

**CITY OF MORGAN HILL
CAPITAL IMPROVEMENT PROGRAM
Sanitary Sewer**

(Thousands of Dollars)

2013-14 2014-15 2015-16 2016-17 2017-18 TOTALS

PROJECT TITLE

302000	Sanitary Sewer Rehabilitation	\$2,000	\$1,480	\$720	\$920	\$0	\$5,120
303093	Sewer Plant Expansion Project	\$1,621	\$766	\$1,349	\$649	\$4,208	\$8,593
303A11	Sewer Plant Improvement	\$4,491	\$5,691	\$1,664	\$149	\$156	\$12,151
304000	Lift Station Rehabilitation	\$570	\$840	\$840	\$960	\$1,015	\$4,225
308A08	New Trunk Line	\$150	\$1,090	\$2,080	\$0	\$0	\$3,320
315006	New Sewer Mains	\$0	\$140	\$1,480	\$50	\$0	\$1,670
317012	Update Sewer Master Plan	\$50	\$30	\$0	\$0	\$0	\$80
		\$8,882	\$10,037	\$8,133	\$2,728	\$5,379	\$35,159

PROJECT FUNDING SOURCES

641	Sewer Impact Fund (AB1600)	\$2,121	\$2,466	\$5,349	\$1,209	\$4,743	\$15,888
643	Sewer System Replacement Fund	\$6,761	\$7,571	\$2,784	\$1,519	\$636	\$19,271
		\$8,882	\$10,037	\$8,133	\$2,728	\$5,379	\$35,159

Project: Sanitary Sewer Rehabilitation

Project No.: 302000

Project Location: City-wide

Category: Sanitary Sewer



DESCRIPTION: The City's wastewater collection system requires an on-going program of evaluation, cleaning, improvement, and repairs. For FY 13-14, 1) The sewer main on Dunne Avenue from Hill Road to Murphy Avenue has been identified as a priority for the ongoing maintenance program. 2) There is an 8-inch sewer main flowing east to west through an easement that picks up flow from significant wastewater generators and deposits this flow into the sewer trunk on Monterey Road that does not have a manhole at the point of connection. A sewer manhole will be added on Monterey Road between Madrone Parkway and Cochrane Circle. 3) Crest Line 4) Lindo Lane

JUSTIFICATION: This repair will improve system reliability, reduce infiltration and inflow problems, and reduce the number of emergency repairs.

RESPONSIBLE DEPARTMENTS: Engineering

302000 - Sanitary Sewer Rehabilitation		(Thousands of Dollars)					Five
	2013-14	2014-15	2015-16	2016-17	2017-18	Year	
EXPENDITURE CATEGORY							
6120 - Property Acquisition						\$0	
6121 - Right-of-Way Acquisition						\$0	
6220 - Architecture, Design & Constr Support	\$125	\$50	\$50	\$40		\$265	
6360 - Construction	\$1,700	\$1,300	\$600	\$800		\$4,400	
6450 - Furnishings, Fixtures and Equipment	\$175	\$130	\$70	\$80		\$455	
6530 - Project Implementation						\$0	
PROJECT COST	\$2,000	\$1,480	\$720	\$920		\$5,120	
FUNDING SOURCE(S)							
643-Sewer System Replacement Fund	\$2,000	\$1,480	\$720	\$920		\$5,120	
FUNDING TOTALS	\$2,000	\$1,480	\$720	\$920		\$5,120	

ESTIMATED PROJECT SCHEDULE	2013-14	2014-15	2015-16	2016-17	2017-18
Funding Development					
Project Design	Q1	Q1	Q1	Q1	
Community Input & Environmental Reviews	Q1-Q2	Q1-Q2	Q1-Q2	Q1-Q2	
City Council Approvals					
Finalized Design	Q2-Q3	Q2-Q3	Q2-Q3	Q2-Q3	
Construction	Q3-Q4	Q3-Q4	Q3-Q4	Q3-Q4	
Project Close-out	Q4	Q4	Q4	Q4	

FINANCIAL DISCUSSION & FISCAL IMPACT

COST ESTIMATE ACCURACY: Estimate is based on Engineers estimate, however, many unknowns exist (such as old, undocumented sewer lines) and the true accuracy of cost estimates can only be determined once the projects have commenced.

