October 12, 2022

MEETING NOTICE

SANTA CLARA VALLEY WATER DISTRICT
CAPITAL IMPROVEMENT PROGRAM COMMITTEE

Members of the Capital Improvement Program Committee:

   Director Nai Hsueh, Chairperson
   Director Linda LeZotte, Vice Chairperson
   Director Tony Estremera, Committee Member

Staff Support of the Capital Improvement Program Committee:

   Rick L. Callender, Esq., Chief Executive Officer
   Melanie Richardson, Asst. Chief Officer
   Leslie Orta, Senior Assistant District Counsel
   Audrey Beaman, Assistant District Counsel
   Rachael Gibson, Chief of External Affairs
   Tina Yoke, Chief Administrative Officer
   Darin Taylor, Chief Financial Officer
   Aaron Baker, Chief Operating Officer – Water Utility
   Rechelle Blank, Chief Operating Officer – Watersheds
   Sam Bogale, Deputy Operating Officer
   Tony Ndah, Deputy Administrative Officer
   Don Rocha, Deputy Administrative Officer
   Michael Cook, Deputy Administrative Officer
   Christopher Hakes, Deputy Operating Officer
   Bhavani Yerrapotu, Deputy Operating 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
   Lisa Bankosh, Assistant Officer
   Alex Gordon, 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 and 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 Klopf, Senior Management Analyst
   Agnes Lee, Senior Management Analyst
   Chenlei Yao, Senior Management Analyst
   Feliser Lee, Senior Management Analyst
   Timothy Chan, Management Analyst II
   Kristie Resende, Management Analyst II
   Odilia Leonardo, Staff Analyst

A Santa Clara Valley Water District Regular Capital Improvement Program Committee Meeting has been scheduled to occur at 11:00 a.m. on Monday, October 17, 2022 in the Headquarters Building Boardroom located at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose.

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.
Santa Clara Valley Water District
Capital Improvement Program Committee Meeting

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

Headquarters Building Boardroom
5700 Almaden Expressway
San Jose, CA  95118

REGULAR MEETING
AGENDA

Monday, October 17, 2022
11:00 AM

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

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.
Santa Clara Valley Water District
Capital Improvement Program Committee

REGULAR MEETING
AGENDA

Monday, October 17, 2022  11:00 AM

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

***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.

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 not been prepared with a view to informing an investment decision in any of Valley Water’s 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

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: 941 5801 3374
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 September 26, 2022 Capital Improvement Program Committee Minutes. 22-1110

Recommendation: Approve the minutes.
Manager: Candice Kwok-Smith, 408-630-3193
Attachments: Attachment 1: 092622 CIP Committee Minutes
Est. Staff Time: 5 Minutes

4. ACTION ITEMS:
Recommendation: Receive updates on projects in the feasibility and planning phase, discuss resource needs, and make recommendations as necessary.
Manager: John Bourgeois, 408-630-2990  
Christopher Hakes, 408-630-3796  
Emmanuel Aryee, 408-630-3074  
Bhavani Yerrapotu, 408-630-2735  
Vincent Gin, 408-630-2633
Attachments: Attachment 1: Feasibility and Planning Report  
Est. Staff Time: 15 Minutes

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.
Manager: Christopher Hakes, 408-630-3796
Attachments: Attachment 1: Construction Contract Change Orders Status  
Est. Staff Time: 5 Minutes

Recommendation: Receive information on upcoming consultant agreement amendments for capital projects.
Manager: Chris Hakes, 408-630-3796  
Vincent Gin, 408-630-2633
Est. Staff Time: 5 Minutes

4.4. Design Build Agreement for the Coyote Pumping Plant Adjustable Speed Drives Replacement Project Update.
Recommendation: Receive update and information on Design-Build Agreement for the Coyote Pumping Plant Adjustable Speed Drives Replacement Project.
Manager: Emmanuel Aryee, 408-630-3074
Attachments: Attachment 1: PowerPoint  
Est. Staff Time: 10 Minutes

Recommendation: A. Receive overview of the Annual Capital Improvement Program Process and Integrated Financial Planning Schedule; B. Review list of Currently Unfunded Capital Projects; and C. Provide feedback as necessary.

Manager: Melanie Richardson, 408-630-2035
Attachments: Attachment 1: PowerPoint
Est. Staff Time: 25 Minutes

4.6. Review 2022 Capital Improvement Program Committee Work Plan.

Recommendation: Review the 2022 Capital Improvement Program Committee Work Plan and make adjustments as necessary.

Manager: Candice Kwok-Smith, 408-630-3193
Attachments: Attachment 1: 2022 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 Special Meeting at 11:00 a.m. on November 14, 2022.
COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:
Approval of September 26, 2022 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: 092622 CIP Committee Minutes

UNCLASSIFIED MANAGER:
Candice Kwok-Smith, 408-630-3193
1. CALL TO ORDER:

A regular meeting of the Santa Clara Valley Water District (Valley Water) Capital Improvement Program Committee (Committee) was called to order at 5700 Almaden Expressway in San Jose, California at 11:02 a.m.

1.1 Roll Call.

Committee members in attendance were District 6 Director Tony Estremera, and District 5 Director Nai Hsueh, Chairperson presiding, constituting a quorum of the Committee. District 4 Director Linda LeZotte arrived as noted below.

Staff in attendance was Glenna Brambill, Management Analyst II.


2. TIME OPEN FOR PUBLIC COMMENTS 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 present who wished to speak.

3. APPROVAL OF MINUTES:

3.1 Approve of September 1, 2022 Capital Improvement Program Committee Minutes.

Recommendation: Approve the minutes.
Chairperson Hsueh requested that Page 12, Item 4.1, Paragraph 3, Line 1 be revised to read as follows: Chris Hakes, Deputy Operating Officer, reviewed the information on this item per the attached Committee Agenda Memo, and the corresponding material contained in Attachment were reviewed. Several staff reviewed the information on this item per the attached Committee Agenda Memo, and corresponding material contained in Attachment 1.

It was moved by Director Estremera, seconded by Chairperson Hsueh and unanimously approved that the September 1, 2022 minutes be approved as amended.

Director LeZotte arrived.

4. **ACTION ITEMS:**

4.1 **Review Capital Project Monitoring - Construction Report.**

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

Several staff reviewed the information on this item per the attached Committee Agenda Memo, and corresponding material contained in Attachment 1.

