



Valley Water

Clean Water • Healthy Environment • Flood Protection

Draft Fiscal Year 2022-2026 (FY 2022-26) Capital Improvement Program (CIP)

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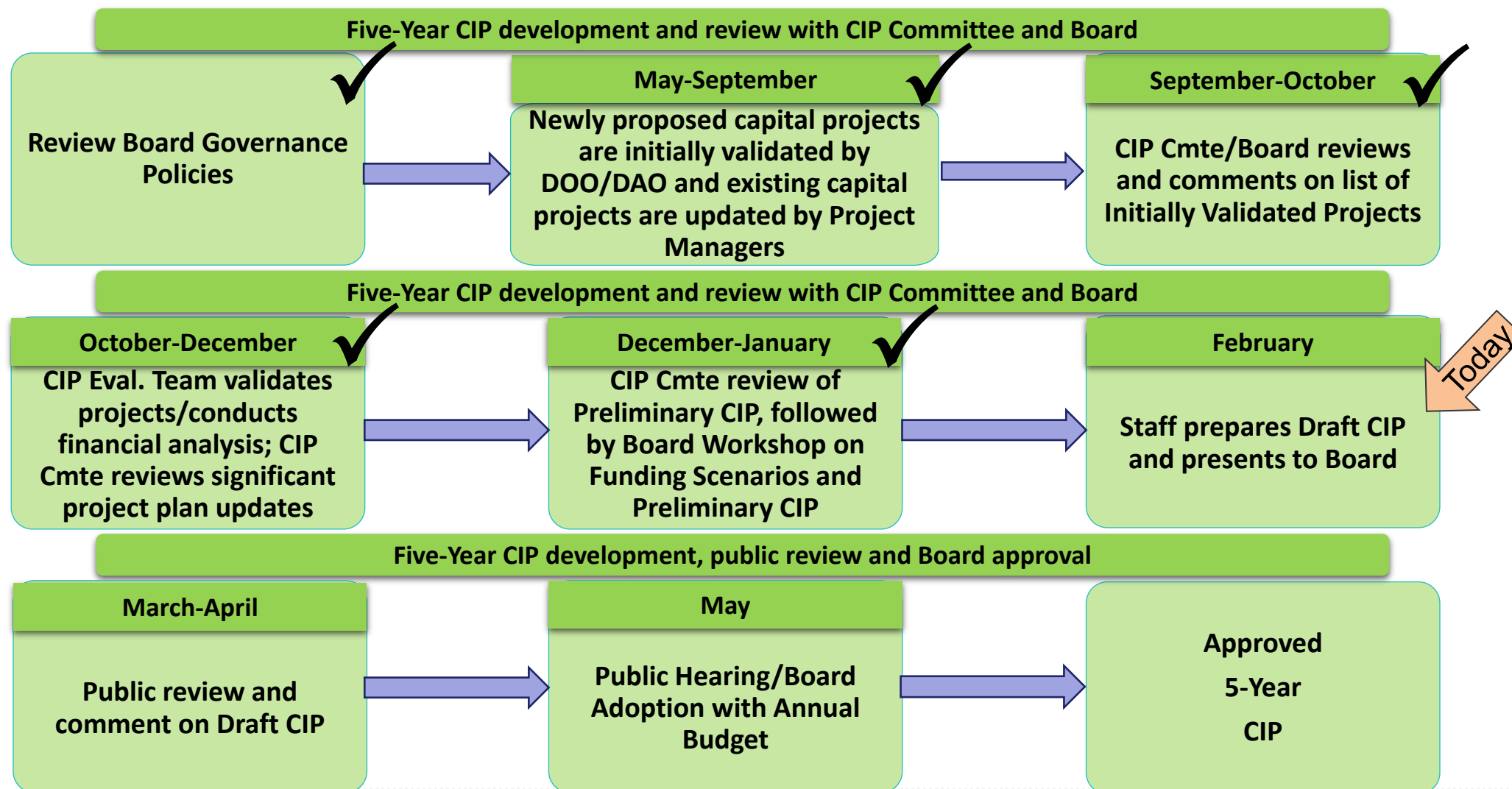
Draft FY 2022-26 CIP: Board Actions Today

1. Review the Draft FY 2022-26 CIP; and
2. Authorize release of the document to all agencies having land-use authority in Santa Clara County, including the cities, towns and the County of Santa Clara, for review as to its consistency with their General Plans.

