



2015-2016 CAPITAL BUDGET

**2016-2020 CAPITAL
IMPROVEMENT PROGRAM**

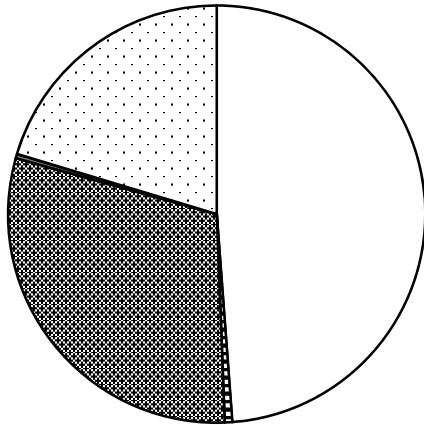


**WATER
UTILITY SYSTEM**

WATER UTILITY SYSTEM

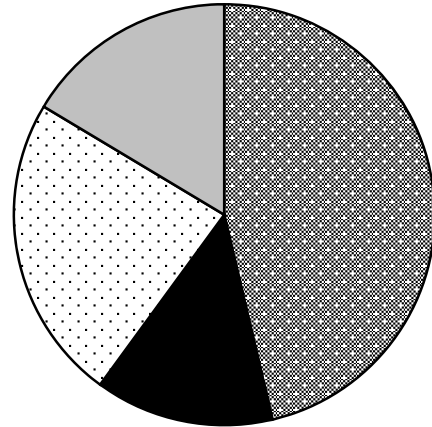
2016-2020 Capital Improvement Program

2015-2016 Adopted Source of Funds



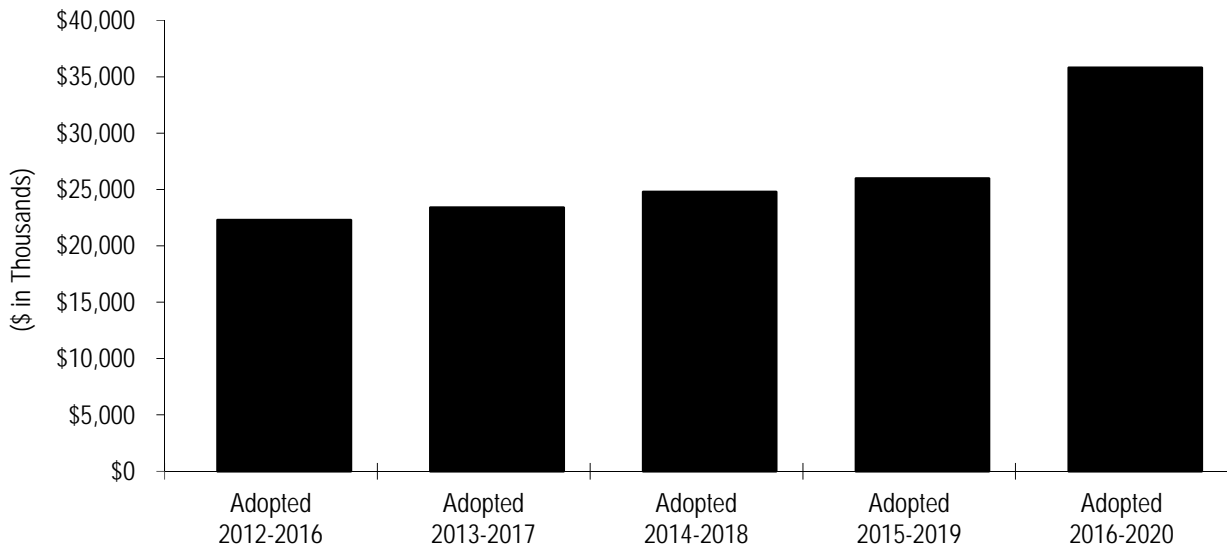
- Beginning Fund Balance
- Taxes, Fees and Charges
- ▨ Loans & Transfers
- Interest
- ▨ Commercial Paper Proceeds

2015-2016 Adopted Use of Funds



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

CIP History



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Water Utility System

2016-2020 Adopted Capital Improvement Program

North

- A)** Meter Replacements
- B)** North San José Water Well Evaluation and Rehabilitation
- C)** North San José Well #5 Development and Construction
- D)** Water Valve Rehabilitation 2014



