



Capital Improvement Program Update

*San José City Council
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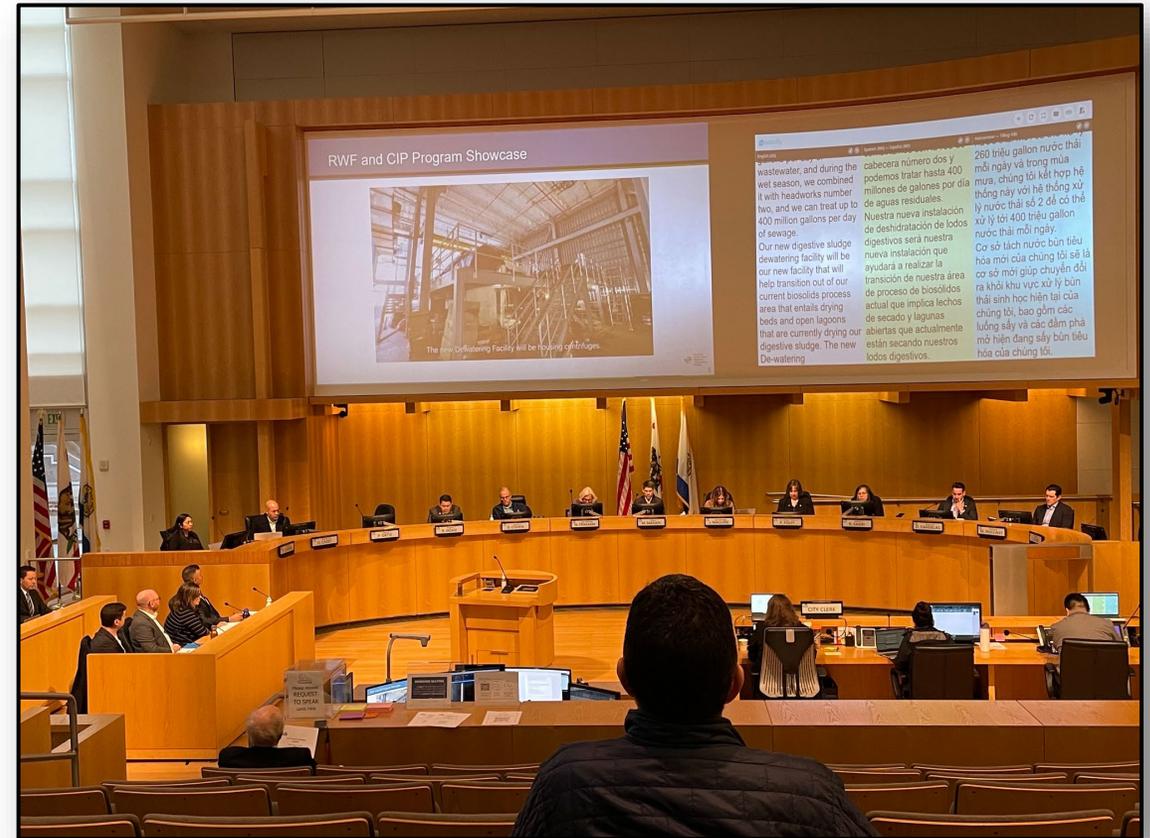


**San José-
Santa Clara
Regional
Wastewater
Facility**

CIP Overview

January 2025 Council Study Session Highlights

- Reviewed CIP from Plant Master Plan to Date
 - \$1.2 billion in projects delivered to date
 - Celebrated project successes
 - Experienced and grew through challenges
- Discussed Key Challenges Ahead
 - Scope evolution and construction escalation
 - New nutrient regulations
 - Aging asset conditions
- Next Steps
 - Complete Technical Update
 - Update financing strategy to align with technical and programmatic requirements



CIP Accomplishments - \$1.2 Billion Delivered

Key Projects Completed Over the Past Decade



Cogeneration Facility (2020)



Digester and Thickener Facilities Upgrades (2022)



Headworks 3 Facility (2024)



Digested Sludge Dewatering Facility (Sep 2026)

CIP Overview

Major Process Treatment Areas



Ten Year Capital Plan (FY2026-2036)

Preliminary Treatment – Reliability Achieved

■ Completed Projects

- Headworks Critical Improvements (\$2.4m)
- Headworks (\$167.8m)

■ Benefits

- Downstream treatment processes protected
- Aging infrastructure concerns addressed
- Improved reliability and capacity
- No additional reinvestment needed this decade



Headworks 3 Facility



2024 DBIA National Award of Merit and Excellence

Ten Year Capital Plan (FY2026-2036)