The Committee noted the following without taking a formal action:

On Line 22, D4:3 SCW Fish Passage Improvements, staff would recategorize this item with projects that completed construction and continued monitoring; and

On Line 26, ERP System Implementation, staff confirmed that this project would be ongoing with continued application improvement of the initial system.

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 Cost.

Chris Hakes, Deputy Operating Officer, reviewed the information on this item per the Committee agenda memo and per the information contained in Attachment 1.

The Committee noted that on Change Order No. 8, Valley Water has control of the land in the disposal area parking lot during construction.

The Committee noted the information without taking formal action.

4.3 **Receive an Overview of the Capital Project Management and Project Controls Program.**

Recommendation: Receive an Overview of the Capital Project Management and Project Controls Program.
Jessica Collins, Business Planning and Analysis Manager, reviewed the information on this item per the Committee agenda memo, and per the information contained in Attachment 1.

The Committee was informed that Projectmates would be a tool that incorporates current processes and procedures in planning and monitoring capital projects while new policies that were being worked out would be incorporated into the software.

The Committee requested that staff include definitions of terminologies used in contracting and purchasing when they come back to present on Consultant Agreement Compliance Process.

The Committee received the following without taking formal action.

4.4 Management and Monitoring of Capital Project Environmental Mitigation.


Doug Titus, Senior Water Resources Specialist, reviewed the information on this item per the attached Committee agenda memo and the corresponding presentation material contained in Attachment 1.

The Committee received an overview on how the Environmental Mitigation and Monitoring Unit manages, monitors, and tracks most capital projects’ mitigation, as well as annual or periodic monitoring reports submitted to the applicable resource agencies.

The Committee requested staff to provide the Committee copy of an example of a mitigation monitoring report under the Stream Maintenance Program.

The Committee noted the information, without taking a formal action.

4.5 Review 2022 Capital Improvement Program Committee Work Plan.

Recommendation: Review the 2022 Capital Improvement Program Committee Work Plan and make adjustments as necessary.

Chairperson Hsueh reviewed the work plan for next meeting’s agenda items:

- Capital project feasibility/planning
- Coyote Pumping Plant ASD Replacement project
- Start of the CIP planning process for next five years/Financial planning

Standing Items

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

Glenna Brambill requested clarification on who would receive copies of the mitigation monitoring report.
5. ADJOURNMENT.

5.1 Adjourn to Special Meeting at 11:00 a.m., on October 17, 2022.

Chairperson Hsueh adjourned the meeting at 12:20 p.m. to the next meeting on October 17, 2022.

Eva Sans
Assistant Deputy Clerk II

Approved:

Date:
COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

RECOMMENDATION:
Receive updates on projects in the feasibility and planning phase, discuss resource needs, and make recommendations as necessary.

SUMMARY:
The CIP Committee’s 2022 Workplan includes monitoring of capital projects during all phases of delivery. Staff will prepare a list of active projects to submit to the Committee each month and will provide detailed information on those where potential and/or significant issues have been identified. The projects presented for discussion will be organized by phases: feasibility/planning; design/permitting; and construction. Staff will present projects to the CIP Committee for review one phase at a time. Projects currently in the feasibility/planning phase are being presented this month.

Attachment 1 is a list of projects in the feasibility/planning phase. A verbal report will be provided at the meeting with more detailed information about recent developments as requested by the Committee.

ATTACHMENTS:
Attachment 1: Feasibility and Planning Report

UNCLASSIFIED MANAGER:
John Bourgeois, 408-630-2990
Christopher Hakes, 408-630-3796
Emmanuel Aryee, 408-630-3074
Bhavani Yerrapotu, 408-630-2735
Vincent Gin, 408-630-2633
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<table>
<thead>
<tr>
<th>Row</th>
<th>Project No.</th>
<th>Project Name</th>
<th>Notes, Upcoming Board Actions or potential issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>91084019</td>
<td>Dam Seismic Stability Evaluation</td>
<td>Seismic stability evaluations for Coyote, Chesbro and Uvas Dams continue through December 2022. Spillway evaluations for Lenihan and Stevens Creek Dams are on track, and have been submitted for Division of Safety of Dams (DSOD) review.</td>
</tr>
<tr>
<td>2</td>
<td>91954002</td>
<td>Pacheco Reservoir Expansion Project</td>
<td>Staff and the consultant team are working to address public comments received on the Draft Environmental Impact Report (EIR) and are reviewing options to acquire a federal lead agency for the Environmental Impact Study (EIS). Technical work continues with 30% design reviews by the Division of Safety of Dams (DSOD) and 60% design has been initiated. Additional field investigations began in early June 2022 and will continue through mid-2023. Planning phase activities will be completed with the Planning Study Report in fall 2022.</td>
</tr>
<tr>
<td>3</td>
<td>92C40357</td>
<td>FAHCE Implementation</td>
<td>Fish and Aquatic Habitat Collaborative Effort (FAHCE) Phase 1 measures for Coyote Creek are being incorporated into the Anderson Dam Seismic Retrofit Project EIR, and its associated permitting package, as conservation measures for the larger project. The FAHCE Draft EIR for Stevens Creek and Guadalupe Watershed was out for public review until October 15, 2021. Comments are currently being addressed. Progress on the program is being reported to the Stewardship Planning and Operations Committee regularly, including updates on the EIRs, pilot flow implementation in Guadalupe Creek and Stevens Creek, initial parties and adaptive management meetings, and progress in fish restoration in Coyote Creek, Guadalupe River, and Stevens Creek watersheds.</td>
</tr>
<tr>
<td>4</td>
<td>92304001</td>
<td>Almaden Valley Pipeline Replacement Project</td>
<td>Staff has begun developing the Design Phase Work Plan to define the baseline scope, schedule, cost, and resources required during design.</td>
</tr>
<tr>
<td>5</td>
<td>91304001</td>
<td>Purified Water Program - P3</td>
<td>Based on responses from a Request for Qualifications, staff has shortlisted four teams to submit proposals and is continuing to make progress on development of the Request for Proposals and Draft EIR. Updates will be presented to the Recycled Water Committee. Staff is performing outreach to cities and landowners along the proposed pipeline route, as well as facilitating public acceptance of the project. Staff is working to extend the agreement with Kleinfelder Inc. from December 2022 to December 2023. This time-only extension is necessary to complete the preliminary geotechnical work in the City of Santa Clara and additional geotechnical work which may result from the evaluation of alternative alignments for the Purified Water Project.</td>
</tr>
<tr>
<td>6</td>
<td>93044001</td>
<td>Water Treatment Plant (WTP) Master Plan Implementation Project</td>
<td>Draft master planning goals and objectives have been developed and condition assessments of the three drinking water treatment plants are complete. Water treatment plant needs and deficiencies are being evaluated, and project evaluation criteria is being developed.</td>
</tr>
<tr>
<td>7</td>
<td>95044002</td>
<td>SCADA Master Plan Implementation Project</td>
<td>Both the Master Plan and Owner Advisor consultant agreements were approved by the Board on May 24, 2022. Initial project management tasks are complete and a SCADA needs assessment is underway.</td>
</tr>
<tr>
<td>8</td>
<td>95044001</td>
<td>Distribution System Master Plan Implementation Project</td>
<td>The engineering consultant approval was approved by the Board on May 24, 2022. Initial project management tasks are complete and development of goals and objectives is underway.</td>
</tr>
<tr>
<td>9</td>
<td>95084002</td>
<td>10-Year Pipeline Inspection and Rehabilitation Project</td>
<td>Staff is continuing coordination with internal stakeholders to update the current program.</td>
</tr>
<tr>
<td>10</td>
<td>26324001</td>
<td>E4: Upper Penitencia Ck, Coyote Ck-Dorel Drive</td>
<td>Recommended project proceeding with Phase 1 (Coyote Creek confluence to King Rd.) and Phase 2 (King Rd. to Capitol Ave.) work, as approved by the Board of Directors in December 2019. Per Board direction (on December 17, 2019), $21M (uninflated) was transferred from this project to Coyote Creek, Montague Expressway to Tully Road Project No.26174043. The Planning Study Report was finalized in September 2022. The project will move into the design phase in the fall of 2022.</td>
</tr>
<tr>
<td>11</td>
<td>30154019</td>
<td>Guadalupe River - Tasman to Hwy 880</td>
<td>Problem Definition Report completed July 2019; Feasible alternatives analysis currently underway; public meeting held October 1, 2020. Planning Study Report has been delayed due to extensive list of alternatives and the work required to analyze. Recommended project report will be under development after summer of 2022.</td>
</tr>
</tbody>
</table>
## Water Resources Stewardship

