



2011-2012 CAPITAL BUDGET

**2012-2016 CAPITAL
IMPROVEMENT PROGRAM**

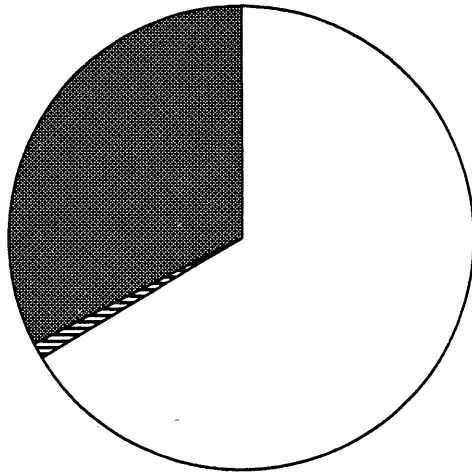


**WATER
UTILITY SYSTEM**

WATER UTILITY SYSTEM

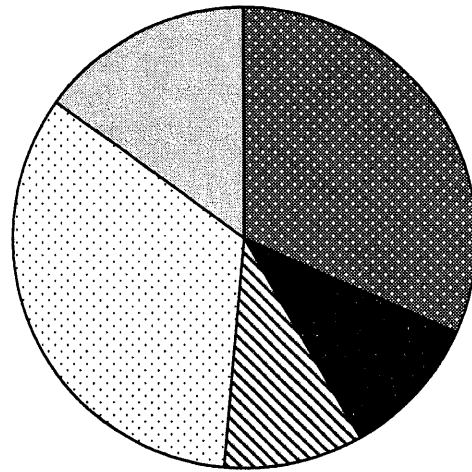
2012-2016 Capital Improvement Program

2011-2012 Adopted
Source of Funds



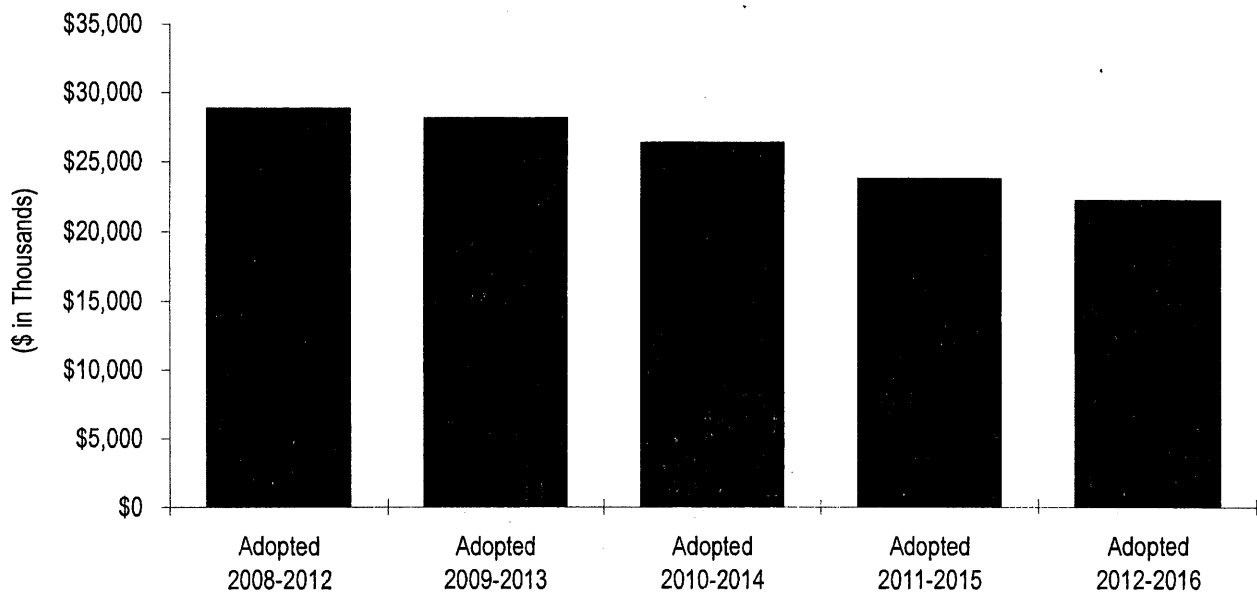
- Beginning Fund Balance
- ▨ Taxes, Fees and Charges
- Loans & Transfers
- ▩ Interest

2011-2012 Adopted
Use of Funds



- Construction
- Non-Construction
- ▨ Loans and Transfers
- ▩ Reserves
- ▨ Ending Fund Balance

CIP History



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Water Utility System

2012-2016 Adopted Capital Improvement Program

2011-2012 Project Approximate Locations: (North)

