



# Santa Clara Valley Water District

**File No.:** 19-0418

**Agenda Date:** 5/14/2019

**Item No.:** 2.10.

---

## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Public Hearing and Resolution Approving the Santa Clara Valley Water District's Fiscal Years 2020-2024 Five-Year Capital Improvement Program.

### **RECOMMENDATION:**

- A. Re-convene the public hearing from April 24, 2019 to receive comments regarding the Santa Clara Valley Water District's (Valley Water) FY 2020-2024 Five-Year Capital Improvement Program (CIP);
- B. Close the public hearing; and
- C. Adopt the Resolution APPROVING FISCAL YEARS 2020-2024 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM.

### **SUMMARY:**

The Santa Clara Valley Water District's (Valley Water) FY 2020-2024 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 Valley Water's mission of environmental stewardship.

A total of 67 capital projects are included in the CIP for funding, categorized as follows: 28 Water Supply, 19 Flood Protection, 10 Water Resources Stewardship, 2 Buildings and Grounds, and 8 Information Technology projects, for a total Valley Water estimated cost of approximately \$4.4 billion. An additional \$1.2 billion in project funding is expected from outside sources through cost-share partnerships and grants, resulting in a total CIP value of \$5.6 billion.

The total estimated value of construction contracts planned for award during the next five years is approximately \$1.0 billion, which will generate or sustain between 10,000 and 20,000 jobs. Additional details regarding the process and content of the FY 2020-2024 CIP are available in the PowerPoint presentation (Attachment 3).

### ***New Projects in FY 2020-2024 CIP***

The Board reviewed the preliminary CIP on January 8, 2019, the Draft CIP on February 26, 2019,

---

and approved the list of projects for each of the five CIP categories. During the review and approval process, six new projects were added to the CIP:

- 1) Water Supply - Storage: Pacheco Reservoir Expansion Project
- 2) Water Supply - Treatment: Water Treatment Plant Electrical Improvement Project, and Santa Teresa Water Treatment Plant (STWTP) Filter Media Replacement Project
- 3) Flood Protection: Los Gatos Creek Restoration and Flood Protection Project, and Guadalupe River Tasman Drive - I-880 (Planning Only)
- 4) Environmental Enhancement & Stewardship: Ogier Ponds Separation from Coyote Creek (Planning and Design only)
- 5) Information Technology: Telephone System Voiceover Internet Protocol

In addition to the new projects referenced above, 2 projects will be closed and removed from the CIP:

- 1) Water Supply - Storage: Pacheco Reservoir Feasibility Study
- 2) Information Technology: Vena Software Implementation

### ***Public Review of FY 2020-2024 CIP***

The Board authorized release of the Draft FY2020-2024 CIP for public review on February 26, 2019. It was subsequently distributed 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 or has plans to meet with planning and public works staff at the cities of Santa Clara and San Jose and with staff at the County to discuss projects and solicit feedback on the CIP.

### **FINANCIAL IMPACT:**

The proposed funding for the first year of the FY 2020-2024 CIP (67 Projects) is \$180 million. The FY 2019-2020 Capital Budget is \$204.5 million, including miscellaneous capital expenditures not captured in the CIP. As outlined in the CIP, Valley Water 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 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 2020-24 CIP

Attachment 3: PowerPoint

**UNCLASSIFIED MANAGER:**

Ngoc Nguyen, 408-630-2632