

June 23, 2023

**MEETING NOTICE****SANTA CLARA VALLEY WATER DISTRICT  
CAPITAL IMPROVEMENT PROGRAM COMMITTEE**

Members of the Capital Improvement Program Committee:

Director Nai Hsueh, Chairperson  
Director Tony Estremera, Vice-Chairperson  
Director Jim Beall, Committee Member

Staff Support of the Capital Improvement Program Committee:

Rick L. Callender, Esq., Chief Executive Officer  
Melanie Richardson, Asst. Chief Executive Officer  
Bhavani Yerrapotu, Acting Asst. Chief Executive Officer  
Darin Taylor, Chief Financial Officer  
Aaron Baker, Chief Operating Officer –Water Utility  
Rechelle Blank, Chief Operating Officer –Watersheds  
Chris Hakes, Acting Chief Operating Officer -Watersheds  
Rachael Gibson, Chief of External Affairs  
Tina Yoke, Chief Administrative Officer  
Leslie Orta, Senior Assistant District Counsel  
Audrey Beaman, Assistant District Counsel  
Sam Bogale, Deputy Operating Officer  
Tony Ndah, Deputy Administrative Officer  
Don Rocha, Deputy Administrative Officer  
John Bourgeois, Deputy Operating Officer  
Jennifer Codianne, Deputy Operating Officer  
Emmanuel Aryee, Deputy Operating Officer  
Vincent Gin, Deputy Operating Officer  
Gregory Williams, Deputy Operating Officer  
Patrice McElroy, Deputy Administrative Officer  
Alex Gordon, Acting Deputy Administrative Officer  
Lisa Bankosh, Assistant Officer  
Kirsten Struve, Assistant Officer  
Bryant Welch, Labor Relations Officer

David Montenegro, Principal Construction  
Contracts Administrator  
Erin Baker, Asset Management Manager  
Charlene Sun, Treasure & Debt Manager  
Jessica Collins, Business Planning &  
Analysis Unit Manager  
Enrique De Anda, Budget Manager  
Jennifer Martin, Program Administrator  
Conception Gayotin, Purchasing & Contracts  
Manager  
Linh Hoang, Communications Manager  
Jill Bernhard, Acting System Development &  
Support Manager  
Sarah Berning, Program Administrator  
Phyllis Chen, Senior Management Analyst  
Alison Phagan, Senior Management Analyst  
Stacy Klopfer, Senior Management Analyst  
Agnes Lee, Senior Management Analyst  
Chenlei Yao, Senior Management Analyst  
Feliser Lee, Senior Management Analyst  
Timothy Chan, Management Analyst II  
Kristie Resendez, Management Analyst II

A Santa Clara Valley Water District special Capital Improvement Program Committee meeting has been scheduled to occur at 11:00 a.m. on Friday, June 30, 2023 at the Headquarters Building Boardroom located at the Santa Clara Valley Water District, 5700 Almaden, San Jose, CA.

Members of the public may join at: <https://valleywater.zoom.us/j/94158013374>

The meeting agenda and corresponding materials are located on the Committee's website at: <https://www.valleywater.org/how-we-operate/committees/board-committees>.

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## **Santa Clara Valley Water District Capital Improvement Program Committee Meeting**

Headquarters Building Boardroom  
5700 Almaden Expressway, San Jose, CA 95118

Join Zoom Meeting  
<https://valleywater.zoom.us/j/94158013374>

### **SPECIAL MEETING AGENDA**

**Friday, June 30, 2023  
11:00 AM**

**District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.**

**BOARD COMMITTEE MEMBERS:**

Committee Chair:  
Director Nai Hsueh, District 5  
  
Committee Vice Chair:  
Director Tony Estremera, District 6  
  
Committee Member:  
Director Jim Beall, District 4

During the COVID-19 restrictions, all public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available to the public through the legislative body agenda web page at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to participate in the legislative body's meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

**COMMITTEE LIAISON:**  
Jessica Collins

**COMMITTEE CLERK:**  
Nicole Merritt  
Assistant Deputy Clerk II  
408-265-3262  
[nmerritt@valleywater.org](mailto:nmerritt@valleywater.org)  
[www.valleywater.org](http://www.valleywater.org)

**Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.**

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**Santa Clara Valley Water District  
Capital Improvement Program Committee  
SPECIAL MEETING  
AGENDA**

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Friday, June 30, 2023

11:00 AM

Headquarters Building Boardroom  
5700 Almaden Expressway, San Jose, CA 95118

Join Zoom Meeting:  
<https://valleywater.zoom.us/j/94158013374>

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**\*\*\*IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS\*\*\***

Santa Clara Valley Water District (Valley Water) Board of Directors/Board Committee meetings are held as a “hybrid” meetings, conducted in-person as well as by telecommunication, and is compliant with the provisions of the Ralph M. Brown Act.

To maximize public safety while still maintaining transparency and public access, members of the public have an option to participate by teleconference/video conference or attend in-person. To observe and participate in the meeting by teleconference/video conference, please see the meeting link located at the top of the agenda. If attending in-person, you are required to comply with Ordinance 22-03 - AN ORDINANCE OF THE SANTA CLARA VALLEY WATER DISTRICT SPECIFYING RULES OF DECORUM FOR PARTICIPATION IN BOARD AND COMMITTEE MEETINGS located at <https://s3.us-west-2.amazonaws.com/valleywater.org.if-us-west-2/f2-live/s3fs-public/Ord.pdf>

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee at a video conferenced meeting, during public comment or on any item listed on the agenda, should use the “Raise Hand” tool located in the Zoom meeting link listed on the agenda, at the time the item is called. Speakers will be acknowledged by the Board Chair in the order requests are received and granted speaking access to address the Board.

- Members of the Public may test their connection to Zoom Meetings at: <https://zoom.us/test>
- Members of the Public are encouraged to review our overview on joining Valley Water Board Meetings at: <https://www.youtube.com/watch?v=TojJpYCxXm0>

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board of Directors/Board Committee meetings to please contact the Clerk of the Board’s office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has

bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

**Join Zoom Meeting:**

**<https://valleywater.zoom.us/j/94158013374>**

**Meeting ID: 94158013374**

**Join by Phone:**

**1 (669) 900-9128, 94158013374#**

**1. CALL TO ORDER:**

1.1. Roll Call.

**2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.**

*Notice to the Public: Members of the public who wish to address the Committee on any item not listed on the agenda should access the "Raise Hand" tool located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Committee Chair in order requests are received and granted speaking access to address the Committee. Speakers comments should be limited to three minutes or as set by the Chair. The law does not permit Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Committee may take action on any item of business appearing on the posted agenda.*

**3. APPROVAL OF MINUTES:**

- 3.1. Approval of May 15, 2023 Capital Improvement Program Committee Minutes. [23-0481](#)
- Recommendation: Approve the minutes.
- Manager: Candice Kwok-Smith, 408-630-3193
- Attachments: [Attachment 1: 05/15/23 CIP Committee Meeting Minutes](#)
- Est. Staff Time: 5 Minutes

#### 4. REGULAR AGENDA:

- 4.1. Review and Discuss the Capital Project Monitoring - Construction Report. [23-0642](#)
- Recommendation: Receive and discuss information regarding the status of capital projects in the construction phase.
- Manager: Bhavani Yerrapotu, 408-630-2735  
Emmanuel Aryee, 408-630-3074  
Christopher Hakes, 408-630-3796  
Alexander Gordon, 408-630-2637
- Attachments: [Attachment 1: Capital Project Monitoring - Construction](#)
- Est. Staff Time: 15 Minutes
- 4.2. Review Capital Projects Not Listed in the Capital Project Monitoring Phase Reports. [23-0646](#)
- Recommendation: Review Status of Capital Projects not Listed in the Capital Project Monitoring Phase Reports.
- Manager: Christopher Hakes, 408-630-3796
- Attachments: [Attachment 1: Capital Projs. Not Listed, Monitoring Phase Reports](#)
- Est. Staff Time: 10 Minutes
- 4.3. Receive Information on Design-Build Pilot Projects - Coyote Pumping Plant Adjustable Speed Drives Replacement Project No. 91234002 and Vasona Pumping Plant Upgrade Project No. 92264001; and Consider Staff's Recommendation to Implement the Design-Bid-Build Project Delivery Method for the Vasona Pump Station Upgrade Project. [23-0660](#)
- Recommendation: A. Receive information on design-build pilot projects - Coyote Pumping Plant Adjustable Speed Drives Replacement Project No. 91234002 and Vasona Pumping Plant Upgrade Project No. 92264001.  
B. That the Committee recommend to the Board that the Vasona Pump Station Upgrade Project be implemented using the design-bid-build project delivery method.
- Manager: Emmanuel Aryee, 408-630-3074
- Est. Staff Time: 5 Minutes

- 4.4. Receive Information Regarding Valley Water's Construction Contract Contingency and Change Order Management Processes. [23-0645](#)  
Recommendation: Receive information regarding Valley Water's Construction Contract Contingency and Change Order Management processes.  
Manager: Luz Penilla, 408-630-2228  
Christopher Hakes, 408-630-3796  
Bhavani Yerrapotu, 408-630-2735  
Emmanuel Aryee, 408-630-3074  
Tony Ndah, 408-630-2208  
Attachments: [Attachment 1: PowerPoint](#)  
Est. Staff Time: 25 Minutes
- 4.5. Receive Information on Change Orders to Anderson Dam Tunnel Project Construction Contract. [23-0643](#)  
Recommendation: Receive Information on Change Orders to Anderson Dam Tunnel Project Construction Contract.  
Manager: Ryan McCarter, 408-630-2983  
Attachments: [Attachment A: Government Code § 84308](#)  
[Attachment 1: Construction Contract Change Orders Status](#)  
[Attachment 2: Construction Contract Financial Status](#)  
[Attachment 3: Milestone Schedule Revision](#)  
Est. Staff Time: 10 Minutes
- 4.6. Review 2023 Capital Improvement Program Committee Work Plan. [23-0644](#)  
Recommendation: Review the 2023 Capital Improvement Program Committee Draft Work Plan and make adjustments, as necessary.  
Manager: Candice Kwok-Smith, 408-630-3193  
Attachments: [Attachment 1: 2023 CIP Committee Work Plan](#)  
Est. Staff Time: 5 Minutes
5. **CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.**  
*This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.*
6. **ADJOURN:**
- 6.1. Adjourn to Regular Meeting at 11:00 a.m., on August 21, 2023.





# Santa Clara Valley Water District

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**File No.:** 23-0481

**Agenda Date:** 6/30/2023  
**Item No.:** 3.1.

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## **COMMITTEE AGENDA MEMORANDUM** **Capital Improvement Program Committee**

Government Code § 84308 Applies: Yes ☐ No ☒  
(If "YES" Complete Attachment A)

### **SUBJECT:**

Approval of May 15, 2023 Capital Improvement Program Committee Minutes.

### **RECOMMENDATION:**

Approve the minutes.

### **SUMMARY:**

In accordance with the Ralph M. Brown Act, a summary of Committee discussions, and details of all actions taken by the Capital Improvement Program Committee, during all open and public Committee meetings, is transcribed and submitted to the Committee for review and approval.

Upon Committee approval, minutes transcripts are finalized and entered into the Committee's historical record archives and serve as the official historical record of the Committee's meeting.

### **ATTACHMENTS:**

Attachment 1: 05/15/23 CIP Committee Meeting Minutes

### **UNCLASSIFIED MANAGER:**

Candice Kwok-Smith, 408-630-3193

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CAPITAL IMPROVEMENT COMMITTEE MEETING

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# DRAFT MINUTES

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**REGULAR MEETING  
MONDAY, MAY 15, 2023  
11:00 AM**

(Paragraph numbers coincide with agenda item numbers)

**1. CALL TO ORDER:**

A regular meeting of the Santa Clara Valley Water District (Valley Water) Capital Improvement Committee (Committee) was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, and by Zoom teleconference, at 11:00 a.m.

**1.1 Roll Call.**

Committee members in attendance were District 4 Director Jim Beall, and District 5 Director Nai Hsueh, Chairperson presiding, constituting a quorum of the Committee.

Vice Chairperson Tony Estremera was excused from attending.

