

September 15, 2017

NOTICE OF MEETING – REQUEST FOR RSVPS

Members of the Capital Improvement Program (CIP) Committee

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

And Supporting Staff Members

Norma Camacho, Interim Chief Executive Officer
Leslie Orta, Senior Assistant District Counsel
Melanie Richardson, Interim Chief Operating Officer - Watersheds
Susan Stanton, Chief Operating Officer – Administrative Services
Garth Hall, Interim Chief Operating Officer – Water Utility
Rick Callender, Chief of External Affairs
Darin Taylor, Chief Financial Officer
Katherine Oven, Deputy Operating Officer
Vincent Gin, Deputy Operating Officer
Anil Comelo, Deputy Administrative Officer
Ngoc Nguyen, Interim Deputy Operating Officer
Sudhanshu Tikekar, Deputy Administrative Officer
Christopher Hakes, Assistant Officer
Nicole Berrocal, Budget Manager
Beth Redmond, Capital Program Planning and Analysis Unit Manager

Attached please find the Amended Agenda for the meeting of the Santa Clara Valley Water District Capital Improvement Program Committee, which is scheduled for **12:30 p.m. on Monday September 18, 2017**, in the District Headquarters Building, Conference Room A-124, 5700 Almaden Expressway, San Jose, California.

For your convenience, items appended to the agenda since its September 8, 2017, original publication date have been indicated by an asterisk (*).

If you haven't already done so, please RSVP at your earliest convenience by calling 408-630-2659 or by email to ndominguez@valleywater.org.

Thank you!

Natalie Dominguez

Natalie Dominguez
Board Administrative Assistant II
Santa Clara Valley Water District
Office of Clerk of the Board

Enclosures

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CAPITAL IMPROVEMENT PROGRAM (CIP) COMMITTEE

District 5 Director N. Hsueh, Chairperson
District 6 Director T. Estremera, Vice Chairperson
District 4 Director L. LeZotte, Committee Member



***AMENDED AGENDA
CIP COMMITTEE
Santa Clara Valley Water District Headquarters Building
Conference Room A-124
5700 Almaden Expressway
San Jose, CA 95118
MONDAY SEPTEMBER 18, 2017
12:30 PM**

***ITEMS AMENDED AND/OR APPENDED SINCE THE ORIGINAL PUBLICATION OF THIS AGENDA ARE IDENTIFIED BY AN ASTERISK (*) HEREIN**

Time Certain:

12:30 a.m.

- 1. Call to Order/Roll Call**
- 2. Time Open for Public Comment on Any Item Not on the Agenda**
Comments should be limited to two minutes. If the Committee wishes to discuss a subject raised by the speaker, it can request placement on a future agenda.
- 3. Approval of Minutes**
Recommendation: Approve the minutes of August 14, 2017
- 4. Action Items:**
 - *4.1** Alternative funding scenarios for the Committee's priority projects (Coyote Creek- Montague to Tully, Almaden Lake Improvements, Ogier and Metcalf Ponds/Creek Separation, Stevens Creek Fish Passage Barrier Improvements). (N. Nguyen, C. Hakes)
Recommendation:
Receive information and provide feedback on next steps.
 - *4.2** Revenue Options Assessment. (D. Taylor)
Recommendation:
Receive information and provide feedback on next steps.
- 5. Review and Discuss 2017 Committee Work Plan**
- 6. Clerk's Review and Clarification of Committee Requests**
- 7. Discussion of Next Committee Meeting Agenda and Schedule**
- 8. Adjourn**

REASONABLE EFFORTS TO ACCOMMODATE PERSONS WITH DISABILITIES WISHING TO ATTEND COMMITTEE MEETINGS WILL BE MADE. PLEASE ADVISE THE CLERK OF THE BOARD OFFICE OF ANY SPECIAL NEEDS BY CALLING (408) 630-2277.

Meetings of this committee will be conducted in compliance with all Brown Act requirements. All public records relating to an open session 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 same time that the public records are distributed or made available to the legislative body, at the following location:

Santa Clara Valley Water District, Office of the Clerk of the Board
5700 Almaden Expressway, San Jose, CA 95118

CIP Committee Purpose: The CIP Committee is established to provide a venue for more detailed discussions regarding capital project validation, including recommendations on prioritizing, deleting, and/or adding projects to the CIP, as well as monitoring implementation progress of key projects in the CIP.

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Committee: CIP
Meeting Date: 09/18/17
Agenda Item No.: 4.1
Unclassified Manager: N. Nguyen
Email: nnguyen@valleywater.org
chakes@valleywater.org

COMMITTEE AGENDA MEMO

SUBJECT: Alternative Funding Scenarios for the Committee's Priority Projects (Coyote Creek- Montague to Tully, Almaden Lake Improvements, Ogier and Metcalf Ponds/Creek Separation, Stevens Creek Fish Passage Barrier Improvements).

RECOMMENDED ACTION:

Receive information and provide feedback on next steps

SUMMARY:

This is a continuation of the discussion from the July 10, 2017 Committee meeting (agenda item 4.1, Review and Discuss Projects and Funding in the Watershed Capital Program (Fund 12 and Fund 26) for the Fiscal Year 2018022 CIP [continued from June 12, 2017]). At that meeting, the Committee received and discussed information indicating that the minimum reserves for Fund 12 would be met, but that there would be limited available funding for new projects or initiatives until FY-23. The Committee was also informed of a projected deficit of approximately \$20M in FY 2028 for Fund 26.

The Committee directed staff to analyze alternative funding scenarios that would include various combinations of utilizing funds from Open Space Credit, the Fish and Aquatic Habitat Collaborative Effort (FAHCE), the Safe, Clean Water Program (SCW), the Redevelopment Successor Agency, and, if necessary, changes to schedules and/or scope of other watershed capital projects. Attachment 1, Alternative Financial Analysis – Starting Point for Scenarios contains charts showing alternative financial projections resulting from this analysis for the Watershed Stream Stewardship Fund 12 and the Safe Clean Water Fund 26.

At the July 10, 2017 meeting, the Committee also reviewed the list of watershed projects that do not have assured funding through construction. The Committee suggested that additional evaluations and direction from the Board would be needed to consider additional funding, if feasible, to complete construction of the following projects (not in any preferential order):

1. Coyote Creek (from Montague Expressway to Tully Road)
2. Almaden Lake Improvements
3. Ogier Pond/Creek Separation
4. Metcalf Pond/Creek Separation
5. Stevens Creek Fish Passage Barrier Improvements

As requested by the Committee, staff has developed some alternative funding scenarios for the Committee's discussion and further direction to staff. Each funding scenario in Attachment 2, Scenarios to Fund and Construct Priority Projects by FY-28, is an alternative to maximize funding to the five above-listed watershed projects that were identified by the Committee. Each scenario has different assumptions: using a combination of funding sources, making changes to existing capital improvement projects, and assuming resolution of the pending FAHCE settlement agreement.

