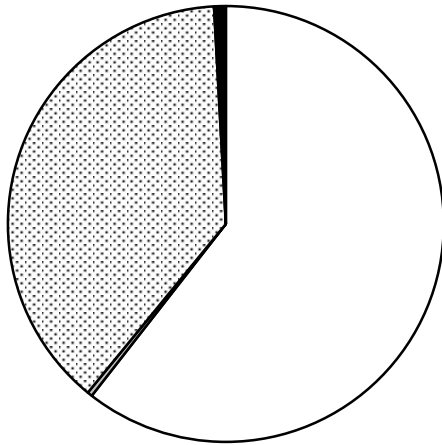


WATER UTILITY SYSTEM

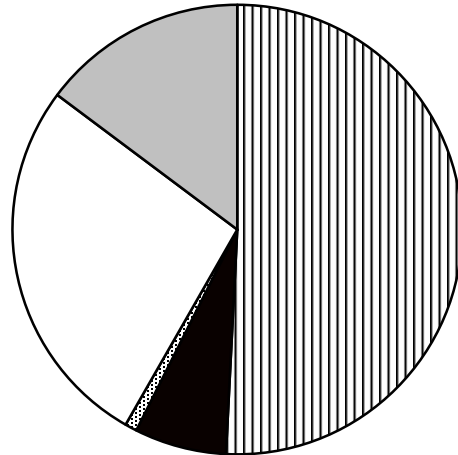
2022-2026 Capital Improvement Program

**2021-2022 Proposed
Source of Funds**



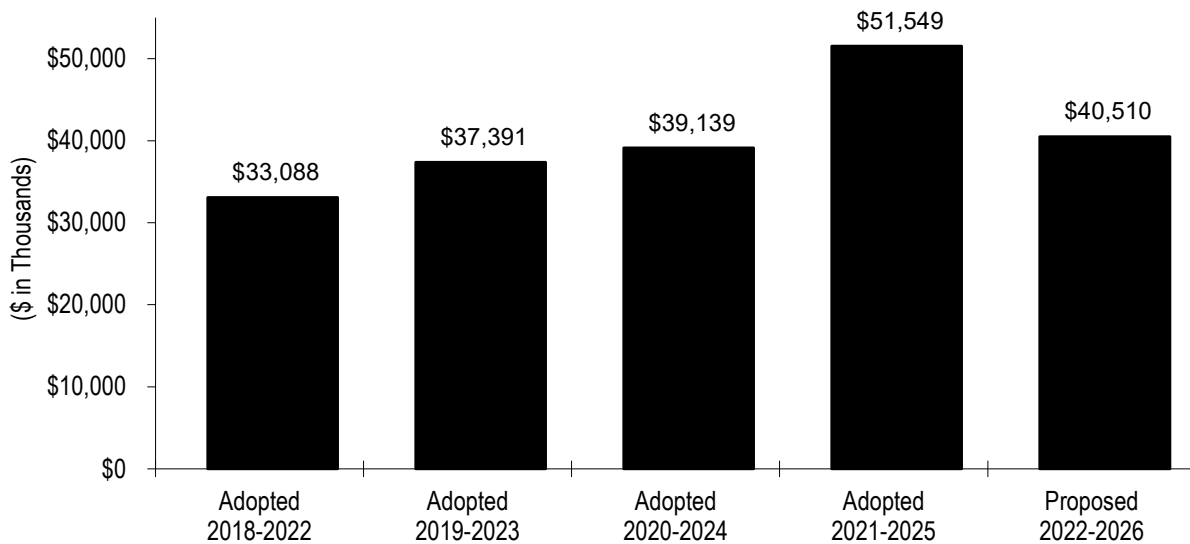
- Beginning Fund Balance
- ▨ Taxes, Fees and Charges
- ▧ Transfers
- Interest

