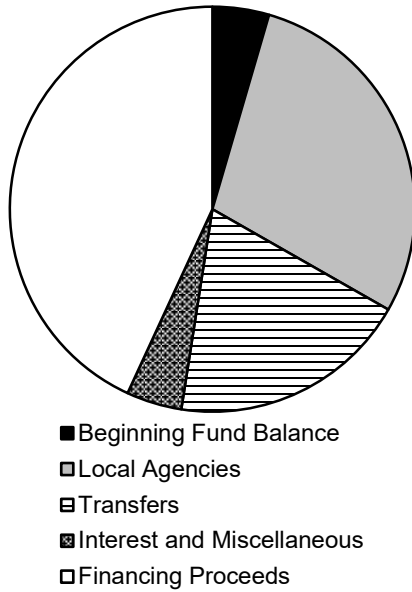
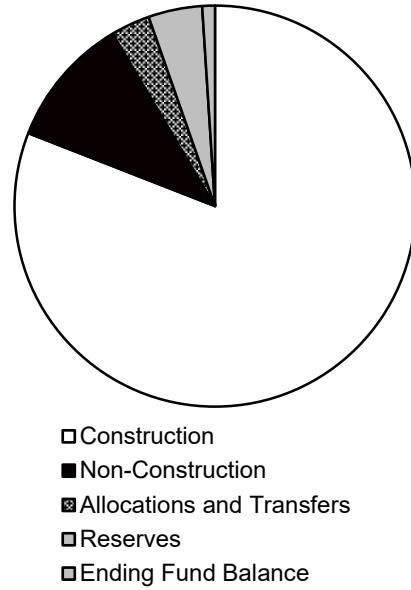


WATER POLLUTION CONTROL 2021-2025 Capital Improvement Program

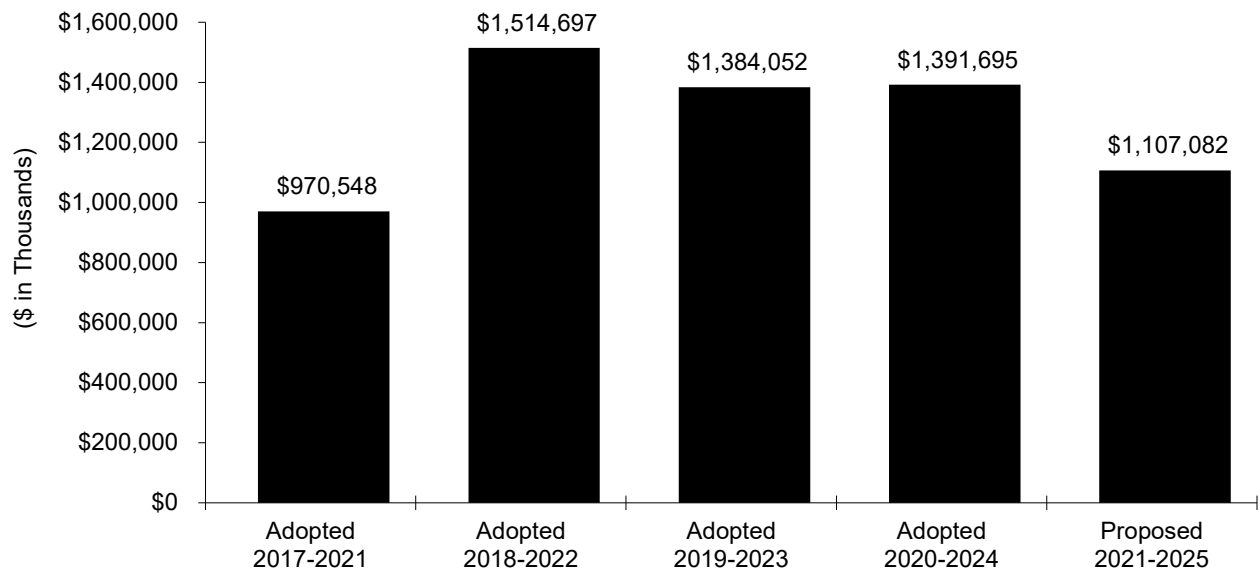
**2020-2021 Proposed
Source of Funds**



**2020-2021 Proposed
Use of Funds**



CIP History



Water Pollution Control Capital Program

2021-2025 Proposed Capital Improvement Program

Overview

INTRODUCTION

The San José-Santa Clara Water Pollution Control Plant (Plant) is a regional wastewater treatment facility serving eight South Bay cities and four special districts including: San José, Santa Clara, Milpitas, Cupertino Sanitary District (Cupertino), West Valley Sanitation District (Campbell, Los Gatos, Monte Sereno, and Saratoga), County Sanitation Districts 2-3 (unincorporated), and Burbank Sanitary District (unincorporated). The Plant is jointly owned by the cities of San José and Santa Clara and is administered and operated by the City of San José’s Environmental Services Department (ESD). ESD is also responsible for planning, designing, and constructing capital improvements at the Plant, including water reuse facilities. On March 26, 2013, the City Council approved to change the name of the Plant to the San José-Santa Clara Regional Wastewater Facility (RWF) for use in public communications and outreach.

PLANT INFRASTRUCTURE	
ACRES OF LAND	2,684
AVERAGE DRY WEATHER INFLUENT CAPACITY (MILLIONS OF GALLONS PER DAY)	167
AVERAGE DRY WEATHER INFLUENT FLOW (MILLIONS OF GALLONS PER DAY)	110
DRY METRIC TONS OF BIOSOLIDS HAULED EACH YEAR	43,500
AVERAGE MEGAWATTS PRODUCED	5.6

The 2021-2025 Proposed Capital Improvement Program (CIP) provides funding of \$1.1 billion, of which \$199.4 million is allocated in 2020-2021. The five-year CIP is developed by City staff, reviewed by the Treatment Plant Advisory Committee (TPAC), and approved by the San José City Council. The budgeted costs are allocated to each agency based on its contracted-for capacity in the Plant. Each agency is responsible for its allocated share of Plant costs, as well as the operation, maintenance, and capital costs of its own sewerage collection system; debt service on bonds issued by the agency for sewer purposes; and any other sewer service related costs. Each agency is also responsible for establishing and collecting its respective sewer service and use charges, connection fees, or other charges for sewer service.

This program is part of the Environmental and Utility Services City Service Area (CSA) and supports the following outcomes: *Reliable Utility Infrastructure* and *Healthy Streams, Rivers, Marsh, and Bay*.

PROGRAM PRIORITIES AND OBJECTIVES

The 2021-2025 Proposed CIP is consistent with the goals and policies outlined in the City’s Envision San José 2040 General Plan. These include maintaining adequate operational capacity for wastewater treatment to accommodate the City’s economic and population growth; adopting and implementing new technologies for wastewater to achieve greater safety, energy efficiency, and environmental benefit; and maintaining and operating the Plant in compliance with all applicable local, state, and federal regulatory requirements.

Water Pollution Control Capital Program

2021-2025 Proposed Capital Improvement Program

Overview

PROGRAM PRIORITIES AND OBJECTIVES

The development of the Proposed CIP is guided by the Plant Master Plan (PMP), a 30-year planning-level document focused on long-term rehabilitation and modernization of the Plant. On April 19, 2011, the City Council approved a preferred alternative for the Draft PMP and directed staff to proceed with a program-level environmental review of the preferred alternative. In November 2013, the City Council approved the PMP and certified the final Environmental Impact Report. In December 2013, Santa Clara's City Council took similar actions.



San José-Santa Clara Regional Wastewater Facility

The PMP recommends more than 114 capital improvement projects to be implemented over a 30-year planning period at an estimated investment level of approximately \$2 billion. The PMP assumed an implementation schedule of 2010 through 2040.

