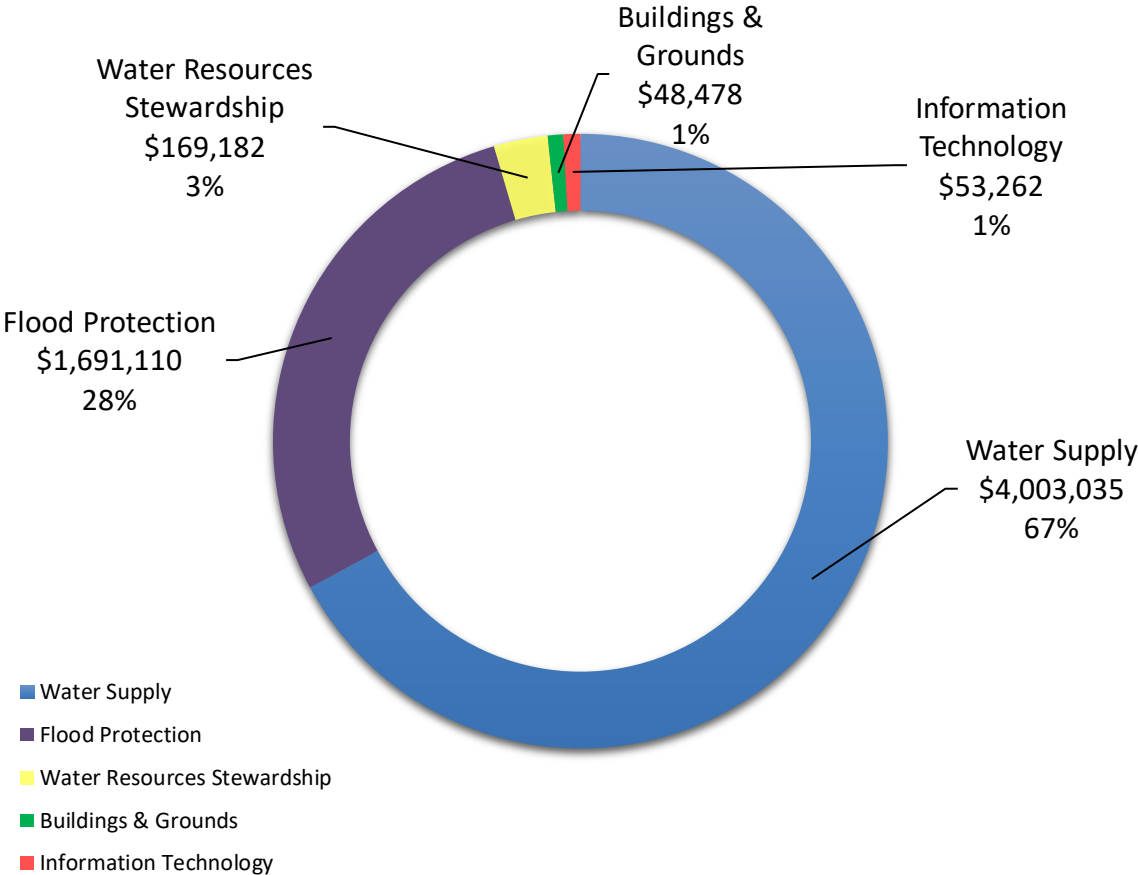
FY 2021-25 Capital Improvement Program

Planned Annual Capital Expenditures

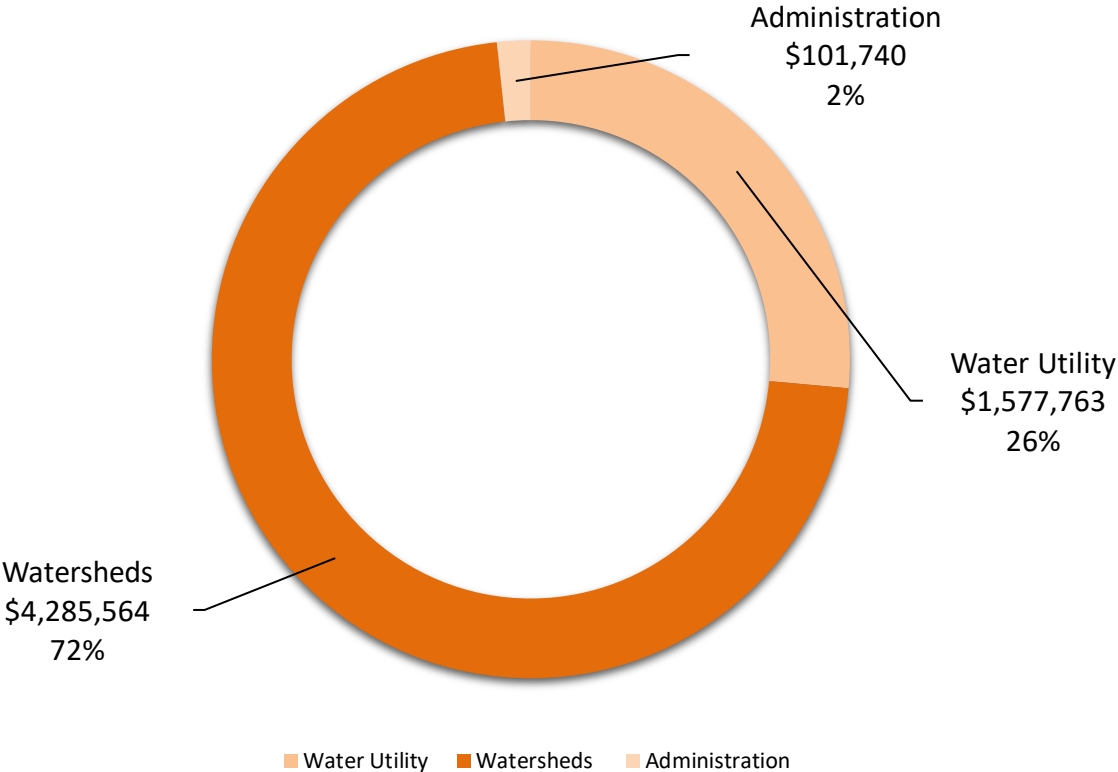


FY 2021-25 Capital Improvement Program

CIP by Type of Improvement



CIP by Managing Division



Water Supply Highlights

Total CIP Includes 31 Water Supply Projects

FY 2021 Planned Expenditures = \$140M

Total Project Costs = \$4B

- **New Storage and Seismic Retrofit of Dams (\$55M)(\$2.3B)**
 - Anderson Dam Seismic Retrofit (\$11M)(\$576M)
 - Pacheco Reservoir Expansion Project (\$34M)(\$1.3B)
- **Pipelines/Transmission Facilities (\$27M)(\$423M)**
 - Almaden Valley Pipeline (\$668K)(\$90M)
- **Water Treatment Plant Upgrades (\$48M)(\$510M)**
 - RWTP Reliability Improvement Project (\$31M)(\$340M)
- **Recycled/Purified Water (\$10M)(\$749M)**
 - Expedited Purified Water Program (\$2.2M)(\$700M)



Flood Protection Highlights

Total CIP Includes 18 Flood Protection Projects
FY 2021 Planned Expenditures = \$111M
Total Project Costs (TPC) = \$1.7B

➤ **Project Highlights for Each Watershed:**

- Coyote Creek (\$3M)(\$66M)
- Upper Llagas Creek (\$47M)(\$285M)
- San Francisquito Creek (\$1M)(\$89M)
- Upper Guadalupe River (\$9M)(\$170M)
- Sunnyvale East/West Channels (\$17M)(\$70M)

➤ **Projects Benefitting Multiple Watersheds:**

- SF Bay Shoreline (\$12M)(\$145M)
- Watershed Asset Rehabilitation Program (\$3.5M)(\$191M)



Water Resources Stewardship Highlights

Total CIP Includes 10 Water Resources Stewardship Projects

FY 2021 Planned Expenditures = \$7M

Total Project Costs = \$170M

➤ Environmental Enhancements Project Highlights:

- Hale Creek Enhancement Pilot Study (\$3M)(\$9M)
- Almaden Lake Improvements (\$2M)(\$32M)
- Salt Ponds A5-11 Restoration (\$1M)(\$12M)

➤ Mitigation Project Highlights:

- SMP Mitigation, Stream and Watershed Land Preservation (\$470K)(\$17M)

➤ Feasibility Studies Project Highlights:

- Watershed Habitat Enhancement Studies (\$1M)(\$3.6M)



Buildings & Grounds and IT Highlights

Total CIP Includes 10 Buildings and Grounds and IT Projects

FY 2021 Planned Expenditures = \$12M

Total Project Costs = \$120M

➤ 2 Buildings & Grounds projects (\$3M)(\$48M)

- Facility Management, Small Caps – \$3M per year (\$32M)
- Headquarters Operations Building – (\$0)(\$16M)

➤ 8 Information Technology projects (\$9M)(\$54M)

- ERP System Implementation – (\$7M)(\$17M)
- IT Disaster Recovery – (\$800K)(\$2M)
- Telephone System Voiceover IP – (\$130K)(\$1.2M)



Leveraging External Funding

Capital Reimbursements

Reimbursements anticipated to be received between FY21 and FY25 = \$252M

- Grants: \$233M
- State Subvention Reimbursements: ~\$19M

Leveraging External Funding

Grants

FY 2021-25 Grants (~\$233M)

➤ **California Water Commission Grant:**

- \$485M Pacheco Reservoir Expansion Project

➤ **State Department of Water Resources Grants:**

- \$24M Lower Silver Creek Reaches 4-6 (Prop 1E)
- \$12M San Francisquito Creek (through the JPA)
- \$30M Berryessa & Lower Penitencia Creeks (Prop 1E)

➤ **Natural Resource Conservation Service Grant:**

- \$4.3M Cunningham Flood Detention Certification

➤ **Measure AA:**

- \$62M San Francisco Bay Shoreline

Leveraging External Funding

State Subvention Reimbursements

FY 2021-25 State Subvention Reimbursements (~\$19M)

- **CIP projects with planned reimbursements (funded by Prop 84 and Prop 1E):**
 - \$0.7M Lower Silver Creek
 - \$1M Lower Llagas Creek
 - \$16M Upper Llagas Creek
 - \$826K Berryessa Creek Upper
- **Subventions reimburses 50% - 100% of Valley Water's share portion**
 - Project must be federally authorized, then appropriated through State budget process
 - The Board has reserved the authority to determine how state subvention reimbursements will be allocated.
 - If the Board does not designate subvention funds be allocated to a specific project, the money will be credited to the capital reserve fund.

Leveraging External Funding

Shovel-ready projects for potential COVID-19 stimulus funding

| | Project Name | Current Phase | Construction Cost Estimate | Expected Construction Advertise Date | Estimated Jobs Created |
|---------------|---|---------------------|----------------------------|--------------------------------------|------------------------|
| Water Utility | Anderson Dam Tunnel Project | Design | \$170M | January 2021 | 1,700-2,400 |
| | Anderson Reservoir Dewatering | Design | \$5M | September 2020 | 50-100 |
| | Rinconada Water Treatment Plant Reliability Improvement Phases 2 and 3 - 6 | Design/Construction | \$100M | Fall/Late 2020 | 1,000 - 2,000 |
| | 10-Year Pipeline Rehabilitation | Design | \$9M | July 2020 | 90 - 180 |
| | STWTP Filter Media Replacement Project | Planning | \$7.65M | 2022 | 75 - 150 |
| | Small Capital Improvements, San Felipe Reach 1 Pacheco Pumping Plant Priority 1 Fire Alarm and Suppression System Improvements | Design | \$1.34M | June 2020 | 13 - 26 |
| | Small Capital Improvements, Water Treatment PWTP Flocculation & Sedimentation Basins Rehab | Design | \$1.34M | June 2020 | 13 - 26 |
| | Small Capital Improvements, Water Treatment STWTP Airwash Piping Replacement | Design | \$1.25M | August 2020 | 12 - 24 |

