



**2012-2013 CAPITAL BUDGET**

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**2013-2017 CAPITAL  
IMPROVEMENT PROGRAM**



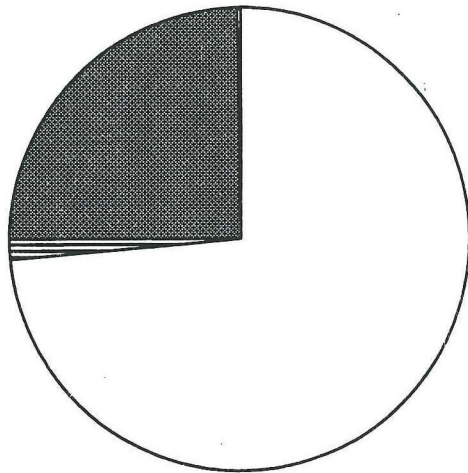
**WATER  
UTILITY SYSTEM**

# WATER UTILITY SYSTEM

## 2013-2017 Capital Improvement Program

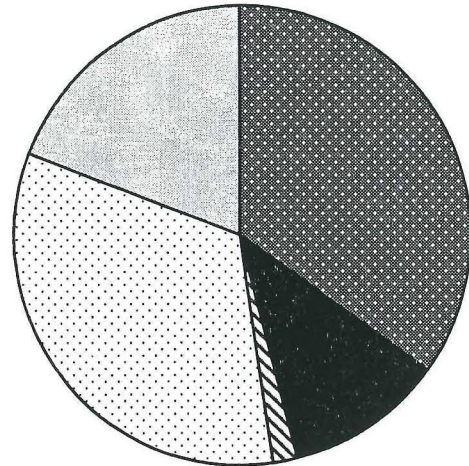
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**2012-2013 Adopted**  
**Source of Funds**



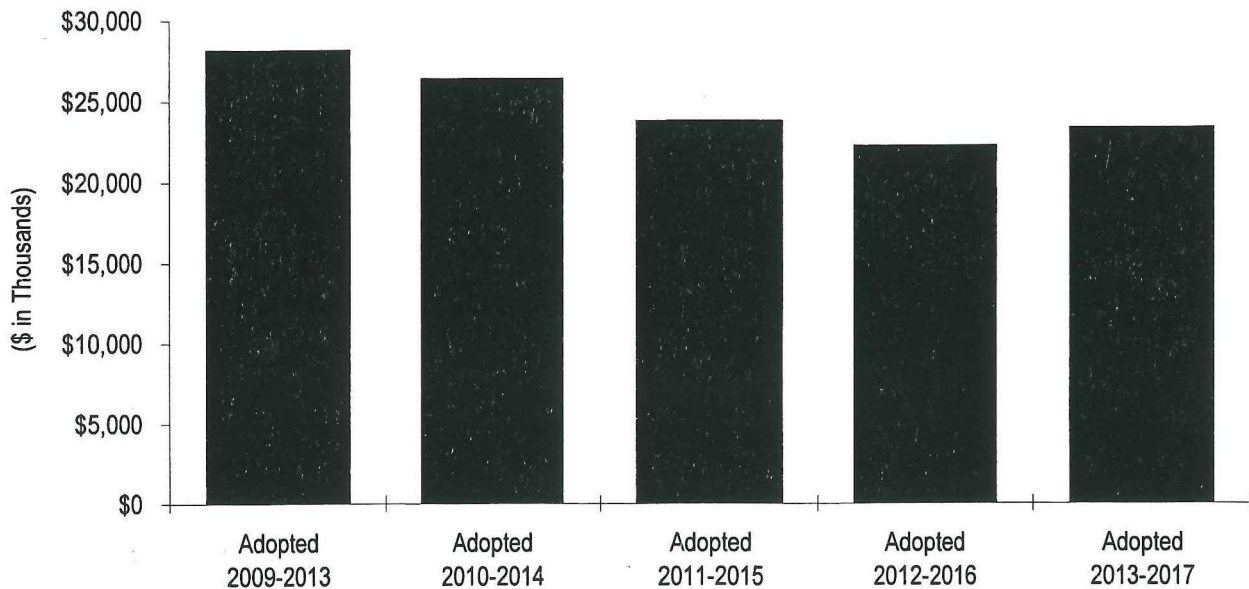
- Beginning Fund Balance
- ▨ Taxes, Fees and Charges
- ▩ Loans & Transfers
- ▧ Interest

**2012-2013 Adopted**  
**Use of Funds**



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

**CIP History**



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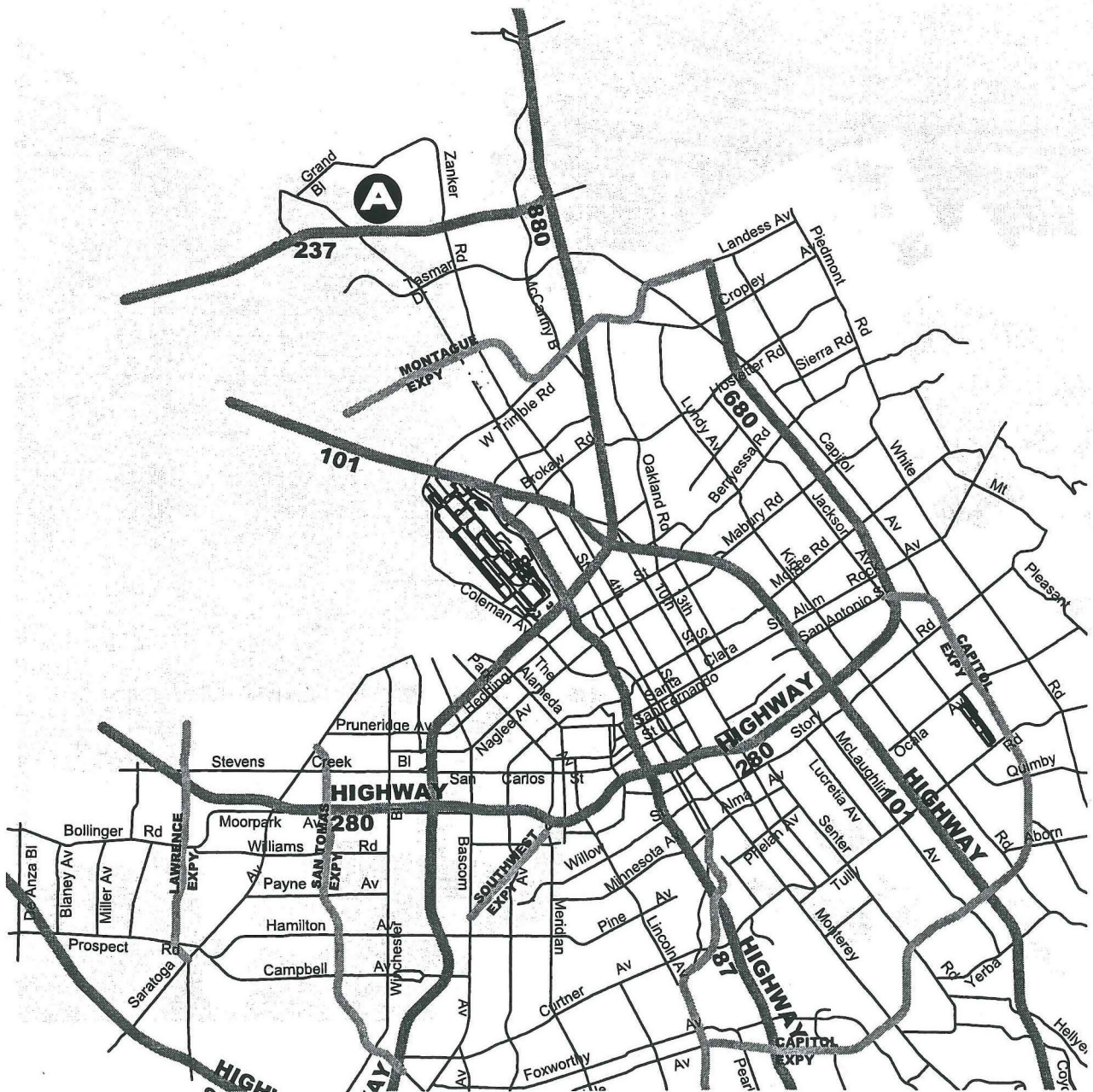


# Water Utility System

## 2013-2017 Adopted Capital Improvement Program

2012-2013 Project Approximate Locations: (North)