On September 24, 2013, the City Council approved a multi-year master services agreement with MWH Americas, Inc. for program management consultant services to assist with managing and implementing the RWF CIP¹. By February 2014, the consultant program management team, along with City staff, completed a project validation process that included a review and prioritization of PMP projects, along with gap projects identified through discussions with Operations and Maintenance staff. The projects included with this Proposed CIP are based on the outcome of that project validation and the completion of various programmatic studies. On October 17, 2017, the City Council approved an amendment to extend the consultant program management services through 2023 to align with the implementation of the ten-year capital program.

Program priorities for the near term include: managing long-term financing (for San José only); continuing to focus on program and project delivery; and actively managing project risks and variables to inform timing and amount of major encumbrances.

Program Funding: In early 2014, staff began working with representatives from the City of Santa Clara and the tributary agencies to develop a ten-year funding strategy for the CIP. On May 14, 2015, TPAC recommended approval of, and on June 2, 2015, the City Council approved the Ten-Year Funding Strategy. An update on the Ten-Year Funding Strategy was recommended for approval by TPAC on December 10, 2015 and approved by the City Council on January 12, 2016.

¹ Effective January 1, 2017, MWH Americas, Inc. was acquired and merged with Stantec Consulting Services, Inc.

Water Pollution Control Capital Program

2021-2025 Proposed Capital Improvement Program

Overview

PROGRAM PRIORITIES AND OBJECTIVES

In August 2017, staff provided an update on Clean Water State Revolving Fund (SRF) funding to the City Council, which included news that the State Water Resources Control Board (SWRCB) would not be funding the Digester and Cogeneration projects. Staff continues to monitor the issue and evaluate further SRF opportunities as appropriate. However, based on the City's recent experience with this program, unless significant changes are made to the funding level, program priorities, program resources, and loan agreement terms, SRF loans do not appear to be a potential source of funding for the RWF CIP.

In October 2017, the City Council approved the establishment of a \$300 million interim financing facility (Wastewater Revenue Notes) to finance San José's portion of the capital costs. As the CIP progresses, the City will periodically pay off the interim financing facility with long-term bonds (Bond Proceeds). This strategy provides funding for the CIP at the lowest possible cost with the least amount of risk. The 2021-2025 Proposed CIP assumes the issuance of long-term bonds in 2022-2023 and the establishment of a second interim financing facility in 2023-2024. In addition, staff continues to build the operating reserves needed for issuing long-term bonds.

Program/Project Delivery and Implementation: Successful delivery of this large, multi-disciplinary CIP requires an integrated team of City staff, outside consultants, and contractors. The program is being delivered using a mix of City staff from the Environmental Services Department, the Public Works Department, the Planning, Building and Code Enforcement Department, the Finance Department, and the City Attorney's Office, as well as program management consultant staff and various other consultant firms.

With roughly two dozen large projects moving through the feasibility/development, design, and construction phases, the program continues to draw from the professional consultant and/or contractor community for program management, project management, subject-matter technical expertise, engineering design, and construction management services. In particular, to address the ramp up in large-scale construction projects, City staff developed a construction management strategy that has been incorporated into the 2021-2025 Proposed CIP. This includes increasing the construction management budget to provide the necessary support from Public Works and/or third-party construction management and controls consultants required for projects of this magnitude and complexity.

Program/Project Delivery Variables: The program team continues to develop and refine project schedules and budgets and implement regular reporting and centralized document management systems for consistent and efficient program and project delivery. The program team continues to work on developing standardized project delivery tools, design standards and specifications, control system and integration strategies, startup, commissioning, and training.

Water Pollution Control Capital Program

2021-2025 Proposed Capital Improvement Program

Overview

PROGRAM PRIORITIES AND OBJECTIVES

On the project delivery front, it is important to recognize that several projects in the Proposed CIP are in the feasibility/development or design phases. Staff will continue to develop and refine project scope, schedules, and budgets as the projects progress through scoping, preliminary engineering, detailed design, and bid award. To the extent possible, staff will continue to monitor and implement mitigation measures to minimize impacts to project delivery schedule and cost caused by various factors such as changes in project delivery staffing resources, long lead time items, external permit reviews and approvals, and construction bidding climate.

The spread of the novel coronavirus (COVID-19) in early 2020 has impacted capital projects citywide, particularly active construction projects. At the RWF, CIP staff have been working with contractors to continue construction where it possible to do so safely, but activity on a number projects has been halted or slowed. Given the uncertainty of COVID-19, the impact to project budgets and schedules is unknown at this time, but staff will attempt to mitigate the effect of the delays.

SOURCES OF FUNDING

Revenues for the 2021-2025 Proposed CIP are derived from several sources: transfers from the Sewer Service and Use Charge (SSUC) Fund, contributions from the City of Santa Clara and other tributary agencies, interest earnings, Calpine Metcalf Energy Center Facilities repayments, and debt-financing proceeds. Occasional transfers from the Sewage Treatment Plant Connection Fee Fund are programmed as needed per the receipt of connection fee revenue in that fund.

The SSUC Fund derives its revenues from fees imposed on San José users of the residential, commercial, and industrial sanitary sewer system. Transfers from this fund to the Plant CIP over the five years total \$227.5 million, which represents a \$24.8 million (9.8%) decrease as compared to the 2020-2024 Adopted CIP.

Contributions from the City of Santa Clara and other agencies are determined according to agreements with the participating agencies, based on financing plans, anticipated Plant expenditures, and the amount and characteristics of flows from each agency's connections to the Plant. These contributions reimburse the City for actual project expenditures. In this Proposed CIP, contributions from the City of Santa Clara and other agencies total \$241.2 million, which represents a \$73.6 million (23.4%) decrease compared to the 2020-2024 Adopted CIP.

Water Pollution Control Capital Program

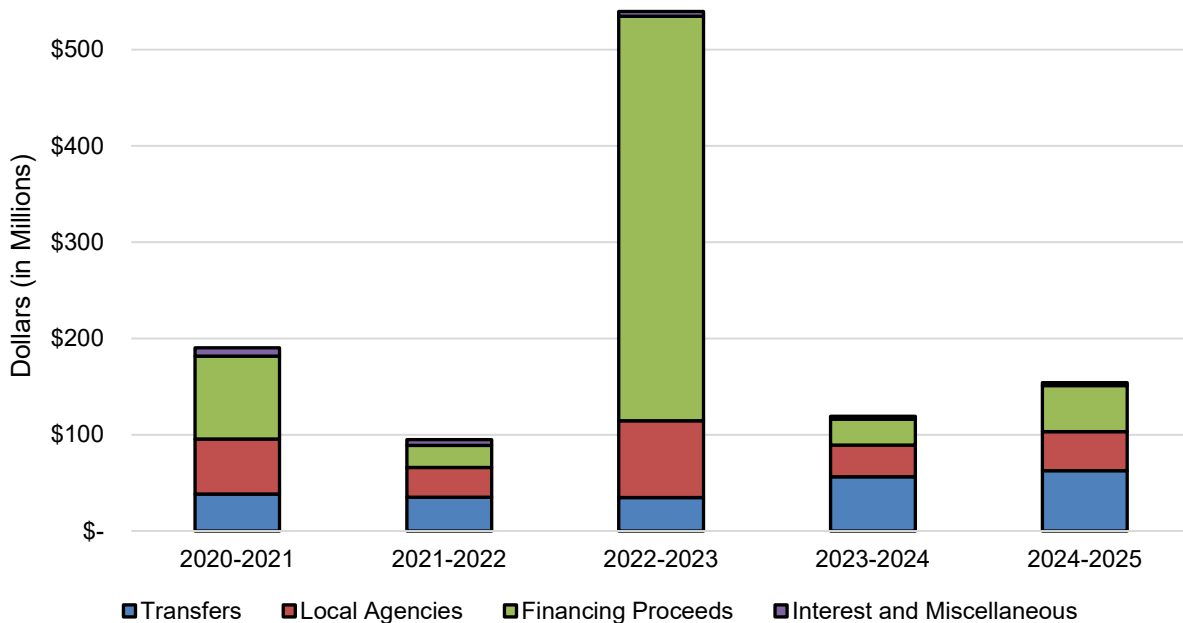
2021-2025 Proposed Capital Improvement Program