Draft FY 2022-26 CIP Presentation Outline

1. Annual CIP Process
2. Draft FY 2022-26 CIP
 - Project Categories
 - Summary of Project Costs
 - Other Funding Sources (Reimbursements)
 - Updates from Preliminary CIP
 - Additional planned changes from Draft to Final CIP
3. Next Steps

Annual CIP Process Overview



Draft FY 2022-26 CIP Project Categories

- Water Supply – 31 projects
- Flood Protection – 17 projects
- Water Resources Stewardship – 11 projects
- Buildings and Grounds – 2 projects
- Information Technology – 6 projects

Draft FY 2022-26 CIP

Summary of Project Costs

	Appropriated / Actuals through FY-21	Remaining Cost to Completion	Total Project Costs
Water Supply	\$740 M	\$4,606 M	\$5,346 M
Flood Protection	\$990 M	\$870 M	\$1,860 M
Stewardship	\$45.7 M	\$165.6 M	\$211 M
Buildings/Grounds	\$3 M	\$55.6 M	\$58.6 M
Information Technology	\$27 M	\$22.7 M	\$50 M
TOTAL CIP	\$1,856 M	\$5,719 M	\$7,525 M

Other Funding Sources – Capital Reimbursements

Reimbursements anticipated to be received between FY22 and FY26 = \$352M

- Grants and Cost Share including Measure AA & Cal Water Commission: \$295M
- State Subvention Reimbursements = ~\$57M

State Subvention Reimbursements

- Project must be federally authorized, then appropriated through State budget process
- Subventions reimburses 50% -100% of local share
- The Board has reserved the authority to determine which projects will be funded by state subvention reimbursements; if not specifically allocated by the Board, reimbursements will go back into Fund reserves

Other Funding Sources – State Subvention Reimbursements

State Flood Control Subventions Program

- Safe Clean Water Subventions previously designated to remain in SCW Fund
- Watershed/Stream Stewardship Fund Remaining subventions funding \$1.7M
 - Projects designated to receive subventions:

Project	Amount
Lower Penitencia	\$5M
Cunningham Flood Detention Certification	\$3M
Lower Silver Creek	\$9M
Llagas Ck Lower – Capacity	\$1.1M

Updates from Preliminary FY 2022-26 CIP

Fund 61, Water Utility Enterprise Fund

91864005 Anderson Dam Seismic Retrofit: No change to project scope or schedule. Construction phase cost decreased by \$4M and the Design/Right-of-Way phase increased by \$4M primarily due to an increase on a right-of-way acquisition. Also, reduced FY 21 expenditures and increased FY 22 planned expenditures; total project cost (TPC) with inflation increased by approximately \$225K to \$648.75M.

95084002 10-Year Pipeline Rehabilitation: 10-Year Pipeline Rehabilitation Project: Board received this update verbally when the Preliminary CIP was reviewed on January 12, 2021. The 10-Year Pipeline Inspection and Rehabilitation Project increased in cost by \$31.9 million due to an additional Almaden Valley Pipeline inspection project being added, and the scope of individual projects within the program that have expanded to incorporate more extensive repairs, upgrades, and replacements. TPC with inflation increased by approximately \$31.9M to \$141.1M.

94084007 Treated Water Isolation Valves: Work planned to be completed in FY 21 has been delayed due to staffing limitations. The previously approved project plan showed work on the design phase scheduled to take several years. It is now proposed to accelerate the design phase to be completed in FY 23 as it is anticipated that staff will be available to work on the project; TPC with inflation decreased by approximately \$96K to \$8.68M.

Updates from Preliminary FY 2022-26 CIP

Fund 61, Water Utility Enterprise Fund, continued

91094001 Land Rights South County Recycled Water Pipeline: Schedule delayed by one year due to lack of staff and resources. Project costs updated based on further evaluation of the planning and environmental phase efforts. It is currently anticipated that the planning phase and environmental phases will cost less than previously anticipated, so these funds were shifted to the Right-of-Way phase of the Project; TPC with inflation increased by approximately \$315K to \$7.56M.

91234002 Coyote Pumping Plant ASD: The duration of the planning phase was extended because of the additional time required to complete the planning phase documents, including the Control Systems Technical Memoranda, the Problem Definition Report, the Project Requirements Memoranda, and the Conceptual Design. This additional time was necessary due to the transition in project team members and the additional time needed by staff to review the Project deliverables. Additionally, because this project will be delivered using a new process for Valley Water, the design build project delivery method, the development of new procurement documents (RFQ and RFP) is taking longer than previously anticipated. Therefore, the design phase duration has also been extended. TPC with inflation increased by approximately \$436K to \$15.57M.

