

Change Control Process Update

As the renewed Safe, Clean Water and Natural Flood Protection Program progresses, there may be a need to adjust and modify the Program due to changing conditions and circumstances, including funding, economic and regulatory issues, etc. As with the 2012 Program, the renewed Program was developed to adjust, modify, or not implement a project. To modify or not implement a project, Resolution No. 20-64, Section N (Attachment 1) requires that the Board must hold a formal public hearing on the matter:

“The Board of Directors may direct that proposed projects in the Safe, Clean Water and Natural Flood Protection Program be modified or not implemented depending upon a number of factors, including federal and state funding limitations and the analysis and results of CEQA environmental review and permitting by state and federal regulatory agencies. The Board of Directors must hold a formal, public hearing on the matter, which will be noticed by publication and notification to interested parties, before adoption of any such decision to modify or not implement a project.”

On April 26, 2016, the Board approved the Change Control Process that identified the processes for Adjustments (changes to a project text, funding, or schedule that don't impact Program KPIs), Modifications (changes to project KPIs or funding allocations that will impact a Program KPI), and Not Implementing a project.

By distinguishing between project adjustments and modifications, Valley Water is able to clearly define the project changes that trigger the requirement for a public hearing. In addition, by identifying the processes for making adjustments and formalizing a clear process for annual public hearings, Valley Water can implement the voter-approved programs as intended.

In general, adjustments are made by the Board during public board meetings, and the approved changes are incorporated into subsequent annual reports and 5-year implementation plans. Modification or non-implementation of a project requires a public hearing before the Board's decision at a public meeting. The Board-approved modification or non-implementation of a project is incorporated into subsequent annual reports and 5-year implementation plans.

Recommended Updates

With time and passage of the renewed Program, the process requires revision and enhancements to align with the renewed Program and changed circumstances and refine the language for greater precision. For instance, unlike the 2012 Program, the renewed Program does not have a sunset date. Instead, it is implemented on a 15-year financial cycle, with the Board determining whether to reduce, repeal, or maintain the special tax every 15 years. Resolution No. 20-64, Section L (Attachment 1) states:

“After a period of no longer than fifteen (15) years, the Board of Directors shall evaluate the need for the Safe, Clean Water and Natural Flood Protection Program, and make an affirmative determination of whether the special tax should be reduced or repealed, or is needed to build additional Projects to achieve related programmatic benefits in accordance with the priorities of the Safe, Clean Water and Natural Flood Protection Program. Should the Board of Directors determine that no additional Projects are needed, the Safe, Clean Water and Natural Flood Protection Program special tax will be reduced accordingly, to reflect a transition from funding new Projects to funding operation, maintenance and replacement of Projects that were constructed with Safe, Clean Water and Natural Flood Protection Program funds. This evaluation process shall include the Valley Water advisory committees and the Program’s IMC, which will be charged with making recommendations to the Board of Directors on the determination of whether the special tax should be reduced, repealed, or maintained. Following the first fifteen-year determination of continued need for the special tax, the determination shall be made every fifteen (15) years thereafter.”

Accordingly, the process must be updated to reference the renewed Program and the 15-year financial cycles. Similarly, a change in the process is required to reference the appropriate appendix in the renewed Program. Furthermore, it is also an opportunity to streamline the process. Among the proposed changes is to remove the requirement to email the public notices to the “Blue-Ribbon Committee.” Like the 2012 Program, during the development of the renewed Program, Valley Water hosted a virtual Blue-Ribbon Forum solely to receive feedback while developing the renewed Program. It was part of the comprehensive and extensive public outreach effort to engage residents, community members, and stakeholders to develop the Program. The forum was discontinued once the Program was developed and put on the ballot.

Adjustments versus Modifications

Adjustments

Over the course of the Program, there may be cases in which adjustments may be necessary for project or program funding, resource allocation, or KPIs. In these cases, the Board will provide staff direction on its preferred strategy based on staff analyses and recommendations and any additional information brought forward by the community, stakeholders, or the Independent Monitoring Committee.

The Board will make adjustments to the Program and the changes will be reflected in subsequent annual reports and five-year implementation plans. Table 1 below captures the types of changes and the proposed updates defining Adjustments and Table 2 reflects the updates to the process for Adjustments, with strikethrough text for removed text and red font for added text.