PRIOR EXPENDITURES: This is an ongoing Capital Project program. Expenditures vary according to size and scope of each project. - FY12/13 \$80,000 (estimated) - FY11/12 \$65,432 (see 610000) - FY10/11 \$4,972 - FY09/10 \$6,880 - FY08/09 \$32,608 - FY07/08 \$12,323 - FY06/07 \$52,752 - FY05/06 \$677,187 - FY04/05 \$244,105

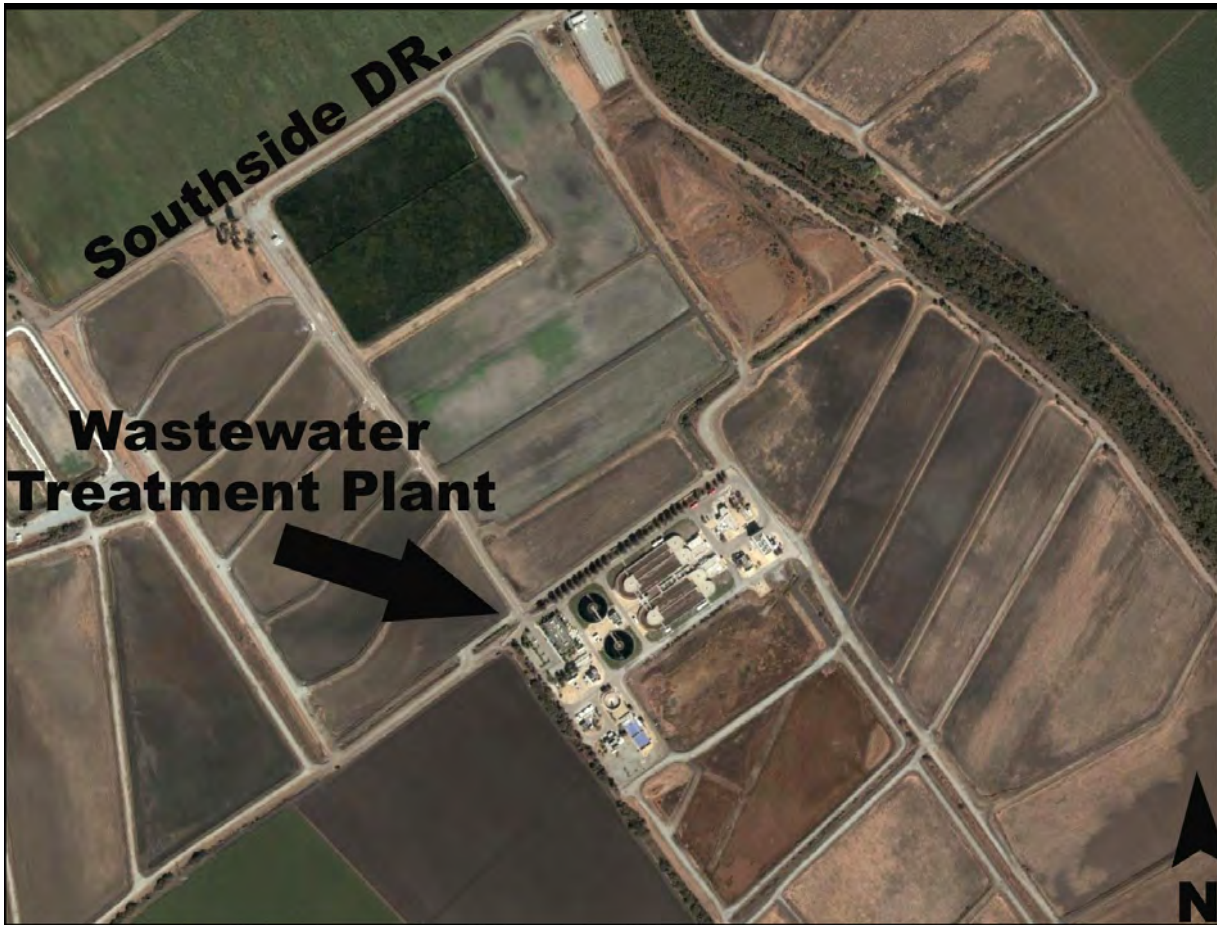
OPERATIONS and MAINTENANCE FISCAL IMPACT: This project will reduce the likelihood of costly emergency repairs to this section of the system. Proactive improvements and rehabilitation to sewer mains that have reached the end of their useful life allows the Division to avoid emergency repair costs.

