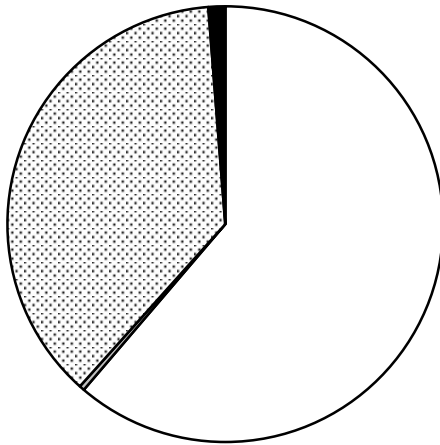


# WATER UTILITY SYSTEM

## 2021-2025 Capital Improvement Program

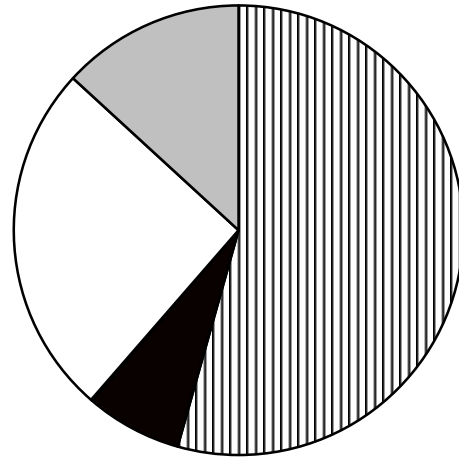
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**2020-2021 Adopted Source of Funds**



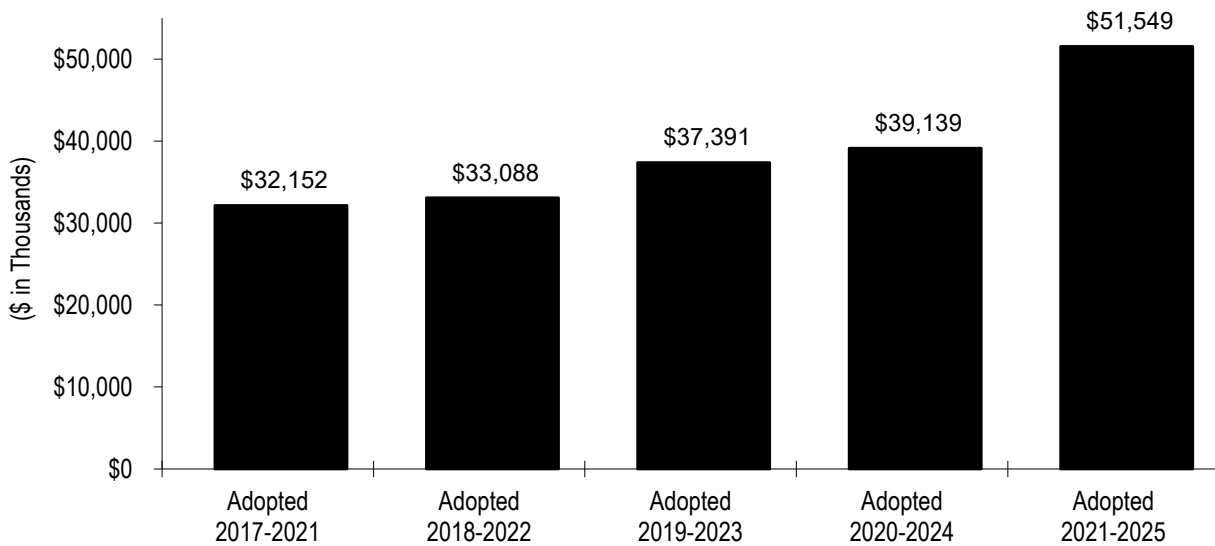
- Beginning Fund Balance
- ▨ Taxes, Fees and Charges
- ▧ Transfers
- Interest

**2020-2021 Adopted Use of Funds**



- Construction
- Non-Construction
- ▧ Allocations and Transfers
- ▨ Reserves
- ▤ Ending Fund Balance

**CIP History**



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# Water Utility System

## 2021-2025 Adopted Capital Improvement Program

### North

- A) North San José Reliability Well Construction
- B) North San José Well Development and Construction
- C) Annual Main Replacement

