



Santa Clara Valley Water District Capital Improvement Program Committee Meeting

Headquarters Building Boardroom
5700 Almaden Expressway

REGULAR MEETING AGENDA

Monday, July 29, 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.

THIS PAGE INTENTIONALLY LEFT BLANK

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

**REGULAR MEETING
AGENDA**

Monday, July 29, 2019

10:00 AM

Headquarters Building Boardroom
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 June 10, 2019 Meeting Minutes. [19-0584](#)

Recommendation: Approve the minutes.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 061019 CIP Committee Minutes](#)

4. ACTION ITEMS:

4.1. Information on Project Labor Agreements. (Continued from June 10) [19-0663](#)

Recommendation: A. Receive information from staff regarding how 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.

Manager: Michael Baratz, 408-630-2361

Attachments: [Handout 4.1-A, J. Ajlouny](#)

4.2. Capital Project Monitoring - Planning and Feasibility. [19-0579](#)

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

Manager: Katherine Oven, 408-630-3126
Christopher Hakes, 408-630-3796
Ngoc Nguyen, 408-630-2632
Michael Cook, 408-630-2347
Vincent Gin, 408-630-2633

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

4.3. Consultant Agreements and Amendments. [19-0673](#)

Recommendation: Receive information on upcoming consultant amendment for Rinconada Water Treatment Plant Reliability Improvement Project No. 93294057 - Amendment to Executive Project Management Services Agreement (No. A4242G) with Cordoba Corporation that staff will be recommending for Board approval.

Manager: Katherine Oven, 408-630-3126

4.4. 2019 Capital Improvement Committee Work Plan. [19-0581](#)

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 Monday August 12, 2019, in the Santa Clara Valley Water District Headquarters Building Conference Room A-124, 5700 Almaden Expressway, San Jose, California.



Santa Clara Valley Water District

File No.: 19-0584

Agenda Date: 7/29/2019
Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

Approval of June 10, 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: 061019 CIP Committee Minutes

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711

THIS PAGE INTENTIONALLY LEFT BLANK



CAPITAL IMPROVEMENT PROGRAM COMMITTEE MEETING

MINUTES

**MONDAY JUNE 10, 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 2 Director B. Keegan, District 6 Director T. Estremera, and District 5 Director N. Hsueh, Chairperson presiding, constituting a quorum of the Committee.

Staff members in attendance were K. Arends, E. Aryee, M. Baratz, J. Collins, M. Ganjoo, C. Hakes, B. Hopper, J. Martin, E. Meeks, M. Meredith, N. Nguyen, D. Taylor, P. Trieu, K. Uyeda, and T. Yoke.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA

Chairperson Hsueh declared time open for public comment on any subject 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 April 17, 2019 meeting. It was moved by Director LeZotte, seconded by Director Estremera, and unanimously carried that the minutes be approved as presented.

4. ACTION ITEMS

4.1 Information on Project Labor Agreements (Continued From April 17, 2019).

Recommendation:

- A. Receive information responding to the April 17, 2019 Committee request for clarification of conflicting information supporting and opposing Project Labor Agreements (PLAs);
- B. Receive a presentation from Mr. Todd Kyger, PLA Administrator, San Francisco Public Utilities Commission (SFPUC); and
- C. Discuss a recommendation to the Board of Directors whether the District should use PLAs on Santa Clara Valley Water (Valley Water) project(s).

Mr. Michael Baratz, Labor Relations Officer, reviewed the information on this item, per the attached Committee Agenda Memo.

In regard to Recommendation B, Mr. Baratz advised the Committee that the originally scheduled guest speaker, Mr. Todd Kyger, had been unable to attend and introduced Mr. Jonathan Holtzman, Esq., Renne Public Law Group, who had been invited to address the Committee instead.

Mr. Baratz distributed the attached memorandum from Mr. Holtzman, identified as Handout 4.1-A herein. Copies of the Handout were distributed to the Committee and made available to the public.

Mr. Holtzman reviewed information on Renne Public Law Group's observations regarding PLA cost control, and other issues, as contained in Handout 4.1-A, Pages 1 and 2, Items 1 through 3; and offered suggestions on PLA best management practices, as contained in Handout 4.1-A, Pages 2 through 4, Items 4 and 5.

Mr. Holtzman further encouraged the Committee to consider focusing PLA efforts on large-scale projects only, and suggested using Valley Water's Five Year Capital Improvement Plan as a tool for identifying PLA projects.

One comment expressing support for PLAs was received from Mr. David Bini, Santa Clara and San Benito Counties Buildings and Construction Trades Council; and one statement expressing opposition to PLAs was received from Ms. Nicole Goehring, Association of Builders and Contractors, Northern California Chapter.