Primary Treatment – New Area of Focus

- **Completed Projects**

- Iron Salt Feed Station (\$8.3M)

- **10-Year Capital Priorities**

- Primary Clarifier Rehabilitation Phase 1 (\$118.8m)
- Primary Effluent Pump Station Rehabilitation (\$61.7m)
- Primary Effluent Equalization Basin (\$39.0m)

- **Benefits**

- Maintain structural integrity
- Improve process reliability
- Reduce odor impacts



West Primary Clarifiers Influent Gate



East Primary Clarifiers Effluent Weir

Ten Year Capital Plan (FY2026-2036)

Secondary Treatment – New Nutrient Limits

■ Completed Projects

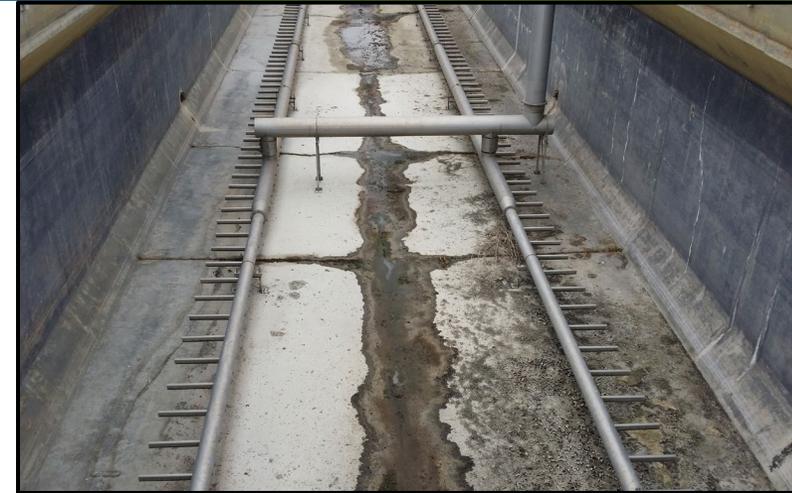
- Blower Improvements (\$48.6m)
- Nitrification Clarifiers Rehabilitation Phase 1 (\$51.1m)

■ 10-Year Capital Priorities

- Aeration Basin Modifications Phase 1 (\$332.3m)
- Secondary Clarifier Rehabilitation (\$135.8m)

■ Benefits

- Meet more stringent nutrient limits
- Improve process efficiency and reliability
- Rehabilitate assets and address safety issues



Aeration Basin and Diffusers



Aeration Basin Decks and Walkways

Ten Year Capital Plan (FY2026-2036)

Tertiary Treatment – Strategic Rehabilitation

- **Completed Projects**
 - Filter Rehabilitation (\$59.7m)
- **10-Year Capital Priorities**
 - Additional Filter Improvements (\$34.3m)
- **Benefits**
 - Extend filter life and defers major replacement
 - Maintain discharge compliance



Tertiary Filtration Complex



New Filter Media Installation

Ten Year Capital Plan (FY2026-2036)

Solids Treatment – Biosolids Management Transition

■ Completed Projects

- Digester and Thickener Facilities Upgrade (\$217.8m)
- Digested Sludge Dewatering Facility (\$177.1m)

■ 10-Year Capital Priorities

- Additional Digester Facility Upgrades (\$223.4m)
- Access to Lagoons and Drying Beds (\$6.4m)

■ Benefits

- Improved reliability and energy recovery
- Transition away from drying beds
- Reduced odor impacts



Digesters Rehabilitation



Digested Sludge Dewatering Facility

Ten Year Capital Plan (FY2026-2036)

Power & Energy – Ongoing Resiliency Planning

■ Completed Projects

- Cogeneration Facility (\$113.1m)
- Advanced Facility Control and Meter Replacement (\$25.2m)
- Plant Electrical Reliability Projects (\$25.2m)
- Emergency Diesel Generators (\$18.0m)
- Digester Gas System Projects (\$18.0m)

■ 10-Year Capital Priorities

- Pending results of ongoing Emergency Power Study

■ Benefits

- Improved outage resilience
- Reduced grid dependence



Cogeneration Facility



Emergency Diesel Generators

Ten Year Capital Plan (FY2026-2036)

Facilities & Infrastructure – Managing Safety and Compliance Risks

■ Completed Projects

- Yard Piping Improvements (\$33.5m)
- Miscellaneous Infrastructure Improvements (\$13.0m)
- Storm Drain System Improvements (\$11.6m)
- Outfall Channel and Instrument Improvements (\$10.3m)
- Fire Life Safety Upgrades (\$8.3m)