Project: Sewer Plant Expansion Project

Project No.: 303093

Project Location: Gilroy Treatment Plant

Category: Sanitary Sewer



DESCRIPTION: The South County Regional Wastewater (SCRWA) treatment plant in Gilroy has recently been re-rated and now has a capacity of 8.5 mgd (million gallons/day). The plant expects to expand and eventually treat 9.6 mgd, however annual flow projections studies have been revised and it is not expected that the plant will require expansion until FY 19-20, thus design work is not expected to commence until FY 15-16 with construction beginning in FY 17-18.

The Morgan Hill share of expansion is approximately 41% of the total project cost and is estimated to be funded through impact fees and a bond issuance. Debt service on the bond proceeds will be funded by impact fees.

JUSTIFICATION: Future development will require that the plant treat a larger volume of wastewater. Revised wastewater flow projections will continue to be updated and once the current capacity is expected to be exceeded, the expansion project will commence.

RESPONSIBLE DEPARTMENTS: Engineering

303093 - Sewer Plant Expansion Project		(Thousands of Dollars)					Five
	2013-14	2014-15	2015-16	2016-17	2017-18	Year	
EXPENDITURE CATEGORY							
6120 - Property Acquisition						\$0	
6121 - Right-of-Way Acquisition						\$0	
6220 - Architecture, Design & Constr Support						\$0	
6360 - Construction	\$1,621	\$766	\$1,349	\$649	\$4,208	\$8,593	
6530 - Project Implementation						\$0	
PROJECT COST	\$1,621	\$766	\$1,349	\$649	\$4,208	\$8,593	
FUNDING SOURCE(S)							
641-Sewer Impact Fund (AB1600)	\$1,621	\$766	\$1,349	\$649	\$4,208	\$8,593	
FUNDING TOTALS	\$1,621	\$766	\$1,349	\$649	\$4,208	\$8,593	

ESTIMATED PROJECT SCHEDULE	2013-14	2014-15	2015-16	2016-17	2017-18
Funding Development					
Project Design					
Community Input & Environmental Reviews					
City Council Approvals					
Finalized Design					
Construction	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4
Project Close-out	Q4	Q4	Q4	Q4	Q4

FINANCIAL DISCUSSION & FISCAL IMPACT

COST ESTIMATE ACCURACY: The City of Gilroy oversees the management of the facility and thus cost estimates are provided by SCRWA staff.

PRIOR EXPENDITURES: On-going improvement projects are part of the annual SCRWA budget and are funded with accumulated impact fees. - FY12/13 \$140,283 (estimated) - FY11/12 \$1,239,566 - FY10/11 \$2,577,920 - FY09/10 \$288,891 - FY08/09 \$877,816 - FY07/08 \$518,707 - FY06/07 \$3,667 - FY05/06 \$1,841,047 - FY04/05 \$703,396

OPERATIONS and MAINTENANCE FISCAL IMPACT: Once completed, additional wastewater treatment costs will be paid for by new residential and commercial customers.

Project: Sewer Plant Improvement

Project No.: 303A11

Project Location: Gilroy Treatment Plant

Category: Sanitary Sewer



DESCRIPTION: Constructed in 1994, the South County Regional Wastewater Authority (SCRWA) treatment plant requires on-going maintenance and improvement while also implementing new standards from the State Water Resources Control Board. Projects are identified in the annual SCRWA budget and are funded through wastewater rate payers.

For FY 13-14 the plant will make significant investments to replace many aging components including the primary influent force main, secondary clarifier, aeration system, and the pre-anoxic basin.

