



May 17, 2022

Santa Clarita Valley Water Agency

Board of Directors
Capital Improvement Plan
Revised FY 2022/23 Budget

Fiscal Year 2023 - PayGo

PAY-GO PROJECTS	PAY-GO Revised Budget FY 2022/23	Revenues	Available Funds/ Carryover	Retail Connection Fees
Admin & Tech	\$ 3,141,000			
Appurtenance Improvements	410,000			
Booster Station Improvements	4,625,000			
Capital Planning & Studies	5,926,832			
Disinfection Projects	775,000			
General Facility Replacements ¹	3,025,000			
Meter & Meter Infrastructure Impr & Repl	2,075,000			
Pipelines & Pipeline Replacements	13,177,900			
Recycled Water Improvements	1,345,000			
Tank & Tank Facility Improvements	7,515,000			
Technology	300,000			
Treatment Plant Improvements ²	1,560,000			
Water Resources & Supply	5,289,098			
Wellhead Treatment Improvements	615,000			
Wells & Well Facility Improvements	26,026,000			
Total CIP	\$ 75,805,830	\$ 21,186,966	\$ 47,358,694	\$ 7,260,170



¹ General Facility Replacements, General Warehouse & Surface Improvements, Laboratory Improvements

² Operations, ESFP & ESIPS Improvements, Minor Capital, R&R Budget, RVIPS & RVTP Improvements

Engineering CIP Overview - PayGo

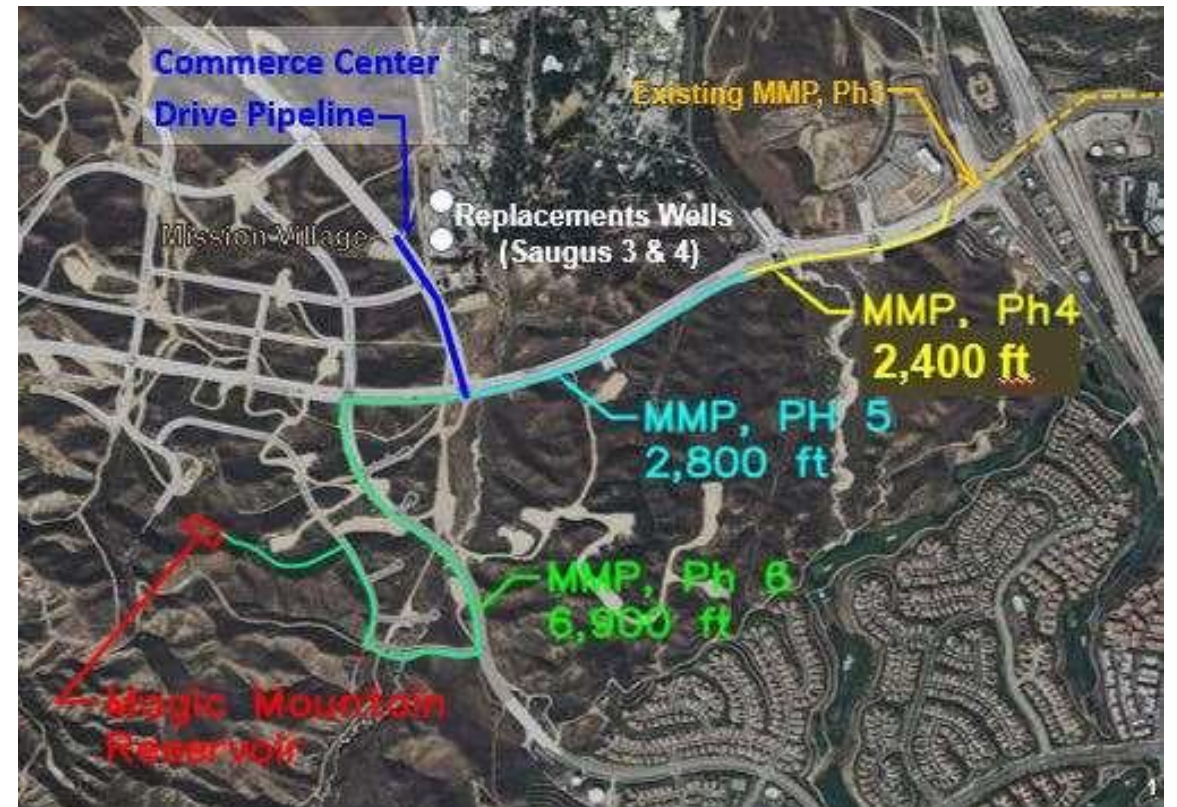
Capital Projects (Over \$ 1 M)	FY 2022/23 Projected
Saugus 3 & 4 Replacement Wells	\$ 14,200,000
Santa Clara and Honby Wells PFAS Groundwater Treatment Improvements	\$ 6,400,000
E Wells (E-14, E-15, E-16, E17) PFAS Groundwater Treatment Improvements	\$ 1,800,000
Additional Wells (T7, U4, U6) PFAS Groundwater and S1 & S2 VOC Treatment Improvements	\$ 1,400,000
Deane Tank - One 2.08 MG Tank @ Skyline Ranch*	\$ 3,500,000
Deane Tank - One 1.5 MG Tank @ Sand Canyon Plaza*	\$ 1,750,000
Deane Pump Station @ Sand Canyon Plaza*	\$ 2,400,000
Total of Projects less than \$1 M	\$ 6,220,000
	\$ 37,670,000

**A portion of these projects are offset by the SCWD Retail Capacity Fees*



Saugus Wells 3 & 4

- Construction
 - New Wells drilled in the Saugus Formation
 - These wells are replacing other wells impacted by PFAS *
- Project Details
 - Drilling New wells estimated at 2,000 gpm each
 - Total of approximately 6,500 AFY
 - Associated pipelines installation



**The Agency has received \$2.2 Million from the Settlement Agreement and anticipates \$6.3 more.*



Groundwater Treatment Improvements

- Construction
 - PFAS Groundwater Treatment for Santa Clara, Honby,
 - PFAS Groundwater Treatment for the E Wells
 - PFAS Groundwater Treatment for the T7, U4, and U6 Wells and VOC Treatment for Saugus 1 and 2 Wells.
- Project Details
 - Construct treatment facilities for various Wells.
 - Santa Clara, Honby restore production up to 3,875 AFY
 - E Wells production up to 7,700 AFY
 - Wells T7*,U4*,U6* restore production up to 5,500* AFY
 - Total production of approximately 17,075 AFY