Table 1 Types of Changes		
Types of Changes	Adjustments (Publicly noticed meetings)	Modifications (Formal public hearing required)
Text	Edits to text to correct errors, information/data updates, and overall readability.	Changes to a project's KPI.
Schedule	Adjustments to project schedules provided for each 15-year funding cycle of the renewed Safe, Clean Water and Natural Flood Protection Program (renewed Program), approved by voters in November 2020.	
Funding	Fiscal Year budget adjustments and changes to project funding allocations that do not impact any project KPIs in the renewed Program.	Changes to funding allocations that will impact any project's KPIs in the renewed Program.

Table 2 Process for Adjustments	
Text: Edits to text to correct errors, information/data updates, and overall readability	<ol style="list-style-type: none"> 1. Board approval will be sought at the time the renewed Program Annual Report (Annual Report) is presented for approval. 2. Board-approved adjustments to text will be updated in the 5-Year Implementation Plan and included in future Annual Reports, which will be posted on the website.
Schedule: Adjustments to project schedules provided for each 15-year funding cycle of the renewed Program, approved by voters in November 2020	<ol style="list-style-type: none"> 1. Capital project schedules will be approved by the Board through the adoption of the Capital Improvement Program Five-Year Plan. 2. Schedule adjustment updates will take place at the end of the fiscal year or as needed. 3. Schedule comparison of the original project schedule provided for each 15-year funding cycle of the renewed Program to the project's current schedule will be included in the Annual Report 4. This information will be posted to the renewed Program's web page and updated in the current 5-Year Implementation Plan.
Funding: Fiscal Year budget adjustments and changes to project funding allocations that do not impact any project deliverables in the renewed Program	<ol style="list-style-type: none"> 1. Comply with Valley Water processes for budget adjustments. 2. Approval for changes to project appropriations per the renewed Program Report, Appendix E, will follow Valley Water's annual budget process, with analysis provided as to the impact on the overall program fund to ensure that any project KPIs in the renewed Program will not be impacted. 3. Annual and Cumulative Financial Summary information will be included in the Annual Report. 4. This information will be posted to the renewed Program's web page and updated in the 5-Year Implementation Plan.

Note: See Attachment 2 for the renewed Safe, Clean Water Program Report Appendix E.

Table 3 below provides the process for Modification and Non-Implementation with minimal proposed updates.

Table 3: Process for Modification and Non-Implementation	
Text: Changes to a project's KPIs	<ol style="list-style-type: none"> 1. Public hearing 2. Approved modifications will be included in the Annual Report, posted to the renewed Program's web page and updated in the current 5-Year Implementation Plan.
Funding: Changes to project funding allocations that will impact any project's KPIs in the renewed Program	<ol style="list-style-type: none"> 1. Public hearing. 2. Approved modifications will be included in the Annual Report, posted to the renewed Program's web page and updated in the current 5-Year Implementation Plan.
Decision to not implement a project	<ol style="list-style-type: none"> 1. Public hearing. 2. Approved non-implementation of a project will be included in the Annual Report, posted to the renewed Program's web page and updated in the current 5-Year Implementation Plan.

Public Hearing Processes

The process also established a timeframe to conduct a public hearing during each fiscal year, which is no later than April and before the Board's adoption of the next fiscal year budget. This timing has been established so that if the need for project modifications or non-implementation arises for multiple projects, the following is accomplished:

1. Reduced costs for public notice placements in newspapers by holding one public hearing for multiple projects;
2. Consistency for interested stakeholders who wish to participate on an annual basis;
3. Acceptance or rejection of proposed modifications prior to the budget hearings, allowing for the Board's direction to be incorporated in the next fiscal year budget; and
4. An annual opportunity for project managers to propose modifications that incorporate the Board's review of the Annual Report (November) and the Board-accepted recommendations of the Independent Monitoring Committee (March).

The public hearing will be scheduled for a certain date and time. However, if the Board feels their decision on a proposed modification would be better informed by reviewing the budget and/or CIP, the Board has two options:

1. Keep the public hearing open until the Board has reviewed the budget and/or CIP; or
2. Close the public hearing but hold the decision on a proposed modification until the Board has reviewed the budget and/or CIP.

Although having the Board set a public hearing date was not a requirement of the Program, it was incorporated to ensure transparency and provide additional notice to the public. The process requires:

1. Placement of public notice consistent with California Government Code § 6066. The outreach goal for the public notices is to be inclusive and transparent in describing the proposed project modifications.
2. Notice will be emailed/communicated to stakeholders, including but not limited to:
 - a. The renewed Program's Independent Monitoring Committee (IMC).
 - b. Project stakeholders, including local government entities.