**2021-2022 Proposed
Use of Funds**



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

CIP History

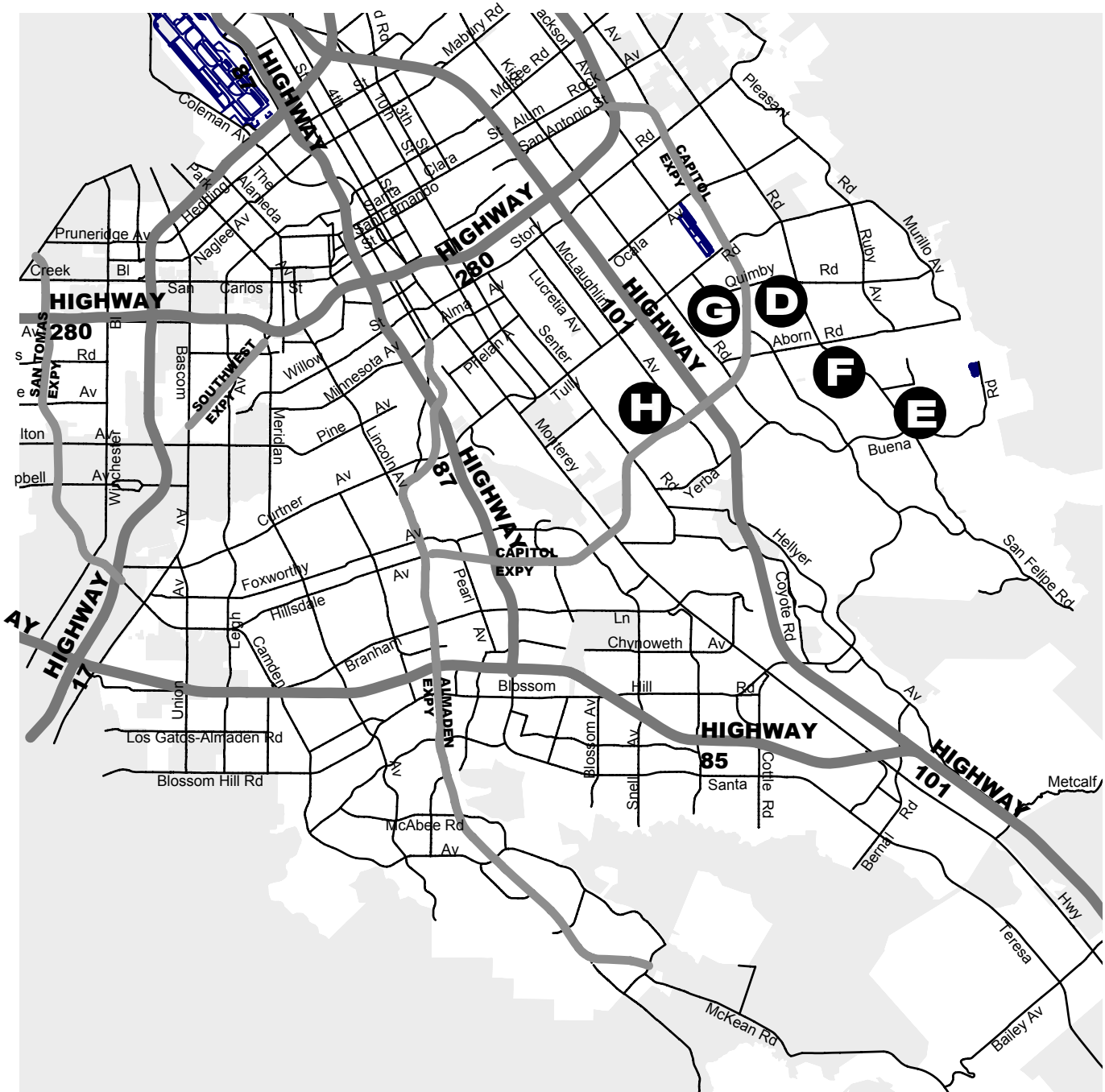


Water Utility System

2022-2026 Proposed Capital Improvement Program

South

- D) Annual Water Main Replacement
- E) Safety and Security Improvements
- F) Facility Site Improvements
- G) Evergreen Reliability Well
- H) Water Resources Administration & Operations Facility



Water Utility System

2022-2026 Proposed 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 2022-2026 Proposed Capital Improvement Program (CIP) provides funding of \$40.5 million, of which \$20.4 million is allocated in 2021-2022.