Staff members in attendance were: Gina Adriano, Cameron Arnett, Aaron Baker, Audrey Beaman, Sarah Berning, Wade Blackard, Sam Bogale, John Bourgeois, Todd Bridgen, Rolando Bueno, Jennifer Codianne, Jessica Collins, Enrique De Anda, Meenakshi Ganjoo, Concepcion Gayotin, Walter Gonzalez, Alexander Gordon, Chris Hakes, Katrina Holden, Candice Kwok-Smith, Emelia Lamas, Jennifer Martin, Ryan McCarter, Patrice McElroy, Nicole Merritt, Karl Neuman, Tony Ndah, Kathy Nguyen, My Nguyen, Julianne O'Brien, Carlos Orellana, Leslie Orta, Sophie Padilla, Alison Phagan, Brandon Ponce, Mike Potter, Kristie Resendez, Melanie Richardson, Kirsten Struve, Darin Taylor, Odilia Teixeira, Gregory Williams, and Tina Yoke.

Guests in attendance were: Director Rebecca Eisenberg (District 7), and Katja Irvin (Sierra Club-Loma Prieta Chapter).

Public in attendance was: Sandy, undisclosed last name.

**2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA:**

Chairperson Hsueh declared time open for public comment on any item not on the agenda. There was no one who wished to speak.

**3. APPROVAL OF MINUTES:**

**3.1. Approval of April 10, 2023 Board Audit Committee Meeting Minutes.**

Recommendation: Approve the minutes.

The Committee considered the attached minutes of the April 10, 2023 Committee meeting.

Public Comments:  
None.

It was moved by Director Beall and seconded by Chairperson Hsueh, and unanimously carried that the minutes be approved.

**4. REGULAR AGENDA:**

**4.1. Receive and Discuss Information Regarding the Status of Capital Projects in the Design and Permitting Phase.**

Recommendation: Receive and discuss information regarding the status of capital projects in the design and permitting phase.

Rolando Bueno, Ryan McCarter and Karl Neuman reviewed the information on this item, per the attached Committee Agenda Memo, and the corresponding presentation materials contained in Attachment 1 were reviewed by staff as follows: Rolando Bueno, reviewed Slide 1, Ryan McCarter reviewed Slides 1 through 2, and Karl Neuman reviewed Slides 2 through 4.

Rolando Bueno, Ryan McCarter, Karl Neuman, John Bourgeois, Aaron Baker, Chris Hakes, and Melanie Richardson were available to answer questions.

Public Comments:  
None.

The Committee received the information, took no formal action, and noted the following:

- The Committee noted the draft Environmental Impact Report is to be expected out in late June or July 2023 leading to the Federal Energy Regulatory Commission applications in December 2023, and all

permit applications are expected to be submitted by the spring of 2024.

- The Committee requested staff to follow up on the possibility of options for expediting all project timelines.
- The Committee requested staff to follow up on alternative Native American names and review of the planning phase for studies or investigations into additional options for groundwater recharging for the Almaden-Calero Canal.
- The Committee requested staff to follow up with a comparison of the original project timeline versus the current relocation of the unhoused, and the impacts on the project costs for the Coyote Creek Flood Management Measurements project.
- The Committee requested staff to follow up on identifying the City of Palo Alto's requested funding amount for the Newell Road Bridge, and confirm the construction time line schedule is still applicable for the San Francisquito Creek – Upstream of Hwy 101 project.
- The Committee requested staff to follow up on possible federal railroad funding from the Federal Railroad Administration for the San Francisco Bay Shoreline - Alviso Slough to Coyote Creek project.
- The Committee requested staff to schedule a briefing on the Almaden Lake Improvements project.

#### 4.2. Receive Information on Change Orders to Anderson Dam Tunnel Project Construction Contract.

Recommendation: Receive information on Change Orders to Anderson Dam Tunnel Project Construction Contract.

Ryan McCarter reviewed the information on this item, per the attached Committee Agenda Memo, and per the information contained in Attachment 2.

Ryan McCarter was available to answer questions.

Public Comments:  
None.

The Committee received the information, took no formal action, and noted the following:

- The Committee noted the Anderson Dam Tunnel Project Construction Contract's status as being at the middle phase of contract change orders with a \$1 million change order pending to be presented at the next CIP Committee meeting in June 2023 regarding the change ground conditions compared to the baseline conditions.

4.3. Receive Information on Upcoming Consultant Agreement Amendments for Capital Projects.

Recommendation: Receive information on upcoming consultant agreement amendments for capital projects.

Ryan McCarter reviewed the information on this item, per the attached Committee Agenda Memo.

Ryan McCarter was available to answer questions.

Public Comments:  
None.

The Committee received the information, took no formal action, and noted the following:

- The Committee requested staff to schedule a briefing on the Calero and Guadalupe Dams Seismic Retrofits Project.

4.4. Review 2023 Capital Improvement Program Committee Work Plan.

Recommendation: Receive an update on the status of the Permitting Best Practices audit recommendation implementation.

The Committee considered this Item without a staff presentation.

Jessica Collins and Tony Ndah were available to answer questions.

Public Comments:  
None.

The Committee received the information, took no formal action, and noted the following:

- The Committee confirmed that contract compliance and pre-qualifications for consultants are now considered under the Pre- and Post-Award Contract Administration section of the work plan and will be addressed at the CIP August 2023 meeting.
- The Committee requested staff to follow up on creating a new policy to establish the early release of completed projects to utilize any left-over funding for other projects under the Projects in Mitigation/Plant Establishment section of the work plan addressed at the CIP meeting in June 2023.
- The Committee confirmed Valley Water's Procurement Open House will occur on May 30, 2023 to encourage working relationships with local and small business contractors.
- The Committee noted the CIP Performance Audit Item will be

addressed at a future CIP meeting dependent upon the outcome of the BAC's May 2023 meeting's discussion regarding this topic.

**5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS:**

*This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.*

Nicole Merritt confirmed there were no items for Board Consideration, but identified Committee requests for staff research and follow up for Items 4.1, 4.3, and 4.4.

**6. Adjourn:**

6.1. Adjourn to Special Meeting at 11:00 a.m. on June 30, 2023.

Chairperson Hsueh adjourned the meeting at 12:16 p.m., to the special meeting at 11:00 a.m. on June 30, 2023.

Nicole Merritt  
Assistant Deputy Clerk II

Date Approved:

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# Santa Clara Valley Water District

**File No.:** 23-0642

**Agenda Date:** 6/30/2023

**Item No.:** 4.1.

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## COMMITTEE AGENDA MEMORANDUM

### Capital Improvement Program Committee

Government Code § 84308 Applies: Yes ☐ No ☒  
(If "YES" Complete Attachment A)

#### **SUBJECT:**

Review and Discuss the Capital Project Monitoring - Construction Report.

#### **RECOMMENDATION:**

Receive and discuss information regarding the status of capital projects in the construction phase.

#### **SUMMARY:**

The 2023 Work Plan for the Board Capital Improvement Program Committee (Committee) includes monitoring of capital projects during all phases of development. Staff will present a list of active projects at each Committee meeting and provide detailed information on those where potential and/or significant issues have been identified. The projects presented for discussion will be organized by phases: planning/feasibility; design; and construction. Staff will present projects to the Committee for review one phase at a time. Projects currently in the construction phase are being presented at this Committee meeting. Other attachments may be included to provide more detail on other items associated with these projects.

Attachment 1 is a list of projects in the construction phase. A verbal report will be provided at the meeting with more detailed information about recent developments on the projects listed in Attachment 1.

#### **ATTACHMENTS:**

Attachment 1: Capital Project Monitoring - Construction

#### **UNCLASSIFIED MANAGER:**

Bhavani Yerrapotu, 408-630-2735  
Emmanuel Aryee, 408-630-3074  
Christopher Hakes, 408-630-3796  
Alexander Gordon, 408-630-2637

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Capital Project Monitoring Report - June 2023

Construction Phase					CM Services		
Row	Project No.	Project Name	Notes, Upcoming Board Actions or potential issues	Deputy's Initials	In house	External	Combination
Water Supply							
1	91214010	Small Capital Improvements, San Felipe, Reach 1: Pacheco Pumping Plant Electrical Current Limiting Fuse and Hydraulic Valve Operating System (HVOS) Upgrades	All contract work and testing was completed in April 2023. Staff plans to recommend the board accept the project as complete on June 27, 2023 and direct the Clerk to submit the Notice of Completion for recording with the County of Santa Clara.	EA	X		
2	95084002	10-Year Pipeline Inspection and Rehabilitation Project (Santa Clara Conduit - Phase 1)	All shutdown required work has been completed and the pipeline has been returned to service. The contractor continues non-shutdown required work, including the vault appurtenances. Construction completion is anticipated for July 2023.	EA	X		
3	95084002	10-Year Pipeline Inspection and Rehabilitation Project (Almaden Valley Pipeline)	All contract work and testing was completed in April 2023. Staff plans to recommend the board accept the project as complete on August 22, 2023 and direct the Clerk to submit the Notice of Completion for recording with the County of Santa Clara.	EA	X		
4	95084002	10-Year Pipeline Inspection and Rehabilitation Project (Santa Clara Conduit - Phase 2)	Construction contract awarded by the Board of Directors on June 27, 2023.	EA	X		
5	95084002	10-Year Pipeline Inspection and Rehabilitation Project (Snell)	Construction contract awarded by the Board of Directors on June 27, 2023.	EA	X		
6	93294058	Rinconada WTP Residuals Remediation Project	Construction of the new solids handling facilities, including sludge storage tanks, centrifuge feed pump station, centrate wet well B, centrifuges and polymer chemical system at centrifuge building B, is substantially complete. Equipment testing and startup is in progress. Construction completion is anticipated for summer 2023.	EA	X		
7	93764004	Small Capital Improvements, Water Treatment: Penitencia WTP Flocculation/Sedimentation Basin Rehabilitation Project	Contractor continues to address equipment deficiencies identified during project startup and commissioning. Stuffing box replacements were successfully completed in Basin 2 in October 2022. Other equipment replacement took place the week of May 22, 2023. The installation and subsequent testing is anticipated to take up to two weeks. If successful, contract closeout will follow thereafter.	EA	X		
8	93284013	Santa Teresa Water Treatment Plant Filter Media Replacement	The underdrain nozzle replacement and flow distribution tests have been completed for Filters 2W, 5W, and 6W. The sand and GAC for Filters 2W, 5W, and 6W is onsite and will be installed after installation of the new influent 30" valves and deflectors. Construction completion is anticipated for spring 2024.	EA	X		
9	91094009	South County Recycled Water Pipeline Project	98% of the contract pipeline work has been installed. All jack and bore and microtunneling operations have been completed. Paving is now scheduled for summer 2023. A future project to construct an additional segment of the South County Recycled Water Pipeline will be scheduled once the necessary right-of-way has been secured.	EA	X		
10	91864006	Anderson Dam Tunnel Project (FOCP)	This project falls under the Anderson Dam Federal Energy Regulatory Commission (FERC) Compliance Order Project (FOCP). Tunnel excavation continues in the 24-foot diameter Low Level Outlet Tunnel (LLOT) reach. As of May 23, 2023, about 440 feet of the tunnel has been excavated with about 960 feet remaining in the LLOT reach. Once the LLOT reach is completed, the launch chamber for the 8-foot diameter Micro-Tunnel Boring Machine (MTBM) will be constructed at the end of the tunnel. The Diversion Outlet Structure (DOS) foundation construction is ongoing with several concrete sections in place. Work in the north channel of Coyote Creek is planned for this summer to connect the realigned Anderson Force Main.	RM			X

