



CAPITAL IMPROVEMENT PROGRAM

# Water Supply Workshop

Presented by

**Jessica Collins, Business Planning and Analysis Unit Manager**

**Office of Integrated Water Management**

Capital Improvement Program Committee, September 18, 2023



**Valley Water**

Page 1 of 21



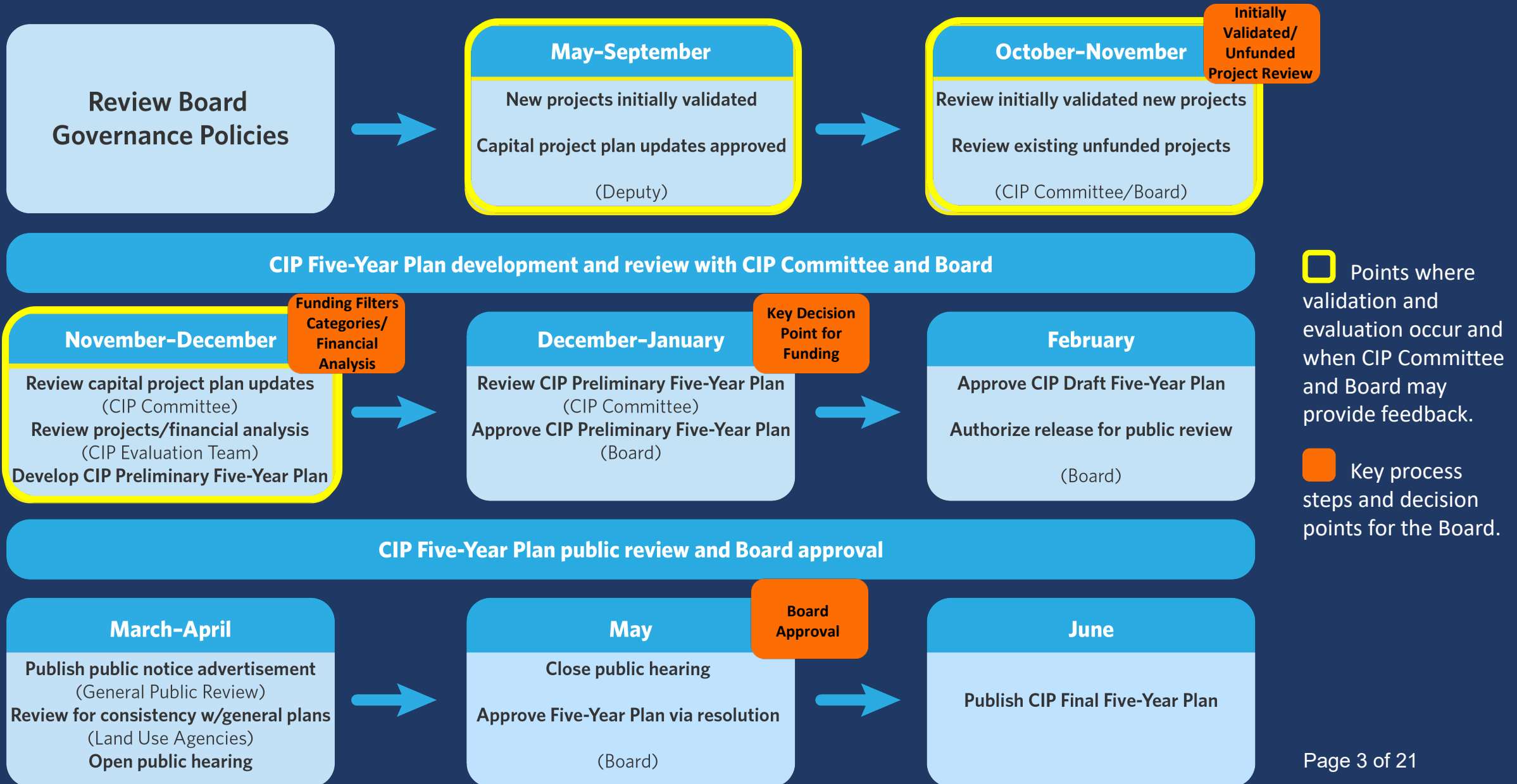
# Presentation Outline

1. Annual CIP Process
2. Project Validation and Evaluation
3. Funding Filters for Prioritization
  - A. Funding Categories
4. Water Supply Capital Projects
  - A. Projects At-A-Glance
5. Next Steps/Questions/Discussion