<table>
<thead>
<tr>
<th>Row</th>
<th>Project No.</th>
<th>Project Name</th>
<th>Notes, Upcoming Board Actions or potential issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>00044026s</td>
<td>San Francisco Bay Shoreline - Phase II and Phase III</td>
<td>USACE Phase II Feasibility Study began September 26, 2019. USACE approved a cost increase and schedule extension in 2021. The revised study cost will now be $5.6M with a study completion targeted for April 2025. Valley Water is responsible for 50% of the study cost. The Phase II study includes Economic Impact Areas (EIAs) 1-4 (from San Francisquito Creek in Palo Alto to Permanente Creek in Mountain View). Staff is meeting with the USACE mid October to review the findings of the Economic Feasibility Analysis for Phase II. USACE has received $1.5M to begin a Phase III Feasibility Study for EIAs 5-10 (from Permanente Creek in Mountain View to Guadalupe River in San Jose), staff will be discussing next steps with USACE.</td>
</tr>
<tr>
<td>13</td>
<td>62044001</td>
<td>Metcalf Pond Feasibility Study</td>
<td>Project team engaged Steering Committee members with planning charrettes (problem definition and conceptual alternatives) in 2020. Draft Feasibility Study Report was updated in May 2022 and is under quality control review. Project team is updating draft Feasibility Report to include hydraulic analysis of the existing fishway and fish ladder.</td>
</tr>
<tr>
<td>14</td>
<td>20444001</td>
<td>Calabazas/ San Tomas Aquino Creek-Marsh Connection Project</td>
<td>Final Feasibility Study Report was presented to the Board for direction in April 2021. Board approved project proceeding into planning phase. Staff recommended the Board approve a budget adjustment and accept external grant awards on December 14, 2021. Project is now in planning phase for problem definition. Board approved planning phase consultant agreement in August 2022 and hydraulic and sediment transport modeling consultant agreement in September 2022 for planning, monitoring, and modeling tasks.</td>
</tr>
<tr>
<td>15</td>
<td>26044003</td>
<td>Ogier Ponds Planning Study</td>
<td>Staff is proceeding with early planning phase tasks to develop conceptual alternatives as negotiations with the landowner (Santa Clara County Parks Department) on a Property Use Agreement are finalized. Planning study is being closely coordinated with Anderson Dam Seismic Retrofit Project work. Initial conceptual alternatives developed and discussed with County Parks.</td>
</tr>
</tbody>
</table>

## Buildings & IT

<table>
<thead>
<tr>
<th>Row</th>
<th>Project No.</th>
<th>Project Name</th>
<th>Notes, Upcoming Board Actions or potential issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>60204032</td>
<td>Headquarters Operations Building</td>
<td>Consultant has begun assessment of the Maintenance Building to develop proposed alternatives for consideration of repair or replacement. Due to recent personnel movement and increasing employee headcount, many of the initial assumptions are being re-evaluated to account for the broader direction of the project to better support Valley Water needs. The reassessment made it necessary to defer some FY22 allocations to FY23 in order to obtain additional information and guidance from the consultant.</td>
</tr>
</tbody>
</table>
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 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 Anderson Dam Tunnel Project (ADTP).

On April 27, 2021, Valley Water’s Board of Directors awarded the construction contract for the Anderson Dam Tunnel Project (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 Anderson Dam Tunnel Project 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 is one new pending contract change order (CCO #8) for Oct 17, 2022 CIP meeting to present.

**Contract Change Order #8**

1. **Disposal of Regulated and Organic Material.** Valley Water requested Flatiron to properly dispose of unforeseen contaminated and organic material encountered in the Diversion Outlet Structure foundation excavation to an offsite landfill facility. This work includes costs for necessary permits, testing, transport, and disposal of regulated and organic material. The current disposal and future disposal work will be completed under Section 3.07.03 Time and Materials Work with a not-to-exceed allowance amount of $80,000.00.