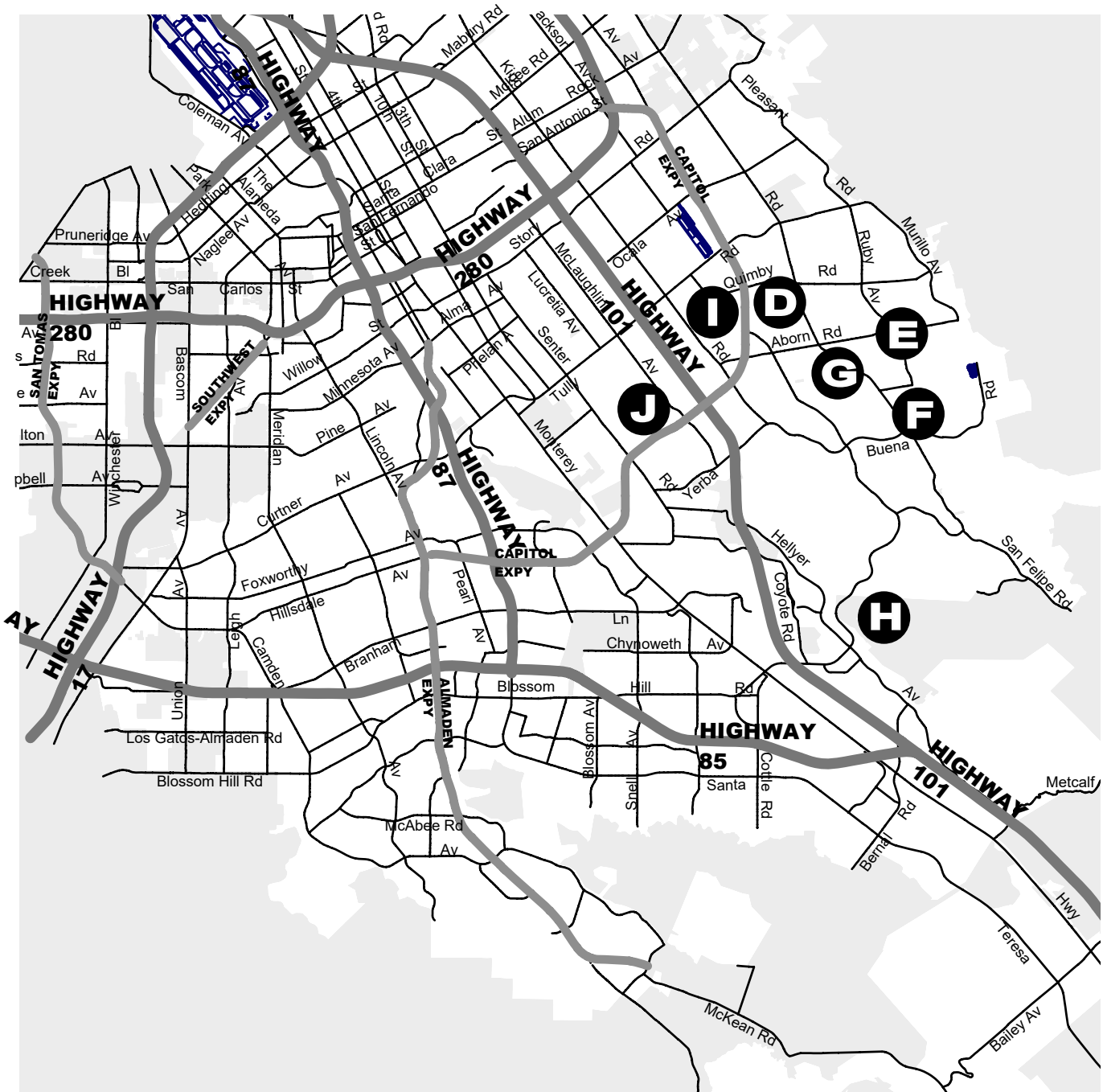


# Water Utility System

## 2021-2025 Adopted Capital Improvement Program

### South

- D) Annual Water Main Replacement
- E) Fowler Pump Station Replacement
- F) Safety and Security Improvements
- G) Facility Site Improvements
- H) Backup Generator Replacement
- I) Evergreen Reliability Well
- J) Water Resources Administration & Operations Facility



# Water Utility System

## 2021-2025 Adopted Capital Improvement Program

### Overview

#### INTRODUCTION

The Water Utility System Capital Program includes the Water Utility Capital Fund and the Major Facilities Fund. The program's mission is to provide superior water service at competitive rates. The 2021-2025 Adopted Capital Improvement Program (CIP) provides funding of \$51.5 million, of which \$19.7 million is allocated in 2020-2021.

MUNICIPAL WATER SYSTEM PUBLIC INFRASTRUCTURE	
MILES OF WATER MAINS	344
NUMBER OF RESERVOIRS	17
NUMBER OF PUMP STATIONS	15
NUMBER OF GROUNDWATER WELLS	14

The San José Municipal Water System (Muni Water) provides water service to approximately 24,000 customers in five service areas of the City of San José: Alviso, North San José, Coyote Valley, Edenvale, and Evergreen. The Alviso service area (Council District 4) includes the area within the 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

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

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

# Water Utility System

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## 2021-2025 Adopted Capital Improvement Program

### Overview

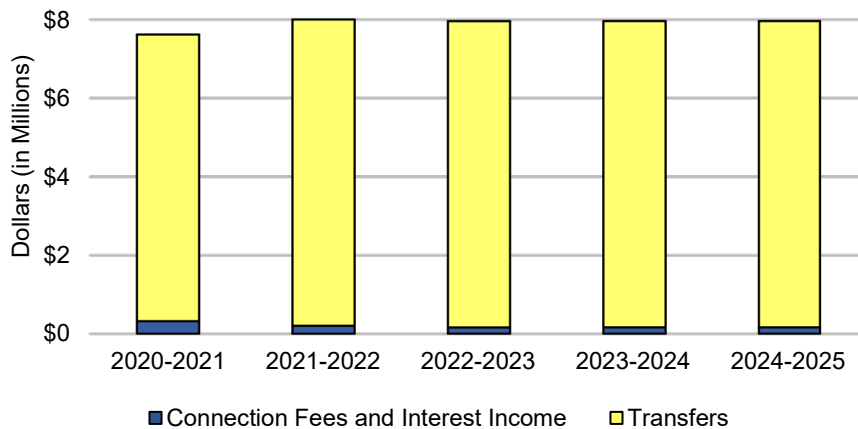
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#### SOURCES OF FUNDING

Over the five years of this Adopted CIP, the funds available for capital improvements are estimated to total \$51.5 million, which consists of \$45.6 million in the Water Utility Capital Fund and \$6.0 million in the Major Facilities Fund. Revenue for the Adopted CIP is derived from a combination of funding sources: transfers from the Water Utility Fund to the Water Utility Capital Fund, fee income, and interest income. The Water Utility Fund derives its revenue primarily from water sales in the service areas. The amount of the transfer from the Water Utility Fund is \$7.3 million in the first year and \$7.8 million in each subsequent year of the CIP. Fee revenue in the Water Utility Capital Fund is generated from Service Connection Fees, Advanced System Design Fees, and Meter Installation Fees.

Revenue in the Major Facilities Fund is generated 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.

#### Summary of Revenues



# Water Utility System

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## 2021-2025 Adopted Capital Improvement Program