MUNICIPAL WATER SYSTEM PUBLIC INFRASTRUCTURE	
MILES OF WATER MAINS	345
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

2022-2026 Proposed Capital Improvement Program

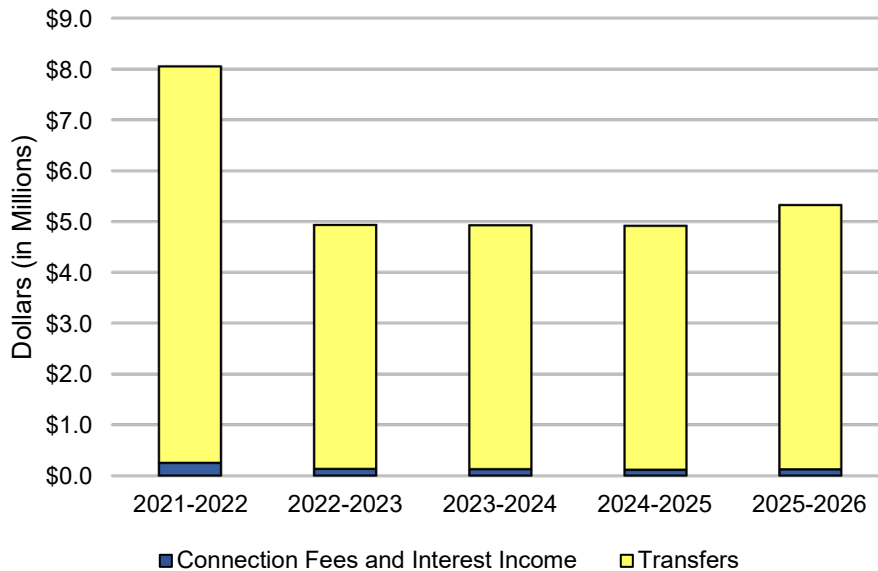
Overview

SOURCES OF FUNDING

Over the five years of this Proposed CIP, the funds available for capital improvements are estimated to total \$40.5 million, which consists of \$34.1 million in the Water Utility Capital Fund and \$6.4 million in the Major Facilities Fund. Revenue for the Proposed 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 \$7.8 million in the first year, \$4.8 million in the second through fourth years, and \$5.2 million in the final 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

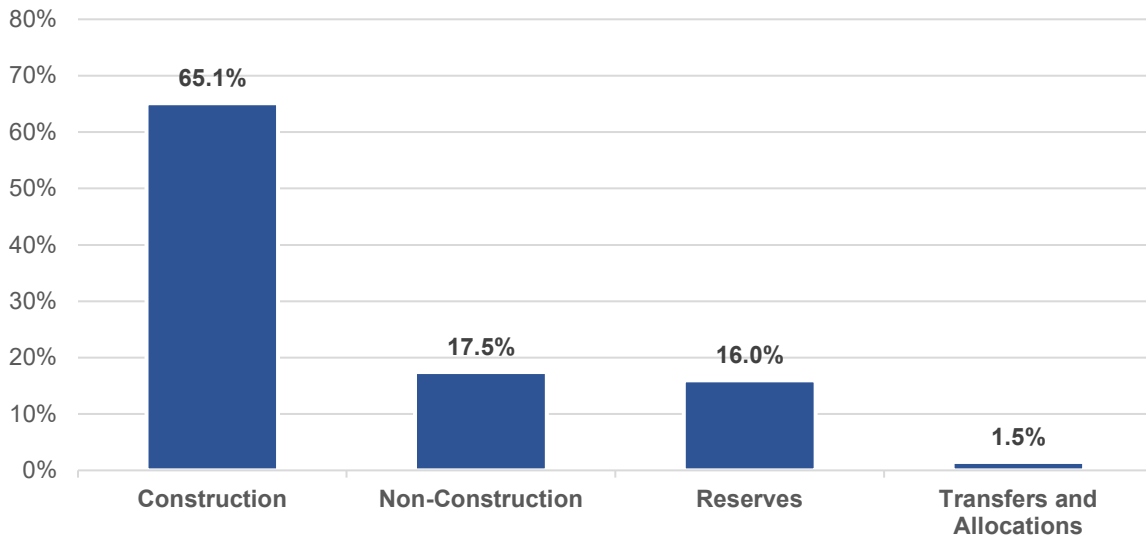
2022-2026 Proposed Capital Improvement Program

Overview

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 2021-2022 Proposed Operating Budget in the Water Utility Fund.

**2022-2026 Water Utility System
Capital Program Expenditures
\$40.0 million
(excludes Ending Fund Balance)**



Water Resources Administration & Operations Facility

The 2022-2026 Proposed CIP includes the Water Resources Administration & Operations Facility, a project that will provide the Water Resources Division (the administration, management, and operations staff that supports the entire Municipal Water System of San José) of Environmental Services Department with a new facility. Existing Water Resources Division facilities consist of three separate buildings: 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 are in need of replacement.