# Annual CIP Process Overview

REVISED HANDOUT; Agenda Item 4.4



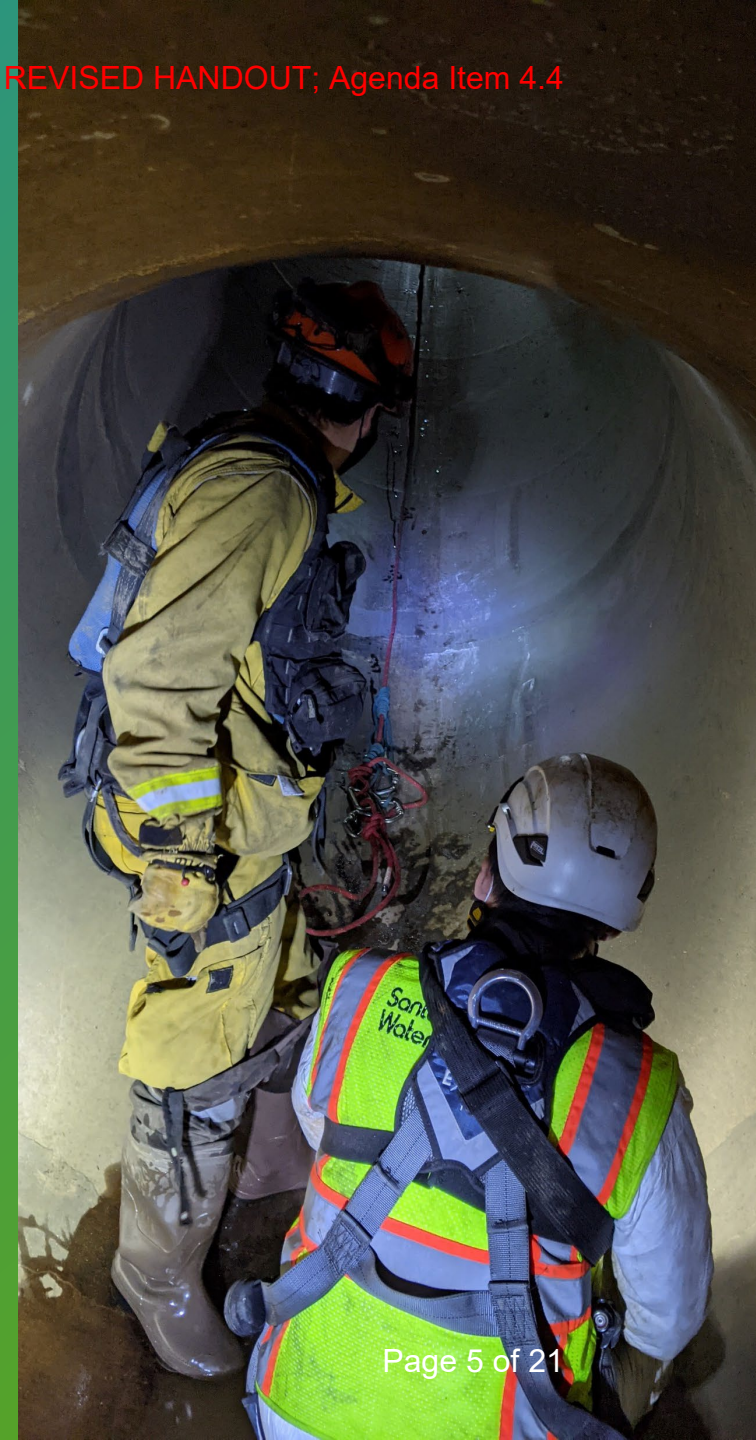


# Drivers for New Capital Projects



# Funding Filters for Prioritization

1. Repair/Replace Existing Infrastructure Projects
2. Public Health and Safety Projects
3. Shovel Ready (Permits/Land Rights Secured) Projects
4. Multi-Benefit Projects
  - A. Environmental Justice Benefit Projects
5. Partially External-Funded (Grants/Partnerships) Projects





# CIP Performance Audit

## Recommendation (summarized):

### 1. Enhance Funding Filters

Tool to:

- A. Improve transparency
- B. Ensure objectivity
- C. Provide clarity

## Solution:

### 1. Apply points to Funding Filters

### 2. Add adjustment factor for Business Risk Exposure (BRE)

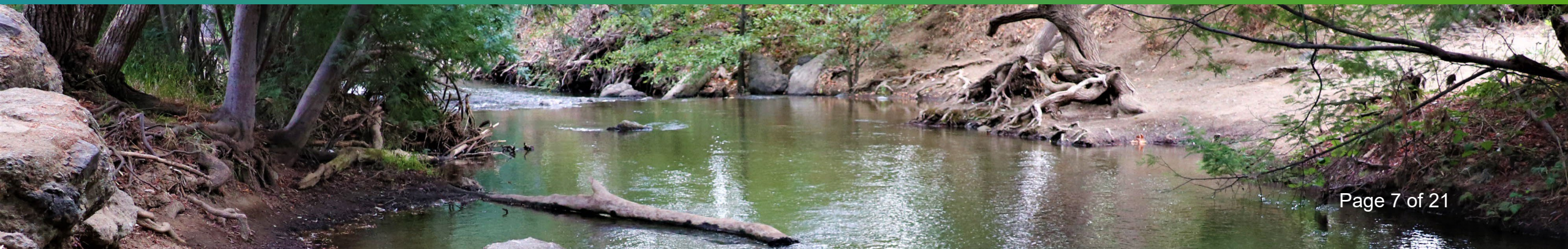
- A. BRE established by Asset Management Program
- B. Used to further prioritize repair/replacement of existing infrastructure projects

### 3. Identify Project Categories

- A. Tool to aid Board in decision making when faced with funding constraints

# Funding Filters Point Application

- |   |                 |
|---|-----------------|
| 1. Repair/Replace Existing Infrastructure Projects          | <b>5 points</b> |
| 2. Public Health and Safety Projects                        | <b>4 points</b> |
| 3. Shovel Ready (Permits/Land Rights Secured) Projects      | <b>3 points</b> |
| 4. Multi-Benefit Projects                                   | <b>2 points</b> |
| A. Environmental Justice Benefit Projects                   | <b>½ point</b>  |
| 5. Partially External-Funded (Grants/Partnerships) Projects | <b>1 point</b>  |