Overview

SOURCES OF FUNDING

To accommodate San José’s portion of the project costs for the RWF, Financing Proceeds (Wastewater Revenue Notes and Bond Proceeds) are assumed to cover costs of the RWF improvements in the Proposed CIP. The establishment of an interim financing program, in the form of Wastewater Revenue Notes, was approved in 2017-2018 and provides up to \$300 million in interim financing capacity. The Notes provide periodic, short-term, flexible funding to meet the cash flow needs of the RWF improvement project. Generally, the notes are repaid within a 3-year period and offer lower interest costs than fixed rate bonds. In 2022-2023, bonds will be issued in the amount of \$385 million to both repay the Wastewater Revenue Notes issued since 2017-2018 and to cover other CIP project and financing costs within that fiscal year. Associated debt service for the Wastewater Revenue Notes and debt service for the bonds is estimated to be \$2.9 million in 2020-2021, \$4.2 million in 2021-2022, \$303.8 million in 2022-2023 (\$300.0 million for the repayment of Wastewater Revenue Notes and an additional \$3.8 million for debt service), \$25.2 million in 2023-2024, and \$26.7 in 2024-2025. The estimated size of the debt financings and the related debt service are scheduled to cover external third-party capital costs programmed in the 2021-2025 Proposed CIP while avoiding large rate increases that would be required to fund the PMP in a “pay-as-you-go” scenario. City of San José staff costs will be cash-funded and not included in either the Wastewater Revenue Notes program or long-term debt financing. Additional debt financing, in the form of notes and bonds, will likely be needed to fund project costs beyond the Proposed CIP period.

Summary of Revenues



Water Pollution Control Capital Program

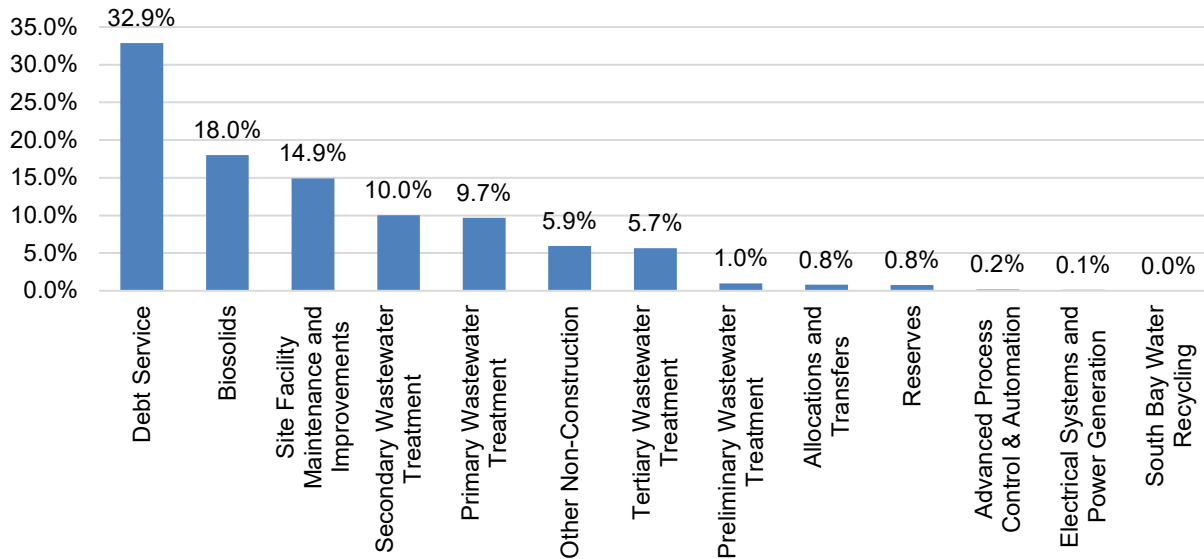
2021-2025 Proposed Capital Improvement Program

Overview

PROGRAM HIGHLIGHTS

The Water Pollution Control Capital Program’s expenditures are organized to show the use of funds in several categories. The following highlights the major projects in the program. For further information on the program’s individual projects, please refer to the Detail Pages.

**2021-2025 Water Pollution Control
Capital Program Expenditures
\$1,103.5 million
(excludes Ending Fund Balance)**



Ongoing Projects

Ongoing construction and non-construction projects are included in the funds within the Water Pollution CIP. Due to the ongoing nature of these projects, detail pages do not accompany the items. Brief descriptions of these projects are provided in the table below.

Construction Projects		
Project Name	\$ (CIP)	Description
Equipment Replacement	\$8.3 million	This allocation provides for the urgent replacement of equipment at the Plant that is not identified in any other project.

Water Pollution Control Capital Program

2021-2025 Proposed Capital Improvement Program

Overview

Project Name	\$ (CIP)	Description
Urgent and Unscheduled Treatment Plant Rehabilitation	\$7.5 million	This ongoing allocation is used to investigate, prioritize, and rehabilitate structures and systems at the Water Pollution Control Plant.
Plant Infrastructure Improvements	\$5.0 million	This allocation provides for improvements, rehabilitation, or replacement of existing Plant infrastructure. Examples of the ongoing replacement and rehabilitation work include handrail replacement, concrete repairs, telecommunication systems upgrade, and Plant support system improvements.
Hydraulic Capacity Engineering	\$125,000	This allocation funds the expansion of the South Bay Water Recycling system through the construction of pipeline and ancillary distribution system projects. No revenue from Plant Tributary Agencies or City Sanitary Sewer rate payers will be used to fund this project.

Non-Construction Projects

Project Name	\$ (CIP)	Description
Debt Service Repayment for Plant Capital Improvement Projects	\$362.8 million	This allocation provides for the repayment of financing proceeds, including short-term wastewater revenue notes and long-term bonds, drawn for the Plant Capital Improvement Projects.
Program Management - Water Pollution Control	\$42.2 million	This allocation funds the administration and management of the Water Pollution Control CIP.
Clean Water Financing Authority Debt Service Payment Fund	\$5.5 million	This funding provides for the payment of the 1995 Series A and B Revenue Bonds. The moneys are transferred to the Clean Water Financing Authority Debt Service Payment Fund.
Preliminary Engineering - Water Pollution Control	\$5.0 million	This allocation provides funding to support preliminary engineering for Plant-related projects, including studies, pilots, and field verifications to evaluate impacts on operations.
Payment for Clean Water Financing Authority Trustee	\$10,000	This allocation provides for administrative costs of the San José/Santa Clara Clean Water Financing Authority related to bond issuances.

Water Pollution Control Capital Program
2021-2025 Proposed Capital Improvement Program
Overview

MAJOR CHANGES FROM THE 2020-2024 ADOPTED CIP

The overall size of the Water Pollution Control CIP has decreased by \$285 million from \$1.392 billion in the 2020-2024 Adopted CIP to \$1.107 billion in the 2021-2025 Proposed CIP. The following table outlines the most significant changes to project budgets, including new/augmented allocations and reduced/eliminated allocations.

Project Name	Incr/(Decr)
Additional Digester Upgrades	\$51.6 million
Digested Sludge Dewatering Facility	\$14.1 million
Filter Rehabilitation	(\$23.3 million)
Debt Service Repayment for Plant Capital Improvement Projects	(\$28.3 million)
Nitrification Clarifiers Rehabilitation	(\$53.4 million)
New Headworks	(\$124.5 million)

OPERATING BUDGET IMPACT

Several projects in this Proposed CIP are expected to introduce new operating costs to the Operating Budget. These include: Digester and Thickener Facilities Upgrade, Digested Sludge Dewatering Facility, Energy Generation Improvements, and New Headworks. The operation and maintenance impacts are due to chemical, labor, maintenance consumables (e.g. parts, oil), electrical, and hauling & tipping costs.