A) Nortech Parkway East Loop Main



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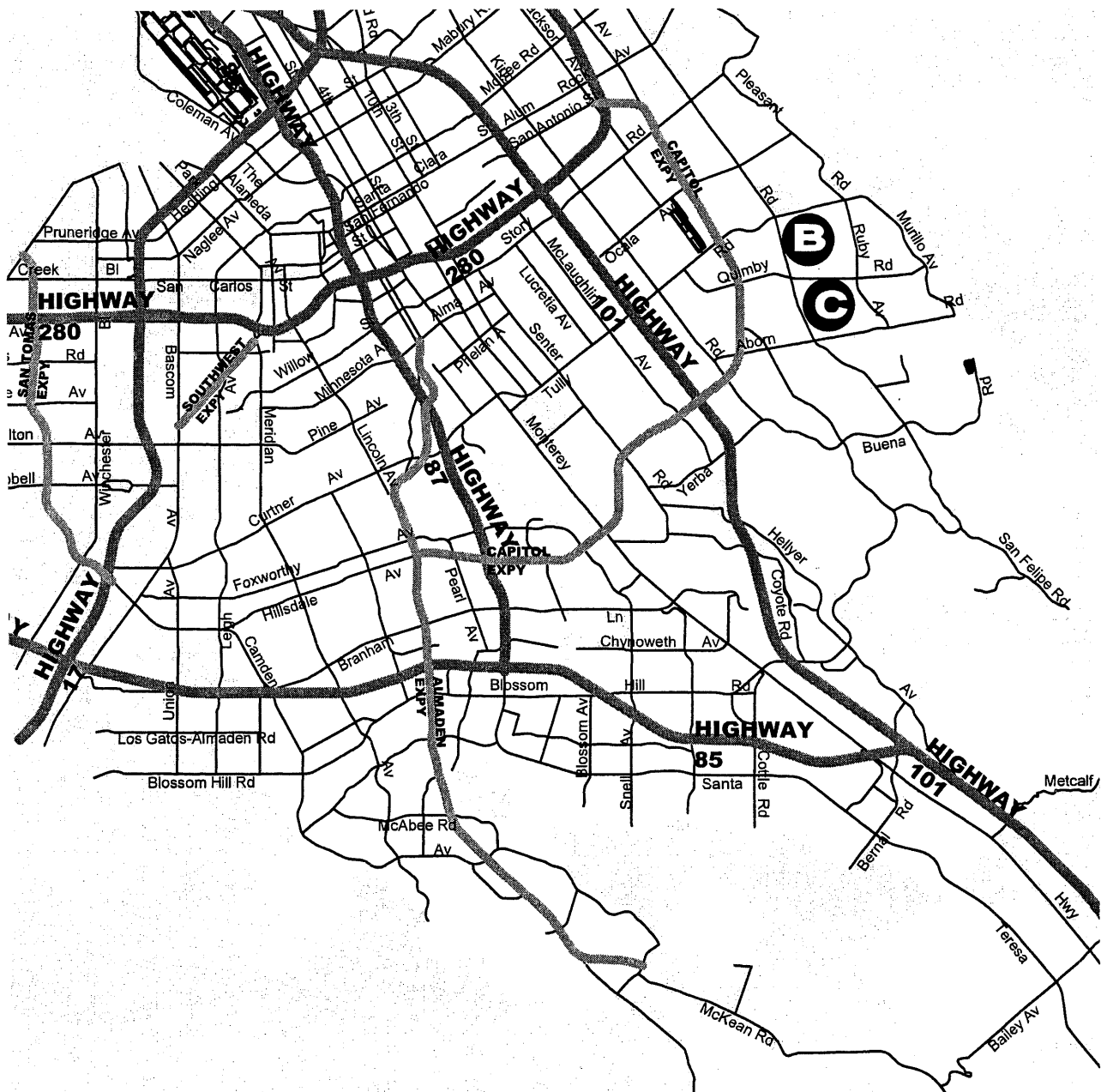
Water Utility System

2012-2016 Adopted Capital Improvement Program

2011-2012 Project Approximate Locations: (South)

B) Bon Bon Drive Main Replacement

C) Castleton Drive Main Replacement



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Water Utility System

2012-2016 Adopted Capital Improvement Program

Overview

Introduction

The Water Utility System Capital Program includes the Water Utility Capital Fund and the Major Facilities Fund. The Capital Program is developed to ensure reliable utility infrastructure for the San José Municipal Water System. In accordance with State of California Department of Health Services requirements, the San José Municipal Water System provides water utility service to areas approved for development by the City Council and within the City's water service area. The program's mission is to provide superior water service at competitive rates. The 2012-2016 Adopted Capital Improvement Program (CIP) provides funding of \$22.3 million, of which \$10.2 million is allocated in 2011-2012.

The San José Municipal Water System provides water service to approximately 26,000 customers in five service areas of the City of San José: Alviso, Coyote Valley, Edenvale, Evergreen, and North San José. The Alviso Service Area includes the area within the corporate limits of the former City of Alviso, also in Council District 4. The Coyote Valley Service Area (Council District 2) encompasses the area generally south of Tulare Hill, west of Highway 101, and north of Palm Avenue. The Edenvale Service Area is south of Hellyer Avenue and east of Coyote Creek, in Council District 8. The Evergreen Service Area generally coincides with the boundaries of Council District 8, east of Highway 101. The North San José Service Area is generally north of Trimble Road, between the Guadalupe River and Coyote Creek, and is located in Council District 4.

This program is part of the Environmental and Utility Services City Service Area (CSA) and supports the following outcomes: *Reliable*

Utility Infrastructure and Safe, Reliable, Sufficient Water Supply.

Program Priorities and Objectives

Projects are programmed, as funding allows, to maintain the existing water utility system infrastructure, to provide facilities necessary for new development, and to provide the flow pressure and volume recommended by the San José Fire Department. Projects in the 2012-2016 Adopted CIP include the construction of new facilities, maintenance of existing infrastructure, and improvements to the Water Utility System facilities. In addition, the Reserve for System Rehabilitation/Replacement continues accumulating funds for future System needs. Ordinance No. 26903, which was approved by the City Council on May 27, 2003, requires that this reserve total 7% of annual operating revenues. This reserve is estimated to total \$2.4 million at the end of the 2012-2016 CIP. In the event that economic conditions worsen or a drought decreases revenues to the Water Utility System, use of the reserve may be required to maintain the infrastructure or partially mitigate rate increases.

