



# Santa Clara Valley Water District

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**File No.:** 18-0098

**Agenda Date:** 2/27/2018

**Item No.:** 5.2.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Review and Authorize Distribution of the District's Draft Fiscal Years 2019-23 Capital Improvement Program (CIP).

### **RECOMMENDATION:**

Review the Draft Fiscal Years 2019-23 CIP and authorize release of the document to all cities in Santa Clara County (SCC) and the County of Santa Clara for review as to its consistency with their General Plans.

### **SUMMARY:**

Each year a five-year Capital Improvement Program (CIP) is prepared for Board consideration and approval. The CIP describes the District's capital investment priorities and provides information on the planned capital projects and the District's intended source(s) of funding. Staff presents the CIP to the Board at the Preliminary and Draft stages for the Board to make decisions and provide direction. The final CIP is approved in conjunction with the annual budget, wherein funding is appropriated to the projects.

### ***Draft FY 2019-23 CIP***

The Board reviewed the preliminary CIP on January 9, 2018 and approved the following staff recommendations:

- 1) The preliminary project list for each of the five CIP categories, including the addition of two new projects:
  - a) Westside Retailer Interties Project (added to the FY2018-22 CIP);
  - b) Treated Water Isolation Valves Project (added to the Draft FY2019-23 CIP).
- 2) Additional funding to complete construction for several watershed projects that were previously only partially funded:
  - a) Coyote Creek, Montague Expressway to Tully Road 20-to 25-year protection (\$55M);
  - b) Berryessa Creek, Lower Penitencia Creek to Calaveras Blvd.-Phase 3 (\$65M);
  - c) Watershed Enhancement Design and Construction (fish habitat enhancements at Ogier Ponds and Metcalf Ponds, if feasible projects are identified and approved by the Board) (\$65M);
  - d) Stevens Creek Fish Passage Enhancement projects (\$15M);

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e) Almaden Lake Improvements Project (\$28M).

- 3) Adding \$100 million to the Anderson Dam Seismic Retrofit Project.
- 4) Adding over \$100 million to the Watersheds Asset Rehabilitation Program.
- 5) To hold a public hearing on reprogramming approximately \$50 million from the Upper Penitencia Creek, Coyote Creek to Dorel Drive Project to the Coyote Creek, Montague Expressway to Tully Road Project, which hearing will be held in late FY18.

The Draft FY2019-23 CIP also reflects revised capital costs for the Expedited Purified Water Program based on the October 10, 2017 Board direction to staff to pursue a public-private partnership (P3) delivery method for the Program.

As directed by the Board, staff is continuing to work with the CIP Committee (Committee) to refine the FY2019-23 CIP.

Staff has prepared the Draft Fiscal Years 2019-23 CIP (Attachment 1) for Board consideration. Subject to authorization by the Board, the Draft CIP will be transmitted to cities within the District's jurisdiction and to the County to solicit feedback and obtain confirmation that the District's Draft FY 2019-23 CIP is consistent with their applicable General Plans. The CIP will also be available online for general public review. Staff will confer with each of the City Managers, Planning Directors, and/or Public Works Directors to discuss the proposed list of projects and seek feedback on the CIP prior to returning to the Board for approval of the CIP.

The Draft FY 2019-23 CIP includes 61 funded projects distributed among the following categories: 27 Water Supply, 17 Flood Protection, 9 Water Resources Stewardship, 2 Buildings and Grounds, and 6 Information Technology projects, for a total District planned cost of \$3.8 billion. An additional \$0.7 billion will be funded by outside sources through cost-share partnerships or reimbursements and grants, yielding a total CIP value of \$4.5 billion. The FY 2019-23 planned expenditures include more than \$1 billion for project construction (see Attachment 2), which would sustain or create 10,000 to 20,000 jobs.

#### **FINANCIAL IMPACT:**

There is no financial impact associated with Board approval of the recommendation for this item. The total value of the Draft FY 2019-23 CIP is \$4.5 billion, of which \$0.7 billion is funded by outside sources. The District's proposed FY 2018-19 capital expenditures are \$315 million, and a total of \$2.5 billion is proposed for future years' expenditures.

#### **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.

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**ATTACHMENTS:**

Attachment 1: Draft FY 2019-2023 CIP

Attachment 2: Planned Annual Construction Program

**UNCLASSIFIED MANAGER:**

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