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

**May-September**
- New projects initially validated
- Capital project plan updates approved
  (Deputy)

**October-November**
- Review initially validated new projects
- Review existing unfunded projects
  (CIP Committee/Board)

**November-December**
- Review capital project plan updates
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- Review projects/financial analysis
  (CIP Evaluation Team)
- Develop CIP Preliminary Five-Year Plan

**December-January**
- Review CIP Preliminary Five-Year Plan
  (CIP Committee)
- Approve CIP Preliminary Five-Year Plan
  (Board)

**February**
- Approve CIP Draft Five-Year Plan
  (Board)
- Authorize release for public review

**March-April**
- Publish public notice advertisement
  (General Public Review)
- Review for consistency w/general plans
  (Land Use Agencies)
- Open public hearing

**May**
- Close public hearing
- Approve Five-Year Plan via resolution
  (Board)

**June**
- Publish CIP Final Five-Year Plan

**Key Decision Points** for Funding
- Funding Filters
  Categories/Financial Analysis

**Initial Validation/Unfunded Project Review**
- Points where validation and evaluation occur and when CIP Committee and Board may provide feedback.
- Key process steps and decision points for the Board.
Drivers for New Capital Projects

- Ends Policies
- Master Plans/Program Plans/Asset Management Program
- New Projects: Validation/Evaluation/Financial Analysis
- Capital Improvement Program (CIP)
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 .......................... 5 points
2. Public Health and Safety Projects ................................................. 4 points
3. Shovel Ready (Permits/Land Rights Secured) Projects ................. 3 points
4. Multi-Benefit Projects
   A. Environmental Justice Benefit Projects .................................. ½ point
5. Partially External-Funded (Grants/Partnerships) Projects .............. 1 point
Business Risk Exposure (BRE) Adjustment Factor:

1. BRE ≥ 88 = Add 10 points
2. BRE 76-87 = Add 4 points
3. BRE ≤ 75 = Add 0 points
CIP Project Funding Categories

1. Repair/Replace (5 pts)
2. Public Health/Safety (4 pts)
3. Shovel Ready (3 pts)
4. Multi Benefit (2 pts)
   A. Environmental Justice (1/2 pt)
5. Grants/Partnerships (1 pts)

- Project Goals (1-15.5 pts)
  - BRE ≥ 88 (10 pts)
  - BRE 76-87 (4 pts)
  - BRE ≤ 75 (0 pts)

- Risk (0-10 pts)
  - BRE ≥ 88 (10 pts)
  - BRE 76-87 (4 pts)
  - BRE ≤ 75 (0 pts)

- Projects (1-25.5 pts)
  - Category 1 (≥ 19 pts)
  - Category 2 (13-18.5 pts)
  - Category 3 (≤ 12.5)

Project Goals (1-15.5 pts) 60%
Risk (0-10 pts) 40%
CIP Project Funding Categories

Category 1: ≥ 19 points

A. Repair/replace existing infrastructure
B. Risk of failure score is ≥ 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: ≤ 12.5 points

A. Projects that have a lower risk of failure, ≤ 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

### Fiscal Year

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#### Storage Facilities

- **$61.3M** Almaden Dam Improvements
- **$117M** Calero Dam Seismic Retrofit
- **$92.4M** Guadalupe Dam Seismic Retrofit
- **$1.00B** Anderson Dam Seismic Retrofit
- **$246M** Anderson Dam Tunnel
- **$17.7M** Coyote Percolation Dam Rplc.
- **$116M** Coyote Crk. Flood Mgmt. Meas.
- **$11.9M** Cross Valley Pipeline Ext.
- **$22.9M** Coyote Crk. Chillers
- **$27.9M** Coyote Pumping Plant ASD Rep.

#### Transmission Facilities

- **$113M** Almaden Valley Pipeline Rep.
- **$145M** FAHCE Implementation
- **$6.1M** Pacheco/SCC ROW Acquisition

#### Treatment Facilities

- **$18.5M** WTP Electrical Improvement
## Category 2 Projects

### Fiscal Year

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### Transmission Facilities
- **$155M**<br>10-Year Pipeline Insp. & Rehab.<br>Design<br>Planning<br>Construction<br>Closeout
- **$31.1M**<br>Vasona Pump Station Upgrade<br>Design<br>Planning<br>Construction<br>Closeout

### Treatment Facilities
- **$44.1M**<br>PWTP Residuals Mgmt.<br>Design<br>Planning<br>Closeout
- **$75.8M**<br>RWTP Residuals Mgmt.<br>Design<br>Planning<br>Construction<br>Closeout
- **$7.2M**<br>RWTP Ammonia Stor. & Meter.<br>Design<br>Planning<br>Construction<br>Closeout
- **$628M**<br>RWTP Reliability Improvement<br>Design<br>Planning<br>Construction<br>Closeout
- **$20M**<br>STWTP Filter Media Rplc.<br>Design<br>Planning<br>Construction<br>Closeout

### Information Technology Facilities
- **$13M**<br>WTP-WQL Network Equip.<br>Design<br>Planning<br>Construction<br>Closeout
### Category 3 Projects

#### Fiscal Year

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#### Storage Facilities

- **$31.8M** Dam Seismic Stability Evals.
- **$2.78B** Pacheco Reservoir Expansion

#### Transmission Facilities

- **$8.76M** Dist. Sys. Master Plan Imp.
- **$7.4M** SCADA Master Plan Imp.
- **$8.78M** Treated Water Isolation Valves

#### Treatment Facilities

- **$9.28M** WTP Master Plan Imp.

#### Recycled Water Facilities

- **$64.5M** Purified Water Project
- **$59.8M** So. Co. Rec. Wtr. Pipeline

### Notes

- **Existing infrastructure w/ BRE ≤ 75**
- **NEW Infrastructure**

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**Design**

**Construction**

**WSMP Potential Scenario Project**

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# Category 3 Projects Continued

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**Planning** | **Design** | **Construction** | **Closeout**
PAUSE FOR QUESTIONS
Next Steps in CIP Process

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