■ 10-Year Capital Priorities

- Pump Station Improvements (\$145.0m)
- Facility Wide Water Systems Improvements (\$92.3m)
- Building Improvements (\$92.6m)
- Infrastructure Improvements (\$74.2m)

■ Benefits

- Extend life of critical infrastructure
- Reduce risk of major system failures
- Improve site safety and compliance reliability



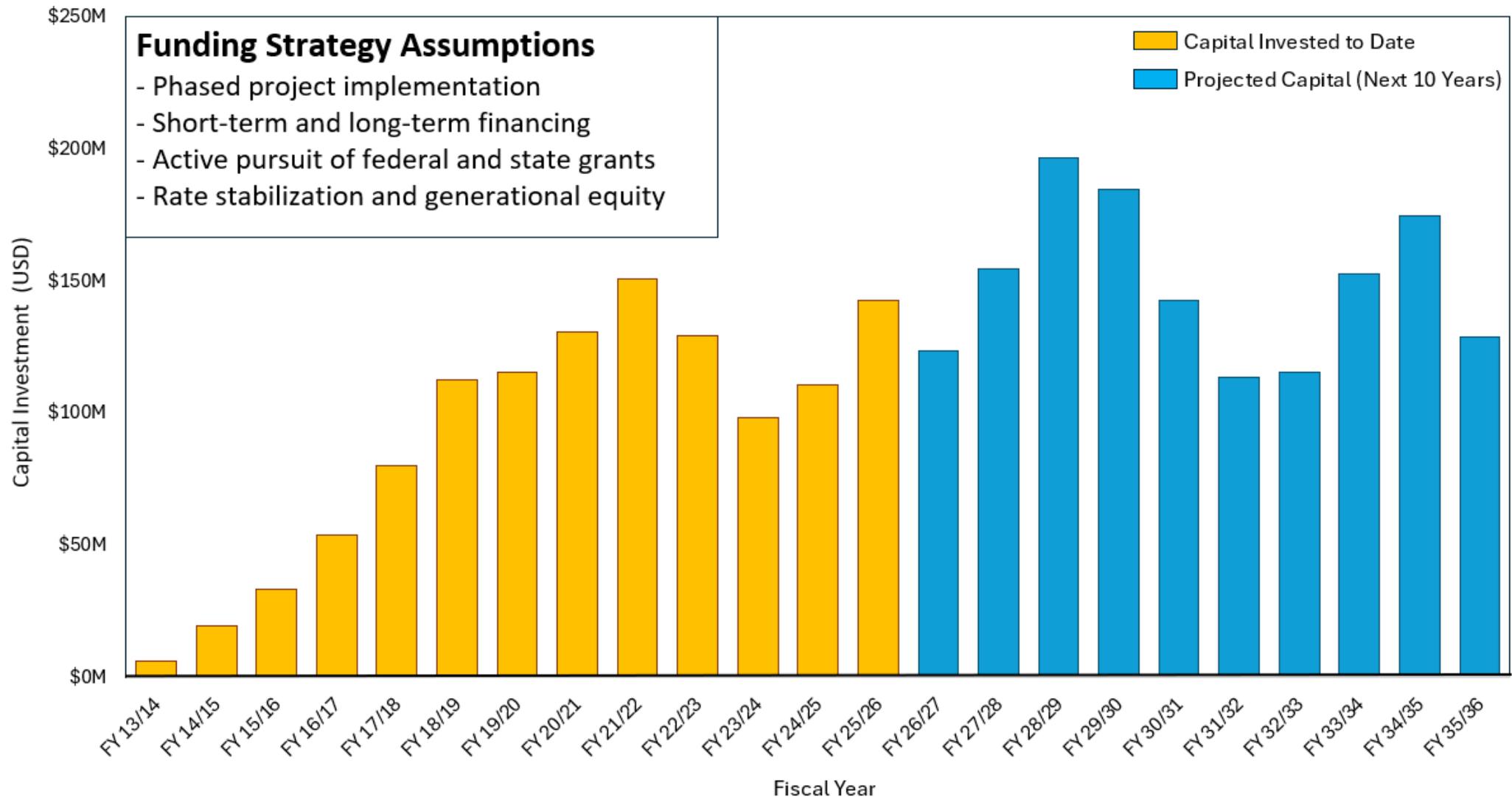
New Outfall Weir



Yard Piping Failure

Ten Year Capital Plan (FY2026-2036)

Funding Outlook and Management – Actual and Forecasted Cashflow



Path Forward

- Focused on rehabilitating aging assets, meeting regulatory requirements, and maintaining operational reliability
- Manage funding and financing strategies to balance program and ratepayer impacts
- Identify projects for federal and state funding opportunities
- Return to TPAC/City Council for project awards and annual budget approvals