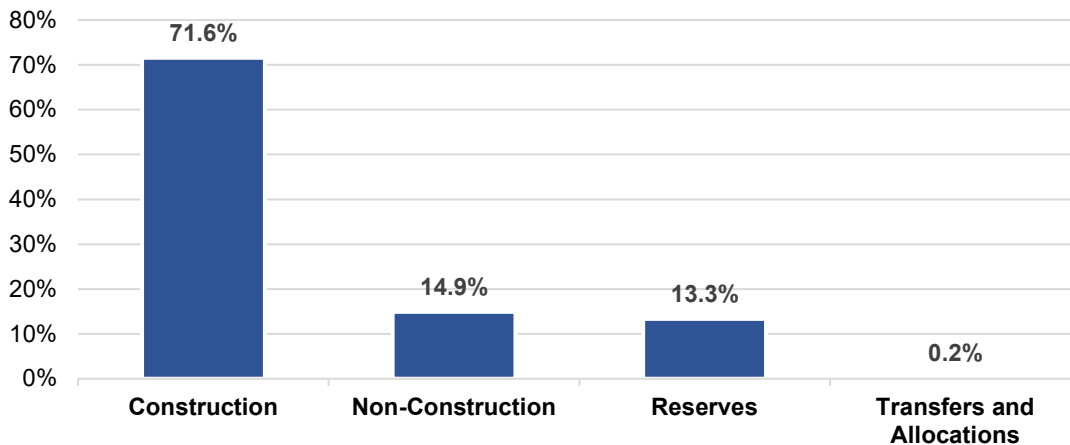
### Overview

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#### PROGRAM HIGHLIGHTS

To meet the service needs of new developments in the Muni Water service area, the program continues its policy of requiring developers to construct infrastructure improvements within their project area. Large water storage and conveyance infrastructure is constructed by developers or funded from the Major Facilities fees. Capital Improvements for existing customers are funded from water sale revenues, which are displayed in the 2020-2021 Adopted Operating Budget in the Water Utility Fund.

**2021-2025 Water Utility System  
Capital Program Expenditures  
\$51.0 million  
(excludes Ending Fund Balance)**



#### System-Wide

The Safety and Security Improvements project (\$886,000) in the Adopted CIP includes 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. In an effort to maintain and upgrade the Muni Water distribution system, the 2021-2025 CIP includes funding for the Annual Water Main Replacement Project (\$10.8 million), which will prioritize water mains for replacement throughout the service areas by rating pipe segments based on age, adequacy of size and flow, the number of leaks or failures that have occurred, and the difficulty to repair the pipe following an unexpected failure. The 2021-2025 CIP also includes funding for Infrastructure Improvements (\$4.2 million) and System Maintenance and Repairs (\$3.9 million).

# **Water Utility System**

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## **2021-2025 Adopted Capital Improvement Program**

### **Overview**

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#### **PROGRAM HIGHLIGHTS**

The System Rehabilitation/Replacement Reserve totals \$4.7 million at the end of the 2021-2025 CIP. In the event that economic or environmental conditions (for example, drought, slowing economy) decrease revenues to the Water Utility System, use of the reserve may be required to maintain infrastructure.

#### North San José and Alviso Service Areas

The North San José and Alviso service areas use water supplied by the Hetch-Hetchy system under the Water Supply Agreement (WSA) with the City and County of San Francisco. San José is a party to the agreement with 27 suburban agencies. The current agreement, which will expire June 30, 2034, was approved by the City Council in June 2009.

The North San José and Alviso service areas have experienced some growth in the last several years, and continued growth is assumed in this CIP. In order to meet future demand forecasts, the City continues to work with developers to construct new groundwater wells once viable locations are determined. Increased focus on rehabilitation and construction of groundwater wells will enable Muni Water to minimize costs to customers, supply groundwater under emergency situations, and take advantage of Indirect Potable Reuse of purified water when available. The Adopted CIP includes funding for the North San José Well Development and Construction (\$3.9 million) and North San José Reliability Well Construction project (\$1.1 million).

#### Evergreen Service Area

The Evergreen service area contains approximately 92% of the total customers served by the water system and accounts for 67% of total water usage. Customers in the Evergreen area receive water supplied by Valley Water (formerly the Santa Clara Valley Water District). The Evergreen service area has experienced minimal growth in the last several years. Included in the 2021-2025 Adopted CIP is the completion of the Fowler Pump Station Replacement project, the design and construction of a groundwater well, as well as other miscellaneous improvements to extend the useful life of the system.

#### 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 Valley Water. Projects scheduled in the 2021-2025 Adopted CIP in the Edenvale service area include minor improvements, such as vault site maintenance, backup generator replacement, 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. The area is largely undeveloped and primarily consists of designated open space.



# Water Utility System

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## 2021-2025 Adopted Capital Improvement Program

### Overview

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#### MAJOR CHANGES FROM THE 2020-2024 ADOPTED CIP

The overall size of the Water Utility System CIP has increased by approximately \$12.4 million from \$39.1 million in the 2020-2024 Adopted CIP to \$51.5 million in the 2021-2025 Adopted CIP. The following table outlines the most significant changes to the CIP.

<b>Project</b>	<b>Incr/(Decr)</b>
Fowler Pump Station Replacement	(\$2.4 million)
North San José Reliability Well Construction	(\$360,000)
Tuers Road Site Improvements	(\$140,000)
Annual Water Main Replacement	\$217,000
North San José Well Development and Construction	\$2.4 million
Water Resources Administration and Operations Facility	\$14.5 million

#### OPERATING BUDGET IMPACT

There are no additional maintenance and operating costs associated with the projects in the 2021-2025 Adopted CIP.

#### COUNCIL-APPROVED REVISIONS TO THE PROPOSED CAPITAL IMPROVEMENT PROGRAM

Changes to the Proposed Capital Improvement Program were brought forward in the Mayor's June Budget Message for Fiscal Year 2020-2021 and approved by the City Council on June 23, 2020. This included the rebudgeting of unexpended funding for projects totaling \$4.0 million due to project scheduling. For additional information regarding these rebudgets, please refer to the Manager's Budget Addendum #32 that was incorporated into the Mayor's June Budget Message.

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Water Utility System  
**2021-2025 Adopted Capital Improvement Program**  
**Source of Funds (Combined)**