FAHCE Implementation Funding

Staff has researched the ability of the Santa Clara Valley Water District (District) to utilize Water Utility Enterprise Funds to pay for Environmental Enhancement Projects that fall under the umbrella of the FAHCE Settlement Agreement. Until such time as the condition precedencies of the Agreement are completed (the District's water rights are conditioned upon completion of the FAHCE Settlement Agreement), Water Utility Funds cannot be utilized for FAHCE projects. At the present time, an accurate timeline for conditioning of the District's water rights cannot be established due to disagreement among the FAHCE stakeholders as to the condition precedencies of the Agreement and the appropriate metrics to measure success. Compounding this issue, there appears to be additional disagreement between the Guadalupe Coyote Resource Conservation District (GCRCD) and the District, in regards to the roles of each agency within the framework of the Settlement Agreement. Staff recommends that the elected/appointed officials engage in high-level discussions regarding goal alignment, roles and responsibilities, and effective and efficient use of resources for this collaborative effort.

Redevelopment Successor Agency Revenues

In 2011 Governor Brown signed ABx1 26, mandating an end to RDAs and designation of Successor Agencies (SA) by October 1, 2011, later delayed to February 1, 2012. Most cities opted to act as the SA for their respective RDA in order to fulfill outstanding redevelopment obligations. Of the seven active SAs in SCVWD's jurisdiction (Campbell, Los Gatos, Milpitas, Morgan Hill, San Jose, Santa Clara, and Sunnyvale), all are overseen by the parent municipality. Each agency was required upon dissolution to submit Recognized Obligation Payment Schedules (ROPS) to the state Department of Finance (DOF) at six-month intervals. ROPS are subject to approval from the SA oversight board and the county auditor-controller, and they outline payment schedules as well as termination dates of all enforceable obligations. Staff reviewed these ROPS and made minor adjustments to the 1% ad valorem tax projection, which included incorporating the impacts of the 2017 Refunding Tax Allocation bonds that the SA to the City of San Jose is planning to issue later in calendar year 2017.

In addition, each agency was required to approve and submit Long-Range Property Management Plans (LRPMP) to the DOF. The LRPMP provides a list of the assets held by the former RDA, property costs or approximate property values, and a disposition schedule. The LRPMPs for the SAs in SCVWD's jurisdiction served as a starting point for staff to estimate the current values of unsold properties. In addition, staff contacted representatives from each SA to obtain current lists of assets held as well as any updated property information. As a result, staff anticipates that the District will receive an additional \$12M of revenue during the next 10 years (\$11M for the Watershed Stream Stewardship Fund) due to real property sales, which has been included in Attachment 1 (Alternative Financial Analysis - Starting Point for Scenarios).

While the law does not specify a timetable for each SA to dispose of its real property assets, the agencies are to expeditiously liquidate excess assets if not retained by the city for government use. Staff estimates that this liquidation will occur during the next several years with the majority occurring after Fiscal Year 2020-21. The additional revenue estimate includes the impacts of sales expected to close this fiscal year. Notably, Google has been in discussions with the City of San Jose to buy a large number of parcels, many of which are located in former redevelopment zones, for the Google Village development. While the details of the deal have not yet been finalized or made public, these parcels are very conservatively valued at \$52.8 million, of which the District can expect to receive approximately \$1.5 million based on the current real property sales revenue distribution factor of 2.8% assigned by the County. This is a conservative estimate and the possibility exists that the District's distribution could be greater.

Open Space Credit

As reported at the July 10, 2017 meeting, by increasing the South County Agricultural groundwater production charge from 6% of the M&I charge to 10% of the M&I charge beginning in FY 19, the open space credit impact to the Watershed Stream Stewardship fund would be reduced by \$3M during the next 10 years. However, a study by ERA Economics conducted in 2013 indicates that .11% of currently irrigated acres would permanently fallow under a similar scenario. By increasing the South County Agricultural groundwater production charge from 6% of the M&I charge to 25% of the M&I charge beginning in FY 19, the open space credit impact to the Watershed Stream Stewardship fund would be reduced by \$14.6M during the next 10 years, but the ERA Economics study indicates that 3.5% of currently irrigated acres would permanently fallow under a similar scenario. Therefore, due to these financial projections, changes to the Open Space Credit have not been factored in to Attachment 1 (Alternative Financial Analysis – Starting Point for Scenarios).

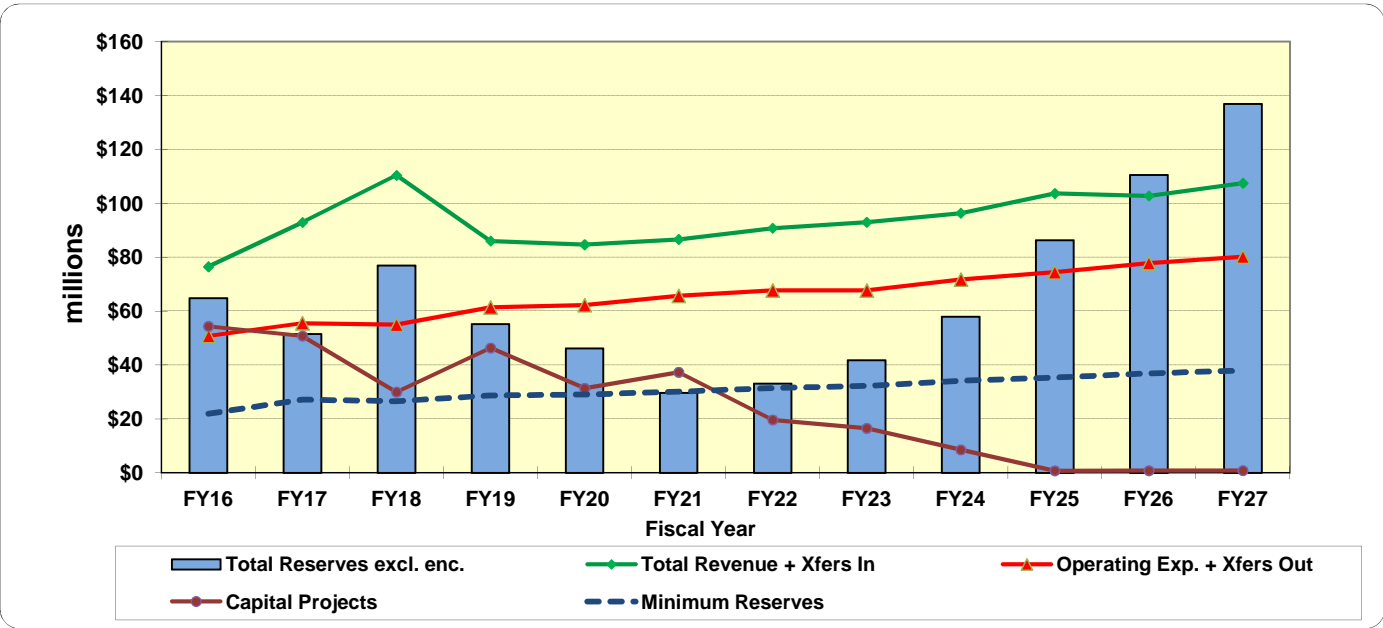
ATTACHMENT(S):