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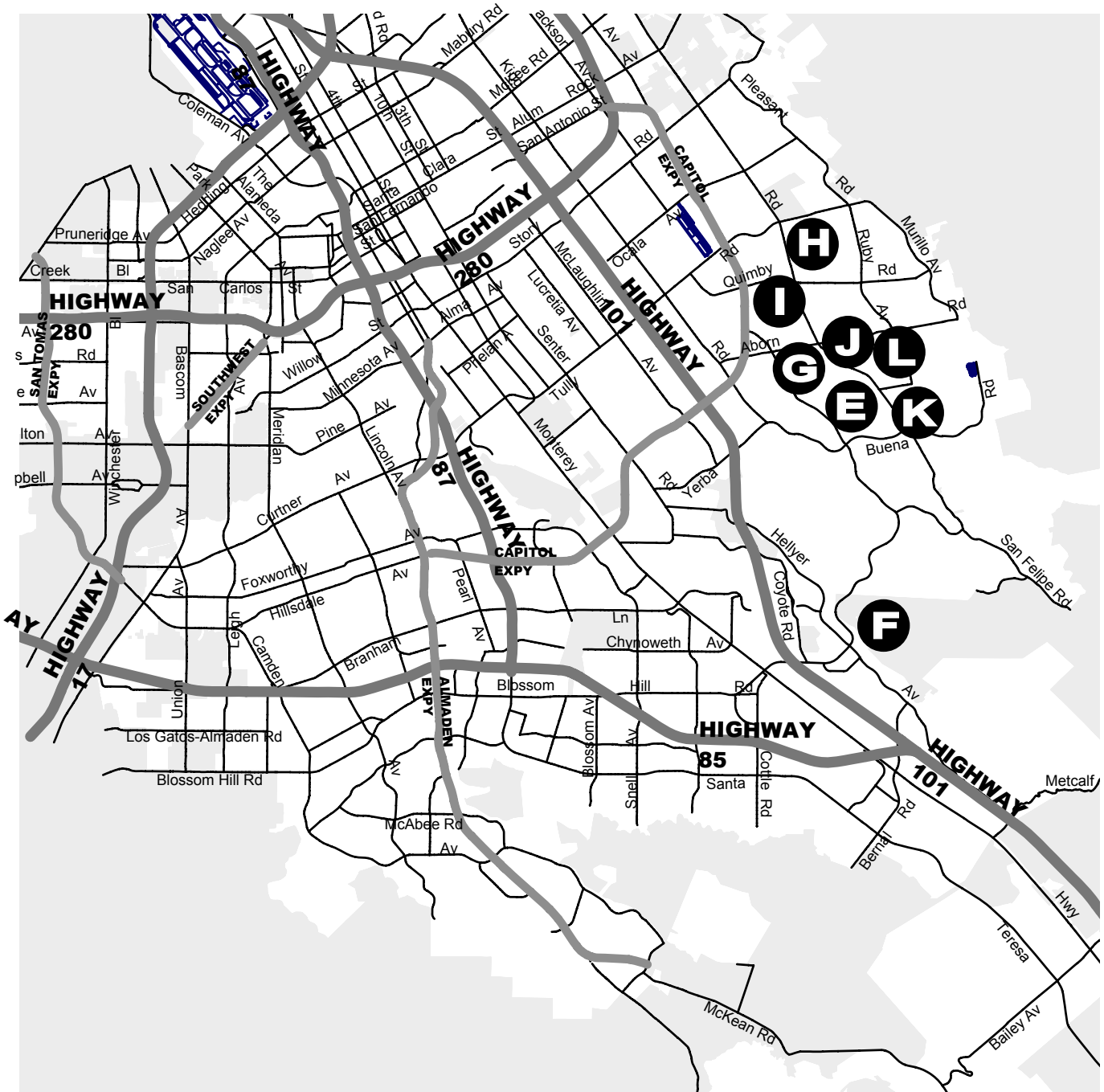
Water Utility System

2016-2020 Adopted Capital Improvement Program

South

- E)** Cadwallader Reservoir Rehabilitation
- F)** Edenvale Reservoir Rehabilitation
- G)** Elkins Way Main Replacement
- H)** Gumdrop Drive Main Replacement

- I)** Meter Replacements
- J)** Orinda Drive Main Replacement
- K)** Safety and Security Improvements
- L)** Water Valve Rehabilitation 2014



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Water Utility System

2016-2020 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. The 2016-2020 Adopted Capital Improvement Program (CIP) provides funding of \$35.8 million, of which \$17.2 million is allocated in 2015-2016.

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 26,000 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.

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 to 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 is maintained. Projects in the 2016-2020 Adopted CIP include maintenance of existing infrastructure and improvements to the Water Utility System facilities. The System Growth Related Projects Reserve remains at \$1.6 million for future system needs. In accordance with San José Municipal Code Section 4.80.630, the System Rehabilitation/Replacement Reserve is set at 7% of annual operating revenues. This reserve totals \$3.6 million at the end of the 2016-2020 CIP based on current operating revenue projections for 2019-2020. In the event that economic or environmental conditions (e.g. drought, slowing economy, etc.) decrease revenues to the Water Utility System, use of the reserve may be required to maintain infrastructure.

Water Utility System

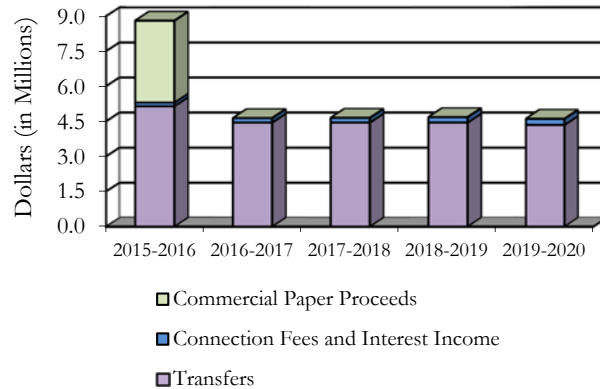
2016-2020 Adopted Capital Improvement Program

Overview

SOURCES OF FUNDING

Revenue for the 2016-2020 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 sales in the service areas. Water Utility rates were approved to increase by 28% for 2015-2016 in order to offset rising wholesale water costs and increased operating costs, restore revenue that was down due to declining water sales, and fund capital improvements. The amount of the transfer from the Water Utility Fund is between \$4.4 million and \$5.2 million annually. Fee revenue in the Water Utility Capital Fund is generated from Service Connection Fees, Advanced System Design Fees, and Meter Installation Fees.

