



Santa Clara Valley Water District

File No.: 20-1087

Agenda Date: 1/12/2021

Item No.: 2.4.

BOARD AGENDA MEMORANDUM

SUBJECT:

Update on Draft Watersheds and Water Utility Five-Year Operations and Maintenance Plans.

RECOMMENDATION:

Receive Information on the Draft Watersheds and Water Utility Five-Year Operations and Maintenance Plans.

SUMMARY:

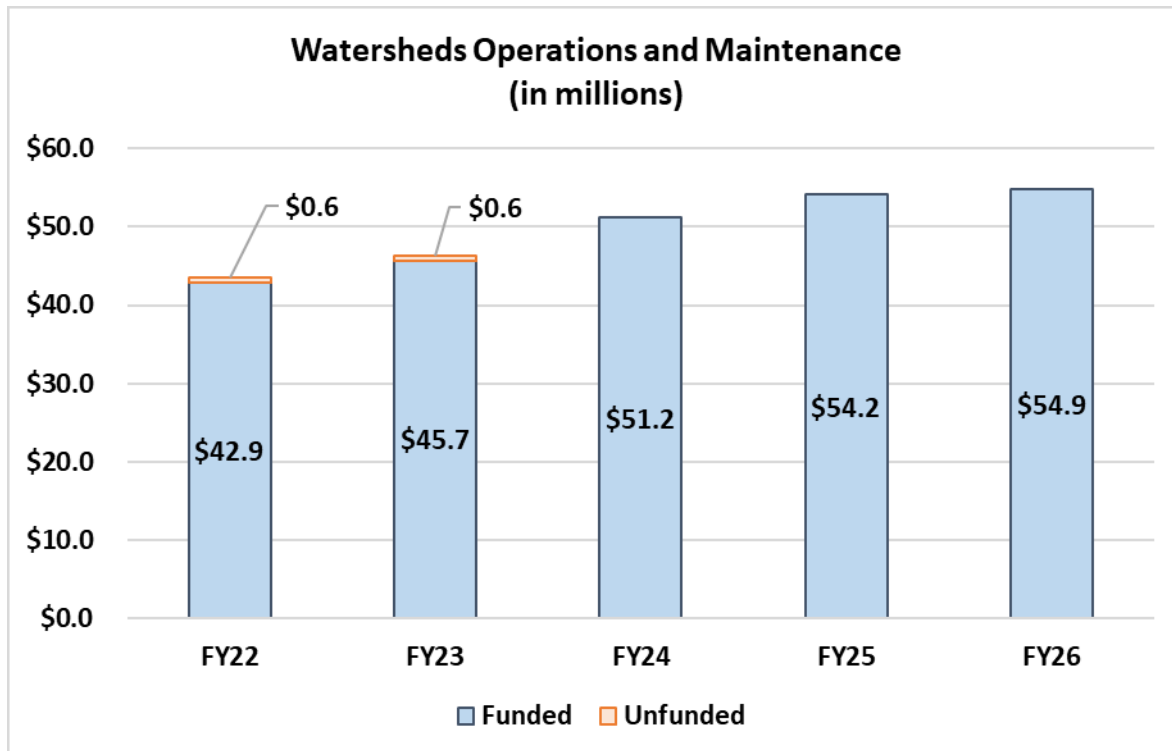
The purpose of the Watersheds and Water Utility Five-Year Operations and Maintenance Plans (Plans) is to identify and document the resources needed for operations and maintenance activities and for asset renewals for the next five fiscal years, 2022 to 2026.

The Plans forecast the resources needed for operations and maintenance activities including corrective and preventive maintenance, operator labor, chemical costs, power, and engineering and environmental staff support. The Plans do not include resources needed for planning activities. With regards to asset renewal activities, the Water Utility Five-Year Operations and Maintenance Plan (Water Utility Plan) documents the planned asset renewal projects scheduled for the next five fiscal years. Asset renewals are asset replacements or rehabilitation to 'like new' condition. These projects are typically budgeted and executed in one of six water utility small capital improvement projects. Watershed asset renewal activities are challenging to forecast due to annual storm events that change project priorities, and therefore the Watersheds Five-Year Operations and Maintenance Plan (Watersheds Plan) does not forecast asset renewal projects. Instead, the Watersheds Plan discusses efforts on a new strategic planning approach to identify planned asset renewal projects. This strategic planning effort will be conducted under Safe, Clean Water project F8: Sustainable Creek Infrastructure for Continued Public Safety.