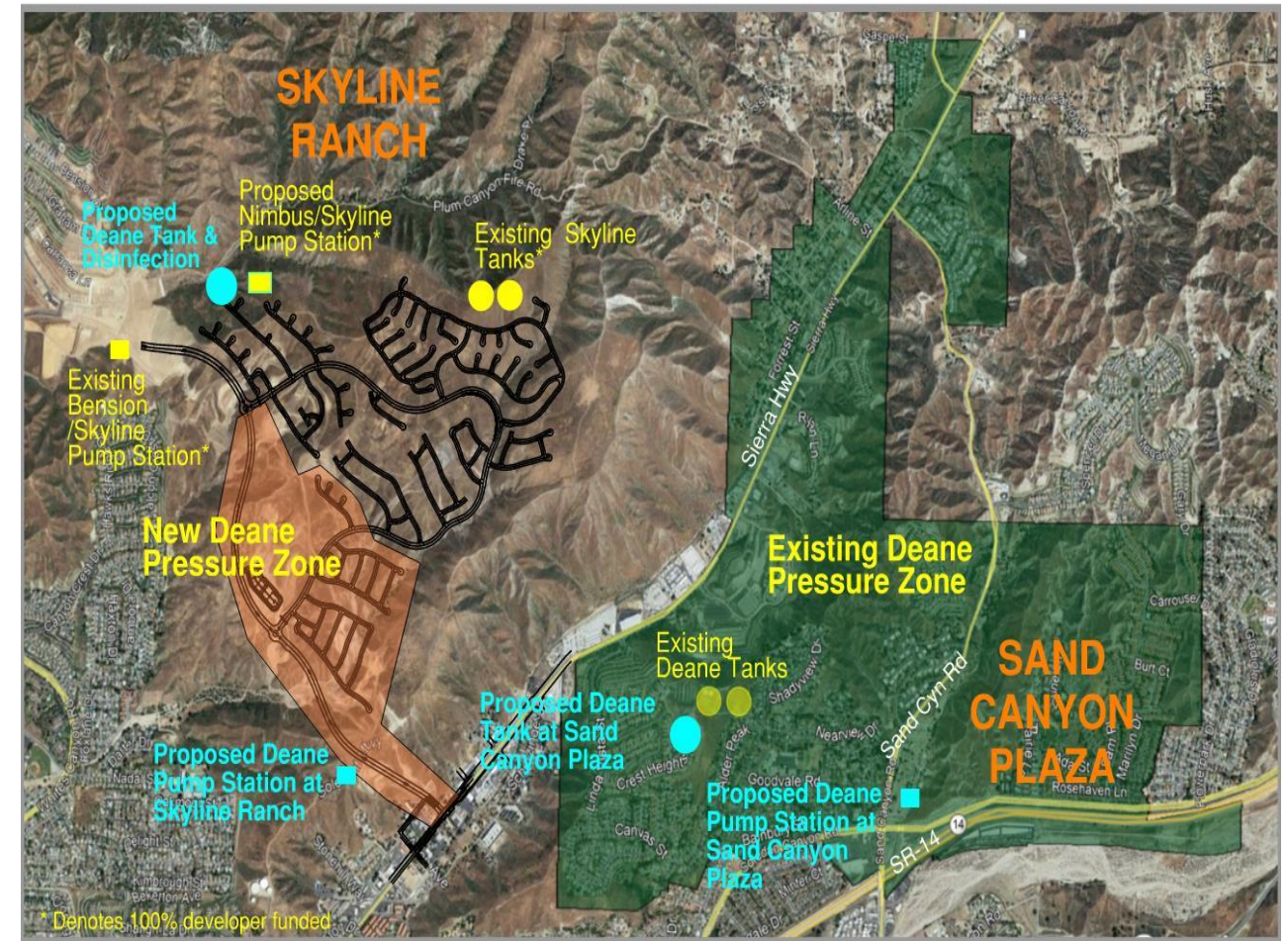


Santa Clara & Honby Wells PFAS Treatment



Deane Zone Improvements

- Construction
 - 2.08 MG Tank @ Skyline Ranch
 - Pump Station @ Skyline Ranch
 - 1.5 MG Tank @ Sand Canyon Plaza
 - Pump Station/Pipelines @ Sand Canyon Plaza
- Funding
 - Developer pays their fair share of facilities plus facility capacity fees
 - Capacity Fees fund a portion of CIP for new system capacity
- Benefits of Participation
 - Developer contributed land
 - Developer conducted environmental review (CEQA)
 - Economies of scale for design & construction
 - Addresses deficiencies in existing system



Engineering & Operations - PayGo Pipeline Improvements and Replacements

- Engineering and Operations work collaboratively on pipeline improvement projects
- Projects are based on several criteria
 - Age, material and failure rate, location and criticality, unforeseen and unexpected projects

Capital Projects	FY 2022/23 Projected
Valencia Marketplace Pipeline Replacement	\$ 3,200,000
Dickason Drive Pipeline Replacement	\$ 2,300,000
Operations Pipeline Replacements (Beneda Ln, Via Princessa, Simay Ln, C1 Drain)	\$ 738,000
Placeholder Unforeseen/Unexpected Improvements/Replacements	\$ 1,243,000
Identified Pipeline Improvements/Replacements (Smyth Dr., Newhall Ranch Rd/Tibbitts, Newhall Ranch Rd/Bouquet Cyn, Vasquez Cyn, Abdale/Maplebay/Beachgrove)	\$ 5,696,900
	\$ 13,177,900



Pipeline Improvements & Replacements

Total miles of pipe = ~920

- Projects FY23

- Planning/Design:

- Vasquez Cyn
 - Abdale St/Maplebay Ct/Beachgrove Ct)
 - RVTP Sewer
 - Sand Canyon Sewer
 - Smyth Drive (PVC)

- Construction:

- Valencia Marketplace (PVC)
 - Dickason Drive (PVC)
 - McBean Pkwy (Henry Mayo Hospital) (ACP)
 - Poe Pkwy (ACP)



