



Santa Clara Valley Water District

File No.: 20-0404

Agenda Date: 5/26/2020
Item No.: 2.10.

BOARD AGENDA MEMORANDUM

SUBJECT:

Public Hearing and Resolution Approving the Santa Clara Valley Water District's Draft Fiscal Years 2021-2025 Five-Year Capital Improvement Program (Continued from May 12, 2020).

RECOMMENDATION:

- A. Re-convene the public hearing from May 12, 2020 to receive comments regarding the Santa Clara Valley Water District's Fiscal Years 2021-2025 Five-Year Capital Improvement Program (CIP);
- B. Close public hearing;
- C. Direct staff to incorporate the Board approved changes to the draft FY 2021-2025 Five-Year CIP and finalize the FY 2021-2025 Five-Year CIP by June 30, 2020; and
- D. Adopt the Resolution APPROVING FISCAL YEARS 2021-2025 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM (CIP).

SUMMARY:

The CIP public hearing originally noticed and scheduled for April 14, 2020 was rescheduled for April 28, 2020, and the final CIP public hearing was rescheduled from May 12, 2020 to May 26, 2020. The Santa Clara Valley Water District (Valley Water) Board of Directors (Board) adjusted the public meeting schedule to best accommodate public safety and engagement, while adhering to California Governor's order to shelter at home and practice social distancing to reduce the spread of the Novel Coronavirus (COVID-19). Additional time was also needed for staff to incorporate Board direction received during the Budget Work Study Session held on April 29, 2020.

The Santa Clara Valley Water District's Fiscal Year (FY) 2021-2025 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, flood protection infrastructure, and support Valley Water's mission of environmental stewardship.

Valley Water's FY 2021-2025 CIP includes 67 capital projects to be funded and 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 planned cost of \$6.4 billion.

Approximately \$1.2 billion may be funded by outside sources through cost-share partnerships and grants, resulting in a total CIP cost to Valley Water of \$5.2 billion.

The Board reviewed and approved the preliminary 5-year CIP list on January 14, 2020. This CIP list included the closure and removal of three projects by the end of FY 2019-2020 and the addition of five new projects as follows:

1. Almaden Valley Pipeline Replacement Project (\$89.7 million);
2. Land Rights - South County Recycled Water Pipeline Project (\$7.6 million);
3. Water Treatment Plant Implementation Project (\$8.4 million);
4. SCADA Implementation Project (\$6.7 million); and
5. Distribution System Implementation Plan (\$8.2 million).

Following the January 14, 2020 Board meeting, staff prepared the Draft FY 2021-2025 CIP, which was presented to the Board on February 25, 2020.

Changes Identified for Final CIP

Since the release of the Draft CIP, the following changes have been approved by the Board for incorporation into the final CIP:

Project Name	FY21 Budget	Amount	Reason	Overall Project Cost
RWTP Residuals R Project (9329056)	↓	\$3M	Portion of construction not expended until	Unchanged
RWTP Reliability I Project (9329057)	↓	\$10M	Deferring Phases 3 construction schedule	Unchanged
10-Year Pipeline P (9329058)	↓	\$3M	Portion of construction not expended until	Unchanged
EPWP Indirect Pot (91304001)*	↓	\$7M	Due to near-term construction start from FY24 to FY27	Unchanged
South County Rec Pipeline Project (9329059)	↓	\$9M	Schedule delay due to continuation of current resource studies	Unchanged

*Changes to this project are being applied to align with Board direction given during the May 29, 2020 V. These may be revised in the FY 2022-2026 CIP pending Board direction during the upcoming Expedited P.

	Project Name	FY21 Budget	Amount	Reason	Overall Proj
	San Francisquito C Construction, SF B Middlefield Rd. (26	↓	\$4M	Schedule delay in l of Palo Alto's Newe Replacement Proj	Unchange
	Guadalupe River, T to L 880 (2015401	↓	\$1.6M	Schedule change - extended	Unchange
	Coyote Creek Floo Project (26174043	↓	\$100	Adding \$100K to FY cultural resources geotechnical invest	Unchange
	Ogier Ponds Separ Coyote Creek (260	↓	\$600	Changes to scope, cost to include Des costs	Increased b
	SCW Fish Passage Improvements - B (26044002)	↓	\$3M	Construction of the Fish Passage Project to FY22	Unchange
	Guadalupe River - to SPRR (R6) (2615	↓	\$800	Construction of the Augmentation Proj to FY22	Unchange

The changes referenced above are included in the Final CIP Financial Overview (Attachment 4).

Public Review of FY 2021-2025 CIP

On February 25, 2020, the Board authorized the release of this Draft CIP for public review; it was subsequently transmitted to the Town of Los Gatos and all cities within Valley Water's jurisdiction, the County of Santa Clara, the San Jose Water Company, and the Mid-Peninsula Open Space District. Valley Water staff offered to meet with each of these agencies and, to date, has met with planning and public works staff at the City of Santa Clara, City of San Jose, and the County of Santa Clara to discuss projects and solicit feedback on the Draft CIP.

As part of this outreach effort, staff requested letters from the cities, the Town of Los Gatos, and the County, indicating that Valley Water's Draft FY 2021-2025 CIP is consistent with their applicable General Plans. Attachment 5 includes copies of letters received regarding the adoption of the CIP.

The public hearing was opened on April 28, 2020 and continued to April 29, 2020, May 12, 2020, and May 26, 2020.

FINANCIAL IMPACT:

There is no financial impact associated with this item to conduct and schedule public hearings on the Draft CIP.

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: Draft FY2021-2025 CIP
Attachment 3: PowerPoint
Attachment 4: Final CIP Financial Overview
Attachment 5: Letters of Comment

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