



TREATMENT PLANT ADVISORY COMMITTEE
2019-2020 Proposed Operating & Maintenance Budget
and
2020-2024 Proposed Capital Improvement Program

May 16, 2019



San José-
Santa Clara
Regional
Wastewater
Facility

2019-2020 Proposed Operating Budget

2019-2020 Proposed Budget: \$111.3 million

	FY 18-19 Adopted	FY 19-20 Proposed	Percent Change
Operating Fund Budget	\$106,655,284	\$111,256,649	4.3%
Authorized Positions	360.86	368.88	2.2%

2019-2020 Proposed Operating Budget

2019-2020 Estimated Cost Distribution

2019-2020 Est. Gallons Treated (MG)	% of Total Sewage Treated	City/District	2019-2020 Projected Costs
25,228.542	62.784	San Jose	\$69,851,375
4,876.365	15.288	Santa Clara	\$17,008,916
3,449.133	9.054	West Valley SD	\$10,073,177
1,989.095	5.517	Cupertino SD	\$6,138,029
2,253.310	6.196	Milpitas	\$6,893,462
347.522	0.931	CSD 2 and 3	\$1,035,799
86.180	0.230	Burbank SD	\$255,890
38,230.147	100.000	Total	\$111,256,649

2019-2020 Proposed Operating Budget

2019-2020 Budget Actions

- **Additional Staffing**
- **Legacy Lagoon Closure**
- **Electrical Substation Maintenance**
- **Dredge Refurbishment**
- **Server Upgrade**

2019-2020 Proposed Operating Budget

Wastewater O&M Highlights

- **Success in filling key O&M positions**
- **Shutdown and Start-Up Coordination with CIP Projects**
- **Critical Infrastructure Maintenance**

2020-2024 Proposed CIP: \$1.3 billion

2020-2024 Estimated CIP Cost Distribution

City/District (a)	5-Year CIP Cost Allocation (b)	Debt Service San José only Financing (c)	Total 5-Year CIP * (d=b+c)
San Jose	\$593,303,983	\$390,130,000	\$983,433,983
Santa Clara	\$144,475,455	\$0	\$144,475,455
West Valley SD	\$57,905,886	\$0	\$57,905,886
Cupertino SD	\$37,544,722	\$0	\$37,544,722
Milpitas	\$65,558,286	\$0	\$65,558,286
CSD 2 and 3	\$4,679,463	\$0	\$4,679,463
Burbank SD	\$2,008,154	\$0	\$2,008,154
Total	\$905,475,949	\$390,130,000	\$1,295,605,949

* Total does not include contributions to Equipment Replacement Reserve.

2020-2024 Proposed CIP: \$1.3 billion

- \$848 million allocated for construction
 - Liquids: \$517 million, 11 projects
 - Biosolids: \$129 million, 3 projects
 - Power & Energy: \$7 million, 2 projects
 - Facilities: \$174 million, 9 projects
 - Other: \$21 million
- \$476 million for non-construction
- \$11 million in ending fund balance

Guiding Principles / Budget Strategies

Program-level Approach

- Strive to provide predictability for first two years of five-year CIP
- Use project prioritization matrix to guide decisions
- Defer less critical projects, if needed
- Use program cost estimating guidelines

Project-level Approach

- Use phased construction awards and add alternates, if needed, to keep within fiscal year budget
- Conduct value engineering and scope prioritization

Major Changes between 2019-23 and 2020-24

- Adopted: \$1.38 billion vs. Proposed: \$1.34 billion
 - \$49 million net decrease
- Construction cost estimates updated
- Timing of construction awards moved
- Increase to construction administration budget

An aerial photograph of a large industrial facility, likely a wastewater treatment plant. The image shows a complex arrangement of circular and rectangular tanks, large rectangular basins, and several large industrial buildings. The facility is surrounded by green fields and some infrastructure like roads and a canal. The overall scene is a detailed view of a large-scale engineering project.

Questions?