Summary of Revenues



In 2015-2016, there is also a large increase to the Water Utility Capital Fund, which mainly reflects Commercial Paper (CP) proceeds (\$3.5 million). This loan will be used to increase funding for the Meter Replacement project. The 2016-2020 CIP reflects sufficient funding, primarily as an increased transfer from the Water Utility Fund, for annual repayments of the CP loan over five years. The repayment of CP is scheduled to be completed in 2019-2020.

Revenue in the Major Facilities Fund is generated primarily through development fees associated with the connection and operation of major water facilities in the five service areas. Revenues received from Major Water Facilities Fees are not budgeted due to the volatility of this revenue stream. Revenue will be recognized, and programmed as necessary during the year, as it is received. Over the five years of this Adopted CIP, the funds available for capital improvements are estimated to total \$35.8 million, which consists of \$31.2 million in the Water Utility Capital Fund and \$4.6 million in the Major Facilities Fee Fund.

PROGRAM HIGHLIGHTS

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 sale revenues, which are displayed in the 2015-2016 Adopted Operating Budget in the Water Utility Fund.

Water Utility System

2016-2020 Adopted Capital Improvement Program

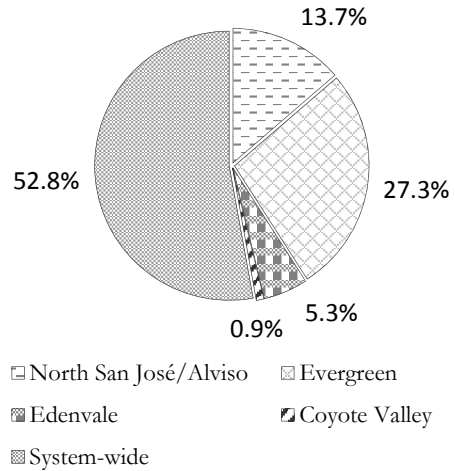
Overview

PROGRAM HIGHLIGHTS

System-Wide

Two projects scheduled in 2015-2016 will benefit customers in all service areas by increasing operational and staff efficiency and incorporating technological and infrastructure upgrades. The Meter Replacements project (\$3.5 million in 2015-2016) will replace approximately 14,000 remaining manual-read water meters with remote-read water meters. This project will allow staff to focus on system infrastructure and maintenance, as well as provide customers with improved customer service through quicker water meter reads. Importantly, this project will assist in increasing water conservation efforts by allowing for more useful water usage reports to customers, thereby affecting conservation efforts at a more direct level, and providing the department with the ability to respond more effectively to water leaks at residences, as the new remote-read technology includes indicators of potential leaks.

2016-2020 Construction Dollars Programmed by Service Area
\$18.3 million



The Safety and Security Improvements project (\$700,000 in the Adopted CIP) will include the installation of safety and security equipment at various system facilities, in order to maintain reliable utility infrastructure, ensure water supplies remain secured, and provide a safe working environment for staff performing operations and maintenance.

Additionally, updates to the Water System Master Plan (\$750,000 in the 2016-2020 CIP) will identify and develop long-term operational strategies, optimize potential water sources to meet future demand forecasts, and evaluate the potential benefits of Indirect Potable Reuse (IPR) to customers. Funding for Infrastructure Improvements (\$4.0 million), included in the 2016-2020 CIP, will be used to replace and/or refurbish equipment and infrastructure in order to ensure reliable, ongoing operation and minimize unnecessary service disruptions to customers.



Meter Replacement Project

Water Utility System

2016-2020 Adopted Capital Improvement Program

Overview

PROGRAM HIGHLIGHTS

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 of San Francisco. San José is a party 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.



Detail Work on Trimble Reservoir

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 take advantage of groundwater as the least expensive water supply to meet future demand forecasts, the North San José Water Well Evaluation and Rehabilitation project (\$955,000 in 2015-2016) will rehabilitate existing wells to improve capacity and water quality while investigating the feasibility of viable sites for construction of new groundwater wells. The 2016-2020 CIP includes funding from developers for the North San José Well #5

Development and Construction project (\$1.6 million) to construct a new groundwater well once viable locations are determined. 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 IPR when available.

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 2016-2020 CIP includes funding for the Cadwallader Reservoir Rehabilitation (\$1.6 million), Orinda Drive Main Replacement (\$1.3 million), Gumdrop Drive Main Replacement (\$1.1 million), and Elkins Way Main Replacement (\$1.0 million) projects, as well as other miscellaneous improvements to extend the useful life of the system.