Capital Project Monitoring Report - June 2023

Construction Phase				CM Services			
Row	Project No.	Project Name	Notes, Upcoming Board Actions or potential issues	Deputy's Initials	In house	External	Combination
11	91864010	Cross Valley Pipeline Extension Project (FOCP)	The contractor continues working on the plunger vault, and correcting a seal on BFV vault 1, and has completed a single new PG&E electrical service connection. Staff anticipates Coyote Creek to be lowered to 30 cfs by June 20, 2023, and the contractor will be able to go back in to complete the outfall apron and stilling well. Construction completion is now estimated to be July 2023 due a delay of pavement restoration plan with the County and PG&E coordination for a new PG&E electrical service connection.	RM	X		
12	91864007	Coyote Creek Flood Management Measures Project (FOCP)	Construction contract was awarded on May 16, 2023 by the Board of Directors. Construction is anticipated to start in June 2023. Valley Water and City of San Jose entered into an agreement to safely relocate unhoused individuals in the project area prior to start of construction. This agreement was approved by City of San Jose Council on April 4, 2023 and was presented to Valley Water's Board of Directors on April 11, 2023. City of San Jose started safe relocation of unhoused population within the project limits on May 15, 2023 and approximately 200 tons of trash and debris was removed from the project area during the week of May 15, 2023. Safe relocation of unhoused population was completed in the first week of June 2023. On April 25, 2023, the Board of Directors awarded a construction management consultant contract to Ghirardelli Associates. Right-of-way transactions are in progress and staff obtained the necessary right-of-way needed in Reach 5, which will be the first reach to be constructed once the construction begins in June 2023. Two pre-construction public meetings were held on June 6 and June 14, 2023, respectively.	EB		X	
13	91864008	Coyote Creek Chillers Plant Project (FOCP)	The project team is wrapping up review of submittals for the pre-procured equipment for the Chillers Plant. Staff plans to recommend the Board of Directors approve the plans and specifications, and authorize advertisement for bids, at the June 27, 2023 Board meeting.	RM	X		
14	91864009	Coyote Percolation Dam Replacement Project (FOCP)	The construction contract was awarded on March 28, 2023. The Notice to Proceed was issued on April 14, 2023 and the first chargeable day was Monday, April 24, 2023. The project permits allow in-creek construction work to occur from June 15, 2023 through October 15, 2023. The contractor will be working on the new rubber dam installation this summer and is scheduled to be completed by October 15. The next elements of the construction work will be utility work and completing the control building for operation of the rubber dam scheduled for completion by June 2024.	EB	X		
Flood Protection							
15	10244001	Permanente Creek, SF Bay to Foothill Expressway	The Board of Directors awarded the construction contract on November 22, 2022. Construction for the floodwall retrofit has been completed. Staff plans to recommend the Board accept the project as complete on June 27, 2023 and direct the Clerk to submit the Notice of Completion for recording with the County of Santa Clara.	EB	X		
16	40174005	Other 2012 SCW: Berryessa Creek, Lower Penitencia Creek to Calaveras Blvd, Phase 2	Construction for the Lower Calera Creek Project started in June 2021 and is currently underway. All in-channel floodwall work has been completed. A waterline that passes beneath a floodwall owned by Milpitas leaked and a Valley Water team is working with Milpitas on the repair. Once the waterline leak is repaired, the contractor has some minor work remaining, such as finished grading for maintenance roads, fencing, and paving. On June 13, 2023 the Board of Directors approved a Budget Adjustment and an Increase to Construction Contract Contingency Sum for the Lower Calera Creek Flood Protection Project. Staff plans to recommend the Board accept the work on the Lower Calera Creek Flood Protection Project (Stage #1) on June 27, 2023. Staff is currently working with the City of Milpitas and the contractor to complete the City's waterline repair work this summer.	EB	X		

Capital Project Monitoring Report - June 2023

Construction Phase				CM Services			
Row	Project No.	Project Name	Notes, Upcoming Board Actions or potential issues	Deputy's Initials	In house	External	Combination
17	40334005	Lower Penitencia Creek Improvements, Coyote Creek to Berryessa Creek	Construction for Lower Penitencia Creek Project started in July 2021. All civil work in the contract will be completed in June 2023, followed by a three-year plant establishment and maintenance period. A ribbon cutting event is being planned for June 20, 2023. A channel lining fix due to erosion damage caused by a Baker Tank overflow will be conducted in summer 2023.	EB	X		
18	26174051 26174052 26174055	E6: Upper Llagas Creek Flood Protection Project, Phase I and Phase 2A	Phase 1 construction was completed and accepted by the Board of Directors on May 24, 2022. This precedes a three-year plant establishment phase, which is currently underway and will be completed in March 2025.	EB	Phase 1	Phase 2A	
			Construction contract for Phase 2A was awarded in summer 2021 and is currently in progress. Significant utility relocations have been completed as of February 2023, and the underground twin reinforced concrete box culverts along Del Monte Avenue and Ciolino Avenue were completed as of December 2022. Drilling of the 2,300 foot underground bypass tunnel was completed in January 2023 and the tunnel concrete lining was completed on May 30, 2023. The tunnel subcontractor, DrillTech has begun to demobilize and will be completed on June 16, 2023. Beginning on May 1, 2023, Hale Avenue was closed so the underground twin reinforced concrete box culverts along Hale Avenue can be constructed before schools reopen on August 16, 2023. Phase 2A contract completion date is expected May of 2024, but the project is currently a couple of months ahead of schedule.				
19	00044026	San Francisco Bay Shoreline, EIA 11 - Alviso Slough to Coyote Creek Bypass (E7: 26444001, 26444002, 26444004)	Construction of levees in the first three reaches, Reaches 1-3, is ongoing. Reaches 1-3 are located between the Alviso Marina and U.S. Fish and Wildlife Service Don Edwards San Francisco Bay National Wildlife Refuge Environmental Education Center. The United States Army Corps of Engineers awarded the construction contract in August 2021 to Maloney-Odin Joint Venture. Construction began on December 6, 2021 and is anticipated to be completed in summer 2025.	EB	N/A	USACE construction	
20	62084001	Watershed Asset Rehabilitation Program (WARP)	The Board of Directors awarded the construction contract for the Calabazas Creek Rehabilitation Project (Bollinger Rd. to Miller Ave.) to Granite Construction on May 24, 2022. This two-season project consists of repair for 10 erosion sites between Miller Ave. and Bollinger Rd. Year one construction of six sites was completed in summer 2022. Year two construction start will depend on the timing of the approval of the regulatory permit amendments. The contractor's means and methods for crane deployment and implementation included temporary impacts that were not known until construction began and therefore not included in the approved regulatory permits. Upon permit amendment approval, year two construction will include Giken Silent Sheet piles installation at four sites and estimated for completion by November 2023.	EB	X		
			Under the WARP, several concurrent projects are being developed for construction in summer 2023. These include Coyote Creek from Tasman to SR 237 for Animal Damage Levee Restoration Project that was approved to Advertise for Bids by the Board of Directors on April 25, 2023. Bid opening was held on May 31, 2023, and the Construction Contract Award date was June 13, 2023. Tentative construction start date was June 15, 2023, and expected for completion by October 15, 2023, with an additional three-year plant establishment maintenance period until 2026.  Two erosion repair locations on Guadalupe River at Malone Road and at Blossom Hill Road were approved to Advertise for Bid by the Board of Directors approval at the May 16, 2023 meeting. Bid opening was held on June 14, 2023, and staff plans to recommend Construction Contract Award at the June 27, 2023 Board Meeting. Tentative construction start is mid-July, 2023 and expected for completion by October 15, 2023, with additional three-year plant establishment maintenance period until 2026.				

Capital Project Monitoring Report - June 2023

Construction Phase				CM Services			
Row	Project No.	Project Name	Notes, Upcoming Board Actions or potential issues	Deputy's Initials	In house	External	Combination
Water Resources Stewardship							
21	26164001	D6: Restoration of Natural Creek Functions: Hale Creek Enhancement Pilot Project	The construction contract was awarded to McGuire and Hester on May 10, 2022. Construction began on June 1, 2022, and was completed by April 2023. In-channel construction (Milestone #1) was completed on November 18, 2022, and top-of-bank construction (Milestone #2) was completed in January 2023 and then the deficiency-list work was completed in April 2023. Staff plans to recommend that the Board accept the work and close out the construction contract for Stage 1, comprised of Milestones #1 and #2, at the June 27, 2023 Board Meeting. The three-year plant establishment maintenance and monitoring (Milestone #3) period began on December 23, 2022, and is expected to last until December 2025.	EB			X
22	26044004	D6.2: Bolsa Road Fish Passage Improvements	The Board of Directors approved an agreement with Cal Engineering & Geology, Inc. for construction management services in March 2022. The Board of Directors awarded the construction contract to Teichert, Inc. on July 12, 2022. Notice to Proceed for construction was issued on July 26, 2022; however, the construction contract was awarded too late for the contractor to begin work during the permit work window. Staff secured a waiver for the construction grading permit in March 2023 and obtained the drainage permit on May 24, 2023 from the County of Santa Clara. Construction of in-channel work began June 15, 2023 and will be completed by October 15, 2023 to adhere to permit conditions. Construction is scheduled to be completed by March 2024. A three-year plant establishment and maintenance period will follow the completion of the civil construction work.	EB		X	
Buildings & IT							
23	73274009	Data Consolidation	The Human Resources Division (HR) project is currently finalizing implementation of Hyland's OnBase enterprise information platform and scanning their paper archives. This effort will digitize over 80 document types into a new paperless system. HR is looking to go live with the system summer 2023. The project team is currently in the process of scoping implementation for the Community Projects Review Unit in alignment with the desired outcomes of their recent audit and modernization project.	AG	N/A	N/A	N/A
24	73274001	Information Technology Disaster Recovery	In partnership with VMware and Amazon Web Services, Valley Water is progressing on building a redundant virtual data center in the cloud. This project will allow Valley Water servers to run side-by-side in on-site and cloud data centers to create an "always ready" redundant server environment.	AG	N/A	N/A	N/A
25	73274002	ERP System Implementation	Project team continues to work with Infor to address implementation functionality gaps in areas of timekeeping, payroll and procurement.	AG	N/A	N/A	N/A
26	73274012	Telephone System Voice Over IP	System is currently live for all staff/all locations.	AG	N/A	N/A	N/A



# Santa Clara Valley Water District

File No.: 23-0646

Agenda Date: 6/30/2023

Item No.: 4.2.

## COMMITTEE AGENDA MEMORANDUM

### Capital Improvement Program Committee

Government Code § 84308 Applies: Yes ☐ No ☒  
(If "YES" Complete Attachment A - Gov. Code § 84308)

#### SUBJECT:

Review Capital Projects Not Listed in the Capital Project Monitoring Phase Reports.

#### RECOMMENDATION:

Review Status of Capital Projects not Listed in the Capital Project Monitoring Phase Reports.

#### SUMMARY:

The 2023 Workplan for the Board Capital Improvement Program (CIP) Committee (Committee) includes monitoring of capital projects during all project phases. Under the Workplan section Capital Project Monitoring, staff presents a list of active projects in either the feasibility/planning, design/permitting or construction/closeout phase. The status of projects in each phase is presented quarterly, on a rotating, recurring basis at each monthly Committee meeting. Along with general status updates, these presentations allow staff to present information on projects with potential and/or significant issues.

During the January 18, 2022, CIP Committee special meeting, the Committee requested to be informed about the status of capital projects not currently listed as part of the Capital Project Phase Monitoring items. In response to this request, staff proposed bringing an overview of capital projects not listed in the Capital Project Monitoring phase reports at the beginning of each fiscal year to provide the CIP Committee with an update on those projects.

At this time, staff has identified 22 capital projects currently not listed in the monthly monitoring reports. The overview will include projects in the closeout or plant establishment phase and projects that are on-hold (Attachment 1).

#### ATTACHMENTS:

Attachment 1: Status of Capital Projects not Listed in the Capital Project Monitoring Phase Reports

