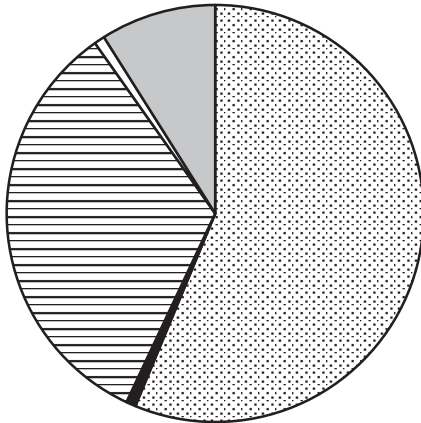


WATER UTILITY SYSTEM

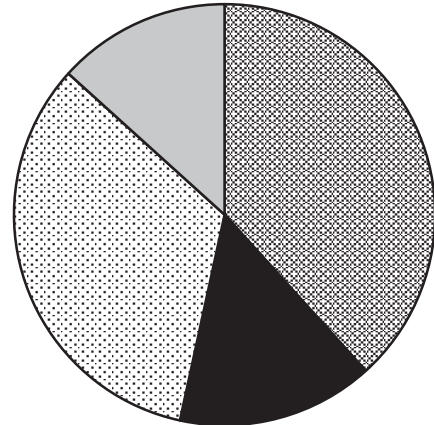
2017-2021 Capital Improvement Program

**2016-2017 Adopted
Source of Funds**



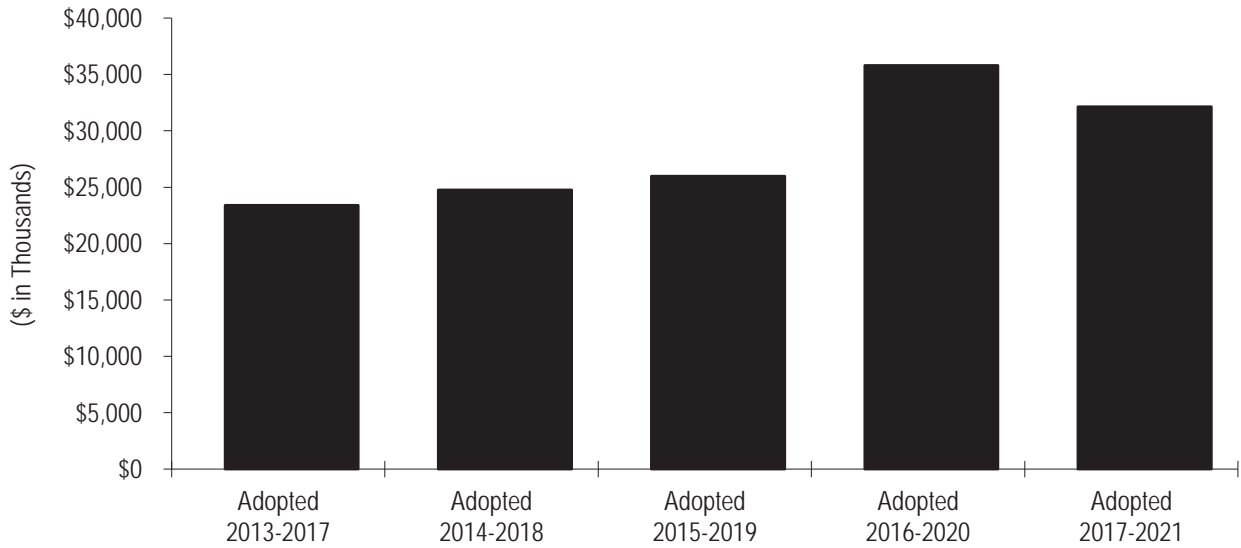
- ▣ Beginning Fund Balance
- Taxes, Fees and Charges
- ▤ Loans & Transfers
- Interest
- ▥ Commercial Paper Proceeds

**2016-2017 Adopted
Use of Funds**



- ▣ Construction
- Non-Construction
- ▤ Loans and Transfers
- ▥ Reserves
- Ending Fund Balance

CIP History



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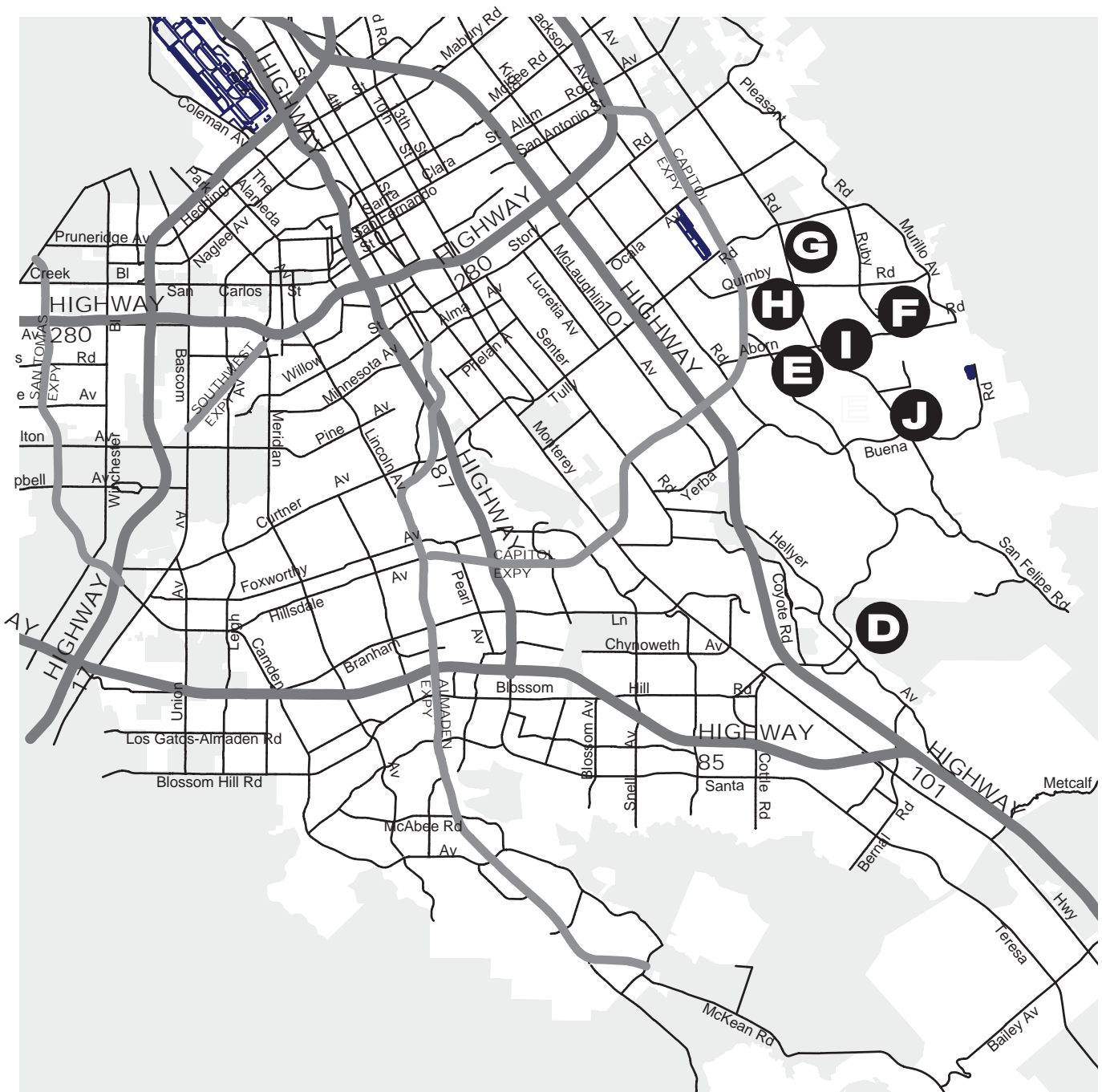
Water Utility System