The Plans are rolling five-year plans and are updated annually. The Draft Plans were prepared using long term forecast data and unfunded needs requests as of December 1, 2020. The Fiscal Year 2022 budget requests and unfunded needs will be evaluated throughout the budget and groundwater charge setting processes through May 2021. The Plans will be finalized following Board adoption of Valley Water's final budget and groundwater production charges for Fiscal Year 2022. The Draft Plans are included as Attachments 2 and 3.

Watersheds Summary

The Draft Watersheds Plan summarizes the funded and unfunded resources needed for the Watersheds Operations and Maintenance Division for the next five fiscal years, 2022 - 2026, as shown in the figure below. It does not include the Watershed Design and Construction Division or Stewardship and Planning Division resource needs.



In total, the Watersheds Operations and Maintenance Division has identified funded resource needs of \$248.9 Million, and an additional unfunded need of \$1.2 Million for the next five fiscal years. The \$1.2M unfunded need would provide for contractor support for tree removal work that was recently permitted for Fiscal Years 2022 and 2023.

Unfunded needs for the Watersheds Operations and Maintenance Division have decreased as compared to last year due the renewal of Safe, Clean Water, which provides funding for increased vegetation management and stream maintenance work that was previously unfunded. Unfunded needs also decreased because estimates for deferred maintenance projects were removed from the forecasts. The total resources needed for deferred maintenance is estimated at \$100 Million over the next ten years. Valley Water intends to refine the amount and timing of deferred maintenance costs through a new strategic planning effort, described below. Refined estimates will be included in future plans.

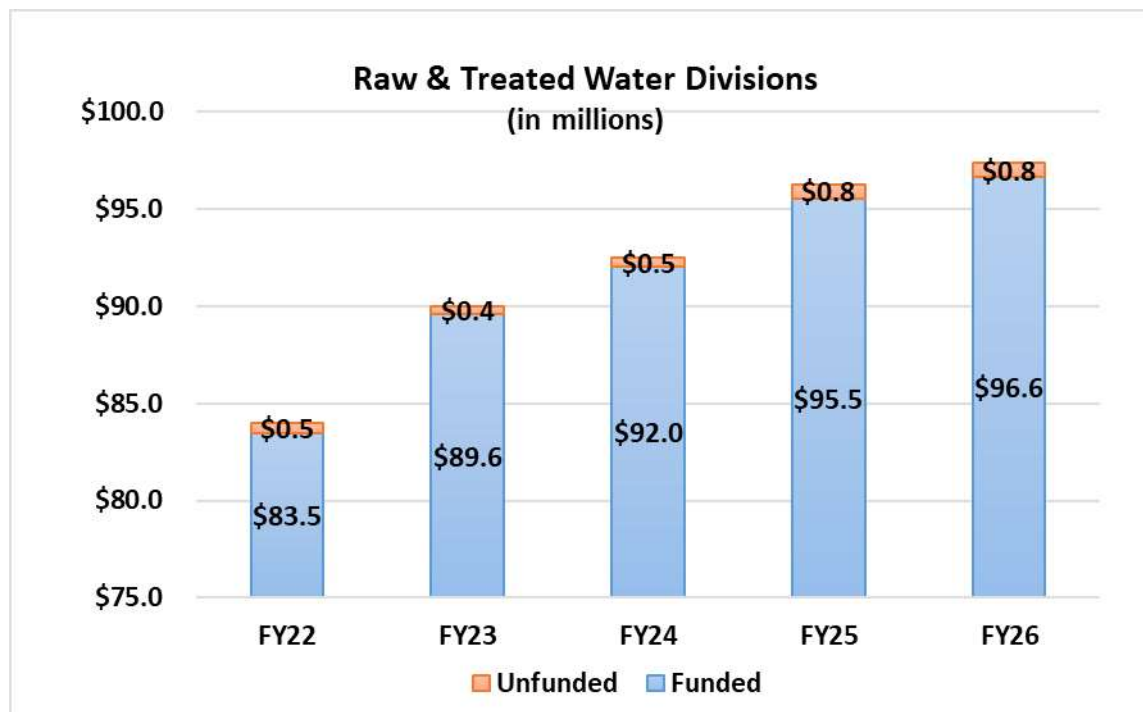
Safe, Clean Water Project F8: Sustainable Creek Infrastructure for Continued Public Safety is a new project that will identify and prioritize infrastructure issues, including deferred maintenance issues mentioned above, and will develop asset management plans to identify needed asset renewal projects. Valley Water initiated this project as it recognizes the need to evaluate stream maintenance from a more strategic and holistic planning approach, as well as to assess the longevity and

