



Santa Clara Valley Water District

File No.: 20-0079

Agenda Date: 1/14/2020
Item No.: *2.11.

BOARD AGENDA MEMORANDUM

SUBJECT:

Work Study Session on Preliminary Fiscal Year (FY) 2020-21 Groundwater Production Charges and the Capital Improvement Program, and Board Consideration to Approve the Fiscal Years 2021-25 Preliminary Capital Improvement Program (CIP).

RECOMMENDATION:

- *A. Review the FY 2021-25 Preliminary CIP and provide direction to staff for development of the Draft FY 2021-25 CIP;
- *B. Discuss and provide direction on the preliminary FY 2020-21 Groundwater Production Charge analysis prepared by staff; and
- *C. Provide direction regarding whether to include three newly proposed water supply projects into the Draft FY 2021-25 CIP.

SUMMARY:

This Work Study Session combines the preliminary FY 2021-25 Capital Improvement Program (CIP) and the preliminary FY 2020-21 groundwater production charge analysis for Board review and input.

The groundwater production charge analysis includes a water demand projection, a discussion of key capital project funding, and some preliminary groundwater production charge rate scenarios for Board consideration and deliberation. In concert with the review of the preliminary groundwater production charge analysis, this agenda item will present the 5-year FY 2021-25 Preliminary CIP list of projects with their estimated costs and proposed funding.

Additional information associated with this agenda item will be included in a supplemental agenda memo in accordance with District policies and the Brown Act.

FINANCIAL IMPACT:

While there is no direct financial impact associated with the recommended action to approve the Preliminary CIP, the CIP presents a funding plan that shows the intended source of funds for each capital improvement project. Santa Clara Valley Water District's (Valley Water) FY 2020-21 proposed budget will include the approved capital projects in the first year of the FY 2021-25 CIP.

Furthermore, this preliminary analysis of the groundwater production charges does not have any

direct financial impact, however, the adopted groundwater production charges will affect the future finances of the Water Utility Enterprise.

CEQA:

The staff recommended CIP action to review and approve the Fiscal Years (FY) 2021-25 Preliminary CIP, does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

Furthermore, per CEQA Guidelines Section 15273: CEQA does not apply to establishment or modification of groundwater production charges, and therefore does not apply to the staff recommended action to discuss and provide direction on the preliminary FY 2020-21 Groundwater Production Charge analysis.

ATTACHMENTS:

- *Supplemental Agenda Memo
- *Supplemental Attachment 1: PowerPoint
- *Supplemental Attachment 2: Preliminary FY 2021-25 CIP
- *Supplemental Attachment 3: SCVWD Resolution No. 99-21
- *Supplemental Attachment 4: SCVWD Resolution No. 12-10

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