2017-2021 Adopted Capital Improvement Program

South

- D)** Edenvale Reservoir Rehabilitation
- E)** Elkins Way Main Replacement
- F)** Fowler Pump Station Replacement
- G)** Gumdrop Drive Main Replacement

- H)** Meter Replacements (Evergreen Service Area)
- I)** Orinda Drive Main Replacement
- J)** Safety and Security Improvements (Evergreen Service Area)



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Water Utility System

2017-2021 Adopted Capital Improvement Program

Overview

INTRODUCTION

The Water Utility System Capital Program includes the Water Utility Capital Fund and the Major Facilities Fund. The Water Utility System Capital Program is developed to ensure reliable utility infrastructure for the San José Municipal Water System. The San José Municipal Water System provides water utility service, in accordance with State of California State Water Resources Control Board requirements, 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.

MUNICIPAL WATER SYSTEM PUBLIC INFRASTRUCTURE	
MILES OF WATER MAINS	345
NUMBER OF RESERVOIRS	18
NUMBER OF PUMP STATIONS	15
NUMBER OF GROUNDWATER WELLS	14

The San José Municipal Water System provides water service to approximately 24,000 customers in five service areas of the City of San José: Alviso, North San José, Coyote Valley, Edenvale, and Evergreen. The Alviso service area (Council District 4) includes the area within the corporate limits of the former City of Alviso. The North San José service area (Council District 4) is generally north of Trimble Road, between the Guadalupe River and Coyote Creek. 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 (Council District 8) is south of Hellyer Avenue and east of Coyote Creek. The Evergreen service area generally coincides with the boundaries of Council District 8, east of Highway 101.

The 2017-2021 Adopted Capital Improvement Program (CIP) provides funding of \$32.2 million, of which \$13.4 million is allocated in 2016-2017. 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 and Sufficient Water Supply*.

PROGRAM PRIORITIES AND OBJECTIVES

Municipal Water System CIP's guiding objective is to provide a safe, reliable water supply. Based on the CSA outcomes supported by this program, the following list of priorities has been developed:

- Maintain the existing water utility system infrastructure;
- Provide facilities necessary for new development as identified in the Envision San José 2040 General Plan; and
- Ensure that the fire flow pressure and volume as recommended by the San José Fire Department are maintained.

Water Utility System

2017-2021 Adopted Capital Improvement Program

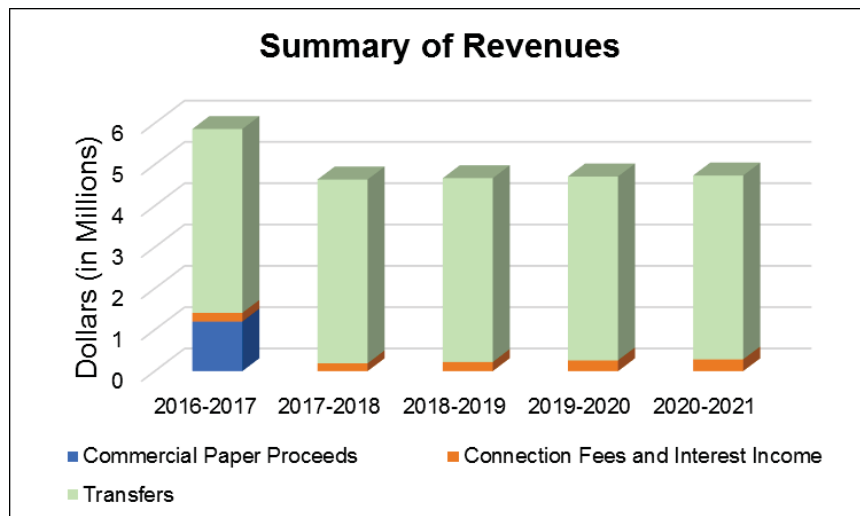
Overview

SOURCES OF FUNDING

The 2017-2021 Adopted CIP provides funding of \$32.2 million, of which \$13.4 million is allocated in 2016-2017. The program funding level decreased by \$3.6 million from \$35.8 million in the 2016-2020 Adopted CIP, mainly due to a decrease in the amount of commercial paper proceeds that had been anticipated to be issued for the Meter Replacement project, but were not ultimately needed at the previously estimated level, and the associated Transfer from the Water Utility Fund for commercial paper repayment. Revenue for the 2017-2021 Adopted CIP is derived from a combination of funding sources: transfers from the Water Utility Fund to the Water Utility Capital Fund, commercial paper proceeds, connection fees, and interest income.