- Attachment 1: Alternative Financial Analysis – Starting Point for Scenarios
- Attachment 2: Scenarios to Fund and Construct Priority Projects by FY-28

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Alternative Financial Analysis - Starting Point for Scenarios

Watershed Stream Stewardship Fund

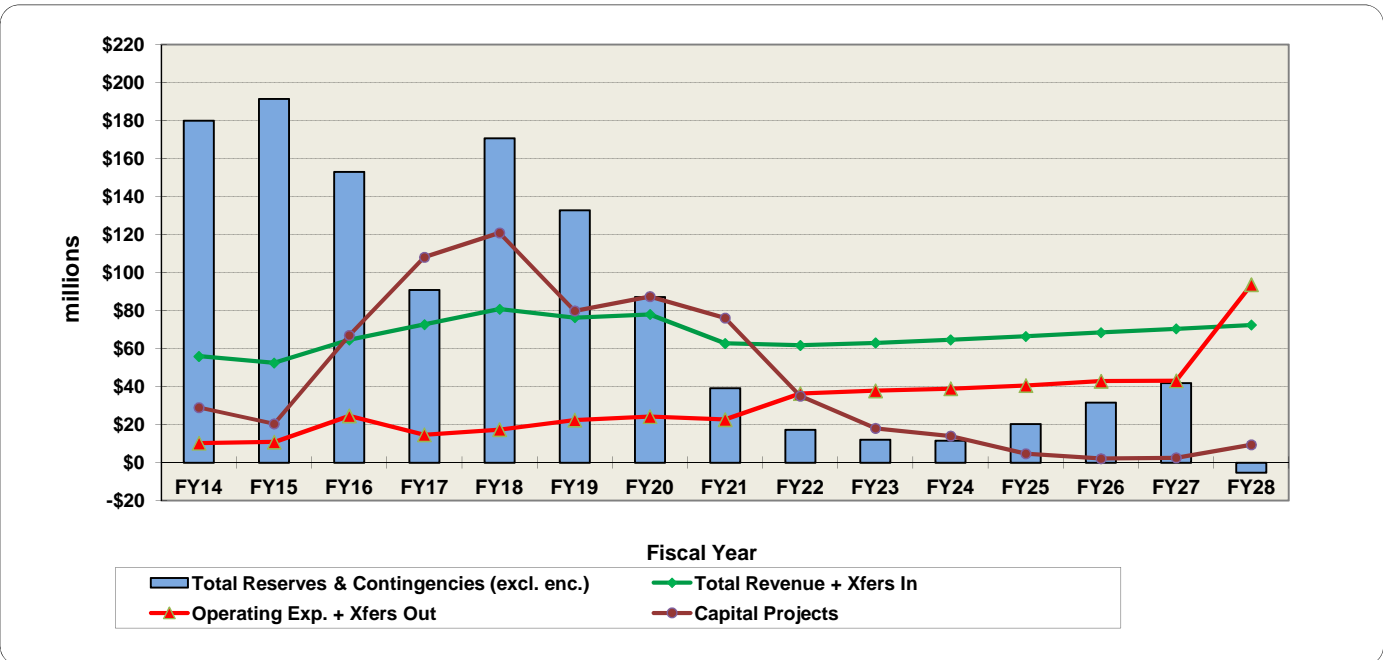


Available to spend				
FY 23	FY 24	FY 25	FY 26	FY 27
8,000	12,000	25,000	25,000	20,000

Key Assumptions:

- Based on FY 18 CIP
- Based on Fall 2016 constrained operations cost LTF
- Based on FY 2018 budget
- Assumes \$31.1M of open space credit transfer FY 18- FY27
- Assumes annual 1% property tax growth of 3.5% beyond FY 18
- Assumes \$200k per year in permit revenue for land development review cost recovery
- Assumes \$27M for DWR state bond & \$5.9M of state subventions for Llagas Creek and Lower Silver Creek in FY 18 & FY 19

SCW Fund



Key Assumptions:

- Based on FY 18 CIP
- Based on Fall 2016 constrained operations cost long term forecast
- Based on FY 2018 budget
- Assumes 3% annual growth in special tax rate with sunset after FY 28
- Assumes \$52.3M state subventions receipts and \$6M from DWR for Berryessa Crk in FY 18 & beyond
- Assumes \$140M debt issuance in FY 18

Scenarios to Fund and Construct Priority Projects by FY-28

Fund	Project	Estimated Cost to Complete \$M			Scenario 3	Scenario 4	Scenario 5
			Scenario 1	Scenario 2	No Upr Pen FAHCE FY-21 Habitat Priority	No Upr Pen FAHCE FY-21 Flood Priority	No Upr Pen FAHCE FY-21 + grants/cost share
			All Fund 12	SCW Priority			
26	Almaden Lake Improvements (D4.1a) (Const \$20M)	20	Yes	Yes	Yes	Yes	Yes
26/12	Coyote Ck, 25 YR Project Montague to Tully (\$80M)	54	Yes	Yes	Yes	Yes	Yes
12	Berryessa Ck, Lwr Penitencia Ck to Calaveras Blvd Phs 3	50	No	Partial	Partial	Yes	Yes
12	Watersheds Asset Rehab Pgm -after FY24 (FY21+ \$8M/yr)	10	Yes	Yes	Yes	Yes	Yes
12	Ogier Pond/Coyote Creek Separation	26	No	No	Yes	No	Yes
12	Metcalfe Pond/Coyote Creek Separation	26	No	No	Yes	Yes	Yes
12	Stevens Creek Fish Passage Barriers	15	No	No	Yes	Partial	Yes
26	Upper Penitencia Ck, Coyote Ck-Dorel Dr (\$53M)		Yes	Yes	No	No	No
Total		201					
			Year Scenario Goes Negative Revenue need		FY-21 ~30M/yr		

Notes

1. All Scenarios include Almaden Lake Const fully funded by Fund 26, may include (\$7M) from D6 Creek Restoration or B2 TMDLs .
2. Modifying SCW D7 Conservation of Habitat Land to only Fund 26 (\$8M) would free up (\$10M) fund 12 for WARP and (\$10M) Fund 61



Committee: CIP
Meeting Date: 09/18/17
Agenda Item No.: 4.2
Unclassified Manager: Darin Taylor
Email: dtaylor@valleywater.org

COMMITTEE AGENDA MEMO

SUBJECT: Revenue Options Assessment

RECOMMENDED ACTION:

Receive report and provide feedback on next steps.