Water Utility System

2016-2020 Adopted Capital Improvement Program

Overview

PROGRAM HIGHLIGHTS

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 2016-2020 Adopted CIP in the Edenvale service area include the Edenvale Reservoir Rehabilitation project (\$975,000), as well as minor improvements, such as vault site maintenance, asphalt restoration, pump station maintenance, and other distribution system rehabilitation.

Coyote Valley Service Area

Groundwater from deep-water wells provides 100% of the supply in the Coyote Valley 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 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 2015-2019 ADOPTED CIP

Major changes from the 2015-2019 Adopted CIP include the following:

- Increased funding of \$3.0 million for Meter Replacements, for replacing the remaining manual-read water meters in the City;
- Funding of \$1.6 million for a new North San José Well #5 Development and Construction project;
- Funding of \$1.3 million for a new Orinda Drive Main Replacement project; and
- Increased funding of \$700,000 for the Safety and Security Improvements project.

OPERATING BUDGET IMPACT

There are no additional maintenance and operating costs associated with the projects in the 2016-2020 Adopted CIP.

Water Utility System

2016-2020 Adopted Capital Improvement Program

Overview

COUNCIL-APPROVED REVISIONS TO THE PROPOSED CAPITAL IMPROVEMENT PROGRAM

The City Council approved the rebudgeting of \$1.1 million for six projects: North San José Water Well Evaluation and Rehabilitation (\$605,000), Public Works GIS Support (\$130,000), Public Art (\$107,000), Water Valve Rehabilitation 2014 (\$100,000), Water Management System Enhancements (\$67,000), and Major Water Facility Fee Update (\$50,000).

2015-2016 CAPITAL BUDGET

2016-2020 CAPITAL IMPROVEMENT PROGRAM

WATER UTILITY SYSTEM

SOURCE OF FUNDS

USE OF FUNDS

SOURCE AND USE OF FUNDS STATEMENTS

2015-2016 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 2015-2016 Use of Funds by Funding Source displays the funding sources for the capital expenditures that are budgeted in 2015-2016.

Water Utility System
2016-2020 Adopted Capital Improvement Program
Source of Funds (Combined)

SOURCE OF FUNDS	Estimated 2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	5-Year Total
Water Utility Capital Fund (500)							
Beginning Fund Balance	4,177,680	4,018,448	265,448	167,448	126,448	206,448	4,018,448 *
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	150,000	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	3,500,000	5,150,000	4,450,000	4,450,000	4,450,000	4,350,000	22,850,000
Interest Income	20,000	27,000	41,000	58,000	76,000	96,000	298,000
Reserve for Encumbrances	1,576,768						
Commercial Paper Proceeds		3,500,000					3,500,000
Total Water Utility Capital Fund	9,474,448	12,795,448	4,856,448	4,775,448	4,752,448	4,752,448	31,166,448 *
Major Facilities Fund (502)							
Beginning Fund Balance	4,258,331	4,378,331	2,559,331	1,095,331	1,124,331	1,165,331	4,378,331 *
Taxes, Fees and Charges:							
<u>Water Utility Fees</u>							
– Major Water Facilities Fee	138,000						
Interest Income	12,000	31,000	51,000	44,000	56,000	66,000	248,000
Total Major Facilities Fund	4,408,331	4,409,331	2,610,331	1,139,331	1,180,331	1,231,331	4,626,331 *
TOTAL SOURCE OF FUNDS	13,882,779	17,204,779	7,466,779	5,914,779	5,932,779	5,983,779	35,792,779 *

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

Water Utility System
2016-2020 Adopted Capital Improvement Program
 Use of Funds (Combined)

USE OF FUNDS	Estimated 2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	5-Year Total
Construction Projects							
Elkins Way Main Replacement				60,000	950,000	20,000	1,030,000
Gumdrop Drive Main Replacement			60,000	1,050,000	30,000		1,140,000
Nortech and Trimble Reservoir Rehabilitation	523,000						
North Coyote Valley Water System		168,000					168,000
Orinda Drive Main Replacement					60,000	1,200,000	1,260,000
Public Art		133,000	4,000	15,000	14,000	15,000	181,000
1. Cadwallader Reservoir Rehabilitation	250,000	1,550,000	20,000				1,570,000
2. Edenvale Reservoir Rehabilitation		75,000	900,000				975,000
3. Infrastructure Improvements	1,635,000	780,000	780,000	790,000	800,000	810,000	3,960,000
4. Meter Installations	84,000	50,000	50,000	50,000	50,000	50,000	250,000
5. Meter Replacements	511,000	3,500,000					3,500,000
6. North San José Water Well Evaluation and Rehabilitation	20,000	955,000					955,000
7. North San José Well #5 Development and Construction		60,000	1,500,000				1,560,000
8. Safety and Security Improvements	400,000	400,000	100,000	100,000	100,000		700,000
9. Service Installations	336,000	200,000	200,000	200,000	200,000	200,000	1,000,000
10. Water Valve Rehabilitation 2014	359,000	100,000					100,000
Total Construction Projects	4,118,000	7,971,000	3,614,000	2,265,000	2,204,000	2,295,000	18,349,000

Water Utility System
2016-2020 Adopted Capital Improvement Program
 Use of Funds (Combined)