The Committee continued discussion to the July 8, 2019 meeting, and made the following requests:

- That Committee members email to the Clerk by June 17, 2019, any questions they may have, related to Holtzman's suggestions;
- That Project Management and Labor Relations staff work collaboratively to come back during the July 8, 2019 meeting, with responses to questions submitted to the Clerk and an overview of Valley Water-specific pros and cons associated with PLAs; and
- That staff prepare a summary of any additional concerns regarding how PLAs would affect Valley Water and its projects.

4.2 Capital Project Monitoring – Design.

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

Mr. Chris Hakes, Deputy Operating Officer, reviewed the information on this item, per the attached Committee Agenda Memo; and the corresponding information contained in Attachment 2 was reviewed as follows: Mr. Hakes reviewed Page 1, Water Utilities, Lines 1 through 10; Mr. Ngoc Nguyen, Deputy Operating Officer, reviewed Page 1, Flood Protection, Lines 11 through 20, and Water Resources Stewardship, Lines 21 through 23; Ms. Tina Yoke, Chief Operating Officer Administrative Services, reviewed Page 1, Buildings and IT, Line 24; and Ms. Phuong Trieu, Systems Development and Support Manager, reviewed Page 2, Buildings and IT, Line 25.

The Committee noted the information, without formal action.

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

Chairperson Hsueh requested that staff come back with a summary of projects that are currently in design, but planned to enter construction during the calendar year 2019, and information on plans for in-house versus consultant services use for construction contract management services.

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 Workplan be revised as follows:

- Move the July 2019 discussions on Public Private Partnership (P3) Delivery, and Upcoming Consultant Agreement and Amendment Monitoring, to the August 2019 meeting;
- Add to July 2019, the continued discussion on Project Labor Agreements;
- Remove the July 2019 discussion on Project Ranking Criteria; and
- Come back during the August 2019 meeting with discussion on CIP Project Validation Process, in lieu of discussion on CIP Project Ranking Criteria.

5. INFORMATION ITEMS

None.

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

The new Committee Recommendations and Requests were not read into the record.

7. ADJOURN

Chairperson Hsueh adjourned the meeting at 12:05 p.m., to the next scheduled meeting at 10:00 a.m. on July 8, 2019, in the Valley Water Headquarters Building Conference Room A-124, 5700 Almaden Expressway, San Jose, California.

Michelle Meredith
Deputy Clerk of the Board

Approved:



Santa Clara Valley Water District

File No.: 19-0663

Agenda Date: 7/29/2019

Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

Information on Project Labor Agreements. (Continued from June 10)

RECOMMENDATION:

- A. Receive information from staff regarding how 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.

SUMMARY:

Following the presentation at the June 10, 2019 meeting, the Committee asked staff to provide further input for a discussion on the implications of using Project Labor Agreements (PLAs) on Valley Water capital projects.

Staff will conduct a roundtable discussion concerning:

1. How PLAs could impact the delivery of capital projects;
2. CIP Committee input on criteria to consider when identifying an appropriate capital project to pilot a PLA; and
3. Valley Water's starting position on examples of issues to be negotiated in a PLA, such as "core workers," the amount of dues non-union workers pay to unions, SBE participation, and offsite fabrication being subject to the terms of a PLA.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Michael Baratz, 408-630-2361

THIS PAGE INTENTIONALLY LEFT BLANK

From: Jared Ajlouny <jared@dacoconstructs.com>
Date: July 18, 2019 at 10:29:06 AM PDT
To: <nhsueh@valleywater.org>, <linda@lezottelaw.com>
Subject: PLA

Hello,

We are a growing general engineering construction company. If the district adopts a PLA we will not be able to bid on work with the water district which will in turn hurt hard working families. There are various school districts that have went the PLA route. This has in turn increased costs significantly to the school districts.

Merit shops pay all of their employees minimum prevailing wage **at least** when doing work on public projects. The issue here is not paying the employees the fair amount. The unions are trying to stop any merit shops from being able to do work on your projects. Less competition means more costs to the district.

Jared Ajlouny



(408) 390-3443 Cell
(408) 606-3464 Office
License 1004787

www.dacoconstructs.com

THIS PAGE INTENTIONALLY LEFT BLANK



Santa Clara Valley Water District

File No.: 19-0579

Agenda Date: 7/29/2019

Item No.: 4.2.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

Capital Project Monitoring - Planning and Feasibility.

RECOMMENDATION:

Receive information, discuss planning and feasibility resources needs, and make recommendations, as necessary.