The Digester and Thickener Facilities Upgrade project will include a new chemical dosing station and new sludge screening facility, which are expected to be in operation by late 2020.

A new Digested Sludge Dewatering Facility is anticipated to be in operation by mid-2023, which will include new mechanical dewatering units, feed tank, sludge storage, conveyance, and chemical dosing facilities to be housed in a new building. This facility will allow for the eventual retirement of the current lagoons and sludge drying beds.

A new Cogeneration Facility (part of the Energy Generation Improvements appropriation) is expected to come online in mid-2020 that will introduce a new generator building, new engine generators, a gas treatment system, boilers, chillers, and other ancillary equipment. Depending on the timing of when new facilities come online and existing facilities are decommissioned, there may be a temporary increase in operating costs due to the dual operations.

Net operating cost impacts will continue to be evaluated and updated based on final design and operation configurations. The table below summarizes the operating and maintenance impact to the San Jose-Santa Clara Treatment Plant Operating Fund for several projects.

Water Pollution Control Capital Program
2021-2025 Proposed Capital Improvement Program

Overview

Net Operating Budget Impact Summary

	2021-2022	2022-2023	2023-2024	2024-2025
New Headworks		\$9,000	\$26,000	\$27,000
Digested Sludge Dewatering Facility		\$3,062,000	\$12,251,000	\$12,599,000
Digester and Thickener Facilities Upgrade	\$2,123,000	\$2,203,000	\$2,285,000	\$2,370,000
Energy Generation Improvement	\$92,000	\$95,000	\$97,000	\$100,000
	\$2,215,000	\$5,369,000	\$14,659,000	\$15,096,000

Note: The estimated operating costs have been provided by the Environmental Services Department and have not yet been fully analyzed by the City Manager's Budget Office. That analysis may result in different costs when the actual budget for the year in question is developed.

Water Pollution Control
2021-2025 Proposed Capital Improvement Program
Source of Funds (Combined)

	Estimated						
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5-Year Total
TOTAL SOURCES	549,204,349	199,441,267	96,899,267	542,634,267	123,546,267	157,883,267	1,107,082,267
San José-Santa Clara Treatment Plant Capital Fund (512)							
Beginning Balance	66,898,939	5,122,292	1,773,292	2,789,292	3,908,292	3,539,292	5,122,292 *
Reserve for Encumbrance	153,850,435						
Transfers							
Transfer for 2009 Debt Service from the Sewer Service and Use Charge Fund (541)	5,372,000	5,371,000					5,371,000
Transfer for Plant CIP Debt Service from Sewer Service and Use Charge Fund (541)	2,625,000	2,926,000	4,169,000	3,835,000	25,225,000	26,675,000	62,830,000
Transfer for Capital Projects from Sewer Service and Use Charge Fund (541)	27,000,000	30,000,000	30,000,000	30,000,000	30,000,000	35,000,000	155,000,000
Transfer for Equipment Replacement from Sewer Service and Use Charge Fund (541)			1,083,000	1,083,000	1,083,000	1,083,000	4,332,000
TOTAL Transfers	34,997,000	38,297,000	35,252,000	34,918,000	56,308,000	62,758,000	227,533,000
Revenue from Use of Money and Property							
Interest Income	6,507,000	8,368,000	5,497,000	4,461,000	2,479,000	2,282,000	23,087,000
TOTAL Revenue from Use of Money and Property	6,507,000	8,368,000	5,497,000	4,461,000	2,479,000	2,282,000	23,087,000
Revenue from Local Agencies							
2009 Bond Debt Repayment	155,000	155,000					155,000

Water Pollution Control
2021-2025 Proposed Capital Improvement Program
Source of Funds (Combined)

	Estimated						
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5-Year Total
WPCP Projects and Equipment Replacement	101,028,000	57,154,000	30,656,000	79,703,000	33,046,000	40,457,000	241,016,000
TOTAL Revenue from Local Agencies	101,183,000	57,309,000	30,656,000	79,703,000	33,046,000	40,457,000	241,171,000
Revenue from the Federal Government							
U.S. Bureau of Reclamation Grant	2,465,000						
TOTAL Revenue from the Federal Government	2,465,000						
Other Revenue							
Calpine Metcalf Energy Center Facilities Repayment	389,000	389,000	389,000	389,000	389,000	389,000	1,945,000
TOTAL Other Revenue	389,000	389,000	389,000	389,000	389,000	389,000	1,945,000
Financing Proceeds							
Wastewater Revenue Notes	179,000,000	86,000,000	23,000,000	35,000,000	27,000,000	48,000,000	219,000,000
Bond Proceeds				385,000,000			385,000,000
TOTAL Financing Proceeds	179,000,000	86,000,000	23,000,000	420,000,000	27,000,000	48,000,000	604,000,000
Total San José-Santa Clara Treatment Plant Capital Fund (512)	545,290,374	195,485,292	96,567,292	542,260,292	123,130,292	157,425,292	1,102,858,292 *
South Bay Water Recycling Capital Fund (571)							
Beginning Balance	3,832,975	3,888,975	264,975	306,975	348,975	390,975	3,888,975 *
Revenue from Use of Money and Property							
Interest Income	81,000	67,000	67,000	67,000	67,000	67,000	335,000

Water Pollution Control
2021-2025 Proposed Capital Improvement Program
Source of Funds (Combined)

	Estimated						5-Year Total
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	
TOTAL Revenue from Use of Money and Property	81,000	67,000	67,000	67,000	67,000	67,000	335,000
Total South Bay Water Recycling Capital Fund (571)	3,913,975	3,955,975	331,975	373,975	415,975	457,975	4,223,975 *

* The 2021-2022 through 2024-2025 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.

Water Pollution Control

2021-2025 Proposed Capital Improvement Program Use of Funds (Combined)

	Estimated 2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5-Year Total
<u>Water Pollution Control</u>							
Headworks Improvements	16,274,657	822,000	165,000	65,000	4,000		1,056,000
New Headworks	133,477,891	7,896,000	1,361,000	611,000	22,000		9,890,000
Preliminary Wastewater Treatment	149,752,548	8,718,000	1,526,000	676,000	26,000		10,946,000
East Primary Rehabilitation, Seismic Retrofit, and Odor Control	1,000,000		10,885,000	94,530,000	686,000	684,000	106,785,000
Primary Wastewater Treatment	1,000,000		10,885,000	94,530,000	686,000	684,000	106,785,000
Aeration Tanks and Blower Rehabilitation	47,239,047		7,857,000	1,074,000	707,000	58,419,000	68,057,000
Nitrification Clarifier Rehabilitation	54,703,182	1,602,000	2,518,000	30,929,000	2,152,000	1,874,000	39,075,000
Secondary Clarifier Rehabilitation					565,000	2,833,000	3,398,000
Secondary Wastewater Treatment	101,942,228	1,602,000	10,375,000	32,003,000	3,424,000	63,126,000	110,530,000
Filter Rehabilitation	36,815,304	13,968,000	1,244,000	1,102,000	101,000		16,415,000
Final Effluent Pump Station & Stormwater Channel Improvements	902,000	2,009,000	4,503,000	880,000	35,975,000	1,645,000	45,012,000
Outfall Bridge and Levee Improvements	6,696,633	533,000	569,000				1,102,000
Tertiary Wastewater Treatment	44,413,937	16,510,000	6,316,000	1,982,000	36,076,000	1,645,000	62,529,000
Additional Digester Upgrades			1,191,000	8,031,000	1,298,000	51,576,000	62,096,000
Digested Sludge Dewatering Facility	13,584,279	128,189,000	5,361,000	1,926,000	74,000		135,550,000
Digester and Thickener Facilities Upgrade	58,700,401	1,222,000					1,222,000
Biosolids	72,284,679	129,411,000	6,552,000	9,957,000	1,372,000	51,576,000	198,868,000
Energy Generation Improvements	52,115,228	587,000					587,000
Plant Electrical Reliability	7,729,455	194,000	693,000				887,000
Electrical Systems and Power Generation	59,844,684	781,000	693,000				1,474,000
Advanced Facility Control and Meter Replacement	20,281,870	990,000	408,000	322,000			1,720,000
Treatment Plant Distributed Control System	7,057,105						

