



Santa Clara Valley Water District Capital Improvement Program Committee Meeting

District Headquarters, Board Conference Room A-124
5700 Almaden Expressway, San Jose, CA 95118

REGULAR MEETING AGENDA

**Monday, August 12, 2019
10:00 AM**

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

Nai Hsueh, Chair, District 5
Linda J. LeZotte, Vice Chair, District
4

Tony Estremera, District 6

All public records relating to an item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the Clerk of the Board at the Santa Clara Valley Water District Headquarters Building, 5700 Almaden Expressway, San Jose, CA 95118, at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to attend Board of Directors' meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

BETH REDMOND
Committee Liaison

NATALIE F. DOMINGUEZ,
CMC
Assistant Deputy Clerk II
Office/Clerk of the Board
(408) 265-2659
ndominguez@valleywater.org

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

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**Santa Clara Valley Water District
Capital Improvement Program Committee**

**REGULAR MEETING
AGENDA**

Monday, August 12, 2019

10:00 AM

District Headquarters, Board Conference Room
A-124
5700 Almaden Expressway, San Jose, CA 95118

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: This item is reserved for persons desiring to address the Committee on any matter not on this agenda. Members of the public who wish to address the Committee on any item not listed on the agenda should complete a Speaker Form and present it to the Committee Clerk. The Committee Chair will call individuals in turn. 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 July 29, 2019 Meeting Minutes. [19-0737](#)

Recommendation: Approve the minutes.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 072919 CIP Minutees](#)

4. ACTION ITEMS:

4.1. Capital Project Monitoring - Construction. [19-0733](#)

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

Manager: Katherine Oven, 408-630-3126
Ngoc Nguyen, 408-630-2632
Lisa Bankosh, 408-630-2618
Tina Yoke, 408-630-2385

Attachments: [Attachment 1: Capital Project Monitoring - Construction](#)

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4.2. Consultant Agreements and Amendments. [19-0731](#)

Recommendation: Receive information on upcoming consultant agreements and/or amendments that staff will be recommending for Board approval and provide direction as needed.

Manager: Ngoc Nguyen, 408-630-2632

4.3. Priority Ranking Criteria and Validation Process for Capital Projects. [19-0734](#)

Recommendation: Receive information regarding prioritization and validation of newly proposed capital projects and provide direction as necessary.

Manager: Chris Hakes, 408-630-3796

Attachments: [Attachment 1: Annual CIP Process Overview](#)

4.4. 2019 Capital Improvement Committee Work Plan. [19-0732](#)

Recommendation: Review the 2019 Capital Improvement Program Committee Work Plan and make revisions as necessary.

Manager: Michele King, 408-2630-2711

Attachments: [Attachment 1: 2019 CIP Committee Workplan](#)

5. INFORMATION ITEMS:

6. 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.

7. ADJOURN:

7.1. Adjourn to Regular Meeting at 10:00 a.m., on September 9, 2019, in the Santa Clara Valley Water District (HQ Boardroom/Board Conference Room A-124), 5700 Almaden Expressway, San Jose, California.



Santa Clara Valley Water District

File No.: 19-0737

Agenda Date: 8/12/2019

Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

Approval of July 29, 2019 Meeting 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: 072919 CIP Committee Minutes

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711

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CAPITAL IMPROVEMENT PROGRAM COMMITTEE MEETING

MINUTES

**MONDAY JULY 29, 2019
10:00 AM**

(Paragraph numbers coincide with agenda item numbers)

A regular meeting of the Santa Clara Valley Water District (Valley Water) Capital Improvement Program Committee (Committee) was called to order in the Valley Water Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California, at 10:00 a.m.

1. CALL TO ORDER/ROLL CALL

Committee members in attendance were District 6 Director T. Estremera, District 4 Director L. LeZotte, and District 5 Director N. Hsueh, Chairperson presiding, constituting a quorum of the Committee.

Staff members in attendance were N. Camacho, Chief Executive Officer, E. Aryee, M. Cook, N. Dominguez, M. Ganjoo, B. Hopper, J. Martin, E. Meeks, N. Nguyen, L. Orta, and T. Yoke. Mr. Michael Baratz, Labor Relations Officer, participated by teleconference.

2. TIME OPEN FOR PUBLIC COMMENT 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

The Committee considered the attached minutes of the June 10, 2019 meeting. It was moved by Director Estremera, seconded by Director LeZotte, and unanimously carried that the minutes be approved as presented.

4. ACTION ITEMS

4.1. Information on Project Labor Agreements (Continued From June 10, 2019).

Recommendation:

- A. Receive information from staff regarding how Project Labor Agreements (PLAs) may impact Valley Water's capital projects; and
- B. Provide input to staff and discuss recommending to the Board whether Valley Water should pilot a PLA on a capital project.