A) Nortech and Trimble Reservoir Rehabilitation





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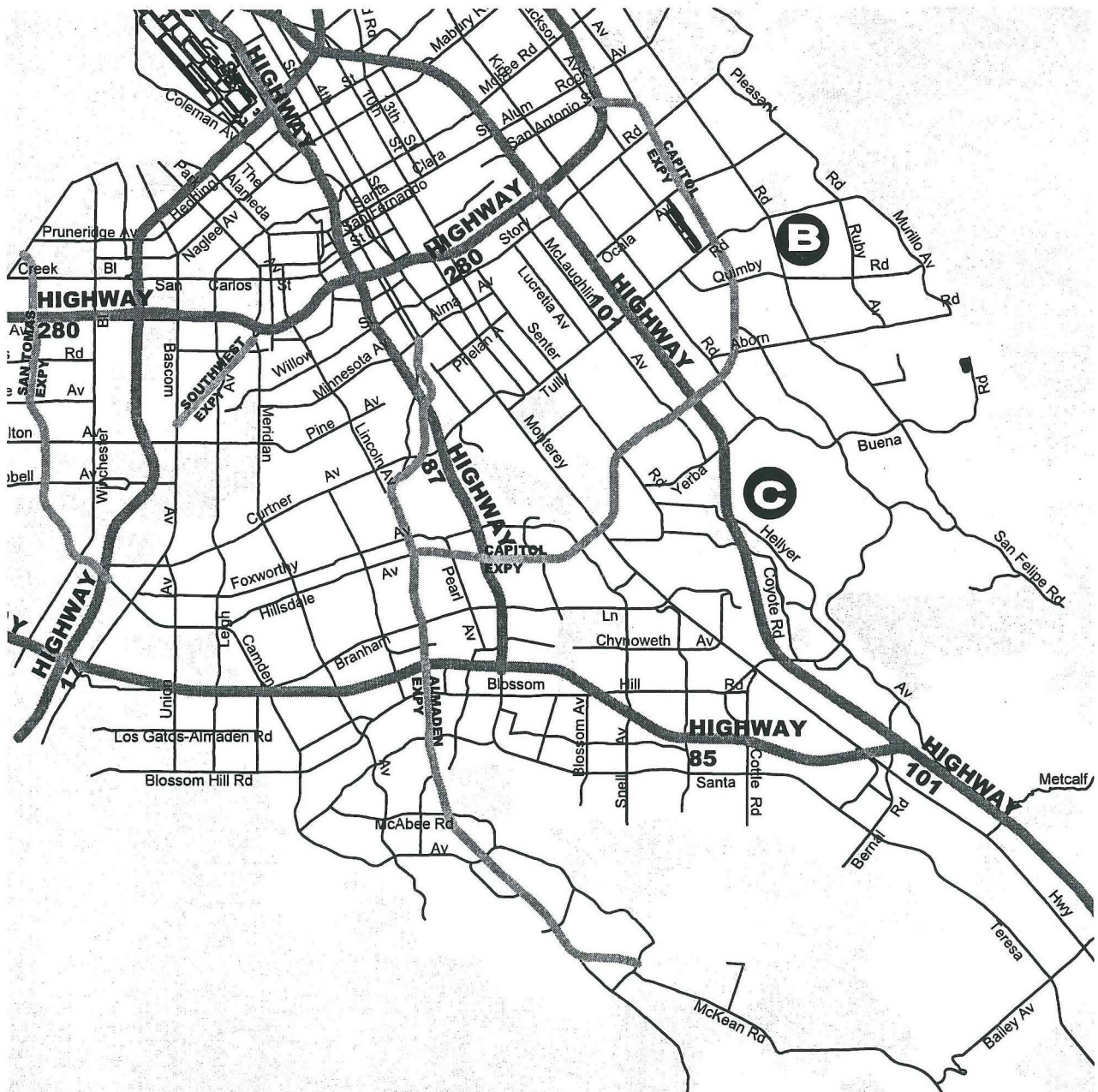
# Water Utility System

## 2013-2017 Adopted Capital Improvement Program

2012-2013 Project Approximate Locations: (South)

**B)** Bon Bon Drive Main Replacement

**C)** Dove Road Main Extension



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# Water Utility System

## 2013-2017 Adopted Capital Improvement Program

### Overview

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#### INTRODUCTION

The Water Utility System Capital Program includes the Water Utility Capital Fund and the Major Facilities Fund. The Water Utility System Capital Program is developed to ensure reliable utility infrastructure for the San José Municipal Water System. The San José Municipal Water System provides water utility service, in accordance with State of California Department of Public Health requirements, to areas approved for development by the City Council and within the City's water service area. The program's mission is to provide superior water service at competitive rates. The 2013-2017 Adopted Capital Improvement Program (CIP) provides funding of \$23.4 million of which \$10.6 million is allocated in 2012-2013.

The San José Municipal Water System provides water service to approximately 26,000 customers in five service areas of the City of San José: Alviso, North San José, Coyote Valley, Edenvale, and Evergreen. The Alviso service area (Council District 4) includes the area within the corporate limits of the former City of Alviso. The North San José service area (Council District 4) is generally north of Trimble Road, between the Guadalupe River and Coyote Creek. The Coyote Valley service area (Council District 2) encompasses the area generally south of Tulare Hill, west of Highway 101, and north of Palm Avenue. The Edenvale service area (Council District 8) is south of Hellyer Avenue and east of Coyote Creek. The Evergreen service area generally coincides with the boundaries of Council District 8, east of Highway 101.

This program is part of the Environmental and Utility Services City Service Area (CSA) and supports the following outcomes: *Reliable*

*Utility Infrastructure and Safe, Reliable, Sufficient Water Supply.*

#### PROGRAM PRIORITIES AND OBJECTIVES

Projects are programmed, as funding allows, to maintain the existing water utility system infrastructure, provide facilities necessary for new development, and ensure the fire flow pressure and volume as recommended by the San José Fire Department is maintained. Projects in the 2013-2017 Adopted CIP include the construction of new facilities, maintenance of existing infrastructure, and improvements to the Water Utility System facilities. The Reserve for System Growth Related Projects remains at \$1.6 million for future System needs. In accordance with Ordinance No. 26903, which was approved by the City Council on May 27, 2003, the Reserve for System Rehabilitation/Replacement is set at 7% of annual operating revenues. This reserve is estimated to total \$2.6 million at the end of the 2013-2017 CIP based on current operating revenue projections for 2016-2017. In the event that economic conditions worsen or a drought decreases revenues to the Water Utility System, use of the reserve may be required to maintain the infrastructure.

#### SOURCES OF FUNDING

Revenue for the 2013-2017 Adopted CIP is derived from three sources: transfers from the Water Utility Fund to the Water Utility Capital Fund (\$14.7 million), fees (\$750,000), and interest (\$168,000). The Water Utility Fund derives its revenue primarily from water sales in the service areas. Water Utility rates increased by 9.5% for 2012-2013, due entirely to an increase in wholesale water costs. Fee revenue in the Water Utility Capital Fund is



# Water Utility System

## 2013-2017 Adopted Capital Improvement Program

### Overview

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#### SOURCES OF FUNDING

generated from Service Connection Fees (\$250,000), Advanced System Design Fees (\$250,000), and Meter Installation Fees (\$250,000).

Revenue in the Major Facilities Fund is generated primarily through 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. All fee revenues are paid to the City by developers.

Over the five years of this Adopted CIP, the funds available for capital improvements are estimated to total \$23.4 million consisting of \$20.4 million in the Water Utility Capital Fund and \$3.0 million in the Major Facilities Fee Fund.

#### PROGRAM HIGHLIGHTS

##### Evergreen Service Area

The Evergreen service area contains approximately 92% of the total customers served by the water system. These customers account for 72% of the total water usage in the system. The new residential development rate in Evergreen remained at approximately 0.1% in 2011-2012 and is expected to remain consistent at approximately 0.1% through 2013-2014.

To meet the service needs of new developments in the Evergreen service area, the program continues its policy of requiring developers to construct distribution system improvements such as pipelines, service

connections, and fire hydrants. Reservoirs, pump stations, and other large facilities are either constructed by developers or funded from the Major Facilities Fees. Construction and reconstruction of projects for existing customers are funded from water sale revenues, which are shown in the 2012-2013 Adopted Operating Budget in the Water Utility Fund.

Projects scheduled in 2012-2013 in the Evergreen service area include the Dove Road Main Extension (\$65,000 in 2012-2013, \$1.1 million total project), as well as other miscellaneous improvements to extend the useful life of the system.

##### North San José and Alviso Service Areas

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

Per the new WSA, San José's allocation is 4.5 million gallons per day (MGD) through 2018. The City is considered an interruptible customer until 2018, at which time the City of San Francisco will determine what supplies may be available for the balance of the term of the agreement. The City has four wells in North San José that could provide backup supply in the North San José and Alviso service areas in the event that Hetch-Hetchy deliveries are reduced.

The North San José/Alviso area experienced minimal growth in the last several years but growth is expected to increase in this CIP. Projects scheduled in 2012-2013 in the North

# Water Utility System

## 2013-2017 Adopted Capital Improvement Program

### Overview

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#### PROGRAM HIGHLIGHTS

San José and Alviso service areas include the Nortech and Trimble Reservoir Rehabilitation (\$1.2 million), as well as minor improvements, such as vault site maintenance, asphalt restoration, pump station maintenance, and other distribution system rehabilitation.