The Water Utility Fund derives its revenue primarily from water rates and meter charges in the service areas. Water Utility rates will increase at least 3% for 2016-2017 in order to offset increased operating costs. It should be noted that staff anticipates returning to City Council no later than fall 2016 with additional recommendations related to water rates, due to the need to further track ongoing water conservation and its effects on changes in water usage as well as on the sources of wholesale water. Until that further analysis can be conducted and evaluated, the use of a portion of the Rate Stabilization Reserve is included in the 2016-2017 Adopted Operating Budget as a temporary funding source for the program next fiscal year.

The amount of the transfer from the Water Utility Fund to the Water Utility Capital Fund is approximately \$4.5 million annually in this CIP. Additional fee revenue in the Water Utility Capital Fund is generated from Service Connection Fees, Advanced System Design Fees, and Meter Installation Fees. Revenue in the Major Facilities Fund is generated through development fees associated with new connections in the five service areas. Revenues received from Major Water Facilities Fees are not budgeted due to the volatility of this revenue stream; however, revenue received in 2015-2016 and in prior years is programmed in the CIP. Revenue will be recognized, and programmed as necessary during the year, as it is received.



Water Utility System

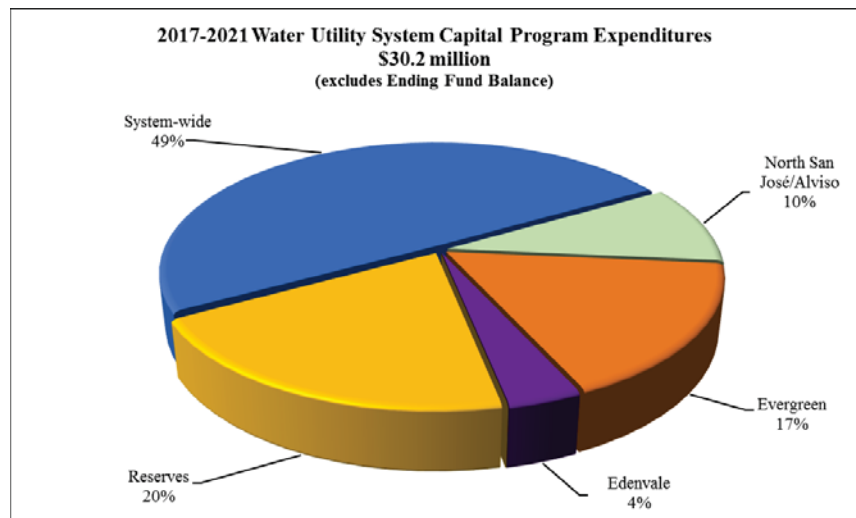
2017-2021 Adopted Capital Improvement Program

Overview

PROGRAM HIGHLIGHTS

The Water Utility System Capital Program's expenditures are organized to show the use of funds in several categories. The following highlights the major projects in the program by service area. For further information on the program's individual projects, please refer to the Detail Pages.

To meet the service needs of new developments in the Municipal Water System service area, the program continues its policy of requiring developers to construct distribution system improvements, such as pipelines, service connections, groundwater wells, and fire hydrants. Reservoirs, pump stations, and other large facilities are either constructed by developers or funded from the Major Facilities fees. Construction and reconstruction of projects for existing customers are funded from water rate and meter charge revenues, which are displayed in the 2016-2017 Adopted Operating Budget in the Water Utility Fund.



System-Wide

The Meter Replacement project (\$1.2 million in 2016-2017) will complete the replacement of the manual-read water meters in the City with remote-read water meters. The Safety and Security Improvements project (\$300,000 in the Adopted CIP) will include the installation of safety and security equipment at various system facilities to maintain reliable utility infrastructure, ensure water supplies remain secured, and provide a safe working environment for staff performing operations and maintenance.

North San José and Alviso Service Areas

The North San José and Alviso service areas use water supplied by the Hetch-Hetchy system under the Water Supply Agreement (WSA) with the City and County of San Francisco. San José is a party

Water Utility System

2017-2021 Adopted Capital Improvement Program

Overview

PROGRAM HIGHLIGHTS

to the agreement with 27 suburban agencies. The new agreement, which will expire June 30, 2034, was approved by the City Council in June 2009.

The North San José and Alviso service areas have experienced some growth in the last several years, and growth is assumed in this CIP. In order to help ensure a sufficient water supply to meet future demand forecasts, the 2017-2021 CIP includes funding from developers for the North San José Well #5 Development and Construction project (\$1.5 million) to construct a new groundwater well once a viable location is determined. The CIP also includes the North San José Reliability Well #6 Construction project (\$1.5 million) to develop a backup water supply for existing customers. Increased focus on rehabilitation and construction of groundwater wells will enable the San José Municipal Water System to minimize costs to customers, supply groundwater under emergency situations, and take advantage of Indirect Potable Reuse of purified water when available by having the necessary well infrastructure in place to allow this water to be drawn from the ground.

Evergreen Service Area

The Evergreen service area contains approximately 92% of the total customers served by the water system and accounts for 72% of total water usage. Customers in the Evergreen area receive water supplied by the Santa Clara Valley Water District. The Evergreen service area has experienced minimal growth in the last several years. The 2017-2021 CIP includes funding for the Orinda Drive Main Replacement (\$1.3 million), Gumdrop Drive Main Replacement (\$1.1 million), Elkins Way Main Replacement (\$1.0 million), and Fowler Pump Station Replacement (\$1.6 million) projects, as well as other miscellaneous improvements to extend the useful life of the system.



Interior of Cadwallader Reservoir

Edenvale Service Area

Basic water facilities for domestic supply and fire protection for the Edenvale service area north of Silver Creek Valley Road include three wells and a reservoir. 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. Projects scheduled in the 2017-2021 Adopted CIP in the Edenvale service area include the Edenvale Reservoir Rehabilitation project (\$1.1 million), as well as minor improvements, such as vault site maintenance, asphalt restoration, pump station maintenance, and other distribution system rehabilitation.

Water Utility System

2017-2021 Adopted Capital Improvement Program

Overview

PROGRAM HIGHLIGHTS

Coyote Valley Service Area

Groundwater from deep-water wells provides 100% of the supply in the Coyote Valley service area. City funding for the construction of water facilities in the primarily industrial North Coyote Valley service area was provided in accordance with the Master Development Agreement between the City and the coalition of North Coyote Valley developers. Once development occurs in this service area, developers will pay for the cost of expanding the water system into this area.