**Contract Change Order Log Revisions**

There are two administrative changes to the CCO log for the previous CCO #7 and CCO #8 presented to the CIP committee on September 26, 2022. CCO #7 included revisions to the contract milestone completion dates (Milestone 7, 9 and 10) due to inclement weather days in 2021 and Time Impact Analysis 01 for delayed issuance of Notice to Proceed (NTP) 2A, 2B, and 3 which was determined to be concurrent and non-compensable delay. Although both parties agreed to the revised milestone extension date at no additional cost for the time extensions, Flatiron objected to signing CCO #7 without added language in the contract change order that reserved Flatiron the right to claim additional costs with NTP delays. Resolution was not reached and CCO #7 was replaced with a Directed Change Order (DCO #1) and subsequently CCO #8 was renumbered to CCO #7. These changes are reflected in the Construction Contract Change Orders Status Log (Attachment 1).

The net value of the new contract change orders presented (CCO #8) is $80,000.00.

**ATTACHMENTS:**
Attachment 1: Construction Contract Change Orders Status

**UNCLASSIFIED MANAGER:**
Christopher Hakes, 408-630-3796
### Anderson Dam Tunnel Project

#### Construction Contract Change (CO) Order Status

<table>
<thead>
<tr>
<th>CCO #</th>
<th>CIP Committee Date</th>
<th>Approval Date</th>
<th>Description</th>
<th>Amount</th>
<th>Contingency Amount</th>
<th>Approval Level</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>04/27/21</td>
<td>Original Contract</td>
<td>$161,140,321.00</td>
<td>$40,000,000.00</td>
<td>Board</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>01/18/22</td>
<td>12/16/21</td>
<td>Additional Tree Removal, Protection and Relocation</td>
<td>$460,250.41</td>
<td>$39,539,749.59</td>
<td>DOO</td>
<td>Approved</td>
</tr>
<tr>
<td>2</td>
<td>02/14/22</td>
<td>04/26/22</td>
<td>Outlet Works Vertical Shaft Re-sizing</td>
<td>$3,783,119.15</td>
<td>$35,756,630.44</td>
<td>CEO</td>
<td>Approved</td>
</tr>
<tr>
<td>3</td>
<td>05/16/22</td>
<td>05/17/22</td>
<td>Water Quality Monitoring Equipment, Miscellaneous demolition, TCEAP VHF/UHF Radios</td>
<td>$131,603.28</td>
<td>$35,625,027.16</td>
<td>AOO</td>
<td>Approved</td>
</tr>
<tr>
<td>4</td>
<td>06/13/22</td>
<td>06/30/22</td>
<td>Tunnel and Miscellaneous Items from CDC-001/001.1, Remove Taber Drilling from Scope</td>
<td>$386,801.98</td>
<td>$35,238,225.18</td>
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<td>5</td>
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<td>Upsizing Soil Nail Rows D&amp;E from #18 to #20</td>
<td>$228,562.00</td>
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<td>07/18/22</td>
<td>08/06/22</td>
<td>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</td>
<td>$63,063.32</td>
<td>$34,946,599.86</td>
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#### Pending COs

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<td>Milestone 7, 9, and 10 Completion Revisions</td>
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<td>09/26/22</td>
<td>Disposal Area Parking Lot Remediation, DOS Foundation Excavation - Revised Soil Nail Wall, and Additional Environmental Compliance for Water Quality Monitoring and Soil Testing</td>
<td>$1,526,724.84</td>
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<td>10/17/22</td>
<td>Disposal of Regulated and Organic Material</td>
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<td>Total Amount of COs (Approved &amp; Pending)</td>
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COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

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

SUMMARY:
At the March 28, 2017 meeting, the Board of Directors approved revising the Capital Improvement Program (CIP) Committee's purpose to include monitoring implementation progress of key projects in the CIP. At their June 29, 2020 meeting, the CIP Committee requested this topic be added as a standing item on all future CIP Committee meeting agendas, and that staff provide updates on consultant agreement amendments for capital projects which may include modifications to scope, schedule, and/or budget.

There are three consultant agreement amendments for capital projects presented here for the Committee’s information:


   Staff will recommend Board approval of Amendment No. 1 to Agreement A4215A with AECOM Technical Services, Inc. (Consultant) for Planning, Design, and Environmental Documentation and Permitting Support Services for the Pacheco Reservoir Expansion Project No. 91954002 (Project) to extend the expiration date of the Agreement by three years, from November 30, 2025 to November 30, 2028.

   Consultant requests that the retention requirements in the Agreement be modified. Staff is not providing a recommendation as to Consultant’s request, but only submitting it to the CIP Committee for its consideration and input.

   If approved by the Board, the revised retention requirements will also be included in Amendment No. 1.

   **Extend Expiration Date of the Agreement**
Pursuant to Agreement A4215A, the Consultant is performing planning, design, and environmental documentation and permitting support services for the Project. Minimal private property access to a majority of the Project’s physical area requiring environmental and geotechnical data collection, and investigations has caused significant Project delays. Extending the Agreement expiration date by three years will provide the Consultant with sufficient additional time to complete the remaining design, environmental, and permitting services.

Retention Release Request and Modification of Retention Requirements

The Agreement provides as follows in Schedule PD, Attachment One, Fees and Payments, section 3. Terms and Conditions, paragraph G.:

“G. Consultant may request, and District DOO may consider, release of retention for Consultant’s small business subconsultants twelve months after all work assigned to the subconsultant has been completed and no additional services are anticipated from them.”

Consultant requests retention be released pursuant to a revised version of the section referenced above, as follows:

“G. Retention may be released only to the Consultant’s small business subconsultants and small business subcontractors performing services described in Task 6.1 Environmental Investigations and Studies, and Task 7 - Geotechnical Data Collection and Investigations, twelve months after each of the two phases of environmental field studies and geotechnical investigation work are completed.”

The revised provision deletes the existing additional requirement for retention release that “no additional services are anticipated from them.” The small business firms could therefore perform services in the future and retention from payments to Consultant for their services could be reinitiated.

The majority of small business subcontractors and subconsultants working on this Project are performing services described in Tasks 6.1 and 7, which make up 27% of the total Not-to-Exceed fee of the Agreement.

