



CAPITAL IMPROVEMENT PROGRAM MEETING

MINUTES

**MONDAY, DECEMBER 12, 2022
11:00 AM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A special 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 11:00 a.m. and via Zoom teleconference.

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.

Staff in attendance was Eva Sans, Assistant Deputy Clerk II.

Staff members in attendance were G. Adriano, J. Aranda, E. Aryee, A. Baker, E. Baker, L. Bankosh, H. Barrientos, A. Beaman, S. Benavidez, S. Berning, R. Blank, S. Bogale, J. Bourgeois, R. Callender, R. Castillo, F. Chak, J. Codianne, J. Collins, M. Cook, E. De Anda, J. Devadoss, S. Ferranti, A. Fraumeni, A. Fulcher, M. Ganjoo, C. Gayotin, R. Gibson, V. Gin, A. Gordon, S. Greene, C. Hakes, H. Hoang, G. Jacobson, C. Kwok-Smith, M. Laramie, O. Leonardo, J. Martin, C. McAlpine, R. McCarter, P. McElroy, M. Mendez, D. Montenegro, C. Narayanan, T. Ndah, K. Neuman, M. Nguyen, J. O'Brien, C. Orellana, L. Orta, L. Penilla, A. Phagan, M. Potter, D. Rocha, K. Struve, D. Taylor, B. Welch, K. White, J. Wu, R. Yamane, and T. Yoke.

Director Jim Beall attended without participating in the discussion.

Guest in attendance: J. Davel, and K. Irvin.

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.

Chairperson Hsueh confirmed that Item 4.4 would be considered before Item 4.1 and would be followed by Items 4.3, 4.2, 4.1 and 4.5.

3. APPROVAL OF MINUTES:

3.1 Approval of November 14, 2022 Capital Improvement Program Committee Minutes.

Recommendation: Approve the minutes.

It was moved by Director Estremera, seconded by Chairperson Hsueh, to approve the November 14, 2022 minutes, as presented.

Chairperson Hsueh moved the agenda to Item 4.4.

4. ACTION ITEMS:

4.4 Review the Capital Improvement Program's Draft Preliminary Fiscal Year 2024-2028 Five-Year Plan.

Recommendation: Review and discuss the Capital Improvement Program's Draft Preliminary Fiscal Year 2024-2028 Five-Year Plan and provide recommendations to staff as needed.

Jennifer Martin, Program Administrator, reviewed the information on this item per the attached Committee agenda memo, and per the information contained in Attachment 1; and added that this discussion would be in preparation for presentation of the preliminary CIP at the January 10, 2023 Board workshop.

The Committee noted the following during the staff presentation:

On Slide 7 (Most Impactful Project Plan Updates) , for the *Purified Water Project*, a correction on the last bullet item, the open/close parenthesis should say, "Phase 1 Only" instead of "Phase Only."

On Slide 8 (Con't of Most Impactful Project Plan Updates), for the *E1 Coyote Creek, Montague Expressway to Tully Road Project*, a correction on the last bullet item, the open/close parenthesis should say, "Phase 2 Only" instead of "Phase Only."

On Slide 9 (Six New Pending Project Plan Updates), updates after the last CIP Committee meeting on the six projects mentioned on the slide were a repositioning of where funding would occur, and cost associated with the consultant contract amendments included in this agenda as Item 4.3 were already included in the work plans.

On Slide 10 (Fund 61 Baseline Case graph), Carmen Narayanan, Financial Planning and Revenue Manager, stated that the scenario for Fund 61 for the January Board workshop would include impacts of an extended drought and baseline for the *Pacheco Reservoir Expansion Project* and *Purified Water Program Phase 1* placeholder; and that staff would be bringing to the full Board in early spring a 30-year projection for all these funds including long-term effect of WIFIA loans.

On Slide 14 (CIP Evaluation Team Recommendations), staff clarified that the recommendation to remove the *Long-term Purified Water Program* elements for Phase 2 was an old estimate that would be removed for now and that current focus would be on Phase 1; and that the refinement to the *South Babb Flood Protection project* would be on the needed cost updates.

On Slide 18 (CIP Evaluation Team Recommendations on Fund 61), staff cited financial modeling on the *Pacheco Reservoir Expansion Project* assuming project would be

removed from the CIP, the 35% partnership goal would not be reached; and on the *Purified Water Program* assuming significant grants, currently not included, would be received, or if there would a price reduction from market competition.

On Slide 19 (Fund 26, Scenario A graph), the staff recommendation to place on hold the Palo Alto Basin Tide Gates Project included staff's annual inspection of the basin to allow USACE to determine if this project could be part of their Shoreline 2 project.