Sources of Funding

Revenue for the 2012-2016 Adopted CIP is derived from three sources: transfers from the Water Utility Fund to the Water Utility Capital Fund (\$14.7 million), fees (\$600,000), and interest earnings (\$260,000). The Water Utility Fund derives its revenue primarily from water sales in the service areas. Fee revenue in the Water Utility Capital Fund is generated from Service Connection Fees (\$150,000), Advanced System Design Fees (\$250,000), and Meter Installation Fees (\$200,000). These three fees are paid to the City by developers.

Water Utility System

2012-2016 Adopted Capital Improvement Program

Overview

Sources of Funding (Cont'd.)

Revenue in the Major Facilities Fund is generated through fees associated with the connection and operation of major water facilities in the five service areas. Due to the volatility of this revenue stream, Major Facilities Fees are not budgeted in advance, but recognized as revenue after payments have been received. All Major Facilities Fees are paid to the City by developers.

Over the five years of this Adopted CIP, the funds available for capital improvements are estimated to total \$22.3 million, consisting of \$19.3 million in the Water Utility Capital Fund and \$3.0 million in the Major Facilities Fee Fund. This is a \$1.5 million decrease from the 2011-2015 Adopted CIP.

Program Highlights

Evergreen Service Area

The Evergreen Service Area contains approximately 92% of the total customers served by the water system. These customers account for 72% of the total water usage in the system. The new residential development rate in Evergreen remained at approximately 0.1% for 2010-2011 and is expected to remain consistent at approximately 0.1% through 2012-2013.

To meet the service needs of new developments in the Evergreen Area, the program continues its policy of requiring developers to construct distribution system improvements such as pipelines, service connections, and fire hydrants. Reservoirs, pump stations, and other large facilities are either constructed by developers or funded through Major Facilities Fees. Construction and reconstruction of projects for existing

customers are funded from water sale revenue, which is shown in the 2011-2012 Adopted Operating Budget, in the Water Utility Fund.

Projects programmed for 2011-2012 in the Evergreen Service Area include the Bon Bon Drive Main Replacement shown on the 2011-2012 Project Approximate Locations: (South) map in this document, as well as other miscellaneous improvements to extend the useful life of the system.

North San José and Alviso Service Areas

The City is a party with 27 suburban agencies to the Water Supply Agreement (WSA) with the City of San Francisco for water supplied by the Hetch-Hetchy system. The new agreement, which will expire June 30, 2034, was approved by the City Council in June 2009.

Per the new WSA, San José's allocation is 4.5 million gallons per day (MGD) through 2018. The City is considered an interruptible customer until 2018, at which time the City of San Francisco will determine what supplies may be available for the balance of the term of the agreement. The City has four wells in North San José that could provide backup supply in the North San José and Alviso Service Areas in the event that Hetch-Hetchy deliveries are reduced.

The North San José and Alviso areas experienced minimal industrial, commercial, and residential growth in the last several years and this trend is expected to continue.

Projects programmed for 2011-2012 in the North San José and Alviso Service Areas include the Nortech Parkway East Loop Main project, as shown on the 2011-2012 Project

Water Utility System

2012-2016 Adopted Capital Improvement Program

Overview

Program Highlights (Cont'd.)

North San José and Alviso Service Areas (Cont'd.)

Approximate Locations: (North) map in this document, as well as miscellaneous improvements.

Edenvale Service Area

This industrial section of San José is within the expanded Edenvale Redevelopment Project area. Basic water facilities for domestic supply and fire protection for the area north of Silver Creek Valley Road include three wells and a reservoir. There are currently no projects programmed in this area. Groundwater from deep-water wells provides 100% of the supply in the Edenvale Service Area. The quality, supply, and management of this local groundwater basin are monitored by the Santa Clara Valley Water District.

Coyote Service Area

City funding for developer constructed water facilities in the primarily industrial North Coyote Valley Service Area was provided in accordance with the Master Development Agreement. Once development occurs in this service area, developers will pay for the cost of expanding the water system into this area. A loan from the Sewage Treatment Plant Connection Fee Fund provided the initial funding for the North Coyote Valley Water System project. The repayment of the loan will be \$1.0 million in 2011-2012, and \$200,000 in 2012-2013, when the loan will be fully repaid.

Major Changes from the 2011-2015 Adopted CIP

Major changes from the 2011-2015 Adopted CIP include the following:

- Construction of the Nortech Parkway East Loop Main project has been deferred from 2010-2011 to 2011-2012 due to a pending environmental study in the project area.
- The ongoing Service Installations appropriation will be decreased by \$1.0 million over 5 years to better reflect estimates of development activity.

Operating Budget Impact

There are no additional maintenance and operating costs associated with the projects in the 2012-2016 Adopted CIP.

Council-Approved Revisions to the Adopted Capital Improvement Program

During the June budget hearings, the City Council approved the rebudgeting of \$245,000 for three projects: Infrastructure Improvements (\$140,000), Bon Bon Drive Main Replacement (\$60,000), and Public Art (\$45,000).

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2011-2012 CAPITAL BUDGET

2012-2016 CAPITAL IMPROVEMENT PROGRAM

WATER UTILITY SYSTEM

SOURCE OF FUNDS

USE OF FUNDS

2011-2012 USE OF FUNDS BY FUNDING SOURCE

The Source of Funds displays the capital revenues by funding source for each year of the Five-Year Capital Improvement Program. The Use of Funds displays the capital expenditures by line-item for each year of the five-year period. The 2011-2012 Use of Funds by Funding Source displays the funding sources for the capital expenditures that are budgeted in 2011-2012.