#### 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. Projects scheduled in 2012-2013 in the Edenvale service area include Dove Road Main Extension (\$1.1 million), as well as minor improvements, such as vault site maintenance, asphalt restoration, pump station maintenance, and other distribution system rehabilitation. Groundwater from deep-water wells provides 100% of the supply in the Edenvale service area. The quality, supply, and management of this local groundwater basin are monitored by the Santa Clara Valley Water District.

#### Coyote Valley Service Area

City funding for developer constructed water facilities in the primarily industrial North Coyote Valley service area was provided in accordance with the Master Development Agreement between the City and the coalition of North Coyote Valley developers. Once development occurs in this service area, developers will pay for the cost of expanding the water system into this area. A loan from the Sewage Treatment Plant Connection Fee Fund provided the initial funding for the North Coyote Valley Water System project. The final payment for this loan (\$176,000) is programmed in 2012-2013.

#### MAJOR CHANGES FROM THE 2012-2016 ADOPTED CIP

Major changes from the 2012-2016 Adopted CIP include the following:

- Funding for the Peppermint Drive Main Replacement project (\$1.3 million) was removed, because the favorable construction bidding climate allowed for this work to be incorporated into the budget and schedule of the Bon Bon Main Replacement, which is expected to close out in 2012-2013.
- A new Nortech and Trimble Reservoir Rehabilitation (\$1.2 million) project.
- A new Dove Road Main Extension (\$1.1 million) project.

#### OPERATING BUDGET IMPACT

There are no additional maintenance and operating costs associated with the projects in the 2013-2017 CIP.

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

During the June budget hearings, the City Council approved the rebudgeting of \$1,309,000 for five projects: Bon Bon Drive Main Replacement (\$900,000), Infrastructure Improvements (\$275,000), Public Art (\$59,000), Meter Installations (\$55,000), and Nortech Parkway East Loop Main (\$20,000).



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# 2012-2013 CAPITAL BUDGET

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## 2013-2017 CAPITAL IMPROVEMENT PROGRAM

### WATER UTILITY SYSTEM

#### SOURCE OF FUNDS

#### USE OF FUNDS

#### 2012-2013 USE OF FUNDS BY FUNDING SOURCE

*The Source of Funds displays the capital revenues by funding source for each year of the Five-Year Capital Improvement Program. The Use of Funds displays the capital expenditures by line-item for each year of the five-year period. The 2012-2013 Use of Funds by Funding Source displays the funding sources for the capital expenditures that are budgeted in 2012-2013.*

**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**Source of Funds (Combined)**

| <b>SOURCE OF FUNDS</b>                              | <b>Estimated<br/>2011-2012</b> | <b>2012-2013</b>  | <b>2013-2014</b> | <b>2014-2015</b> | <b>2015-2016</b> | <b>2016-2017</b> | <b>5-Year<br/>Total</b> |
|---|--------------------------------|-------------------|------------------|------------------|------------------|------------------|-------------------------|
| <b>Water Utility Capital Fund (500)</b>             |                                |                   |                  |                  |                  |                  |                         |
| <b>Beginning Fund Balance</b>                       | 4,611,613                      | 4,828,575         | 674,575          | 989,575          | 488,575          | 567,575          | 4,828,575 *             |
| <b>Taxes, Fees and Charges:</b>                     |                                |                   |                  |                  |                  |                  |                         |
| <b>Water Utility Fees</b>                           |                                |                   |                  |                  |                  |                  |                         |
| - Advance System Design Fees                        | 50,000                         | 50,000            | 50,000           | 50,000           | 50,000           | 50,000           | 250,000                 |
| - Meter Installation Fees                           | 80,000                         | 50,000            | 50,000           | 50,000           | 50,000           | 50,000           | 250,000                 |
| - Service Connection Fees                           | 50,000                         | 50,000            | 50,000           | 50,000           | 50,000           | 50,000           | 250,000                 |
| <b>Contributions, Loans and<br/>Transfers from:</b> |                                |                   |                  |                  |                  |                  |                         |
| <b>Special Funds</b>                                |                                |                   |                  |                  |                  |                  |                         |
| - Transfer from Water Utility Fund                  | 3,300,000                      | 2,600,000         | 3,300,000        | 2,200,000        | 3,300,000        | 3,300,000        | 14,700,000              |
| <b>Interest Income</b>                              | 16,000                         | 20,000            | 21,000           | 21,000           | 21,000           | 25,000           | 108,000                 |
| <b>Reserve for Encumbrances</b>                     | 1,139,962                      |                   |                  |                  |                  |                  |                         |
| <b>Total Water Utility Capital Fund</b>             | <b>9,247,575</b>               | <b>7,598,575</b>  | <b>4,145,575</b> | <b>3,360,575</b> | <b>3,959,575</b> | <b>4,042,575</b> | <b>20,386,575 *</b>     |
| <b>Major Facilities Fund (502)</b>                  |                                |                   |                  |                  |                  |                  |                         |
| <b>Beginning Fund Balance</b>                       | 3,329,690                      | 2,946,315         | 1,343,315        | 1,340,315        | 1,337,315        | 1,334,315        | 2,946,315 *             |
| <b>Interest Income</b>                              | 8,000                          | 12,000            | 12,000           | 12,000           | 12,000           | 12,000           | 60,000                  |
| <b>Reserve for Encumbrances</b>                     | 33,625                         |                   |                  |                  |                  |                  |                         |
| <b>Total Major Facilities Fund</b>                  | <b>3,371,315</b>               | <b>2,958,315</b>  | <b>1,355,315</b> | <b>1,352,315</b> | <b>1,349,315</b> | <b>1,346,315</b> | <b>3,006,315 *</b>      |
| <b>TOTAL SOURCE OF FUNDS</b>                        | <b>12,618,890</b>              | <b>10,556,890</b> | <b>5,500,890</b> | <b>4,712,890</b> | <b>5,308,890</b> | <b>5,388,890</b> | <b>23,392,890 *</b>     |

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\* The 2013-2014 through 2016-2017 Beginning Balances are excluded from the FIVE-YEAR TOTAL SOURCE OF FUNDS to avoid multiple counting of the same funds.



**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**Use of Funds (Combined)**

| <b>USE OF FUNDS</b>   | <b>Estimated<br/>2011-2012</b> | <b>2012-2013</b> | <b>2013-2014</b> | <b>2014-2015</b> | <b>2015-2016</b> | <b>2016-2017</b> | <b>5-Year<br/>Total</b> |
|---|--------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------------|
| <b>Construction Projects</b>                                      |                                |                  |                  |                  |                  |                  |                         |
| Castleton Drive Main Replacement                                  | 532,000                        |                  |                  |                  |                  |                  |                         |
| Gumdrop Drive Main Replacement                                    |                                |                  |                  | 100,000          | 1,200,000        | 30,000           | 1,330,000               |
| Nortech Parkway East Loop Main                                    | 654,000                        | 20,000           |                  |                  |                  |                  | 20,000                  |
| North Coyote Valley Water System                                  |                                | 168,000          |                  |                  |                  |                  | 168,000                 |
| Public Art  |                                | 74,000           | 13,000           | 8,000            | 15,000           | 3,000            | 113,000                 |
| Water Valve Rehabilitation 2014                                   |                                |                  |                  | 400,000          |                  |                  | 400,000                 |
| 1. Bon Bon Drive Main Replacement                                 | 35,000                         | 960,000          |                  |                  |                  |                  | 960,000                 |
| 2. Dove Road Main Extension                                       |                                | 65,000           | 1,000,000        |                  |                  |                  | 1,065,000               |
| 3. Infrastructure Improvements                                    | 598,000                        | 945,000          | 690,000          | 710,000          | 730,000          | 750,000          | 3,825,000               |
| 4. Meter Installations  | 35,000                         | 105,000          | 50,000           | 50,000           | 50,000           | 50,000           | 305,000                 |
| 5. Nortech and Trimble Reservoir Rehabilitation                   |                                | 1,150,000        | 50,000           |                  |                  |                  | 1,200,000               |
| 6. Service Installations  | 888,000                        | 200,000          | 200,000          | 200,000          | 200,000          | 200,000          | 1,000,000               |
| <b>Total Construction Projects</b>                                | <b>2,742,000</b>               | <b>3,687,000</b> | <b>2,003,000</b> | <b>1,468,000</b> | <b>2,195,000</b> | <b>1,033,000</b> | <b>10,386,000</b>       |
| <b>Non-Construction</b>   |                                |                  |                  |                  |                  |                  |                         |
| <b>General Non-Construction</b>                                   |                                |                  |                  |                  |                  |                  |                         |
| Capital Program and Public Works Department Support Service Costs | 26,000                         | 22,000           | 22,000           | 22,000           | 22,000           | 22,000           | 110,000                 |
| Major Water Facility Fee Update                                   | 34,000                         |                  |                  |                  |                  |                  |                         |
| 7. Advance System Design  | 103,000                        | 110,000          | 110,000          | 110,000          | 110,000          | 110,000          | 550,000                 |
| 8. Major Facilities Fee Administration                            | 15,000                         | 15,000           | 15,000           | 15,000           | 15,000           | 15,000           | 75,000                  |
| 9. Master Plan Engineering  | 120,000                        | 125,000          | 130,000          | 135,000          | 140,000          | 145,000          | 675,000                 |
| 10. Network System Flow Improvements                              | 6,000                          | 6,000            | 6,000            | 6,000            | 6,000            | 6,000            | 30,000                  |