2. Amendment No. 1 to Agreement A4216A with Mott MacDonald, LLC for Program Management Services for the Pacheco Reservoir Expansion Project No. 91954002 (Time Extension) (C. Hakes)

Staff will recommend Deputy Administrative Officer approval of Amendment No. 1 to Agreement A4216A with Mott MacDonald, LLC (Consultant) for Program Management Services for the Pacheco Reservoir Expansion Project (Project) to extend the expiration date of the Agreement by 4 years and 1 month, from October 30, 2024 to November 30, 2028.

Pursuant to Agreement A4216A, the Consultant is performing program management support services for the Project. Minimal private property access to a majority of the Project location...
requiring geotechnical and environmental data collection and investigations has caused significant Project delays. Amendment No. 1 to Agreement A4216A will give the Consultant sufficient time to perform program management support to complete the remaining design, environmental and permitting services.

3. Amendment No. 2 to Agreement A4475A with Kleinfelder, Inc. for Preliminary Geotechnical Investigation Services for the Purified Water Project No. 91304001 (Time Extension) (V. Gin)

Staff will recommend Deputy Administrative Officer approval of Amendment No. 2 to Agreement A4475A with Kleinfelder, Inc. for Preliminary Geotechnical Investigations for the Purified Water Project (Project) No. 91304001 to extend the expiration date of the Agreement from December 31, 2022 to December 31, 2023.

Pursuant to this Agreement, Kleinfelder, Inc. has been performing preliminary geotechnical investigation services for the proposed pipeline alignments as part of the Project. The Project delivery method will be through a Public-Private-Partnership (P3) fixed price Design-Build-Finance-Operate-and-Maintain. The proposed pipeline routes were developed as part of the Countywide Water Reuse Master Plan for several reuse portfolios from either Palo Alto or San Jose and ultimately conveying purified water to the Los Gatos Recharge System complex in the City of Campbell.

The Consultant has been conducting the preliminary geotechnical investigation for the proposed pipeline alignments in order to provide essential information to prospective P3 proposers. Due to unforeseen permitting delays with several cities along the alignment, it will take more time than originally planned to complete the investigation. In addition, feedback received from several cities along the pipeline alignment has resulted in additional site investigations for alternate routes and has therefore delayed this Project by a year.

Amendment No. 2 to Agreement A4475A will allow the Consultant to complete the preliminary geotechnical work that was delayed due to permitting issues, and also complete those which may result from the evaluation of alternative alignments for the Project.

ATTACHMENTS:
None.

UNCLASSIFIED MANAGER:
Chris Hakes, 408-630-3796
Vincent Gin, 408-630-2633
SUBJECT:
Design Build Agreement for the Coyote Pumping Plant Adjustable Speed Drives Replacement Project Update.

RECOMMENDATION:
Receive update and information on Design-Build Agreement for the Coyote Pumping Plant Adjustable Speed Drives Replacement Project.

SUMMARY:
The objectives of the Coyote Pumping Plant Adjustable Speed Drives (ASD) Replacement Project (Project) are to plan, design, and construct improvements to replace six ASD and associated mechanical, electrical, and control equipment at the Coyote Pumping Plant.

The Board of Directors (Board) approved implementing the design-build project delivery for the Project, on March 12, 2019.

The Board approved for staff to proceed with a single proposer, on October 12, 2021.

On November 8, 2021, a Request for Proposal (RFP) on the design-build Project was posted. One qualified bid proposal was received from the single proposer, Kiewit Infrastructure West Co. (Kiewit).

The design-build services required for the Project are to be implemented in the following phases:

- Phase 1: Perform design (i.e., 60%, 90%, and Final) and preconstruction (i.e., validation of design, cost model development, and evaluation of early work packages) services [Design-Build (DB) Agreement];
- Early Work Packages: Perform construction services for procurement of ASDs, switchyard equipment, and motor rehabilitation/modification service, with long lead times [Amendment to the DB Agreement]; and
- Phase 2: Perform construction services [Amendment to the DB Agreement with a guaranteed price for construction].

Staff proposes a DB Agreement with Kiewit for the Project, for Phase 1 services, be presented to the Board for consideration of approval, for a not-to-exceed fee of $3,994,888 and with a limit of liability.
for Kiewit equal to 200% the total contract price. Additional information on the DB Agreement and limit of liability are further presented in Attachment 1.

ATTACHMENTS:
Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:
Emmanuel Aryee, 408-630-3074
Coyote Pumping Plant
Adjustable Speed Drives Replacement Project

Design-Build Agreement and Project Update

Capital Improvement Program Committee Meeting
October 17, 2022
Project Overview

• Replacement of Major Equipment at the Coyote Pumping Plant
• ~90% of the work is electrical
• No change to system capacity
• All work occurs within the existing building or fenced in switchyard
Design-Build Background

- **Design–Build**
  1. A single entity assumes responsibility for design and construction services.
  2. Procurement involves an RFQ and then a RFP.
     a. **RFQ:** Short-lists design-build entities based on experience, past performance and safety record, and management approach.
     b. **RFP:** Provides proposer with planning-level design and evaluates proposal based on technical design and construction expertise, approach to advance the design and complete construction, and not-to-exceed price to complete design.

- **Benefits**
  1. Single point of responsibility and accountability, one contract for design and construction, and improvement in completion time.

- **Valley Water Authorization:** *Public Contract Code Section 22162.5*
  1. Use of design-build contracting process, upon approval by the Board; and
  2. Applicable to projects for water treatment facilities, the retrofit, repair, or expansion of existing surface water storage facilities, and other listed facilities.
Design-Build Services

- **Phased Authorization of Services:**
  1. Phase 1: Perform design (i.e. 60%, 90%, and Final) and pre-construction (i.e. validation of design, cost model development, and evaluation of early work packages) services [*Design-build (DB) Agreement*].
  2. Early Work Packages (EWPs): Perform construction services for procurement of ASDs, switchyard equipment, and motor rehabilitation/modification service with long lead times, prior to Phase 2 [*Amendment to DB Agreement*].
  3. Phase 2: Perform construction services [*Amendment to DB Agreement*].

