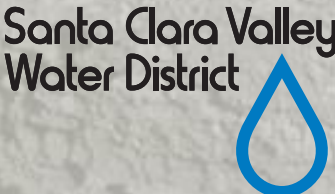


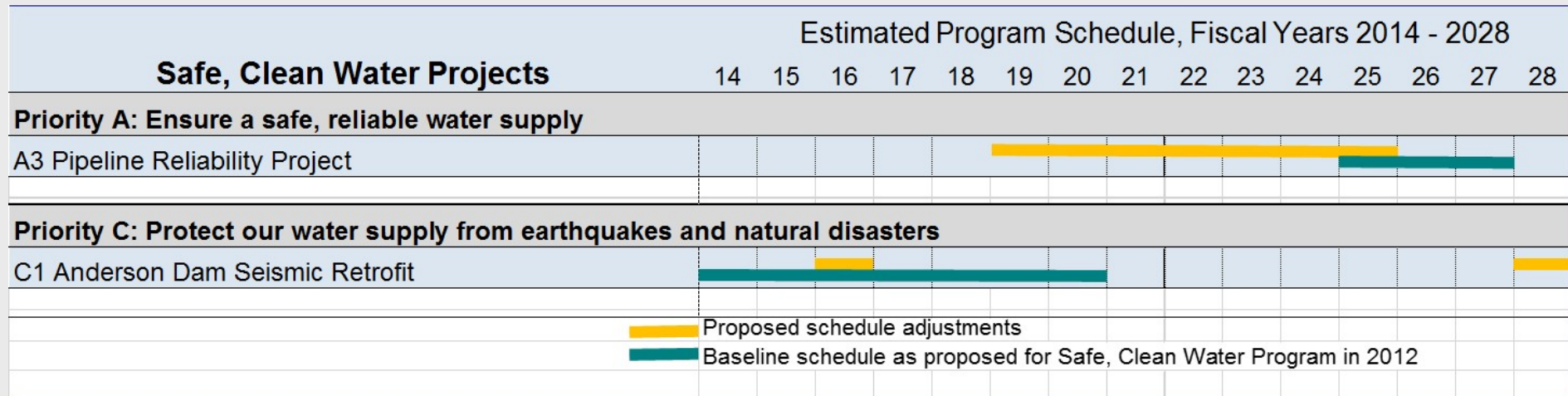
Safe, Clean Water
and Natural Flood Protection

Board Approved Schedule Adjustments to Original Program Estimated Completion Dates Fiscal Year 2016-2017



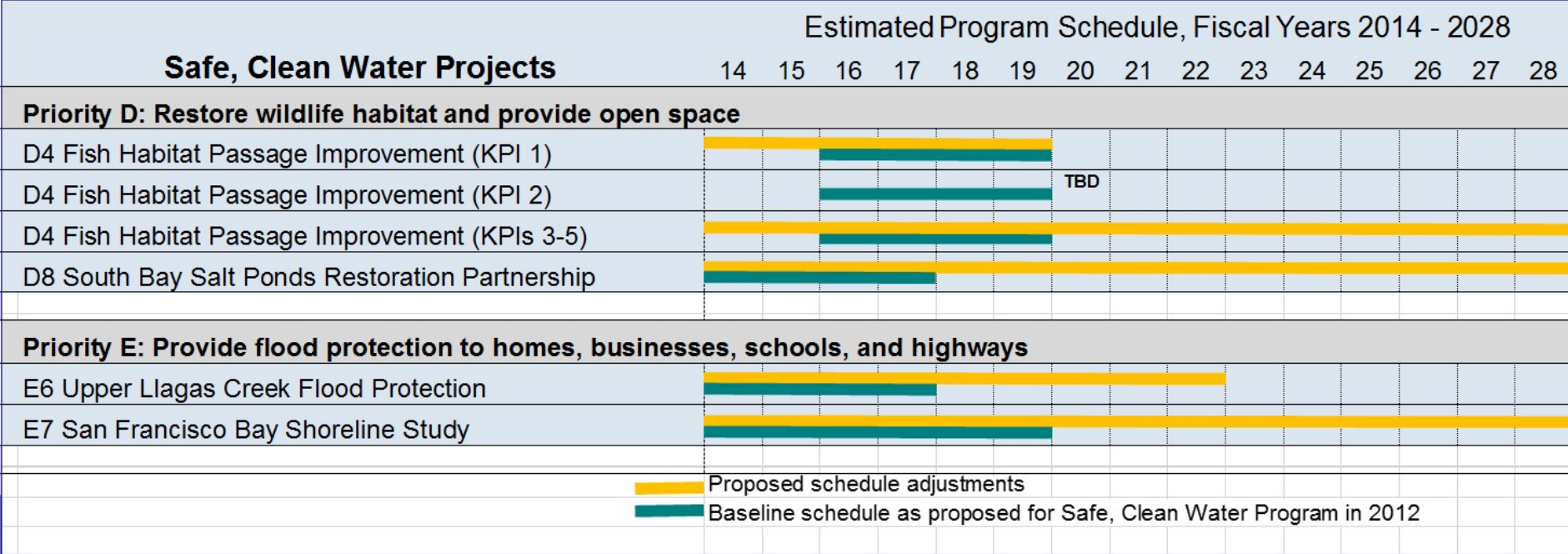
SCW Program Schedule Adjustments

Board approved schedule adjustments to SCW Program estimated completion dates - March 23, 2017



SCW Program Schedule Adjustments

Board approved schedule adjustments to SCW Program estimated completion dates - April 11, 2017



Adjustments to Safe Clean Water Program Project Schedules

Capital project schedules change due to various factors including additional time for evaluation, time to work with external stakeholders on design concepts, changed site conditions, limited annual funding allocations from the federal budget on federal projects, and time for regulatory agencies to review and process construction permit applications.