Water Utility System
2012-2016 Adopted Capital Improvement Program
Source of Funds

SOURCE OF FUNDS	Estimated 2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	5-Year Total
<u>Water Utility Capital Fund</u>							
Beginning Fund Balance	4,049,684	3,838,204	631,204	966,204	998,204	1,000,204	3,838,204 *
Taxes, Fees and Charges:							
<u>Water Utility Fees</u>							
- Advance System Design Fees	50,000	50,000	50,000	50,000	50,000	50,000	250,000
- Meter Installation Fees	40,000	40,000	40,000	40,000	40,000	40,000	200,000
- Service Connection Fees	30,000	30,000	30,000	30,000	30,000	30,000	150,000
Contributions, Loans and Transfers from:							
<u>Special Funds</u>							
- Transfer from Water Utility Fund	3,472,000	3,300,000	2,600,000	3,300,000	2,200,000	3,300,000	14,700,000
Interest Income	25,000	5,000	15,000	32,000	53,000	78,000	183,000
Reserve for Encumbrances	584,520						
Total Water Utility Capital Fund	8,251,204	7,263,204	3,366,204	4,418,204	3,371,204	4,498,204	19,321,204 *
<u>Major Facilities Fund</u>							
Beginning Fund Balance	2,894,218	2,892,843	903,843	893,843	890,843	895,843	2,892,843 *
Taxes, Fees and Charges:							
<u>Major Water Facilities Fees</u>							
Interest Income	20,000	2,000	7,000	14,000	22,000	32,000	77,000
Reserve for Encumbrances	33,625						
Total Major Facilities Fund	2,947,843	2,894,843	910,843	907,843	912,843	927,843	2,969,843 *
TOTAL SOURCE OF FUNDS	11,199,047	10,158,047	4,277,047	5,326,047	4,284,047	5,426,047	22,291,047 *

V - 203

* The 2012-2013 through 2015-2016 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

Water Utility System
2012-2016 Adopted Capital Improvement Program
Use of Funds

USE OF FUNDS	Estimated 2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	5-Year Total
Construction Projects							
Castleton Drive Main Replacement	855,000	35,000					35,000
Gumdrop Drive Main Replacement					100,000	1,200,000	1,300,000
North Coyote Valley Water System		168,000					168,000
Peppermint Drive Main Replacement			65,000	1,200,000			1,265,000
Security Improvements	39,000						
Water Valve Rehabilitation	100,000						
1. Bon Bon Drive Main Replacement	5,000	995,000					995,000
2. Infrastructure Improvements	585,000	840,000	670,000	690,000	710,000	730,000	3,640,000
3. Meter Installations	80,000	90,000	90,000	90,000	90,000	90,000	450,000
4. Nortech Parkway East Loop Main	42,000	674,000					674,000
5. Public Art		59,000	4,000	15,000	4,000	15,000	97,000
6. Service Installations	771,000	350,000	200,000	200,000	200,000	200,000	1,150,000
Total Construction Projects	2,477,000	3,211,000	1,029,000	2,195,000	1,104,000	2,235,000	9,774,000
Non-Construction							
General Non-Construction							
Major Water Facility Fee Update	34,000						
7. Advance System Design	115,000	100,000	110,000	110,000	110,000	110,000	540,000
8. Capital Program and Public Works Department Support Service Costs	27,000	26,000	26,000	26,000	26,000	26,000	130,000
9. Major Facilities Fee Administration	15,000	15,000	15,000	15,000	15,000	15,000	75,000
10. Master Plan Engineering	133,000	120,000	125,000	130,000	135,000	140,000	650,000

Water Utility System
2012-2016 Adopted Capital Improvement Program

Use of Funds

USE OF FUNDS (CONT'D.)	Estimated 2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	5-Year Total
Non-Construction							
General Non-Construction							
11. Network System Flow Improvements	6,000	6,000	6,000	6,000	6,000	6,000	30,000
12. Preliminary Engineering	90,000	100,000	110,000	115,000	120,000	125,000	570,000
13. Public Works GIS Support		65,000	65,000	65,000	65,000	65,000	325,000
14. System Maintenance/Repairs	560,000	580,000	600,000	620,000	640,000	660,000	3,100,000
Total General Non-Construction	980,000	1,012,000	1,057,000	1,087,000	1,117,000	1,147,000	5,420,000
Contributions, Loans and Transfers to General Fund							
Transfer to the General Fund - Human Resources/Payroll System Upgrade		1,000					1,000
Total Contributions, Loans and Transfers to General Fund		1,000					1,000
Contributions, Loans and Transfers to Special Funds							
Transfer to the City Hall Debt Service Fund	11,000	7,000	7,000	8,000	8,000	8,000	38,000
15. Loan Repayment to Sewage Treatment Plant Connection Fee Fund	1,000,000	1,000,000	200,000				1,200,000
Total Contributions, Loans and Transfers to Special Funds	1,011,000	1,007,000	207,000	8,000	8,000	8,000	1,238,000
Reserves							
Reserve for System Growth Related Projects		1,600,000					1,600,000
Reserve for System Rehabilitation/Replacement		1,792,000	124,000	147,000	159,000	171,000	2,393,000
Total Reserves		3,392,000	124,000	147,000	159,000	171,000	3,993,000
Total Non-Construction	1,991,000	5,412,000	1,388,000	1,242,000	1,284,000	1,326,000	10,652,000

Water Utility System
2012-2016 Adopted Capital Improvement Program
Use of Funds

USE OF FUNDS (CONT'D.)	Estimated 2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	5-Year Total
Ending Fund Balance	6,731,047	1,535,047	1,860,047	1,889,047	1,896,047	1,865,047	1,865,047*
TOTAL USE OF FUNDS	11,199,047	10,158,047	4,277,047	5,326,047	4,284,047	5,426,047	22,291,047*