- **Design-Build Agreement:**
  1. Purpose: Provides terms of service to complete the design and construct the Project.
  2. Terms:
     a. **Design-Build Entity (DBE):** Kiewit Infrastructure West Co., the single entity responsible and accountable for all design-build services.
     b. **Compensation:**
        - Phase 1: Not-to-Exceed $3,994,888; and
        - EWPs: Guaranteed Price (GP), TBD by Valley Water, by Amendment.
Design-Build Services [Continued]

- Design-Build Agreement [Continued]:
  c. **Design to Budget**: DBE to design and construct Project to budget. Budget to be informed by advancement in design.
  d. **DBE’s Basis of Design Report (BOD):**
     - Updates Valley Water’s BOD to incorporate findings of field investigations, current conditions, and DBE recommended and Valley Water accepted changes to Project; and
     - Governs all design work on the Project, upon acceptance by Valley Water.
  e. **DBE’s Limit of Liability**: 200% of contract price excluding indemnification, Civil Code Section 1668, fines, insurance claims, liquidated damage claims, and DBE’s breach of warranty.
  f. **Off-Ramp / Termination for Convenience**: Option for Valley Water to end DBE’s services and use a different delivery process to complete Project, if an Amendment to DB Agreement for a guaranteed price is not reached.
11.7 Limitation of Liability. Design-builder’s aggregate liability to owner under this Agreement with respect to damages arising out of the performance or unexcused non-performance of any Work performed on the project shall not exceed 200% of Contract Price. This limitation excludes:

(i) Defense and indemnification obligations

(ii) costs, liabilities or obligations arising from the willful misconduct or fraud, willful injury or violation of the law as defined in the California Civil Code section 1668 by the Design-Builder or any of its employees, consultants, subcontractors, or suppliers, or anyone working directly or indirectly for whom such parties may be liable;

(iii) fines, penalties and other charges assessed by applicable governmental authorities; which are attributable to Design Builder;

(iv) claims covered by insurance required in Section 12 and Exhibit A of this Agreement to the extent there are insurance proceeds available;

(v) liquidated damages pursuant to section 8.5; and

(vi) costs incurred by the Owner as a result of Design-Builder’s breach of the warranty provision set forth in Section 13.1(e) of this Agreement.

This limitation of liability shall not affect the Design-Builder’s obligation to provide insurance pursuant to Section 12 of this Agreement.
### Procurement Actions

**Outreach**  
Dec 2020  
- Project presented during a Virtual Open House.

**RFQ**  
Jun – Jul 2021  
- Prequalification meeting attended by 23 people from 14 different contractors/designers/suppliers.  
- 1 SOQ received, met qualifications, and 1 design-build entity (DBE) was short-listed.

**RFP**  
Nov 2021 – Current  
- Conducted a site visit and Confidential Individual Meetings with short-listed DBE.  
- 1 Proposal received, met qualifications, a Notice of Award was issued to the single proposer, and agreement negotiations initiated.

**EARLY WORK PACKAGES (EWPs)**  
Future  
- Obtain Board authorization of EWPs. EWPs contain a portion or phase of construction work, including material, for procurement prior to completion of design work. For example, procurement of materials (i.e., adjustable speed drives and switchyard equipment) and services (i.e., motor rehabilitation/modification service) with long lead times.
Board accepts completion of Project

Board authorizes Design-Build Agreement for Phase 1 services

Board authorizes:
(a) Amendment #2 to DB Agreement for guaranteed price (GP)
(b) Notice of termination/off-ramp

Board authorizes Amendment to Design-Build Agreement for Early Work Packages

Board approves changes, additions, & deletions to previous year’s CIP
Board approves implementing the Design-Build project delivery for CPP ASD
Board approves to proceed with single proposer

Implementation of Design-Build Project Delivery

Board Approves CIP

Planning Study Report
30%

RFQ - Single Proposer

CEQA Document

60% / 90% / Final

Early Work Packages

Construction

Authorization of Amendment to DB Agreement

Authorization of Amendment to DB Agreement

Notice of Contract Completion

Key:
- Project Milestones
- Board Engagement/Action
- Board Action - Current

Valley Water
CPP ASDs Replacement Project Timeline

2022
- NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC
- Award & Kickoff

2023
- Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep
- Design and Construction
- 60% / 90% / Final
- Early Work Packages (EWPs)
- Construction
- Board Authorizes Amendment for EWPs
- Design
- Evaluation of need for EWPs
- Kick-off
- Evaluate need for EWPs

2024
- 2024
- Board Authorizes Amendment for GP
- Complete 60% Design
- Procure Items for EWPs
- Board Authorizes Notice of Termination/Off-Ramp
- Board Authorizes Design-Build Agreement
- Board Authorizes Amendment for GP
- Construction
- 1st CPP Shutdown for Construction Activities
- Board Approves CEQA
- Board Approves Design-Build Agreement
- Board Authorizes Amendment for GP
- Board Approves CEQA
- Board Authorizes Notice of Termination/Off-Ramp
- Board Approves Design-Build Agreement

2025
- 2025
- Board Accepts Completion of Project
- Board Authorizes Amendment for EWP
- Board Approves CEQA
- Board Approves Design-Build Agreement
- Board Authorizes Amendment for EWP
- Board Approves CEQA
- Board Authorizes Notice of Termination/Off-Ramp
- Board Approves Design-Build Agreement
- Board Authorizes Amendment for EWP
- Board Approves CEQA
- Board Authorizes Notice of Termination/Off-Ramp
- Board Approves Design-Build Agreement
Recommendations

- Receive update and information on Design-Build Agreement for the Coyote Pumping Plant Adjustable Speed Drives Replacement Project.

Any Questions
COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

RECOMMENDATION:
A. Receive overview of the Annual Capital Improvement Program Process and Integrated Financial Planning Schedule;
B. Review list of Currently Unfunded Capital Projects; and
C. Provide feedback as necessary.

SUMMARY:
The annual update of the Capital Improvement Program’s (CIP) Five-Year Plan includes project plan updates for all existing capital projects and a Validation Process to review and evaluate potential new capital projects for inclusion in the CIP, along with review points for the CIP Committee and decision points for the Board. A presentation that shows the steps in detail, along with an integrated financial planning schedule, is included in the Annual CIP Process PowerPoint (Attachment 1).

