



Santa Clara Valley Water District

File No.: 21-0495

Agenda Date: 4/27/2021

Item No.: *2.8.

BOARD AGENDA MEMORANDUM

SUBJECT:

Conduct Public Hearing to Consider the Santa Clara Valley Water District's Draft Fiscal Years 2022-2026 Five-Year Capital Improvement Program. (Continued from April 13, 2021) (Previously Listed as Item 2.6)

RECOMMENDATION:

- A. Open the public hearing to receive public comments and Board feedback regarding the Santa Clara Valley Water District's Fiscal Years 2022-2026 Five-Year Capital Improvement Program; and
- B. Continue the public hearing to the Board's Budget Work Study Sessions currently set for April 28 and April 29, 2021, and conclude at the regularly scheduled Board meeting on May 11, 2021.

SUMMARY:

The Santa Clara Valley Water District's (Valley Water's) Draft FY 2022-2026 CIP includes 68 capital projects to be funded and distributed among the following categories: 31 Water Supply, 17 Flood Protection, 12 Water Resources Stewardship, 2 Buildings and Grounds, and 6 Information Technology projects, for a total planned cost of \$8.0 billion. Approximately \$1.3 billion may be funded by outside sources through cost-share partnerships and grants, resulting in a total CIP cost to Valley Water of \$6.7 billion.

The Board reviewed and approved the preliminary 5-year CIP list on January 12, 2021. For the purpose of reporting on FY 2020-21 expenditures, the FY 2022-26 CIP includes five projects that are completed, closed, or being reprogrammed by the end of FY 2020-21, as follows:

- 1. Main and Madrone Pipeline Replacement - Completed;
- 2. Westside Retailer Interties - Closed;
- 3. Stream Maintenance Program (SMP) Mitigation, Stream and Watershed Land Preservation - Completed;
- 4. Salt Ponds Restoration (SCW - D8) - Reprogrammed (reprogrammed to Operations); and
- 5. E-Discovery Management System - Completed.

Following the January 12, 2021 Board meeting, staff prepared the Draft FY 2022-2026 CIP, which was presented to the Board on February 23, 2021. 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 Cities of Santa Clara, San Jose, Mountain View, and Palo Alto have requested meetings to discuss projects and provide 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 2022-2026 CIP is consistent with their applicable General Plans. Copies of any letters received will be included as an attachment to the May 11, 2021 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

- **26044002 SCW Fish Passage Improvements.** According to the 2012 Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program), this project was categorized under Project D4 - Fish Habitat and Passage Improvement and included fish passage improvement projects located at Evelyn Road, Singleton Road and Bolsa Road. The Evelyn Road Project was completed in 2015.

The Safe, Clean Water Program was renewed by the voters in November 2020. According to the renewed Safe, Clean Water Program, the Bolsa Road Project was moved to Project D6 - Restoration of Natural Creek Functions (new Project Number 26044004). While the Bolsa Road Project retains its fish passage benefits, it was moved to Project D6 because during the design phase, geomorphic features were identified that will restore stability and stream function. The project cost associated with the Singleton Road Project (Number 26044002) in the FY 2022-26 CIP will count towards the renewed Safe, Clean Water Program Project D4, key performance indicator 3, which is to use \$8M on fish passage improvement projects by June 30, 2028.

- **26074002 Sunnyvale East/West Channels Flood Protection Project (E2).** Updated schedule with construction funding extended to future fiscal years due to continued discussions with Google regarding their Caribbean Development Project. The Google project will generate on-site mitigation for Valley Water and support on-going efforts by Valley Water to acquire the Regulatory Agency permits required prior to start of construction. Total project cost with inflation has increased by approximately \$2M to \$72.7M.

Water Utility Projects

- **26764001 IRP2 Additional Line Valves.** The design phase is currently anticipated to be completed in August 2021. The proposed construction schedule has been extended by two

years, thereby extending completion of the project by two years, to combine the construction activities with the 10-Year Pipeline Inspection & Rehabilitation Project. This allows construction to be completed for the two projects while minimizing the pipeline shutdown duration.

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).

To allow the public additional opportunities to provide comments, staff recommends continuing the public hearing, opened at this meeting, to the regularly scheduled Board meeting on April 27, 2021 at 6:00 p.m. and the special Board meetings to be held for the Board's Budget Work Study Sessions currently set for April 28 and April 29, 2021 at 6:00 p.m., and the regularly scheduled Board meeting on May 11, 2021 at 1:00 p.m. The public hearing will conclude on May 11, 2021, at which time the Board will consider staff's recommendation to adopt the resolution to approve 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 FY2022-2026 CIP
Attachment 2: Notice of Public Hearing
Attachment 3: PowerPoint

UNCLASSIFIED MANAGER:

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