SUMMARY:

At the March 10, 2017 Committee meeting, the Committee requested that staff analyze potential new revenue sources, which could help fund high priority projects that are currently unfunded for both watersheds and water utility. Consequently, staff engaged fiscal policy and financial consultant, William C. Statler to perform an assessment of revenue options available to the District. The District performed a similar evaluation 17 years ago, culminating in a report prepared by Harris & Associates called "Funding Mechanism Evaluation: Technical Summary Report for Flood Protection and Stream Stewardship Projects and Programs (August 17, 2000)."

The attached presentation prepared by Mr. Statler (Attachment 1, Revenue Options Assessment, Preliminary Results Briefing) summarizes the revenue options available to the District today (for the water utility as well as flood protection). Mr. Statler is in the process of preparing a report for the District that will be available prior to the end of calendar year 2017.

ATTACHMENT(S):

Attachment 1: Revenue Options Assessment, Preliminary Results Briefing.

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Revenue Options Assessment

September 18, 2017

Preliminary Results Briefing

William C. Statler

Fiscal Policy ■ Financial Planning ■ Analysis ■ Training ■ Organizational Review

Report Purpose

- Assess revenue options available to the District in off-setting water rate increases or generating added revenues for flood protection and stream stewardship.
- Discuss what's required to successfully implement new revenue sources under Proposition 218.

The Short Story

■ Revenue Options

- Fewer non-rate options for special districts compared with cities and counties: nonetheless, broad range of reasonable revenue options available to the District.
- Those with greatest revenue potential require either majority property owner approval (property-related fees or assessments) or two-thirds voter approval for special taxes.
 - ❖ Unlike cities and counties, special districts not allowed to adopt general purpose taxes: majority-voter approval.
- Only one significant revenue option available for Board approval: development impact fees to fund improvements needed by new development.

The Short Story

- Successful Revenue Measures
 - Many local agencies in California – including the District – have successfully passed revenue ballot measures (about 2,400 since 2001).
 - ❖ 74% of general purpose, majority-voter approval measures
 - ❖ 46% of special district, special tax measures.
 - But doing so requires effective preparation before placing the measure on the ballot; and an effective community-based group that will campaign for its passage afterwards.

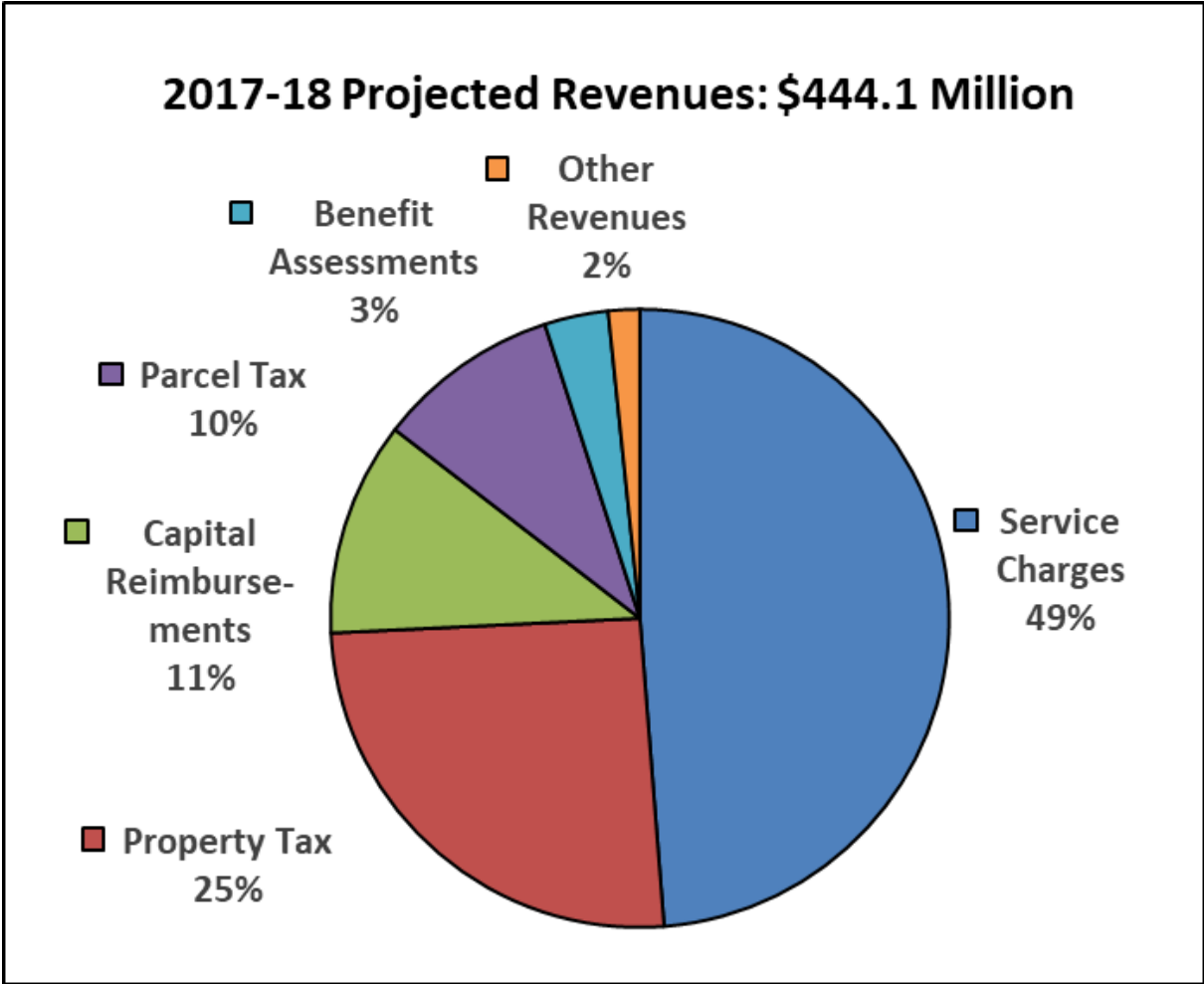
Background

- District performed similar assessment 17 years ago in August 2000 (built on earlier report in 1998).
 - *Funding Mechanism Evaluation: Technical Summary Report for Flood Protection and Stream Stewardship Projects and Programs*
- Update covers similar options plus expanded scope
 - All areas of the District's operations: water as well as flood protection and stream stewardship.
 - Additional options: Mello Roos special tax; general obligation bonds; local option sales tax; development impact fees.
 - Comparisons of options with 8 similar agencies.

Background

- Unlike the prior assessment, does not include a detailed analysis of possible fees/assessment/special tax apportionments.
 - Prepared for “pilot” project for the Calabazas Creek watershed.
- Follows if there is interest in further pursuing this option.