The new Water Resources Administration & Operations Facility is expected to consist of one large building that will house all staff and infrastructure necessary to ensure continuous operations. The new facility is expected to include conference and training rooms; a customer service and payment area; a water quality laboratory; a map room for utility plans and documents; a warehouse for equipment, materials, and parts; a welding shop for metalwork and fabrication needs; adequate parking for staff, City vehicles, and visitors; and site security systems and fencing.

Water Utility System

2022-2026 Proposed Capital Improvement Program

Overview

PROGRAM HIGHLIGHTS

Staff preliminarily estimates a total project cost of approximately \$40 million. The 2022-2026 Proposed CIP includes a total of \$3.0 million for design needs (in addition to the \$2.5 million included in 2020-2021 for a total of \$5.5 million). The 2023-2027 Proposed CIP will further refine cost estimates and project scheduling once a more detailed project scope and design is finalized, and will contemplate an appropriate similar financing mechanism will be used to support this project.



System-Wide

The Safety and Security Improvements project (\$500,000) in the Proposed 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 2022-2026 Proposed CIP includes funding for the Annual Water Main Replacement Project (\$9.1 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 2022-2026 Proposed CIP also includes funding for Infrastructure Improvements (\$4.3 million) and System Maintenance and Repairs (\$3.9 million).

The System Rehabilitation/Replacement Reserve totals \$4.8 million in the Proposed 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

Water Utility System

2022-2026 Proposed Capital Improvement Program

Overview

Proposed CIP includes funding for the North San José Well Development and Construction (\$4.4 million) and North San José Reliability Well Construction project (\$2.3 million).

Evergreen Service Area

The Evergreen service area contains approximately 92% of the total customers served by the water system and accounts for approximately 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 2022-2026 Proposed CIP is the design and construction of the Evergreen Reliability Well (\$1.0 million), 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 2022-2026 Proposed CIP in the Edenvale service area include minor improvements, such as 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.

MAJOR CHANGES FROM THE 2021-2025 ADOPTED CIP

The overall size of the Water Utility System CIP has decreased by approximately \$11.0 million from \$51.5 million in the 2021-2025 Adopted CIP to \$40.5 million in the 2022-2026 Proposed CIP. The following table outlines major changes to project budgets within the Municipal Water System in the 2022-2026 Proposed CIP. The remaining changes to the size of the CIP are attributable to projects being completed and are therefore no longer funded in the future, or to projects that have been otherwise shifted out of the five-year planning horizon.

Project	Incr/(Decr)
Water Resources Administration & Operations Facility	(\$9.0 million)
North San José Well Development and Construction	\$0.5 million
North San José Reliability Well Construction	\$1.0 million

OPERATING BUDGET IMPACT

There are no additional maintenance and operating costs associated with the projects in the 2022-2026 Proposed CIP.

Water Utility System
2022-2026 Proposed Capital Improvement Program
Source of Funds (Combined)

	Estimated						
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	5-Year Total
Water Utility Capital Fund (500)							
Beginning Balance	7,389,093	6,115,510	262,510	353,510	325,510	158,510	6,115,510*
Reserve for Encumbrance	4,914,461						
Transfers and Reimbursements							
Transfer from the Water Utility Fund	7,300,000	7,800,000	4,800,000	4,800,000	4,800,000	5,200,000	27,400,000
TOTAL Transfers and Reimbursements	7,300,000	7,800,000	4,800,000	4,800,000	4,800,000	5,200,000	27,400,000
Revenue from Use of Money and Property							
Interest Income	310,748	101,000	29,000	29,000	30,000	36,000	225,000
TOTAL Revenue from Use of Money and Property	310,748	101,000	29,000	29,000	30,000	36,000	225,000
Fees, Rates and Charges							
Advance System Design Fees	25,000	25,000	25,000	25,000	25,000	25,000	125,000
Meter Installation Fees	25,000	25,000	25,000	25,000	25,000	25,000	125,000
Service Connection Fees	25,000	25,000	25,000	25,000	25,000	25,000	125,000
TOTAL Fees, Rates and Charges	75,000	75,000	75,000	75,000	75,000	75,000	375,000
Total Water Utility Capital Fund (500)	19,989,302	14,091,510	5,166,510	5,257,510	5,230,510	5,469,510	34,115,510*

Water Utility System
2022-2026 Proposed Capital Improvement Program
Source of Funds (Combined)