MAJOR CHANGES FROM THE 2016-2020 ADOPTED CIP

The overall size of the Water Utility System CIP has decreased by \$3.6 million from \$35.8 million in the 2016-2020 Adopted CIP to \$32.2 million in the 2017-2021 Adopted CIP. The following table outlines the most significant changes to project budgets, including new/augmented allocations and reduced/eliminated allocations.

Project	Incr/Decr
Fowler Pump Station Replacement	\$2.1 million
North San José Reliability Well #6 Construction	\$1.5 million
Repayment of Commercial Paper	(\$2.9 million)

OPERATING BUDGET IMPACT

There are no additional maintenance and operating costs associated with the projects in the 2017-2021 Adopted CIP.

COUNCIL-APPROVED REVISIONS TO THE PROPOSED CAPITAL IMPROVEMENT PROGRAM

During the June budget hearings, City Council approved a couple of changes to the Proposed Capital Improvement Program. The rebudgeting of unexpended funding for projects totaling \$50,000 due to project delays were approved. In addition, additional fund balance of \$17,000 was recognized as a result of a Public Art reconciliation conducted in 2015-2016. For additional information regarding any of these approved actions, please refer to the Manager's Budget Addendum #30, as approved by the City Council on June 14, 2016.

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2016-2017 CAPITAL BUDGET

2017-2021 CAPITAL IMPROVEMENT PROGRAM

WATER UTILITY SYSTEM

SOURCE OF FUNDS

USE OF FUNDS

SOURCE AND USE OF FUNDS STATEMENTS

2016-2017 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 Source and Use of Funds Statements display major categories of capital revenues and expenditures for each year over the five-year period. The 2016-2017 Use of Funds by Funding Source displays the funding sources for the capital expenditures that are budgeted in 2016-2017.

Water Utility System
2017-2021 Adopted Capital Improvement Program
Source of Funds (Combined)

SOURCE OF FUNDS	Estimated 2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	5-Year Total
Water Utility Capital Fund (500)							
Beginning Fund Balance	4,222,444	3,004,435	309,435	304,435	717,435	255,435	3,004,435 *
Taxes, Fees and Charges:							
<u>Water Utility Fees</u>							
– Advance System Design Fees	25,000	25,000	25,000	25,000	25,000	25,000	125,000
– Meter Installation Fees	25,000	25,000	25,000	25,000	25,000	25,000	125,000
– Service Connection Fees	50,000	50,000	50,000	50,000	50,000	50,000	250,000
Contributions, Loans and Transfers from:							
<u>Special Funds</u>							
– Transfer from Water Utility Fund	6,650,000	4,450,000	4,450,000	4,450,000	4,450,000	4,450,000	22,250,000
Interest Income	48,000	54,000	49,000	69,000	99,000	113,000	384,000
Reserve for Encumbrances	1,748,991						
Commercial Paper Proceeds		1,200,000					1,200,000
Total Water Utility Capital Fund	12,769,435	8,808,435	4,908,435	4,923,435	5,366,435	4,918,435	27,338,435 *
Major Facilities Fund (502)							
Beginning Fund Balance	4,627,858	4,531,858	1,472,858	1,497,858	1,534,858	1,581,858	4,531,858 *
Taxes, Fees and Charges:							
<u>Water Utility Fees</u>							
– Major Water Facilities Fee	125,000						
Interest Income	29,000	56,000	40,000	52,000	62,000	72,000	282,000
Total Major Facilities Fund	4,781,858	4,587,858	1,512,858	1,549,858	1,596,858	1,653,858	4,813,858 *
TOTAL SOURCE OF FUNDS	17,551,293	13,396,293	6,421,293	6,473,293	6,963,293	6,572,293	32,152,293 *

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* The 2017-2018 through 2020-2021 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

Water Utility System
2017-2021 Adopted Capital Improvement Program
Use of Funds (Combined)

USE OF FUNDS	Estimated 2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	5-Year Total
Construction Projects							
Elkins Way Main Replacement			60,000	950,000	20,000		1,030,000
Fowler Pump Station Replacement					65,000	1,500,000	1,565,000
North San José Reliability Well #6 Construction				300,000	1,000,000	150,000	1,450,000
North San José Water Well Evaluation and Rehabilitation	955,000						
Orinda Drive Main Replacement				60,000	1,200,000	30,000	1,290,000
Public Art		120,000	4,000	7,000	13,000	4,000	148,000
Water Valve Rehabilitation 2014	288,000						
1. Cadwallader Reservoir Rehabilitation	2,041,000	20,000					20,000
2. Edenvale Reservoir Rehabilitation	75,000	1,100,000					1,100,000
3. Gumdrop Drive Main Replacement		60,000	1,050,000	30,000			1,140,000
4. Infrastructure Improvements	1,820,000	780,000	790,000	800,000	810,000	820,000	4,000,000
5. Meter Installations	79,000	50,000	50,000	50,000	50,000	50,000	250,000
6. Meter Replacements	2,330,000	1,200,000					1,200,000
7. North San José Well #5 Development and Construction	60,000	1,500,000					1,500,000
8. Safety and Security Improvements	415,000	100,000	100,000	100,000			300,000
9. Service Installations	389,000	200,000	200,000	200,000	200,000	200,000	1,000,000
Total Construction Projects	8,452,000	5,130,000	2,254,000	2,497,000	3,358,000	2,754,000	15,993,000

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Water Utility System
2017-2021 Adopted Capital Improvement Program
Use of Funds (Combined)

USE OF FUNDS (CONT'D.)	Estimated 2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	5-Year Total
Non-Construction							
General Non-Construction							
Capital Program and Public Works Department Support Service Costs	26,000	15,000	17,000	9,000	9,000	9,000	59,000
Major Water Facility Fee Update	50,000						
10. Advance System Design	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000
11. Major Facilities Fee Administration	15,000	15,000	15,000	15,000	15,000	15,000	75,000
12. Master Plan Engineering	140,000	145,000	150,000	155,000	160,000	165,000	775,000
13. Network System Flow Improvements	6,000	6,000	6,000	6,000	6,000	6,000	30,000
14. Preliminary Engineering	125,000	130,000	135,000	140,000	145,000	150,000	700,000
15. Public Works GIS Support	230,000	65,000	65,000	65,000	65,000	65,000	325,000
16. Repayment of Commercial Paper		627,000	627,000				1,254,000
17. System Maintenance/Repairs	735,000	740,000	740,000	740,000	740,000	760,000	3,720,000
18. Water Management System Enhancements	23,000	67,000					67,000
Total General Non-Construction	1,550,000	2,010,000	1,955,000	1,330,000	1,340,000	1,370,000	8,005,000
Contributions, Loans and Transfers to General Fund							
Transfer to the General Fund - Human Resources/Payroll/Budget Systems Upgrade	4,000	1,000					1,000
Total Contributions, Loans and Transfers to General Fund	4,000	1,000					1,000
Contributions, Loans and Transfers to Special Funds							
Transfer to the City Hall Debt Service Fund	9,000	13,000	13,000	14,000	14,000	14,000	68,000
Total Contributions, Loans and Transfers to Special Funds	9,000	13,000	13,000	14,000	14,000	14,000	68,000