Ms. Emily Meeks, Labor Relations Specialist I, reviewed the information on this item, per the attached Committee Agenda Memo, and the corresponding information contained in Attachment 1.

One statement supporting, and one statement opposing Project Labor Agreements were received from Mr. David Bini, Executive Director, Santa Clara and San Benito Counties Building and Construction Trades Council, and Ms. Susan Andrews, of undisclosed residency, respectively.

Chairperson Hsueh requested that staff reach out to local public agencies and the Santa Clara and San Benito Counties Building & Construction Trades Council to obtain information regarding their experiences with PLA's, including: negotiating agreements, PLA implementation, selection of contractors and workforce, and other factual information; and come back with a summary of their findings.

4.2 Capital Project Monitoring – Design.

Recommendation: Receive Information, discuss planning and feasibility resources needs, and make recommendations, as necessary.

Mr. Ngoc Nguyen, Deputy Operating Officer reviewed the information on this item, per the attached Committee Agenda Memo; and the corresponding information contained in Attachment 1, was reviewed as follows: Mr. Emmanuel Aryee, Capital Engineering Manager, reviewed Page 1, Water Utility, Lines 1 through 7; Mr. Nguyen, reviewed Page 1, Flood Protection, Lines 8 through 13, and Water Resources Stewardship, Lines 14 through 17; and Mr. Michael Cook, Deputy Administrative Officer, reviewed Page 1, Buildings and IT, Lines 18 and 19.

Chairperson Hsueh requested that staff provide the Committee with a baseline schedule for the Pacheco Reservoir Expansion Project.

Chairperson Hsueh requested staff re-evaluate the process for bringing project planning studies to the Board for consideration, and come back with a summary of their findings.

4.3. Upcoming Capital Agreements and Amendments.

Recommendation: Receive information on upcoming consultant agreements and/or amendments that staff will be recommending for Board approval and provide direction as needed.

Mr. Aryee reviewed the information on this item, per the attached Committee Agenda Memo.

Chairperson Hsueh requested the Consultant Agreement for the Rinconada Water Treatment Plant Reliability Improvement Project (Project) include a breakdown of staff support, and work hours for higher level consultant services.

It was moved by Director Estremera, seconded by Director LeZotte, and unanimously carried to support staff's recommendation for Board approval of the consultant agreement.

4.4. 2019 Capital Improvement Program Committee Work Plan.

Recommendation: Review the 2019 Capital Improvement Program Committee Work Plan and make revisions as necessary.

Chairperson Hsueh requested that the 2019 Committee Work Plan be revised as follows:

CIP Implementation:

- Remove Anderson Dam Updates from the CIP Work Plan;
- Add an item to review of the process for bringing planning study reports to the Board for consideration (August 2019); and
- Add an item to review of resource allocation for construction management of projects going into the construction phase (September 2019);

CIP Development:

- Add an item to review the project ranking criteria process (August 2019)

5. INFORMATION ITEMS

None.

6. CLERK'S REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS AND RECOMMENDATIONS

Ms. Natalie Dominguez, Assistant Deputy Clerk II, read Committee requests into the record:

With regard to Item 4.1:

Chairperson Hsueh requested that staff reach out to local public agencies and the Santa Clara and San Benito Counties Building & Construction Trades Council to obtain information regarding their experiences with PLA's, including: negotiating agreements, PLA implementation, selection of contractors and workforce, and other factual information; and come back with a summary of their findings.

With regard to Item 4.2:

Chairperson Hsueh requested that staff provide the Committee with a baseline schedule for the Pacheco Reservoir Expansion Project.

Chairperson Hsueh requested staff re-evaluate the process for bringing project planning studies to the Board for consideration, and come back with a summary of their findings.

With regard to Item 4.3:

Chairperson Hsueh requested the Consultant Agreement for the Rinconada Water Treatment Plant Reliability Improvement Project (Project) include a breakdown of staff support, and work hours for higher level consultant services.

With regard to Item 4.4:

Chairperson Hsueh requested that the 2019 Committee Work Plan be revised as follows:

CIP Implementation:

- Remove Anderson Dam Updates from the CIP Work Plan;
- Add an item to review of the process for bringing planning study reports to the Board for consideration (August 2019); and
- Add an item to review of resource allocation for construction management of projects going into the construction phase (September 2019);

CIP Development:

- Add an item to review the project ranking criteria process (August 2019)

7. ADJOURN

Chairperson Hsueh adjourned the meeting at 12:00 p.m., to the next scheduled meeting at 10:00 a.m. on August 12, 2019, in the Valley Water Headquarters Building, Board Conference Room A-124, 5700 Almaden Expressway, San Jose, California.