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**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**Use of Funds (Combined)**

| <b>USE OF FUNDS (CONT'D.)</b>   | <b>Estimated<br/>2011-2012</b> | <b>2012-2013</b> | <b>2013-2014</b> | <b>2014-2015</b> | <b>2015-2016</b> | <b>2016-2017</b> | <b>5-Year<br/>Total</b> |
|---|--------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------------|
| <b><u>Non-Construction</u></b>  |                                |                  |                  |                  |                  |                  |                         |
| <b>General Non-Construction</b>                                       |                                |                  |                  |                  |                  |                  |                         |
| 11. Preliminary Engineering   | 100,000                        | 110,000          | 115,000          | 120,000          | 125,000          | 130,000          | 600,000                 |
| 12. Public Works GIS Support  | 65,000                         | 65,000           | 65,000           | 65,000           | 65,000           | 65,000           | 325,000                 |
| 13. System Maintenance/Repairs  | 617,000                        | 600,000          | 620,000          | 640,000          | 660,000          | 680,000          | 3,200,000               |
| 14. Water Management System Enhancements                              |                                | 125,000          |                  |                  |                  |                  | 125,000                 |
| <b>Total General Non-Construction</b>                                 | <b>1,086,000</b>               | <b>1,178,000</b> | <b>1,083,000</b> | <b>1,113,000</b> | <b>1,143,000</b> | <b>1,173,000</b> | <b>5,690,000</b>        |
| <b>Contributions, Loans and Transfers to General Fund</b>             |                                |                  |                  |                  |                  |                  |                         |
| Transfer to the General Fund - Human Resources/Payroll System Upgrade | 1,000                          |                  |                  |                  |                  |                  |                         |
| <b>Total Contributions, Loans and Transfers to General Fund</b>       | <b>1,000</b>                   |                  |                  |                  |                  |                  |                         |
| <b>Contributions, Loans and Transfers to Special Funds</b>            |                                |                  |                  |                  |                  |                  |                         |
| Transfer to the City Hall Debt Service Fund                           | 7,000                          | 6,000            | 6,000            | 7,000            | 7,000            | 7,000            | 33,000                  |
| Transfer to the Federated Retirement Fund for 2010-2011 Add'l Pymt    | 8,000                          |                  |                  |                  |                  |                  |                         |
| 15. Loan Repayment to Sewage Treatment Plant Connection Fee Fund      | 1,000,000                      | 176,000          |                  |                  |                  |                  | 176,000                 |
| <b>Total Contributions, Loans and Transfers to Special Funds</b>      | <b>1,015,000</b>               | <b>182,000</b>   | <b>6,000</b>     | <b>7,000</b>     | <b>7,000</b>     | <b>7,000</b>     | <b>209,000</b>          |
| <b>Reserves</b>   |                                |                  |                  |                  |                  |                  |                         |
| Reserve for System Growth Related Projects                            |                                | 1,600,000        |                  |                  |                  |                  | 1,600,000               |

**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**Use of Funds (Combined)**

| <b>USE OF FUNDS (CONT'D.)</b>                    | <b>Estimated<br/>2011-2012</b> | <b>2012-2013</b>  | <b>2013-2014</b> | <b>2014-2015</b> | <b>2015-2016</b> | <b>2016-2017</b> | <b>5-Year<br/>Total</b> |
|--|--------------------------------|-------------------|------------------|------------------|------------------|------------------|-------------------------|
| <b><u>Non-Construction</u></b>                   |                                |                   |                  |                  |                  |                  |                         |
| <b>Reserves</b>                                  |                                |                   |                  |                  |                  |                  |                         |
| Reserve for System<br>Rehabilitation/Replacement |                                | 1,892,000         | 79,000           | 299,000          | 62,000           | 288,000          | 2,620,000               |
| <b>Total Reserves</b>                            |                                | <b>3,492,000</b>  | <b>79,000</b>    | <b>299,000</b>   | <b>62,000</b>    | <b>288,000</b>   | <b>4,220,000</b>        |
| <b>Total Non-Construction</b>                    | <b>2,102,000</b>               | <b>4,852,000</b>  | <b>1,168,000</b> | <b>1,419,000</b> | <b>1,212,000</b> | <b>1,468,000</b> | <b>10,119,000</b>       |
| <b>Ending Fund Balance</b>                       | <b>7,774,890</b>               | <b>2,017,890</b>  | <b>2,329,890</b> | <b>1,825,890</b> | <b>1,901,890</b> | <b>2,887,890</b> | <b>2,887,890*</b>       |
| <b>TOTAL USE OF FUNDS</b>                        | <b>12,618,890</b>              | <b>10,556,890</b> | <b>5,500,890</b> | <b>4,712,890</b> | <b>5,308,890</b> | <b>5,388,890</b> | <b>23,392,890*</b>      |

\* The 2012-2013 through 2015-2016 Ending Balances are excluded from the FIVE-YEAR TOTAL USE OF FUNDS to avoid multiple counting of the same funds.



**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**2012-2013 Use of Funds by Funding Source**

|  | (500)<br>Water Utility<br>Capital Fund | (502)<br>Major Facilities<br>Fund | Total             |
|--|--|-----------------------------------|-------------------|
| <b>TOTAL RESOURCES</b>   | <b>7,598,575</b>                       | <b>2,958,315</b>                  | <b>10,556,890</b> |
| <b><u>Construction Projects</u></b>                                  |  |                                   |                   |
| Nortech Parkway East Loop Main                                       | 20,000                                 |                                   | 20,000            |
| North Coyote Valley Water System                                     | 168,000                                |                                   | 168,000           |
| Public Art   | 74,000                                 |                                   | 74,000            |
| 1. Bon Bon Drive Main Replacement                                    | 960,000                                |                                   | 960,000           |
| 2. Dove Road Main Extension  | 65,000                                 |                                   | 65,000            |
| 3. Infrastructure Improvements                                       | 945,000                                |                                   | 945,000           |
| 4. Meter Installations   | 105,000                                |                                   | 105,000           |
| 5. Nortech and Trimble Reservoir<br>Rehabilitation                   | 1,150,000                              |                                   | 1,150,000         |
| 6. Service Installations   | 200,000                                |                                   | 200,000           |
| <b><u>Total Construction Projects</u></b>                            | <b>3,687,000</b>                       |                                   | <b>3,687,000</b>  |
| <b><u>Non-Construction</u></b>                                       |  |                                   |                   |
| <b>General Non-Construction</b>                                      |  |                                   |                   |
| Capital Program and Public Works<br>Department Support Service Costs | 22,000                                 |                                   | 22,000            |
| 7. Advance System Design   | 110,000                                |                                   | 110,000           |
| 8. Major Facilities Fee Administration                               |  | 15,000                            | 15,000            |
| 9. Master Plan Engineering   | 125,000                                |                                   | 125,000           |

**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**2012-2013 Use of Funds by Funding Source**

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|  | (500)<br>Water Utility<br>Capital Fund | (502)<br>Major Facilities<br>Fund | Total            |
|--|--|-----------------------------------|------------------|
| <b><u>Non-Construction</u></b>                                   |  |                                   |                  |
| <b>General Non-Construction</b>                                  |  |                                   |                  |
| 10. Network System Flow Improvements                             | 6,000                                  |                                   | 6,000            |
| 11. Preliminary Engineering                                      | 110,000                                |                                   | 110,000          |
| 12. Public Works GIS Support                                     | 65,000                                 |                                   | 65,000           |
| 13. System Maintenance/Repairs                                   | 600,000                                |                                   | 600,000          |
| 14. Water Management System Enhancements                         | 125,000                                |                                   | 125,000          |
| <b>Total General Non-Construction</b>                            | <b>1,163,000</b>                       | <b>15,000</b>                     | <b>1,178,000</b> |
| <b>Contributions, Loans and Transfers to Special Funds</b>       |  |                                   |                  |
| Transfer to the City Hall Debt Service Fund                      | 6,000                                  |                                   | 6,000            |
| 15. Loan Repayment to Sewage Treatment Plant Connection Fee Fund | 176,000                                |                                   | 176,000          |
| <b>Total Contributions, Loans and Transfers to Special Funds</b> | <b>182,000</b>                         |                                   | <b>182,000</b>   |
| <b>Reserves</b>  |  |                                   |                  |
| Reserve for System Growth Related Projects                       |  | 1,600,000                         | 1,600,000        |
| Reserve for System Rehabilitation/Replacement                    | 1,892,000                              |                                   | 1,892,000        |