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**File No.:** 23-0646

**Agenda Date:** 6/30/2023  
**Item No.:** 4.2.

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**UNCLASSIFIED MANAGER:**

Christopher Hakes, 408-630-3796



## Capital Project Monitoring Report - June 2023

### Capital Projects Not Listed In Planning, Design or Construction Monitoring

Row	Project No.	Project Name	Notes, upcoming Board actions or potential issues
<b>Mitigation/Plant Establishment</b>			
1	26284002	San Francisquito Creek (Hwy 101 to SF Bay)	Monitoring ends 2027. Project is being monitored by the San Francisquito Creek Joint Powers Authority (SFCJPA) from 2022-2027, with Valley Water providing review. Mitigation is meeting its success criteria.
2	40174004	Lower Berryessa and Calera Creeks (Phase 1)	Monitoring successfully completed for Phase 1 in 2022.
3	40174005	Lower Berryessa and Calera Creeks (Phase 2)	Monitoring for Phase 2 ends in 2024. Mitigation is meeting its success criteria. Environmental permits cover Phases 1-3.
4	26174041	Upper Berryessa Creek Flood Project	Monitoring ends in 2030. Onsite mitigation is meeting its success criteria. Staff is working with the San Francisco Bay Regional Water Quality Control Board to permit off-site mitigation at new sites, which had previously been identified to take place at the Almaden Lake Improvement Project, Project No. 26044001.
5	26154002 (R6 AHIP, R10B)	Upper Guadalupe River Flood Project (Upper or UGRP, E8)	Monitoring ends 2026. Aquatic Habitat Improvement Project (AHIP) work was completed as part of the UGRP Reach 6 and was the reason for the extension of mitigation monitoring to 2026. The Project's Adaptive Management Team (AMT) is pushing for additional gravel augmentation downstream of Virginia St. If accepted by Valley Water, this would result capital work in 2027-2028. Mitigation is meeting its success criteria, though reach is infested with Phytophthora.
6	26154003 (Rs 7-12)	Upper Guadalupe River Flood Project (Upper or UGRP, E8)	Monitoring ends 2024 and 2027 at reaches 10B and 12, respectively. Mitigation is meeting its success criteria, although drought and unhoused encampments have impacted Reach 12.
7	40264011	Cunningham Flood Detention Certification	Monitoring ends in 2028. Mitigation is meeting its success criteria.
8	40334005	Lower Penitencia Creek Flood Protection Project	Monitoring ends 2026. Mitigation is meeting its success criteria.
9	26244001	Permanente Creek Flood Project inc. Rancho San Antonio Flood Basin	Monitoring ends 2031. Mitigation is meeting its success criteria.
10	62042032 (10104009)	Adobe Creek Reaches 1-4	Monitoring ends in 2027. Mitigation was infested with Phytophthora, and did not meet the permitted success criteria during the original required 10-year monitoring period. Staff is actively remediating the project and continuing to monitor in agreement with resource agencies for no additional mitigation, fines, or penalties.
11	62042032 (26104001s)	Calabazas Creek	Monitoring ends in 2029. Mitigation was infested with Phytophthora, and did not meet the permitted success criteria during the original required 10-year monitoring period. Staff is actively remediating the project and continuing to monitor in agreement with resource agencies for no additional mitigation, fines, or penalties.
12	40212032	Lower Coyote Creek	Monitoring for various indicators ends between the years 2042 and 2052. Project's mitigation area is impacted by unhoused encampments.
13	30151026 (30154013s)	Guadalupe River Flood Project (Downtown or GRP)	Monitoring ends in 2100. Valley Water made a 100-year commitment to mitigation monitoring. Project's mitigation area is impacted by unhoused encampments. Mitigation is mostly meeting success criteria with the exception of the tree basal area indicator.
14	62042032 (40264008)	Lower Silver Creek (Reaches 4-6)	Monitoring ends in 2028. Phase 3 capital work was completed and handed over to Operations and Maintenance in February 2021.
<b>Projects Not Listed in Planning, Design or Construction Phase Monitoring</b>			
15	91874004	Calero Dam Seismic Retrofit - Design & Construct	In FY23, a new design consultant will be retained and the project should see advancement in FY24.
16	26044001	Almaden Lake Improvement	Almaden Lake Improvement Project has been placed on hold in in order to free up voter-approved Safe, Clean, Water (SCW) funding to complete the Ogier Ponds Separation from Coyote Creek, Project No. 26044003, as the latter fulfills multiple SCW key performance indicators (KPIs).

## Capital Project Monitoring Report - June 2023

### Capital Projects Not Listed In Planning, Design or Construction Monitoring

Row	Project No.	Project Name	Notes, upcoming Board actions or potential issues
17	26174041s	Berryessa Creek, Calaveras Blvd. to I-680 26174041 Berryessa Creek, USACE coordination 26174042 Berryessa Creek, LERRDs	Project construction was accepted as complete by the Board in FY21 and will be moved to closeout phase report for monitoring.
18	26044005	SCW Implementation: Fish Passage Improvements (D4.3)	Expenditures planned for FY28 were moved to FY24 as the project is now in preliminary planning for a fish passage improvement project on Stevens Creek per November 8, 2022 Board Meeting.
19	60204016	Facility Management Small Caps	Under this small capital project, Facilities is performing the following work: installation of new awning at the Administration Building patio; facility condition assessment at various locations; replacement of windows at HQ; design and replacement of chiller/cooling tower at HQ; replacement of generator for HQ; electrical infrastructure replacements at various locations; boardroom furniture and carpet replacement; asphalt repair/replacement at main campus and Winfield Warehouse; resealing of Administration Building roof. Upcoming work includes: asphalt repairs at various treatment plants; EV charger installations; furniture and various interior renovations at the Water Quality Lab; electrical infrastructure replacements at various locations.
20	60204022	Security Upgrades and Enhancements	New Capital project, with planning scheduled to start early FY24. Project will be added to planning/feasibility phase report for monitoring. Likely prioritizing requirements gathering and product selection for security technology as well as physical security and fencing.
21	73274008	Software Upgrades and Enhancements	This project funds software renewals and upgrade projects for enterprise applications such as Asset Management, Access Valley Water and GIS, which are cyclical (annual) in nature. In FY23 several large upgrades and expansion projects are planned including upgrades to both our Asset Management and GIS platforms and continued optimization of our ERP system.
22	95274003	WTP-WQL Network Equipment	This project primarily funds the refresh of network and computer hardware for the Water Utility including Servers, Switches, Routers, Desktop Computers, Firewalls and other Cybersecurity appliances. Several systems upgrades are currently planned for FY23 in alignment with refresh schedules.



# Santa Clara Valley Water District

File No.: 23-0660

Agenda Date: 6/30/2023

Item No.: 4.3.

## COMMITTEE AGENDA MEMORANDUM Capital Improvement Program Committee

Government Code § 84308 Applies: Yes ☐ No ☒  
(If "YES" Complete Attachment A - Gov. Code § 84308)

### SUBJECT:

Receive Information on Design-Build Pilot Projects - Coyote Pumping Plant Adjustable Speed Drives Replacement Project No. 91234002 and Vasona Pumping Plant Upgrade Project No. 92264001; and Consider Staff's Recommendation to Implement the Design-Bid-Build Project Delivery Method for the Vasona Pump Station Upgrade Project.

### RECOMMENDATION:

- A. Receive information on design-build pilot projects - Coyote Pumping Plant Adjustable Speed Drives Replacement Project No. 91234002 and Vasona Pumping Plant Upgrade Project No. 92264001.
- B. That the Committee recommend to the Board that the Vasona Pump Station Upgrade Project be implemented using the design-bid-build project delivery method.

### SUMMARY:

#### ***Prior Approval to Use Design-Build Delivery Method***

On January 14, 2019, the Capital Improvement Program Committee (Committee) received information from staff regarding the Design-Build project delivery method for public work projects. The Committee requested that this information be presented to the Board of Directors. On February 26, 2019, staff provided an overview of the Design-Build project delivery method to the Board of Directors, which included the recommendation that the Design-Build delivery method be used for the Coyote Pumping Plant Adjustable Speed Drive Replacement Project (CPP ASD Project) and the Vasona Pumping Plant Upgrades Project (VPP Project).

On March 12, 2019, the Board of Directors approved implementing the Design-Build project delivery method for the CPP Project, as well as the consultant agreement with Brown and Caldwell, Inc. for planning and preliminary design of the CPP Project.

On April 23, 2019, the Board of Directors approved implementing the Design-Build project delivery method for the VPP Project, as well as the consultant agreement with Hazen and Sawyer for project

planning and preliminary design services for the VPP Project.

### ***Coyote Pumping Plant Adjustable Speed Drive Replacement Project***

The CPP ASD Project No. 91234002, replaces the pumping plant's ASDs, instrumentation and control equipment, and electrical distribution system components. Once completed, the CPP ASD Project will improve plant operation and reliability and reduce operation and maintenance costs.

The Construction Cost Estimate for the 30% design as submitted by the Design-Build entity, Kiewit Corporation, for the CPP ASD Replacement, is \$33.2M, which is \$9M higher than the estimate originally prepared by Valley Water's design consultant, which had been valued at \$24M.

The Design-Build entity's estimate is being reviewed by staff and Valley Water's independent cost estimator in preparation for negotiations. Staff will have to negotiate accordingly with Kiewit because of the larger and unexpected increase in the estimate. Based on industry standards, these types of negotiations are typical of the Design-Build project delivery method. Therefore, after the 30% design phase, for the 60%, 90%, and Final Design, there are likely going to be multiple rounds of reviews and negotiations, in addition to the work involved with the delivery of this project.

### ***Vasona Pumping Plant Upgrades Project***

The VPP Project No. 92264001, will replace the pumps, motors, drives, valves, actuators, instrumentation and control equipment, and electrical distribution system components. The VPP Project will improve the pump station's operation and reliability; increase operational flexibility; prepare for future capacity needs; and reduce operation and maintenance costs.

The VPP Project is the other pilot project that staff had intended to deliver using the Design-Build method. Given that the CPP ASD Project, which is the first pilot project, is experiencing unexpected issues as described, staff is recommending to move forward with Valley Water's most commonly used Design-Bid-Build delivery method instead of Design-Build for the VPP Upgrade Project.

### ***Next Steps***

In order to progress the VPP Project, staff will bring an item to the Board of Directors and make the recommendation to deliver the project using the Design-Bid-Build method.

### **ATTACHMENTS:**

None.

### **UNCLASSIFIED MANAGER:**

Emmanuel Aryee, 408-630-3074



# Santa Clara Valley Water District

File No.: 23-0645

Agenda Date: 6/30/2023

Item No.: 4.4.

## COMMITTEE AGENDA MEMORANDUM Capital Improvement Program Committee

Government Code § 84308 Applies: Yes ☐ No ☒  
(If "YES" Complete Attachment A - Gov. Code § 84308)

### SUBJECT:

Receive Information Regarding Valley Water's Construction Contract Contingency and Change Order Management Processes.

### RECOMMENDATION:

Receive information regarding Valley Water's Construction Contract Contingency and Change Order Management processes.

### SUMMARY:

#### ***Background on Project Contingency***

Contingency factors are to account for unknown costs that could potentially influence a project's final cost. The application of contingency in a cost estimate is directly tied to the estimator's risk analysis of the project. Projects with many unknown factors will carry higher contingencies, while projects with well-defined and developed information require lower contingencies.

When preparing a cost estimate for a project, a risk analysis is undertaken to establish all the known potential costs that could impact the project, even though they may not be apparent at the time of the estimate. This is where the experience of a cost estimator is critical in improving the quality of an estimate.

There are some typical indirect impact items that can have a significant effect on cost. In early phases of project development, contingencies or allowances may be included in the estimate to account for these indirect impacts. In later stages, unit pricing and vendor quotes should reflect these impacts. Some risks are listed below:

1. Schedule delays
2. Union contract renewal dates or Governmental wage negotiations
3. Unusually severe inclement weather conditions not typical for the project location

4. Construction industry economic conditions and volume of work in the region
5. Nature and extent of the project such as physical size and complexity
6. Projects comprised of multiple locations
7. Restrictive work hours or specialized methods of work
8. Site accessibility
9. Material shortages

### **Sample Risk Analysis**

Once the project manager has identified as many risks as possible associated with a project, an assessment of the impact of the risk on the project should be performed. The impact and probability of occurrence should be registered, along with the anticipated response to the risk.

A simplified example of a risk analysis register excerpt is shown below.

DESCRIPTION OF RISK	IMPACT	PROB.	CLOSURE	ACTION/RESPONSE
Anticipated Increase in cost for concrete in next 3 years	Med	High	Bid	Contingency Added
Inclement Weather	Med	Med	Completion	Weather Protection
Lack of skilled labor to perform type of work	High	High	Completion	Prequalification and increase cost estimate
Pipeline alignment requires easements from others	High	High	Design	Contingency or Re-design
Hazardous soils on site	High	Low	Design	Perform haz mat survey in suspected areas

### **Project Cost Estimating for Contingencies**

For Project Cost Estimates, contingencies address cost risks and a construction contingency. Use of contingencies is critical in guarding against underestimating a project's total cost.

Therefore, use of contingencies should be based on a reasonable risk analysis based on the information known at the time of the estimate. Arbitrarily assigning contingencies can be counter-productive, since overestimating costs can either prevent the project from being funded, or negatively impact the scope of the project. Recommended ranges for design contingency at various stages of design are:

Order of Magnitude/Project Initiation	40 to 60%
Conceptual & Preliminary/Planning	20 to 40%
Definitive/Design	5 to 20%

Contingencies are considered in preparing the project budget and schedule in the Project Plan and should reflect the conclusions of the most recent risk analysis. When the construction contract is awarded, the board approves a construction contingency amount to pay for anticipated and unanticipated conditions impacting the cost of building the project.

***Construction Contract Contingency - Past Process Improvements***

In a construction contract, an “Extra Work” line item refers to scope that is not required for performance of the contract. “Additional Work” is within the scope of the project and must be performed.

In 2009 Capital Program staff developed and implemented new procedures for construction contracting which eliminated the inclusion of “Extra Work” line items. Instead, the board approves encumbering a contingency amount separate from the construction contract award amount. Based on laddered authority, the board delegates to various job classifications (i.e., Deputy Operating Officer, Assistant CEO, and CEO), permission to approve change orders to pay for cost-related contingencies that arise during construction. Approving this allowance at the time of award enables staff managing project construction to act quickly in authorizing change orders so as not to delay project progress.