Natalie F. Dominguez, CMC
Assistant Deputy Clerk II

Approved:



Santa Clara Valley Water District

File No.: 19-0733

Agenda Date: 8/12/2019

Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

Capital Project Monitoring - Construction.

RECOMMENDATION:

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

SUMMARY:

The CIP Committee's 2019 Workplan includes monitoring of capital projects during all phases of development. To meet these requirements, staff prepares a list of active projects for the Committee each month to provide detailed information on those where potential and/or significant issues have been identified. The projects presented for discussion will be organized by phases: planning/feasibility; design; and construction. Staff will present projects to the CIP Committee for review one phase at a time. Projects currently under construction are being presented this month.

Attachment 1 is a list of projects in the construction phase. A verbal report will be provided at the meeting with more detailed information about recent developments on projects.

ATTACHMENTS:

Attachment 1: Capital Project Monitoring Report - Construction

UNCLASSIFIED MANAGER:

Katherine Oven, 408-630-3126

Ngoc Nguyen, 408-630-2632

Lisa Bankosh, 408-630-2618

Tina Yoke, 408-630-2385

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Capital Project Monitoring Report - August 2019

CM Services

Construction Phase

Row	Project No.	Project Name	Notes, Upcoming Board Actions or potential issues	In house	External
Water Utility					
1	91234011	Coyote Warehouse	Contractor given the Notice to Proceed in June 2020.	X	
2	26564001	Main and Madrone Pipelines Restoration	Field construction was completed in June 2019.		X
3	93294057	RWTP Reliability Improvement	Phase 2 (of 5) completion is currently anticipated in March 2020.		X
4	95084002	Cross Valley and Calero Pipelines Inspection and Rehabilitation Project	Board awarded contract on July 9, 2019. Construction scheduled to be completed by spring 2020.	X	
Flood Protection					
5	26154002	Upper Guadalupe River Reach 6	A project to install gravel for fish habitat in a portion of Reach 6 is anticipated to begin and complete in summer, 2020.	X	
6	26244001	Permanente Creek, SF Bay to Foothill Expressway	Construction of Channel work was completed in January, 2019; Construction of McKelvey Park extended to September 2019; Consultation with SHPO & USACE on cultural resources was completed on June 19, 2019; Construction of Rancho San Antonio Park Flood Detention Basin is expected to be completed in May 2020.	Rancho San Antonio	McKelvey Park
7	26284002	San Francisquito Creek - Construction, SF Bay to Middlefield Rd.	San Francisquito Creek Bay to Hwy 101 Construction was completed in December 2018; A separate contract for plant installation and establishment was completed in June 2019.		X
8	26174041s	Berryessa Ck, Calaveras-I-680	COE- civil construction complete June 2018, planting fall 2018 - USACE is addressing punch list items. Montague Bridge (SC Co.) substantially complete June 2018.	N/A	
9	40174004	Berryessa Creek, Lwr Penitencia Ck to Calaveras Blvd, Phase 1	Civil construction complete, plant establishment to June 2021.		X
10	40174005	Berryessa Creek, Lwr Penitencia Ck to Calaveras Blvd, Phase 2	Construction to be complete by March 2019; however, the contractor will be performing some levee repair work, which is estimated to be completed by December 2019.		X
11	40264008s	Lower Silver Creek, I-680 to Cunningham (Reach 4-6)	Civil construction complete, plant establishment to 2020.	X	
12	40264011	Cunningham Flood Detention Certification	Flood protection construction completed in June 2019; additional stormdrain work anticipated to be completed in September 2019.	X	
13	62062003	Stevens Creek Bank and Trail Repair (WARP)	Civil work was completed October 2018. Plant establishment is scheduled to be completed in 2024.		X
14	62084001	Uvas Creek Levee Rehabilitation (WARP)	Phase I: Completed in June 2019. Phase II: Contract awarded May 2019.		X
15	30114002	Canoas Creek Rodent Damage Repair Project	Civil work was completed in 2017. Maintenance phase scheduled to be completed in 2020.	X	
16	26174052	Upper Llagas Creek Flood Protection Project	Board awarded contract for Phase 1, Reaches 4 and 7a awarded on July 23, 2019. Civil work scheduled to be completed in 2021.	X	
17	62084001	San Tomas Aquino Creek and Barron Creek Repair Project (WARP)	Construction scheduled to be completed October 2019.	X	
18	00761023	Gold Street Median Removal	Work completed in June 2019.	X	
Water Resources Stewardship					
		No projects at this time.			
Buildings & IT					