JUSTIFICATION: Ongoing plant maintenance and repairs are performed to increase efficiency and reliability - a program that is necessary to maintain the plant's operating license.

RESPONSIBLE DEPARTMENTS: Engineering

303A11 - Sewer Plant Improvement		(Thousands of Dollars)					Five
	2013-14	2014-15	2015-16	2016-17	2017-18	Year	
EXPENDITURE CATEGORY							
6120 - Property Acquisition						\$0	
6121 - Right-of-Way Acquisition						\$0	
6220 - Architecture, Design & Constr Support						\$0	
6360 - Construction	\$4,486	\$5,686	\$1,659	\$144	\$151	\$12,126	
6530 - Project Implementation	\$5	\$5	\$5	\$5	\$5	\$25	
PROJECT COST	\$4,491	\$5,691	\$1,664	\$149	\$156	\$12,151	
FUNDING SOURCE(S)							
643-Sewer System Replacement Fund	\$4,491	\$5,691	\$1,664	\$149	\$156	\$12,151	
FUNDING TOTALS	\$4,491	\$5,691	\$1,664	\$149	\$156	\$12,151	

ESTIMATED PROJECT SCHEDULE	2013-14	2014-15	2015-16	2016-17	2017-18
Funding Development					
Project Design					
Community Input & Environmental Reviews					
City Council Approvals					
Finalized Design					
Construction	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4	Q1-Q4
Project Close-out	Q4	Q4	Q4	Q4	Q4

FINANCIAL DISCUSSION & FISCAL IMPACT

COST ESTIMATE ACCURACY: The City of Gilroy oversees the management of the facility and thus cost estimates are provided by SCRWA staff.

PRIOR EXPENDITURES: - FY12/13 \$272,390 (estimated) - FY11/12 \$942,670 - FY10/11 \$0

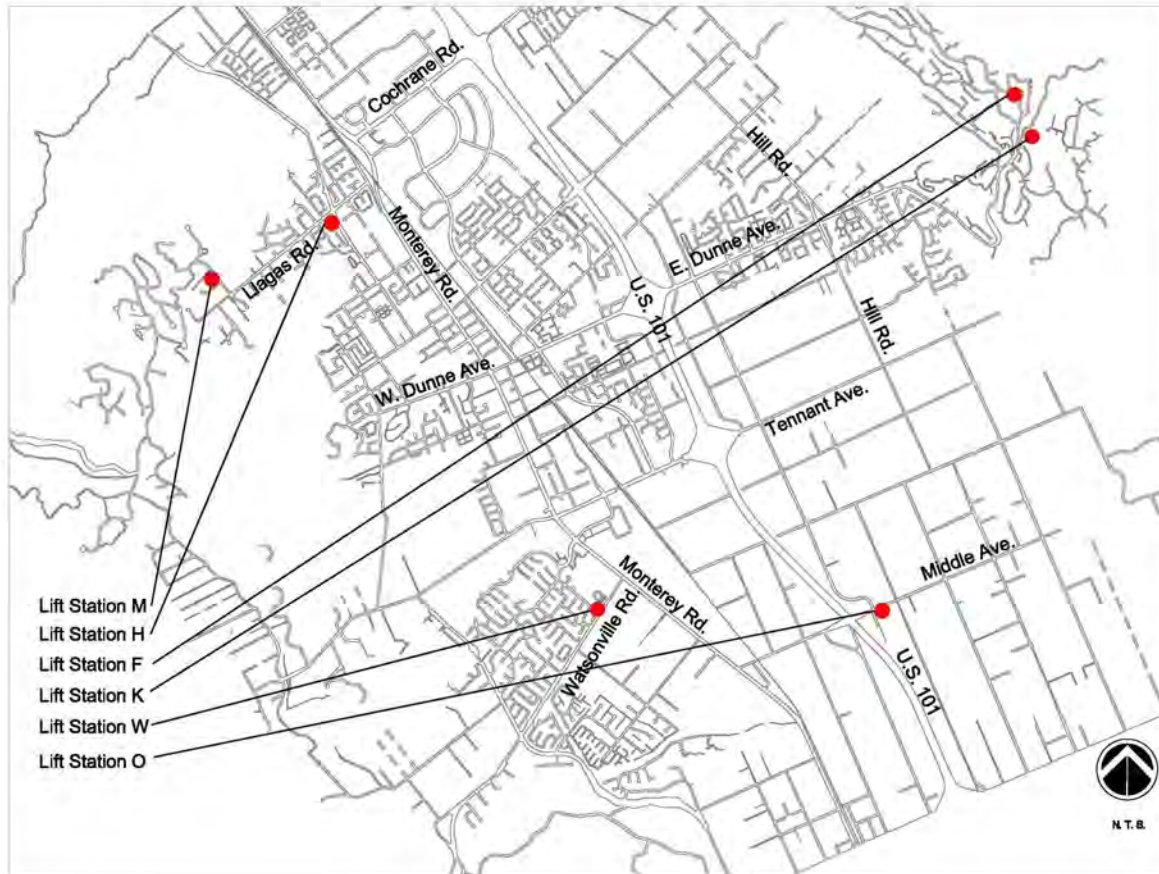
OPERATIONS and MAINTENANCE FISCAL IMPACT: The City's share of major repairs and rehabilitation is included in SCRWA budget and are funded by both impact fees and rate payer revenues.