This strategic approach also allows construction management teams to more closely manage the contingency funds and eliminated the contractor’s expectation that additional funds were available to them by way of “Extra Work.”

***Construction Contract Contingency - Recent Board Discussion***

During the board’s review of the Capital Improvement Program’s FY 2024-28 Five-Year Plan, a board member shared their assumption that if a contingency percentage is set at 15% (for example), a contractor working on a Valley Water project will aim to have change orders approved expending the full contingency amount. Based on that assumption, the board member asked, “How much money in FY24 and beyond could be saved by reducing future construction contract contingency amounts from 15% to 10%?”

The answer is that there is no guarantee that reducing the contingency amounts will result in cost savings. Staff’s recommended contingency amounts are based on engineering judgment after carefully evaluating complexities and risks associated with a project.

Although a contingency amount higher than 10% may be recommended and ultimately awarded, staff has not found a strong correlation between the initial contingency amount set and a higher contingency utilization rate. This is demonstrated by the data shown in the following table.

Other factors such as the project design suitability, subsurface soil conditions, permit restrictions, and contractor performance, have been shown to have a more significant effect on the amount contingency utilized.

In addition, because the Total Project Cost listed in the CIP encompasses project phases beyond construction, a direct ratio of potential savings cannot be derived from the gross CIP total. Potential future savings are dependent on the contract award values, which are not known until the time of project bid opening, and in addition, those numbers can be dynamic, and change based on

unforeseen conditions.

### ***Construction Contract Contingency Data***

*Period: 12/17/2017 - 6/22/2023*

<b>Capital Construction</b>	<b>Contingency Approved (Average)</b>	<b>Contingency Spent (Average)</b>
Completed (22 Projects)	9%	3%
Nearing Completion*/ Plant Establishment (13 Projects)	15%	7%
Construction (9 Projects)	16%	TBD
<b>All Construction Projects (44 Projects)</b>	<b>13%</b>	<b>TBD</b>

*\*Construction nearing completion within the calendar year.*

### ***Contingency Management - 2023 CIP Performance Audit Draft Report***

Based on the recent board discussion regarding the contingency percentages, the topic of contingencies was addressed by the board Auditor in a Draft Audit Report for the CIP Performance Audit that was recently conducted.

In summary, the Draft Audit Report stated that Valley Water should identify "...the types of contingency reserves utilized by Valley Water, the purpose of reserves, and how contingency amounts should be determined, including a process to formally memorialize the assumptions and rationale behind project contingency amounts. Review of the existing contingency guidelines and rules for authorized use have been added to the 2023 CIP Committee Work Plan for discussion."

Regarding the types of Contingency Reserves utilized, Valley Water uses both Project Level Contingency, which is included at the Project Budget level, and a Management Contingency, which is at the Fund Reserve level.

Regarding how Contingency Amounts should be determined, as set forth in our Capital QEMS processes, Valley Water uses a Risk-Analysis-Based Process for Contingency Estimation. Staff believes this process is consistent with the Best Practices identified in the CIP Performance Audit Draft Report.

In response to audit recommendations and in review of the contingency processes, staff has identified process improvements. One, is to include a CIP Development Process or Manual, which will serve as an "umbrella" document for all capital processes. Second, staff has updated the Capital Project Delivery Process to include reassessment of risk at the time the board accepts a Project as complete, to determine whether remaining contingency funds could be released to project or fund reserves.

This reassessment of risk will largely impact projects that have extended project closeout periods beyond the acceptance of completed civil work, such as projects that have mitigation requirements



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with plant establishment periods. At this point, if the remaining risk is low staff may consider whether the remaining contingency funds can be released to the project level or fund level reserves. Overall, this will most likely apply to Watershed Stream Stewardship Fund (Fund 12) or the Safe, Clean Water Fund (Fund 26) projects.

### ***Change Order Process***

When the construction contract is awarded, in addition to approving the contingency amount, the delegated change order approval staff levels are defined and approved by the board.

Typically, the CEO can approve change orders of any amount up to the approved contingency limit; unclassified managers and unit managers have lower approval authorities as designated by the board.

On rare occasions, the board-approved initial contingency amount is insufficient to pay for all change orders that occur during construction. As a result, staff may recommend the board approve an increase in the contingency amount, thereby providing sufficient funds for staff to approve a change order that typically results from an unforeseen circumstance. For example, the board recently approved (June 13, 2023) a contingency increase amount for the Lower Calera Creek Flood Protection Project so staff can approve a change order to pay Valley Water's contractor to repair a City of Milpitas water line leak. Milpitas and Valley Water will negotiate a cost reimbursement arrangement to pay for the work.

Change orders submitted for administrative approval are accompanied by a memorandum explaining the facts and cost justification. A board agenda item will be scheduled if staff recommends an increase in the contingency amount needed to pay for change orders resulting from unforeseen costs. In either case the communication will include a detailed explanation of the reasons increased funding and change order approval is recommended. The explanation shall include the following:

1. Description of the recommended change order and explanation why it's needed.
2. The terms and conditions for calculating the contractor's compensation if the change order is compensable.
3. Information on the project's current financial status.
4. Justification for a contract time adjustment if the change order will include a time extension.
5. Description of the method used to determine time extensions and what operation controlled the time during the delay period.
6. An explanation of any concurrent issues caused by Valley Water or third parties that may impact time and/or money due the contractor.
7. Any other information required by Valley Water policy.

All change orders are recorded in the Document Control System. Payments are made on subsequent progress pay estimates as the work is completed. Partial payments may be necessary if all the work

encompassing the change have not been completed.

### ***Contingency Management - 2019 Contract Change Order Audit***

In 2019, with plans to complete greater than \$5B in capital projects over 15 years, the board approved an agreement with Tap International to conduct an audit of the Construction Contract Change Order Management and Administration to strengthen change order management and administration for large-scale capital construction projects.

The goal of the audit was to identify opportunities to strengthen processes and oversight structure in order to reduce the risk of cost overruns and schedule delays resulting from change orders.

There were seven (7) audit recommendations focused primarily on:

1. Performing Independent Cost Estimates
2. Defining High Risk Projects
3. Establishing a Change Control Board
4. Utilizing Project Steering Committees

Below is a high-level summary of the process improvements that have been implemented in response to the audit recommendations.

1. Independent Cost Estimates (ICE)

- A. Internal ICE  
Performed for all change orders

- B. External ICE

Independent external cost estimates required for change orders if:

- 1) Changes exceed delegated approval authority of UM or AOO (whichever is greater); or
- 2) If the analysis exceeds staff expertise

2. Definition of "High Risk" Projects for Change Control

- A. Construction contracts of \$100 million or greater; or

- B. Determined to be high risk

- 1) According to Valley Water's standard risk analysis; or
    - 2) Determined by the Chiefs during established checkpoints:  
Upon inclusion in the CIP  
During permitting phase  
During 90% design phase

3. Change Control Board

- A. Implemented for construction projects with construction costs of \$100 million or greater or deemed high risk.

- B. Members:
  - 1) Project Manager or Construction Manager
  - 2) Capital Deputy (Project Owner)
  - 3) Owner Deputy (Asset Owner)
  - 4) Procurement Deputy (Contracts)
  - 5) CPMPC Representative (Project Mgmt./Controls)
- C. Threshold for triggering CCB review of change order
  - 1) To be set on a project-by-project basis
  - 2) Set maximum amounts per level of staff:  
UM, AOO, DOO, COO, ACEO, CEO

#### 4. Project Steering Committee

- A. Implemented for construction projects with construction costs of \$100 million or greater.
- B. The Committee may include\*:
  - 1) Valley Water management
  - 2) Project Manager
  - 3) Construction Manager
  - 4) External subject matter experts
  - 5) Construction Contracts and Support Unit representative

*\* Executive management will assign Project Steering Committee members on a project basis and define their roles. Legal advice will be provided to the Committee, as needed.*

The process improvements will be implemented on an ongoing basis. Staff plans to provide quarterly change order updates to the CIP Committee.

In addition to the recent process improvements implemented in response to the 2019 Contract Change Order Audit, staff plans to further enhance Capital Project Performance Reporting to include trends and classifications of changes resulting in project cost and schedule impacts.

#### **ATTACHMENTS:**

Attachment 1: PowerPoint

#### **UNCLASSIFIED MANAGER:**

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Bhavani Yerrapotu, 408-630-2735

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**File No.:** 23-0645

**Agenda Date:** 6/30/2023  
**Item No.:** 4.4.

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Emmanuel Aryee, 408-630-3074  
Tony Ndah, 408-630-2208



## CAPITAL IMPROVEMENT PROGRAM'S

# Capital Contingency and Change Order Processes

**Presented by**

Luz E. Penilla, Assistant Officer  
Office of Integrated Water Management



# Capital Contingency & Change Order Processes

## Presentation Outline

### Process Overview

#### 1. Project and Construction Contingency

- A. Overview
- B. Recent Board Discussion and Draft Audit Findings
- C. Process Improvements
  - 1) CIP Development Process/Manual
  - 2) Reassessment of Risk upon Acceptance of Work as Complete

#### 2. Change Orders

- A. Overview
- B. Audit Findings
- C. Process Improvements
  - 1) Implementation of Audit Recommendations
  - 2) Enhanced Performance Reporting



# Project and Construction Contingency Discussion

## Capital QEMS Process: Cost Engineering Guidelines

# Capital QEMS Processes

## Contingency Estimation – Risk Based

### Cost Estimates

References and assumptions of cost include direct costs, indirect costs, **contingency**, and escalation. Degree of accuracy improves as project develops.

### 1. Contingency Estimation Requires

- A. Risk Management Process
  - 1) Risk Analysis
  - 2) Risk Register

### 2. Risk Based Costs

- A. Unknown Factors - High Contingency
- B. Well-Defined Information/Plans - Low Contingency

### 3. Board Approval

- A. Awarded Construction Contract Contingency

Category of Risk (Sample)
Environmental
Design
Right of Way
Construction
Management
Funding
Public Outreach
Operations
Contractual
Schedule
Traffic
Regulatory
Material Shortages
Plant Shut Down
Unknown Field Conditions



# Capital QEMS Processes

## Contingency Estimation – Risk Based

### Risk Analysis

Risk Level
Very High
High
Significant
Medium
Low

Probability Rating                      x                      Impact Rating                      = Risk Severity Rating

Score	Likelihood	Quantitative Probability	
		Value Low	Value High
5	Almost Certain	80%	100%
4	Likely	60%	80%
3	Possible	40%	60%
2	Unlikely	20%	40%
1	Rare	0%	20%

Score	Impact
5	Severe
4	Major
3	Moderate
2	Minor
1	Insignificant

5	10	15	20	25
4	8	12	16	20
3	6	9	12	15
2	4	6	8	10
1	2	3	4	5

# Capital QEMS Processes

## Contingency Estimation – Risk Based

### Sample Risk Analysis

#### 1. Measures of Impact Depend on Project Size and Complexity

- A. Cost
- B. Schedule

Score	Impact	Percent of Project Base Cost		Percent of Project Base Schedule		Cost Value, \$M		Schedule Value, months	
		Value Low	Value High	Value Low	Value High	Value Low	Value High	Value Low	Value High
5	Severe	10.00%	100.00%	10.00%	100.00%	\$100,000	\$1,000,000+	3.6	36.0+
4	Major	5.00%	10.00%	5.00%	10.00%	\$50,000	\$100,000	1.8	3.6
3	Moderate	2.00%	5.00%	2.00%	5.00%	\$20,000	\$50,000	0.7	1.8
2	Minor	0.80%	2.00%	0.80%	2.00%	\$8,000	\$20,000	0.3	0.7
1	Insignificant	0.00%	0.80%	0.00%	0.80%	\$0	\$8,000	0	0.3

# Capital QEMS Processes

## Contingency Management – Past Process Improvements

### Extra Work vs. Additional Work

**Extra Work** is work that is not required for performance of the contract.

**Additional Work** is within the scope of the project and must be performed.

#### 1. Capital Program 2009 Improvements

- A. Eliminated Extra Work
- B. Contingency Approved Separate From Contract

This action allowed construction management teams to more closely manage the contingency funds and eliminated the contractor's expectation that additional funds were available to them by way of "Extra Work."

# Recent Board Discussion

## Construction Contract Contingency Amounts

**Question:** How much money in FY24 and beyond could be saved by reducing future construction contract contingency amounts from 15% to 10%?