Capital Project Monitoring Report - August 2019

CM Services

Construction Phase

Row	Project No.	Project Name	Notes, Upcoming Board Actions or potential issues	In house	External
19	73274011	E-Discovery Management System	Project ahead of schedule; implementation underway; Exterro E-Discovery tool implemented and currently in testing phase; Project completion expected in the first quarter of FY20.	N/A	N/A
20	73274007	Vena Upgrade	Construction proceeds with all necessary components in place and functioning; staff continues to leverage construction agreement only for post go-live support, documentation and other minor configuration changes; Project expected to complete and close during FY20.	N/A	N/A
21	73274002	PeopleSoft System Upgrade and ERP System Implementation	Contract awarded by Board of Directors to Infor Corporation on 7/23/2019; Staff currently coordinating with Infor to select project management and implementation team and establish project schedule; Project kickoff expected by end of August, with phase 1 of construction (financial modules) to commence in September-October; Project expected to continue through 2021.	N/A	N/A



Santa Clara Valley Water District

File No.: 19-0731

Agenda Date: 8/12/2019

Item No.: 4.2.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

Consultant Agreements and Amendments.

RECOMMENDATION:

Receive information on upcoming consultant agreements and/or amendments that staff will be recommending for Board approval and provide direction as needed.

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. Consistent with this, the Committee has requested that staff provide regular updates on new consultant agreements and planned amendments to existing consultant agreements.

Staff anticipates recommending Board approval of two consultant agreement amendments within the next few months. A brief description of these recommended upcoming board items are as follows:

- 1. Amendment to Agreement A3967A with Wood Rogers, Inc. for the Lower Penitencia Creek Improvements Project No. 40334005:** Staff is recommending Board approval of Amendment No. 3 to the Agreement A3967A (Agreement) between the Santa Clara Valley Water District (Valley Water) and Wood Rogers, Inc. (Consultant) to increase the not-to-exceed fee by \$444,984 from \$2,118,754 to \$2,563,738 for engineering support services during construction. The original scope of the Agreement included the required tasks for Consultant to perform all necessary Project design services: data collection and development for the basis of design documentation; preparation of design plans and specifications (30%, 60%, 90% and final design); support during the construction bid and award period; and Project management.

Staff anticipates advertising the Project's construction contract in December 2019. The Consultant's services, as the designer of record for this Project, is required to provide engineering support during the Project's construction phase.

- 2. Amendment to Agreement A3851A with Environmental Science Associates (ESA) for Environmental Consultant Services for the Almaden Lake Improvement Project Number 26044001:** Staff is recommending Board approval of Amendment No. 4 to Agreement A3851A (Agreement) between Valley Water and Environmental Science Associates (Consultant) to increase the not-to-exceed fee by \$261,582 from \$718,179 to \$979,761, and to extend the term of

the Agreement to add an additional two years. The original scope of the Agreement included the required tasks for Consultant to perform all necessary Project environmental services: environmental investigation and studies; preparation of the Project description, initial study, draft and final environmental impact reports (EIR); preparation of draft permit applications; and Project management.

The Project continues to receive substantial interest from the community on the selected water source for the Project and the extent of the Project's improvement limits. In 2017, after receipt of Consultant's initial draft environmental impact report (EIR), staff had to reinstate investigation of the Project's water source and place the Consultant's efforts on hold. In early 2018, the Project's water source analysis was complete and resulted in a change in the Project's water source. As a result, the Consultant had to conduct additional environmental investigations, update the Project description and portions of the draft EIR. In late July 2019, the Consultant completed the administrative draft EIR. Staff is currently reviewing the administrative draft EIR and anticipates that the draft EIR will be released for public review by December 2019. The requested additional fee and time extension will allow the Consultant to prepare the final EIR and support the Project's permit application process.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Ngoc Nguyen, 408-630-2632



Santa Clara Valley Water District

File No.: 19-0734

Agenda Date: 8/12/2019

Item No.: 4.3.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

Priority Ranking Criteria and Validation Process for Capital Projects.

RECOMMENDATION:

Receive information regarding prioritization and validation of newly proposed capital projects and provide direction as necessary.

SUMMARY:

The annual update of the 5-year Capital Improvement Program (CIP) includes a Validation process to review and evaluate potential new projects for inclusion to the CIP. A PowerPoint that shows the steps in detail is included as Attachment 1.

New projects are directed by the Board or requested by a Chief based on capital, operations, and maintenance investment strategies that minimize the life cycle costs of assets while balancing the associated levels-of-service, cost of service, business risk exposure, and customer expectations.

Each year, Valley Water staff submits new projects for consideration for inclusion into Valley Water's 5-Year Capital Improvement Program (CIP). Each submittal includes a New Capital Project Identification Form, a Business Case Report, and an Asset Owner Decision Memo. The CIP Evaluation Team then convenes to review, prioritize, and provide recommendations to the Chiefs and CEO regarding the new proposed capital projects to ensure Valley Water's high priority business needs are met in adherence to Board policy. The CIP Evaluation Team is comprised of Deputy Operating Officers of the divisions initiating, delivering, implementing, and operating capital projects.