	Estimated						
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	5-Year Total
Major Facilities Fund (502)							
Beginning Balance	6,018,411	6,242,361	2,783,361	2,297,361	305,361	301,361	6,242,361*
Reserve for Encumbrance	288,251						
Revenue from Use of Money and Property							
Interest Income	117,989	76,000	29,000	23,000	11,000	13,000	152,000
TOTAL Revenue from Use of Money and Property	117,989	76,000	29,000	23,000	11,000	13,000	152,000
Total Major Facilities Fund (502)	6,424,651	6,318,361	2,812,361	2,320,361	316,361	314,361	6,394,361*
TOTAL SOURCES	26,413,953	20,409,871	7,978,871	7,577,871	5,546,871	5,783,871	40,509,871*

* The 2022-2023 through 2025-2026 Beginning Balances are excluded from the Five-Year Total Source of Funds to avoid multiple counting of the same funds.

Water Utility System
2022-2026 Proposed Capital Improvement Program
Use of Funds (Combined)

	Estimated 2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	5-Year Total
<u>Water Utility System</u>							
Annual Water Main Replacement	3,317,569	1,900,000	1,800,000	1,900,000	1,900,000	1,600,000	9,100,000
Backup Generator Replacement	199,000						
Evergreen Reliability Well					200,000	800,000	1,000,000
Facility Sites Improvement		269,000					269,000
Fowler Pump Station Replacement	3,643,400						
Infrastructure Improvements	1,115,575	830,000	840,000	850,000	860,000	870,000	4,250,000
Meter Installations	148,914	50,000	50,000	50,000	50,000	50,000	250,000
North San José Reliability Well Construction	186,850	2,100,000	150,000				2,250,000
North San José Well Development and Construction	135,201	1,920,000	500,000	2,000,000			4,420,000
Safety and Security Improvements	486,000	100,000	100,000	100,000	100,000	100,000	500,000
Service Installations	306,328	200,000	200,000	200,000	200,000	200,000	1,000,000
Tuers Road Site Improvements	41,755						
Water Resources Administration & Operations Facility	2,500,000	3,000,000					3,000,000
Other Water - Construction	12,080,591	10,369,000	3,640,000	5,100,000	3,310,000	3,620,000	26,039,000
Water - Construction	12,080,591	10,369,000	3,640,000	5,100,000	3,310,000	3,620,000	26,039,000
Advance System Design	200,000	200,000	200,000	200,000	200,000	200,000	1,000,000
GIS Support	65,000	40,000	40,000	40,000	40,000	40,000	200,000
Major Facilities Fee Administration	15,000	15,000	15,000	15,000	15,000	15,000	75,000
Major Water Facility Fee Update	29,050						
Master Plan Engineering	181,714	180,000	185,000	190,000	200,000	210,000	965,000

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* The 2021-2022 through 2024-2025 Ending Balances are excluded from the Five-Year Total Use of Funds to avoid multiple counting of the same funds.

Water Utility System

2022-2026 Proposed Capital Improvement Program

Use of Funds (Combined)

	Estimated						
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	5-Year Total
Preliminary Engineering - Water	150,000	155,000	160,000	165,000	170,000	175,000	825,000
System Maintenance/Repairs	1,185,063	760,000	780,000	780,000	800,000	800,000	3,920,000
General Non-Construction - Water	1,825,827	1,350,000	1,380,000	1,390,000	1,425,000	1,440,000	6,985,000
Water - Non Construction	1,825,827	1,350,000	1,380,000	1,390,000	1,425,000	1,440,000	6,985,000
Public Art Funding	129,000	10,000	2,000		8,000		20,000
Public Art Projects	129,000	10,000	2,000		8,000		20,000
Capital Program and Public Works Department Support Service Costs	9,000	111,000	81,000	82,000	84,000	88,000	446,000
Allocations	9,000	111,000	81,000	82,000	84,000	88,000	446,000
City Hall Debt Service Fund	5,000	24,000	25,000	25,000	25,000	25,000	124,000
Transfers to Special Funds	5,000	24,000	25,000	25,000	25,000	25,000	124,000
General Fund - Interest Income	6,664						
Transfers to the General Fund	6,664						
Transfers Expense	11,664	24,000	25,000	25,000	25,000	25,000	124,000
System Growth Related Projects Reserve		1,600,000					1,600,000
System Rehabilitation/Replacement Reserve		3,900,000	200,000	350,000	235,000	100,000	4,785,000
Expense Reserves - Non Construction		5,500,000	200,000	350,000	235,000	100,000	6,385,000
Total Expenditures	14,056,082	17,364,000	5,328,000	6,947,000	5,087,000	5,273,000	39,999,000
Ending Fund Balance	12,357,871	3,045,871	2,650,871	630,871	459,871	510,871	510,871*
TOTAL	26,413,953	20,409,871	7,978,871	7,577,871	5,546,871	5,783,871	40,509,871

* The 2021-2022 through 2024-2025 Ending Balances are excluded from the Five-Year Total Use of Funds to avoid multiple counting of the same funds.