Water Pollution Control

2021-2025 Proposed Capital Improvement Program Use of Funds (Combined)

	Estimated 2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5-Year Total
Advanced Process Control & Automation	27,338,975	990,000	408,000	322,000			1,720,000
Facility Wide Water Systems Improvements	4,472,715	753,000	1,196,000	7,748,000	463,000	422,000	10,582,000
Flood Protection	1,546,141						
Plant Infrastructure Improvements	1,957,786	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Storm Drain System Improvements	1,668,931		11,116,000	807,000	652,000		12,575,000
Support Building Improvements	15,205,124	113,000		13,090,000	969,000	967,000	15,139,000
Urgent and Unscheduled Treatment Plant Rehabilitation	500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	7,500,000
Various Infrastructure Decommissioning	469,000		2,590,000	18,470,000	691,000		21,751,000
Yard Piping and Road Improvements	22,447,860		16,972,000	37,559,000	35,707,000	1,870,000	92,108,000
Site Facility Maintenance and Improvements	48,267,557	3,366,000	34,374,000	80,174,000	40,982,000	5,759,000	164,655,000
Hydraulic Capacity Engineering	25,000	25,000	25,000	25,000	25,000	25,000	125,000
South Bay Water Recycling	25,000	25,000	25,000	25,000	25,000	25,000	125,000
Water Pollution Control - Construction	504,869,609	161,403,000	71,154,000	219,669,000	82,591,000	122,815,000	657,632,000
Debt Service Repayment for Plant Capital Improvement Projects	5,688,000	2,926,000	4,169,000	303,834,000	25,225,000	26,675,000	362,829,000
Equipment Replacement	1,663,000	1,663,000	1,663,000	1,663,000	1,663,000	1,663,000	8,315,000
Owner Controlled Insurance Program	6,424,000	3,705,000	3,705,000	1,399,000	1,264,000		10,073,000
Master Plan Updates	1,500,000						
Preliminary Engineering - Water Pollution Control	1,674,737	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Program Management - Water Pollution Control	11,775,393	11,738,000	11,712,000	9,794,000	7,426,000	1,576,000	42,246,000
General Non-Construction - Water Pollution Control	28,725,131	21,032,000	22,249,000	317,690,000	36,578,000	30,914,000	428,463,000
Water Pollution Control - Non Construction	28,725,131	21,032,000	22,249,000	317,690,000	36,578,000	30,914,000	428,463,000
Public Art Allocation	253,342						
Public Art Projects	253,342						
Capital Program and Public Works Department Support Service Costs	724,000	677,000	298,000	921,000	350,000	522,000	2,768,000

Water Pollution Control

2021-2025 Proposed Capital Improvement Program Use of Funds (Combined)

	Estimated						
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5-Year Total
Payment for Clean Water Financing Authority Trustee	5,000	5,000	5,000				10,000
Allocations	729,000	682,000	303,000	921,000	350,000	522,000	2,778,000
City Hall Debt Service Fund	89,000	94,000	97,000	97,000	97,000	97,000	482,000
Clean Water Financing Authority Debt Service Payment Fund	5,527,000	5,526,000					5,526,000
Transfers to Special Funds	5,616,000	5,620,000	97,000	97,000	97,000	97,000	6,008,000
Transfers Expense	5,616,000	5,620,000	97,000	97,000	97,000	97,000	6,008,000
Equipment Replacement Reserve		5,000,000					5,000,000
Hydraulic Capacity Enhancements Reserve		3,666,000					3,666,000
Expense Reserves - Non Construction		8,666,000					8,666,000
Total Expenditures	540,193,082	197,403,000	93,803,000	538,377,000	119,616,000	154,348,000	1,103,547,000
Ending Fund Balance	9,011,267	2,038,267	3,096,267	4,257,267	3,930,267	3,535,267	3,535,267 *
TOTAL	549,204,349	199,441,267	96,899,267	542,634,267	123,546,267	157,883,267	1,107,082,267 *

* The 2020-2021 through 2023-2024 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.

Water Pollution Capital Program
 2021-2025 Proposed Capital Improvement Program
Detail of One-Time Construction Projects

Digested Sludge Dewatering Facility

CSA	Environmental and Utility Services	Initial Start Date	3rd Qtr. 2012
CSA Outcome	Reliable Utility Infrastructure	Initial End Date	2nd Qtr. 2013
Department	Environmental Services	Revised Start Date	3rd Qtr. 2014
Location	Water Pollution Control Plant	Revised End Date	3rd Qtr. 2023
Council Districts	4	Initial Project Budget	\$1,000,000
Appropriation	A7452	FY Initiated	2012-2013

Description This project will construct a new mechanical dewatering facility and support systems to replace the existing sludge storage lagoons and open air solar drying beds. All new mechanical dewatering units, feed tank, storage, conveyance, and chemical dosing facilities will be housed in an odor-controlled building.

Justification This project responds to a recommendation in the adopted Plant Master Plan to consolidate the Plant's operational area by reducing the biosolids process footprint. It also provides greater flexibility in biosolids disposal options in anticipation of the potential Newby Island landfill closure in 2025, responds to stricter regulations for landfilling and alternative daily cover, and addresses odor, noise, and aesthetics concerns from the operations of the lagoons and sludge drying beds.

Notes This project corresponds to Plant Master Plan Project Nos. 44, 54, 57-60 and Validation Project PS-03.

Major Cost Changes 2014-2018 CIP - increase of \$325.0 million due to accelerated project start and compressed implementation schedule. 2015-2019 CIP - decrease of \$256.8 million due to creation of separate biosolids projects through project validation. 2016-2020 CIP - increase of \$1.6 million due to escalation of construction costs. 2017-2021 CIP - increase of \$28.1 million due to increased scope and revised cost estimate. 2019-2023 CIP - increase of \$18.3 million due to an updated construction cost estimate. 2020-2024 CIP - increase of \$11.8 million due to an increase in scope and updated construction cost estimate. 2021-2025 CIP - increase of \$26.4 million due to an updated scope and construction cost estimate.

	PRIOR YEARS	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
Expenditure Schedule (000s)										
Project Feasibility Development	5,193	573								5,766
Design	116	12,519	2,091	762				2,853		15,488
Bid & Award	1,067	492								1,559
Construction			126,098	4,599	1,434			132,131		132,131
Post Construction					492	74		566		566
Total	6,375	13,584	128,189	5,361	1,926	74		135,550		155,509

Funding Source Schedule (000s)										
San José-Santa Clara Treatment Plant Capital Fund (512)	6,375	13,584	128,189	5,361	1,926	74		135,550		155,509
Total	6,375	13,584	128,189	5,361	1,926	74		135,550		155,509

Annual Operating Budget Impact (000s)										
Operating					3,004	12,019	12,360			
Maintenance					58	232	239			
Total					3,062	12,251	12,599			

Water Pollution Capital Program
 2021-2025 Proposed Capital Improvement Program
Detail of One-Time Construction Projects

Filter Rehabilitation

CSA	Environmental and Utility Services	Initial Start Date	3rd Qtr. 2011
CSA Outcome	Reliable Utility Infrastructure	Initial End Date	2nd Qtr. 2013
Department	Environmental Services	Revised Start Date	3rd Qtr. 2014
Location	Water Pollution Control Plant	Revised End Date	3rd Qtr. 2023
Council Districts	4	Initial Project Budget	\$3,506,000
Appropriation	A7227	FY Initiated	2010-2011

Description This project will replace filter media, valves, actuators, and electrical controls for all filters. It will also replace the existing surface wash system with a new air scour system, rehabilitate electrical switchgears and related motor control consoles, upgrade pipes, and make concrete repairs.