History of the CIP Development

Valley Water first began publishing and annually updating its 5-Year CIP in 2002. In 2011, a Capital Project Validation Process (Validation Process) was added to the CIP annual update. The purpose of this process is to establish a business case, for adding new capital investments to the CIP. The Validation Process requires staff to prepare a business case to compare alternative solutions for a given problem or failure using lifecycle cost analysis. Validation is not the same as prioritization. Validation evaluates the lifecycle costs of different capital, non-capital (changing maintenance frequency, changing operations), or non-asset-based (demand management, partnerships, outreach, etc.) solutions for addressing a problem. The Validation Process identifies a solution with the lowest likely lifecycle cost. The objective of the Validation Process is to ensure Valley Water invests in the

right solutions or projects at the right time for the right costs and for the right reasons.

Following the development of the Validation Process, it was applied to all 132 projects in the District's 5-year CIP in FY 2010-11 and FY 2011-12. This included all projects on the unfunded list. Eighty-two of the 132 projects were deemed exempt from the Validation Process for one of the following reasons:

- Already in construction or in the close-out phase;
- Safe Clean Water project;
- Federally authorized;
- 90% or more grant or federally-funded;
- Required environmental mitigation; or
- Part of a legal settlement or binding agreement.

The Validation Process was applied to the remaining 50 projects. The outcome determined that 19 were no longer needed, and these were removed from the CIP. Two additional projects were removed and changed to a maintenance effort, and three other projects were moved to a future start date beyond the 5-year CIP. The removal or delay of these 24 projects resulted in a reduction of approximately \$250 million from the 5-year CIP at the time; however, it should be noted that \$171 million of this amount was from projects that had been on the "unfunded" list.

Since their development, the Validation Process and business case continue to be required for all capital projects that are proposed annually for addition to the CIP. Preparing a business case helps staff quickly assess if a capital infrastructure solution is the best or lowest lifecycle cost solution. Implementation of the Validation Process requires evaluation and documentation that an idea is a good investment, and also because staff must decide whether a non-capital solution would be a better fit in lieu of a capital investment.

Annual Process to Evaluate Newly-Proposed Capital Projects

The Validation Process is the gateway for a project to be included the CIP, unless one or more of the earlier-described exemption criteria apply. A Deputy Officer's approval is required to initiate preparation of a business case for a new capital project, as it can require significant staff time. The business case includes a written report and lifecycle cost analysis. The business case must be approved by the project owner (Deputy Officer) and is then submitted to the CIP Coordinator.

Upon submittal of a business case for a new capital project, a capital program engineer reviews the business case and develops a project proposal and initial capital cost estimate. The validated, newly-proposed projects are then placed on the CIP's unfunded list. In the fall of every year, 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, composed of Deputy Officers, 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. Staff considers factors such as an asset's condition; probability and impact of failure; service commitments and regulations; and availability of funding and staff resources when recommending whether a proposed project be moved from the unfunded list to the CIP.

The recommendations of the CIP Evaluation Team are first presented to the Chiefs and CEO, the to the CIP Committee, are incorporated into the preliminary CIP List, and are finally presented to the Board for approval at the first meeting in January.

ATTACHMENTS:

Attachment 1: Annual CIP Process Overview

UNCLASSIFIED MANAGER:

Chris Hakes, 408-630-3796

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Valley Water

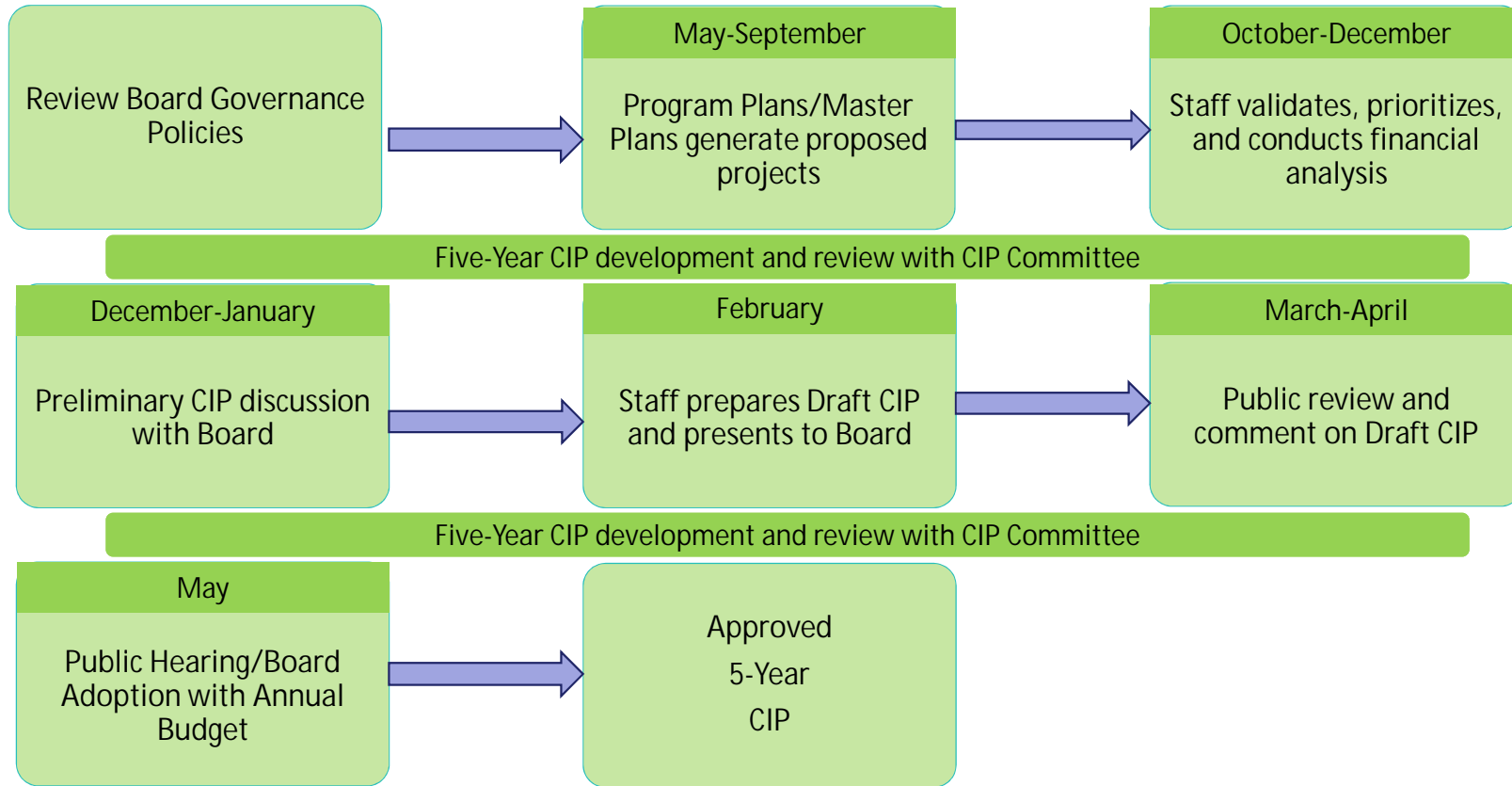
Clean Water • Healthy Environment • Flood Protection

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Annual Capital Improvement Program (CIP) Process Overview and Validation

