

Information Technology Capital Improvements

INFORMATION TECHNOLOGY OVERVIEW

Valley Water relies on its software systems and technology infrastructure to help manage its core responsibilities of water supply, flood protection, and environmental stewardship. Recognizing the importance of Information Technology to its success, Valley Water is in the process of developing a new 5-year strategic plan to focus on the changing workforce, innovation, data and internal efficiencies.

In 2014, the Information Technology Capital Fund was created. It accounts for the costs to acquire, and install capital information technology projects with Valley Water-wide benefit. Projects include acquisition and replacement of computers, networks, and communications systems as well as major investments in enterprise software systems and cybersecurity.

Costs are billed to user departments as Intra-District Computer Equipment Charges. Billing rates will be set to smooth charges over time by recovering current costs and accumulating reserves for major planned future projects. Current year charges or a combination of current year charges and reserves may be used to fund authorized projects. The purpose of this fund is to provide adequate resources while avoiding peaks and valleys in charges to user departments.

Major Capital Improvements Identified in the CIP

- Data Consolidation
- Information Technology Disaster Recovery
- ERP System Implementation
- Software Upgrades & Enhancements
- WTP-WQL Network Equipment

CIP PLANNING PROCESS AND FINANCIAL ANALYSIS

The annual CIP Planning Process starts with collecting information on proposed new capital projects in July, followed by the validation of proposed new projects, preliminary scoping, review and financial analyses to produce a CIP Draft Five-Year Plan in February.

The Board then authorizes release of the CIP Draft Five-Year Plan to the public and local municipalities for review, conducts a public hearing, and approves the resolution to adopt the CIP Final Five-Year Plan in May.

Financial analysis of the Information Technology Capital Fund was conducted to determine if there are limitations to funding the planned capital projects.

Through the CIP Planning Process and financial analysis, it was determined that funding needs for approved Information Technology projects can be met.

Significant Project Updates from the Prior Year

- The Water Treatment Plants and Water Quality Laboratory (WTP-WQL) Network Equipment Project increased in cost by \$1.767 million due to the overall project schedule being extended by nine years. This project is used to fund the replacement of the Network and Server equipment on the WTP-WQL networks. The equipment is on a four-to-seven-year refresh cycle. The future planned expenditures are increasing due to heavy equipment refresh years. The project timeline will be revised on an annual basis, as this project will continue for as long as Valley Water has Water Treatment Plants and the Water Quality Lab to maintain.

Information Technology Capital Improvements

The following table is a project funding schedule for information technology capital improvements resulting from this year's financial analysis. Detailed information for each project can be found in this document on the following pages in the order presented in this table. The chart also identifies partially funded projects and estimated unspent appropriation from FY 2022-23.

Information Technology Capital Improvements (\$K)

Project Number	PROJECT NAME	Through FY22	FY23*	FY23 Unspent	FY24	FY25	FY26	FY27	FY28	FY29-38	TOTAL
73274009	Data Consolidation	1,232	-	375	17	39	-	-	-	-	1,288
73274001	IT Disaster Recovery	2,602	-	1	44	-	-	-	-	-	2,646
73274002	ERP System Implementation	17,329	237	-	-	-	-	-	-	-	17,566
73274008	Software Upgrades & Enhancements	4,400	1,234	-	1,322	1,159	778	2,117	889	2,513	14,412
95274003	WTP-WQL Network Equipment	2,996	1,274	783	-	2,140	2,582	7	586	3,437	13,022
TOTAL		28,559	2,745	1,159	1,383	3,338	3,360	2,124	1,475	5,950	48,934


*FY 2023 Adjusted Budget includes adopted budget plus budget adjustments.

 FY 2022-23 Funds to be reappropriated

The following table shows funding requirements from each funding source for information technology capital improvements.

Information Technology - Funding Sources (\$K)

Fund Number	FUND NAME	Through FY22	FY23	FY23 Unspent	FY24	FY25	FY26	FY27	FY28	FY29-38	TOTAL
61	Water Utility Enterprise Fund	2,996	1,274	783	-	2,140	2,582	7	586	3,437	13,022
73	Information Technology Fund	25,563	1,471	376	1,383	1,198	778	2,117	889	2,513	35,912
TOTAL		28,559	2,745	1,159	1,383	3,338	3,360	2,124	1,475	5,950	48,934

 FY 2022-23 Funds to be reappropriated

Project **Data Consolidation**

Program Information Technology

Project No. 73274009

Contact Alexander Gordon
agordon@valleywater.org



Data consolidation will reduce Valley Water's data footprint

PROJECT DESCRIPTION

This project plans, designs, and implements improvements to data management to accomplish the following objectives:

- Implement an enterprise content management (ECM) system with strong business intelligence
- Move from an applications-centric model to a data-centric model, thereby removing silos of data stores
- Manage data as a strategic core asset, with ongoing process and management control for data analytics
- Provide and gain rapid insights using data analytics to solve complex business problems
- Reduce the overall data footprint

PROJECT LOCATION

No Map is provided for this project.