Water Utility System

2022-2026 Proposed Capital Improvement Program

Detail of One-Time Projects

Facility Sites Improvement

CSA	Environmental and Utility Services	Initial Start Date	3rd Qtr. 2017
CSA Outcome	Safe and Reliable Utility System	Initial End Date	2nd Qtr. 2019
Location	Various Facility Sites	Revised Start Date	3rd Qtr. 2018
Dept Owner	Environmental Services	Revised End Date	2nd Qtr. 2022
Council Districts	City-wide	Initial Project Budget	\$320,000
Appropriation	A402K	FY Initiated	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	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
Expenditure Schedule (000s)										
Design	47									47
Construction			269					269		269
Total	47		269					269		316

Funding Source Schedule (000s)										
Water Utility Capital Fund (500)	47		269					269		316
Total	47		269					269		316

Annual Operating Budget Impact (000s)										
Total										

Water Utility System

2022-2026 Proposed Capital Improvement Program

Detail of One-Time Projects

North San José Reliability Well Construction

CSA	Environmental and Utility Services	Initial Start Date	3rd Qtr. 2019
CSA Outcome	Reliable Utility Infrastructure	Initial End Date	2nd Qtr. 2021
Location	Trimble Road	Revised Start Date	
Dept Owner	Environmental Services	Revised End Date	2nd Qtr. 2023
Council Districts	4	Initial Project Budget	\$1,460,000
Appropriation	A415N	FY Initiated	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	2022-2026 CIP - Increased by \$988,000 due to revised project scope and construction cost estimate.

	PRIOR YEARS	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
Expenditure Schedule (000s)										
Design		162								162
Construction	11	25	1,950	150				2,100		2,136
Post Construction			150					150		150
Total	11	187	2,100	150				2,250		2,448

	PRIOR YEARS	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
Funding Source Schedule (000s)										
Water Utility Capital Fund (500)	11	187	2,100	150				2,250		2,448
Total	11	187	2,100	150				2,250		2,448

Annual Operating Budget Impact (000s)										
Total										

Water Utility System

2022-2026 Proposed Capital Improvement Program

Detail of One-Time Projects

North San José Well Development and Construction

CSA	Environmental and Utility Services	Initial Start Date	2nd Qtr. 2016
CSA Outcome	Safe, Reliable, and Sufficient Water Supply	Initial End Date	2nd Qtr. 2017
Location	North San José Service Area	Revised Start Date	3rd Qtr. 2019
Dept Owner	Environmental Services	Revised End Date	2nd Qtr. 2024
Council Districts	4	Initial Project Budget	\$1,560,000
Appropriation	A6274	FY Initiated	2015-2016

Description This allocation provides funding for the development and construction of groundwater production well(s) in the North San José service area.

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.
2022-2026 CIP - Increase of \$495,000 due to increased project cost estimates.

	PRIOR YEARS	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
Expenditure Schedule (000s)										
Design		135								135
Construction			1,920	500	2,000			4,420		4,420
Total		135	1,920	500	2,000			4,420		4,555

	PRIOR YEARS	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
Funding Source Schedule (000s)										
Major Facilities Fund (502)		135	1,920	500	2,000			4,420		4,555
Total		135	1,920	500	2,000			4,420		4,555

Annual Operating Budget Impact (000s)										
Total										

Water Utility System

2022-2026 Proposed Capital Improvement Program

Detail of One-Time Projects

Water Resources Administration & Operations Facility

CSA	Environmental and Utility Services	Initial Start Date	3rd Qtr. 2020
CSA Outcome	Safe, Reliable, and Sufficient Water Supply; Reliable Water System	Initial End Date	2nd Qtr. 2025
Location	3025 Tuers Road	Revised Start Date	
Dept Owner	Environmental Services	Revised End Date	
Council Districts	7	Initial Project Budget	\$40,000,000
Appropriation	A421C	FY Initiated	2020-2021

Description This project will build a new Administration and Operations Building for the Water Resources Division. The new facility is expected to consist of one large building to house all staff and infrastructure necessary to ensure continuous operation of the San José Municipal Water Utility System. Site amenities are expected to include conference and training rooms; a customer service and payment area; a water quality laboratory; a map room for utility plans and documents; a warehouse for equipment, materials, and parts; a welding shop for metalwork and fabrication needs; adequate parking for staff, City vehicles, and visitors; and site security systems and fencing.