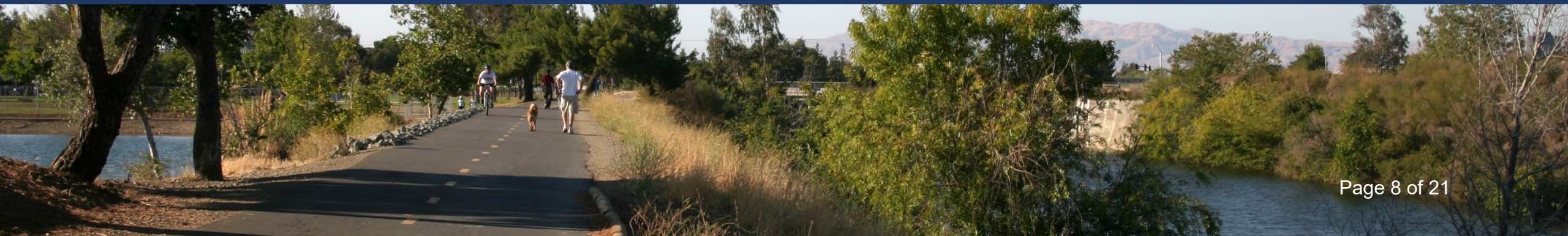




# Business Risk Exposure (BRE) Adjustment Factor:

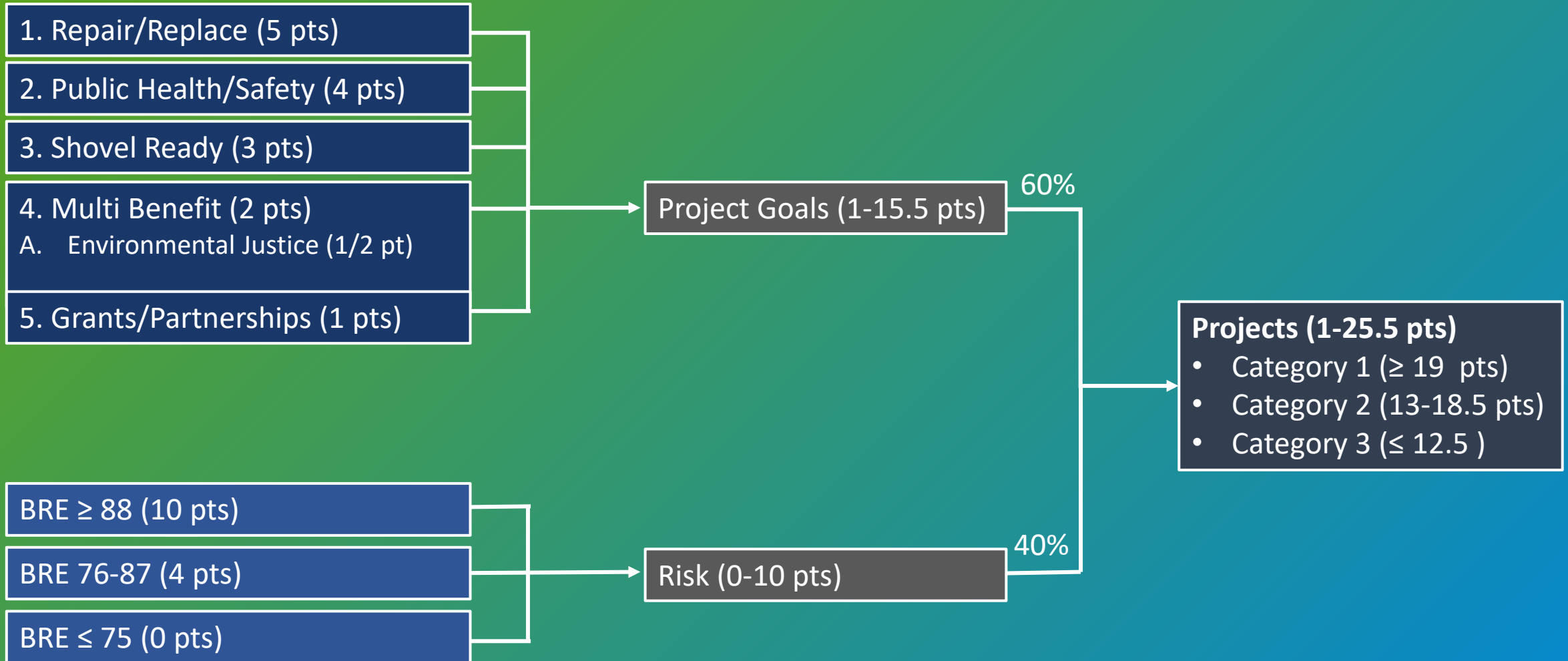
1.  $BRE \geq 88 = \text{Add 10 points}$
2.  $BRE 76-87 = \text{Add 4 points}$
3.  $BRE \leq 75 = \text{Add 0 points}$

Business Impact Evaluation (each criteria scored in detail on a 0-to-5 scale)		Condition Assessment (scored on a 1-to-5 scale)	
Social	Service Delivery	1 = New or Recently Rehabilitated	
	Community Impacts	2 = Good Condition, Only Minor Defects	
	Workplace Safety	3 = Defects Requiring Monitoring, But Fully Functional	
Environmental	Environmental Impacts	4 = Requires Corrective Action, Functionality Threatened	
Economic	Financial Impacts	5 = Failed, Unable to Satisfy LOS, Requires Immediate Action	
	Impact to Reputation		
Consequence of Failure (0 - 30)		x	Probability of Failure (1 - 5) = BRE (0 - 150)





# CIP Project Funding Categories



# CIP Project Funding Categories

## Category 1: $\geq 19$ points

- A. Repair/replace existing infrastructure
- B. Risk of failure score is  $\geq 88$
- C. Required for public health and safety
- D. Projects under construction or mandated (required by law, regulation, federal order, lawsuit, etc...) are automatically included in Category 1.**





# CIP Project Funding Categories

## Category 2: 13-18.5 points

- A. Repair/replace existing infrastructure
- B. Risk of failure score is between **76-87**
- C. Required for public health and safety.