Water Utility System
2017-2021 Adopted Capital Improvement Program
Use of Funds (Combined)

USE OF FUNDS (CONT'D.)	Estimated 2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	5-Year Total
Non-Construction							
Reserves							
North Coyote Valley Water System Reserve		168,000					168,000
System Growth Related Projects Reserve		1,600,000					1,600,000
System Rehabilitation/Replacement Reserve		2,692,000	397,000	380,000	414,000	466,000	4,349,000
Total Reserves		4,460,000	397,000	380,000	414,000	466,000	6,117,000
Total Non-Construction	1,563,000	6,484,000	2,365,000	1,724,000	1,768,000	1,850,000	14,191,000
Ending Fund Balance	7,536,293	1,782,293	1,802,293	2,252,293	1,837,293	1,968,293	1,968,293*
TOTAL USE OF FUNDS	17,551,293	13,396,293	6,421,293	6,473,293	6,963,293	6,572,293	32,152,293*

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* The 2016-2017 through 2019-2020 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

Water Utility System
2017-2021 Adopted Capital Improvement Program
Water Utility Capital Fund (500)

Statement of Source and Use of Funds

	Estimated 2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	5-Year Total
<u>SOURCE OF FUNDS</u>							
Beginning Fund Balance *	4,222,444	3,004,435	309,435	304,435	717,435	255,435	3,004,435
Commercial Paper Proceeds		1,200,000					1,200,000
Contributions, Loans and Transfers	6,650,000	4,450,000	4,450,000	4,450,000	4,450,000	4,450,000	22,250,000
Interest Income	48,000	54,000	49,000	69,000	99,000	113,000	384,000
Reserve for Encumbrances	1,748,991						
Taxes, Fees and Charges	100,000	100,000	100,000	100,000	100,000	100,000	500,000
TOTAL SOURCE OF FUNDS	12,769,435	8,808,435	4,908,435	4,923,435	5,366,435	4,918,435	27,338,435
<u>USE OF FUNDS</u>							
Construction Projects	8,267,000	3,630,000	2,254,000	2,497,000	3,358,000	2,754,000	14,493,000
Contributions, Loans and Transfers	13,000	14,000	13,000	14,000	14,000	14,000	69,000
Non-Construction	1,485,000	1,995,000	1,940,000	1,315,000	1,325,000	1,355,000	7,930,000
Reserves		2,860,000	397,000	380,000	414,000	466,000	4,517,000
Ending Fund Balance **	3,004,435	309,435	304,435	717,435	255,435	329,435	329,435
TOTAL USE OF FUNDS	12,769,435	8,808,435	4,908,435	4,923,435	5,366,435	4,918,435	27,338,435

* The 2017-2018 through 2020-2021 Beginning Fund Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

** The 2016-2017 through 2019-2020 Ending Fund Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

Water Utility System
2017-2021 Adopted Capital Improvement Program
Major Facilities Fund (502)

Statement of Source and Use of Funds

	<u>Estimated 2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>5-Year Total</u>
<u>SOURCE OF FUNDS</u>							
Beginning Fund Balance *	4,627,858	4,531,858	1,472,858	1,497,858	1,534,858	1,581,858	4,531,858
Interest Income	29,000	56,000	40,000	52,000	62,000	72,000	282,000
Taxes, Fees and Charges	125,000						
TOTAL SOURCE OF FUNDS	<u>4,781,858</u>	<u>4,587,858</u>	<u>1,512,858</u>	<u>1,549,858</u>	<u>1,596,858</u>	<u>1,653,858</u>	<u>4,813,858</u>
<u>USE OF FUNDS</u>							
Construction Projects	185,000	1,500,000					1,500,000
Contributions, Loans and Transfers							
Non-Construction	65,000	15,000	15,000	15,000	15,000	15,000	75,000
Reserves		1,600,000					1,600,000
Ending Fund Balance **	4,531,858	1,472,858	1,497,858	1,534,858	1,581,858	1,638,858	1,638,858
TOTAL USE OF FUNDS	<u>4,781,858</u>	<u>4,587,858</u>	<u>1,512,858</u>	<u>1,549,858</u>	<u>1,596,858</u>	<u>1,653,858</u>	<u>4,813,858</u>

* The 2017-2018 through 2020-2021 Beginning Fund Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

** The 2016-2017 through 2019-2020 Ending Fund Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

Water Utility System
2017-2021 Adopted Capital Improvement Program
2016-2017 Use of Funds by Funding Source

	(500) Water Utility Capital Fund	(502) Major Facilities Fund	Total
TOTAL RESOURCES	8,808,435	4,587,858	13,396,293
<u>Construction Projects</u>			
Public Art	120,000		120,000
1. Cadwallader Reservoir Rehabilitation	20,000		20,000
2. Edenvale Reservoir Rehabilitation	1,100,000		1,100,000
3. Gumdrop Drive Main Replacement	60,000		60,000
4. Infrastructure Improvements	780,000		780,000
5. Meter Installations	50,000		50,000
6. Meter Replacements	1,200,000		1,200,000
7. North San José Well #5 Development and Construction		1,500,000	1,500,000
8. Safety and Security Improvements	100,000		100,000
9. Service Installations	200,000		200,000
<u>Total Construction Projects</u>	3,630,000	1,500,000	5,130,000
<u>Non-Construction</u>			
General Non-Construction			
Capital Program and Public Works Department Support Service Costs	15,000		15,000
10. Advance System Design	200,000		200,000
11. Major Facilities Fee Administration		15,000	15,000

Water Utility System
2017-2021 Adopted Capital Improvement Program
2016-2017 Use of Funds by Funding Source