**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**2012-2013 Use of Funds by Funding Source**

|                                      | (500)<br>Water Utility<br>Capital Fund | (502)<br>Major Facilities<br>Fund | Total             |
|--------------------------------------|--|-----------------------------------|-------------------|
| <b><u>Non-Construction</u></b>       |  |                                   |                   |
| <b>Reserves</b>                      |  |                                   |                   |
| <b>Total Reserves</b>                | <b>1,892,000</b>                       | <b>1,600,000</b>                  | <b>3,492,000</b>  |
| <b><u>Total Non-Construction</u></b> | <b>3,237,000</b>                       | <b>1,615,000</b>                  | <b>4,852,000</b>  |
| <b>Ending Fund Balance</b>           | <b>674,575</b>                         | <b>1,343,315</b>                  | <b>2,017,890</b>  |
| <b>TOTAL USE OF FUNDS</b>            | <b>7,598,575</b>                       | <b>2,958,315</b>                  | <b>10,556,890</b> |

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# 2012-2013 CAPITAL BUDGET

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## 2013-2017 CAPITAL IMPROVEMENT PROGRAM



### WATER UTILITY SYSTEM

#### DETAIL OF CONSTRUCTION PROJECTS

#### DETAIL OF NON-CONSTRUCTION PROJECTS

*The Detail of Construction Projects section provides information on the individual construction projects with funding in 2012-2013. The Detail of Non-Construction Projects section is abbreviated and provides information on the individual non-construction project, with funding in 2012-2013. On the Use of Funds statement, these projects are numbered.*

**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**Detail of Construction Projects**

**1. Bon Bon Drive Main Replacement**

|                          |  |                                 |               |
|--------------------------|--|---------------------------------|---------------|
| <b>CSA:</b>              | Environmental and Utility Services               | <b>Initial Start Date:</b>      | 3rd Qtr. 2010 |
| <b>CSA Outcome:</b>      | Reliable Utility Infrastructure                  | <b>Revised Start Date:</b>      |               |
| <b>Department:</b>       | Environmental Services                           | <b>Initial Completion Date:</b> | 2nd Qtr. 2012 |
| <b>Council District:</b> | 8  | <b>Revised Completion Date:</b> | 3rd Qtr. 2012 |
| <b>Location:</b>         | Bon Bon Drive from White Road to Peppermint Road |                                 |               |

**Description:** This project includes the replacement and relocation of approximately 1,650 feet of 8-inch steel water main on Bon Bon Drive.

**Justification:** The water line is reaching the end of its useful life. In addition, due to the high frequency of water leaks on this main, the pipeline is being relocated out of the park strip area to preserve older street trees.

| EXPENDITURE SCHEDULE (000'S) |             |               |                  |            |         |         |         |         |              |               |               |
|------------------------------|-------------|---------------|------------------|------------|---------|---------|---------|---------|--------------|---------------|---------------|
| Cost Elements                | Prior Years | 2011-12 Appn. | 2011-12 Estimate | 2012-13    | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 5-Year Total | Beyond 5-Year | Project Total |
| Construction                 |             | 995           | 35               | 960        |         |         |         |         | 960          |               | 995           |
| <b>TOTAL</b>                 |             | <b>995</b>    | <b>35</b>        | <b>960</b> |         |         |         |         | <b>960</b>   |               | <b>995</b>    |

| FUNDING SOURCE SCHEDULE (000'S) |  |            |           |            |  |  |  |  |            |  |            |
|---------------------------------|--|------------|-----------|------------|--|--|--|--|------------|--|------------|
| Water Utility Capital Fund      |  | 995        | 35        | 960        |  |  |  |  | 960        |  | 995        |
| <b>TOTAL</b>                    |  | <b>995</b> | <b>35</b> | <b>960</b> |  |  |  |  | <b>960</b> |  | <b>995</b> |

**ANNUAL OPERATING BUDGET IMPACT (000'S)**

None

**Major Changes in Project Cost:**

None

**Notes:**

|                                |             |                    |      |
|--------------------------------|-------------|--------------------|------|
| <b>FY Initiated:</b>           | 2010-2011   | <b>Appn. #:</b>    | 7259 |
| <b>Initial Project Budget:</b> | \$1,000,000 | <b>USGBC LEED:</b> | N/A  |

**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**Detail of Construction Projects**

**2. Dove Road Main Extension**

**CSA:** Environmental and Utility Services      **Initial Start Date:** 3rd Qtr. 2012  
**CSA Outcome:** Reliable Utility Infrastructure      **Revised Start Date:**  
**Department:** Environmental Services      **Initial Completion Date:** 2nd Qtr. 2014  
**Council District:** 2      **Revised Completion Date:**  
**Location:** Dove Road between Hassler Parkway and Hellyer Avenue  
**Description:** This project will construct approximately 2,500 feet of water main on Dove Road, between Hassler Parkway and Hellyer Avenue.  
**Justification:** This project is needed to provide additional system capacity and improve reliability.

| EXPENDITURE SCHEDULE (000'S)           |             |               |                  |           |              |         |         |         |              |               |               |
|--|-------------|---------------|------------------|-----------|--------------|---------|---------|---------|--------------|---------------|---------------|
| Cost Elements                          | Prior Years | 2011-12 Appn. | 2011-12 Estimate | 2012-13   | 2013-14      | 2014-15 | 2015-16 | 2016-17 | 5-Year Total | Beyond 5-Year | Project Total |
| Design                                 |             |               |                  | 65        |              |         |         |         | 65           |               | 65            |
| Construction                           |             |               |                  |           | 1,000        |         |         |         | 1,000        |               | 1,000         |
| <b>TOTAL</b>                           |             |               |                  | <b>65</b> | <b>1,000</b> |         |         |         | <b>1,065</b> |               | <b>1,065</b>  |
| FUNDING SOURCE SCHEDULE (000'S)        |             |               |                  |           |              |         |         |         |              |               |               |
| Water Utility Capital Fund             |             |               |                  | 65        | 1,000        |         |         |         | 1,065        |               | 1,065         |
| <b>TOTAL</b>                           |             |               |                  | <b>65</b> | <b>1,000</b> |         |         |         | <b>1,065</b> |               | <b>1,065</b>  |
| ANNUAL OPERATING BUDGET IMPACT (000'S) |             |               |                  |           |              |         |         |         |              |               |               |
| <b>None</b>                            |             |               |                  |           |              |         |         |         |              |               |               |

**Major Changes in Project Cost:**

None

**Notes:**

**FY Initiated:** 2012-2013      **Appn. #:** 7445  
**Initial Project Budget:** \$1,065,000      **USGBC LEED:** N/A







**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**Detail of Construction Projects**

**4. Meter Installations**

**CSA:** Environmental and Utility Services                      **Initial Start Date:** Ongoing  
**CSA Outcome:** Reliable Utility Infrastructure                      **Revised Start Date:**  
**Department:** Environmental Services                      **Initial Completion Date:** Ongoing  
**Council District:** 2, 4, 7, 8                      **Revised Completion Date:**  
**Location:** System-wide

**Description:** This allocation provides funds to purchase, test, and install water meters for new developments and customers.

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

| EXPENDITURE SCHEDULE (000'S)           |             |               |                  |            |           |           |           |           |              |               |               |
|--|-------------|---------------|------------------|------------|-----------|-----------|-----------|-----------|--------------|---------------|---------------|
| Cost Elements                          | Prior Years | 2011-12 Appn. | 2011-12 Estimate | 2012-13    | 2013-14   | 2014-15   | 2015-16   | 2016-17   | 5-Year Total | Beyond 5-Year | Project Total |
| Construction                           |             | 119           | 35               | 105        | 50        | 50        | 50        | 50        | 305          |               |               |
| <b>TOTAL</b>                           |             | <b>119</b>    | <b>35</b>        | <b>105</b> | <b>50</b> | <b>50</b> | <b>50</b> | <b>50</b> | <b>305</b>   |               |               |
| FUNDING SOURCE SCHEDULE (000'S)        |             |               |                  |            |           |           |           |           |              |               |               |
| Water Utility Capital Fund             |             | 119           | 35               | 105        | 50        | 50        | 50        | 50        | 305          |               |               |
| <b>TOTAL</b>                           |             | <b>119</b>    | <b>35</b>        | <b>105</b> | <b>50</b> | <b>50</b> | <b>50</b> | <b>50</b> | <b>305</b>   |               |               |
| ANNUAL OPERATING BUDGET IMPACT (000'S) |             |               |                  |            |           |           |           |           |              |               |               |
| None                                   |             |               |                  |            |           |           |           |           |              |               |               |

**Major Changes in Project Cost:**  
N/A

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

**FY Initiated:** Ongoing                      **Appn. #:** 4347  
**Initial Project Budget:**                      **USGBC LEED:** N/A