Current Funding Sources



Methodology

- General description of the revenue source.
- New source? Or increase in an existing one?
- Who pays it?
- How does this compare with eight “benchmark” agencies?
- How much new revenue would it generate? Impact on water rates?
- What is required to implement it?
- Why is this an appropriate funding source?
- How would these revenues be collected?
- How would this added revenue affect the diversity and stability of the District’s revenue base?
- When could the new revenue be effective?
- What approval steps are required?

Revenue Raising Limits

- Proposition 13 (1978)
 - Limits ad valorem property tax to 1% of taxable value (prior voter-approved indebtedness exempt)
 - Annual increases in taxable value limited to 2% except for improvements and ownership changes
- Proposition 46 (1986)
 - Allows general obligation bonds for capital improvements funded by increase in ad valorem taxes with two-thirds voter approval
 - ❖ Reduced to 55% for schools in 2000 (Prop 39)

Revenue Raising Limits

- Proposition 218 (1996)
 - Taxes
 - ❖ Majority voter approval for general purpose (only cities and counties).
 - ❖ Two-thirds voter approval for special taxes.
 - Property-Related Fees
 - ❖ Procedural requirements for water, sewer and trash.
 - ❖ Majority property owner or two-thirds voter approval.
 - Special Assessments
 - ❖ Majority property owner, weighted by assessment.
 - ❖ Based on benefit per parcel; engineer's report required.

Existing Funding Sources

Revenue Source	Allowed Use		Required Approval	Restrictions	Revenue In Millions	% of Total
	O&M	Capital				
Ad Valorum Property Tax	■	■	Cannot increase. Allocated via county-wide 1% levy; share fixed by State	Generally unrestricted	\$113.2	25.5%
Parcel Tax (Special Tax)	■	■	Two-thirds voter approval Current SFR: \$63.11	Largely unrestricted; flexibility in determining parcel rates by type	\$42.5	10.0%
Special Benefit Assessments	■	■	Property owner majority, weighted by assessment Current SFR: \$19.80 to \$59.80	Must be based on benefit per parcel; engineer's report required	\$14.8	3.0%
Water Service Charges	■	■	Board	Water service only	\$216.5	49.0%
Capital Reimbursements	⊖	■	Board	Based on project cost	\$49.8	11.0%
Non-Property Related Fees (Well and Encroachment Permits, Miscellaneous)	■	⊙	Board	Cannot exceed reasonable cost of providing the service	\$1.2	0.3%
Other Revenue (State Water Reimbursements, Homeowner Exemptions, Investments, Rentals, Surplus Property Sales)	■	⊙	Board	Generally unrestricted	\$6.1	1.4%

New Funding Sources

Revenue Source	Allowed Use		Required Approval	Restrictions
	O&M	Capital		
Property-Related Fees Other than Water Rates	■	■	Property owner majority or two-thirds voter approval	Not to exceed proportional cost of the service attributable to the parcel
Mello Roos Special Tax (CFD): Existing Development (more than 12 registered voters)	■	■	Two-thirds voter approval	Largely unrestricted; flexibility in determining parcel rates by type
Mello Roos Special Tax (CFD): New Development (12 registered voters or less)	■	■	Board (with developer approval)	Largely unrestricted; flexibility in determining parcel rates by type
Development Impact Fees	⊖	■	Board	Must be based on cost/benefit of serving new development; detailed analysis required; collection challenges
Possible with Legislation and Further Research				
General Obligation Bond Special Ad Valorem Tax	⊖	■	Two-thirds voter approval	Capital improvements only
Local Option Sales Tax ("Transactions and Use")	■	■	Two-thirds voter approval	Generally applicable to cities and counties, but "other governmental entities" allowed: 20 approved to-date but all are transportation related; 2% cap on total local rates unless otherwise authorized

Revenue Option Funding Potential

Revenue Source	Allowed Use		Required Approval	Revenue In Millions	Water Rate Offset
	O&M	Capital			
Parcel Tax (Special Tax) \$25 Per EDU \$50 Per EDU \$75 Per EDU	■	■	Two-thirds voter approval	\$17.0 \$34.0 \$51.0	8% 16% 23%
Special Benefit Assessments	■	■	Property owner majority, weighted by assessment	Similar to Parcel Tax	
Property-Related Fees Other than Water Rates	■	■	Property owner majority or two-thirds voter approval	Similar to Parcel Tax	
Mello Roos Special Tax: Existing Development	■	■	Two-thirds voter approval	Similar to Parcel Tax	
Mello Roos Special Tax: New Development	■	■	Board (with developer approval)	Depends on CFD Needs	
Development Impact Fees	⊖	■	Board	\$24.0	11%
Non-Property Related Fees/Other Revenues	■	⊕	Board	Minor	
Possible with Legislation and Further Research					
General Obligation Bond Special Ad Valorem Tax (Fund 50% of Ten-Year, \$2.2 Billion CIP; 2% increase in general levy)	⊖	■	Two-thirds voter approval	\$85.0	40%
Local Option Sales Tax ("Transactions and Use") at .0125% (1/8%)	■	■	Two-thirds voter approval	\$50.0	23%

Questions?



2017 WORK PLAN – CAPITAL IMPROVEMENT PLAN COMMITTEE

Updated: **9/15/17**

The CIP Committee was enacted by the Board on January 24, 2012. Its purpose was initially defined by the Committee on April 17, 2012 and revised on March 10, 2017. On March 28, 2017 the Board of Directors approved the Committee's revised purpose as follows: *The CIP Committee is established to provide a venue for more detailed discussions regarding capital project validation, including recommendations on prioritizing, deleting, and/or adding projects to the CIP, as well as monitoring implementation progress of key projects in the CIP.*

The CIP Ad Hoc Committee defined its priorities in fulfilling its purpose during its March 11, 2016 meeting, as follows:

Priority	Subject	Details	Desired Outcome
1	Prioritization	<ul style="list-style-type: none"> Priority criteria process Representation of under-represented areas 	Hold a daytime, single-focus, Board work study session on CIP prioritization and funding combined.
2	Funding	<ul style="list-style-type: none"> Funding unfunded, high priority projects Holding encumbered, approved project funds in reserves and how this is communicated to the Board and public 	
3	Permitting	<ul style="list-style-type: none"> Changing the strategy for managing permitting issues Changing the "Kill the Goose" regulatory agency strategy Informing the public of regulatory impacts on ability to perform projects 	Hold permitting strategy discussion with the Board, including engagement of Board members in regulatory issues.
4	Resources	<ul style="list-style-type: none"> Analysis of staff vs. consultant work Identifying where in the staffing plan it becomes more efficient to hire and develop employees vs. executing contracts with external consultants 	Conduct staff vs. consultant resource cost and benefit analysis reviews with the CIP Ad Hoc Committee, prior to recommending the Board approve large dollar value consultant agreements to the Board.