**Answer:** Staff has not found a strong correlation between the initial contingency amount set and a higher contingency utilization rate.

- 1. **Factors Having a Significant Impact On Contingency Utilized**
  - A. Project design suitability, subsurface soil conditions, permit restrictions, and contractor performance.

Construction Contract Contingency Data

Capital Construction	Contingency Approved (Average)	Contingency Spent (Average)
Completed (22 Projects)	9%	3%
Nearing Completion*/ Plant Establishment (13 Projects)	15%	7%
Construction (9 Projects)	16%	TBD
All Construction Projects (44 Projects)	13%	TBD

*\*Construction nearing completion within the calendar year.*

# Capital Improvement Program Performance Audit

## Contingency Guidance – 2023 CIP Performance Audit Draft Report

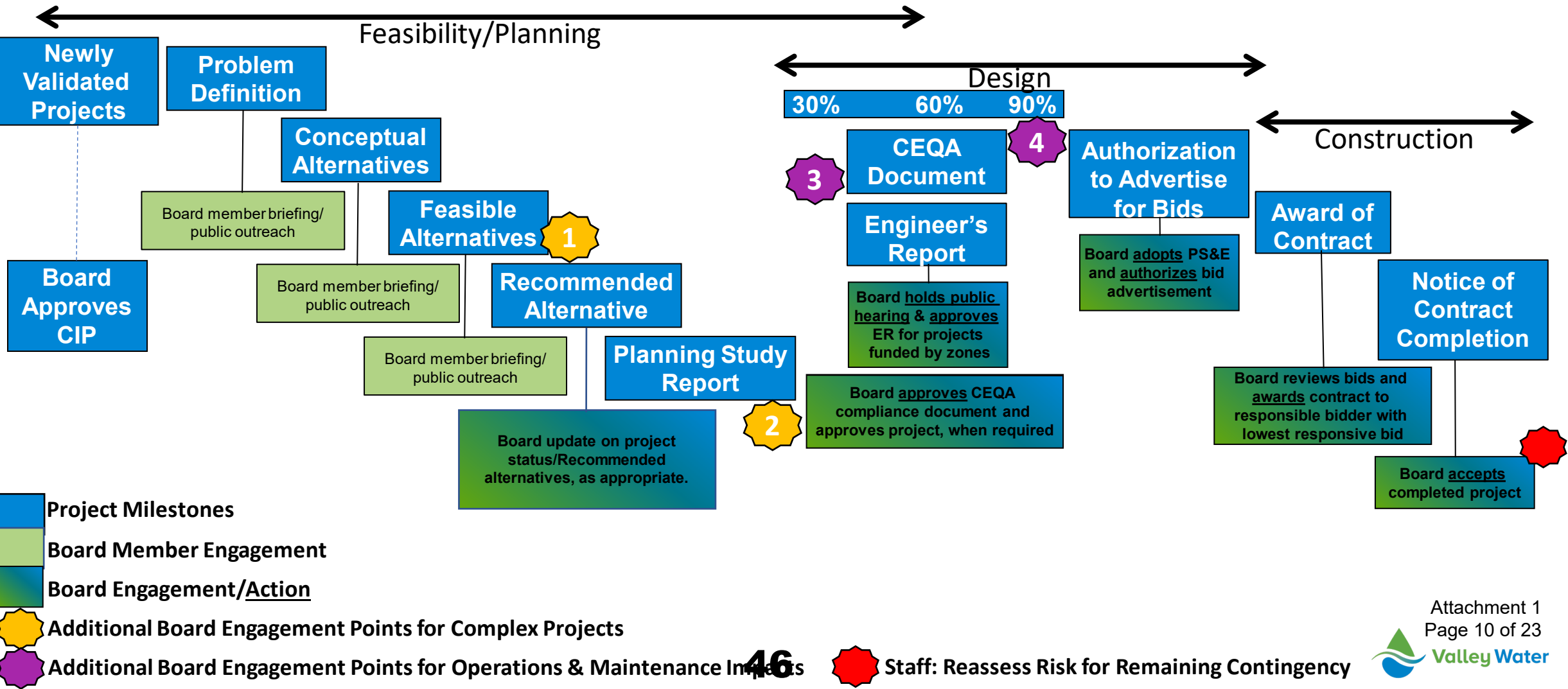
### Guidance Regarding Contingencies and Reserves

- 1. Types of Contingency Reserves Utilized:**
  - A. Project Level Contingency (Project Budget) vs. Management Contingency (Fund Reserves)
- 2. How Contingency Amounts Should Be Determined:**
  - A. Risk-Analysis-Based Process for Contingency Estimation
- 3. Staff Level Process Improvements**
  - A. CIP Development Process or Manual as “Umbrella” Document for all Capital Processes
  - B. Update Capital Project Delivery Process to Include Reassessment of Risk

# CIP Processes Overview

## BOARD ACTION & ENGAGEMENT: CAPITAL PROJECT DELIVERY PROCESS\*

\* This is an example of the Project Delivery Process that may be followed and may not apply to all capital projects.



# Contract Change Order Discussion

## Construction Manual: Section 9, Change Orders

# Capital Construction Manual

## Change Order Management

### Change Order Guidelines

#### 1. Staff Approved Change Orders

- A. CEO can approve change orders up to the approved contingency.
- B. Board sets the limit for Unclassified Managers and Unit Managers to approve.

#### 2. Board Approved Change Orders

- A. Change orders in excess of the available contingency require Board action.



# Capital Construction Manual

## Change Order Management

### Change Order Guidelines

1. **The Board or CEO memo Change Order shall include the following:**
  - A. Description of the change, why it is needed, and the solution
  - B. Terms and conditions for calculating the contractor's compensation
  - C. Information on the project's current financial status
  - D. Justification for a contract time adjustment
  - E. Description of the method used to determine time extensions and what operation controlled the time during the delay period
  - F. Any other information required by Valley Water policy

# 2019 Contract Change Order Audit

## What triggered the audit?

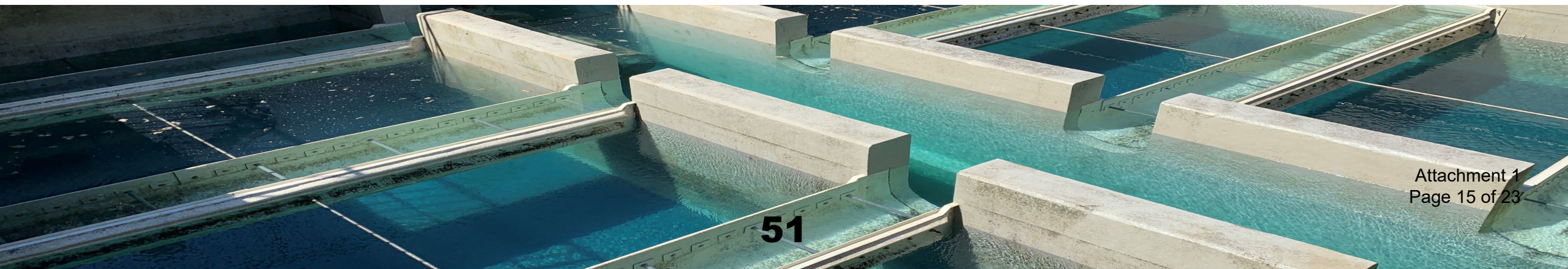
- In 2019, with plans to complete greater than \$5B in capital projects over 15 years, the Board approved an agreement with Tap International to conduct an audit of the Contract Change Order processes.



# 2019 Contract Change Order Audit

## Focus of the Recommendations

1. Independent Cost Estimates
2. Define High Risk Projects
3. Change Control Board
4. Project Steering Committee





# 2019 Contract Change Order Audit

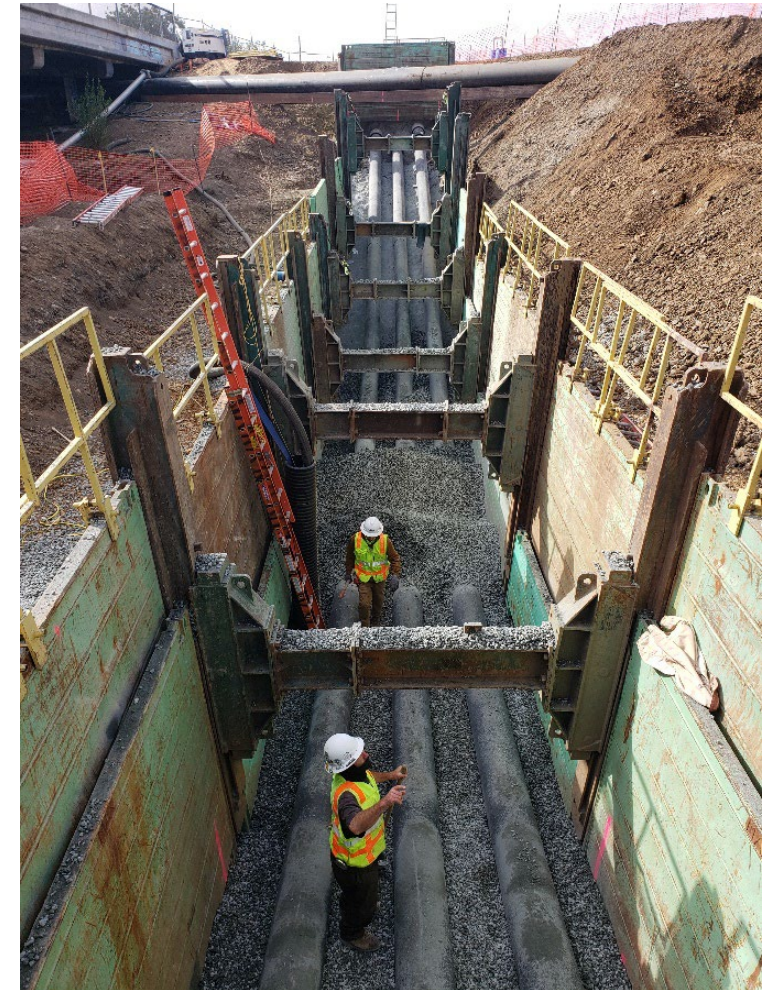
## Independent Cost Estimates (ICE)

### Internal ICE

1. Performed for all change orders

### External ICE

1. Independent external cost estimates required for change orders if:
  - A. Changes exceed delegated approval authority of UM or AOO (whichever is greater); or
  - B. If the analysis exceeds staff expertise

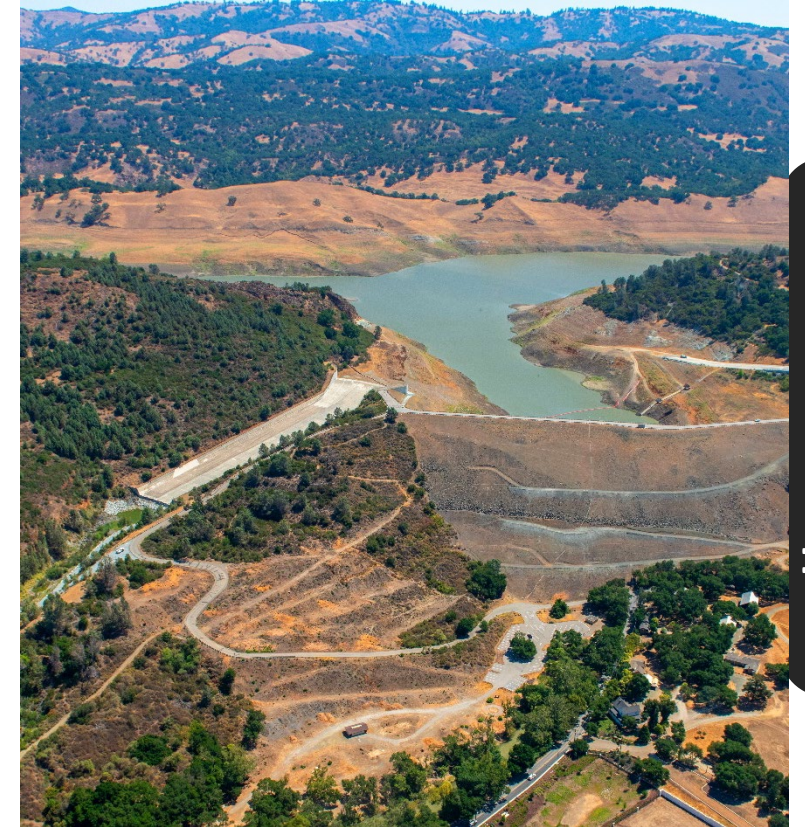


# 2019 Contract Change Order Audit

## Definition of “High-Risk” Projects for Change Control Approach

### High-Risk

1. **Type of Contract**
  - A. Construction contracts of \$100 million or greater; or
2. **Dependent on Risk Analysis**
3. **Determined by Chiefs**
  - A. Upon inclusion in the CIP
  - B. During permitting phase
  - C. During 90% design phase





# 2019 Contract Change Order Audit

## Change Control Board (CCB)

### Change Control Board Implemented

1. **Type of Contract & Level of Risk**
  - A. Construction projects of \$100 million or greater; or
  - B. Deemed high risk.
2. **Members:**
  - A. Project Manager or Construction Manager
  - B. Capital Deputy (Project Owner)
  - C. Owner Deputy (Asset Owner)
  - D. Procurement Deputy (Contracts)
  - E. CPMPC Representative (Project Mgmt./Controls)
3. **Threshold for triggering CCB review of change order**
  - A. To be set on a project-by-project basis
  - B. Set maximum amounts per level of staff: i.e., UM, DOO, ACEO, CEO



# 2019 Contract Change Order Audit

## Project Steering Committee

### Project Steering Committee Implemented

#### 1. Type of Contract & Level of Risk

- A. Construction projects of \$100 million or greater

#### 2. Members:

The Committee may include\*:

- A. Valley Water management
- B. Project Manager
- C. Construction Manager
- D. External subject matter experts
- E. Construction Contracts and Support Unit representative



\* Executive management will assign Project Steering Committee members on a project basis and their roles. Legal advice will be provided to the Committee as needed.