Project: Lift Station Rehabilitation

Project Location: City-wide

Project No.: 304000

Category: Sanitary Sewer



DESCRIPTION: The City's 14 lift stations are upgraded and repaired as part of the ongoing maintenance program. Lift stations on sanitary sewer systems, often referred to as pump stations, provide the ability to link gravity flow sanitary sewer networks.

For FY 13-14, Lift Station H at the intersection of Llagas Road and Hale Avenue will be rehabilitated and the force main at Lift Station F will be replaced. Lift Stations K and W are scheduled for motor control center replacement and Lift Station K will also have some plumbing work done on the discharge line in FY 14-15. Lift Station O is scheduled for rehabilitation in FY 15-16.

JUSTIFICATION: Many of the City's lift stations are past their useful life, thus an ongoing maintenance/upgrade program ensures that residents are provided safe, reliable services. The program also enables the City to upgrade wastewater facilities to current Regional Water Quality Control Board (RWQCB) standard.

RESPONSIBLE DEPARTMENTS: Engineering

304000 - Lift Station Rehabilitation		(Thousands of Dollars)					Five
	2013-14	2014-15	2015-16	2016-17	2017-18	Year	
EXPENDITURE CATEGORY							
6120 - Property Acquisition						\$0	
6121 - Right-of-Way Acquisition						\$0	
6220 - Architecture, Design & Constr Support	\$40	\$70	\$70	\$80	\$80	\$340	
6360 - Construction	\$480	\$700	\$700	\$800	\$850	\$3,530	
6530 - Project Implementation	\$50	\$70	\$70	\$80	\$85	\$355	
PROJECT COST	\$570	\$840	\$840	\$960	\$1,015	\$4,225	
FUNDING SOURCE(S)							
641-Sewer Impact Fund (AB1600)	\$300	\$440	\$440	\$510	\$535	\$2,225	
643-Sewer System Replacement Fund	\$270	\$400	\$400	\$450	\$480	\$2,000	
FUNDING TOTALS	\$570	\$840	\$840	\$960	\$1,015	\$4,225	

ESTIMATED PROJECT SCHEDULE	2013-14	2014-15	2015-16	2016-17	2017-18
Funding Development	Q1	Q1	Q1	Q1	Q1
Project Design	Q1	Q1	Q1	Q1	Q1
Community Input & Environmental Reviews					
City Council Approvals	Q2	Q2	Q2	Q2	Q2
Finalized Design	Q2	Q2	Q2	Q2	Q2
Construction	Q3-Q4	Q3-Q4	Q3-Q4	Q3-Q4	Q3-Q4
Project Close-out	Q4	Q4	Q4	Q4	Q4

FINANCIAL DISCUSSION & FISCAL IMPACT

COST ESTIMATE ACCURACY: Based on preliminary estimates.