Operations CIP Overview

- Require limited engineering support
- Consist of several general categories, each with specific individual projects
- A portion of each budget is held for unforeseen failures and unexpected projects



Operations CIP Overview - PayGo

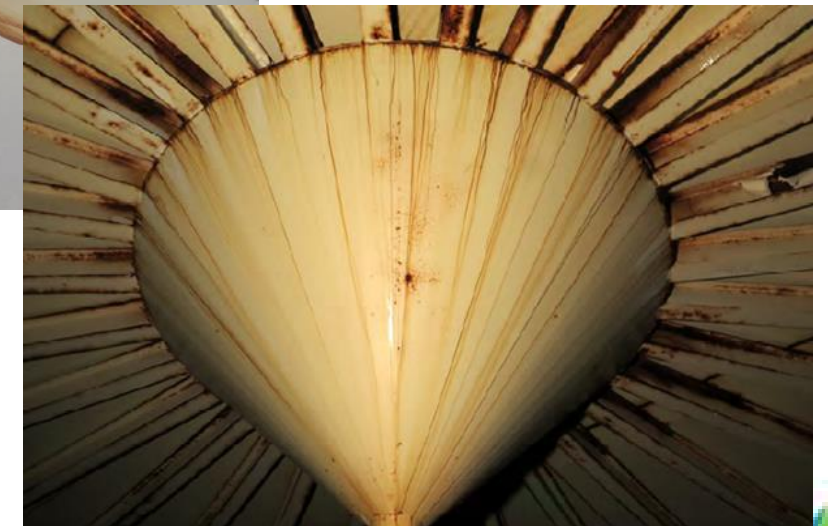
Capital Projects	FY 2022/23 Projected
Appurtenance Improvements & Replacements	\$ 410,000
Booster Station Improvements & Replacements	\$ 1,050,000
Disinfection System Improvements & Replacements	\$ 775,000
Equipment Improvements & Replacements	\$ 1,575,000
Meter & Meter Infrastructure Improvements & Replacements	\$ 2,075,000
Storage Tank Improvements & Replacements	\$ 840,000
Technology Improvements & Replacements	\$ 300,000
Treatment Plant Improvements & Replacements	\$ 1,350,000
Well Improvements & Replacements	\$ 976,000
Laboratory Improvements & Replacements	\$ 400,000
Warehouse & Surface Improvements & Replacements	\$ 850,000
	\$ 10,601,000



Storage Tank Improvements & Replacements

Total Storage Tanks = 102*

- Storage Improvement Criteria
 - 3-5 year dive inspections
- Key Projects
 - Deane Tank
 - Recycled Water Tank

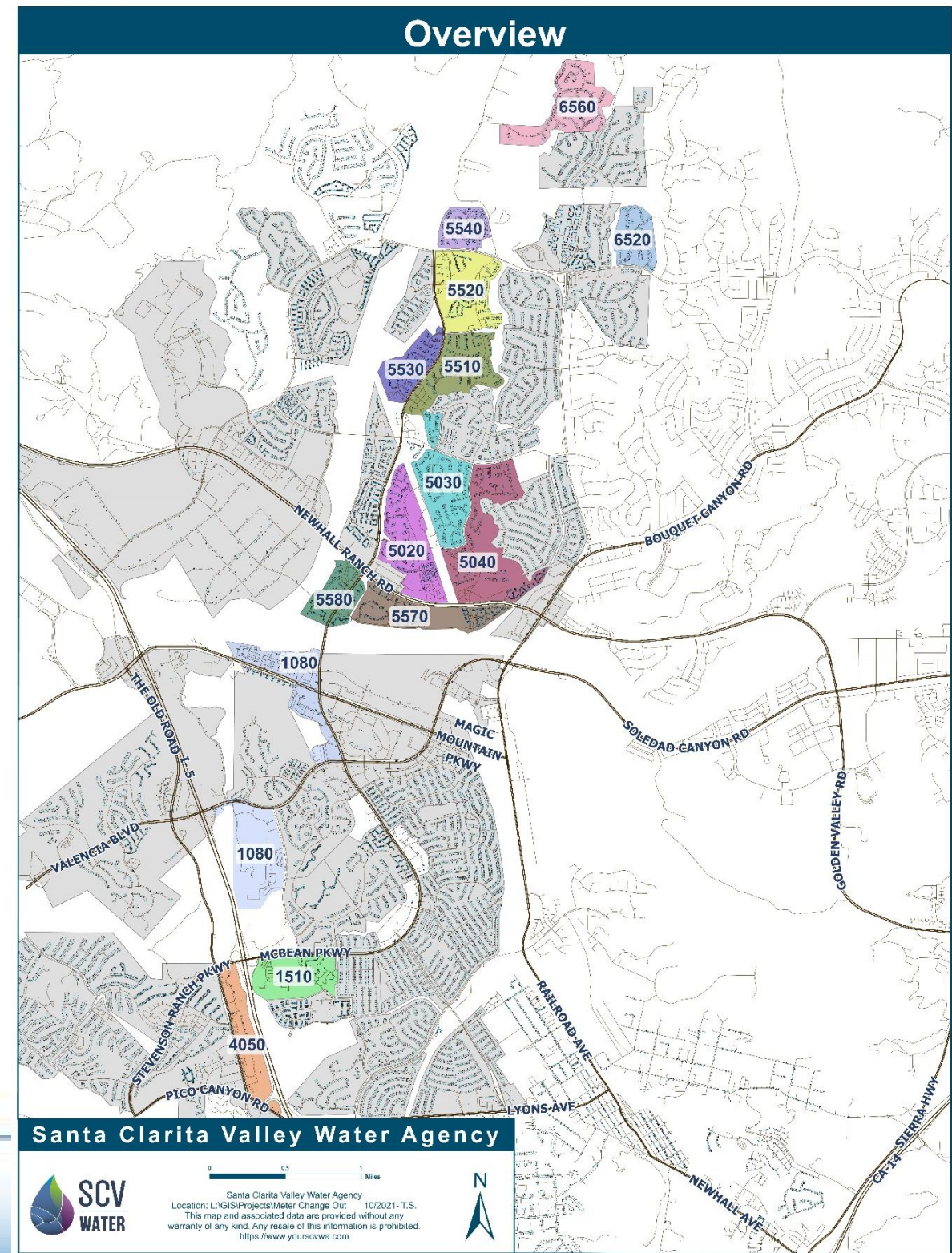


*Includes RW, concrete reservoir and plant water tank



Meter Improvements & Replacements

- Meter Replacement Criteria
 - Age
 - Volume
 - Read Style
- AMI Target Areas
 - Grant proposed area - 5,000
 - General replacements - 3,700