# 2019 Contract Change Order Audit



## Recent Process Improvements to Address Recommendations

Key Recommendation (Summarized)	Management Response	Progress	Description
1. a) Independent Cost Estimates (ICE); b) Advisory Body; c) Prohibit Work Until CCO Execution	a) Agree b) Agree c) Agree*	a) Complete b) Complete c) Complete	a) On-call ICE agreement issued b) Change Control Board Process Established c) Implemented (with exception for time/materials)
2. Enhance constructability reviews	Agree	Complete	On-call ICE agreement issued
3. Enhanced review of change orders via Capital Project Steering Committee	Agree	Complete	Change Control Board Process and Project Steering Committee Process Established
4. a) Create Resources Services Office (RSO), and b) RSO to support small capital design activities and assist PM/CM on CO negotiation	a) Agree b) Disagree	a) Complete b) N/A	Created CPMPC (previously PCO) in 2021 to support implementation of capital PMIS, capital QEMS, and implementation of audit recommendations
5. a) Centralize procurement activities, and b) RSO responsible for Contract Admin and CO Management	a) Agree b) Disagree	a) Complete b) N/A	Procurement activities transferred to Contracts Unit in 2019
6. a) Uniform change order criteria, b) update QEMS processes, and c) enhance project management training	a) Disagree b) Agree c) Agree	a) N/A b) Complete c) Complete	a) N/A b) Establishing Lessons Learned database c) Ongoing - Annual CIP, Biennial QEMS, & On-Call
7. Develop, track & report project performance metrics	Agree	Complete	Established KPI 80% spend rate for CIP, monthly project updates to CIP Committee, quarterly updates to Chiefs

**Attachment 1**

**Page 20 of 23**



# Capital Improvement Program Performance Audit

## Contingency and Change Order Process Improvements

### **Staff Contingency and Change Order Related Improvements (In-Progress)**

- 1. CIP Development Process Manual:**
  - A. “Umbrella” Document for all Capital Processes
- 2. Contingencies:**
  - A. Update Capital Project Delivery Process to Include Reassessment of Risk
- 3. Change Orders:**
  - A. Improvements to Classification and Reporting

# Questions?





# Valley Water

Clean Water • Healthy Environment • Flood Protection

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# Santa Clara Valley Water District

File No.: 23-0643

Agenda Date: 6/30/2023

Item No.: 4.5.

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## COMMITTEE AGENDA MEMORANDUM Capital Improvement Program Committee

Government Code § 84308 Applies: Yes ☒ No ☐  
(If "YES" Complete Attachment A)

### SUBJECT:

Receive Information on Change Orders to Anderson Dam Tunnel Project Construction Contract.

### RECOMMENDATION:

Receive Information on Change Orders to Anderson Dam Tunnel Project Construction Contract.

### SUMMARY:

During the May 17, 2021, Capital Improvement Program (CIP) Committee meeting, staff provided an update on the Anderson Dam Tunnel Project (ADTP) No. 91864005. The Committee requested staff provide monthly change order status updates after construction of the ADTP commences on July 7, 2021.

### Project Background

Santa Clara Valley Water District (Valley Water) is undertaking the Anderson Dam Federal Energy Regulatory Commission Order Compliance Project (FOCP) as a result of the February 20, 2020, directive from the Federal Energy Regulatory Commission (FERC) to implement interim risk reduction measures at Anderson Dam. One of those measures is the ADTP.

On April 27, 2021, Valley Water's Board of Directors awarded the construction contract for the ADTP to the top ranked best value proposer, Flatiron West, Inc. (Flatiron), in the sum of \$161,140,321 and approved a contingency amount of \$40,000,000 (25% of the contract price). The Board directed staff to discuss delegating authority for contingency expenditures with the CIP Committee.

By unanimous roll call vote at its May 17, 2021, meeting, the Committee approved recommending to the full Board that it consider delegating authority to staff to approve change orders for the ADTP at the amounts stated below and that the CIP Committee receive regular monthly reports with information regarding approved change orders, pending change orders, and the cumulative amounts. Valley Water's Board of Directors accepted the CIP Committee recommendations at its regular meeting on May 25, 2021.

### ***Delegated Approval Authority***

Unit Manager: Up to \$100,000  
Assistant Operating Officer: Up to \$250,000  
Deputy Operating Officer: Up to \$500,000  
Assistant Chief Executive Officer: Up to \$2.5 million  
Chief Executive Officer: Up to \$5 million  
Board of Directors: \$5 million and above

### ***Construction Contract Change Orders Status***

There are three new Contract Change Orders (CCO #19, #20, and #21) to present to the CIP Committee. The net value of the three Contract Change Orders (CCO #19, CCO #20, CCO #21) is \$2,983,503.66. Also included for reference are three attachments providing information on construction contract change orders (Attachment #1), construction contract financials (Attachment #2), and an update to the contract milestones schedule (Attachment #3).

### **Contract Change Order #19**

- 1. Increased Bid Quantity for Tunnel Excavation in Transition Zone - Class 5.** The tunnel excavation work is compensated based on the ground classification encountered and the corresponding ground support mechanism required. The Transition Zone includes three ground classifications 3, 4, and 5 with classification 3 as the most competent ground requiring the least amount of ground support and classification 5 as the most difficult ground to support requiring the most ground support mechanisms.

In preparing the bid documents, Valley Water staff and the Project design consultant evaluated geotechnical engineering data and estimated expected quantities of each ground classification to be tunneled, but the actual soil conditions cannot be known until excavation is in progress. In this situation, more Class 5 ground was encountered during excavation than expected.

Due to increased ground Class 5 material encountered in the field during the excavation of the Transition Zone, an increase to the bid quantity is necessary of Bid Item No. 5x, Tunnel Excavation in Transition Zone - Class 5. The bid quantity is increased by 765 Cubic Yards (CY) for ground Class 5 for a revised total quantity of 1,105 CY. This portion of the change order is valued at \$994,500.00.

### **Contract Change Order #20**

- 1. Hydro-Return Line Decommissioning.** Valley Water issued Contract Document Clarification (CDC) 023 with revised plans for the existing 18-inch hydro return line

directing that it will no longer be relocated and replaced. Instead, it will be abandoned in place, filled with lightweight cellular concrete. This portion of the change order results in a net credit to the Contract which is estimated to be <\$70,000.00>.

2. **Low Level Outlet Structure Steel Set Enlargement.** The Low Level Outlet Tunnel (LLOT) has strict dimensional requirements for the placement of the initial support and final lining. To reduce the risk of not meeting the required final dimensions, the steel sets (a horseshoe shaped steel structure component which braces the tunnel excavation), will be increased by 8 inches in width and 4 inches in height in the LLOT. This expanded size will accommodate construction tolerances and provide additional clearance to maintain the internal final dimension of the LLOT.

It has been mutually agreed that the cost for this change be shared between Valley Water and the Contractor. Valley Water will reimburse the Contractor for the increased cost of materials and the Contractor, Flatiron West Inc. (FWI), will cover all other costs associated with this change. This portion of the change order is valued at \$271,743.01.

3. **DPP8 Boring Survey Assistance.** FWI provided surveying assistance to support its subcontractor Taber Drilling during the Phase 8 Drilling Program Plan which involved drilling and completing over-water borings in Anderson Reservoir. The work was completed and tracked on a Time and Materials basis with the final cost valued at \$1,376.00.
4. **CDC 004 Air Vent Pipe Procurement.** Valley Water issued CDC 004 to FWI addressing Division of Safety of Dams (DSOD) and FERC comments on Phase 3 construction features. This included revising the air vent pipe diameter from 12-inches to 24-inches. This item covers the cost increase of material for the vent pipe and is valued at \$171,842.00.
5. **CDC 007.3 North Channel 2023 FWI Scope.** Valley Water issued CDC 007.3 to address comments from resource agencies, including State Water Resources Control Board and National Marine Fisheries Service. Their comments resulted in revisions to the alignment, slope, and depth of the Coyote Creek channel scope of work and also provided a revised weir design.

FWI's scope of work for the 2023 in-channel work window to implement these design changes from the resource agencies includes procuring materials for a temporary dike and piping; installation and removal of the north channel temporary dike; connecting pumps and piping from dewatering wells to a treatment system; and creating equipment access to the north channel. This portion of the work for the 2023 season is estimated to be valued at \$600,000.

6. **CDC 007.3 North Channel 2023 Subcontractor Scope.** Valley Water issued CDC 007.3 to address comments from resource agencies, including State Water Resources Control Board and National Marine Fisheries Service, which revised the alignment, slope, and depth of the Coyote Creek north channel scope of work and also provided a revised

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weir design. As a result of these design comments, FWI's subcontractor Drill Teck Drilling & Shoring's (DTDS) scope of work for 2023 includes material and installation cost of 20 dewatering wells that will be necessary to remove and keep the creek dry in the north channel. This portion of the work will be tracked and paid on Time and Materials, with an estimated not to exceed allowance of \$130,000.00.

### **Contract Change Order #21**

1. **Time Related Overhead for Time Impact Analysis 003.** Valley Water issued CDC 018 with revised plans for installation of additional soil nails on the 0.5:1 slope at the Diversion Outlet Structure, which impacted the critical path of the construction schedule. The Contractor submitted Time Impact Analysis No. 003 and Valley Water agreed that the change in scope resulted in a delay of 56 calendar days, 52 compensable days, and 4 non-compensable days. Valley Water will compensate FWI for Time Related Overhead delays due to the extension of the Contract and revise the Contract Milestones schedule accordingly (Attachment 3). The compensation includes all costs for field and home-office overhead, bonds, insurance, and time-related direct equipment costs, and is valued at \$884,042.66.

### **ATTACHMENTS:**

Attachment A: Government Code §84308  
Attachment 1: Construction Contract Change Orders Status  
Attachment 2: Construction Contract Financial Status  
Attachment 3: Milestone Schedule Revision

### **UNCLASSIFIED MANAGER:**

Ryan McCarter, 408-630-2983



Attachment A – Gov. Code § 84308

Receive Information on Change Orders to Anderson Dam Tunnel Project Construction Contract.