The Board of Directors further identified the following Issues/Challenges, and desired Board Discussion Outcomes, during their October 4, 2016 Priorities and Strategic Directions Work/Study Session, and referred to the CIP Ad Hoc Committee to develop Strategies/Opportunities for the following:

Issue/Challenge	Board Discussion Outcomes
Regulatory Permits and individual agencies exceeding statutory authority limits.	Use Board members' political connection w/communities they represent and local/state/federal elected officials to resolve project issues, such as permits/funding. Leverage Board connections and leave the politics to the Board. Specific suggestions are: <ul style="list-style-type: none"> Communication of staff (including legal) to Board on status of permits, federal funding, etc.; Communication with stakeholders for their support of regulatory permits/issues; Encourage staff to have dialogue with Board members during the planning of public meetings so all interested groups can be notified; Continue to meet with local/federal delegation; and Continue to have ceremonies for completed projects (elected officials).
Projects do not have consistent criterion of sensitive design that has art form and function.	Committee should evaluate ways of addressing environmental justice and sensitive design and bring back to the Board for discussion.
Slow/No progress on fish barrier removal projects. Environmental Stewardship is a "step child," should be equal. Funding competition for Stream Stewardship funds.	Committee to discuss issue/challenge and provide recommendations to the Board.

Additionally, during the March 28, 2017 meeting, the Board requested the Committee identify and bring back information on projects they see as being potentially at-risk, or as having the potential for problems that the Board should be aware of.

The annual work plan establishes a framework for committee discussion and action during the annual meeting schedule. The committee work plan is a dynamic document, subject to change as external and internal issues impacting the District occur and are recommended for committee discussion. Subsequently, an annual committee accomplishments report is developed based on the work plan and presented to the District Board of Directors.

2017 WORK PLAN – CAPITAL IMPROVEMENT PLAN COMMITTEE

Updated: 9/15/17

MEETING DATE	WORK PLAN ITEM, BOARD POLICY, & POLICY CATEGORY	ASSIGNED STAFF	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
09/18/17 12:30 PM	Approval of Minutes, 08/14/17	M. Meredith	Approve minutes.	
	Scenarios for funding priority projects (Coyote Creek- Montague to Tully, Almaden Lake Improvements, Ogier and Metcalf Ponds/Creek Separation, Stevens Creek Fish Passage Barrier Improvements) *Continued from 01/30/17 and 7/10/17	N. Nguyen /C. Hakes	Information on the options for using existing revenue to fund priority projects that are currently partially funded.	
	Report on Revenue Options Assessment	D. Taylor	Information on feasible alternate funding sources for District projects other than existing tax revenue and water charges.	
	Review Committee Work Plan	Committee	Confirm Agenda Topics for Next Meeting(s)	
	Next Meeting Date	Committee	Confirm/Adjust Next Meeting Date(s)	
10/09/17 10:00 AM	Approval of Minutes, 09/11/17	M. Meredith	Approve minutes.	
	Water Utility Capital Project Funding (Alternate funding mechanisms) *Continued from 09/11/17	C. Hakes	Study feasible alternate funding sources other than water charges	
	Improvements to District Website, Improving Ease of Public Accessibility to, and Comprehension of, Flood Information, including Real-Time Data During Storm Events (Responding to Committee Request of 04/10/17)	M. Grimes	Receive information on to District Website, Improving Ease of Public Accessibility to, and Comprehension of, Flood Information, including Real-Time Data During Storm Events (Responding to Committee Request of 04/10/17)	
	Review Committee Work Plan	Committee	Confirm Agenda Topics for Next Meeting(s)	
	Next Meeting Date	Committee	Confirm/Adjust Next Meeting Date(s)	
11/13/17 10:00 AM	Approval of Minutes, 10/09/17	M. Meredith	Approve minutes.	
	Water Utility Capital Project Funding (Alternate funding mechanisms) *Continued from 10/09/17	C. Hakes	Study feasible alternate funding sources other than water charges Formulate recommendation to the Board	

2017 WORK PLAN – CAPITAL IMPROVEMENT PLAN COMMITTEE

Updated: 9/15/17

	Review Committee Work Plan	Committee	Confirm Agenda Topics for Next Meeting(s)	
	Next Meeting Date	Committee	Confirm/Adjust Next Meeting Date(s)	

MEETING DATE	WORK PLAN ITEM, BOARD POLICY, & POLICY CATEGORY	ASSIGNED STAFF	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
12/11/17 10:00 AM	Approval of Minutes, 11/13/17	M. Meredith	Approve minutes.	
	2019-23 Preliminary CIP	B. Redmond	Review staff proposed preliminary project lists.	
	Review Committee Work Plan	Committee	Confirm Agenda Topics for Next Meeting(s)	
	Next Meeting Date	Committee	Confirm/Adjust Next Meeting Date(s)	

2017 WORK PLAN – CAPITAL IMPROVEMENT PLAN COMMITTEE

Updated: 9/15/17

2017 ACCOMPLISHMENTS

MEETING DATE	WORK PLAN ITEM, BOARD POLICY, & POLICY CATEGORY	ASSIGNED STAFF	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
01/30/17	Election of Chair and Vice Chair	M. Meredith	Elect Committee Officers 1. Chair 2. Vice Chair	Elected as follows: Chair – N. Hsueh Vice Chair – T. Estremera
	Approval of Minutes, 12/15/16	M. Meredith	Approved minutes.	Approved
	Water Utility Capital Project Prioritization.	C. Hakes	Review and discuss Water Utility capital Program, provide direction on project refinements or modifications to be incorporated into Draft/Final FY18-22 CIP.	<ul style="list-style-type: none"> • Break down EAPW Program in FY18-22 CIP so funding for EAPW Project is separated from EAPW Expansion; • Refer to RWC for feedback on timelines for implementation of the EAPW Expansion Project • Bring EAPW Expansion discussion back to full Board; • Prepare scenario where Winfield Project is deferred to future and funding is shifted back to General Funds.
	Review Committee Work Plan	Committee	Establish Agenda Topics for Next Meeting(s)	Schedule 2/27/17 meeting, agendize Watershed Streams Stewardship Funding and staff presentation on Almaden Lake Separation Project, including issues raised by McMurtry/Poeschel.
	Next Meeting Date	Committee	Establish Next Meeting Date(s)	February 27, 2017