Updates from Preliminary FY 2022-26 CIP

Fund 61, Water Utility Enterprise Fund, continued

93294058 RWTP Residuals Remediation: Updated project schedule and expenditures via Change Management Memo (CMM) dated 1/15/21. The Design phase schedule has been updated to reflect the current status of the project. The Design phase cost has been increased to include legal fees for pursuing a lawsuit filed against the original project planning firm and design firm, and the cost of a temporary mobile centrifuge rental through project completion. The Construction phase schedule has been updated to reflect the estimated date of the Notice to Proceed and the most recently received 90% design construction schedule. The construction phase cost has been increased to reflect the 90% opinion of probable construction cost; TPC with inflation increased by approximately \$6.86M to \$32.69M.

91084019 Dam Seismic Evaluation: Changes include a revised Project schedule, cost, and expenditures. These changes are due to prioritization of work on Anderson and Pacheco dams, resulting in an extension of the schedule for completion of the comprehensive Dam Safety Evaluation of Coyote, Chesbro, and Uvas dams (DSE1) from 2021. This subsequently will delay the start of the comprehensive Dam Safety Evaluation of Rinconada, Vasona, and Coyote Percolation dams (DSE2) from FY 22 to FY 25. Project schedule extended two years, \$750K added to planning per CMM dated 1/12/2021. TPC with inflation increased by approximately \$1.72M to \$31.32M.

Updates from Preliminary FY 2022-26 CIP

Fund 12, Watershed Stream Stewardship Fund

62084001 Watershed Asset Rehabilitation Program: Decrease in FY 21 planned expenditures due to delays in the Calabazas Creek project advertisement and increase in FY 22 planned expenditure (to move construction for Calabazas to Spring 2022). Additionally, in FY 22, four new small caps projects requested by the Watersheds Operation and Maintenance unit will be initiated to begin structural, geotechnical and survey investigations; TPC with inflation decreased by approximately \$3.27M to \$182.58M.

Updates from Preliminary FY 2022-26 CIP

Fund 26, Safe, Clean Water and Natural Flood Protection Fund

26154003 Upper Guadalupe River Flood Protection (Southern Pacific Railroad to Blossom Hill Road, Reaches 7-12): Schedule extended by 3 years. Planned expenditures moved to future years. On December 30, 2020, the Department of the Army (U.S. Army Corps) and the Santa Clara Valley Water District signed an agreement to conduct a Flood Risk Management General Re-evaluation Study. The study is scheduled to be completed in three years. After the study is completed, it is estimated that the U.S. Army Corps will take two years to approve the new project scope and initiate a project partnership agreement with Valley Water. Design and construction will proceed following the execution of a project partnership agreement; TPC with inflation increased by approximately \$8.73M to \$128.28M.

Updates from Preliminary FY 2022-26 CIP

Fund 71, Equipment Fund

No Updates

Fund 11, General Fund

60204016 Facility Management, Small Capital Improvements: Based upon updated cost estimates for capital maintenance of buildings, grounds, and facilities on the Almaden and Winfield campus the annual planned expenditure is estimated to increase from \$3M to \$4M.*