List of Parties and Their Agents/Representatives Known to Staff

<b><u>Organization Name</u></b>	<b><u>Name</u></b>	<b><u>Role</u></b>	<b><u>Location</u></b>
Flatiron West, Inc.	Shawn Golden	Vice President	2100 Goodyear Rd. Benicia, CA 94510

List of Participants and Their Agents/Representatives Known to Staff

<b><u>Organization Name</u></b>	<b><u>Name</u></b>	<b><u>Role</u></b>	<b><u>Location</u></b>

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**Anderson Dam Tunnel Project  
Construction Contract Change (CO) Order Status**

CCO #	CIP Committee Date	Approval Date	Description	Amount	Contingency Amount	Approval Level	Status
		<b>4/27/2021</b>	<b>Original Contract</b>	<b>\$161,140,321.00</b>	<b>\$40,000,000.00</b>	<b>Board</b>	
1	1/18/2022	12/16/2021	Additional Tree Removal, Protection and Relocation	\$460,250.41	\$39,539,749.59	DOO	Approved
2	2/14/2022	4/26/2022	Outlet Works Vertical Shaft Re-sizing	\$3,783,119.15	\$35,756,630.44	CEO	Approved
3	5/16/2022	5/17/2022	Water Quality Monitoring Equipment, Miscellaneous demolition, TCEAP VHF/UHF Radios	\$131,603.28	\$35,625,027.16	AOO	Approved
4	6/13/2022	6/30/2022	Tunnel and Miscellaneous Items from CDC-001/001.1, Remove Taber Drilling from Scope	\$386,801.98	\$35,238,225.18	DOO	Approved
5	6/13/2022	6/30/2022	Upsizing Soil Nail Rows D&E from #18 to #20	\$228,562.00	\$35,009,663.18	DOO	Approved
6	7/18/2022	8/6/2022	Increased Quantity of Diversion Portal Excavation, Assistance with Geological Investigations, Internet access to Trailer # 2, and Change of Infill material for High Level Outlet Works (HLOW) Shaft	\$63,063.32	\$34,946,599.86	UM	Approved
7	9/26/2022	10/31/2022	Disposal Area Parking Lot Remediation, DOS Foundation Excavation - Revised Soil Nail Wall, and Additional Environmental Compliance for Water Quality Monitoring and Soil Testing	\$1,526,724.84	\$33,419,875.02	ACEO	Approved
8	10/18/2022	10/26/2022	Disposal of Regulated and Organic Material	\$80,000.00	\$33,339,875.02	UM	Approved
9	11/14/2022	11/18/2022	3-D Modeling of HLOW Shaft	\$101,101.00	\$33,238,774.02	AOO	Approved
10	12/12/2022	12/19/2022	Monitoring of Additional Piezometer, Supplementary Support for the Transition Zone, DOS Portal Conditions, Partnering	\$1,971,946.48	\$31,266,827.54	ACEO	Approved
11	2/13/2023	12/19/2022	Time Related Overhead Time Impact Analysis 002	\$2,515,330.18	\$28,751,497.36	CEO	Approved
12	2/13/2023	1/19/2023	Increased Quantity of Diversion Tunnel Excavation Class 5	\$1,800,000.00	\$26,951,497.36	ACEO	Approved
13	2/13/2023	2/24/2023	Diversion Outlet Structure (DOS) Energy Dissipation Chamber Grated Access Opening	\$26,000.00	\$26,925,497.36	UM	Approved
14	3/20/2023	4/03/2023	Increased Quantity for 18.5 Foot Diameter Tunnel Excavation Class 5, Increased Quantity for Bid Item No. 2h, 2i, 2j, 2k. Decreased Quantity for Bid Item No. 5a and 5b.	\$156,000.00	\$26,769,497.36	AOO	Approved

**Anderson Dam Tunnel Project  
Construction Contract Change (CO) Order Status**

CCO #	CIP Committee Date	Approval Date	Description	Amount	Contingency Amount	Approval Level	Status
15	3/20/2023	4/18/2023	Diversion Outlet Structure CLSM Saturday Premium Time, Diversion Portal Soil Nail Wall Condition	\$436,753.65	\$26,332,743.71	DOO	Approved
16	4/10/2023	5/12/2023	Surge Protection Device for Main Switchgear, CDC 015 Water Quality Instrumentation, Tree Trimming for Pacific Gas & Electric Pole Relocation	\$84,200.00	\$26,248,543.71	AOO	Approved
17	4/10/2023	5/12/2023	Increased Bid Item No. 11A Allowance - Other Wildlife and Fish Species, Specification Section 19.09	\$145,080.00	\$26,103,463.71	AOO	Approved
18	5/15/2023	5/30/2023	Traffic Support for Press Event	\$2,023.00	\$26,101,440.71	AOO	Approved
DCO #	CIP Committee Date	Approval Date	Description	Amount	Contingency Amount	Approval Level	Status
1	09/26/22	10/05/22	Milestone 7, 9, and 10 Completion Revisions	\$0.00	\$26,101,440.71	UM	Approved

**New CCO's for CIP Committee**

Pending CCO #	CIP Committee Date	Approval Date	Description	Amount	Contingency Amount	Approval Level	Status
19	6/30/2023	5/25/2023	Increase Bid Item No. 5x Tunnel Excavation in Transition Zone - Class 5	\$994,500.00	\$25,106,940.71	ACEO	Approved
20	6/30/2023	TBD	18" Hydro Return Line Decommissioning, Low Level Outlet Tunnel Steel Sets Enlargement, DPP8 Boring Survey Assistance, Air Vent Pipe Procurement, CDC 007.3 North Channel FWI Scope 2023, CDC 007.3 North Channel DTDS Scope 2023	\$1,104,961.00	\$24,001,979.71	ACEO	Pending
21	6/30/2023	TBD	Time Related Overhead Time Impact Analysis 003.	\$884,042.66	\$23,117,937.05	CEO	Pending

<b>Total Approved</b>	<b>20</b>	<b>Total</b>	<b>\$14,893,059.29</b>	<b>\$25,106,940.71</b>
<b>Total Pending</b>	<b>2</b>	<b>Total</b>	<b>\$1,989,003.66</b>	<b>\$23,117,937.05</b>

Total Number of COs (Approved & Pending)	Total Amount of COs (Approved & Pending)
22	\$16,882,062.95

**Anderson Dam Tunnel Project - Construction Contract Financials**

Bid Item No.	Description	Amount	Balance Remaining	*Billing Through May 2023	
				Percent (%)	Amount
1	MOBILIZATION AND DEMOBILIZATION	\$ 16,150,000.00	\$ 2,875,900.00	82%	\$ 13,274,100.00
2	SITE PREPARATION	\$ 5,713,000.00	\$ 1,469,107.78	74%	\$ 4,243,892.22
3	DIVERSION PORTAL	\$ 6,173,496.00	\$ 261,886.40	96%	\$ 5,911,609.60
4	LAKE-TAP PORTAL	\$ 4,215,000.00	\$ 4,093,500.00	3%	\$ 121,500.00
5	TUNNEL EXCAVATION AND LINING	\$ 47,438,325.00	\$ 41,214,725.00	13%	\$ 6,223,600.00
6	SHAFT EXCAVATION AND LINING	\$ 10,100,000.00	\$ 4,336,360.00	57%	\$ 5,763,640.00
7	MICROTUNNEL	\$ 9,982,000.00	\$ 9,331,000.00	7%	\$ 651,000.00
8	DIVERSION OUTLET STRUCTURE	\$ 48,678,550.00	\$ 39,853,913.00	18%	\$ 8,824,637.00
9	COYOTE CREEK MODIFICATIONS	\$ 6,421,550.00	\$ 5,668,500.00	12%	\$ 753,050.00
10	SUPPLEMENTAL WORK ITEMS	\$ 5,668,400.00	\$ 5,668,400.00	0%	\$ -
11	ALLOWANCES	\$ 600,000.00	\$ 422,671.73	30%	\$ 177,328.27
		<b>Total Original Contract Amount</b>	<b>Total Balance Remaining</b>	<b>Percent (%) Billed</b>	<b>Total Billed To Original Contract Amount</b>
		<b>\$ 161,140,321.00</b>	<b>\$ 115,195,963.91</b>	<b>29%</b>	<b>\$ 45,944,357.09</b>

CCOs	Description	Amount	Balance Remaining	*Billing Through May 2023	
				Percent (%)	Amount
CCO 1-19	CONTRACT CHANGE ORDERS (CCO)	\$ 14,893,059.29	\$ 3,324,938.86	78%	\$ 11,568,120.43
		<b>Total Contract Amount Including CCOs</b>	<b>Total Balance Remaining Including CCOs</b>	<b>Total Percent (%) Billed Including CCOs</b>	<b>Total Billed Including CCOs</b>
		<b>\$ 176,033,380.29</b>	<b>\$ 118,520,902.77</b>	<b>33%</b>	<b>\$ 57,512,477.52</b>

\* May 2023 Billing currently under review.

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C0663 - Anderson Dam Tunnel Project Milestone Schedule						
Milestones	Original		TIA 1 and 2021 Inclement Weather	TIA 2	TIA 3	
	Duration (Days)	Completion Date	Revised Duration (Days)	Revised Duration (Days)	Revised Duration (Days)	Revised Completion Date
Milestone 1: Acquisition of Contractor Obtained Permits	60	8/27/2021	No change	No change	No change	8/27/2021
Milestone 2: Not Used (per specification)						
Milestone 3: Completion of 3" diameter waterline at frontage of 2290A Cochrane Road adjacent to Coyote Creek	150	11/25/2021	No change	No change	No change	11/25/2021
Milestone 4: Not Used (per specification)						
Milestone 5: Not Used (per specification)						
Milestone 6: Not Used (per specification)						
Milestone 7: Complete excavation of 18.5' tunnel, 24' tunnel and 8' MTBM lake tap	840	10/16/2023	914	1087	1143	8/14/2024
Milestone 8: Not Used (per specification)						
Milestone 9: Completion of the diversion system including all testing	945	1/29/2024	1024	1190	1246	11/25/2024
Construction Completion Date	980	3/4/2024	1052	1225	1281	12/30/2024
Milestone 10: Complete Project, including two-year landscape establishment period	1710	3/4/2026	1781	1955	2011	12/30/2026
Contract Completion Date	1710	3/4/2026	1781	1955	2011	12/30/2026

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# Santa Clara Valley Water District

**File No.:** 23-0644

**Agenda Date:** 6/30/2023

**Item No.:** 4.6.

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## **COMMITTEE AGENDA MEMORANDUM** **Capital Improvement Program Committee**

Government Code § 84308 Applies: Yes ☐ No ☒  
(If "YES" Complete Attachment A)

### **SUBJECT:**

Review 2023 Capital Improvement Program Committee Work Plan.

### **RECOMMENDATION:**

Review the 2023 Capital Improvement Program Committee Draft Work Plan and make adjustments, as necessary.

### **SUMMARY:**

Work Plans are created and implemented by all Board Committees to increase Committee efficiency, provide increased public notice of intended Committee discussions, and enable improved follow-up by staff. Work Plans are dynamic documents managed by Committee Chairs and are subject to change. Committee Work Plans also serve to assist to prepare an Annual Committee Accomplishments Reports.

Discussion of topics as stated in the Plan have been described based on information from the following sources:

- Items referred to the Committee by the Board;
- Items requested by the Committee to be brought back by staff;
- Items scheduled for presentation to the full Board of Directors; and
- Items identified by staff.

Regular monthly meetings are scheduled to occur at 11:00 a.m., on the third Monday of each month or at the call of the Committee Chair.

Establishing a work plan and meeting schedule are necessary to provide staff a basis for meeting planning and logistics coordination and agenda item preparation. Attachment 1 is the 2023 CIP committee work plan for review and comments by the CIP committee.

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**File No.:** 23-0644

**Agenda Date:** 6/30/2023  
**Item No.:** 4.6.

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**ATTACHMENTS:**

Attachment 1: 2023 CIP Committee Work Plan

**UNCLASSIFIED MANAGER:**

Candice Kwok-Smith, 408-630-3193

# CIP Committee 2023 Work Plan

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Capital Project Monitoring</b>												
Feasibility/Planning		X		X				X		X		
Design/Permitting		X			X			X			X	
Construction			X			X			X			X
Projects in Mitigation/Plant Establishment						X						
<b>CIP Implementation</b>												
Water Treatment Plant Master Plan Implementation		X										
Pond A4 Resilient Habitat Restoration			X									
Design-Build Projects Update						X						
Construction Contract Contingency and Change Order Management						X						
Pre- and Post-Award Contract Administration								X				
Guadalupe River – Tasman to 880 Alternatives								X				
Headquarters Operations Building Planning										X		
<b>CIP Development</b>												
Final CIP Performance Audit									X			
CIP Planning Process												
• Annual CIP Process and Integrated Financial Planning Schedule and Review of Initially Validated and Unfunded Projects										X		
• Review Significant Project Plan Updates											X	
Preliminary CIP Review												X
<b>Standing Items</b>												
Anderson Dam Tunnel Project Contingency and Change Order Monitoring	X	X	X	X	X	X		X	X	X	X	X
Upcoming Consultant Agreement Amendments	X	X	X	X	X	X		X	X	X	X	X
Workplan	X	X	X	X	X	X		X	X	X	X	X
Minutes	X	X	X	X	X	X		X	X	X	X	X
Annual Election of Committee Officer	X											

Canceled

Recess

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