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	(500) Water Utility Capital Fund	(502) Major Facilities Fund	Total
<u>Non-Construction</u>			
General Non-Construction			
12. Master Plan Engineering	145,000		145,000
13. Network System Flow Improvements	6,000		6,000
14. Preliminary Engineering	130,000		130,000
15. Public Works GIS Support	65,000		65,000
16. Repayment of Commercial Paper	627,000		627,000
17. System Maintenance/Repairs	740,000		740,000
18. Water Management System Enhancements	67,000		67,000
Total General Non-Construction	1,995,000	15,000	2,010,000
Contributions, Loans and Transfers to General Fund			
Transfer to the General Fund - Human Resources/Payroll/ Budget Systems 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	13,000		13,000

Water Utility System
2017-2021 Adopted Capital Improvement Program
2016-2017 Use of Funds by Funding Source

	(500) Water Utility Capital Fund	(502) Major Facilities Fund	Total
<u>Non-Construction</u>			
Contributions, Loans and Transfers to Special Funds			
Total Contributions, Loans and Transfers to Special Funds	13,000		13,000
Reserves			
North Coyote Valley Water System Reserve	168,000		168,000
System Growth Related Projects Reserve		1,600,000	1,600,000
System Rehabilitation/Replacement Reserve	2,692,000		2,692,000
Total Reserves	2,860,000	1,600,000	4,460,000
<u>Total Non-Construction</u>	4,869,000	1,615,000	6,484,000
Ending Fund Balance	309,435	1,472,858	1,782,293
TOTAL USE OF FUNDS	8,808,435	4,587,858	13,396,293

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2016-2017 CAPITAL BUDGET

2017-2021 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 2016-2017. The Detail of Non-Construction Projects section is abbreviated and provides information on the individual non-construction project, with funding in 2016-2017. On the Use of Funds statement, these projects are numbered.

Water Utility System

2017-2021 Adopted Capital Improvement Program Detail of Construction Projects

1. Cadwallader Reservoir Rehabilitation

CSA:	Environmental and Utility Services	Initial Start Date:	3rd Qtr. 2014
CSA Outcome:	Reliable Utility Infrastructure	Revised Start Date:	
	Safe, Reliable, and Sufficient Water Supply	Initial Completion Date:	2nd Qtr. 2017
Department:	Environmental Services	Revised Completion Date:	
Council District:	8		
Location:	South end of Cadwallader Avenue		
Description:	This project includes the rehabilitation of two steel reservoirs that provide fire protection and system storage capacity for the Evergreen service area.		
Justification:	The coatings on the reservoirs have deteriorated and require rehabilitation to prevent premature replacement.		

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Design	172										172
Construction		2,041	2,041	20					20		2,061
TOTAL	172	2,041	2,041	20					20		2,233

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund	172	2,041	2,041	20					20		2,233
TOTAL	172	2,041	2,041	20					20		2,233

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

2017-2021 CIP - increase of \$413,000 due to higher than projected costs of recent bids for similar work.

Notes:

FY Initiated:	2014-2015	Appn. #:	7671
Initial Project Budget:	\$1,820,000	USGBC LEED:	N/A

Water Utility System

2017-2021 Adopted Capital Improvement Program

Detail of Construction Projects

2. Edenvale Reservoir Rehabilitation

CSA: Environmental and Utility Services **Initial Start Date:** 2nd Qtr. 2016
CSA Outcome: Reliable Utility Infrastructure **Revised Start Date:**
Department: Environmental Services **Initial Completion Date:** 2nd Qtr. 2017
Council District: 2 **Revised Completion Date:**
Location: Approximately at the intersection of Silver Creek Road and Hellyer Avenue

Description: This project includes the rehabilitation of a steel reservoir that provides fire protection and system storage capacity for the Edenvale service area.

Justification: The coating on the reservoir has deteriorated and requires rehabilitation to prevent premature replacement.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Design		75	75								75
Construction				1,100					1,100		1,100
TOTAL		75	75	1,100					1,100		1,175

FUNDING SOURCE SCHEDULE (000'S)											
Cost Elements	Prior Years	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Water Utility Capital Fund		75	75	1,100					1,100		1,175
TOTAL		75	75	1,100					1,100		1,175

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

2017-2021 CIP - increase of \$200,000 due to higher than projected costs of recent bids for similar work, as well as funding to install water system facility upgrades necessary to ensure a reliable water supply while the storage tank is offline for construction.

Notes:

FY Initiated: 2015-2016 **Appn. #:** 6168
Initial Project Budget: \$975,000 **USGBC LEED:** N/A

Water Utility System

2017-2021 Adopted Capital Improvement Program

Detail of Construction Projects

3. Gumdrop Drive Main Replacement

CSA:	Environmental and Utility Services	Initial Start Date:	3rd Qtr. 2016
CSA Outcome:	Reliable Utility Infrastructure	Revised Start Date:	
Department:	Environmental Services	Initial Completion Date:	2nd Qtr. 2019
Council District:	8	Revised Completion Date:	
Location:	Gumdrop Drive, from Almond Drive to 480 feet south of Coconut Drive		

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

Justification: The water line is reaching the end of its useful life. Due to the high frequency of water leaks on this main, the pipeline is being relocated out of the parkstrip area to preserve older street trees.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Design			60						60		60
Construction				1,050	30				1,080		1,080
TOTAL			60	1,050	30				1,140		1,140

FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund			60	1,050	30				1,140		1,140
TOTAL			60	1,050	30				1,140		1,140

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

None

Notes:

FY Initiated:	2016-2017	Appn. #:	7804
Initial Project Budget:	\$1,140,000	USGBC LEED:	N/A

Water Utility System

2017-2021 Adopted Capital Improvement Program

Detail of Construction Projects

4. 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 provides 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 the projects selected in any particular year will be based on the previous year's maintenance needs.

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

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Construction		1,820	1,820	780	790	800	810	820	4,000		
TOTAL		1,820	1,820	780	790	800	810	820	4,000		

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund	1,820	1,820	780	790	800	810	820	4,000
TOTAL	1,820	1,820	780	790	800	810	820	4,000

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 **Appn. #:** 5366
Initial Project Budget: **USGBC LEED:** N/A

Water Utility System

2017-2021 Adopted Capital Improvement Program Detail of Construction Projects

5. Meter 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 to purchase, test, and install water meters for new developments and customers, the cost of which is offset by the meter installation fees paid by developers and property owners.