* The 2011-2012 through 2014-2015 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

Water Utility System

2012-2016 Adopted Capital Improvement Program 2011-2012 Use of Funds by Funding Source

	(500) Water Utility Capital Fund	(502) Major Facilities Fund	Total
TOTAL RESOURCES	7,263,204	2,894,843	10,158,047
<u>Construction Projects</u>			
Castleton Drive Main Replacement	35,000		35,000
North Coyote Valley Water System	168,000		168,000
1. Bon Bon Drive Main Replacement	995,000		995,000
2. Infrastructure Improvements	840,000		840,000
3. Meter Installations	90,000		90,000
4. Nortech Parkway East Loop Main	300,000	374,000	674,000
5. Public Art	59,000		59,000
6. Service Installations	350,000		350,000
<u>Total Construction Projects</u>	2,837,000	374,000	3,211,000
<u>Non-Construction</u>			
General Non-Construction			
7. Advance System Design	100,000		100,000
8. Capital Program and Public Works Department Support Service Costs	24,000	2,000	26,000
9. Major Facilities Fee Administration		15,000	15,000
10. Master Plan Engineering	120,000		120,000
11. Network System Flow Improvements	6,000		6,000
12. Preliminary Engineering	100,000		100,000

Water Utility System

2012-2016 Adopted Capital Improvement Program

2011-2012 Use of Funds by Funding Source

	(500) Water Utility Capital Fund	(502) Major Facilities Fund	Total
<u>Non-Construction</u>			
General Non-Construction			
13. Public Works GIS Support	65,000		65,000
14. System Maintenance/Repairs	580,000		580,000
Total General Non-Construction	995,000	17,000	1,012,000
Contributions, Loans and Transfers to General Fund			
Transfer to the General Fund - Human Resources/Payroll System Upgrade	1,000		1,000
Total Contributions, Loans and Transfers to General Fund	1,000		1,000
Contributions, Loans and Transfers to Special Funds			
Transfer to the City Hall Debt Service Fund	7,000		7,000
15. Loan Repayment to Sewage Treatment Plant Connection Fee Fund	1,000,000		1,000,000
Total Contributions, Loans and Transfers to Special Funds	1,007,000		1,007,000
Reserves			
Reserve for System Growth Related Projects		1,600,000	1,600,000

Water Utility System

2012-2016 Adopted Capital Improvement Program 2011-2012 Use of Funds by Funding Source

	(500) Water Utility Capital Fund	(502) Major Facilities Fund	Total
<u>Non-Construction</u>			
Reserves			
Reserve for System Rehabilitation/Replacement	1,792,000		1,792,000
Total Reserves	1,792,000	1,600,000	3,392,000
<u>Total Non-Construction</u>	3,795,000	1,617,000	5,412,000
Ending Fund Balance	631,204	903,843	1,535,047
TOTAL USE OF FUNDS	7,263,204	2,894,843	10,158,047

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2011-2012 CAPITAL BUDGET

2012-2016 CAPITAL IMPROVEMENT PROGRAM

WATER UTILITY SYSTEM

DETAIL OF CONSTRUCTION PROJECTS

DETAIL OF NON-CONSTRUCTION PROJECTS

The Detail of Construction Projects section provides information on the individual construction projects with funding in 2011-2012. The Detail of Non-Construction Projects section is abbreviated and provides information on the individual non-construction project, with funding in 2011-2012. On the Use of Funds statement, these projects are numbered.

Water Utility System

2012-2016 Adopted Capital Improvement Program Detail of Construction Projects

2. Infrastructure Improvements

CSA:	Environmental and Utility Services	Initial Start Date:	Ongoing
CSA Outcome:	Reliable Utility Infrastructure	Revised Start Date:	
Department:	Environmental Services	Initial Completion Date:	Ongoing
Council District:	2, 4, 7, 8	Revised Completion Date:	
Location:	System-wide		

Description: This allocation will provide funding to replace and/or refurbish pumps, motors, valves, electrical control mechanisms, generators, and water mains that are nearing the end of their useful lives. The selection and scope of each year's project will be based on the previous year's maintenance needs.

Justification: Mechanical equipment requires replacement at the end of its service life to ensure ongoing operation.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2010-11 Appn.	2010-11 Estimate	2011-12	2012-13	2013-14	2014-15	2015-16	5-Year Total	Beyond 5-Year	Project Total
Construction		725	585	840	670	690	710	730	3,640		
TOTAL		725	585	840	670	690	710	730	3,640		

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund	725	585	840	670	690	710	730	3,640
TOTAL	725	585	840	670	690	710	730	3,640

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated:	Ongoing	Redevelopment Area:	N/A
Initial Project Budget:		SNI Area:	N/A
Appn. #:	5366	USGBC LEED:	N/A

Water Utility System
2012-2016 Adopted Capital Improvement Program
Detail of Construction Projects

4. Nortech Parkway East Loop Main

CSA:	Environmental and Utility Services	Initial Start Date:	3rd Qtr. 2007
CSA Outcome:	Reliable Utility Infrastructure	Revised Start Date:	1st Qtr. 2009
	Safe, Reliable, and Sufficient Water Supply	Initial Completion Date:	2nd Qtr. 2009
Department:	Environmental Services	Revised Completion Date:	2nd Qtr. 2012
Council District:	4		
Location:	Nortech Parkway/Route 237		

Description: This project provides funding to construct approximately 1,000 feet of water main connecting the east end of the Nortech Parkway water main with the Holger Way water main.