PRIOR EXPENDITURES: - L.S. M \$475,456 FY 12/13 - L.S. M \$51,149 FY 11/12 - L.S. M \$49,352 FY 10/11 - L.S. M \$57,166 FY 09/11 - L.S. P \$4,860 FY 10/11 - L.S. P \$516,031 FY 09/10 - L.S. P \$99,408 FY 08/09 - L.S. C \$62,980 FY 06/07 - L.S. P \$28,141 FY 07/08 - L.S. C \$33,609 FY 08/09 - L.S. C \$589,667 FY 07/08 - L.S. G \$717,585 FY 05/06 - L.S. G \$48,356 FY 04/05 - L.S. B \$2,087 FY 05/06

OPERATIONS and MAINTENANCE FISCAL IMPACT: Investing in a lift station rehabilitation program ensures safety and reliability and reduces emergency repair costs.

Project: New Trunk Line

Project No.: 308A08

Project Location: Various Locations

Category: Sanitary Sewer



DESCRIPTION: In order to facilitate future growth, the City is constructing a new parallel trunk sewer from Morgan Hill to the South County Regional Wastewater Authority (SCRWA) plant in Gilroy. Costs for this trunk line are shared between Morgan Hill and Gilroy and are based on the amount of wastewater flow each community produces. The section of pipeline on Harding Avenue between California Avenue and Highland Avenue will be designed in FY 13-14 with the intent to divide the construction of the line into two phases. Phase 1 includes 3,000 feet of pipeline on Harding between California and San Martin Avenue to be constructed in FY14-15. Phase 2 will be built in FY 15-16 and will include 4,200 feet of pipeline on Harding from San Martin Avenue to Highland Avenue and 350 feet of pipeline on Highland west of Harding Avenue.

JUSTIFICATION: The 2002 Sewer Master Plan identified the potential need for the new trunk line and development over the last ten years has verified that this capital improvement is needed.

RESPONSIBLE DEPARTMENTS: Engineering

308A08 - New Trunk Line		(Thousands of Dollars)					Five
	2013-14	2014-15	2015-16	2016-17	2017-18	Year	
EXPENDITURE CATEGORY							
6120 - Property Acquisition						\$0	
6121 - Right-of-Way Acquisition						\$0	
6220 - Architecture, Design & Constr Support	\$130	\$50	\$100			\$280	
6360 - Construction		\$950	\$1,800			\$2,750	
6450 - Furnishings, Fixtures and Equipment	\$20	\$90	\$180			\$290	
6530 - Project Implementation						\$0	
PROJECT COST	\$150	\$1,090	\$2,080			\$3,320	
FUNDING SOURCE(S)							
641-Sewer Impact Fund (AB1600)	\$150	\$1,090	\$2,080			\$3,320	
FUNDING TOTALS	\$150	\$1,090	\$2,080			\$3,320	

ESTIMATED PROJECT SCHEDULE	2013-14	2014-15	2015-16	2016-17	2017-18
Funding Development	Q1	Q1	Q1		
Project Design	Q1-Q2				
Community Input & Environmental Reviews	Q2				
City Council Approvals					
Finalized Design	Q3-Q4				
Construction		Q1-Q4	Q1-Q4		
Project Close-out		Q4	Q1-Q4		

FINANCIAL DISCUSSION & FISCAL IMPACT

COST ESTIMATE ACCURACY: Based on preliminary project design and engineer's estimate

PRIOR EXPENDITURES: \$0 (Phase 2) - FY12-13 \$890,330 (estimated) - FY11-12 \$29,962 - FY10-11 \$3,110 - FY09-10 \$43,188 - FY08-09 \$0 - FY07-08 \$0 (Phase 2A only)

OPERATIONS and MAINTENANCE FISCAL IMPACT: Minimal on-going costs, however, some costs are reduced due to elimination of system bottlenecks and the subsequent reduction in emergency maintenance.