**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**Detail of Construction Projects**

**5. Nortech and Trimble Reservoir Rehabilitation**

|                          |  |                                 |               |
|--------------------------|--|---------------------------------|---------------|
| <b>CSA:</b>              | Environmental and Utility Services   | <b>Initial Start Date:</b>      | 3rd Qtr. 2012 |
| <b>CSA Outcome:</b>      | Reliable Utility Infrastructure  | <b>Revised Start Date:</b>      |               |
| <b>Department:</b>       | Environmental Services   | <b>Initial Completion Date:</b> | 4th Qtr. 2014 |
| <b>Council District:</b> | 4  | <b>Revised Completion Date:</b> |               |
| <b>Location:</b>         | Nortech Parkway/Trimble Road   |                                 |               |
| <b>Description:</b>      | This project includes the rehabilitation of two 3.0 million gallon steel reservoirs that provide fire protection and emergency supply for the North San José and Alviso service areas. |                                 |               |
| <b>Justification:</b>    | The coatings on the reservoirs have severely deteriorated and require rehabilitation to prevent premature replacement.   |                                 |               |

| EXPENDITURE SCHEDULE (000'S) |             |               |                  |         |         |         |         |         |              |               |               |
|------------------------------|-------------|---------------|------------------|---------|---------|---------|---------|---------|--------------|---------------|---------------|
| Cost Elements                | Prior Years | 2011-12 Appn. | 2011-12 Estimate | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 5-Year Total | Beyond 5-Year | Project Total |
| Design                       |             |               |                  | 40      |         |         |         |         | 40           |               | 40            |
| Construction                 |             |               |                  | 1,110   | 50      |         |         |         | 1,160        |               | 1,160         |
| TOTAL                        |             |               |                  | 1,150   | 50      |         |         |         | 1,200        |               | 1,200         |

| FUNDING SOURCE SCHEDULE (000'S) |  |  |  |         |         |  |  |  |              |               |               |
|---------------------------------|--|--|--|---------|---------|--|--|--|--------------|---------------|---------------|
| Water Utility Capital Fund      |  |  |  | 2012-13 | 2013-14 |  |  |  | 5-Year Total | Beyond 5-Year | Project Total |
| Water Utility Capital Fund      |  |  |  | 1,150   | 50      |  |  |  | 1,200        |               | 1,200         |
| TOTAL                           |  |  |  | 1,150   | 50      |  |  |  | 1,200        |               | 1,200         |

| ANNUAL OPERATING BUDGET IMPACT (000'S) |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|
| None                                   |  |  |  |  |  |  |  |  |  |  |

**Major Changes in Project Cost:**

None

**Notes:**

|                                |             |                    |      |
|--------------------------------|-------------|--------------------|------|
| <b>FY Initiated:</b>           | 2012-2013   | <b>Appn. #:</b>    | 7446 |
| <b>Initial Project Budget:</b> | \$1,200,000 | <b>USGBC LEED:</b> | N/A  |

**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**Detail of Construction Projects**

**6. Service Installations**

|                          |                                    |                                 |         |
|--------------------------|------------------------------------|---------------------------------|---------|
| <b>CSA:</b>              | Environmental and Utility Services | <b>Initial Start Date:</b>      | Ongoing |
| <b>CSA Outcome:</b>      | Reliable Utility Infrastructure    | <b>Revised Start Date:</b>      |         |
| <b>Department:</b>       | Environmental Services             | <b>Initial Completion Date:</b> | Ongoing |
| <b>Council District:</b> | 2, 4, 7, 8                         | <b>Revised Completion Date:</b> |         |
| <b>Location:</b>         | System-wide                        |                                 |         |

**Description:** This allocation provides funding for the installation of connections between water mains and meters and the extension of existing water mains. A portion of this work, related to new development, is paid for by developer fees. The remainder of the work, which is not tied to developer fees, entails connections to water, service laterals, sampling stations, meter boxes, air release valves, and main extensions in existing service areas to increase the operability of the system.

**Justification:** As development proceeds in the City, connections between water mains and meters are required to service new customers.

| EXPENDITURE SCHEDULE (000'S) |             |               |                  |            |            |            |            |            |              |               |               |
|------------------------------|-------------|---------------|------------------|------------|------------|------------|------------|------------|--------------|---------------|---------------|
| Cost Elements                | Prior Years | 2011-12 Appn. | 2011-12 Estimate | 2012-13    | 2013-14    | 2014-15    | 2015-16    | 2016-17    | 5-Year Total | Beyond 5-Year | Project Total |
| Construction                 |             | 710           | 888              | 200        | 200        | 200        | 200        | 200        | 1,000        |               |               |
| <b>TOTAL</b>                 |             | <b>710</b>    | <b>888</b>       | <b>200</b> | <b>200</b> | <b>200</b> | <b>200</b> | <b>200</b> | <b>1,000</b> |               |               |

| FUNDING SOURCE SCHEDULE (000'S) |  |            |            |            |            |            |            |            |              |  |  |
|---------------------------------|--|------------|------------|------------|------------|------------|------------|------------|--------------|--|--|
| Water Utility Capital Fund      |  | 710        | 888        | 200        | 200        | 200        | 200        | 200        | 1,000        |  |  |
| <b>TOTAL</b>                    |  | <b>710</b> | <b>888</b> | <b>200</b> | <b>200</b> | <b>200</b> | <b>200</b> | <b>200</b> | <b>1,000</b> |  |  |

**ANNUAL OPERATING BUDGET IMPACT (000'S)**

**None**

**Major Changes in Project Cost:**  
N/A

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

|                                |         |                    |      |
|--------------------------------|---------|--------------------|------|
| <b>FY Initiated:</b>           | Ongoing | <b>Appn. #:</b>    | 4348 |
| <b>Initial Project Budget:</b> |         | <b>USGBC LEED:</b> | N/A  |



**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**Detail of Non-Construction Projects**

**7. Advance System Design**

**CSA:** Environmental and Utility Services  
**CSA Outcome:** Reliable Utility Infrastructure  
**Department:** Environmental Services  
**Description:** This allocation funds the design, engineering, and inspection for the connection of new developments to the Water Utility System.

| EXPENDITURE SCHEDULE (000'S) |             |               |                  |            |            |            |            |            |              |               |               |
|------------------------------|-------------|---------------|------------------|------------|------------|------------|------------|------------|--------------|---------------|---------------|
| Cost Elements                | Prior Years | 2011-12 Appn. | 2011-12 Estimate | 2012-13    | 2013-14    | 2014-15    | 2015-16    | 2016-17    | 5-Year Total | Beyond 5-Year | Project Total |
| Planning and Engineering     |             | 103           | 103              | 110        | 110        | 110        | 110        | 110        | 550          |               |               |
| <b>TOTAL</b>                 |             | <b>103</b>    | <b>103</b>       | <b>110</b> | <b>110</b> | <b>110</b> | <b>110</b> | <b>110</b> | <b>550</b>   |               |               |

| FUNDING SOURCE SCHEDULE (000'S) |  |            |            |            |            |            |            |            |            |  |  |
|---------------------------------|--|------------|------------|------------|------------|------------|------------|------------|------------|--|--|
| Water Utility Capital Fund      |  | 103        | 103        | 110        | 110        | 110        | 110        | 110        | 550        |  |  |
| <b>TOTAL</b>                    |  | <b>103</b> | <b>103</b> | <b>110</b> | <b>110</b> | <b>110</b> | <b>110</b> | <b>110</b> | <b>550</b> |  |  |

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

**8. Major Facilities Fee Administration**

**CSA:** Environmental and Utility Services  
**CSA Outcome:** Reliable Utility Infrastructure  
**Department:** Environmental Services  
**Description:** This allocation provides funding to administer the Major Facilities Fees. The Major Facilities Fund receives fees associated with the connection and operation of major water facilities constructed in the North San José, Evergreen, Alviso, Edenvale, and Coyote Valley areas.

| EXPENDITURE SCHEDULE (000'S) |             |               |                  |           |           |           |           |           |              |               |               |
|------------------------------|-------------|---------------|------------------|-----------|-----------|-----------|-----------|-----------|--------------|---------------|---------------|
| Cost Elements                | Prior Years | 2011-12 Appn. | 2011-12 Estimate | 2012-13   | 2013-14   | 2014-15   | 2015-16   | 2016-17   | 5-Year Total | Beyond 5-Year | Project Total |
| Program Management           |             | 15            | 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>15</b> | <b>75</b>    |               |               |

| FUNDING SOURCE SCHEDULE (000'S) |  |           |           |           |           |           |           |           |           |  |  |
|---------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--|--|
| Major Facilities Fund           |  | 15        | 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>15</b> | <b>75</b> |  |  |

**Notes:**  
Selected budget information is not provided due to the ongoing nature of this project.  
**Appn. #:** 5369



**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**Detail of Non-Construction Projects**

**9. Master Plan Engineering**

**CSA:** Environmental and Utility Services  
**CSA Outcome:** Reliable Utility Infrastructure  
**Department:** Environmental Services  
**Description:** This ongoing allocation is used to update the Water System Master Plan based on anticipated development and customer consumption.