	Estimated						
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5-Year Total
<b>Water Utility Capital Fund (500)</b>							
<b>Beginning Balance</b>	9,036,748	6,316,483	287,483	307,483	169,483	268,483	6,316,483 *
<b>Reserve for Encumbrance</b>	968,164						
<b>Transfers</b>							
Transfer from the Water Utility Fund	4,800,000	7,300,000	7,800,000	7,800,000	7,800,000	7,800,000	38,500,000
<b>TOTAL Transfers</b>	<b>4,800,000</b>	<b>7,300,000</b>	<b>7,800,000</b>	<b>7,800,000</b>	<b>7,800,000</b>	<b>7,800,000</b>	<b>38,500,000</b>
<b>Revenue from Use of Money and Property</b>							
Interest Income	296,005	133,000	65,000	58,000	59,000	61,000	376,000
<b>TOTAL Revenue from Use of Money and Property</b>	<b>296,005</b>	<b>133,000</b>	<b>65,000</b>	<b>58,000</b>	<b>59,000</b>	<b>61,000</b>	<b>376,000</b>
<b>Fees, Rates and Charges</b>							
Advance System Design Fees	60,000	25,000	25,000	25,000	25,000	25,000	125,000
Meter Installation Fees	75,000	25,000	25,000	25,000	25,000	25,000	125,000
Service Connection Fees	105,000	25,000	25,000	25,000	25,000	25,000	125,000
<b>TOTAL Fees, Rates and Charges</b>	<b>240,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>375,000</b>
<b>Total Water Utility Capital Fund (500)</b>	<b>15,340,917</b>	<b>13,824,483</b>	<b>8,227,483</b>	<b>8,240,483</b>	<b>8,103,483</b>	<b>8,204,483</b>	<b>45,567,483 *</b>
<b>Major Facilities Fund (502)</b>							
<b>Beginning Balance</b>	5,728,037	5,727,992	2,303,992	350,992	361,992	372,992	5,727,992 *

Water Utility System  
**2021-2025 Adopted Capital Improvement Program**  
**Source of Funds (Combined)**

	Estimated						
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5-Year Total
Reserve for Encumbrance	153,050						
<b>Revenue from Use of Money and Property</b>							
Interest Income	125,905	112,000	63,000	27,000	27,000	25,000	254,000
<b>TOTAL Revenue from Use of Money and Property</b>	<b>125,905</b>	<b>112,000</b>	<b>63,000</b>	<b>27,000</b>	<b>27,000</b>	<b>25,000</b>	<b>254,000</b>
<b>Total Major Facilities Fund (502)</b>	<b>6,006,992</b>	<b>5,839,992</b>	<b>2,366,992</b>	<b>377,992</b>	<b>388,992</b>	<b>397,992</b>	<b>5,981,992 *</b>
<b>TOTAL SOURCES</b>	<b>21,347,909</b>	<b>19,664,475</b>	<b>10,594,475</b>	<b>8,618,475</b>	<b>8,492,475</b>	<b>8,602,475</b>	<b>51,549,475 *</b>

\* 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 Utility System

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

	Estimated 2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5-Year Total
<b><u>Water Utility System</u></b>							
Annual Water Main Replacement	1,483,000	3,017,000	1,800,000	2,400,000	1,900,000	1,700,000	10,817,000
Backup Generator Replacement	1,000	199,000					199,000
Evergreen Reliability Well						200,000	200,000
Facility Sites Improvement	11,000	269,000					269,000
Fowler Pump Station Replacement	3,415,411	250,000					250,000
Infrastructure Improvements	996,571	820,000	830,000	840,000	850,000	860,000	4,200,000
Meter Installations	143,856	50,000	50,000	50,000	50,000	50,000	250,000
North San José Reliability Well Construction	360,000	950,000	150,000				1,100,000
North San José Water Well Evaluation and Rehabilitation	415,421						
North San José Well Development and Construction	140,000	1,920,000	2,000,000				3,920,000
Safety and Security Improvements	25,518	486,000	100,000	100,000	100,000	100,000	886,000
Service Installations	387,518	200,000	200,000	200,000	200,000	200,000	1,000,000
Tuers Road Site Improvements	174,293	30,000					30,000
Water Resources Administration & Operations Facility		2,500,000	3,000,000	3,000,000	3,000,000	3,000,000	14,500,000
<b>Other Water - Construction</b>	<b>7,553,587</b>	<b>10,691,000</b>	<b>8,130,000</b>	<b>6,590,000</b>	<b>6,100,000</b>	<b>6,110,000</b>	<b>37,621,000</b>
<b>Water - Construction</b>	<b>7,553,587</b>	<b>10,691,000</b>	<b>8,130,000</b>	<b>6,590,000</b>	<b>6,100,000</b>	<b>6,110,000</b>	<b>37,621,000</b>
Advance System Design	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000
Major Facilities Fee Administration	15,000	15,000	15,000	15,000	15,000	15,000	75,000
Master Plan Engineering	166,714	175,000	180,000	185,000	190,000	200,000	930,000
Network System Flow Improvements	6,000						
Preliminary Engineering - Water	145,000	150,000	155,000	160,000	165,000	170,000	800,000
GIS Support	75,680	65,000	65,000	65,000	65,000	65,000	325,000

# Water Utility System

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

	Estimated						
	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	5-Year Total
System Maintenance/Repairs	977,453	760,000	760,000	780,000	780,000	800,000	3,880,000
<b>General Non-Construction - Water</b>	<b>1,585,847</b>	<b>1,365,000</b>	<b>1,375,000</b>	<b>1,405,000</b>	<b>1,415,000</b>	<b>1,450,000</b>	<b>7,010,000</b>
<b>Water - Non Construction</b>	<b>1,585,847</b>	<b>1,365,000</b>	<b>1,375,000</b>	<b>1,405,000</b>	<b>1,415,000</b>	<b>1,450,000</b>	<b>7,010,000</b>
Public Art Funding	136,000	2,000	2,000	2,000	2,000	2,000	10,000
<b>Public Art Projects</b>	<b>136,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>10,000</b>
Capital Program and Public Works Department Support Service Costs	22,000	9,000	8,000	9,000	8,000	8,000	42,000
<b>Allocations</b>	<b>22,000</b>	<b>9,000</b>	<b>8,000</b>	<b>9,000</b>	<b>8,000</b>	<b>8,000</b>	<b>42,000</b>
City Hall Debt Service Fund	6,000	6,000	6,000	6,000	6,000	6,000	30,000
<b>Transfers to Special Funds</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>30,000</b>
<b>Transfers Expense</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>6,000</b>	<b>30,000</b>
System Growth Related Projects Reserve		1,600,000					1,600,000
System Rehabilitation/Replacement Reserve		3,400,000	415,000	75,000	320,000	440,000	4,650,000
<b>Expense Reserves - Non Construction</b>		<b>5,000,000</b>	<b>415,000</b>	<b>75,000</b>	<b>320,000</b>	<b>440,000</b>	<b>6,250,000</b>
<b>Total Expenditures</b>	<b>9,303,434</b>	<b>17,073,000</b>	<b>9,936,000</b>	<b>8,087,000</b>	<b>7,851,000</b>	<b>8,016,000</b>	<b>50,963,000</b>
Ending Fund Balance	12,044,475	2,591,475	658,475	531,475	641,475	586,475	586,475 *
<b>TOTAL</b>	<b>21,347,909</b>	<b>19,664,475</b>	<b>10,594,475</b>	<b>8,618,475</b>	<b>8,492,475</b>	<b>8,602,475</b>	<b>51,549,475 *</b>