Justification: New meters are needed to provide water to new utility customers.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Construction		79	79	50	50	50	50	50	250		
TOTAL		79	79	50	50	50	50	50	250		

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund		79	79	50	50	50	50	50	250		
TOTAL		79	79	50	50	50	50	50	250		

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	Appn. #:	4347
Initial Project Budget:		USGBC LEED:	N/A

Water Utility System

2017-2021 Adopted Capital Improvement Program Detail of Construction Projects

6. Meter Replacements

CSA:	Environmental and Utility Services	Initial Start Date:	3rd Qtr. 2013
CSA Outcome:	Reliable Utility Infrastructure	Revised Start Date:	
Department:	Environmental Services	Initial Completion Date:	2nd Qtr. 2014
Council District:	2, 4, 7, 8	Revised Completion Date:	2nd Qtr. 2017
Location:	System-wide		

Description: This allocation provides funding to replace existing manual-read water meters with remote-read water meters. Approximately 20,000 of the 27,000 meters will be replaced, which will complete the replacement of all water meters in the Municipal Water System (Muni Water) service area. The remaining estimated 7,000 meters are being replaced as general meter turnover occurs (e.g. broken meter).

Justification: Equipping water meters with remote-read capabilities will increase efficiency and improve operations, allowing staff to focus on system infrastructure and maintenance. Remote-read meters will also provide customers with more timely and effective water use reports in order to affect water conservation at a more direct level, and will provide the department with data on potential leaks so staff can respond more effectively. These efforts will increase water conservation across the City, and are needed to address the effects of the current drought in California.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Construction	987	2,330	2,330	1,200					1,200		4,517
TOTAL	987	2,330	2,330	1,200					1,200		4,517

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund	987	2,330	2,330	1,200					1,200		4,517
TOTAL	987	2,330	2,330	1,200					1,200		4,517

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

2015-2019 CIP - increase of \$1.0 million to replace an additional 4,000 meters.
 2016-2020 CIP - increase of \$3.0 million to replace all remaining meters (approximately 14,000).

Notes:

This project was accelerated in order to provide all Muni Water customers in the City a more effective tool to conserve water and fight the drought. Commercial Paper proceeds will be used to fund the \$1.2 million allocated in 2016-2017.

FY Initiated:	2013-2014	Appn. #:	7593
Initial Project Budget:	\$500,000	USGBC LEED:	N/A

Water Utility System

2017-2021 Adopted Capital Improvement Program Detail of Construction Projects

7. North San José Well #5 Development and Construction

CSA:	Environmental and Utility Services	Initial Start Date:	2nd Qtr. 2016
CSA Outcome:	Safe, Reliable, and Sufficient Water Supply	Revised Start Date:	
Department:	Environmental Services	Initial Completion Date:	2nd Qtr. 2017
Council District:	4	Revised Completion Date:	
Location:	North San José service area		

Description: This allocation provides funding for the development and construction of a groundwater production well in the North San José service area. The location for this well will be determined based on the results of the North San José Water Well Evaluation and Rehabilitation project that is anticipated to be completed by December 2016.

Justification: Construction and development of a new well will be needed to supply groundwater to allow for operational flexibility by supplementing the existing treated water supplies, and to ensure a reliable potable water supply in order to meet increasing demands as growth and development continue in the North San José and Alviso service areas.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Design		60	60								60
Construction				1,500					1,500		1,500
TOTAL		60	60	1,500					1,500		1,560

FUNDING SOURCE SCHEDULE (000'S)

Major Facilities Fund		60	60	1,500					1,500		1,560
TOTAL		60	60	1,500					1,500		1,560

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

None

Notes:

FY Initiated:	2015-2016	Appn. #:	6274
Initial Project Budget:	\$1,560,000	USGBC LEED:	N/A

Water Utility System

2017-2021 Adopted Capital Improvement Program Detail of Construction Projects

8. Safety and Security Improvements

CSA:	Environmental and Utility Services	Initial Start Date:	1st Qtr. 2015
CSA Outcome:	Reliable Utility Infrastructure	Revised Start Date:	
Department:	Environmental Services	Initial Completion Date:	2nd Qtr. 2019
Council District:	2, 4, 7, 8	Revised Completion Date:	
Location:	System-wide		

Description: This project includes the repair and installation of additional safety and security equipment at various system facilities. Examples of improvements include new and repaired fencing at reservoirs, construction of concrete block walls around wells, and the installation of safety railing at various sites.

Justification: This project will maintain reliable utility infrastructure, ensure water supplies remain secured, and provide a safe working environment for staff performing operations and maintenance.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Construction	385	415	415	100	100	100			300		1,100
TOTAL	385	415	415	100	100	100			300		1,100

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund	385	415	415	100	100	100			300		1,100
TOTAL	385	415	415	100	100	100			300		1,100

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

2016-2020 CIP - increase of \$700,000 due to additional identified projects necessary for safety and security at Municipal Water System sites.

Notes:

This project was initiated as part of the 2014-2015 Mid-Year Budget Review.

FY Initiated:	2014-2015	Appn. #:	4095
Initial Project Budget:	\$400,000	USGBC LEED:	N/A

Water Utility System

2017-2021 Adopted Capital Improvement Program

Detail of Construction Projects

9. 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. A portion of this work, related to new development, is paid for by developer fees. The remainder of the work, which is not tied to developer fees, entails connections to water, service laterals, sampling stations, meter boxes, air release valves, and main extensions in existing service areas to increase the operability of the system.