| EXPENDITURE SCHEDULE (000'S) |             |               |                  |            |            |            |            |            |              |               |               |
|------------------------------|-------------|---------------|------------------|------------|------------|------------|------------|------------|--------------|---------------|---------------|
| Cost Elements                | Prior Years | 2011-12 Appn. | 2011-12 Estimate | 2012-13    | 2013-14    | 2014-15    | 2015-16    | 2016-17    | 5-Year Total | Beyond 5-Year | Project Total |
| Master Plan/Study            |             | 120           | 120              | 125        | 130        | 135        | 140        | 145        | 675          |               |               |
| <b>TOTAL</b>                 |             | <b>120</b>    | <b>120</b>       | <b>125</b> | <b>130</b> | <b>135</b> | <b>140</b> | <b>145</b> | <b>675</b>   |               |               |

| FUNDING SOURCE SCHEDULE (000'S) |             |               |                  |            |            |            |            |            |              |               |               |
|---------------------------------|-------------|---------------|------------------|------------|------------|------------|------------|------------|--------------|---------------|---------------|
| Cost Elements                   | Prior Years | 2011-12 Appn. | 2011-12 Estimate | 2012-13    | 2013-14    | 2014-15    | 2015-16    | 2016-17    | 5-Year Total | Beyond 5-Year | Project Total |
| Water Utility Capital Fund      |             | 120           | 120              | 125        | 130        | 135        | 140        | 145        | 675          |               |               |
| <b>TOTAL</b>                    |             | <b>120</b>    | <b>120</b>       | <b>125</b> | <b>130</b> | <b>135</b> | <b>140</b> | <b>145</b> | <b>675</b>   |               |               |

**Notes:**  
Selected budget information is not provided due to the ongoing nature of this project.  
**Appn. #:** 4349

**10. Network System Flow Improvements**

**CSA:** Environmental and Utility Services  
**CSA Outcome:** Reliable Utility Infrastructure  
**Department:** Environmental Services  
**Description:** This allocation is used to perform computer analysis of the water distribution system, including modeling of the system's reservoirs, pump stations, and distribution facilities, in order to prioritize replacement of existing facilities and development of new facilities.

| EXPENDITURE SCHEDULE (000'S) |             |               |                  |          |          |          |          |          |              |               |               |
|------------------------------|-------------|---------------|------------------|----------|----------|----------|----------|----------|--------------|---------------|---------------|
| Cost Elements                | Prior Years | 2011-12 Appn. | 2011-12 Estimate | 2012-13  | 2013-14  | 2014-15  | 2015-16  | 2016-17  | 5-Year Total | Beyond 5-Year | Project Total |
| Advanced Planning            |             | 6             | 6                | 6        | 6        | 6        | 6        | 6        | 30           |               |               |
| <b>TOTAL</b>                 |             | <b>6</b>      | <b>6</b>         | <b>6</b> | <b>6</b> | <b>6</b> | <b>6</b> | <b>6</b> | <b>30</b>    |               |               |

| FUNDING SOURCE SCHEDULE (000'S) |             |               |                  |          |          |          |          |          |              |               |               |
|---------------------------------|-------------|---------------|------------------|----------|----------|----------|----------|----------|--------------|---------------|---------------|
| Cost Elements                   | Prior Years | 2011-12 Appn. | 2011-12 Estimate | 2012-13  | 2013-14  | 2014-15  | 2015-16  | 2016-17  | 5-Year Total | Beyond 5-Year | Project Total |
| Water Utility Capital Fund      |             | 6             | 6                | 6        | 6        | 6        | 6        | 6        | 30           |               |               |
| <b>TOTAL</b>                    |             | <b>6</b>      | <b>6</b>         | <b>6</b> | <b>6</b> | <b>6</b> | <b>6</b> | <b>6</b> | <b>30</b>    |               |               |

**Notes:**  
Selected budget information is not provided due to the ongoing nature of this project.  
**Appn. #:** 4350

**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**Detail of Non-Construction Projects**

**11. Preliminary Engineering**

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

| EXPENDITURE SCHEDULE (000'S) |             |               |                  |            |            |            |            |            |              |               |               |
|------------------------------|-------------|---------------|------------------|------------|------------|------------|------------|------------|--------------|---------------|---------------|
| Cost Elements                | Prior Years | 2011-12 Appn. | 2011-12 Estimate | 2012-13    | 2013-14    | 2014-15    | 2015-16    | 2016-17    | 5-Year Total | Beyond 5-Year | Project Total |
| Advanced Planning            |             | 100           | 100              | 110        | 115        | 120        | 125        | 130        | 600          |               |               |
| <b>TOTAL</b>                 |             | <b>100</b>    | <b>100</b>       | <b>110</b> | <b>115</b> | <b>120</b> | <b>125</b> | <b>130</b> | <b>600</b>   |               |               |

| FUNDING SOURCE SCHEDULE (000'S) |  |            |            |            |            |            |            |            |            |  |  |
|---------------------------------|--|------------|------------|------------|------------|------------|------------|------------|------------|--|--|
| Water Utility Capital Fund      |  | 100        | 100        | 110        | 115        | 120        | 125        | 130        | 600        |  |  |
| <b>TOTAL</b>                    |  | <b>100</b> | <b>100</b> | <b>110</b> | <b>115</b> | <b>120</b> | <b>125</b> | <b>130</b> | <b>600</b> |  |  |

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

**12. Public Works GIS Support**

**CSA:** Environmental and Utility Services  
**CSA Outcome:** Reliable Utility Infrastructure  
**Department:** Environmental Services  
**Description:** This allocation funds Public Works Geographic Information System (GIS) support services on an as-needed basis.

| EXPENDITURE SCHEDULE (000'S) |             |               |                  |           |           |           |           |           |              |               |               |
|------------------------------|-------------|---------------|------------------|-----------|-----------|-----------|-----------|-----------|--------------|---------------|---------------|
| Cost Elements                | Prior Years | 2011-12 Appn. | 2011-12 Estimate | 2012-13   | 2013-14   | 2014-15   | 2015-16   | 2016-17   | 5-Year Total | Beyond 5-Year | Project Total |
| Planning and Engineering     |             | 65            | 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>65</b> | <b>325</b>   |               |               |

| FUNDING SOURCE SCHEDULE (000'S) |  |           |           |           |           |           |           |           |            |  |  |
|---------------------------------|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|--|--|
| Water Utility Capital Fund      |  | 65        | 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>65</b> | <b>325</b> |  |  |

**Notes:**  
Prior to 2011-2012, this funding was not broken out as a separate project, but was included in the Infrastructure Improvements project. Selected budget information is not provided due to the ongoing nature of this project.  
**Appn. #:** 7365



**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**Detail of Non-Construction Projects**

**13. System Maintenance/Repairs**

**CSA:** Environmental and Utility Services  
**CSA Outcome:** Reliable Utility Infrastructure  
**Department:** Environmental Services  
**Description:** This allocation funds emergency and miscellaneous repairs in the distribution system.

| EXPENDITURE SCHEDULE (000'S) |             |               |                  |            |            |            |            |            |              |               |               |
|------------------------------|-------------|---------------|------------------|------------|------------|------------|------------|------------|--------------|---------------|---------------|
| Cost Elements                | Prior Years | 2011-12 Appn. | 2011-12 Estimate | 2012-13    | 2013-14    | 2014-15    | 2015-16    | 2016-17    | 5-Year Total | Beyond 5-Year | Project Total |
| Equipment                    |             | 617           | 617              | 600        | 620        | 640        | 660        | 680        | 3,200        |               |               |
| <b>TOTAL</b>                 |             | <b>617</b>    | <b>617</b>       | <b>600</b> | <b>620</b> | <b>640</b> | <b>660</b> | <b>680</b> | <b>3,200</b> |               |               |

| FUNDING SOURCE SCHEDULE (000'S) |  |            |            |            |            |            |            |            |              |  |  |
|---------------------------------|--|------------|------------|------------|------------|------------|------------|------------|--------------|--|--|
| Water Utility Capital Fund      |  | 617        | 617        | 600        | 620        | 640        | 660        | 680        | 3,200        |  |  |
| <b>TOTAL</b>                    |  | <b>617</b> | <b>617</b> | <b>600</b> | <b>620</b> | <b>640</b> | <b>660</b> | <b>680</b> | <b>3,200</b> |  |  |