2017 WORK PLAN – CAPITAL IMPROVEMENT PLAN COMMITTEE

Updated: 9/15/17

MEETING DATE	WORK PLAN ITEM, BOARD POLICY, & POLICY CATEGORY	ASSIGNED STAFF	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
02/27/17	Approval of Minutes, 01/30/17	M. Meredith	Approved minutes.	Approved as amended.
	Watershed Stream Stewardship Funding.	N. Nguyen	Review and discuss the Watershed Capital Program; and Provide direction for project refinements or modifications to be incorporated into the Final FY 2018-22 CIP.	Staff to come back with a complete list of unfunded Watershed Capital Projects, identify those waiting for planning/feasibility study to be completed vs. those that are ready to move forward but have no identified funds, and add on old projects such as the Mid-Coyote Creek and Rock Springs; and identify projects for Governor's \$1.5 billion funding.
	Alternative Analysis for Almaden Lake/Creek Separation Project	N. Nguyen	Receive information on the Almaden Lake Improvements Project water options.	
	Response to Letter from Mr. Richard McMurtry, dated January 28, 2017, and Submitted to the Committee on January 31, 2017 as Handout 2-A.	G. Hall	Receive information from staff and discuss an approach for addressing the various requests from stakeholders for fish habitat improvement projects into the CIP.	Staff is to come back with discussion to develop a process/approach for addressing requests from stakeholders, and advise Mr. Holmes of internal process and steps involved in qualifying a project for the preliminary CIP.
	Discuss Committee Purpose	Committee	TBD	Staff is to prepare a Board item regarding new purpose and name change for Board consideration.
	Review Committee Work Plan	Committee	Establish Agenda Topics for Next Meeting(s)	Schedule 03/10/17 10am meeting for discussion of Committee Work Plan
	Next Meeting Date	Committee	Establish Next Meeting Date(s)	03/10/17 10:00 a.m.
	3/10/17	Committee Work Plan	Committee	Discuss 2017 Work Plan
Next Meeting Date		Committee	Establish Next Meeting Date(s)	Established regular monthly meeting schedule, 2 nd Mondays of Month, 10am – 12pm. Rescheduled next meeting from 4/17/17 1pm to 4/10/17 10am.

2017 WORK PLAN – CAPITAL IMPROVEMENT PLAN COMMITTEE

Updated: 9/15/17

MEETING DATE	WORK PLAN ITEM, BOARD POLICY, & POLICY CATEGORY	ASSIGNED STAFF	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
04/10/17	Approval of Minutes, 02/27/17, 03/10/17	M. Meredith	Approve minutes.	Approved.
	<p>Status of Rock Springs Flood Risk Reduction Study (2012 SCW Program) and Mid-Coyote Creek from Montague Expressway to Hwy 280 (2000 CSC Program)</p> <p><i>*Assigned at 2/28 Board meeting, Board Agenda Item 6.1</i></p>	N. Nguyen/ V. Gin	<p>Receive a status on the Rock Springs Flood Risk Study and Mid Coyote Creek Projects</p> <p>Discuss Strategies</p> <p>Formulate recommendation to the Board</p> <p><i>*Staff to provide large map showing street names, Coyote Creek, identification of various neighborhoods, and project impact areas.</i></p>	<p>Staff to prepare/publish to District website, response to questions raised by Mr. McMurtry</p> <p>Staff to improve District web site to make is easier for public to find flood info, including real time storm data</p> <p>Staff is to continue working with the City of San Jose to develop an Emergency Action Plan</p> <p>Staff is to complete Rock Springs Study and bring to full Board, a report on immediate, intermediate and long term flood protection measures for Coyote Creek, including investigation of conversion of upstream parks to detention basins</p> <p>Committee recommends Board adopt resolution setting time and place of a SCW public hearing to change control process; Hold public hearing/consider modifying Coyote Creek Flood Protection Project to extend boundary to include Rock Springs and propose KPIs to align with project revisions; and authorize Chair Hsueh and M. Richardson to provide oral report to Board.</p>
	<p>Capital Project Consultant Agreements</p> <p><i>*Assigned at 2/28 Board meeting</i></p>	K. Oven, A. Comelo	Identify Board issues regarding Capital Project Consultant Agreements.	Continued to 6/12/17 and staff requested to come back with information that clarifies organization decision making regarding consultants; explains development of scope of work and agreement negotiation; and explains ongoing management and administration of consultant agreements.
	Review Committee Work Plan	Committee	Confirm Agenda Topics for Next Meeting(s)	Added discussion on Owner Controlled Insurance Programs to 5/8/17 meeting.
	Next Meeting Date	Committee	Confirm/Adjust Next Meeting Date(s)	5/8/17 start time changed to 9:30 a.m.

2017 WORK PLAN – CAPITAL IMPROVEMENT PLAN COMMITTEE

Updated: 9/15/17

MEETING DATE	WORK PLAN ITEM, BOARD POLICY, & POLICY CATEGORY	ASSIGNED STAFF	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
05/08/17 9:30 a.m.	Approval of Minutes, 04/10/17	M. Meredith	Approve minutes.	Approved
	Watershed Capital Projects Funding (Flood & Stewardship) <i>*Continued from 2/27/17</i>	N. Nguyen	Analyze funding requirements for Capital Projects funded by stream Stewardship Fund (12) and SCW/CSC Fund (26) Identify funding issues Formulate recommendation to the Board	Committee requests: include in future Draft CIP presentations, more detailed information on how subvention funding is being allocated. Continued to 06/12 with information on: 1) Coyote, Stevens Creek, Guad River, and others to consider identifying projects for FAHCE funding; 2) \$62 million unencumbered SCW funds and funding recommendations; 3) list of Watershed Capital Projects not funded through construction; 4) list of unfunded Watershed Capital Projects where commitments for completion have been made.
	Owner Controlled Insurance Programs (OCIP)	D. Cahen	Show cost reduction	Committee requested staff continue to identify/analyze pros & cons of OCIPs and bring discussion back when opportunities arise to consider recommendations on alternatives for specific projects.
	Review Committee Work Plan	Committee	Confirm Agenda Topics for Next Meeting(s)	Revised 06/12/17 meeting to include continued discussion of Watershed Capital Projects Funding; and revise Capital Project Consultant Agreements discussion to include a list of foreseeable amendments to existing Capital Project consultant agreements, including two amendments in progress for the Anderson and Calero Dams Seismic Retrofit Projects and a copy of the Consultant Contract Management Process Audit prepared for the District by Navigant, on March 10, 2015.
	Next Meeting Date	Committee	Confirm/Adjust Next Meeting Date(s)	06/12/17 10:00 a.m.

