



Santa Clara Valley Water District

File No.: 20-0412

Agenda Date: 4/29/2020

Item No.: 2.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Public Hearing to Consider the Santa Clara Valley Water District's Draft Fiscal Years 2021-2025 Five-Year Capital Improvement Program. (Continued from 04/28/2020)

RECOMMENDATION:

- A. Open the public hearing to receive public comments and Board feedback regarding the Santa Clara Valley Water District's Fiscal Years 2021-2025 Five-Year Capital Improvement Program; and
- B. Continue the public hearing to the Board's Budget Work Study session currently set for April 29, 2020, and the regularly scheduled Board meeting on May 12, 2020.

SUMMARY:

The CIP public hearing originally scheduled for April 14, 2020 was rescheduled for April 28, 2020, time certain at 6:00 p.m. The Valley Water Board of Directors 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).

The Santa Clara Valley Water District's (Valley Water's) Draft 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. The Board authorized the release of this Draft CIP for public review and it was 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 offered to meet with each of these agencies, and to date, planning and public works staff at the City of Santa Clara, City of San Jose, and the County of Santa Clara have requested meetings 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. Copies of any letters received will be included as an attachment to the May 12, 2020 agenda memo recommending adoption of the final CIP. The Draft CIP is included for reference as Attachment 1.

Changes Identified for Final CIP

Since the release of the Draft CIP, staff has identified the following changes for incorporation into the final CIP:

Watersheds Projects:

- San Francisquito Creek - Construction, SF Bay to Middlefield Road (26284002) - To align with the schedule for the Newell Road Bridge Replacement Project, which is being managed by the City of Palo Alto, the final CIP will be updated to reflect the schedule change and shift \$4 million in planned expenditures from FY 2021 to FY 2022. This change does not impact the total project cost.
- Guadalupe River, Tasman Dr. to I-880 (30154019) - The FY 2021 schedule will be revised from the design phase to the planning phase and the FY 2021 budget will be reduced from \$3.3 million to \$1.75 million to reflect the schedule change. This change does not impact the total project cost.
- Ogier Ponds Separation from Coyote Creek (26044003) - To meet the requirements of the Safe, Clean Water and Natural Flood Protection Program, the project schedule, scope and cost will be updated in the final CIP to include the design phase for this project. The total project cost will increase by \$1 million to include design costs.

Water Utility Projects:

- Residuals Remediation Project (93294058) - Based upon refined FY 2021 budget needs, the FY 2021 budget will be reduced by \$3 million.
- 10-Year Pipeline Project (95084002) - Based upon refined FY 2021 budget needs, the

FY 2021 budget will be reduced by \$3 million.

Potential COVID-19 Related Changes for Final CIP

In response to COVID-19 orders regarding prioritizing essential work, Watersheds staff has identified the following projects that will be deferred to FY 2022:

- SCW Fish Passage Improvements (26044002) - Construction of the Bolsa Road Bridge Fish Passage Project
- Guadalupe River-Upper, I-280 to SPRR (R6) (26154002) - Construction of the Gravel Augmentation Project

Additional changes in response to COVID-19 may be required to finalize the CIP based upon direction by the Board in response to the “Budget, Water Charge, and CIP Alternatives to Consider in Response to COVID-19 Pandemic” discussion scheduled to be held during the April 28, 2020 board meeting at 4:00 p.m.

Next Steps

Pursuant to California Government Code §65403(d), before adopting a capital improvement program, the governing body of a special district is required to hold at least one public hearing. The public was informed of the time and place of this hearing through a notice in the San Jose Mercury News newspaper (Attachment 2). Staff recommends continuing the public hearing, opened at this meeting, to be held concurrent with the Budget Work Study session scheduled for April 29 and at the Board meeting scheduled for May 12, 2020, to allow the public additional opportunities to provide comments. On May 12, 2020, the public hearing will conclude, and the Board will consider staff’s recommendation to adopt the final CIP.

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: Draft FY2021-2025 CIP
Attachment 2: Notice of Public Hearing

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