Justification: This project provides additional system capacity and improves reliability to meet the infrastructure needs of the Alviso area.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2010-11 Appn.	2010-11 Estimate	2011-12	2012-13	2013-14	2014-15	2015-16	5-Year Total	Beyond 5-Year	Project Total
Design	33	42	42								75
Construction		674		674					674		674
TOTAL	33	716	42	674					674		749

FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund	33	342	42	300					300		375
Major Facilities Fund		374		374					374		374
TOTAL	33	716	42	674					674		749

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

None

Notes:

FY Initiated:	2007-2008	Redevelopment Area:	N/A
Initial Project Budget:	\$750,000	SNI Area:	N/A
Appn. #:	6059	USGBC LEED:	N/A

Water Utility System
2012-2016 Adopted Capital Improvement Program
Detail of Construction Projects

5. Public Art

CSA:	Environmental and Utility Services	Initial Start Date:	Ongoing
CSA Outcome:	Reliable Utility Infrastructure	Revised Start Date:	
Department:	Economic Development	Initial Completion Date:	Ongoing
Council District:	City-wide	Revised Completion Date:	
Location:	City-wide		

Description: This allocation funds the construction and administration of public art in the Water Utility System Capital Program. In compliance with the Council adoption of the revised Public Art Master Plan on March 13, 2007, one percent of all construction project funding is required to be allocated to public art, excluding funding for seismic and ADA retrofits, maintenance and operations, non-construction projects (such as studies), or affordable housing. Projects where public art allocations were previously programmed or appropriated are not subject to the revisions of the Public Art Master Plan. Expenditures in this allocation will be subject to the legal revenue restrictions for the use of this funding on public art.

Justification: This allocation is required to comply with the revisions to the Public Art Master Plan adopted by the City Council on March 13, 2007.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2010-11 Appn.	2010-11 Estimate	2011-12	2012-13	2013-14	2014-15	2015-16	5-Year Total	Beyond 5-Year	Project Total
Public Art		45		59	4	15	4	15	97		
TOTAL		45		59	4	15	4	15	97		

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund	45	59	4	15	4	15	97
TOTAL	45	59	4	15	4	15	97

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

N/A

Notes:

Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated:	Ongoing	Redevelopment Area:	N/A
Initial Project Budget:		SNI Area:	N/A
Appn. #:	5953	USGBC LEED:	N/A

Water Utility System
2012-2016 Adopted Capital Improvement Program
Detail of Construction Projects

6. Service Installations

CSA:	Environmental and Utility Services	Initial Start Date:	Ongoing
CSA Outcome:	Reliable Utility Infrastructure	Revised Start Date:	
Department:	Environmental Services	Initial Completion Date:	Ongoing
Council District:	2, 4, 7, 8	Revised Completion Date:	
Location:	System-wide		

Description: This allocation provides funding for the installation of connections between water mains and meters, and the extension of existing water mains.

Justification: As development proceeds in the City, connections between water mains and meters are required to service new customers.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2010-11 Appn.	2010-11 Estimate	2011-12	2012-13	2013-14	2014-15	2015-16	5-Year Total	Beyond 5-Year	Project Total
Construction		871	771	350	200	200	200	200	1,150		
TOTAL		871	771	350	200	200	200	200	1,150		

FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund		871	771	350	200	200	200	200	1,150		
TOTAL		871	771	350	200	200	200	200	1,150		

ANNUAL OPERATING BUDGET IMPACT (000'S)										
None										

Major Changes in Project Cost:
N/A

Notes:
Project schedule dates and selected budget information are not provided due to the ongoing nature of this project.

FY Initiated:	Ongoing	Redevelopment Area:	N/A
Initial Project Budget:		SNI Area:	N/A
Appn. #:	4348	USGBC LEED:	N/A

Water Utility System
2012-2016 Adopted Capital Improvement Program
Detail of Non-Construction Projects

7. Advance System Design

CSA: Environmental and Utility Services
CSA Outcome: Reliable Utility Infrastructure
Department: Environmental Services
Description: This allocation funds the design, engineering, and inspection for new developments connecting to the Water Utility System.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2010-11 Appn.	2010-11 Estimate	2011-12	2012-13	2013-14	2014-15	2015-16	5-Year Total	Beyond 5-Year	Project Total
Planning and Engineering		115	115	100	110	110	110	110	540		
TOTAL		115	115	100	110	110	110	110	540		

FUNDING SOURCE SCHEDULE (000'S)											
Cost Elements	Prior Years	2010-11 Appn.	2010-11 Estimate	2011-12	2012-13	2013-14	2014-15	2015-16	5-Year Total	Beyond 5-Year	Project Total
Water Utility Capital Fund		115	115	100	110	110	110	110	540		
TOTAL		115	115	100	110	110	110	110	540		

Notes:
Selected budget information is not provided due to the ongoing nature of this project.
Appn. #: 4346

8. Capital Program and Public Works Department Support Service Costs

CSA: Environmental and Utility Services
CSA Outcome: Reliable Utility Infrastructure
Department: Public Works
Description: This allocation funds capital program and Public Works Department support service costs. Capital program support service costs include the cost of the Capital Project Management System, the bid and award process, labor compliance review, performance measurement reporting, and updates of policies and specifications. Public Works Department support service costs include items such as management, staff support, fiscal services, technical support, and procurement services.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2010-11 Appn.	2010-11 Estimate	2011-12	2012-13	2013-14	2014-15	2015-16	5-Year Total	Beyond 5-Year	Project Total
Program Management		27	27	26	26	26	26	26	130		
TOTAL		27	27	26	26	26	26	26	130		