USE OF FUNDS (CONT'D.)	Estimated 2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	5-Year Total
Non-Construction							
General Non-Construction							
Capital Program and Public Works Department Support Service Costs	17,000	26,000	8,000	9,000	10,000	11,000	64,000
11. Advance System Design	150,000	200,000	200,000	200,000	200,000	200,000	1,000,000
12. Major Facilities Fee Administration	30,000	15,000	15,000	15,000	15,000	15,000	75,000
13. Major Water Facility Fee Update		50,000					50,000
14. Master Plan Engineering	135,000	140,000	145,000	150,000	155,000	160,000	750,000
15. Network System Flow Improvements	6,000	6,000	6,000	6,000	6,000	6,000	30,000
16. Preliminary Engineering	120,000	125,000	130,000	135,000	140,000	145,000	675,000
17. Public Works GIS Support		230,000	65,000	65,000	65,000	65,000	490,000
18. Repayment of Commercial Paper		830,000	830,000	830,000	830,000	830,000	4,150,000
19. System Maintenance/Repairs	862,000	660,000	680,000	700,000	720,000	740,000	3,500,000
20. Water Management System Enhancements	40,000	67,000					67,000
Total General Non-Construction	1,360,000	2,349,000	2,079,000	2,110,000	2,141,000	2,172,000	10,851,000
Contributions, Loans and Transfers to General Fund							
Transfer to the General Fund - Human Resources/Payroll/Budget Systems Upgrade	1,000	4,000					4,000
Total Contributions, Loans and Transfers to General Fund	1,000	4,000					4,000

Water Utility System
 2016-2020 Adopted Capital Improvement Program
 Use of Funds (Combined)

USE OF FUNDS (CONT'D.)	Estimated 2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	5-Year Total
Non-Construction							
Contributions, Loans and Transfers to Special Funds							
Transfer to the City Hall Debt Service Fund	7,000	9,000	10,000	10,000	11,000	11,000	51,000
Total Contributions, Loans and Transfers to Special Funds	7,000	9,000	10,000	10,000	11,000	11,000	51,000
Reserves							
System Growth Related Projects Reserve		1,600,000					1,600,000
System Rehabilitation/Replacement Reserve		2,447,000	501,000	279,000	205,000	214,000	3,646,000
Total Reserves		4,047,000	501,000	279,000	205,000	214,000	5,246,000
Total Non-Construction Ending Fund Balance	1,368,000 8,396,779	6,409,000 2,824,779	2,590,000 1,262,779	2,399,000 1,250,779	2,357,000 1,371,779	2,397,000 1,291,779	16,152,000 1,291,779*
TOTAL USE OF FUNDS	13,882,779	17,204,779	7,466,779	5,914,779	5,932,779	5,983,779	35,792,779*

* The 2015-2016 through 2018-2019 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

Water Utility System
2016-2020 Adopted Capital Improvement Program
Water Utility Capital Fund (500)

Statement of Source and Use of Funds

	<u>Estimated 2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>5-Year Total</u>
<u>SOURCE OF FUNDS</u>							
Beginning Fund Balance *	4,177,680	4,018,448	265,448	167,448	126,448	206,448	4,018,448
Commercial Paper Proceeds		3,500,000					3,500,000
Contributions, Loans and Transfers	3,500,000	5,150,000	4,450,000	4,450,000	4,450,000	4,350,000	22,850,000
Interest Income	20,000	27,000	41,000	58,000	76,000	96,000	298,000
Reserve for Encumbrances	1,576,768						
Taxes, Fees and Charges	200,000	100,000	100,000	100,000	100,000	100,000	500,000
TOTAL SOURCE OF FUNDS	<u>9,474,448</u>	<u>12,795,448</u>	<u>4,856,448</u>	<u>4,775,448</u>	<u>4,752,448</u>	<u>4,752,448</u>	<u>31,166,448</u>
<u>USE OF FUNDS</u>							
Construction Projects	4,118,000	7,786,000	2,114,000	2,265,000	2,204,000	2,295,000	16,664,000
Contributions, Loans and Transfers	8,000	13,000	10,000	10,000	11,000	11,000	55,000
Non-Construction	1,330,000	2,284,000	2,064,000	2,095,000	2,126,000	2,157,000	10,726,000
Reserves		2,447,000	501,000	279,000	205,000	214,000	3,646,000
Ending Fund Balance **	4,018,448	265,448	167,448	126,448	206,448	75,448	75,448
TOTAL USE OF FUNDS	<u>9,474,448</u>	<u>12,795,448</u>	<u>4,856,448</u>	<u>4,775,448</u>	<u>4,752,448</u>	<u>4,752,448</u>	<u>31,166,448</u>

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

** The 2015-2016 through 2018-2019 Ending Fund Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

Water Utility System
2016-2020 Adopted Capital Improvement Program
Major Facilities Fund (502)