To keep the Board informed and to request Board approval of SCW Program schedule adjustments to Program- identified completion dates, staff includes SCW Program schedule adjustments in the annual progress report for capital projects.

On March 23, 2017, the Board approved adjustments for the following projects, as detailed below:

Pipeline Reliability (A3 - Ensure a Safe, Reliable Water Supply):

The IRP2 Additional Line Valve project will install four new line valves in the East, West, and Snell pipelines. The original project schedule reflected an estimated start date of FY25 and completion date of FY27. In reviewing the FY15 SCW Annual Report, the Independent Monitoring Committee recommended advancing the project schedule. Staff has evaluated the funding impacts and staff resource availability for initiating this project earlier, and, as part of the January 10, 2017 presentation of the Preliminary FY2018-2022 CIP to the Board, informed the Board that this project work will be incorporated into the District's 10-Year Pipeline Inspection and Rehabilitation Program. The planning phase for this project is anticipated to begin in FY19. Staff is currently estimating that construction will be completed by FY25. Staff's recommendation is to adjust the SCW A3 project schedule to begin in FY19 and be completed by FY25.

Anderson Dam Seismic Retrofit (C1 - Protect our Water Supply from Earthquakes and Natural Disasters):

The original SCW Program schedule, as included in the SCW Program Report, referenced the project's baseline delivery schedule. The Key Performance Indicator (KPI) for this project is the transfer of up to \$45M (2012 dollars) of SCW Program funding to partially reimburse the Water Utility for the seismic retrofit project costs. Thus, the funding schedule is what should be referenced in the Program to indicate progress toward completing the KPI. The original fund transfer was to occur in two years - FY18 and FY28. The first fund transfer was completed in FY16. The second and final transfer is still scheduled for FY28. Staff recommends adjusting the SCW C1 schedule to reflect the FY16 actual and FY28 planned fund transfers rather than the project delivery schedule.

On April 11, 2017, the Board approved adjustments for the following projects, as detailed below:

Fish Habitat and Passage Improvement (D4):

The original project schedule indicates an estimated completion date of FY19, however, based upon the different Key Performance Indicators (KPI), staff is recommending separating the schedules. For KPI 1, planning and design for two creek/lake separation projects, the estimated completion date is FY19. For KPI 2, construction of one creek/lake separation project, the construction schedule will be determined when the Board selects which of the two projects will be constructed.

Staff also recommends combining the remaining schedules for KPI's 3-5 (fish passage improvements, study of all major steelhead streams, and installation of large woody debris and or gravel, respectively), with a completion date of FY28 to allow sufficient time to complete the studies and implement the improvements.

South Bay Salt Ponds Restoration (D8):

The original project schedule estimates a completion date of FY17, however, placing sediment is a long-term need. This project pays for the construction of road improvements that are needed when the placement site for depositing sediments from our Stream Maintenance Program moves from one location to another. Sediments have been deposited at Pond A8 for several years and it is expected that this site will need sediments for several more years.

When a new placement site is needed, roads must be constructed or reinforced to support the heavy equipment that transports the sediment. The move to a new site is expected every 3 to 5 years depending on the size of the site and the amount of sediment available for placement. Staff is recommending that the D8 schedule be extended for the duration of the SCW Program to end in FY28.

Upper Llagas Creek Flood Protection, Buena Vista Avenue to Wright Avenue (E6):

The original project schedule indicated an estimated Phase 1 construction completion date of December 2016 (FY17). In 2010, the District assumed the Project lead from U.S. Army Corps of Engineers (USACE) - Civil Works due to lack of federal funding. The District completed the Project Environmental Impact Report (EIR) that was certified in June 2014 and which was a prerequisite for the District to acquire over 100 properties (Phase 1- 41 parcels, Phase 2-60+ parcels), including the remaining need to acquire Lake Silveira (on-site compensatory mitigation) from County Parks and Recreation.

The District has completed the Phase 1 design (100%) and the Phase 2 design is at 95%. The District has submitted all the required permit applications and is currently in consultation with the various regulatory agencies to obtain the required permits. Before a USACE -Regulatory permit can be negotiated/issued, the USACE needs to finalize their Project Environmental Impact Statement (EIS). All the above items were factors in the Phase 1 construction start date being delayed. It is currently estimated that Phase 1 construction will begin construction in FY18, with Phase 1 completion of the flood protection improvements by FY20. Phase 2 construction is currently estimated to begin in FY19 and be completed by FY22. Accordingly, staff recommends adjusting the SCW E6 schedule completion date to FY22.

San Francisco Bay Shoreline Study (E7):

The original project schedule estimates a completion date of FY19. Due to uncertainties with the permitting process, the need to coordinate with the Union Pacific Railroad and the City of San José, as well as the risk of not receiving continued federal funding, staff is recommending that the E7 completion date, for both Key Performance Indicators, be extended to FY28.