



Santa Clara Valley Water District

File No.: 19-0135

Agenda Date: 2/26/2019

Item No.: 6.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Review and Authorize Distribution of the District's Draft Fiscal Years 2020-24 Capital Improvement Program.

RECOMMENDATION:

Review the Draft Fiscal Years 2020-24 CIP and authorize release of the document to all cities in Santa Clara County 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 2020-24 CIP

The Board reviewed the Preliminary FY 2020-24 CIP on January 8, 2019 in conjunction with the preliminary FY 2019-20 groundwater production charges. After further review of several water rate scenarios at a special Board meeting on January 14, 2019, the Board directed staff to proceed with a modified Scenario 9. This scenario is based on the Water Supply Master Plan and includes Baseline Projects, and the No Regrets Package. It also provides funding for capital projects to meet the schedule and expenditures identified in the FY 2020-24 CIP. All scenarios considered on January 14, 2019, were consistent with direction regarding the Preliminary FY 2020-24 CIP by the Board on January 8, 2019.

As directed by the Board on January 8, 2019, staff has prepared the Draft FY2020-24 CIP, which includes the following:

- The addition of six new projects:
 - Pacheco Reservoir Expansion Project

- Water Treatment Plant Electrical Improvement Project
 - Santa Teresa Water Treatment Plant (STWTP) Filter Media Replacement Project
 - Los Gatos Creek Restoration and Flood Protection Project
 - Ogier Ponds Separation from Coyote Creek Project (Planning and Design)
 - Almaden Telephone System Voice Internet Protocol Project
- A realigned timing of the Dam seismic retrofit projects to reflect sequencing restrictions required to comply with the Valley Habitat Plan and ensure water supply reliability.
 - An extended schedule for the delivery of the Expedited Purified Water Program and associated pay as you go payments for a 24,000 acre-foot per year public-private partnership (P3) project to be completed by FY2028.

As directed by the Board, staff is continuing to work with the CIP Committee to refine the FY2020-24 CIP.

Staff has prepared the Draft Fiscal Years 2020-24 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 2020-24 CIP is consistent with their applicable General Plans. The CIP will also be available online for general public review. Staff will contact and offer to meet 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 2020-24 CIP includes 65 funded projects distributed among the following categories: 28 Water Supply, 18 Flood Protection, 10 Water Resources Stewardship, 2 Buildings and Grounds, and 7 Information Technology projects, for a total District planned cost of \$4.3 billion. An additional \$1.2 billion will be funded by outside sources through cost-share partnerships, or reimbursements, yielding a total CIP value of \$5.5 billion. The FY 2020-24 planned expenditures include more than \$1.0 billion for the construction program as shown in Annual Construction Program for FY 2020-24, 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 2020-24 CIP is \$5.5 billion, of which \$1.2 billion is funded by outside sources.

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:

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Attachment 1: Draft FY 2020-2024 Capital Improvement Program
Attachment 2: Annual Construction Program for FY 2020-24

UNCLASSIFIED MANAGER:
Ngoc Nguyen, 408-630-2632