



Santa Clara Valley Water District

File No.: 16-0631

Agenda Date: 5/9/2017

Item No.: 2.7.

BOARD AGENDA MEMORANDUM

SUBJECT:

Public Hearing and Resolution Approving the Santa Clara Valley Water District's Fiscal Years 2018-2022 Five-Year Capital Improvement Program.

RECOMMENDATION:

- A. Continue the public hearing from April 26, 2017 to receive comments regarding the Santa Clara Valley Water District's (District) FY 2018-2022 Five-Year Capital Improvement Program (CIP);
- B. Close the public hearing; and
- C. Adopt the Resolution APPROVING FISCAL 2018-2022 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM.

SUMMARY:

The District's FY 2018-22 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 2018-22 CIP is consistent with the proposed FY 2017-18 District budget. The CIP includes 66 projects with projected expenditures of approximately \$1.704 billion during the next five years, including approximately \$96 million in construction contracts in FY 2017-18, which will create or sustain between 960 and 1,920 jobs in the private sector. Additional details regarding the process and content of the FY 2018-22 CIP are available in the PowerPoint presentation (Attachment 3).

New Projects in FY 2018-22 CIP

The Board reviewed the preliminary CIP on January 10, 2017, the Draft CIP on February 28, 2017, and approved the list of projects for each of the five CIP categories. During the review and approval process, three new projects were added to the CIP:

- 1) Flood Protection: Berryessa Creek, Lower Penitencia Creek to Calaveras Blvd - Phase 3 Upper Calera and Tularcitos Creeks - Planning and Design

- 2) Environmental Enhancement & Stewardship: Watershed Habitat Enhancement Studies
- 3) Information Technology: Electronic Discovery Management System Project

In addition to the new projects reference above, three projects will be closed and removed from the CIP:

- 1) Water Supply - Transmission: 5-Year Pipeline Rehabilitation
- 2) Water Supply - Recycled Water: Silicon Valley Advanced Water Purification Center
- 3) Flood Protection: Canoas Creek, Rodent Damage Repair

Public Review of FY 2018-22 CIP

The Board authorized release of the Draft FY2018-2022 CIP for public review on February 28, 2017. It was subsequently transmitted to all cities within the District's jurisdiction, as well as to the County of Santa Clara, the San Jose Water Company, and the Mid-Peninsula Open Space District.

Staff has met with the City Managers, Planning Directors, or Public Works Directors of most of the cities, to discuss the proposed list of projects and seek their feedback on the CIP. As part of this outreach effort, staff requested letters from the cities and the County, indicating that the District's Draft FY 2018-2022 CIP is consistent with their applicable General Plans. Copies of the County's and cities' letters of support, or formal findings, are included as Attachment 4.

FINANCIAL IMPACT:

The proposed funding for the first year of the FY 2018-22 CIP (66 Projects) is \$197 million. The FY 17-18 Capital Budget is \$218.3 million including miscellaneous capital expenditures not captured in the CIP. As outlined in the CIP, the District intends to fund water utility projects mainly through the Water Enterprise Fund, groundwater production charges, and treated water charges, with additional funding from the Safe Clean Water (SCW) special tax. Watershed projects are 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 2018-22 CIP
- Attachment 3: PowerPoint
- Attachment 4: Letters of Support from cities, County

File No.: 16-0631

Agenda Date: 5/9/2017
Item No.: 2.7.

UNCLASSIFIED MANAGER:

Ngoc Nguyen, 408-630-2632

Christopher Hakes, 408-630-3796