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\* 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 Capital Program

## 2021-2025 Adopted Capital Improvement Program

### **Detail of One-Time Construction Projects**

#### **Backup Generator Replacement**

<b>CSA</b>	Environmental and Utility Services	<b>Initial Start Date</b>	3rd Qtr. 2017
<b>CSA Outcome</b>	Safe, Reliable, and Sufficient Water Supply; Reliable Utility System	<b>Initial End Date</b>	1st Qtr. 2019
<b>Department</b>	Environmental Services	<b>Revised Start Date</b>	3rd Qtr. 2019
<b>Location</b>	102 Silver Creek Valley Road	<b>Revised End Date</b>	2nd Qtr. 2021
<b>Council Districts</b>	2	<b>Initial Project Budget</b>	\$180,000
<b>Appropriation</b>	A401M	<b>FY Initiated</b>	2017-2018

**Description**      The existing backup generator at Edenvale Wells installed in 1984 is outdated and has reached the end of its useful life. The replacement of an existing 415 kiloWatt diesel standby generator is required for meeting the current air quality permitting requirements.

**Justification**      This project will ensure the efficient operation of the water system and maintain reliable utility infrastructure.

**Notes**

**Major Cost Changes**      2019-2023 CIP - Increase of \$20,000 due to required permits.

	PRIOR YEARS	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
<b>Expenditure Schedule (000s)</b>										
Design		1	29					29		30
Construction			170					170		170
<b>Total</b>		<b>1</b>	<b>199</b>					<b>199</b>		<b>200</b>

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
<b>Funding Source Schedule (000s)</b>									
Water Utility Capital Fund (500)	1	199					199		200
<b>Total</b>	<b>1</b>	<b>199</b>					<b>199</b>		<b>200</b>

<b>Annual Operating Budget Impact (000s)</b>									
<b>Total</b>									

# Water Capital Program

## 2021-2025 Adopted Capital Improvement Program

### **Detail of One-Time Construction Projects**

#### **Facility Sites Improvement**

<b>CSA</b>	Environmental and Utility Services	<b>Initial Start Date</b>	3rd Qtr. 2017
<b>CSA Outcome</b>	Safe and Reliable Utility System	<b>Initial End Date</b>	2nd Qtr. 2019
<b>Department</b>	Environmental Services	<b>Revised Start Date</b>	3rd Qtr. 2018
<b>Location</b>	Various Facility Sites	<b>Revised End Date</b>	2nd Qtr. 2021
<b>Council Districts</b>	City-wide	<b>Initial Project Budget</b>	\$320,000
<b>Appropriation</b>	A402K	<b>FY Initiated</b>	2017-2018

**Description** This project will repair and replace the deteriorated access road and storm water drainage systems at various facility sites, such as the Cadwallader Reservoir site and Maintenance Yard.

**Justification** This project will ensure the efficient operation of the water system and maintain reliable utility infrastructure.

**Notes**

**Major Cost Changes**

	PRIOR YEARS	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
<b>Expenditure Schedule (000s)</b>										
Design	37									37
Construction		11	269					269		280
<b>Total</b>	<b>37</b>	<b>11</b>	<b>269</b>					<b>269</b>		<b>317</b>

<b>Funding Source Schedule (000s)</b>										
Water Utility Capital Fund (500)	37	11	269					269		317
<b>Total</b>	<b>37</b>	<b>11</b>	<b>269</b>					<b>269</b>		<b>317</b>

<b>Annual Operating Budget Impact (000s)</b>										
<b>Total</b>										



# Water Capital Program

## 2021-2025 Adopted Capital Improvement Program

### **Detail of One-Time Construction Projects**

#### **North San José Reliability Well Construction**

<b>CSA</b>	Environmental and Utility Services	<b>Initial Start Date</b>	3rd Qtr. 2019
<b>CSA Outcome</b>	Reliable Utility Infrastructure	<b>Initial End Date</b>	2nd Qtr. 2021
<b>Department</b>	Environmental Services	<b>Revised Start Date</b>	
<b>Location</b>	Trimble Road	<b>Revised End Date</b>	2nd Qtr. 2022
<b>Council Districts</b>	4	<b>Initial Project Budget</b>	\$1,460,000
<b>Appropriation</b>	A415N	<b>FY Initiated</b>	2019-2020

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

**Justification** An existing backup well has begun to reach end of useful life and exceed secondary maximum contaminant limit health standards. This project will replace the existing reliability well.

**Notes**

**Major Cost Changes**

	PRIOR YEARS	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
<b>Expenditure Schedule (000s)</b>										
Design		360								360
Construction			950					950		950
Post Construction				150				150		150
<b>Total</b>		<b>360</b>	<b>950</b>	<b>150</b>				<b>1,100</b>		<b>1,460</b>

<b>Funding Source Schedule (000s)</b>										
Water Utility Capital Fund (500)		360	950	150				1,100		1,460
<b>Total</b>		<b>360</b>	<b>950</b>	<b>150</b>				<b>1,100</b>		<b>1,460</b>

<b>Annual Operating Budget Impact (000s)</b>										
<b>Total</b>										

# Water Capital Program

## 2021-2025 Adopted Capital Improvement Program

### **Detail of One-Time Construction Projects**

#### **North San José Well Development and Construction**

<b>CSA</b>	Environmental and Utility Services	<b>Initial Start Date</b>	2nd Qtr. 2016
<b>CSA Outcome</b>	Safe, Reliable, and Sufficient Water Supply	<b>Initial End Date</b>	2nd Qtr. 2017
<b>Department</b>	Environmental Services	<b>Revised Start Date</b>	3rd Qtr. 2019
<b>Location</b>	North San José Service Area	<b>Revised End Date</b>	2nd Qtr. 2022
<b>Council Districts</b>	4	<b>Initial Project Budget</b>	\$1,560,000
<b>Appropriation</b>	A6274	<b>FY Initiated</b>	2015-2016

**Description** This allocation provides funding for the development and construction of groundwater production well(s) in the North San José service area. The potential locations have been identified from a preliminary hydrogeologic study and environmental data review.