Statement of Source and Use of Funds

	<u>Estimated 2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>5-Year Total</u>
<u>SOURCE OF FUNDS</u>							
Beginning Fund Balance *	4,258,331	4,378,331	2,559,331	1,095,331	1,124,331	1,165,331	4,378,331
Interest Income	12,000	31,000	51,000	44,000	56,000	66,000	248,000
Taxes, Fees and Charges	138,000						
TOTAL SOURCE OF FUNDS	<u>4,408,331</u>	<u>4,409,331</u>	<u>2,610,331</u>	<u>1,139,331</u>	<u>1,180,331</u>	<u>1,231,331</u>	<u>4,626,331</u>
<u>USE OF FUNDS</u>							
Construction Projects		185,000	1,500,000				1,685,000
Contributions, Loans and Transfers							
Non-Construction	30,000	65,000	15,000	15,000	15,000	15,000	125,000
Reserves		1,600,000					1,600,000
Ending Fund Balance **	4,378,331	2,559,331	1,095,331	1,124,331	1,165,331	1,216,331	1,216,331
TOTAL USE OF FUNDS	<u>4,408,331</u>	<u>4,409,331</u>	<u>2,610,331</u>	<u>1,139,331</u>	<u>1,180,331</u>	<u>1,231,331</u>	<u>4,626,331</u>

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

** The 2015-2016 through 2018-2019 Ending Fund Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

Water Utility System
2016-2020 Adopted Capital Improvement Program
2015-2016 Use of Funds by Funding Source

V - 227

	(500) Water Utility Capital Fund	(502) Major Facilities Fund	Total
	12,795,448	4,409,331	17,204,779
<u>Construction Projects</u>			
	168,000		168,000
	133,000		133,000
1. Cadwallader Reservoir Rehabilitation	1,550,000		1,550,000
2. Edenvale Reservoir Rehabilitation	75,000		75,000
3. Infrastructure Improvements	780,000		780,000
4. Meter Installations	50,000		50,000
5. Meter Replacements	3,500,000		3,500,000
6. North San José Water Well Evaluation and Rehabilitation	830,000	125,000	955,000
7. North San José Well #5 Development and Construction		60,000	60,000
8. Safety and Security Improvements	400,000		400,000
9. Service Installations	200,000		200,000
10. Water Valve Rehabilitation 2014	100,000		100,000
	7,786,000	185,000	7,971,000
<u>Total Construction Projects</u>			

Water Utility System
2016-2020 Adopted Capital Improvement Program
2015-2016 Use of Funds by Funding Source

V - 228

	(500) Water Utility Capital Fund	(502) Major Facilities Fund	Total
<u>Non-Construction</u>			
General Non-Construction			
Capital Program and Public Works Department Support Service Costs	26,000		26,000
11. Advance System Design	200,000		200,000
12. Major Facilities Fee Administration		15,000	15,000
13. Major Water Facility Fee Update		50,000	50,000
14. Master Plan Engineering	140,000		140,000
15. Network System Flow Improvements	6,000		6,000
16. Preliminary Engineering	125,000		125,000
17. Public Works GIS Support	230,000		230,000
18. Repayment of Commercial Paper	830,000		830,000
19. System Maintenance/Repairs	660,000		660,000
20. Water Management System Enhancements	67,000		67,000
Total General Non-Construction	2,284,000	65,000	2,349,000
Contributions, Loans and Transfers to General Fund			
Transfer to the General Fund - Human Resources/Payroll/ Budget Systems Upgrade	4,000		4,000
Total Contributions, Loans and Transfers to General Fund	4,000		4,000

Water Utility System
2016-2020 Adopted Capital Improvement Program
2015-2016 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			
Transfer to the City Hall Debt Service Fund	9,000		9,000
Total Contributions, Loans and Transfers to Special Funds	9,000		9,000
Reserves			
System Growth Related Projects Reserve		1,600,000	1,600,000
System Rehabilitation/Replacement Reserve	2,447,000		2,447,000
Total Reserves	2,447,000	1,600,000	4,047,000
<u>Total Non-Construction</u>	4,744,000	1,665,000	6,409,000
Ending Fund Balance	265,448	2,559,331	2,824,779
TOTAL USE OF FUNDS	12,795,448	4,409,331	17,204,779

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2015-2016 CAPITAL BUDGET

2016-2020 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 2015-2016. The Detail of Non-Construction Projects section is abbreviated and provides information on the individual non-construction project, with funding in 2015-2016. On the Use of Funds statement, these projects are numbered.

Water Utility System

2016-2020 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	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Design		100	100								100
Construction		150	150	1,550	20				1,570		1,720
TOTAL		250	250	1,550	20				1,570		1,820

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund		250	250	1,550	20			1,570		1,820
TOTAL		250	250	1,550	20			1,570		1,820

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

None

Notes:

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

Water Utility System

2016-2020 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	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Design			75						75		75
Construction				900					900		900
TOTAL				75	900				975		975

FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund			75	900					975		975
TOTAL			75	900					975		975

ANNUAL OPERATING BUDGET IMPACT (000'S)											
None											

Major Changes in Project Cost:

None

Notes:

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

Water Utility System

2016-2020 Adopted Capital Improvement Program

Detail of Construction Projects

3. 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	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Construction		1,635	1,635	780	780	790	800	810	3,960		
TOTAL		1,635	1,635	780	780	790	800	810	3,960		

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund	1,635	1,635	780	780	790	800	810	3,960
TOTAL	1,635	1,635	780	780	790	800	810	3,960

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

2016-2020 Adopted Capital Improvement Program

Detail of Construction Projects

4. 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	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Construction		84	84	50	50	50	50	50	250		
TOTAL		84	84	50	50	50	50	50	250		
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund		84	84	50	50	50	50	50	250		
TOTAL		84	84	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

2016-2020 Adopted Capital Improvement Program

Detail of Construction Projects

5. 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:	3rd Qtr. 2016
Location:	System-wide		

Description: This allocation provides funding to replace existing manual-read water meters with remote-read water meters. Approximately 14,000 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.