Justification The existing filter complex was constructed in the 1970s and requires significant refurbishment. The filter media, consisting of anthracite and sand, needs to be replaced and some of the mechanical and electrical components need to be upgraded. These critical improvements are needed to ensure continued regulatory compliance and operational reliability until a new filter complex is constructed.

Notes This project corresponds to Plant Master Plan Project Nos. 31, 32, and 33 as well as Validation Project PLF-01 and PLF-02.

Major Cost Changes 2014-2018 CIP - decrease of \$2.7 million due to the removal of scope that is dependent on the evaluation of the demonstration project.
 2015-2019 CIP - increase of \$26.9 million due to revised scope and project validation cost estimate.
 2016-2020 CIP - increase of \$6.5 million due to revised cost estimate and escalation of construction costs.
 2017-2021 CIP - increase of \$2.5 million due to increased project scope.
 2019-2023 CIP - increase of \$6.9 million due to a revised construction cost estimate.
 2020-2024 CIP - increase of \$2.5 million due to a revised construction cost estimate.
 2021-2025 CIP - increase of \$12.6 million due to a revised construction estimate.

	PRIOR YEARS	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
Expenditure Schedule (000s)										
Project Feasibility Development	2,047	0								2,047
Design	3,176	2,636								5,813
Bid & Award	18	337								356
Construction	227	33,742	13,968	1,244	1,102			16,314		50,283
Post Construction		100					101	101		201
Total	5,468	36,815	13,968	1,244	1,102	101		16,415		58,699

	PRIOR YEARS	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
Funding Source Schedule (000s)										
San José-Santa Clara Treatment Plant Capital Fund (512)	5,468	36,815	13,968	1,244	1,102	101		16,415		58,699
Total	5,468	36,815	13,968	1,244	1,102	101		16,415		58,699

Annual Operating Budget Impact (000s)										
Total										

Water Pollution Capital Program

2021-2025 Proposed Capital Improvement Program

Detail of One-Time Construction Projects

Final Effluent Pump Station & Stormwater Channel Improvements

CSA Environmental and Utility Services
CSA Outcome Reliable Utility Infrastructure
Department Environmental Services
Council Districts 4
Appropriation A412H

Initial Start Date 3rd Qtr. 2019
Initial End Date 3rd Qtr. 2025
Revised Start Date
Revised End Date 2nd Qtr. 2025
Initial Project Budget \$47,358,000
FY Initiated 2019-2020

Description This project designs and constructs a new pump station to hydraulically push the Plant's final treated effluent to Coyote Creek. Additionally, it will improve the existing stormwater channel by rehabilitating the flapper gates and embankments.

Justification The U.S. Army Corps of Engineers (USACE) will be constructing a new shoreline levee and closure structure near the Plant's outfall channel to protect the region against future sea level rise from the San Francisco Bay. The USACE project will install a tide gate closure structure with two new flapper gates just north of the Plant's outfall bridge, which will inhibit the Plant's treated wastewater discharge into Coyote Creek. A new final effluent pump station is required to lift the treated wastewater to the projected higher water surface elevations that will be held back by the new levee and tide gate in Coyote Creek.

Notes This project corresponds to Validation Project PLD-03.

Major Cost Changes

	PRIOR YEARS	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
Expenditure Schedule (000s)										
Project Feasibility Development		902	2,009	503				2,512		3,414
Design				4,000	880	233		5,113		5,113
Bid & Award						189		189		189
Construction						35,553	1,645	37,198	1,250	38,448
Post Construction									194	194
Total		902	2,009	4,503	880	35,975	1,645	45,012	1,444	47,358

	PRIOR YEARS	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
Funding Source Schedule (000s)										
San José-Santa Clara Treatment Plant Capital Fund (512)		902	2,009	4,503	880	35,975	1,645	45,012	1,444	47,358
Total		902	2,009	4,503	880	35,975	1,645	45,012	1,444	47,358

Annual Operating Budget Impact (000s)										
Total										

Water Pollution Capital Program
 2021-2025 Proposed Capital Improvement Program
Detail of One-Time Construction Projects

Nitrification Clarifier Rehabilitation

CSA	Environmental and Utility Services	Initial Start Date	3rd Qtr. 2009
CSA Outcome	Reliable Utility Infrastructure	Initial End Date	2nd Qtr. 2024
Department	Environmental Services	Revised Start Date	
Location	Water Pollution Control Plant	Revised End Date	4th Qtr. 2025
Council Districts	4	Initial Project Budget	\$26,701,000
Appropriation	A7074	FY Initiated	2009-2010

Description This project includes phased rehabilitation of the 16 nitrification clarifiers. Structural improvements may include concrete repairs and coating, new clarifier mechanisms and baffle installations, pipe support and meter vault replacements, and walkway improvements. Mechanical improvements may include piping, valve and actuator replacements, spray water system replacements, scum skimmer system upgrades, and return activated sludge piping lining. Electrical and instrumentation improvements may include motor control center replacements, new wiring, and other electrical equipment upgrades. Other incidental work may include grouting, painting, coating, and other surface treatments.

Justification The Plant's 16 nitrification clarifiers have been in service for 30 to 40 years depending on the year of construction. A condition assessment study, completed in 2011, recommended phased rehabilitation of the nitrification clarifiers. The improvements are needed to address structural, mechanical, electrical, and instrumentation deficiencies and will extend the useful life of the clarifier assets for an additional 30 years.

Notes This project corresponds to Plant Master Plan Project No. 21 and Validation Project PLS-02. This project is planned to be completed in multiple phases.

Major Cost Changes 2014-2018 CIP - increase of \$13.0 million due to revised estimate.
 2015-2019 CIP - increase of \$22.0 million due to revised project validation cost estimate.
 2016-2020 CIP - decrease of \$8.5 million due to revised scope and cost estimate.
 2017-2021 CIP - decrease of \$1.6 million due to revised cost estimate.
 2020-2024 CIP - increase of \$46.4 million due to an increase in the amount of rehabilitation required and updated construction cost estimate.

	PRIOR YEARS	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
Expenditure Schedule (000s)										
Project Feasibility Development	3,829	53								3,882
Design	2,267	188	323	833				1,156		3,611
Bid & Award	82	245		213				213		540
Construction	6	53,966	1,279	1,472	30,698	2,152	1,110	36,711		90,684
Post Construction		251			231		764	995		1,246
Total	6,184	54,703	1,602	2,518	30,929	2,152	1,874	39,075		99,962

Funding Source Schedule (000s)										
San José-Santa Clara Treatment Plant Capital Fund (512)	6,184	54,703	1,602	2,518	30,929	2,152	1,874	39,075		99,962
Total	6,184	54,703	1,602	2,518	30,929	2,152	1,874	39,075		99,962

Annual Operating Budget Impact (000s)										
Total										

Water Pollution Capital Program
2021-2025 Proposed Capital Improvement Program
Detail of One-Time Construction Projects

Support Building Improvements

CSA	Environmental and Utility Services	Initial Start Date	1st Qtr. 2015
CSA Outcome	Reliable Utility Infrastructure	Initial End Date	3rd Qtr. 2023
Department	Environmental Services	Revised Start Date	2nd Qtr. 2015
Location	Water Pollution Control Plant	Revised End Date	4th Qtr. 2033
Council Districts	4	Initial Project Budget	\$55,590,000
Appropriation	A7681	FY Initiated	2014-2015

Description This project constructs various tenant improvements to the administration, operations, engineering, and other support buildings located throughout the Plant. It may include floor, ceiling, wall, partition, plumbing, heating, ventilation and air conditioning upgrades, fire protection, and security improvements, as well as ancillary landscaping improvements. It also constructs new warehousing facilities and an electronic warehouse management system which may include new computers, a central database, barcode scanners, mobile tablets, and other technology improvements. This project will be constructed in phases based on a detailed tenant improvement study, warehouse design study, and priority of needs.