effectiveness of past flood protection project improvements.

Some of the asset renewal projects identified through this effort may be funded by Safe, Clean Water Project F8, which is allocated \$7.5 Million over the next 15 years, or by the Watershed Asset Rehabilitation Program (WARP) small capital improvement project, which is currently funded at approximately \$2.5 - \$3 Million per year. The magnitude of future asset renewal work is unknown and is expected to exceed available funding in some future years. Asset renewal work that will be investigated and identified as part of this program includes restoring the level of service originally intended for flood protection infrastructure, extending the life of flood protection infrastructure, and improving the reliability of flood protection infrastructure.

Water Utility Summary

The Draft Water Utility Plan summarizes the funded and unfunded resources needed for the Raw Water and Treated Water Divisions for the next five fiscal years, 2022 - 2026, as shown in the figure below. It does not include the Water Utility Capital Division or Water Supply Division resource needs. It also does not include imported water purchases.



In total, the Raw and Treated Water Operations Divisions have identified funded resource needs of \$457.2 Million, and an additional unfunded need of \$3 Million for the next five years. These unfunded resources would provide the following services:

- Additional full-time support for laboratory operations to increase efficiency and reduce use of temp and intern staff
- Intern, temp, and consultant support for raw water operations including untreated water

program planning and implementing new water rights measurement methods

In addition to operations and maintenance project forecasts, the Draft Water Utility Plan documents the planned asset renewal projects scheduled for the next five fiscal years. These projects are identified by the asset management program and are typically budgeted and executed in one of six water utility small capital improvement projects. When many assets at a single facility are due for renewal, the plan may recommend a new large/individual capital project.

Valley Water has identified 77 planned asset renewal projects scheduled in Fiscal Year 2022 for Water Utility facilities. This work is estimated at \$5 Million. This cost does not include large/individual capital projects such as the Anderson Dam Seismic Retrofit Project or operations improvements or modifications. Some significant projects scheduled for Fiscal Year 2022 are listed below.

- Penitencia Water Treatment Plant clearwell corrosion repair
- Penitencia and Santa Teresa Water Treatment Plants ozone generator shell rebuilds
- San Francisco PUC Intertie phosphoric acid system rehabilitation
- Coyote Pumping Plant pump rebuilds

Additional detail on work scheduled for Fiscal Year 2022 is provided in the Draft Water Utility Plan in Attachment 3.

Next Steps

The activities and resource needs described in the Draft Plans will be evaluated throughout the budget and groundwater charge setting processes through May 2021. The Plans will be finalized following Board adoption of Valley Water's final budget and groundwater production charges for Fiscal Year 2022, and will be provided to the Board at that time.

FINANCIAL IMPACT:

There is no financial impact associated with this item. The Watershed and Water Utility Five-Year Operations and Maintenance Plans identify funded and unfunded future resource needs for continuing operations and maintenance of Valley Water facilities. These resource needs will be further evaluated through Valley Water's budget process.

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: PowerPoint

Attachment 2: Draft Watersheds 2022 - 2026 Plan

Attachment 3: Draft Water Utility 2022 - 2026 Plan

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UNCLASSIFIED MANAGER:

Melanie Richardson, 408-630-2035