Justification: As development proceeds in the City, connections between water mains and meters are required to service new customers. Additional minor connections and appurtenances are periodically needed to reliably operate the system and ensure a safe drinking water supply.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Construction		389	389	200	200	200	200	200	1,000		
TOTAL		389	389	200	200	200	200	200	1,000		

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund		389	389	200	200	200	200	200	1,000	
TOTAL		389	389	200	200	200	200	200	1,000	

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	Appn. #:	4348
Initial Project Budget:		USGBC LEED:	N/A

Water Utility System

2017-2021 Adopted Capital Improvement Program Detail of Non-Construction Projects

10. 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 the connection of new developments to the Water Utility System. Project costs are offset by developer fees.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Planning and Engineering		200	200	200	200	200	200	200	1,000		
TOTAL		200	200	200	200	200	200	200	1,000		

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

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

11. 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 Fees. 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	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	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

Water Utility System

2017-2021 Adopted Capital Improvement Program

Detail of Non-Construction Projects

12. Master Plan Engineering

CSA: Environmental and Utility Services
CSA Outcome: Reliable Utility Infrastructure
Department: Environmental Services
Description: This 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	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Master Plan/Study		140	140	145	150	155	160	165	775		
TOTAL		140	140	145	150	155	160	165	775		
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund		140	140	145	150	155	160	165	775		
TOTAL		140	140	145	150	155	160	165	775		

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

Appn. #: 4349

13. 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	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	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

Water Utility System

2017-2021 Adopted Capital Improvement Program

Detail of Non-Construction Projects

14. Preliminary Engineering

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

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Advanced Planning		125	125	130	135	140	145	150	700		
TOTAL		125	125	130	135	140	145	150	700		
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund		125	125	130	135	140	145	150	700		
TOTAL		125	125	130	135	140	145	150	700		

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

15. Public Works GIS Support

CSA: Environmental and Utility Services
CSA Outcome: Reliable Utility Infrastructure
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	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Planning and Engineering		230	230	65	65	65	65	65	325		
TOTAL		230	230	65	65	65	65	65	325		
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund		230	230	65	65	65	65	65	325		
TOTAL		230	230	65	65	65	65	65	325		

Notes:
 Selected budget information is not provided due to the ongoing nature of this project.
Appn. #: 7365

Water Utility System
2017-2021 Adopted Capital Improvement Program
Detail of Non-Construction Projects

16. Repayment of Commercial Paper

CSA: Environmental and Utility Services
CSA Outcome: Reliable Utility Infrastructure
Department: Environmental Services
Description: This allocation funds the repayment of commercial paper proceeds of \$1.2 million used to fund a portion of the Meter Replacements project in 2016-2017.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Debt Service				627	627				1,254		1,254
TOTAL				627	627				1,254		1,254
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund				627	627				1,254		1,254
TOTAL				627	627				1,254		1,254
Appn. #:	6247										

17. 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	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Equipment		735	735	740	740	740	740	760	3,720		
TOTAL		735	735	740	740	740	740	760	3,720		
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund		735	735	740	740	740	740	760	3,720		
TOTAL		735	735	740	740	740	740	760	3,720		

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

Appn. #: 5876

Water Utility System
2017-2021 Adopted Capital Improvement Program
Detail of Non-Construction Projects

18. Water Management System Enhancements

CSA: Environmental and Utility Services
CSA Outcome: Reliable Utility Infrastructure
Department: Environmental Services
Description: This allocation funds various upgrades to the utility's preventative maintenance and asset tracking system, including the mapping of fire hydrants in the system's area.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2015-16 Appn.	2015-16 Estimate	2016-17	2017-18	2018-19	2019-20	2020-21	5-Year Total	Beyond 5-Year	Project Total
Program Management	133	90	23	67					67		223
TOTAL	133	90	23	67					67		223
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund	133	90	23	67					67		223
TOTAL	133	90	23	67					67		223
Appn. #:	7447										

2016-2017 CAPITAL BUDGET

2017-2021 CAPITAL IMPROVEMENT PROGRAM

WATER UTILITY SYSTEM

SUMMARY OF PROJECTS THAT START AFTER 2016-2017

SUMMARY OF RESERVES

The Summary of Projects that Start after 2016-2017 includes those projects that have funding budgeted starting after 2016-2017. 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

2017-2021 Adopted Capital Improvement Program

Summary of Projects that Start after 2016-2017

Project Name:	Elkins Way Main Replacement	Initial Start Date:	3rd Qtr. 2017
5-Year CIP Budget:	\$1,030,000	Revised Start Date:	
Total Budget:	\$1,030,000	Initial End Date:	3rd Qtr. 2019
Council District:	8	Revised End Date:	
USGBC LEED:	N/A		

Description: This project includes the replacement and relocation of approximately 3,100 feet of 6-inch and 8-inch steel water mains on Elkins Way, Hebron Court, Pomeroy Avenue, and Denton Way.

Project Name:	Fowler Pump Station Replacement	Initial Start Date:	3rd Qtr. 2019
5-Year CIP Budget:	\$1,565,000	Revised Start Date:	
Total Budget:	\$2,065,000	Initial End Date:	2nd Qtr. 2022
Council District:	8	Revised End Date:	
USGBC LEED:	N/A		

Description: This project consists of the replacement and upgrade of an existing pump station that will have reached the end of its useful life.

Project Name:	North San José Reliability Well #6 Construction	Initial Start Date:	3rd Qtr. 2018
5-Year CIP Budget:	\$1,450,000	Revised Start Date:	
Total Budget:	\$1,450,000	Initial End Date:	2nd Qtr. 2021
Council District:	4	Revised End Date:	
USGBC LEED:	N/A		

Description: This project constructs a groundwater well in the North San José service area to provide water supply reliability to existing customers.

Project Name:	Orinda Drive Main Replacement	Initial Start Date:	3rd Qtr. 2018
5-Year CIP Budget:	\$1,290,000	Revised Start Date:	
Total Budget:	\$1,290,000	Initial End Date:	2nd Qtr. 2021
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 Orinda Drive.

Water Utility System

2017-2021 Adopted Capital Improvement Program

Summary of Reserves

Project Name:	North Coyote Valley Water System Reserve	Initial Start Date:	N/A
5-Year CIP Budget:	\$168,000	Revised Start Date:	
Total Budget:	\$168,000	Initial End Date:	N/A
Council District:	2	Revised End Date:	
USGBC LEED:	N/A		

Description: This reserve sets aside funds in the Water Utility Capital Fund for outstanding North Coyote Valley Water System project close-out activities, to be completed by the contractor relating to final project documentation. There are outstanding project close-out issues that continue to remain unresolved. The Department periodically attempts to coordinate with the land owner and their attorney to obtain the last necessary project documentation.

Project Name:	System Growth Related Projects Reserve	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:	System Rehabilitation/Replacement Reserve	Initial Start Date:	N/A
5-Year CIP Budget:	\$4,349,000	Revised Start Date:	
Total Budget:	\$4,349,000	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. 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 \$4.3 million at the end of 2017-2021 based on current operating revenue projections for 2020-2021.