FUNDING SOURCE SCHEDULE (000'S)											
Cost Elements	Prior Years	2010-11 Appn.	2010-11 Estimate	2011-12	2012-13	2013-14	2014-15	2015-16	5-Year Total	Beyond 5-Year	Project Total
Water Utility Capital Fund		21	21	24	24	24	24	24	120		
Major Facilities Fund		6	6	2	2	2	2	2	10		
TOTAL		27	27	26	26	26	26	26	130		

Notes:
Selected budget information is not provided due to the ongoing nature of this project.
Appn. #: 6000

Water Utility System
2012-2016 Adopted Capital Improvement Program
Detail of Non-Construction Projects

9. Major Facilities Fee Administration

CSA: Environmental and Utility Services
CSA Outcome: Reliable Utility Infrastructure
Department: Environmental Services
Description: This allocation provides funding to administer the Major Facilities Fund. The Major Facilities Fund receives fees associated with the connection and operation of major water facilities constructed in the North San José, Evergreen, Alviso, Edenvale, and Coyote Valley areas.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2010-11 Appn.	2010-11 Estimate	2011-12	2012-13	2013-14	2014-15	2015-16	5-Year Total	Beyond 5-Year	Project Total
Program Management		15	15	15	15	15	15	15	75		
TOTAL		15	15	15	15	15	15	15	75		

FUNDING SOURCE SCHEDULE (000'S)											
Major Facilities Fund		15	15	15	15	15	15	15	75		
TOTAL		15	15	15	15	15	15	15	75		

Notes:
Selected budget information is not provided due to the ongoing nature of this project.
Appn. #: 5369

10. Master Plan Engineering

CSA: Environmental and Utility Services
CSA Outcome: Reliable Utility Infrastructure
Department: Environmental Services
Description: This ongoing allocation is used to update the Water System Master Plan based on anticipated development and customer consumption.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2010-11 Appn.	2010-11 Estimate	2011-12	2012-13	2013-14	2014-15	2015-16	5-Year Total	Beyond 5-Year	Project Total
Master Plan/Study		133	133	120	125	130	135	140	650		
TOTAL		133	133	120	125	130	135	140	650		

FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund		133	133	120	125	130	135	140	650		
TOTAL		133	133	120	125	130	135	140	650		

Notes:
Selected budget information is not provided due to the ongoing nature of this project.
Appn. #: 4349

Water Utility System
2012-2016 Adopted Capital Improvement Program
Detail of Non-Construction Projects

11. Network System Flow Improvements

CSA: Environmental and Utility Services
CSA Outcome: Reliable Utility Infrastructure
Department: Environmental Services
Description: This allocation is used to perform computer analysis of the water distribution system, including modeling of the system's reservoirs, pump stations, and distribution facilities, in order to prioritize replacement of existing facilities and development of new facilities.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2010-11 Appn.	2010-11 Estimate	2011-12	2012-13	2013-14	2014-15	2015-16	5-Year Total	Beyond 5-Year	Project Total
Advanced Planning		6	6	6	6	6	6	6	30		
TOTAL		6	6	6	6	6	6	6	30		
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund		6	6	6	6	6	6	6	30		
TOTAL		6	6	6	6	6	6	6	30		

Notes:
Selected budget information is not provided due to the ongoing nature of this project.
Appn. #: 4350

12. Preliminary Engineering

CSA: Environmental and Utility Services
CSA Outcome: Reliable Utility Infrastructure
Department: Environmental Services
Description: This allocation provides funds for project development in the early stages of planning.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2010-11 Appn.	2010-11 Estimate	2011-12	2012-13	2013-14	2014-15	2015-16	5-Year Total	Beyond 5-Year	Project Total
Advanced Planning		90	90	100	110	115	120	125	570		
TOTAL		90	90	100	110	115	120	125	570		
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund		90	90	100	110	115	120	125	570		
TOTAL		90	90	100	110	115	120	125	570		

Notes:
Selected budget information is not provided due to the ongoing nature of this project.
Appn. #: 4952

Water Utility System
2012-2016 Adopted Capital Improvement Program
Detail of Non-Construction Projects

13. Public Works GIS Support

CSA: Environmental and Utility Services
CSA Outcome:
Department: Environmental Services
Description: This allocation funds Public Works Geographic Information System (GIS) support services on an as-needed basis.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2010-11 Appn.	2010-11 Estimate	2011-12	2012-13	2013-14	2014-15	2015-16	5-Year Total	Beyond 5-Year	Project Total
Planning and Engineering				65	65	65	65	65	325		
TOTAL				65	65	65	65	65	325		
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund				65	65	65	65	65	325		
TOTAL				65	65	65	65	65	325		

Notes:
 Prior to 2011-2012, this funding was not broken out as a separate project, but was included in the Infrastructure Improvements project. Selected budget information is not provided due to the ongoing nature of this project.

Appn. #: 7365

14. System Maintenance/Repairs

CSA: Environmental and Utility Services
CSA Outcome: Reliable Utility Infrastructure
Department: Environmental Services
Description: This allocation funds emergency and miscellaneous repairs in the distribution system.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2010-11 Appn.	2010-11 Estimate	2011-12	2012-13	2013-14	2014-15	2015-16	5-Year Total	Beyond 5-Year	Project Total
Equipment		560	560	580	600	620	640	660	3,100		
TOTAL		560	560	580	600	620	640	660	3,100		
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund		560	560	580	600	620	640	660	3,100		
TOTAL		560	560	580	600	620	640	660	3,100		

Notes:
 Selected budget information is not provided due to the ongoing nature of this project.