Leveraging External Funding

Shovel-ready projects for potential COVID-19 stimulus funding

| | Project Name | Current Phase | Construction Cost Estimate | Expected Construction Advertise Date | Estimated Jobs Created |
|------------|---|---------------------|----------------------------|--------------------------------------|------------------------|
| Watersheds | Palo Alto Flood Basin Tide Gate Replacement | Design/Construction | \$32M | June 2021 | 320 - 640 |
| | Sunnyvale East and West Channel Flood Protection Project | Design | \$50M | Late 2020 | 500 - 1000 |
| | Upper Guadalupe River Reach 6 Aquatic Habitat Improvement | Design | \$1M | March 2021 | 10 - 20 |
| | Lower Calera Creek Flood Protection Project (Berryessa Phase 2) | Design/Construction | \$19M | August 2020 | 190 - 380 |
| | Lower Penitencia Creek Flood Protection | Design/Construction | \$18M | July 2020 | 180 - 360 |
| | Upper Llagas Flood Protection Project Phase 2A | Design | \$50M | July 2020 | 500 - 1000 |
| | Upper Llagas Flood Protection Project Phase 2B | Design | \$70M | December 2020 | 800 - 1600 |
| | Piedmont Creek Wall Repair and Rehabilitation | Design | \$3M | April 2021 | 30 - 60 |
| | Bolsa Fish Passage Improvements | Design | \$6M | February 2021 | 60 - 120 |
| | Calabazas Creek Rehabilitation | Design | \$10M | April 2021 | 100-200 |
| | Almaden Lake Improvements | Design | \$25M | April 2021 | 250 - 500 |
| | Hale Creek Channel Enhancement | Design | \$9.5M | February 2021 | 95 - 190 |

Leveraging External Funding

Safe, Clean Water and Natural Flood Protection Program

Flood Protection Projects relying on unsecured funding to be completed on schedule*:

- San Francisquito Creek - partnership/grants funding through Joint Powers Authority (~\$20M)
- Upper Llagas Creek - NRCS Grants (~\$80M)**

* Staff will bring key decisions regarding Safe, Clean Water Program funding to the Board in FY21, as required.

** Staff plans to pursue up to \$120M in COVID-19 stimulus funding for construction of this shovel ready project, if available.

Validated, Unfunded Projects

20

| Project Name | Total Project Value | Remaining Cost (FY21 to completion) |
|--|---------------------|--|
| Water Utility | | |
| Dam Seismic Retrofit at 2 Dams (Chesbro & Uvas) | \$89,500 | \$89,500 |
| So. County Recycled Water New Storage Tank | \$7,000 | \$7,000 |
| Alamitos Diversion Dam Improvements | \$3,182 | \$2,345 |
| Coyote Diversion Dam Improvements | \$2,460 | \$2,138 |
| Long-Term Purified Water Program Elements | \$207,125 | \$207,125 |
| RWTP Ammonia Storage and Metering Facility Upgrade | \$5,851 | \$5,851 |
| Buildings and Grounds | | |
| Fleet and Facility Annex Improvements | \$4,719 | \$4,719 |
| Total | \$319,837 | \$318,678 |

(Values in thousands \$)

CIP Future Challenges

FY 2021-25 Identified Challenges

- Replacing/repairing aging infrastructure
- Additional Water Supply storage
- Dam seismic retrofits
- FAHCE Implementation
- Fund Safe Clean Water Capital Projects
- Expansion of recycled water systems and water purification facilities
- COVID-19 pandemic impacts

FY 2021-25 CIP Summary

- The FY 2021-2025 CIP includes 67 projects with a cost of \$6.437B, which includes \$1.218B of planned funding from outside sources
- 5 new Water Supply projects added to the FY 2021-25 CIP with a combined value of \$120.3M
- Identification of 20 shovel-ready projects for potential stimulus funding FY 2021-25
- Approximately \$742M in subvention reimbursements planned to be received between FY 2021 and FY 2025

Board Actions

- A. Reconvene the public hearing from May 12, 2020 to receive comments regarding the Santa Clara Valley Water District's Fiscal Years 2021-25 Five-Year Capital Improvement Program;
- B. Close the public hearing;
- C. Direct staff to incorporate the appropriate changes to the Draft FY 2021-25 Five-Year CIP and finalize the FY 2021-25 Five-Year CIP by June 30, 2020; and
- D. Adopt the Resolution APPROVING FISCAL YEARS 2021-2025 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM.



Valley Water

Clean Water • Healthy Environment • Flood Protection