Annual CIP Process Overview

Each year, Valley Water staff can submit new projects for consideration for inclusion into Valley Water’s CIP. For each potential new project, staff develops a business case to compare capital, non-capital, and non-asset alternative solutions; evaluates the lifecycle costs of these solutions; and identifies a recommended solution that minimizes lifecycle cost while balancing service levels and risk.

In May through September, staff submits the business case for review by their respective Deputy Operating Officer (DOO) or Deputy Administrative Officer (DAO). If staff’s respective DOO/DAO approves the project, it is submitted to the CIP coordinator. Simultaneously, project managers update their existing capital projects to reflect changes to scope, schedule, and project cost/planned expenditures, which must also be approved by the respective DOO/DAO.

Between October and November each year these newly-proposed, initially validated projects will be presented to the CIP Committee and Board, along with a list of currently unfunded projects, which have been validated during prior years, for review and comment. Staff will address the Board’s feedback when preparing the funding scenarios and consider the analysis related to the Funding Filters for Prioritization approved by the Board on September 27, 2022. Staff will also review and...
consider unfunded projects for inclusion into the CIP.

Initially Validated project for potential inclusion onto the unfunded list or into the CIP’s FY 2024-28 Five-Year Plan

There is one newly-proposed, initially validated project that was re-submitted:

1. **South Babb Flood Protection Project**: Recent modeling indicates that there is significant spilling from culverts along South Babb Creek. These spills contribute to flooding of nearby areas, particularly between South Babb Creek, Lower Silver Creek, and Story Road. The recommended project improves the culverts at Lochner Drive, White Road, and Farringdon Drive on South Babb Creek. While this will not eliminate all the spilling from South Babb Creek during the 100-year event, the majority of spills would be eliminated. In the hydraulic feasibility and preliminary constraints analysis report, a design was proposed where the Lochner Drive, White Road, and Farringdon Drive culverts would be converted to voided slab bridges with a trapezoidal concrete channel underneath. A planning study would be required to evaluate other alternatives that would meet the same goal of reducing flooding risk to the area between South Babb Creek, Lower Silver Creek, and Story Road. Total project cost estimate = $21.6 million and estimated project duration (all phases combined) = 5-6 years.

Development of the Preliminary CIP

In the fall of every year, an overview of the significant project plan updates from the prior year’s adopted CIP are presented to the CIP Committee for information and feedback. During this same time, CIP and Finance staff compile the data from existing CIP project plans, collect the operational forecast information, and run the financial models.

The CIP Evaluation Team (Chief Executive Officer (CEO), Assistant CEO, Chiefs and Deputies of the divisions initiating, delivering, implementing, and operating capital projects) meets in November of each year to review the financial models and determine which, if any, unfunded projects should be recommended for inclusion in the CIP. To ensure Valley Water’s high priority business needs are met in adherence to Board policy, the CIP Evaluation team reviews the projects based upon:

- Board Priorities
- Asset’s remaining lifespan
- Available funding
- Urgency of investment

Based upon the outcome of its review, the CIP Evaluation Team provides recommendations regarding whether the new proposed capital projects should be funded in the CIP’s upcoming Preliminary Five-Year Plan or remain on the unfunded list. Funding scenarios that include these recommendations will be presented to the CIP Committee for review and feedback in December, along with the CIP’s Preliminary FY 2024-28 Five-Year Plan.
Each January, CIP and Finance staff update the funding scenarios to include staff and CIP Committee recommendations, which will be presented to the full Board during a Funding Scenario Workshop, as part of the CIP’s Preliminary Five-Year Plan and Groundwater Charges item. Funding decisions will be made by the Board through its approval of CIP's Preliminary FY 2024-28 Five-Year Plan.

ATTACHMENTS:
Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:
Melanie Richardson, 408-630-2035
Development of Preliminary FISCAL YEAR 2024-2028 (FY 24-28)

Capital Improvement Program (CIP)
Annual Process Overview
October 17, 2022
Presented by
Jessica Collins, Business Planning and Analysis Unit Manager
Office of Integrated Water Management
Presentation Outline

Development of Preliminary FY 2024-28 CIP

1. Annual CIP Process
2. Integrated Financial Planning Schedule
3. Unfunded Project List
   a. FY 2022-23 Initially Validated Projects
   b. FY 2023-27 CIP Unfunded Projects
4. Next Steps
Annual CIP Process Overview

**May-September**
- Newly proposed capital projects are initially validated by DOO/DAO and existing capital projects are updated by Project Managers

**October-November**
- CIP Cmte/Board reviews and comments on list of initially Validated Projects

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**Five-Year CIP development and review with CIP Committee and Board**

**November-December**
- CIP Cmte reviews significant project plan updates; CIP Eval. Team reviews projects/financial analysis for Prelim CIP

**December-January**
- CIP Cmte review and Board review and approval of Preliminary CIP with Financial Analysis

**February**
- Staff prepares Draft CIP and presents to Board

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**Five-Year CIP public review and Board approval**

**March-April**
- Public review and comment on Draft CIP

**May**
- Close Public Hearing/Board Approves Resolution Approving CIP with Annual Budget

**June**
- Approved 5-Year CIP

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Valley
## VALLEY WATER FINANCIAL PLANNING SCHEDULE