Appn. #: 5876

Water Utility System

2012-2016 Adopted Capital Improvement Program Detail of Non-Construction Projects

15. Loan Repayment to Sewage Treatment Plant Connection Fee Fund

CSA: Environmental and Utility Services
CSA Outcome: Reliable Utility Infrastructure
 Safe, Reliable, and Sufficient Water Supply
Department: Environmental Services
Description: This allocation funds the repayment of a Sewage Treatment Plant Connection Fee Fund loan used for construction of water system facilities in the Coyote Valley pursuant to the Master Development Agreement. This loan will be paid off in 2012-2013.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2010-11 Appn.	2010-11 Estimate	2011-12	2012-13	2013-14	2014-15	2015-16	5-Year Total	Beyond 5-Year	Project Total
Transfer to Other Fund	3,500	1,000	1,000	1,000	200				1,200		5,700
TOTAL	3,500	1,000	1,000	1,000	200				1,200		5,700

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund	3,500	1,000	1,000	1,000	200				1,200		5,700
TOTAL	3,500	1,000	1,000	1,000	200				1,200		5,700

Notes:

The interest rate for the loan is set at the City's pooled investment rate.

Appn. #: 0100

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2011-2012 CAPITAL BUDGET

2012-2016 CAPITAL IMPROVEMENT PROGRAM

WATER UTILITY SYSTEM

SUMMARY OF PROJECTS THAT START AFTER 2011-2012

SUMMARY OF PROJECTS WITH CLOSE-OUT COSTS ONLY IN 2011-2012

SUMMARY OF RESERVES

The Summary of Projects that Start after 2011-2012 includes those projects that have funding budgeted starting after 2011-2012. The Summary of Projects with Close-Out Costs Only in 2011-2012 include those projects that are near completion with only minimal costs (typically inspection services and program management) to finish the project budgeted in 2011-2012. The Summary of Reserves includes all reserves budgeted within the Five-Year Capital Improvement Program. On the Use of Funds statement, the projects in these summaries are not numbered.

Water Utility System

2012-2016 Adopted Capital Improvement Program

Summary of Projects that Start after 2011-2012

Project Name:	Gumdrop Drive Main Replacement	Initial Start Date:	3rd Qtr. 2014
5-Year CIP Budget:	\$1,300,000	Revised Start Date:	
Total Budget:	\$1,300,000	Initial End Date:	2nd Qtr. 2016
Council District:	8	Revised End Date:	
USGBC LEED:	N/A		

Description: This project includes the replacement and relocation of approximately 2,050 feet of 8-inch steel water main on Gumdrop Drive, Almond Drive, and Coconut Drive.

Project Name:	Peppermint Drive Main Replacement	Initial Start Date:	3rd Qtr. 2012
5-Year CIP Budget:	\$1,265,000	Revised Start Date:	
Total Budget:	\$1,265,000	Initial End Date:	4th Qtr. 2013
Council District:	8	Revised End Date:	
USGBC LEED:	N/A		

Description: This project includes the replacement and relocation of approximately 1,300 feet of 8-inch steel water main on Peppermint Drive, along with 170 feet of water main on Taffy Drive.

Water Utility System

2012-2016 Adopted Capital Improvement Program

Summary of Projects with Close-out Costs Only in 2011-2012

Project Name:	Castleton Drive Main Replacement	Initial Start Date:	3rd Qtr. 2009
5-Year CIP Budget:	\$35,000	Revised Start Date:	
Total Budget:	\$895,000	Initial End Date:	2nd Qtr. 2011
Council District:	8	Revised End Date:	2nd Qtr. 2012
USGBC LEED:	N/A		

Description: This project replaced and relocated an existing water main on Castleton Drive. The remaining funding will be used to resolve any remaining construction claims, update records, and for other close-out activities.

Project Name:	North Coyote Valley Water System	Initial Start Date:	4th Qtr. 1999
5-Year CIP Budget:	\$168,000	Revised Start Date:	2nd Qtr. 2001
Total Budget:	\$8,083,000	Initial End Date:	2nd Qtr. 2004
Council District:	2	Revised End Date:	3rd Qtr. 2011
USGBC LEED:	N/A		

Description: This project provided funding for the rehabilitation of existing wells, installation of well pumps, and design and construction of controls, piping, and enclosures at the existing Coyote Valley well sites, as well as construction of a new reservoir and related piping and appurtenances. The project was completed and in beneficial use in 2004, however, remaining funding is allocated in 2011-2012 for outstanding project close-out costs.

Water Utility System

2012-2016 Adopted Capital Improvement Program

Summary of Reserves

Project Name:	Reserve for System Growth Related Projects	Initial Start Date:	N/A
5-Year CIP Budget:	\$1,600,000	Revised Start Date:	
Total Budget:	\$1,600,000	Initial End Date:	N/A
Council District:	2, 4, 7, 8	Revised End Date:	
USGBC LEED:	N/A		

Description: This reserve sets aside funds in the Major Facilities Fund for acquisition of property and the construction of facilities to accommodate future system growth and development.

Project Name:	Reserve for System Rehabilitation/Replacement	Initial Start Date:	N/A
5-Year CIP Budget:	\$2,393,000	Revised Start Date:	
Total Budget:	\$2,393,000	Initial End Date:	N/A
Council District:	2, 4, 7, 8	Revised End Date:	
USGBC LEED:	N/A		

Description: This reserve sets aside funds in the Water Utility Capital Fund for rehabilitation and/or replacement of existing facilities.

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