SCHEDULE & STATUS

July 2015 to June 2025

Phase	Cost	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33
Plan	-											
Design	-											
Construct	1,283											
Closeout	-											
	1,283	Total project cost may include expenditures not yet allocated to a specific phase.										

EXPENDITURE SCHEDULE

(in thousands \$)

	Actuals Thru	Planned Expenditures							Total
Project	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Future	
73274009-Data Consolidation	490	367	392	34	0	0	0	0	1,283
with inflation	490	367	392	39	0	0	0	0	1,288

Actuals include project expenditures and encumbrances.

FUNDING SCHEDULE

(in thousands \$)

	Budget Thru	Adj. Budget	Est. Unspent	Planned Funding Requests						Total
Project	FY22	FY23		FY24	FY25	FY26	FY27	FY28	Future	
73274009-Data Consolidation	1,232	0	375	17	39	0	0	0	0	1,288

Adjusted Budget includes adopted budget plus approved budget adjustments.

FUNDING SOURCES

(in thousands \$)

SCVWD Information Technology Fund	1,288
Other Funding Sources	0
Total	1,288

OPERATING COST IMPACTS

The completion of this project will include a maintenance agreement which is anticipated to increase operating costs by approximately \$100,000 per year, beginning in FY26.

USEFUL LIFE: 3-5 Years

Project	Information Technology Disaster Recovery
Program	Information Technology
Project No.	73274001
Contact	Alexander Gordon agordon@valleywater.org



Existing Data Center housing critical servers supporting Valley Water's normal operations

PROJECT DESCRIPTION

This project plans, designs, and implements improvements to Information Technology to accomplish the following objectives:

- Enable coordinated, rapid recovery from a disaster
- Reduce Valley Water's business risk exposure

PROJECT LOCATION

No Map is provided for this project.

SCHEDULE & STATUS

July 2014 to June 2024

Phase	Cost	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33
Plan	14											
Design	12											
Construct	2,620											
Closeout	-											
	2,646	Total project cost may include expenditures not yet allocated to a specific phase.										

EXPENDITURE SCHEDULE

(in thousands \$)

	Actuals Thru	Planned Expenditures							Total
Project	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Future	
73274001-Information Technology Disaster Recovery	2,023	578	45	0	0	0	0	0	2,646
with inflation	2,023	578	45	0	0	0	0	0	2,646

Actuals include project expenditures and encumbrances.

FUNDING SCHEDULE

(in thousands \$)

	Budget Thru	Adj. Budget	Est. Unspent	Planned Funding Requests					Total
Project	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Future	
73274001-Information Technology Disaster Recovery	2,602	0	1	44	0	0	0	0	2,646

Adjusted Budget includes adopted budget plus approved budget adjustments.

FUNDING SOURCES

(in thousands \$)

SCVWD Information Technology Fund	2,646
Other Funding Sources	0
Total	2,646

OPERATING COST IMPACTS

The completion of this project is not anticipated to increase or decrease annual operating costs, as the project does not significantly alter the existing facilities or modes of operation.

USEFUL LIFE: Not Available

Project	ERP System Implementation
Program	Information Technology
Project No.	73274002
Contact	Alexander Gordon agordon@valleywater.org