Additional planned changes from Draft to Final CIP

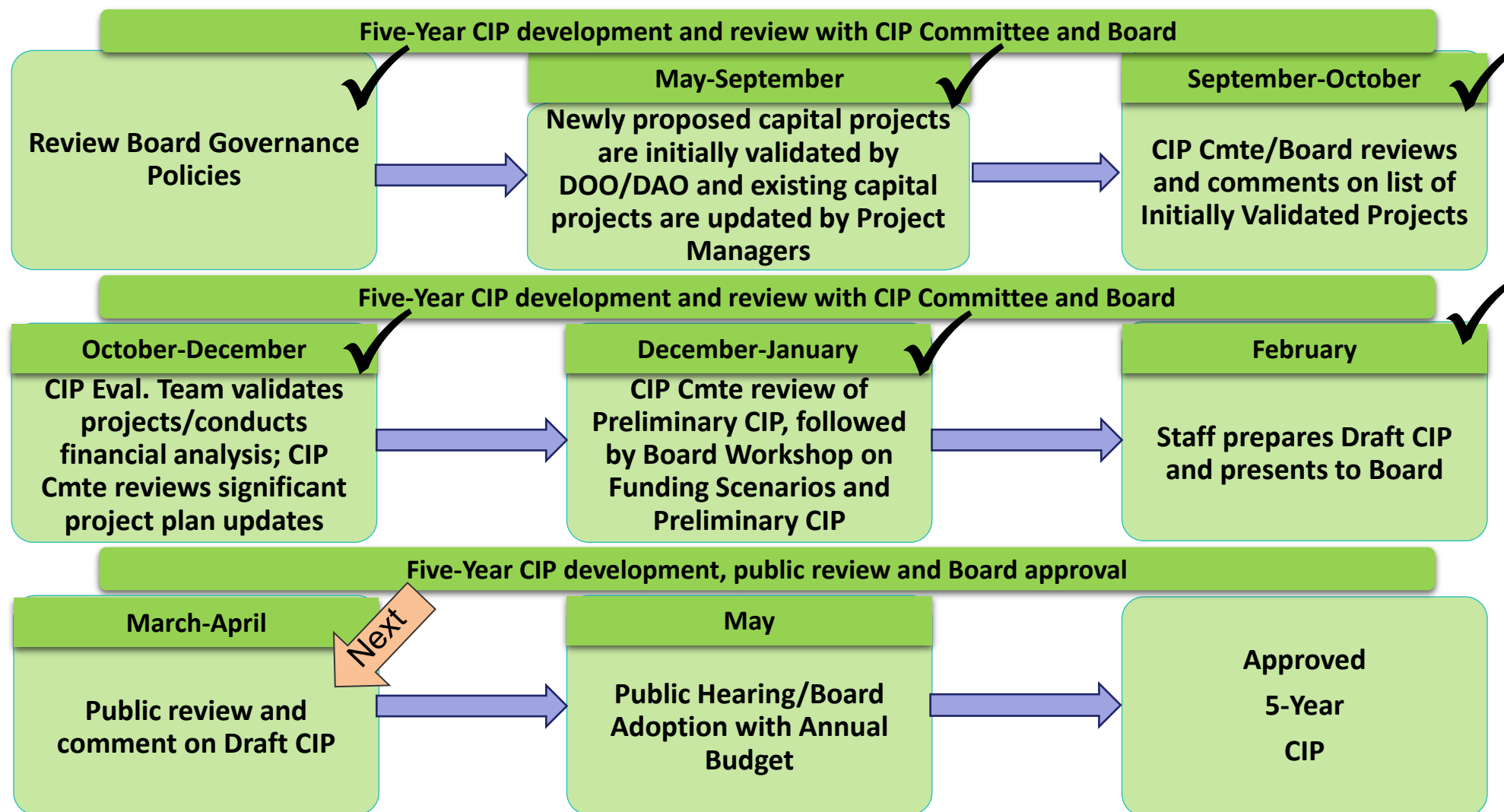
Fund 26, Safe, Clean Water Fund

26044002 Safe, Clean Water Fish Passage Improvements (D4): The Safe, Clean Water Fish Passage Improvements Project is linked to Key Performance Indicator (KPI) 3 under the Fish Habitat and Passage Improvement Project (Project D4) under the renewed Safe, Clean Water Program, which requires that Valley Water spend \$8M on fish passage improvements by FY 2027-28. Singleton Road Fish Passage Improvements will remain under 26044002, with planned expenditures in FY 2021-22 and beyond of approximately \$1.5M.

Additionally, a placeholder project for Safe, Clean Water Fish Passage Improvements is being updated to include approximately \$6.5M for yet to be identified fish passage improvements, which when combined with delivery of Singleton Road Fish Passage Improvements will deliver KPI 3. Further, the construction of the Bolsa Road Bridge Fish Passage Project is being removed to reflect the renewed Safe, Clean Water Program, Priority D, Project D6 Restoration of Natural Creek Functions, which identified construction of the Bolsa Road Bridge Fish Passage Project as KPI 2. In turn, the Bolsa Road Bridge Fish Passage Project will be given a new project number in the Final CIP, with approximately \$6.64M for project construction.

26764001 IRP2 Additional Line Valves (A3 - Pipeline Reliability): There is no change to project scope. The construction schedule has been delayed by two years to combine the construction activities with the 10-Year Pipeline Inspection and Rehabilitation Project. This allows construction to be completed for the two projects while minimizing the pipeline shutdown duration. The TPC has not increased.

Annual CIP Process Overview





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