Well Improvements & Replacements

Total Wells = 55*

- Well Rehabilitation Criteria
 - Specific capacity
 - Production
 - Age
 - PFAS Treatment
- Key Projects
 - Saugus 1
 - Well 160
 - Guida



*includes inactive, standby, non-potable



Equipment Replacements

- **Equipment Replacement Criteria**
 - Age, mileage, maintenance costs and regulatory requirements
- **Equipment Totals**
 - 115 Vehicles
 - 31 \geq 10 years old
 - 10 \geq 110,000 miles
 - 10 Mobile Generators
 - Age range 2000 - 2012
 - Heavy Equipment
 - 6 Backhoes - 1996 - 2019
 - 6 Dump Trucks - 2000 - 2018



Administration & Technology - PayGo

- FY 23 Budget - \$3,141,000
 - General Office/Facilities Replacements - \$280,000
 - 6 Buildings & 4 Warehouses
 - HVAC Repairs/Replacements, Fencing/Gates, Plumbing, Electrical, Lobby Improvements
 - Chiller Replacement – Rio Vista - \$600,000
 - Exceeded useful life
 - Operating on one compressor
 - Lead times for replacement 35-40 weeks
 - Technology Improvements and Replacements - \$2,261,000
 - Asset Management Pilot Program
 - SMARTworks Technology Platform (Customer Service)
 - Unified IP Security Camera System
 - Data Warehouse
 - Server Replacements
 - PC Replacements



Water Resources - PayGo

- FY 23 Budget - \$11,215,930
 - Capital Planning and Studies
 - BVERRB Storage and Recovery Program - \$2,937,832
 - Feasibility Study and Environmental Docs (GSP) - \$150,000
 - Invasive Species Management - \$250,000
 - Resiliency Water Master Plan - \$1,500,000
 - Water Resources and Supply
 - Yuba Accord Water - \$1,089,000
 - Battery Energy Storage and Solar Project – ESFP - \$ 1,892,652
 - Battery Energy Storage Project – RVWTP - \$1,166,446
 - Bridgeport Pocket Park - \$230,000
 - Update Water Conservation and Education Garden - \$2,000,000



Alternate Fund Summary

	Adopted Budget FY 2021/22	Projected FY 2021/22	Approved Budget FY 2022/23	Revised Budget FY 2022/23
Fund Balance, Beginning	\$ 28,204,173	\$ 35,338,470	\$ 10,924,623	\$ 18,071,470
REVENUES				
New Money/Funding	\$ 19,500,000		\$ 75,000,000	\$ 75,000,000
Grant Reimbursements				
Investment Revenues	\$ 32,000	\$ 32,000	\$ 80,000	\$ 375,000
Total Revenues	\$ 19,532,000	\$ 32,000	\$ 75,080,000	\$ 75,375,000
EXPENDITURES				
Capital Projects	\$ (36,811,550)	\$ (17,299,000)	\$ (40,447,650)	\$ (41,981,000)
Available Fund Balance, Ending	\$ 10,924,623	\$ 18,071,470	\$ 45,556,973	\$ 51,465,470