2017 WORK PLAN – CAPITAL IMPROVEMENT PLAN COMMITTEE

Updated: 9/15/17

MEETING DATE	WORK PLAN ITEM, BOARD POLICY, & POLICY CATEGORY	ASSIGNED STAFF	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
06/12/17 10:00 AM	Approval of Minutes, 05/08/17	M. Meredith	Approve minutes.	Approved as revised.
	Watershed Capital Projects Funding (Flood & Stewardship) <i>*Continued from 5/8/17</i>	N. Nguyen	Provide Information on: <ul style="list-style-type: none"> Coyote, Stevens Creek, Guad River, and other projects to consider identifying and making recommendations to the Board on projects for FAHCE funding; The \$62 million unencumbered SCW funds and funding recommendations; Watershed Capital Projects not funded through construction; and Unfunded Watershed Capital Projects where commitments for completion have been made. 	The Committee identified priorities; suggested Redevelopment Agency, FAHCE; Open Space Credit reduction, and SCW D4, D6, or D7 as alternate funding sources; and requested: Additionally, the Committee made the following requests of staff: 1) approach County re: estimated future RDA Successor funding; 2) come back with number of parcels to be protected by the Lower & Upper Berryessa Projects; 3) come back with proposals to reduce Open Space Credit; 4) come back with impacts of not undertaking East Little Lagas Project; 5) come back with info on activities included and schedule for \$140M estimated for FAHCE implementation; 6) investigate opportunities to complete Attachment 2, Lines 15,16 as part of Upper Penitencia Coyote to Dorel; and 7) investigate possibility of FAHCE funding for Attachment 2 Line 7. Continued to 7/10/17 meeting.
	Capital Project Consultant Agreements <i>*Continued from 4/10/17,</i>	K. Oven, A. Comelo	Analyze and discuss identified issues; Receive information requested during 4/10/17 and 5/8/17 meetings: <ul style="list-style-type: none"> Clarify organization decision making regarding consultants Explain development of scope of work and agreement negotiation Explain ongoing management and administration of consultant agreements; Provide list of foreseeable amendments to existing Capital Project consultant agreements, including Anderson and Calero Dam Seismic Retrofit Projects; and Provide a copy of Consultant Contract Management Process Audit prepared by Navigant March 10, 2015. Formulate recommendation to the Board	Received briefing on amendments planned for 07/11/17 Board mtg, re: Anderson and Calero Dam Seismic Retrofit Projects; requested that staff include in future Consultant Amendment Board items confirmation the amendment does not include work already scoped in original agreement, detail on why amendment is necessary, info on whether consultant or contractors carry responsibility for amendment need, and info on portions of the project scope or funding not completed in original agreement and rolled into amendment; refer the Navigant Consultant Contract Management Process Audit to the Board Audit Committee; and advise the Board of the Committee's referral of the audit.
	Review Committee Work Plan	Committee	Confirm Agenda Topics for Next Meeting(s)	No action.
	Next Meeting Date	Committee	Confirm/Adjust Next Meeting Date(s)	July 10, 2017

2017 WORK PLAN – CAPITAL IMPROVEMENT PLAN COMMITTEE

Updated: 9/15/17

MEETING DATE	WORK PLAN ITEM, BOARD POLICY, & POLICY CATEGORY	ASSIGNED STAFF	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
07/10/17 10:00 AM	Approval of Minutes, 06/12/17	M. Meredith	Approve minutes.	Approved with amendment.
	Watershed Capital Projects Funding (Flood & Stewardship) <i>*Continued from 6/12/17</i>	N. Nguyen	Provide Information on: <ul style="list-style-type: none"> Information on Redevelopment Agency, Open Space Credit Reduction, and SCW D4, D6, and D7 funding opportunities; Implications associated with not completing the East Little Llagas Project; Information on FAHCE funding Opportunities for the Almaden Lake Separation Project; and Information on FAHCE funding, geomorphic bank stability, and conservation of habitat land opportunities associated with the Upper Penitencia Creek (Coyote Confluence to Dorel Dr.) Project. 	<ol style="list-style-type: none"> Received info on RDA, OSC & FAHCE funding; Confirmed Coyote Creek (Montague to Tully), Almaden Lake, Ogier Pond, Metcalf Pond, and Stevens Creek Fish Barrier Improvements as priority unfunded projects for staff to seek funding alternatives for; Expressed support for tiered OSC reductions and requested staff come back with info on whether OSC reductions could fund projects; Requested staff investigate project components qualifying for FAHCE and seek FAHCE partner concurrence; and Continued to 9/11/17 meeting. Staff also confirmed investigating whether SCW could fund projects w/mercury issues.
	Peoplesoft Upgrade Assessment Study: Findings and Recommendations	A. Tikekar	<ul style="list-style-type: none"> Receive & discuss info on Consultant recommendation to go out to bid for a new ERP solution; and Formulate recommendation re PeopleSoft Upgrade Assessment Study. 	Approved recommending that the Board support consultant recommendations to go out to bid for a new ERP solution.
	Review Committee Work Plan	Committee	Confirm Agenda Topics for Next Meeting(s)	Removed Item 6, Coyote Creek (discussed 4/10/17) from the 8/14/17 meeting date and directed staff to: <ul style="list-style-type: none"> Provide update on Items 7 & 8 for current FY & include info requested by Dir. LeZotte during 6/12/17 mtg (Mins Pg 3); Present Item 9 first (Monitoring of Maint of CIP Project Mitigation Commitments); Add presentation on RWTP Residuals Mgmt Project; and Add presentation on HQ Op (Maint) Bldg.
Next Meeting Date	Committee	Confirm/Adjust Next Meeting Date(s)	Authorized staff to reschedule 9/11/17 meeting to 9/18 or 9/25/17, if addl time was needed to complete analysis on Watersheds Projects Funding.	

2017 WORK PLAN – CAPITAL IMPROVEMENT PLAN COMMITTEE

Updated: 9/15/17

MEETING DATE	WORK PLAN ITEM, BOARD POLICY, & POLICY CATEGORY	ASSIGNED STAFF	INTENDED OUTCOME(S)	ACCOMPLISHMENT DATE AND OUTCOME
08/14/17 10:00 AM	Approval of Minutes, 07/10/17	M. Meredith	Approve minutes.	
	Monitor Implementation of 2018-22 CIP <i>*Expanded Committee Purpose 2/27, to be approved by the Board</i>	B. Redmond	Receive information on: <ol style="list-style-type: none"> 1. Monitoring of maintenance of CIP project mitigation commitments 2. *Winfield Warehouse project 3. HQ Operations (Maintenance) Bldg; 4. RWTP Residuals Mgmt Project; 5. *Watershed-wide regulatory planning and permitting 6. *Anderson, Almaden, Chesbro, and Guadalupe Dam Seismic retrofit projects 7. Fishery barrier removal projects 8. FY17-18 new consultant contracts & Planned amendments to existing consultant contracts, including info requested by Dir. LeZotte 6/12/17: <ol style="list-style-type: none"> a) Confirm amendment does not include work already included in original scope; b) Detail on why amendment is necessary; and c) Info on any portion of project scope or funding not completed in original agreement and now included in amendment at hand. <i>*From Board Budget Message and Strategic Directions</i>	
	Review Committee Work Plan	Committee	Confirm Agenda Topics for Next Meeting(s)	
Next Meeting Date	Committee	Confirm/Adjust Next Meeting Date(s)		