# CIP Project Funding Categories

## Category 3: $\leq 12.5$ points

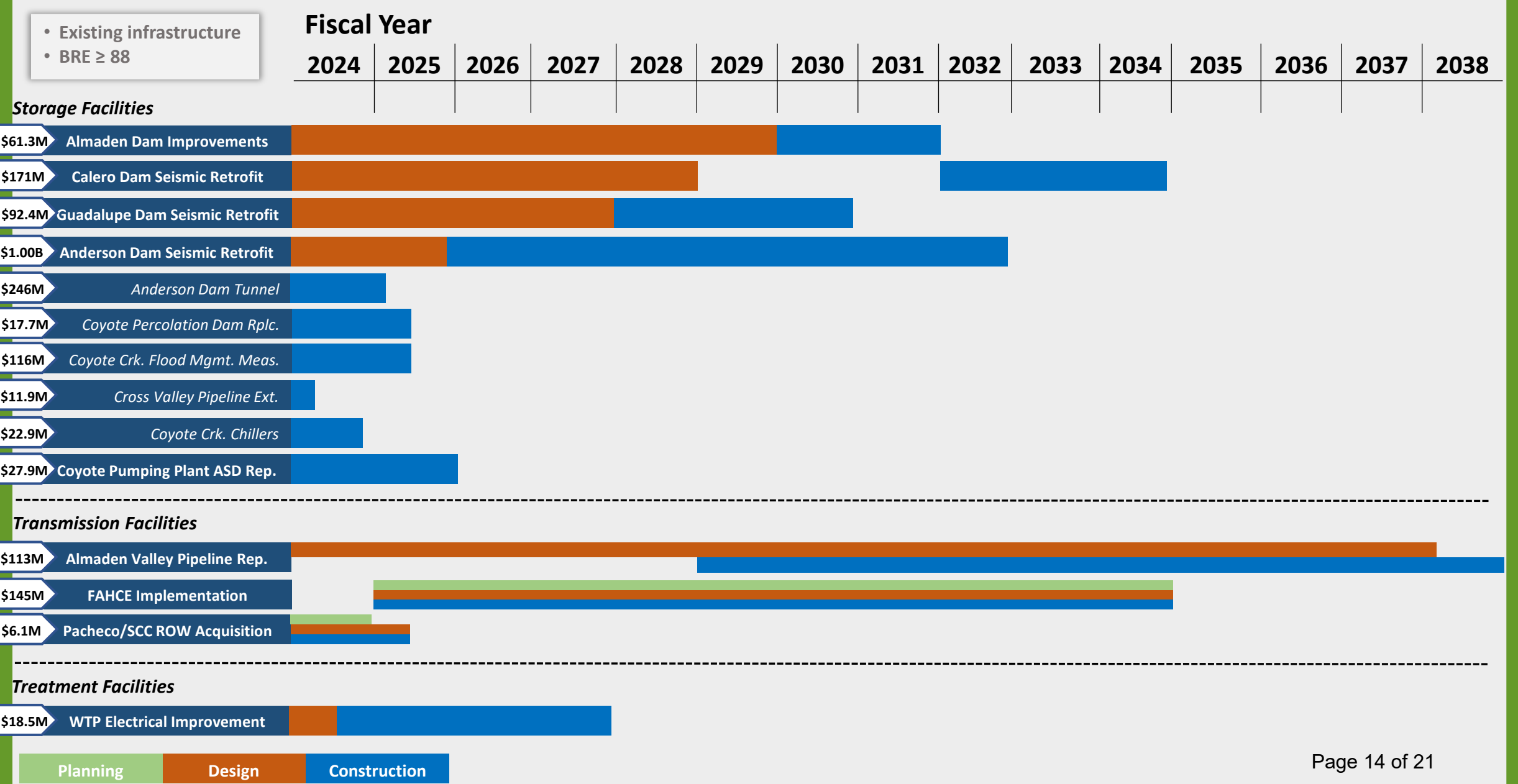
- A. Projects that have a lower risk of failure,  $\leq 75$
- B. New infrastructure projects identified/prioritized in the Water Supply Master Plan and One Water Plan**
- C. Small capital improvement projects and placeholder projects are automatically included in Category 3.**
  - 1) Placeholder projects are projects that meet Valley Water's mission and are anticipated to be needed, but may not yet have defined scopes, schedules, or funding sources.**