**Justification** Construction and development of new wells will be needed 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.

**Notes**

**Major Cost Changes** 2021-2025 CIP - increase of \$2.5 million due to increased scope and project cost estimates.

	PRIOR YEARS	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
<b>Expenditure Schedule (000s)</b>										
Design		60	300					300		360
Construction		80	1,620	2,000				3,620		3,700
<b>Total</b>		<b>140</b>	<b>1,920</b>	<b>2,000</b>				<b>3,920</b>		<b>4,060</b>

<b>Funding Source Schedule (000s)</b>										
Major Facilities Fund (502)		140	1,920	2,000				3,920		4,060
<b>Total</b>		<b>140</b>	<b>1,920</b>	<b>2,000</b>				<b>3,920</b>		<b>4,060</b>

<b>Annual Operating Budget Impact (000s)</b>										
<b>Total</b>										

# Water Capital Program

## 2021-2025 Adopted Capital Improvement Program

### **Detail of One-Time Construction Projects**

#### **Water Resources Administration & Operations Facility**

<b>CSA</b>	Environmental and Utility Services	<b>Initial Start Date</b>	3rd Qtr. 2020
<b>CSA Outcome</b>	Safe, Reliable, and Sufficient Water Supply; Reliable Water System	<b>Initial End Date</b>	2nd Qtr. 2025
<b>Department</b>	Environmental Services	<b>Revised Start Date</b>	
<b>Location</b>	TBD	<b>Revised End Date</b>	
<b>Council Districts</b>	TBD	<b>Initial Project Budget</b>	\$14,500,000
<b>Appropriation</b>	A421C	<b>FY Initiated</b>	2020-2021

**Description** This project will purchase or build a new Administration and Operations Building for the Water Resources Division.

**Justification** Division staff are currently located in three separate buildings comprising of a converted vehicle storage warehouse, a temporary mobile office trailer, and an administration building. All three buildings have reached the end of useful life and require replacement and/or significant upgrades.

**Notes** The total project cost of \$14.5 million is a preliminary estimate as the site selection and scope of work are still in process. Future CIPs will include a more detailed description and cost estimate.

**Major Cost Changes**

	PRIOR YEARS	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
<b>Expenditure Schedule (000s)</b>										
Construction			2,500	3,000	3,000	3,000	3,000	14,500		14,500
<b>Total</b>			<b>2,500</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>14,500</b>		<b>14,500</b>

<b>Funding Source Schedule (000s)</b>										
Water Utility Capital Fund (500)			2,500	3,000	3,000	3,000	3,000	14,500		14,500
<b>Total</b>			<b>2,500</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>14,500</b>		<b>14,500</b>

<b>Annual Operating Budget Impact (000s)</b>										
<b>Total</b>										

# Water Capital Program

## 2021-2025 Adopted Capital Improvement Program

### **Detail of Ongoing Construction Projects**

#### **Annual Water Main Replacement**

<b>CSA</b>	Environmental and Utility Services	<b>Initial Start Date</b>	Ongoing
<b>CSA Outcome</b>	Safe, Reliable, and Sufficient Water Supply; Reliable Water System	<b>Initial End Date</b>	Ongoing
<b>Department</b>	Environmental Services	<b>Revised Start Date</b>	
<b>Location</b>	System-wide	<b>Revised End Date</b>	
<b>Council Districts</b>	City-wide	<b>Initial Project Budget</b>	
<b>Appropriation</b>	A410Q		

**Description** This project is part of a continuing program to maintain and upgrade the City's Municipal Water distribution system. Most water pipes have a design life of roughly 50 years, depending upon when it was manufactured and the soil conditions where it is installed. The program has prioritized water mains for replacement throughout the service areas of Muni Water System by rating pipe segments based on age, adequacy of size and flow, the number of leaks or failures that have occurred, and the difficulty to repair the pipe if it failed considering location and traffic conditions.

**Justification** To ensure the efficient operation of the water system and to maintain reliable utility infrastructure.

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

**Major Cost Changes**

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL
<b>Expenditure Schedule (000s)</b>							
Design	3	187	80				267
Construction	1,480	2,830	1,720	2,400	1,900	1,700	10,550
<b>Total</b>	<b>1,483</b>	<b>3,017</b>	<b>1,800</b>	<b>2,400</b>	<b>1,900</b>	<b>1,700</b>	<b>10,817</b>

<b>Funding Source Schedule (000s)</b>							
Water Utility Capital Fund (500)	1,483	3,017	1,800	2,400	1,900	1,700	10,817
<b>Total</b>	<b>1,483</b>	<b>3,017</b>	<b>1,800</b>	<b>2,400</b>	<b>1,900</b>	<b>1,700</b>	<b>10,817</b>

<b>Annual Operating Budget Impact (000s)</b>							
<b>Total</b>							

# Water Capital Program

## 2021-2025 Adopted Capital Improvement Program

### **Detail of Ongoing Construction Projects**

#### **Infrastructure Improvements**

<b>CSA</b>	Environmental and Utility Services	<b>Initial Start Date</b>	Ongoing
<b>CSA Outcome</b>	Reliable Utility Infrastructure	<b>Initial End Date</b>	Ongoing
<b>Department</b>	Environmental Services	<b>Revised Start Date</b>	
<b>Location</b>	System-wide	<b>Revised End Date</b>	
<b>Council Districts</b>	2, 4, 7, 8	<b>Initial Project Budget</b>	
<b>Appropriation</b>	A5366		

**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.

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

**Major Cost Changes**

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL
<b>Expenditure Schedule (000s)</b>							
Design	187						
Construction	810	820	830	840	850	860	4,200
<b>Total</b>	<b>997</b>	<b>820</b>	<b>830</b>	<b>840</b>	<b>850</b>	<b>860</b>	<b>4,200</b>

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL
<b>Funding Source Schedule (000s)</b>							
Water Utility Capital Fund (500)	997	820	830	840	850	860	4,200
<b>Total</b>	<b>997</b>	<b>820</b>	<b>830</b>	<b>840</b>	<b>850</b>	<b>860</b>	<b>4,200</b>