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

**Appn. #:** 5876

**14. Water Management System Enhancements**

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

| EXPENDITURE SCHEDULE (000'S) |             |               |                  |            |         |         |         |         |              |               |               |
|------------------------------|-------------|---------------|------------------|------------|---------|---------|---------|---------|--------------|---------------|---------------|
| Cost Elements                | Prior Years | 2011-12 Appn. | 2011-12 Estimate | 2012-13    | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 5-Year Total | Beyond 5-Year | Project Total |
| Program Management           |             |               |                  | 125        |         |         |         |         | 125          |               |               |
| <b>TOTAL</b>                 |             |               |                  | <b>125</b> |         |         |         |         | <b>125</b>   |               |               |

| FUNDING SOURCE SCHEDULE (000'S) |  |  |  |            |  |  |  |  |            |  |  |
|---------------------------------|--|--|--|------------|--|--|--|--|------------|--|--|
| Water Utility Capital Fund      |  |  |  | 125        |  |  |  |  | 125        |  |  |
| <b>TOTAL</b>                    |  |  |  | <b>125</b> |  |  |  |  | <b>125</b> |  |  |

**Appn. #:** 7447



**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**Detail of Non-Construction Projects**

**15. Loan Repayment to Sewage Treatment Plant Connection Fee Fund**

**CSA:** Environmental and Utility Services  
**CSA Outcome:** Reliable Utility Infrastructure  
 Safe, Reliable, and Sufficient Water Supply  
**Department:** Environmental Services  
**Description:** This allocation funds the repayment of a Sewage Treatment Plant Connection Fee Fund loan used for construction of water system facilities in the Coyote Valley pursuant to the Master Development Agreement. This loan will be paid off in 2012-2013.

| EXPENDITURE SCHEDULE (000'S)    |              |               |                  |            |         |         |         |         |              |               |               |
|---------------------------------|--------------|---------------|------------------|------------|---------|---------|---------|---------|--------------|---------------|---------------|
| Cost Elements                   | Prior Years  | 2011-12 Appn. | 2011-12 Estimate | 2012-13    | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 5-Year Total | Beyond 5-Year | Project Total |
| Transfer to Other Fund          | 4,500        | 1,000         | 1,000            | 176        |         |         |         |         | 176          |               | 5,676         |
| <b>TOTAL</b>                    | <b>4,500</b> | <b>1,000</b>  | <b>1,000</b>     | <b>176</b> |         |         |         |         | <b>176</b>   |               | <b>5,676</b>  |
| FUNDING SOURCE SCHEDULE (000'S) |              |               |                  |            |         |         |         |         |              |               |               |
| Water Utility Capital Fund      | 4,500        | 1,000         | 1,000            | 176        |         |         |         |         | 176          |               | 5,676         |
| <b>TOTAL</b>                    | <b>4,500</b> | <b>1,000</b>  | <b>1,000</b>     | <b>176</b> |         |         |         |         | <b>176</b>   |               | <b>5,676</b>  |

**Notes:**  
 The interest rate for the loan is set at the City's pooled investment rate.  
**Appn. #:** 0100

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# 2012-2013 CAPITAL BUDGET

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## 2013-2017 CAPITAL IMPROVEMENT PROGRAM



### WATER UTILITY SYSTEM

#### SUMMARY OF PROJECTS THAT START AFTER 2012-2013

#### SUMMARY OF PROJECTS WITH CLOSE-OUT COSTS ONLY IN 2012-2013

#### SUMMARY OF RESERVES

*The Summary of Projects that Start after 2012-2013 includes those projects that have funding budgeted starting after 2012-2013. The Summary of Projects with Close-Out Costs Only in 2012-2013 include those projects that are near completion with only minimal costs (typically inspection services and program management) to finish the project budgeted in 2012-2013. The Summary of Reserves includes all reserves budgeted within the Five-Year Capital Improvement Program. On the Use of Funds statement, the projects in these summaries are not numbered.*



## Water Utility System

### 2013-2017 Adopted Capital Improvement Program

#### Summary of Projects that Start after 2012-2013

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|                           |                                       |                            |               |
|---------------------------|---------------------------------------|----------------------------|---------------|
| <b>Project Name:</b>      | <b>Gumdrop Drive Main Replacement</b> | <b>Initial Start Date:</b> | 3rd Qtr. 2014 |
| <b>5-Year CIP Budget:</b> | \$1,330,000                           | <b>Revised Start Date:</b> |               |
| <b>Total Budget:</b>      | \$1,330,000                           | <b>Initial End Date:</b>   | 2nd Qtr. 2017 |
| <b>Council District:</b>  | 8                                     | <b>Revised End Date:</b>   |               |
| <b>USGBC LEED:</b>        | N/A                                   |                            |               |

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

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|                           |  |                            |               |
|---------------------------|--|----------------------------|---------------|
| <b>Project Name:</b>      | <b>Water Valve Rehabilitation 2014</b> | <b>Initial Start Date:</b> | 3rd Qtr. 2014 |
| <b>5-Year CIP Budget:</b> | \$400,000                              | <b>Revised Start Date:</b> |               |
| <b>Total Budget:</b>      | \$400,000                              | <b>Initial End Date:</b>   | 2nd Qtr. 2015 |
| <b>Council District:</b>  | 2, 4, 7, 8                             | <b>Revised End Date:</b>   |               |
| <b>USGBC LEED:</b>        | N/A                                    |                            |               |

**Description:** This project will locate, exercise and maintain all water valves in the field and collect their GPS location. This assesment and rehabilitation process needs to take place approximately every five years, with the next scheduled to begin in 2014.

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## Water Utility System

### 2013-2017 Adopted Capital Improvement Program

#### **Summary of Projects with Close-out Costs Only in 2012-2013**

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|                           |                                |                            |               |
|---------------------------|--------------------------------|----------------------------|---------------|
| <b>Project Name:</b>      | Nortech Parkway East Loop Main | <b>Initial Start Date:</b> | 3rd Qtr. 2007 |
| <b>5-Year CIP Budget:</b> | \$20,000                       | <b>Revised Start Date:</b> | 1st Qtr. 2009 |
| <b>Total Budget:</b>      | \$764,000                      | <b>Initial End Date:</b>   | 2nd Qtr. 2009 |
| <b>Council District:</b>  | 4                              | <b>Revised End Date:</b>   | 2nd Qtr. 2012 |
| <b>USGBC LEED:</b>        | N/A                            |                            |               |

**Description:** This project provides funding to construct approximately 1,000 feet of water main connecting the east end of the Nortech Parkway water main with the Holger Way water main.

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|                           |                                  |                            |               |
|---------------------------|----------------------------------|----------------------------|---------------|
| <b>Project Name:</b>      | North Coyote Valley Water System | <b>Initial Start Date:</b> | 4th Qtr. 1999 |
| <b>5-Year CIP Budget:</b> | \$168,000                        | <b>Revised Start Date:</b> | 2nd Qtr. 2001 |
| <b>Total Budget:</b>      | \$8,083,000                      | <b>Initial End Date:</b>   | 2nd Qtr. 2004 |
| <b>Council District:</b>  | 2                                | <b>Revised End Date:</b>   | 2nd Qtr. 2013 |
| <b>USGBC LEED:</b>        | N/A                              |                            |               |

**Description:** This project provided funding for the rehabilitation of existing wells, installation of well pumps, and design and construction of controls, piping, and enclosures at the existing Coyote Valley well sites, as well as construction of a new reservoir and related piping and appurtenances. The project was completed and in beneficial use in 2004, however, remaining funding is allocated in 2012-2013 for outstanding project close-out costs.

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**Water Utility System**  
**2013-2017 Adopted Capital Improvement Program**  
**Summary of Reserves**

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|                           |   |                            |     |
|---------------------------|---|----------------------------|-----|
| <b>Project Name:</b>      | <b>Reserve for System Growth Related Projects</b> | <b>Initial Start Date:</b> | N/A |
| <b>5-Year CIP Budget:</b> | \$1,600,000                                       | <b>Revised Start Date:</b> |     |
| <b>Total Budget:</b>      | \$1,600,000                                       | <b>Initial End Date:</b>   | N/A |
| <b>Council District:</b>  | 2, 4, 7, 8  | <b>Revised End Date:</b>   |     |
| <b>USGBC LEED:</b>        | N/A   |                            |     |

**Description:** This reserve sets aside funds in the Major Facilities Fund for acquisition of property and the construction of facilities to accommodate future system growth and development.

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|                           |  |                            |     |
|---------------------------|--|----------------------------|-----|
| <b>Project Name:</b>      | <b>Reserve for System Rehabilitation/Replacement</b> | <b>Initial Start Date:</b> | N/A |
| <b>5-Year CIP Budget:</b> | \$2,620,000  | <b>Revised Start Date:</b> |     |
| <b>Total Budget:</b>      | \$2,620,000  | <b>Initial End Date:</b>   | N/A |
| <b>Council District:</b>  | 2, 4, 7, 8   | <b>Revised End Date:</b>   |     |
| <b>USGBC LEED:</b>        | N/A  |                            |     |

**Description:** This reserve sets aside funds in the Water Utility Capital Fund for rehabilitation and/or replacement of existing facilities. Ordinance No. 26903, which was approved by the City Council on May 27, 2003, requires that this reserve total 7% of annual operating revenues. This reserve is estimated to total \$2.6 million at the end of 2013-2017 based on current operating revenue projections for 2016-2017.



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