### FY 2023-24

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<td>9/1/22</td>
<td>9/27/22</td>
<td>Inflation/Recession Discussion w/Confirmation of Board Priorities for Funding Sequencing of Capital Projects</td>
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<td>11/8/22 CIP</td>
<td>11/14/22 CIP</td>
<td>CIP Committee Presentation on Significant Project Plan Updates</td>
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<td>11/17/22 FSWG</td>
<td>11/22/22 CIP</td>
<td>Water Rate Planning Overview</td>
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<td>12/12/22 CIP</td>
<td>12/13/22 CIP</td>
<td>Long-Term (25-year) Financial Planning Review with Financial Sustainability Working Group (WSS, SCW &amp; WUE)</td>
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<td>1/3-1/6/23</td>
<td>1/10/23</td>
<td>TENTATIVE Special Brd Mtg: Multi-day Workshop on CIP Funding Scenarios based upon significant changes to prior CIP (Review scenarios and CIP Committee Recommendations)</td>
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<td>E. Baker to present 5-Year WS and WU O&amp;M Plans to Board (for information only)</td>
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<td>Watersheds prelim 10 year financial analysis (show prelim WSS and SCW fund graphs and discuss funding issues)</td>
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<td>Prelim Water Rate Analysis to Board (Prelim water rate scenarios)</td>
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<td>Prelim CIP to Board (Approve Project List and Prelim CIP)</td>
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<td>Combined Presentation like prior years</td>
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<td>1/24/23</td>
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<td>2/21/22</td>
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<td>Draft CIP to Board (Authorize to distribute for public review)</td>
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<td>3/14/23</td>
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<td>2nd pass budget update</td>
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<td>4/11/23</td>
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<td>GW charge public hearings begin</td>
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<td>4/11/23</td>
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<td>GW charge public hearing begin (or this could happen on 4/25)</td>
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<td>17</td>
<td>4/13/23</td>
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<td>GW charge public hearing in South County (Morgan Hill)</td>
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<tr>
<td>18</td>
<td>4/25/23</td>
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<td>GW charge public hearings close</td>
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<td>19</td>
<td>4/26/23</td>
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<td>Budget Workstudy session</td>
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<tr>
<td>20</td>
<td>5/9/23</td>
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<td>Board adoption of Water Rates, CIP, Budget, Investment and Debt Resolutions (w/Final CIP and Budget Reports completed by 6/30/2023)</td>
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<td>6/30/23</td>
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<td>FY24 rate notifications: website and mailers (retailers and all customers)</td>
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### Budget
- Water Rates
- CIP
- SCW/WS O&M

### Other/Combined
- All Other/Combined
## Initially Validated and Currently Unfunded Projects

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Total Project Cost (In $ thousands)</th>
<th>Remaining Cost (FY24 to completion) (In $ thousands)</th>
<th>Phase</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY24 Validated Projects (as of 09/30/2022, Validation due date)</strong></td>
<td></td>
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</tr>
<tr>
<td>South Babb Flood Protection Project (Long Term project)</td>
<td>$21.60M</td>
<td>$21.60M</td>
<td>N/A</td>
<td>Initially recommended in FY23, staff revised cost estimates for FY24 re-Validation.</td>
</tr>
<tr>
<td><strong>Proposed Unfunded Project List for FY24-28 CIP</strong></td>
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<td></td>
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</tr>
<tr>
<td>Long-Term Purified Water Program Elements</td>
<td>$206.14M</td>
<td>$206.14M</td>
<td>N/A</td>
<td>Recommended to <strong>REMAIN</strong> on the unfunded list - for Phase 2 Purified Water Program.</td>
</tr>
<tr>
<td>RWTP Ammonia Storage &amp; Metering Facility Upgrade</td>
<td>$6.2M</td>
<td>$6.2M</td>
<td>N/A</td>
<td>Recommended to <strong>REMAIN</strong> on the unfunded list as the project is being analyzed to determine whether it would be appropriate to include in the RWTP Reliability Improvement Project. Business Case/Project Proposal was developed in 2019.</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$212.34</strong></td>
<td><strong>$212.34</strong></td>
<td>N/A</td>
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</tr>
</tbody>
</table>
Development of Preliminary FY 24-28 CIP

**Next Steps**

1. November 2022 – CIP Committee reviews Significant Project Plan Updates;
2. December 2022 – CIP Committee reviews Preliminary CIP (including Funding Filters for Prioritization Matrix and Funding Scenarios); and
3. January 2023 – Board reviews and provides direction regarding Preliminary CIP (including Funding Filters for Prioritization Matrix and Funding Scenarios).
COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:
Review 2022 Capital Improvement Program Committee Work Plan.

RECOMMENDATION:
Review the 2022 Capital Improvement Program Committee 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.

The CIP Work Plan contained in Attachment 1 is presented for the Committee’s review to determine topics for discussion in 2022.

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.

ATTACHMENTS:
Attachment 1: 2022 CIP Committee Work Plan

UNCLASSIFIED MANAGER:
Candice Kwok-Smith, 408-630-3193
<table>
<thead>
<tr>
<th>CIP Committee 2022 Workplan</th>
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</thead>
<tbody>
<tr>
<td><strong>Capital Project Monitoring</strong></td>
</tr>
<tr>
<td>Feasibility/Planning</td>
</tr>
<tr>
<td>Design/Permitting</td>
</tr>
<tr>
<td>Construction</td>
</tr>
<tr>
<td>Other Capital Projects included in 5-Year Plan (placeholder/closeout)</td>
</tr>
<tr>
<td><strong>CIP Implementation</strong></td>
</tr>
<tr>
<td>Lower Berryessa Creek Phase 2 Project Update</td>
</tr>
<tr>
<td>Dam Safety Program Overview and Updates</td>
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<tr>
<td>Purified Water Program Update</td>
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<tr>
<td>Updates 10-Year Pipeline Program Overview and Updates</td>
</tr>
<tr>
<td>ERP System Implementation Overview and Updates</td>
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<tr>
<td>Future Funding for Dam Safety Program</td>
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<tr>
<td>Consultant Agreement Compliance Process</td>
</tr>
<tr>
<td>Potential Impacts of Inflation and Economic Outlook on CIP</td>
</tr>
<tr>
<td>Capital Project Management and Project Controls Program Overview</td>
</tr>
<tr>
<td>Environmental Mitigation and Monitoring Program Overview</td>
</tr>
<tr>
<td>Coyote Pumping Plant ASD Replacement</td>
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<tr>
<td><strong>CIP Development</strong></td>
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<tr>
<td>CIP Process Audit</td>
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<tr>
<td>CIP Planning Process</td>
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<tr>
<td>• Annual CIP Process and Integrated Financial Planning Schedule and Review of Initially Validated and Unfunded Projects</td>
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<tr>
<td>• Review Significant Project Plan Updates</td>
</tr>
<tr>
<td>Preliminary CIP Review</td>
</tr>
<tr>
<td><strong>Standing Items</strong></td>
</tr>
<tr>
<td>Anderson Dam Tunnel Project Contingency and Change Order Monitoring</td>
</tr>
<tr>
<td>Upcoming Consultant Agreement Amendments</td>
</tr>
<tr>
<td>Workplan</td>
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<tr>
<td>Minutes</td>
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<tr>
<td>Annual Election of Committee Officer</td>
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</table>

9/30/2022