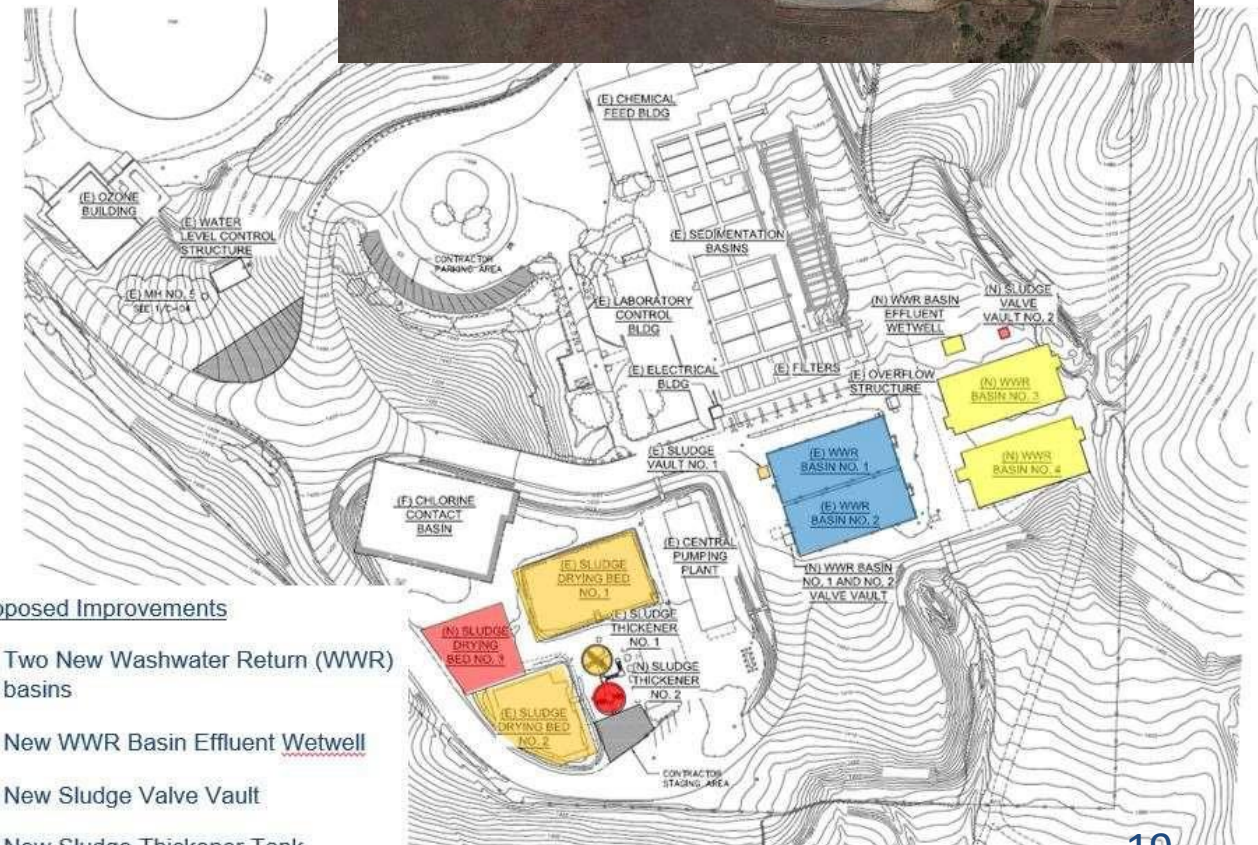
Alternate Funded CIP

Engineering and Water Resources Capital Projects	FY 2022/23 Projected
ESFP Sludge Collection System	\$ 15,000,000
Well 201 VOC Groundwater Treatment Improvements	\$ 3,300,000
Recycled Water Fill Station	\$ 1,000,000
Recycled Water Program Phase II, 2C - South End Backbone	\$ 6,000,000
Magic Mountain Pipeline No. 6	\$ 3,400,000
Magic Mountain Reservoir	\$ 3,000,000
Castaic Conduit	\$ 4,200,000
LARC Pipeline	\$ 1,500,000
Water Banking	\$ 2,300,000
Sites	\$ 1,000,000
Total Projects less than \$1 Million	\$ 1,281,000
	\$ 41,981,000



Earl Schmidt Filtration Plant (ESFP) Sludge Collection System

- Construction
 - Sludge Collection System
- Project Details
 - Upgrade of ESFP wash water return and sludge collection system.
 - 2 wash water basins
 - 1 sludge thickener tank
 - 1 sludge drying bed



Proposed Improvements

1. Two New Washwater Return (WWR) basins
2. New WWR Basin Effluent Wetwell
3. New Sludge Valve Vault
4. New Sludge Thickener Tank
5. New Sludge Drying Bed

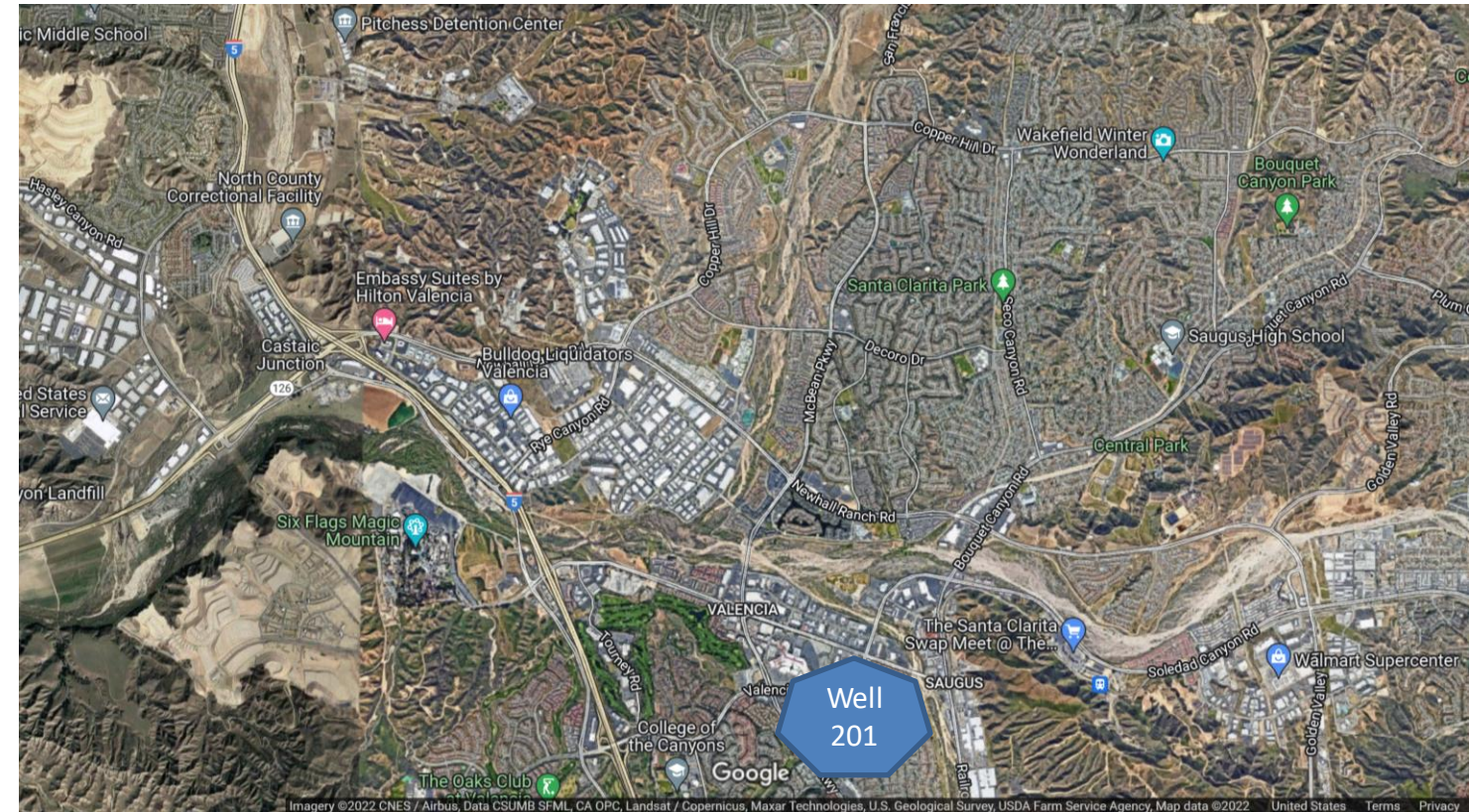
Magic Mountain 6B Pipeline and Reservoir

- Construction
 - 42" Steel Pipeline Installation
 - 5.7 MG Regional Reservoir
- Project Details
 - 2,700 feet of 42" Steel Pipeline Installation
 - Grading and installation of a 5.7 MG Regional Reservoir