<b>Annual Operating Budget Impact (000s)</b>							
<b>Total</b>							

# Water Capital Program

## 2021-2025 Adopted Capital Improvement Program

### **Detail of Ongoing Construction Projects**

#### **Meter Installations**

<b>CSA</b>	Environmental and Utility Services	<b>Initial Start Date</b>	Ongoing
<b>CSA Outcome</b>	Reliable Utility Infrastructure	<b>Initial End Date</b>	Ongoing
<b>Department</b>	Environmental Services	<b>Revised Start Date</b>	
<b>Location</b>	System-wide	<b>Revised End Date</b>	
<b>Council Districts</b>	2, 4, 7, 8	<b>Initial Project Budget</b>	
<b>Appropriation</b>	A4347		

**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.

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

**Major Cost Changes**

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL
<b>Expenditure Schedule (000s)</b>							
Construction	144	50	50	50	50	50	250
<b>Total</b>	<b>144</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>250</b>

<b>Funding Source Schedule (000s)</b>							
Water Utility Capital Fund (500)	144	50	50	50	50	50	250
<b>Total</b>	<b>144</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>250</b>

<b>Annual Operating Budget Impact (000s)</b>							
<b>Total</b>							

# Water Capital Program

## 2021-2025 Adopted Capital Improvement Program

### **Detail of Ongoing Construction Projects**

#### **Safety and Security Improvements**

<b>CSA</b>	Environmental and Utility Services	<b>Initial Start Date</b>	Ongoing
<b>CSA Outcome</b>	Reliable Utility Infrastructure	<b>Initial End Date</b>	Ongoing
<b>Department</b>	Environmental Services	<b>Revised Start Date</b>	
<b>Location</b>	System-wide	<b>Revised End Date</b>	
<b>Council Districts</b>	2, 4, 7, 8	<b>Initial Project Budget</b>	
<b>Appropriation</b>	A4095		

**Description** This project includes the repair and installation of additional safety and security improvements 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.

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

**Major Cost Changes**

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL
<b>Expenditure Schedule (000s)</b>							
Construction	26	486	100	100	100	100	886
<b>Total</b>	<b>26</b>	<b>486</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>886</b>

<b>Funding Source Schedule (000s)</b>							
Water Utility Capital Fund (500)	26	486	100	100	100	100	886
<b>Total</b>	<b>26</b>	<b>486</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>886</b>

<b>Annual Operating Budget Impact (000s)</b>							
<b>Total</b>							

# Water Capital Program

## 2021-2025 Adopted Capital Improvement Program

### **Detail of Ongoing Construction Projects**

#### **Service Installations**

<b>CSA</b>	Environmental and Utility Services	<b>Initial Start Date</b>	Ongoing
<b>CSA Outcome</b>	Reliable Utility Infrastructure	<b>Initial End Date</b>	Ongoing
<b>Department</b>	Environmental Services	<b>Revised Start Date</b>	
<b>Location</b>	System-wide	<b>Revised End Date</b>	
<b>Council Districts</b>	2, 4, 7, 8	<b>Initial Project Budget</b>	
<b>Appropriation</b>	A4348		

**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.

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

**Major Cost Changes**

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL
<b>Expenditure Schedule (000s)</b>							
Construction	388	200	200	200	200	200	1,000
<b>Total</b>	<b>388</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>1,000</b>

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL
<b>Funding Source Schedule (000s)</b>							
Water Utility Capital Fund (500)	388	200	200	200	200	200	1,000
<b>Total</b>	<b>388</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>1,000</b>

<b>Annual Operating Budget Impact (000s)</b>							
<b>Total</b>							



**Water Capital Program**  
 2021-2025 Adopted Capital Improvement Program  
**Detail of Ongoing Non-Construction Projects**

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**Advance System Design**

**CSA** Environmental and Utility Services  
**CSA Outcome** Reliable Utility Infrastructure  
**Department** Environmental Services  
**Council Districts** 2, 4, 7, 8  
**Appropriation** A4346

**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.

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

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL
<b>Expenditure Schedule (000s)</b>							
Design	200	200	200	200	200	200	1,000
<b>Total</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>1,000</b>

<b>Funding Source Schedule (000s)</b>							
Water Utility Capital Fund (500)	200	200	200	200	200	200	1,000
<b>Total</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>1,000</b>

**Water Capital Program**  
 2021-2025 Adopted Capital Improvement Program  
**Detail of Ongoing Non-Construction Projects**

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**GIS Support**

**CSA** Environmental and Utility Services  
**CSA Outcome** Reliable Utility Infrastructure  
**Department** Environmental Services  
**Council Districts** City-wide  
**Appropriation** A7365

**Description** This allocation funds Geographic Information System (GIS) related updates, improvements, support services, and other associated needs.

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

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL
<b>Expenditure Schedule (000s)</b>							
Design	65	65	65	65	65	65	325
<b>Total</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>325</b>

<b>Funding Source Schedule (000s)</b>							
Water Utility Capital Fund (500)	65	65	65	65	65	65	325
<b>Total</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>325</b>

# **Water Capital Program**

## 2021-2025 Adopted Capital Improvement Program

### **Detail of Ongoing Non-Construction Projects**

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#### **Major Facilities Fee Administration**

**CSA** Environmental and Utility Services  
**CSA Outcome** Reliable Utility Infrastructure  
**Department** Environmental Services  
**Council Districts** 2, 4, 7, 8  
**Appropriation** A5369

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**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.

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

	<b>FY20 EST</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>5 YEAR TOTAL</b>
<b>Expenditure Schedule (000s)</b>							
General Administration	15	15	15	15	15	15	75
<b>Total</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>75</b>

<b>Funding Source Schedule (000s)</b>							
Major Facilities Fund (502)	15	15	15	15	15	15	75
<b>Total</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>75</b>

**Water Capital Program**  
 2021-2025 Adopted Capital Improvement Program  
**Detail of Ongoing Non-Construction Projects**

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**Master Plan Engineering**

**CSA** Environmental and Utility Services  
**CSA Outcome** Reliable Utility Infrastructure  
**Department** Environmental Services  
**Council Districts** 2, 4, 7, 8  
**Appropriation** A4349

**Description** This allocation is used to update the Water System Master Plan based on anticipated development and customer consumption.