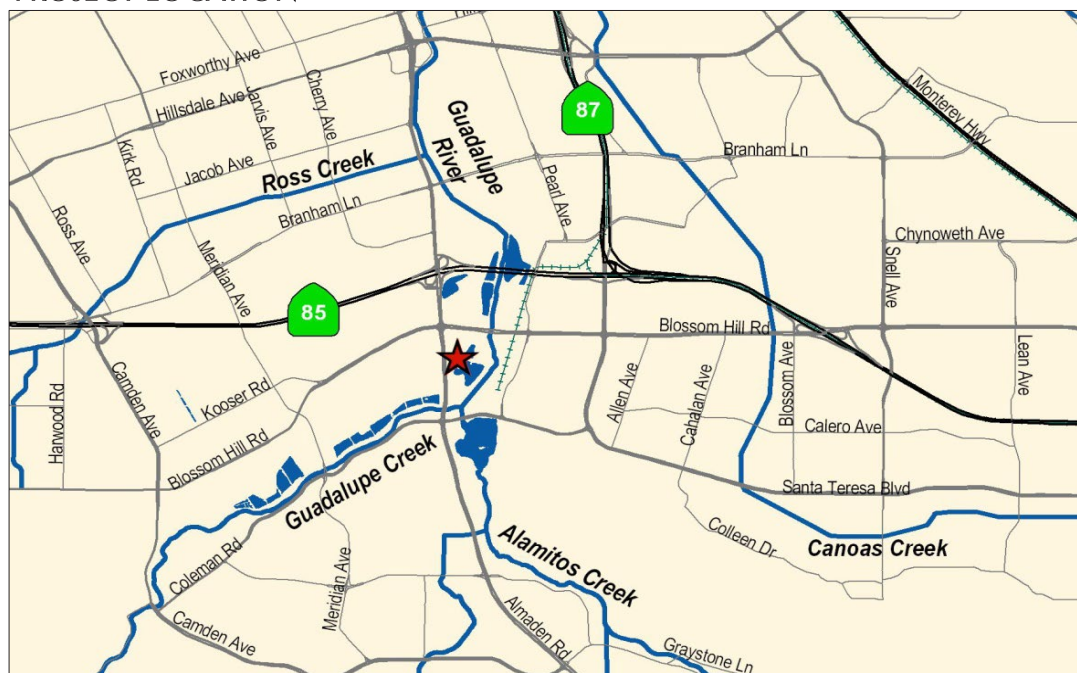
New ERP system aiming to increase operational efficiency

PROJECT DESCRIPTION

This project selects and implements a new cloud-based, integrated, proven and state-of-the-art Enterprise Resource Planning (ERP) system to replace the current out-of-date ERP application. Below are the objectives:

- Provide up-to-date functionalities for Finance, HR, Payroll, Contracts, Procurement, Inventory, and Warehouse areas, and to reengineer business processes to ensure that Valley Water takes full advantage of the software's inherent capabilities
- Increase operational effectiveness, reduce costs and improve management decision-making processes by increasing the ability to access and analyze data
- Leverage a cloud platform to improve the availability of Financials, Supply Chain, Human Resources, and Payroll data
- Minimize customizations and adopt best standard business practices during implementation

PROJECT LOCATION



★ Project Location

SCHEDULE & STATUS

July 2013 to March 2023

Phase	Cost	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33
Plan	1,438											
Design	-											
Construct	17,327											
Closeout	-											
	18,765											

Total project cost may include expenditures not yet allocated to a specific phase.

EXPENDITURE SCHEDULE

(in thousands \$)

	Actuals Thru	Planned Expenditures							Total
Project	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Future	
60274062-ERP System Implementation	1,199	0	0	0	0	0	0	0	1,199
with inflation	1,199	0	0	0	0	0	0	0	1,199
73274002-ERP System Implementation	16,744	822	0	0	0	0	0	0	17,566
with inflation	16,744	822	0	0	0	0	0	0	17,566
TOTAL	17,943	822	0	0	0	0	0	0	18,765
with inflation	17,943	822	0	0	0	0	0	0	18,765

Actuals include project expenditures and encumbrances.

FUNDING SCHEDULE

(in thousands \$)

	Budget Thru	Adj. Budget	Est. Unspent	Planned Funding Requests					Total
Project	FY22	FY23		FY24	FY25	FY26	FY27	FY28	Future
60274062-ERP System Implementation	1,199	0	0	0	0	0	0	0	0
73274002-ERP System Implementation	17,329	237	0	0	0	0	0	0	0
TOTAL	18,528	237	0	0	0	0	0	0	0

Adjusted Budget includes adopted budget plus approved budget adjustments.

FUNDING SOURCES

(in thousands \$)

SCVWD General Fund	1,199
SCVWD Information Technology Fund	17,566
Total	18,765

OPERATING COST IMPACTS

The completion of this project is anticipated to increase operating costs by approximately \$300,000 per year, beginning in FY23.

USEFUL LIFE: 5 Years

Project	Software Upgrades & Enhancements
Program	Information Technology
Project No.	73274008
Contact	Alexander Gordon agordon@valleywater.org



Upgrade and enhancement of existing systems

PROJECT DESCRIPTION

This project provides upgrade and enhancement services to existing Valley Water systems, including the enterprise resource planning system, geographic information system, enterprise asset management software Maximo, the Oracle database management system, internal and external Valley Water websites, and related databases. Previously, software upgrades were budgeted to their individual respective maintenance and support projects. This new project aims to consolidate activities into a single project for better organization, planning and budgeting purposes.