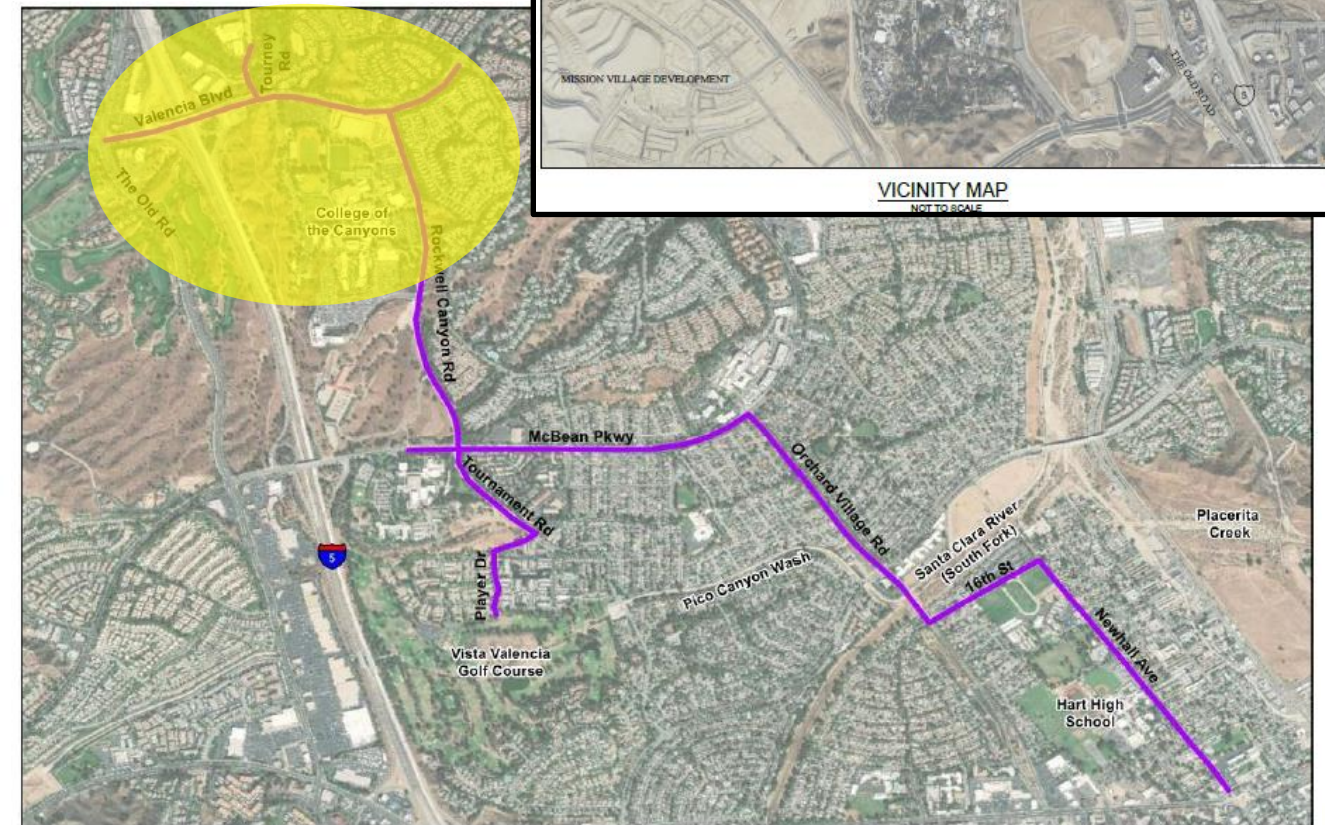
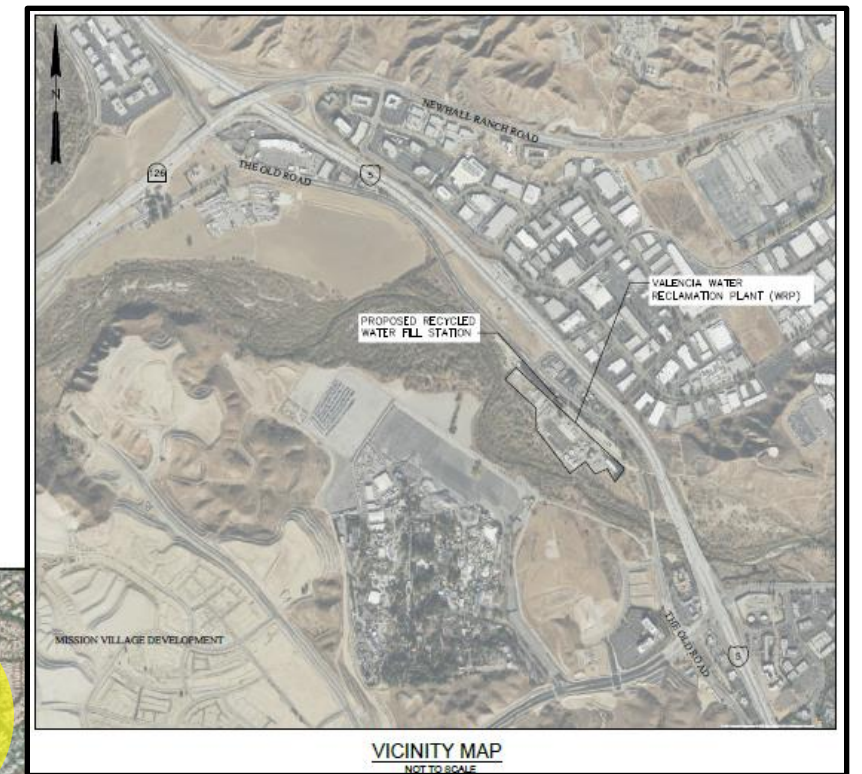
Well 201 VOC Groundwater Treatment

- Construction
 - VOC Groundwater Treatment
- Project Details
 - Construct VOC Treatment Improvements.
 - Will produce 3,250 AFY