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

	<b>FY20 EST</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>5 YEAR TOTAL</b>
<b>Expenditure Schedule (000s)</b>							
Project Feasibility Development	160	175	180	185	190	200	930
Design	7						
<b>Total</b>	<b>167</b>	<b>175</b>	<b>180</b>	<b>185</b>	<b>190</b>	<b>200</b>	<b>930</b>

	<b>FY20 EST</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>5 YEAR TOTAL</b>
<b>Funding Source Schedule (000s)</b>							
Water Utility Capital Fund (500)	167	175	180	185	190	200	930
<b>Total</b>	<b>167</b>	<b>175</b>	<b>180</b>	<b>185</b>	<b>190</b>	<b>200</b>	<b>930</b>

**Water Capital Program**  
 2021-2025 Adopted Capital Improvement Program  
**Detail of Ongoing Non-Construction Projects**

---

**Preliminary Engineering - Water**

**CSA** Environmental and Utility Services  
**CSA Outcome** Reliable Utility Infrastructure  
**Department** Environmental Services  
**Council Districts** 2, 4, 7, 8  
**Appropriation** A4952

**Description** This allocation provides funding for project development in the early stages of planning.

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

	FY20 EST	FY21	FY22	FY23	FY24	FY25	5 YEAR TOTAL
<b>Expenditure Schedule (000s)</b>							
Design	145	150	155	160	165	170	800
<b>Total</b>	<b>145</b>	<b>150</b>	<b>155</b>	<b>160</b>	<b>165</b>	<b>170</b>	<b>800</b>

<b>Funding Source Schedule (000s)</b>							
Water Utility Capital Fund (500)	145	150	155	160	165	170	800
<b>Total</b>	<b>145</b>	<b>150</b>	<b>155</b>	<b>160</b>	<b>165</b>	<b>170</b>	<b>800</b>

**Water Capital Program**  
 2021-2025 Adopted Capital Improvement Program  
**Detail of Ongoing Non-Construction Projects**

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**System Maintenance/Repairs**

**CSA** Environmental and Utility Services  
**CSA Outcome** Reliable Utility Infrastructure  
**Department** Environmental Services  
**Council Districts** 2, 4, 7, 8  
**Appropriation** A5876

**Description** This allocation funds emergency and miscellaneous repairs in the distribution system.

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

	<b>FY20 EST</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>5 YEAR TOTAL</b>
<b>Expenditure Schedule (000s)</b>							
Design	237						
Equipment, Materials and Supplies	740	760	760	780	780	800	3,880
<b>Total</b>	<b>977</b>	<b>760</b>	<b>760</b>	<b>780</b>	<b>780</b>	<b>800</b>	<b>3,880</b>

<b>Funding Source Schedule (000s)</b>							
Water Utility Capital Fund (500)	977	760	760	780	780	800	3,880
<b>Total</b>	<b>977</b>	<b>760</b>	<b>760</b>	<b>780</b>	<b>780</b>	<b>800</b>	<b>3,880</b>

## **Water Capital Program**

### 2021-2025 Adopted Capital Improvement Program

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

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<b>Project Name</b>	Fowler Pump Station Replacement	<b>Initial Start Date</b>	3rd Qtr. 2017
<b>5-Yr CIP Budget</b>	\$ 250,000	<b>Initial End Date</b>	2nd Qtr. 2019
<b>Total Budget</b>	\$ 3,845,851	<b>Revised Start Date</b>	
<b>Council Districts</b>	8	<b>Revised End Date</b>	2nd Qtr. 2021
<b>Description</b>	This project consists of the replacement and upgrade of the Fowler Pump Station, which will have reached the end of its useful life.		

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<b>Project Name</b>	Tuers Road Site Improvements	<b>Initial Start Date</b>	3rd Qtr. 2018
<b>5-Yr CIP Budget</b>	\$ 30,000	<b>Initial End Date</b>	2nd Qtr. 2019
<b>Total Budget</b>	\$ 509,647	<b>Revised Start Date</b>	
<b>Council Districts</b>	7	<b>Revised End Date</b>	2nd Qtr. 2020
<b>Description</b>	This allocation provides funding to improve site conditions at 3025 Tuers Road, the San José Municipal Water site, including but not limited to the creation of conceptual plans for new and/or renovated office facilities. In addition, the project funds facility maintenance and organizational needs such as facility renovation, office reorganization, and roof maintenance.		

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**Water Capital Program**  
2021-2025 Adopted Capital Improvement Program

**Summary of Projects that Start After 2020-2021**

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<b>Project Name</b>	Evergreen Reliability Well	<b>Initial Start Date</b>	3rd Qtr. 2024
<b>5-Yr CIP Budget</b>	\$ 200,000	<b>Initial End Date</b>	2nd Qtr. 2027
<b>Total Budget</b>	\$ 200,000	<b>Revised Start Date</b>	
<b>Council Districts</b>	8	<b>Revised End Date</b>	
<b>Description</b>	This allocation provides initial funding for the siting, design, development, and construction of a groundwater production well to provide water supply reliability in the Evergreen service area.		

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**Water Capital Program**  
 2021-2025 Adopted Capital Improvement Program

**Summary of Reserves**

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<b>Project Name</b>	System Growth Related Projects Reserve	<b>Initial Start Date</b>	N/A
<b>5-Yr CIP Budget</b>	\$ 1,600,000	<b>Initial End Date</b>	N/A
<b>Total Budget</b>	\$ 1,600,000	<b>Revised Start Date</b>	
<b>Council Districts</b>	2	<b>Revised End Date</b>	
<b>Description</b>	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.		

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<b>Project Name</b>	System Rehabilitation/Replacement Reserve	<b>Initial Start Date</b>	N/A
<b>5-Yr CIP Budget</b>	\$ 4,650,000	<b>Initial End Date</b>	N/A
<b>Total Budget</b>	\$ 4,650,000	<b>Revised Start Date</b>	
<b>Council Districts</b>	2	<b>Revised End Date</b>	
<b>Description</b>	This reserve sets aside funds in the Water Utility Capital Fund for rehabilitation and/or replacement of existing facilities. It is estimated to total \$4.7 million by the end of the 2021-2025 CIP based on current operating revenue projections through 2024-2025.		

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