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	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Construction	486	511	511	3,500					3,500		4,497
TOTAL	486	511	511	3,500					3,500		4,497

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund	486	511	511	3,500					3,500		4,497
TOTAL	486	511	511	3,500					3,500		4,497

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 \$3.5 million allocated in 2015-2016.

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

Water Utility System

2016-2020 Adopted Capital Improvement Program

Detail of Construction Projects

6. North San José Water Well Evaluation and Rehabilitation

CSA:	Environmental and Utility Services	Initial Start Date:	3rd Qtr. 2014
CSA Outcome:	Safe, Reliable, and Sufficient Water Supply	Revised Start Date:	
Department:	Environmental Services	Initial Completion Date:	2nd Qtr. 2015
Council District:	4	Revised Completion Date:	2nd Qtr. 2016
Location:	Various well locations in the North San José service area		

Description: This project rehabilitates existing wells to improve capacity and water quality. Funding will also include an evaluative pilot program to drill various areas to determine if they are viable locations to build water wells. The best location identified in the pilot program will be used in North San José Well #5 Development and Construction.

Justification: Improvements to existing wells and new wells are required to maintain reliable utility infrastructure, improve water supply capacity, and ensure water quality standards are met.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Design		50	20	30					30		50
Construction		575		925					925		925
TOTAL		625	20	955					955		975

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund		500	20	830					830	850
Major Facilities Fund		125		125					125	125
TOTAL		625	20	955					955	975

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

2016-2020 CIP - increase of \$350,000 to include evaluation of additional locations for placement of wells.

Notes:

FY Initiated:	2014-2015	Appn. #:	7672
Initial Project Budget:	\$625,000	USGBC LEED:	N/A

Water Utility System

2016-2020 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 during the pilot program referenced in the North San José Water Well Evaluation and Rehabilitation project.

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	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Design			60						60		60
Construction					1,500				1,500		1,500
TOTAL			60	1,500					1,560		1,560

FUNDING SOURCE SCHEDULE (000'S)

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

2016-2020 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	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Construction		400	400	400	100	100	100		700		1,100
TOTAL		400	400	400	100	100	100		700		1,100

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund	400	400	400	100	100	100		700		1,100
TOTAL	400	400	400	100	100	100		700		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 Muni Water 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

2016-2020 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	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Construction		336	336	200	200	200	200	200	1,000		
TOTAL		336	336	200	200	200	200	200	1,000		

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund	336	336	200	200	200	200	200	200	1,000
TOTAL	336	336	200	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
2016-2020 Adopted Capital Improvement Program
Detail of Construction Projects

10. Water Valve Rehabilitation 2014

CSA:	Environmental and Utility Services	Initial Start Date:	4th Qtr. 2013
CSA Outcome:	Reliable Utility Infrastructure	Revised Start Date:	
Department:	Environmental Services	Initial Completion Date:	2nd Qtr. 2015
Council District:	2, 4, 7, 8	Revised Completion Date:	2nd Qtr. 2016
Location:	System-wide		

Description: This project will test all water main valves in the field and collect Global Positioning System (GPS) coordinates for each valve. This assessment and rehabilitation process needs to take place approximately every five years, with the most recent process starting in spring 2014.

Justification: Valves must be periodically tested to ensure proper functioning, as they are needed for emergencies and system operations.

EXPENDITURE SCHEDULE (000'S)

Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Construction	41	459	359	100					100		500
TOTAL	41	459	359	100					100		500

FUNDING SOURCE SCHEDULE (000'S)

Water Utility Capital Fund	41	459	359	100					100		500
TOTAL	41	459	359	100					100		500

ANNUAL OPERATING BUDGET IMPACT (000'S)

None

Major Changes in Project Cost:

None

Notes:

FY Initiated:	2013-2014	Appn. #:	7594
Initial Project Budget:	\$500,000	USGBC LEED:	N/A

Water Utility System

2016-2020 Adopted Capital Improvement Program

Detail of Non-Construction Projects

11. 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	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Planning and Engineering		150	150	200	200	200	200	200	1,000		
TOTAL		150	150	200	200	200	200	200	1,000		

FUNDING SOURCE SCHEDULE (000'S)											
Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Water Utility Capital Fund		150	150	200	200	200	200	200	1,000		
TOTAL		150	150	200	200	200	200	200	1,000		

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

Appn. #: 4346

12. 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	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Program Management		30	30	15	15	15	15	15	75		
TOTAL		30	30	15	15	15	15	15	75		

FUNDING SOURCE SCHEDULE (000'S)											
Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Major Facilities Fund		30	30	15	15	15	15	15	75		
TOTAL		30	30	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