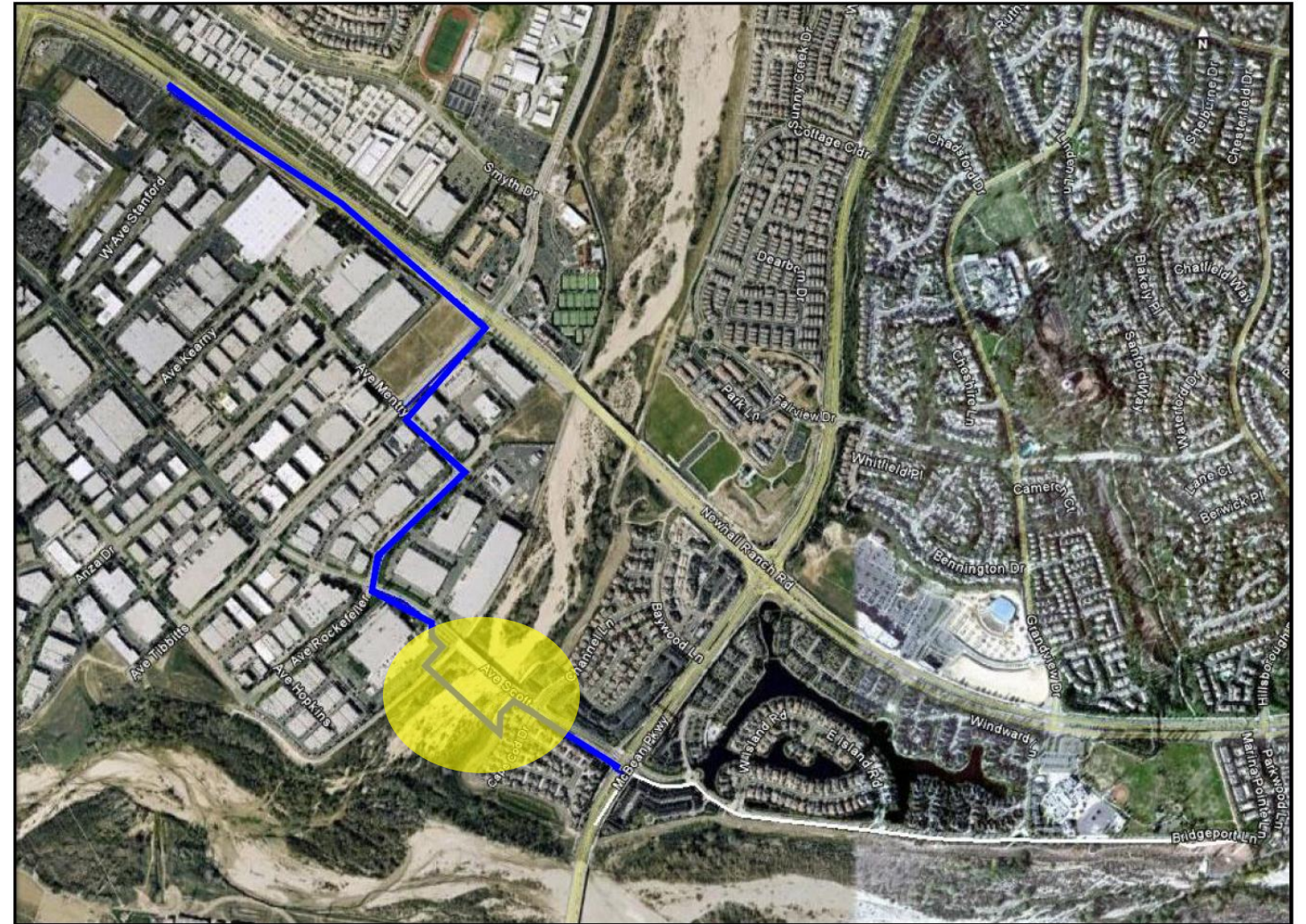
Recycled Water Improvements

- Construction
 - Construct a new recycled water fill station at the Valencia Water Reclamation Plant.
 - Expand the recycled water system to the College of the Canyons.
- Project Details
 - Construct a recycled water fill station with two overhead pipe stands.
 - Install recycled water pipelines from Valencia Boulevard and The Old Road Intersection to the College of the Canyons (highlighted in yellow).



Castaic Conduit

- Construction
 - Construct the Castaic Conduit Pipeline portion under San Francisquito creek (highlighted in yellow). The remaining portions of the 54-inch steel pipeline will be constructed in a future fiscal year.