The objective of this project is to regularly upgrade existing software packages to:

- Stay in compliance and reduce risks associated with being on a version that is no longer supported
- Leverage new functionalities of up-to-date software

PROJECT LOCATION

No Map is provided for this project.

SCHEDULE & STATUS

July 2015 to June 2032

Phase	Cost	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33
Plan	325											
Design	221											
Construct	8,752											
Closeout	-											
	12,891											

Total project cost may include expenditures not yet allocated to a specific phase.

EXPENDITURE SCHEDULE

(in thousands \$)

	Actuals Thru	Planned Expenditures							Total
Project	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Future	
73274008-Software Upgrades & Enhancements	4,237	1,397	1,322	1,005	655	1,730	705	1,840	12,891
with inflation	4,237	1,397	1,322	1,159	778	2,117	889	2,512	14,412

Actuals include project expenditures and encumbrances.

FUNDING SCHEDULE

(in thousands \$)

	Budget Thru	Adj. Budget	Est. Unspent	Planned Funding Requests					Total
Project	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Future	
73274008-Software Upgrades & Enhancements	4,400	1,234	0	1,322	1,159	778	2,117	889	14,412

Adjusted Budget includes adopted budget plus approved budget adjustments.

FUNDING SOURCES

(in thousands \$)

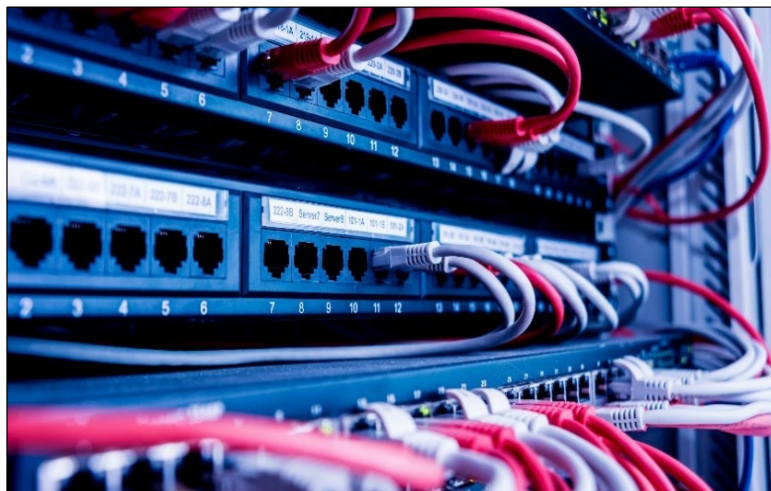
SCVWD Information Technology Fund	14,412
Other Funding Sources	0
Total	14,412

OPERATING COST IMPACTS

The completion of this project is not anticipated to increase or decrease annual operating costs, as the project does not significantly alter the existing facilities or modes of operation.

USEFUL LIFE: Not Available

Project	WTP-WQL Network Equipment
Program	Information Technology
Project No.	95274003
Contact	Alexander Gordon agordon@valleywater.org



Replace and upgrade existing network structures

PROJECT DESCRIPTION

This project plans, designs, and implements upgrades to the existing network to ensure that Valley Water has a current and robust computer network to accomplish the following objectives:

- ♦ Deliver greater access speeds
- ♦ Restore vendor maintenance
- ♦ Improve software application performance
- ♦ Provide a path to meet future data communications needs

PROJECT LOCATION



★ Project Location

SCHEDULE & STATUS

July 2014 to June 2032

Phase	Cost	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33
Plan	-											
Design	-											
Construct	11,414											
Closeout	-											
	11,414											

Total project cost may include expenditures not yet allocated to a specific phase.

EXPENDITURE SCHEDULE

(in thousands \$)

	Actuals Thru	Planned Expenditures							Total
Project	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Future	
95274003-WTP-WQL Network Equipment	3,023	464	587	2,139	2,263	6	470	2,462	11,414
with inflation	3,023	464	587	2,335	2,582	7	586	3,437	13,022

Actuals include project expenditures and encumbrances.

FUNDING SCHEDULE

(in thousands \$)

	Budget Thru	Adj. Budget	Est. Unspent	Planned Funding Requests					Total
Project	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Future	
95274003-WTP-WQL Network Equipment	2,996	1,274	783	0	2,140	2,582	7	586	13,022

Adjusted Budget includes adopted budget plus approved budget adjustments.

FUNDING SOURCES

(in thousands \$)

SCVWD Water Utility Enterprise Fund	13,022
Other Funding Sources	0
Total	13,022

OPERATING COST IMPACTS

The completion of this project is not anticipated to increase or decrease annual operating costs, as the project does not significantly alter the existing facilities or modes of operation.

USEFUL LIFE: Not Available