Project: New Sewer Mains

Project No.: 315006

Project Location: City-wide

Category: Sanitary Sewer



DESCRIPTION: A new sewer main on Tennant will be designed in FY 14-15 and constructed in FY 15-16.

JUSTIFICATION: New sewer mains are required to ensure adequate capacity and support development-related growth.

RESPONSIBLE DEPARTMENTS: Engineering

315006 - New Sewer Mains	(Thousands of Dollars)					Five Year
	2013-14	2014-15	2015-16	2016-17	2017-18	
EXPENDITURE CATEGORY						
6120 - Property Acquisition						\$0
6121 - Right-of-Way Acquisition						\$0
6220 - Architecture, Design & Constr Support		\$120	\$50			\$170
6360 - Construction			\$1,300			\$1,300
6530 - Project Implementation		\$20	\$130	\$50		\$200
PROJECT COST		\$140	\$1,480	\$50		\$1,670
FUNDING SOURCE(S)						
641-Sewer Impact Fund (AB1600)		\$140	\$1,480	\$50		\$1,670
FUNDING TOTALS		\$140	\$1,480	\$50		\$1,670

ESTIMATED PROJECT SCHEDULE	2013-14	2014-15	2015-16	2016-17	2017-18
Funding Development		Q1			
Project Design					
Community Input & Environmental Reviews		Q1			
City Council Approvals					
Finalized Design		Q4			
Construction			Q1-Q4		
Project Close-out		Q4	Q4	Q1-Q2	

FINANCIAL DISCUSSION & FISCAL IMPACT

COST ESTIMATE ACCURACY: Based on Engineer's Estimate

PRIOR EXPENDITURES: N/A - FY12-13 \$1,877,695 (estimated) - FY11-12 \$7,691 - FY10-11 \$0 - FY09-10 \$0 - FY08/09 \$0 - FY07-08 \$0 - FY06/07 \$0 - FY05-06 \$0

OPERATIONS and MAINTENANCE FISCAL IMPACT: Minimal increases in operating costs which are offset by additional customers.

Project: Update Sewer Master Plan

Project No.: 317012

Project Location: City-Wide

Category: Sanitary Sewer



DESCRIPTION: The last Sewer Master Plan Update was conducted in 2002 and since that time, the City has experienced significant growth. The 2002 Master Plan made assumptions concerning the location and extent of growth and future infrastructure investments were identified based on those assumptions. As the City updates the General Plan, this is the opportune time to update the Sewer Master Plan and identify future needs of the Capital Improvement Program.

JUSTIFICATION: Updating the City's 10-year old Sewer Master Plan will provide an accurate baseline for identifying future infrastructure needs.

RESPONSIBLE DEPARTMENTS: Engineering

317012 - Update Sewer Master Plan		(Thousands of Dollars)					Five
EXPENDITURE CATEGORY	2013-14	2014-15	2015-16	2016-17	2017-18	Year	
6120 - Property Acquisition						\$0	
6121 - Right-of-Way Acquisition						\$0	
6220 - Architecture, Design & Constr Support	\$40	\$25				\$65	
6360 - Construction						\$0	
6530 - Project Implementation	\$10	\$5				\$15	
PROJECT COST	\$50	\$30				\$80	
FUNDING SOURCE(S)							
641-Sewer Impact Fund (AB1600)	\$50	\$30				\$80	
FUNDING TOTALS	\$50	\$30				\$80	

ESTIMATED PROJECT SCHEDULE	2013-14	2014-15	2015-16	2016-17	2017-18
Funding Development	Q1	Q1			
Project Design					
Community Input & Environmental Reviews	Q1-Q4	Q1-Q2			
City Council Approvals					
Finalized Design		Q4			
Construction					
Project Close-out		Q4			

FINANCIAL DISCUSSION & FISCAL IMPACT

COST ESTIMATE ACCURACY: Based on preliminary estimates from various Master Plan Consultants.

PRIOR EXPENDITURES: - FY 12/13 \$55,000 (estimated)

OPERATIONS and MAINTENANCE FISCAL IMPACT: Updating the Sewer Master Plan will identify future capital improvement projects, which will subsequently require a funding mechanism in order to complete the projects.

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