



Santa Clara Valley Water District

File No.: 16-0292

Agenda Date: 5/10/2016

Item No.: 2.8.

BOARD AGENDA MEMORANDUM

SUBJECT:

Public Hearing and Approval of the District's Fiscal Years (FY) 2017-2021 Five-Year Capital Improvement Program (CIP).

RECOMMENDATION:

- A. Conduct continued public hearing on the District's FY 2017-21 Five-Year CIP;
- B. Close the public hearing; and
- C. Adopt a Resolution APPROVING FISCAL YEARS 2017-2021 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM.

SUMMARY:

The Santa Clara Valley Water District's FY 2017-21 Five-Year Capital Improvement Program (CIP) (Attachment 2) is presented for the Board's consideration and approval. The CIP is a multi-year plan describing capital investments planned for the next five fiscal years that are necessary to maintain and improve our water supply and flood protection infrastructure, and support the District's mission of environmental stewardship.

The first year of the FY 2017-21 CIP is consistent with the proposed FY 2016-17 District budget. The CIP includes 65 projects with projected expenditures of approximately \$1.991 billion during the next five years, including approximately \$187 million in construction contracts in FY 2016-17, which will create or sustain between 1,870 and 3,740 jobs in the private sector. Additional details regarding the process and content of the FY 2017-21 CIP are available in the PowerPoint presentation (Attachment 3).

New Projects in FY 2017-21 CIP

Four (4) new projects were proposed by staff for inclusion in the FY 2017-21 CIP. These 4 projects represent an investment of approximately \$198 million and are listed in their respective CIP categories below:

- 1) Water Supply: Coyote Pumping Plant ASD Replacement, 10-Year Pipeline Inspection and Rehabilitation, PWTP Residuals Management

2) Flood Protection: Erosion Repair Program

Public Review of FY 2017-21 CIP

The draft CIP was transmitted to all fifteen cities and the County of Santa Clara on February 29, 2016. Staff met with the staff of 12 cities, and County Department of Parks and Recreation to solicit feedback and obtain their concurrence that the District's CIP is consistent with the cities' and the County's General Plans. Copies of their letters of support or formal findings are included as Attachment 4.

FINANCIAL IMPACT:

The proposed funding for the first year of the FY 2017-21 CIP (65 Projects) is \$216 million. The FY 16-17 Capital Budget is \$224 million including miscellaneous capital expenditures not captured in the CIP. As outlined in the CIP, water utility projects are intended to be funded mainly through the Water Enterprise Fund and include funding from the groundwater production charges and treated water charges, with additional funding from the Safe Clean Water (SCW) special tax. Watershed projects are intended to be funded by projected future revenues from property taxes and the Safe Clean Water special tax.

CEQA:

The recommended action 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.

ATTACHMENTS:

- Attachment 1: Resolution
- Attachment 2: FY 2017-21 CIP
- Attachment 3: PowerPoint
- Attachment 4: Letters of support from cities and the County

UNCLASSIFIED MANAGER:

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