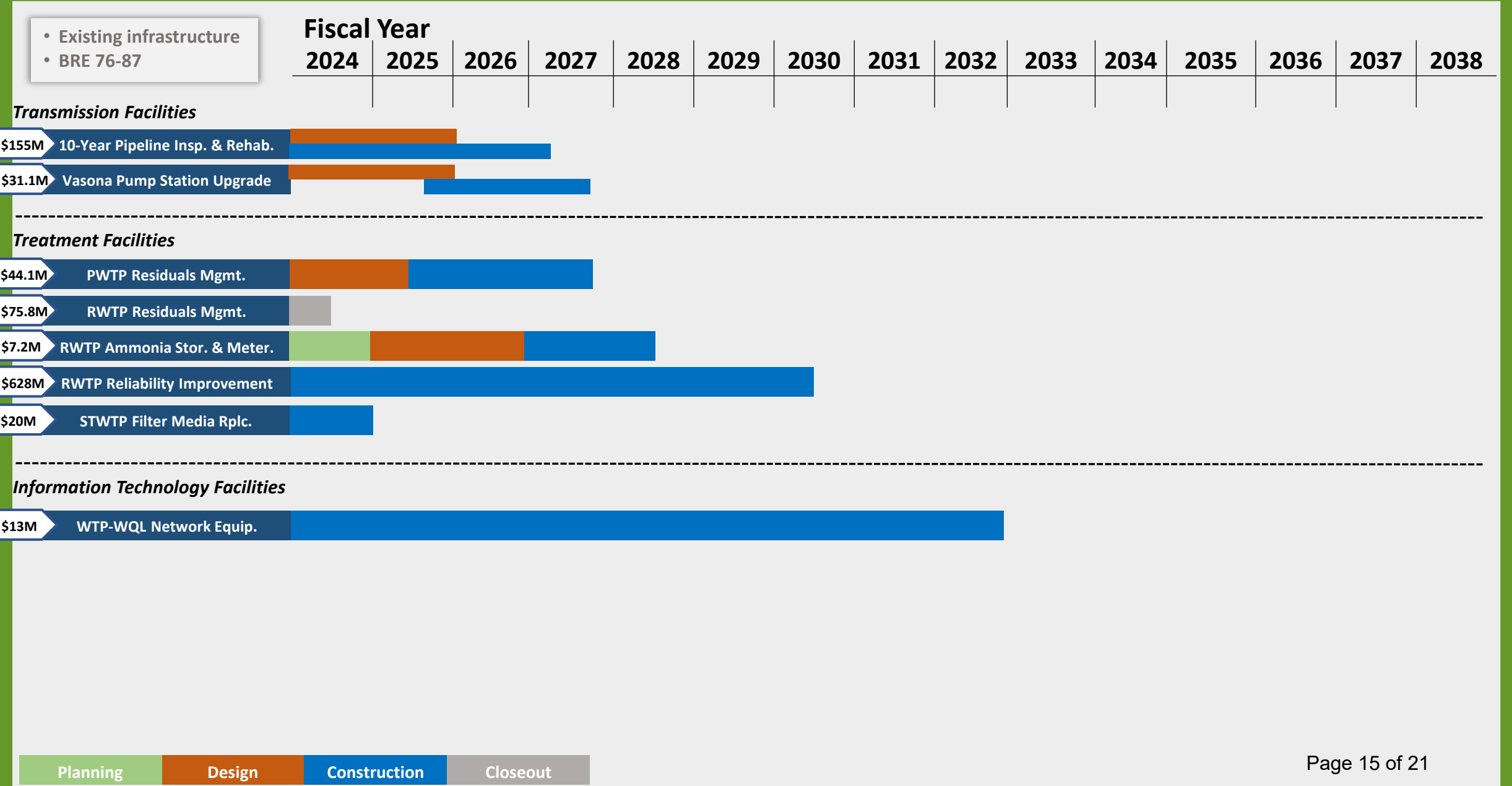
**PAUSE FOR QUESTIONS**

# Category 1 Projects

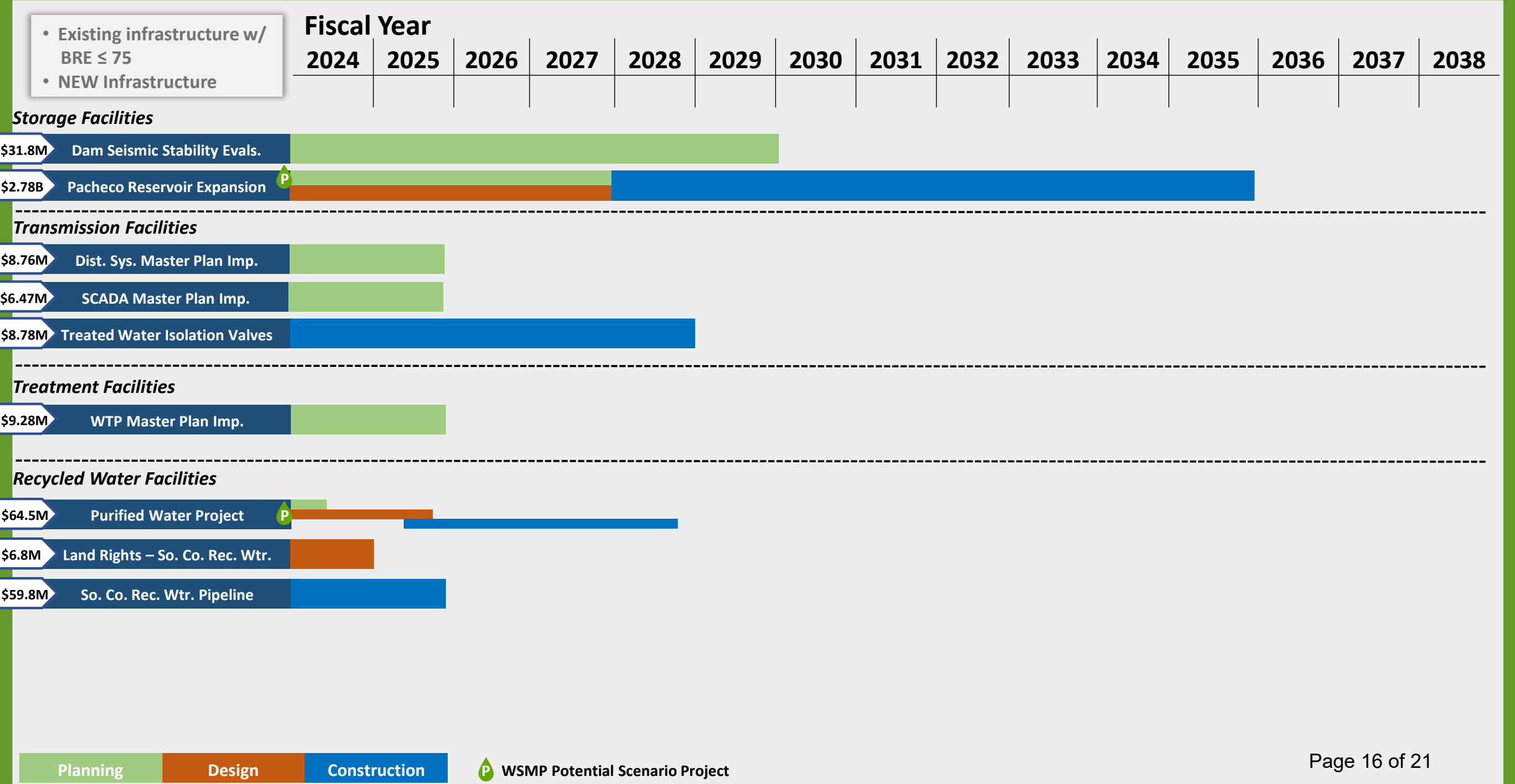




# Category 2 Projects



# Category 3 Projects





# Category 3 Projects Continued

REVISED HANDOUT; Agenda Item 4.4

- Small Capital Imp. Proj.
- Placeholder Proj.

## Fiscal Year

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

### Small Capital Improvement Projects

\$81.1M	San Felipe Reaches 1-3
\$15.5M	Raw Water
\$1.36M	Treated Water Transmission
\$46.6M	Water Treatment