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 preliminary cost estimate for this project is \$40.0 million. As the scope is refined further and costs are estimated and projected, the project budget will be adjusted accordingly. Current funding in this project is intended to support design efforts, while additional funding for further design needs and construction will be incorporated at a later date, most likely in the development of the 2023-2027 Proposed CIP. It is anticipated that either commercial paper or another similar financing mechanism will be used to support this project.

Major Cost Changes

	PRIOR YEARS	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 YEAR TOTAL	BEYOND 5 YEARS	PROJECT TOTAL
Expenditure Schedule (000s)										
Design		2,475	2,970					2,970		5,445
Construction										
Public Art		25	30					30		55
Total		2,500	3,000					3,000		5,500

Funding Source Schedule (000s)										
Water Utility Capital Fund (500)		2,500	3,000					3,000		5,500
Total		2,500	3,000					3,000		5,500

Annual Operating Budget Impact (000s)										
Total										

Water Utility System

2022-2026 Proposed Capital Improvement Program

Detail of Ongoing Projects

Advance System Design

CSA Outcome	Reliable Utility Infrastructure	Council Districts	2, 4, 7, 8
Department Owner	Environmental Services	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.		

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Expenditure Schedule (000s)								
Design	200	200	200	200	200	200	200	1,000
Total	200	200	200	200	200	200	200	1,000

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Funding Source Schedule (000s)								
Water Utility Capital Fund (500)	200	200	200	200	200	200	200	1,000
Total	200	200	200	200	200	200	200	1,000

Annual Water Main Replacement

CSA Outcome	Safe, Reliable, and Sufficient Water Supply; Reliable Water System	Council Districts	City-wide
Department Owner	Environmental Services	Appropriation	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.		

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Expenditure Schedule (000s)								
Design	185	185	80					80
Construction	3,133	3,133	1,820	1,800	1,900	1,900	1,600	9,020
Total	3,318	3,318	1,900	1,800	1,900	1,900	1,600	9,100

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Funding Source Schedule (000s)								
Water Utility Capital Fund (500)	3,318	3,318	1,900	1,800	1,900	1,900	1,600	9,100
Total	3,318	3,318	1,900	1,800	1,900	1,900	1,600	9,100

Water Utility System

2022-2026 Proposed Capital Improvement Program

Detail of Ongoing Projects

GIS Support

CSA Outcome	Reliable Utility Infrastructure	Council Districts	City-wide
Department Owner	Environmental Services	Appropriation	A7365
Description	This allocation funds Geographic Information System (GIS) related updates, improvements, support services, and other associated needs.		

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Expenditure Schedule (000s)								
Design	65	65	40	40	40	40	40	200
Total	65	65	40	40	40	40	40	200
Funding Source Schedule (000s)								
Water Utility Capital Fund (500)	65	65	40	40	40	40	40	200
Total	65	65	40	40	40	40	40	200

Infrastructure Improvements

CSA Outcome	Reliable Utility Infrastructure	Council Districts	2, 4, 7, 8
Department Owner	Environmental Services	Appropriation	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.		

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Expenditure Schedule (000s)								
Design	192	192						
Construction	924	924	830	840	850	860	870	4,250
Total	1,116	1,116	830	840	850	860	870	4,250
Funding Source Schedule (000s)								
Water Utility Capital Fund (500)	1,116	1,116	830	840	850	860	870	4,250
Total	1,116	1,116	830	840	850	860	870	4,250

Water Utility System

2022-2026 Proposed Capital Improvement Program

Detail of Ongoing Projects

Major Facilities Fee Administration

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

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.