Justification Most of the buildings at the Plant are between 30 and 50 years old and are in need of refurbishment to improve worker health, safety, and environment. The tenant improvements are also needed to bring the buildings into compliance with current building and safety codes. The new warehousing facility and warehouse management system will improve operational efficiency through better control of the movement and storage of materials, including shipping, receiving, material stocking, use, and distribution.

Notes This project corresponds to Plant Master Plan Project Nos. 94, 95, 96, 98, 106, and 107 and Validation Project PF-02.

Major Cost Changes 2016-2020 CIP - decrease of \$856,000 due to revised cost estimate.
 2018-2022 CIP - increase of \$2.2 million due to revised project delivery cost estimate.

	PRIOR YEARS	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
Expenditure Schedule (000s)										
General Administration	0									0
Project Feasibility Development	2,046	230							1,848	4,124
Design	365	1,100							4,193	5,659
Bid & Award	17	286							493	795
Construction		13,589			13,090	969	967	15,026	23,032	51,647
Post Construction Equipment, Materials and Supplies	346		113					113	1,141	1,254
Total	2,774	15,205	113		13,090	969	967	15,139	30,707	63,826

Funding Source Schedule (000s)										
San José-Santa Clara Treatment Plant Capital Fund (512)	2,774	15,205	113		13,090	969	967	15,139	30,707	63,826
Total	2,774	15,205	113		13,090	969	967	15,139	30,707	63,826

Annual Operating Budget Impact (000s)										
Total										

Water Pollution Capital Program

2021-2025 Proposed Capital Improvement Program

Detail of One-Time Non-Construction Projects

Debt Service Repayment for Plant Capital Improvement Projects

CSA Environmental and Utility Services
CSA Outcome Reliable Utility Infrastructure
Department Environmental Services
Council Districts N/A
Appropriation A402C

Description This allocation provides for the repayment of financing proceeds, including short-term wastewater revenue notes and long-term bonds, drawn for the Plant Capital Improvement Projects.

Notes The use of Wastewater Revenue Notes for funding began in October 2017.

	PRIOR YEARS	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
Expenditure Schedule (000s)										
General Administration	2,115	5,688	2,926	4,169	303,834	25,225	26,675	362,829	133,375	504,007
Total	2,115	5,688	2,926	4,169	303,834	25,225	26,675	362,829	133,375	504,007

Funding Source Schedule (000s)										
San José-Santa Clara Treatment Plant Capital Fund (512)	2,115	5,688	2,926	4,169	303,834	25,225	26,675	362,829	133,375	504,007
Total	2,115	5,688	2,926	4,169	303,834	25,225	26,675	362,829	133,375	504,007

Water Pollution Capital Program
2021-2025 Proposed Capital Improvement Program

Summary of Projects with Close-Out Costs Only in 2020-2021

Project Name	Energy Generation Improvements	Initial Start Date	3rd Qtr. 2012
5-Yr CIP Budget	\$ 587,000	Initial End Date	2nd Qtr. 2013
Total Budget	\$ 132,047,168	Revised Start Date	1st Qtr. 2012
Council Districts	4	Revised End Date	1st Qtr. 2021
Description	This project will install new, lower-emission engine-generators to replace the aged existing engine-generators and allow the aged engine-driven blowers to be retired. It includes a new generator building, gas cleaning and blending systems, piping, control system, and motor control centers. This project will also install emergency diesel generators and storage tanks to provide backup power in the event of an extended PG&E power outage.		

Water Pollution Capital Program
2021-2025 Proposed Capital Improvement Program

Summary of Projects that Start After 2020-2021

Project Name	Additional Digester Upgrades	Initial Start Date	3rd Qtr. 2021
5-Yr CIP Budget	\$ 62,096,000	Initial End Date	2nd Qtr. 2028
Total Budget	\$ 64,475,000	Revised Start Date	
Council Districts	4	Revised End Date	4th Qtr. 2027
Description	This project will rehabilitate up to six existing anaerobic digesters, including installation of new covers and mixers, upgrades the existing sludge distribution piping, and upgrades the digester heat supply system. The project may also include the installation of batch tanks to produce Class A biosolids (if required by future regulations).		

Project Name	Aeration Tanks and Blower Rehabilitation	Initial Start Date	1st Qtr. 2015
5-Yr CIP Budget	\$ 68,057,000	Initial End Date	3rd Qtr. 2025
Total Budget	\$ 131,579,768	Revised Start Date	2nd Qtr. 2015
Council Districts	4	Revised End Date	1st Qtr. 2029
Description	This project rehabilitates the secondary and nitrification aeration tanks including structural, mechanical, electrical, and instrumentation upgrades. It also replaces the remaining existing coarse bubble diffusers with fine bubble diffusers; installs partition walls and reconfigures air piping to optimize process treatment capabilities; repairs concrete and applies coatings; installs Variable Frequency Drives (VFDs), new motors, new Motor Control Centers (MCC), and new controls to the electric driven blowers in Building 40 and Tertiary Blower Building; decommissions the engine driven blowers in the Secondary Blower Building; and replaces the S11 switchgear.		

Project Name	East Primary Rehabilitation, Seismic Retrofit, and Odor Control	Initial Start Date	3rd Qtr. 2009
5-Yr CIP Budget	\$ 106,785,000	Initial End Date	4th Qtr. 2012
Total Budget	\$ 112,974,114	Revised Start Date	3rd Qtr. 2010
Council Districts	4	Revised End Date	1st Qtr. 2030
Description	This project rehabilitates the existing primary clarifiers, including the coating of concrete and replacement of clarifier mechanisms with corrosion resistant materials. It also includes structural retrofits to allow new covers to be installed over a portion or all of the primary treatment area to contain odors. A new odor extraction and treatment system will also be constructed.		

Project Name	Secondary Clarifier Rehabilitation	Initial Start Date	1st Qtr. 2017
5-Yr CIP Budget	\$ 3,398,000	Initial End Date	2nd Qtr. 2024
Total Budget	\$ 26,455,000	Revised Start Date	3rd Qtr. 2023
Council Districts	4	Revised End Date	4th Qtr. 2031
Description	The Plant has 26 secondary clarifiers configured with peripheral mix liquor feed channel, and either central or peripheral launders. The first phase of this project rehabilitates one secondary (BNR1) clarifier and retrofits it to receive a new baffle configuration based on computational fluid dynamic (CFD) modeling results. The new configuration is expected to improve clarifier performance and efficiency. The subsequent phases of the project will rehabilitate and convert the remaining 25 clarifiers based on the results of the first phase. Rehabilitation will include structural, mechanical, electrical, and instrumentation improvements.		

Project Name	Storm Drain System Improvements	Initial Start Date	3rd Qtr. 2017
5-Yr CIP Budget	\$ 12,575,000	Initial End Date	2nd Qtr. 2021
Total Budget	\$ 15,101,576	Revised Start Date	4th Qtr. 2017
Council Districts	4	Revised End Date	2nd Qtr. 2024
Description	This project upgrades the existing Plant stormwater drainage system to meet current City standards. The project includes modifying existing drainage facilities and constructing new storm system facilities to meet the City's 10-year design standard. This project may also include improvements to the existing combined sanitary sewer system.		

Water Pollution Capital Program
 2021-2025 Proposed Capital Improvement Program

Summary of Projects that Start After 2020-2021

Project Name	Various Infrastructure Decommissioning	Initial Start Date	3rd Qtr. 2018
5-Yr CIP Budget	\$ 21,751,000	Initial End Date	2nd Qtr. 2022
Total Budget	\$ 22,220,000	Revised Start Date	3rd Qtr. 2019
Council Districts	4	Revised End Date	2nd Qtr. 2026
Description	This project will decommission and remove equipment, structures, and piping located in Building 40, Pump and Engine Building, Sludge Control Building, digester campus, and tunnels.		