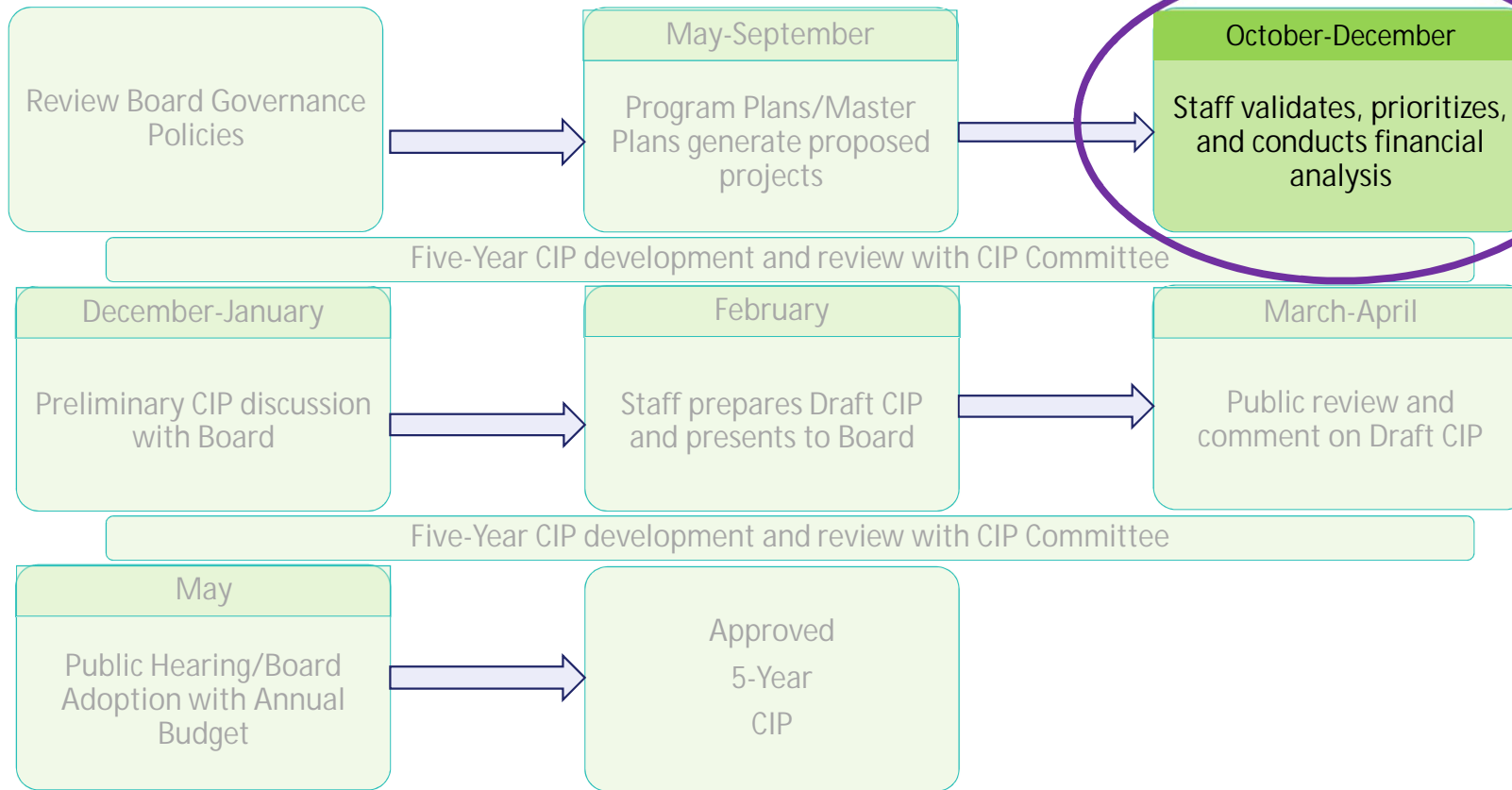


Annual CIP Process Overview

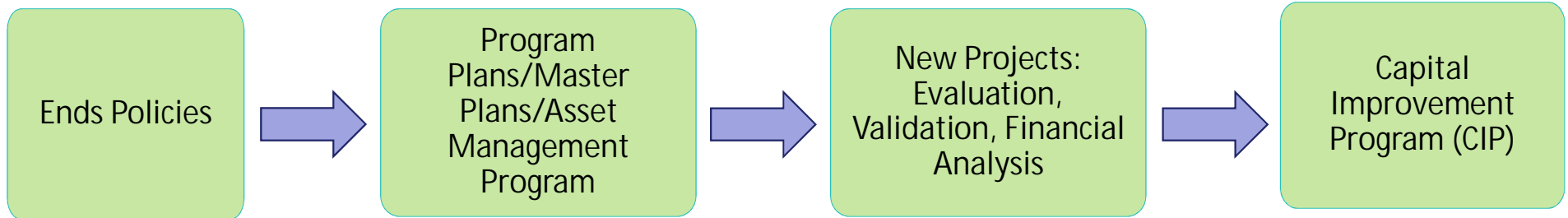


Annual CIP Process Overview

Validation period!



Drivers for New Capital Projects:

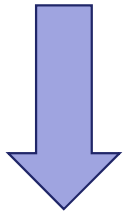


Proposed Project Evaluation

(Operations)

Evaluation: June-July

Staff proposes new projects, reviewed by Asset Management and respective DOO/DAO



- Staff compares alternative solutions
- Staff evaluates the lifecycle costs of different capital, non-capital, or non-asset based solutions
- Staff identifies a solution with the lowest lifecycle cost

Project Validation Process

(Operations)

Validation: July-Sept.

Staff validates projects and prepares Business Case Report (approved by respective DOO/DAO)

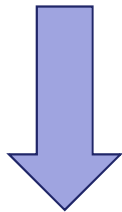


- Purpose of Validation process: to ensure the District invests in the right solutions or projects at the right time for the right costs for the right reasons
- Validation process considers:
 - Project objectives
 - Probability/timing of asset failure
 - Consequence of failure
 - Non-asset solutions
 - Cost effectiveness
- Validation process yields the business case for a capital investment – DOO/DAO approval required