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Expenditure Schedule (000s)								
General Administration	15	15	15	15	15	15	15	75
Total	15	15	15	15	15	15	15	75

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Funding Source Schedule (000s)								
Major Facilities Fund (502)	15	15	15	15	15	15	15	75
Total	15	15	15	15	15	15	15	75

Master Plan Engineering

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

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

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Expenditure Schedule (000s)								
Project Feasibility Development	175	175	180	185	190	200	210	965
Design	7	7						
Total	182	182	180	185	190	200	210	965

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Funding Source Schedule (000s)								
Water Utility Capital Fund (500)	182	182	180	185	190	200	210	965
Total	182	182	180	185	190	200	210	965

Water Utility System

2022-2026 Proposed Capital Improvement Program

Detail of Ongoing Projects

Meter Installations

CSA Outcome	Reliable Utility Infrastructure	Council Districts	2, 4, 7, 8
Department Owner	Environmental Services	Appropriation	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.		

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Expenditure Schedule (000s)								
Construction	115	115	50	50	50	50	50	250
Public Art	34	34						
Total	149	149	50	50	50	50	50	250

Funding Source Schedule (000s)								
Water Utility Capital Fund (500)	149	149	50	50	50	50	50	250
Total	149	149	50	50	50	50	50	250

Preliminary Engineering - Water

CSA Outcome	Reliable Utility Infrastructure	Council Districts	2, 4, 7, 8
Department Owner	Environmental Services	Appropriation	A4952
Description	This allocation provides funding for project development in the early stages of planning.		

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Expenditure Schedule (000s)								
Design	150	150	155	160	165	170	175	825
Total	150	150	155	160	165	170	175	825

Funding Source Schedule (000s)								
Water Utility Capital Fund (500)	150	150	155	160	165	170	175	825
Total	150	150	155	160	165	170	175	825

Water Utility System

2022-2026 Proposed Capital Improvement Program

Detail of Ongoing Projects

Safety and Security Improvements

CSA Outcome	Reliable Utility Infrastructure	Council Districts	2, 4, 7, 8
Department Owner	Environmental Services	Appropriation	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.

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Expenditure Schedule (000s)								
Construction	486	486	100	100	100	100	100	500
Total	486	486	100	100	100	100	100	500

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Funding Source Schedule (000s)								
Water Utility Capital Fund (500)	486	486	100	100	100	100	100	500
Total	486	486	100	100	100	100	100	500

Service Installations

CSA Outcome	Reliable Utility Infrastructure	Council Districts	2, 4, 7, 8
Department Owner	Environmental Services	Appropriation	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.

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Expenditure Schedule (000s)								
Construction	200	200	200	200	200	200	200	1,000
Public Art	106	106						
Total	306	306	200	200	200	200	200	1,000

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Funding Source Schedule (000s)								
Water Utility Capital Fund (500)	306	306	200	200	200	200	200	1,000
Total	306	306	200	200	200	200	200	1,000

Water Utility System

2022-2026 Proposed Capital Improvement Program

Detail of Ongoing Projects

System Maintenance/Repairs

CSA Outcome	Reliable Utility Infrastructure	Council Districts	2, 4, 7, 8
Department Owner	Environmental Services	Appropriation	A5876
Description	This allocation funds emergency and miscellaneous repairs in the distribution system.		

	FY21 Budget	FY21 EST	FY22	FY23	FY24	FY25	FY26	5 Year Total
Expenditure Schedule (000s)								
Design	425	425						
Equipment, Materials and Supplies	760	760	760	780	780	800	800	3,920
Total	1,185	1,185	760	780	780	800	800	3,920

Funding Source Schedule (000s)								
Water Utility Capital Fund (500)	1,185	1,185	760	780	780	800	800	3,920
Total	1,185	1,185	760	780	780	800	800	3,920

Water Utility System

2022-2026 Proposed Capital Improvement Program

Summary of Projects that Start After 2021-2022

Project Name	Evergreen Reliability Well	Initial Start Date	3rd Qtr. 2024
5-Yr CIP Budget	\$ 1,000,000	Initial End Date	2nd Qtr. 2027
Total Budget	\$ 1,000,000	Revised Start Date	
Council Districts	8	Revised End Date	
Description	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.		

Water Utility System

2022-2026 Proposed Capital Improvement Program

Summary of Reserves

Project Name System Growth Related Projects Reserve
5-Yr CIP Budget \$ 1,600,000
Total Budget \$ 1,600,000
Council Districts 2
Description This reserve sets aside funds in the Major Facilities Fund for acquisition of property and the construction of facilities to accommodate future system growth and development.

Project Name System Rehabilitation/Replacement Reserve
5-Yr CIP Budget \$ 4,785,000
Total Budget \$ 4,785,000
Council Districts 2
Description This reserve sets aside funds in the Water Utility Capital Fund for rehabilitation and/or replacement of existing facilities.