2016-2020 Adopted Capital Improvement Program

Detail of Non-Construction Projects

13. Major Water Facility Fee Update

CSA: Environmental and Utility Services
CSA Outcome: Reliable Utility Infrastructure
Department: Environmental Services
Description: This project provides funding to evaluate the Major Water Facility Fees currently being assessed to ensure that fees are set at an appropriate level.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Master Plan/Study		50		50					50		50
TOTAL		50		50					50		50

FUNDING SOURCE SCHEDULE (000'S)											
Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Major Facilities Fund		50		50					50		50
TOTAL		50		50					50		50

Appn. #: 4955

14. 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	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Master Plan/Study		135	135	140	145	150	155	160	750		
TOTAL		135	135	140	145	150	155	160	750		

FUNDING SOURCE SCHEDULE (000'S)											
Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Water Utility Capital Fund		135	135	140	145	150	155	160	750		
TOTAL		135	135	140	145	150	155	160	750		

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

Appn. #: 4349

Water Utility System

2016-2020 Adopted Capital Improvement Program

Detail of Non-Construction Projects

15. 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	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	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)											
Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
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

16. 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	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Advanced Planning		120	120	125	130	135	140	145	675		
TOTAL		120	120	125	130	135	140	145	675		

FUNDING SOURCE SCHEDULE (000'S)											
Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Water Utility Capital Fund		120	120	125	130	135	140	145	675		
TOTAL		120	120	125	130	135	140	145	675		

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

Water Utility System

2016-2020 Adopted Capital Improvement Program

Detail of Non-Construction Projects

17. 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	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Planning and Engineering		130		230	65	65	65	65	490		
TOTAL		130		230	65	65	65	65	490		

FUNDING SOURCE SCHEDULE (000'S)											
Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Water Utility Capital Fund		130		230	65	65	65	65	490		
TOTAL		130		230	65	65	65	65	490		

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

Appn. #: 7365

18. 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 used for meter replacements.

EXPENDITURE SCHEDULE (000'S)											
Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Debt Service				830	830	830	830	830	4,150		4,150
TOTAL				830	830	830	830	830	4,150		4,150

FUNDING SOURCE SCHEDULE (000'S)											
Cost Elements	Prior Years	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Water Utility Capital Fund				830	830	830	830	830	4,150		4,150
TOTAL				830	830	830	830	830	4,150		4,150

Appn. #: 6247

Water Utility System

2016-2020 Adopted Capital Improvement Program

Detail of Non-Construction Projects

19. 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	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Equipment		862	862	660	680	700	720	740	3,500		
TOTAL		862	862	660	680	700	720	740	3,500		
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund		862	862	660	680	700	720	740	3,500		
TOTAL		862	862	660	680	700	720	740	3,500		

Notes:
 Selected budget information is not provided due to the ongoing nature of this project.
Appn. #: 5876

20. 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	2014-15 Appn.	2014-15 Estimate	2015-16	2016-17	2017-18	2018-19	2019-20	5-Year Total	Beyond 5-Year	Project Total
Program Management	93	107	40	67					67		200
TOTAL	93	107	40	67					67		200
FUNDING SOURCE SCHEDULE (000'S)											
Water Utility Capital Fund	93	107	40	67					67		200
TOTAL	93	107	40	67					67		200

Appn. #: 7447

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2015-2016 CAPITAL BUDGET

2016-2020 CAPITAL IMPROVEMENT PROGRAM

WATER UTILITY SYSTEM

SUMMARY OF PROJECTS THAT START AFTER 2015-2016

SUMMARY OF PROJECTS WITH CLOSE-OUT COSTS ONLY IN 2015-2016

SUMMARY OF RESERVES

The Summary of Projects that Start after 2015-2016 includes those projects that have funding budgeted starting after 2015-2016. The Summary of Projects with Close-Out Costs Only in 2015-2016 include those projects that are near completion with only minimal costs (typically inspection services and program management) to finish the project budgeted in 2015-2016. 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

2016-2020 Adopted Capital Improvement Program

Summary of Projects that Start after 2015-2016

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:	2nd Qtr. 2018
Council District:	8	Revised End Date:	3rd Qtr. 2019
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:	Gumdrop Drive Main Replacement	Initial Start Date:	3rd Qtr. 2014
5-Year CIP Budget:	\$1,140,000	Revised Start Date:	3rd Qtr. 2016
Total Budget:	\$1,140,000	Initial End Date:	3rd Qtr. 2016
Council District:	8	Revised End Date:	2nd Qtr. 2019
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:	Orinda Drive Main Replacement	Initial Start Date:	3rd Qtr. 2018
5-Year CIP Budget:	\$1,260,000	Revised Start Date:	
Total Budget:	\$1,260,000	Initial End Date:	2nd Qtr. 2020
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

2016-2020 Adopted Capital Improvement Program

Summary of Projects with Close-out Costs Only in 2015-2016

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. 2004
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 for outstanding 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.

Water Utility System

2016-2020 Adopted Capital Improvement Program

Summary of Reserves

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:	\$3,646,000	Revised Start Date:	
Total Budget:	\$3,646,000	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 \$3.6 million at the end of 2016-2020 based on current operating revenue projections for 2019-2020.

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