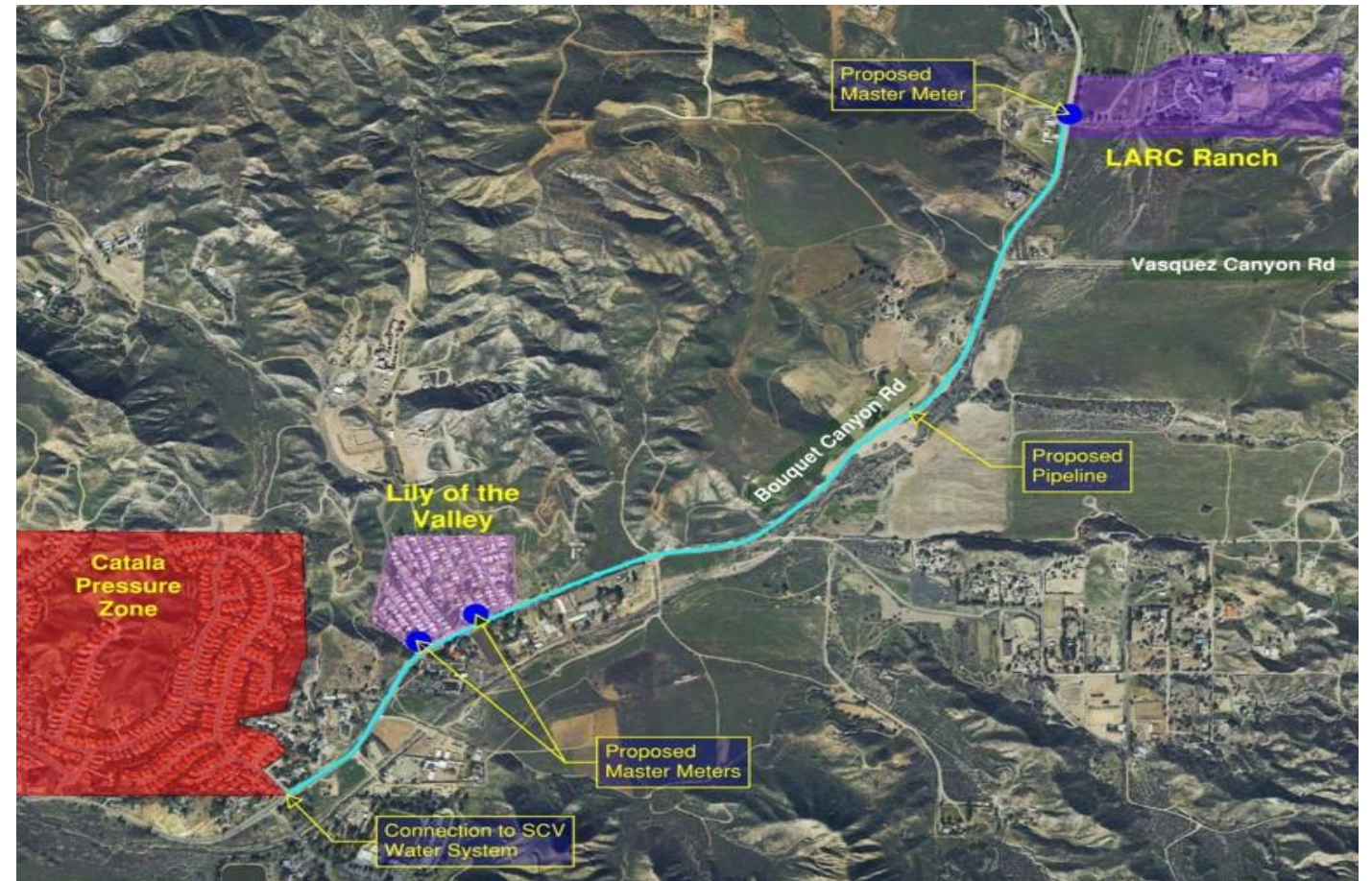


Castaic Conduit Pipeline Alignment



Los Angeles Residential Community (LARC) Pipeline Project

- Funding
 - \$3.9M Grant for 8-inch pipeline
 - \$1.5M FY23 to upsize to 12-inch pipeline for existing residents
- Construction
 - 12-inch ductile iron pipeline extends 9,600 feet to LARC
 - Master Meters will serve LARC & Lily of the Valley
 - Onsite Pump Station at LARC



CAPITAL PLAN FUNDING (PAY-GO)

	Approved		Revised	
	FY 2022/23		FY 2022/23	
Revenues*	\$	138,359,931	\$	148,462,098
Expenses		(85,919,563)		(94,061,061)
Debt Service		(33,214,071)		(33,214,071)
Transfer - Other Fund**		-		7,260,170
Carryover Funds (Prior Year)		29,802,139		47,358,694
Total CIP Pay-go	\$	49,028,436	\$	75,805,830
Total CIP Pay-go	\$	49,028,436	\$	75,805,830
Transfer - Other Fund**				(7,260,170)
Carryover Funds (Prior Year)		(29,802,139)		(47,358,694)
Funded by Rates/Other Rev	\$	19,226,297	\$	21,186,966
CIP Pay-go Unfunded	\$	6,871,696	\$	-

*Includes current year Facility Capacity Fee/Connection Fee revenues

**Transfer In from Connection Fee fund



BALANCED OPERATING BUDGET

(in millions)

	BUDGET FY 2021/22		PROJECTED FY 2021/22		APPROVED FY 2022/23		REVISED FY 2022/23	
	Ins	Outs	Ins	Outs	Ins	Outs	Ins	Outs
Water Sales	\$ 86.9		\$ 99.6		\$ 92.4		\$ 92.7	
Property Tax	\$ 27.9		\$ 29.6		\$ 28.6		\$ 30.2	
Grants	\$ 1.3		\$ 1.6		\$ 2.5		\$ 5.3	
Reimbursements	\$ 0.2		\$ 1.1		\$ 0.4		\$ 3.6	
Settlement Agreement	\$ 8.2		\$ 3.2		\$ 3.3		\$ 8.9	
Misc Revenue	\$ 2.4		\$ 1.1		\$ 2.5		\$ 1.4	
Capacity/Connection Fees	\$ 8.6		\$ 7.3		\$ 8.7		\$ 6.3	
Operating Expense		\$ 84.4		\$ 80.6		\$ 85.9		\$ 94.1
Capital Pay-go (Operating)*		\$ 18.2		\$ 29.2		\$ 19.2		\$ 21.2
Debt Service		\$ 33.0		\$ 33.0		\$ 33.2		\$ 33.2
	\$ 135.5	\$ 135.5	\$ 143.5	\$ 142.7	\$ 138.4	\$ 138.4	\$ 148.5	\$ 148.5

A balanced budget is a budget in which inflows equal or exceed outflows

Operating Funds Available for Pay-go

- FY 2022/23 \$21,186,966

*Balance of Capital Pay-go plan will be funded from carryover funds



	FY 2022/23
Beginning Fund Balance	\$ 189,000,974
Reserves	(113,990,701)
Net Available	\$ 75,010,273
Revenues	
Water Sales	\$ 92,701,625
Property Tax	30,244,543
Grants & Reimbursements	10,999,650
Settlement Agreement	6,791,105
Misc Revenue	1,425,174
Expenses	(94,061,061)
Debt Service (wFCF offset)	(21,307,847)
CIP Pay-go (wCF offset)	(68,545,660)
Available Fund Balance EOY	\$ 33,257,802
Stage 2 Conservation - Full Year	(8,553,148)
Adjusted Fund Balance EOY	\$ 24,704,654

Unrestricted Cash Position (Operating Fund)

- Debt Service - \$11.9 million of Facility Capacity to offset FCF portion of outstanding debt service
- CIP Pay-go – \$7.3 million of SCWD Connection Fees to offset expansion projects in the SCWD service area

Changes from April 26, 2022 Presentation

- Added \$600,000 to CIP under Administration
- Pro Forma - Page 65
 - Changed Revenue Description for the Capital Project Fund
 - From Bond/Loan Proceeds to Forecasted Funding
- Added language to the Resolution
 - *4. Acknowledges that any debt financing required to pay for the approved capital plan will require separate Board approval.*

Recommendation

- The Board of Directors to approve a resolution, revising the Fiscal Year 2022/23 Budget
 - Reviewing and select funding alternates for the Capital Improvement Plan