Project Name	Yard Piping and Road Improvements	Initial Start Date	3rd Qtr. 2011
5-Yr CIP Budget	\$ 92,108,000	Initial End Date	4th Qtr. 2026
Total Budget	\$ 121,319,395	Revised Start Date	
Council Districts	4	Revised End Date	1st Qtr. 2028
Description	This project will rehabilitate and/or replace process piping systems, valves, and related appurtenances throughout the Plant. The work will be completed in phases based on the outcome of a detailed condition assessment, physical testing, and prioritization of needs. This project will also make roadway and drainage-related improvements throughout the Plant's main operations and residual management areas.		

Water Pollution Capital Program
 2021-2025 Proposed Capital Improvement Program

Summary of Reserves

Project Name	Equipment Replacement Reserve	Initial Start Date	N/A
5-Yr CIP Budget	\$ 5,000,000	Initial End Date	N/A
Total Budget	\$ 5,000,000	Revised Start Date	
Council Districts	4	Revised End Date	
Description	This reserve sets aside funding for unforeseen replacement and rehabilitation of equipment that, due to age, wear, or obsolescence, must be replaced for the efficient operation of the Plant.		

Project Name	Hydraulic Capacity Enhancements Reserve	Initial Start Date	N/A
5-Yr CIP Budget	\$ 3,666,000	Initial End Date	N/A
Total Budget	\$ 3,666,000	Revised Start Date	
Council Districts	4	Revised End Date	
Description	This reserve sets aside funding for future design, engineering, and inspection for the connection of new developments to the recycled water utility system.		

Water Pollution Capital Program
2021-2025 Proposed Capital Improvement Program
Attachment A - Operating Budget Impact

	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>
<u>Water Pollution Capital Program</u>				
New Headworks		\$9,000	\$26,000	\$27,000
Digested Sludge Dewatering Facility		\$3,062,000	\$12,251,000	\$12,599,000
Digester and Thickener Facilities Upgrade	\$2,123,000	\$2,203,000	\$2,285,000	\$2,370,000
Energy Generation Improvements	\$92,000	\$95,000	\$97,000	\$100,000
Total Water Pollution Capital Program	\$2,215,000	\$5,369,000	\$14,659,000	\$15,096,000

Water Pollution Control

2021-2025 Proposed Capital Improvement Program

Explanation of Funds

Revenues and expenditures for the operation and maintenance of the San José-Santa Clara Water Pollution Control Plant (Plant) are accounted for by the City of San José, as the administering agency, through the San José-Santa Clara Treatment Plant Operating Fund (Operating Fund) and the San José-Santa Clara Treatment Plant Capital Fund (Capital Fund).

Revenues from tributary agencies of the San José-Santa Clara Water Pollution Control Plant are recorded directly into the Operating and Capital Funds. The tributary agencies include the City of Milpitas, City of Cupertino, Burbank Sanitary District, County Sanitation District No. 2-3, and West Valley Sanitation District.

Tributary agencies are assessed for their share of annual operation, maintenance, equipment, and facilities replacement and capital costs, based on their respective flow and strength of sewage conveyed to the Plant.

The San José Sewer Service and Use Charge Fund was established in the San José Municipal Code Section 15.12.640 in August 1959. This

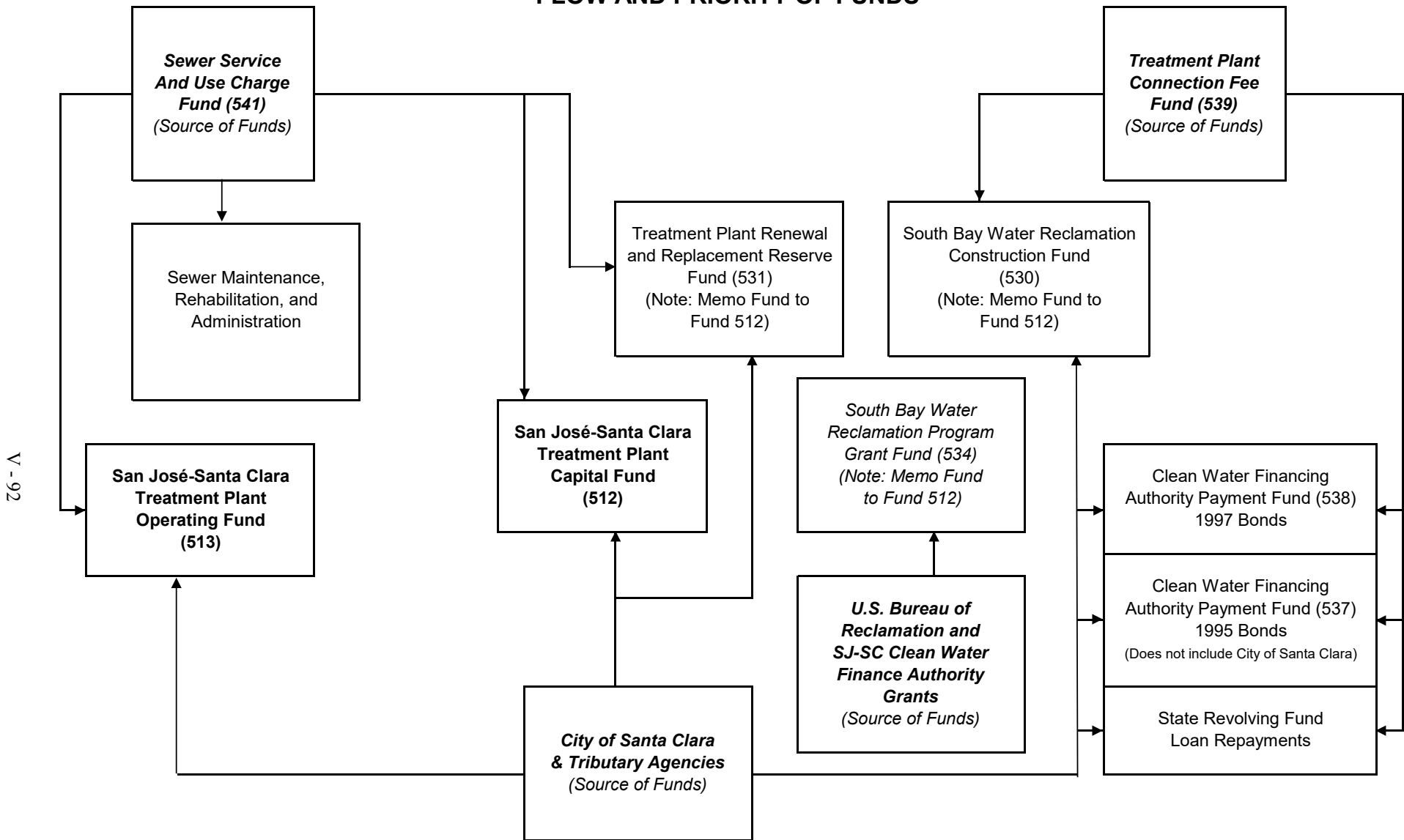
fund is the depository of revenues from Sewer Service and Use Charges received from residential, commercial, and industrial users of the sanitary sewer system. A portion of these monies is transferred to the Operating and Capital Funds to pay for the City of San José's share of operating and capital costs of the Plant.

The Santa Clara Sewer Revenue Fund was established by Resolution Number 916 of the City Council of Santa Clara in October 1960. Like the City of San José, revenues from this fund are transferred directly to the Operating and Capital Funds.

The Capital Fund provides all monies used for capital projects. Included in this fund is the Treatment Plant Renewal and Replacement Fund. This fund was established to satisfy the Plant's federal and State grant agreements as well as to comply with bond covenants.

The South Bay Water Recycling (SBWR) Capital Fund provides monies for capital improvement projects in support of SBWR system infrastructure.

WATER POLLUTION CONTROL PLANT FLOW AND PRIORITY OF FUNDS



The arrows indicate the flow of funds from each of the various sources to the fund in which the revenues are expended.