Develop Preliminary CIP List

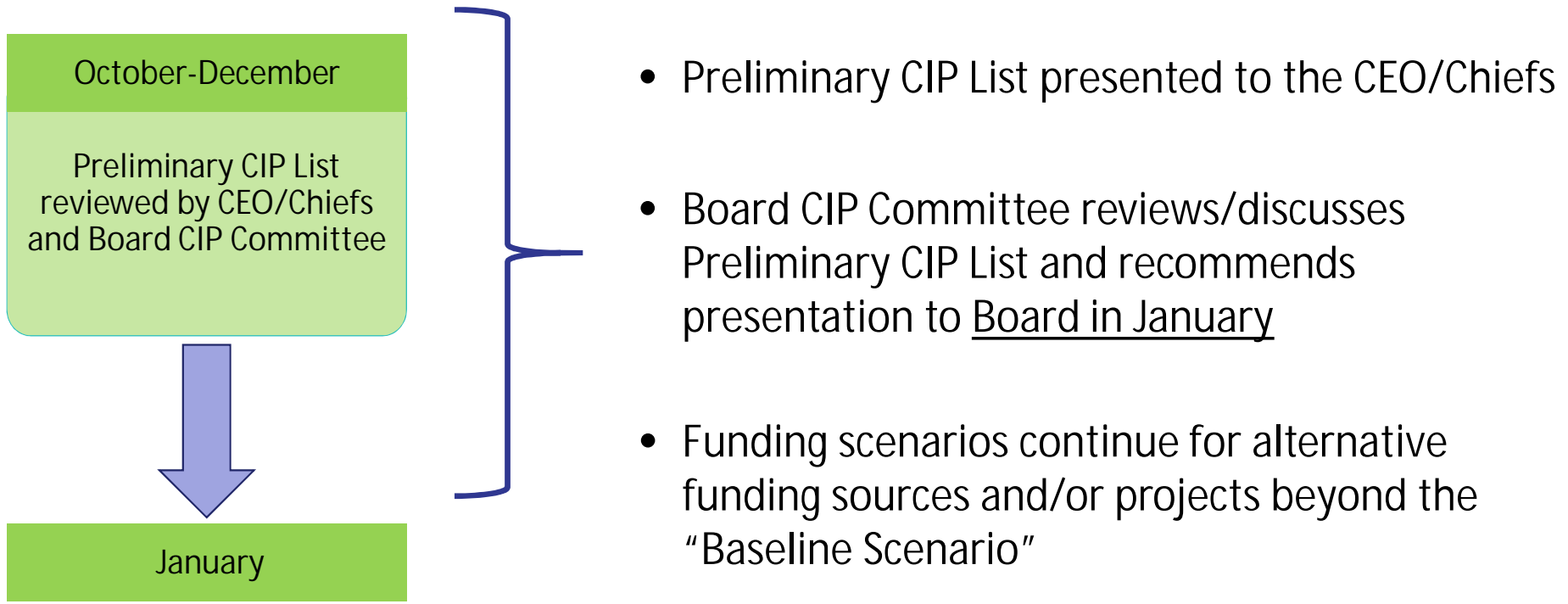
(Capital and Finance)

Sept.-October
Staff refines projects' estimated schedule and cost and prepares financial models



- Financial models prepared based on continuing capital projects and operations targets (Baseline Scenario)
- Financial models reviewed by CIP Evaluation Team (composed of DOOs/DAOs)
- CIP Evaluation Team propose projects to be funded or unfunded in Preliminary CIP List:
 - Board Priorities
 - Asset's remaining lifespan
 - Available funding
 - Urgency of investment

Preliminary CIP List Review



Prioritization Ranking Criteria

- Ranking Criteria originally developed in 2004
- Purpose: staff resource allocation

Fast forward 15 years

- Clearer communication of Board Policies
- Sophisticated Master Plans/Program development
- Robust Validation process in place to vet newly proposed projects



Valley Water

Clean Water • Healthy Environment • Flood Protection



Santa Clara Valley Water District

File No.: 19-0732

Agenda Date: 8/12/2019

Item No.: 4.4.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

2019 Capital Improvement Committee Work Plan.

RECOMMENDATION:

Review the 2019 Capital Improvement Program Committee Work Plan and make revisions 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.

The 2019 Capital Improvement Program Committee Work Plan is contained in Attachment 1. Information in this Plan document was provided by staff as follows:

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.

ATTACHMENTS:

Attachment 1: 2019 CIP Committee Work Plan

UNCLASSIFIED MANAGER:

Michele King, 408-2630-2711

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CIP Committee 2019 Workplan

	<i>Jan 3</i>	<i>Jan 14</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>
<i>CIP Implementation</i>													
Public Private Partnership (P3) Delivery for projects													
Safe, Clean Water Projects Implementation				X	X					X			
Presentation on Design-Build		X											
Project Labor Agreement			X	X	X		X	X					
Construction Management Resource Needs			X										
Calero Dam Seismic Upgrade and Water Reliability Analysis	X			X									
Employee Workspace Study				X									
<i>Capital Project Monitoring</i>													
Construction		X			X				X			X	
Design			X				X			X			X
Planning/Feasibility	X			X				X			X		
Upcoming Consultant Agreements and Amendments	X	X		X			X	X	X				
Project Planning Studies for Board Review/Approval										X			
<i>CIP Development</i>													
Project Ranking Criteria										X	X	X	X
Preliminary CIP	X											X	X
Project Validation and Ranking Criteria Process									X				

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