



Santa Clara Valley Water District

File No.: 20-0157

Agenda Date: 2/25/2020

Item No.: 6.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Review and Authorize Distribution of Santa Clara Valley Water District's Draft Fiscal Years 2021-25 Capital Improvement Program.

RECOMMENDATION:

Review the Draft Fiscal Years 2021-25 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 Santa Valley Water District's (Valley Water) capital investment priorities and provides information on the planned capital projects and Valley Water'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 2021-25 CIP

The Board reviewed the Preliminary Fiscal Years (FY) 2021-25 CIP on January 14, 2020 in conjunction with the preliminary FY 2020-21 groundwater production charges. After further review of several water rate scenarios at the January 28, 2020 Board meeting, the Board directed staff to proceed with a Scenario 4. This scenario is based on the Water Supply Master Plan and includes baseline projects, a revised purified water program, Delta conveyance (Central Valley Project side), and assumes no Water Infrastructure Improvements for the Nation (WIIN) Act funding. It also provides funding for capital projects to meet the schedule and expenditures identified in the FY 2021-25 CIP. All scenarios considered on January 28, 2020, were consistent with direction given by the Board on January 14, 2020 regarding the Preliminary FY 2021-25 CIP.

As directed by the Board on January 14, 2020, staff has prepared the Draft FY2021-25 CIP, which includes the addition of the following projects:

- Almaden Valley Pipeline Replacement Project;

- Land Rights - South County Recycled Water Pipeline Project;
- Water Treatment Plant Implementation Project;
- SCADA Implementation Project; and
- Distribution System Implementation Plan.

Staff has prepared the Draft FY 2021-25 CIP (Attachment 1) for Board consideration. Subject to authorization by the Board, the Draft CIP will be transmitted to cities within Valley Water's jurisdiction and to the County to solicit feedback and obtain confirmation that Valley Water's Draft FY 2021-25 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 2021-25 CIP includes 67 funded projects distributed among the following categories: 31 Water Supply, 17 Flood Protection, 10 Water Resources Stewardship, 2 Buildings and Grounds, and 7 Information Technology projects, for a total Valley Water planned cost of \$5.2 billion. An anticipated additional \$1.2 billion may be funded by outside sources through cost-share partnerships, or reimbursements, yielding a total CIP value of \$6.4 billion.

FINANCIAL IMPACT:

There is no financial impact associated with Board approval of the recommendation for this item. The total value of the Draft FY 2021-25 CIP is \$6.4 billion, of which \$1.2 billion may be 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:

Attachment 1: Draft FY 2021-2025 CIP

UNCLASSIFIED MANAGER:

Chris Hakes, 408-630-3796