On Slide 22 (Fund 26, Scenario B graph), on Item A.ii, the reference to FY24 tax growth (5% vs 2%) referred to the Safe Clean Water Special Parcel Tax and the 5% rate was based on last fiscal year's increase. On Item A.iv, *Sunnyvale East/West Channels Flood Protection Project* could be a two-year delay, and staff would work for a possible Google partnership as well as identify funding sources. On Item A.v, the reference to D6.3 projects included the *Hale Creek Enhancement Pilot Study* and *Bolsa Road Fish Passage Improvement* projects and that staff's recommendation on a third geomorphic study would be put on hold which would change the Safe Clean Water KPI and necessitate a public hearing. On Item A.v, the *Almaden Lake Creek/Lake Separation Project*, would remain on planning/design until other funding sources are identified. On Item A.vii staff's recommendation is to restore the *Ogier Ponds Creek Lake Separation Project* to meet mitigation requirement of the *Anderson Dam Seismic Retrofit Project* and a Safe Clean Water requirement to construct one project that had undergone a planning study.

During the presentation, the Committee requested of staff:

That in presenting a Pacheco Reservoir project background at the January workshop, staff would include effects to entire operation, infrastructure, and human resource components for the sake of new members attending; and

That in presenting Fund 26 scenario at the same workshop, staff to present the various credits Valley Water would receive from doing *Ogier Ponds Creek Lake Separation Project* as well as the already available funding sources for this project.

The Committee took a motion.

Motion: Approve CIP Evaluation Team recommendations to present to the full Board the following fund financial models:

- A. On Fund 61, financial modeling would show baseline for all project plan updates from Board adopted CIP FY23-27 Five-Year Plan; and baseline with extended drought scenario, with a range of assumptions for the Pacheco Reservoir Expansion Project and the Purified Water Program;
- B. On Fund 12, financial modeling would show baseline that includes all project plan updates from Board adopted FY23-27 Five-Year Plan; Palo Alto Flood Basin Tide Gates Replacement Project would be on hold indefinitely; and that SF Bay Shoreline Phase 1 would shift \$14M from FY24-26.
- C. On Fund 26, financial modeling would show baseline that includes all project plan updates from Board adopted FY23-27 Five-Year Plan; a higher FY24 tax growth (5%); a higher NRCS funding; Upper Penitencia Creek Flood Protection Project and Sunnyvale East/West Channels Flood Protection Projects on hold and place funding on reserve; not implement a 3rd geomorphic D6.3 project; Almaden Lake/Creek Separation Project to

remain on planning and design only; and proceed with Ogier Ponds Creek/Lake Separation Project.

Motion to
Approve: T. Estremera

Seconded: N. Hsueh

Chairperson Hsueh returned the agenda to Item 4.3

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

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

Chris Hakes and Emmanuel Aryee, Deputy Operating Officers, reviewed the information on this item, per the attached Board Agenda Memo.

The Committee noted that Amendment 1 to Agreement A4418A with COWI North America for Construction Management Services for the Anderson Dam Tunnel Project would be brought to the full Board at the December 13, 2022 meeting.

During the presentation, the Committee requested that staff discuss the regulatory requirement of Amendment 1 to Agreement A4418A at the December 13, 2022 presentation to the full Board.

The Committee took a motion:

Motion: Approve for Board approval four consultant agreement amendments for capital projects as follows:

- A. Amendment No. 9 to Agreement A3676A with URS Corporation for Design Services for Anderson Dam Seismic Retrofit Project, Project No. 91864005 and Engineering Support During Construction for Anderson Dam Tunnel Project, Project No. 91864006 (Time Extension, Scope Change, Cost Increase);
- B. Amendment No. 1 to Agreement A4418A with COWI North America, Inc. for Construction Management Services for Anderson Dam Tunnel Project No. 91864006 (Scope Change, Cost Increase);
- C. Amendment No. 3 to Agreement A3941A with GEI Consultants, Inc. for Design Services for the Guadalupe Dam Seismic Retrofit Project No. 91894002 (Time Extension)
- D. Amendment No. 1 to Agreement A4632A with CDM Smith, Inc. for Project Management Services for the Purified Water Project No. 91304001 (Administrative Updates)

Motion to
Approve: T. Estremera

Seconded: N. Hsueh

Chairperson Hsueh returned the agenda to Item 4.2.

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.

Chris Hakes reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachment 1.

The Committee noted the information without taking formal action.

Chairperson Hsueh returned the agenda to Item 4.1.

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 the corresponding material contained in Attachment 1.

The Committee noted the information without taking formal action.

Chairperson Hsueh moved the agenda to Item 4.5.

4.5 Review 2022 and 2023 Capital Improvement Program Committee Work Plans and 2023 Proposed Meeting Schedule.

Recommendation: A. Review the 2023 Capital Improvement Program Committee Draft Work Plan and make adjustments, as necessary; and
B. Confirm dates for 2023 CIP Committee meetings.

Chairperson Hsueh reviewed the items on the work plan for the next meeting on January 17, 2023, and added that this Committee would have full three members in 2023.

5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.

None.

6. ADJOURN.

Chairperson Hsueh adjourned the meeting at 12:50 p.m. to the next meeting on January 17, 2023.

Eva Sans
Assistant Deputy Clerk II

Approved:
Date:

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