### Placeholder Projects

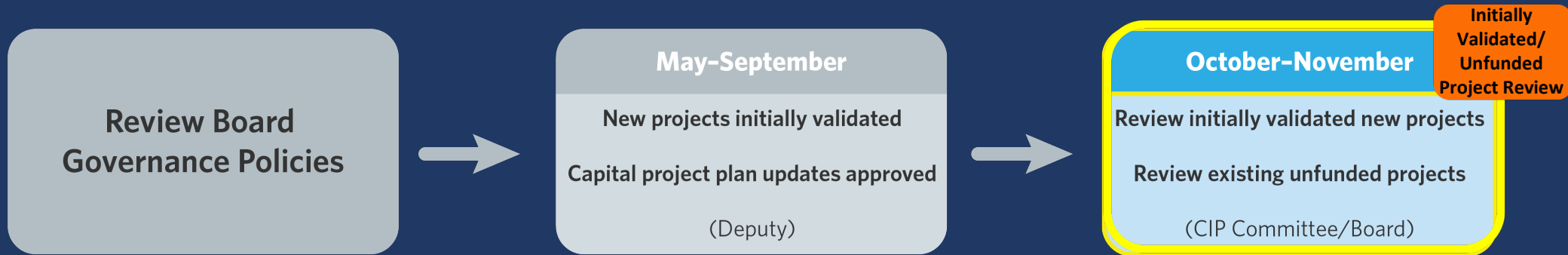
\$66.7M	WS Habitat Enhancements
---------	-------------------------

**PAUSE FOR QUESTIONS**

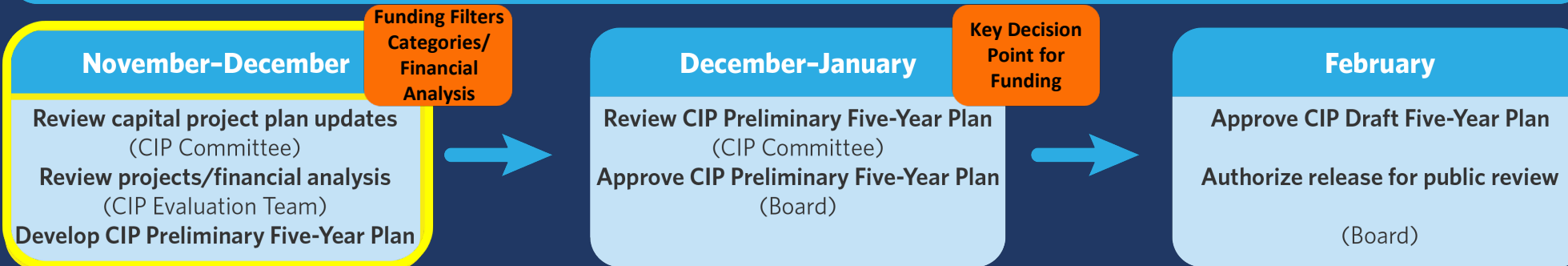


# Next Steps in CIP Process

REVISED HANDOUT; Agenda Item 4.4



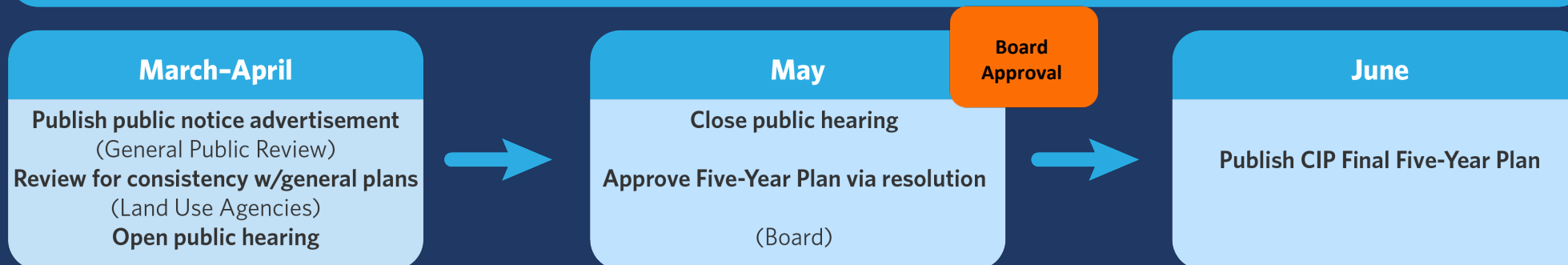
## CIP Five-Year Plan development and review with CIP Committee and Board



Points where validation and evaluation occur and when CIP Committee and Board may provide feedback.

Key process steps and decision points for the Board.

## CIP Five-Year Plan public review and Board approval



# QUESTIONS





# Valley Water

Clean Water • Healthy Environment • Flood Protection



**THIS PAGE INTENTIONALLY LEFT BLANK**