SUMMARY:

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

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

ATTACHMENTS:

Attachment 1: Capital Project Monitoring Report

UNCLASSIFIED MANAGER:

Katherine Oven, 408-630-3126
Christopher Hakes, 408-630-3796
Ngoc Nguyen, 408-630-2632
Michael Cook, 408-630-2347

Vincent Gin, 408-630-2633

THIS PAGE INTENTIONALLY LEFT BLANK

Capital Project Monitoring Report - July 2019

Planning Phase

Row	Project No.	Project Name	Notes, Upcoming Board Actions or potential issues
<u>Water Utility</u>			
1	91234002	Coyote Pumping Plant ASD	Problem definition report expected by August 2019.
2	91084019	Dam Seismic Stability Evaluation	Seismic stability evaluations for Coyote, Chesbro and Uvas Dams on track for completion by December 2020.
3	92C40357	FAHCE Implementation	Draft EIR anticipated to be released in spring 2019.
4	60954001	Pacheco Reservoir Expansion Project	Project objectives have been established; baseline schedule has been generated; field investigations are in process.
5	92374005	SCADA Remote Architecture & Communications Upgrade	Planning Study Report under review by Project Owner; design consultant agreement anticipated by December 2019.
6	92264001	Vasona Pumping Plant Upgrades	Planning Phase work to get underway shortly.
7	91304001	Expedited Purified Water Program - P3	On hold pending outcomes of agreements with potential partner agencies and completion of Countywide Water Reuse Master Plan - July 2020.
<u>Flood Protection</u>			
8	10284007	San Francisquito Creek, SF Bay to Searsville Dam	USACE Draft Feasibility Report and NEPA by July 2019; JPA Draft EIR was released for public review in April 2019; public review period ends on June 19, 2019; final EIR by December 2019.
9	26204001	Los Gatos Creek Restoration & Flood Protection	Planning Study report to be completed by the end of FY20; Design expected to be completed by the end of FY21.
10	26174043	Coyote Creek, Montague Expressway to Tully Road	Draft Problem Definition Report completed in January 2019; final PDR and alternatives analysis underway currently; Planning Study Report to be completed by January 2020. Sec 1126 MOA with USACE - May 2018, USACE Feasibility Study to be completed June 2021; Full construction to meet Board revised project objectives with remaining SCW funding depends on estimated costs and options that will be developed through the planning study.
11	40324003s	Upper Penitencia Ck, Coyote Ck-Dorel Drive	Planning Study to be complete by July 2019; USACE does not support multi-objective project; construction extent and options are unknown until completion of planning.
12	00044026s	San Francisco Bay Shoreline	USACE received \$500 K in FY 2019 to conduct next study phase; coordinating with SBSRP on EIA 4, 5, 10 effort; feasibility study cost share agreement to be executed by September 15, 2019.
13	30154019	Guadalupe River - Tasman to Hwy 880	Problem Definition Report to be completed by July 2019; PSR to be completed by June 2020.
<u>Water Resources Stewardship</u>			
14	20444001s	Salt Ponds A5-11 Restoration	Feasibility study on the realignment of Calabazas and San Tomas Creeks by 10/19. Final report to be presented to the Board for study direction by the end of 2019.
15	62044001	Stevens Creek Fish Passage Barrier Analysis	Final report for Passage Barrier Analysis expected in September 2019.
16	62044003	Ogier Ponds Planning Study	MOA with landowner (Santa Clara County) anticipated by August 2019; Planning Study Report expected by September 2022.
17	62044001	Metcalf Pond Feasibility Study	Feasibility Study Report expected by December 2020.
<u>Buildings & IT</u>			
18	60274062	ERP System Implementation	District staff has completed the RFP process and negotiations with a vendor to implement a new ERP system; staff to recommend Board approval of agreement in July.
19	73274001	Information Technology Disaster Recovery	Staff has on-boarded consultant to begin assessment of Disaster Recovery strategy for Water Utility/SCADA environment. Staff is currently in negotiations with top-rated candidate for assessment of Business Network.

THIS PAGE INTENTIONALLY LEFT BLANK



Santa Clara Valley Water District

File No.: 19-0673

Agenda Date: 7/29/2019

Item No.: 4.3.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

Consultant Agreements and Amendments.

RECOMMENDATION:

Receive information on upcoming consultant amendment for Rinconada Water Treatment Plant Reliability Improvement Project No. 93294057 - Amendment to Executive Project Management Services Agreement (No. A4242G) with Cordoba Corporation that staff will be recommending for Board approval.

SUMMARY:

At the March 28, 2017 meeting, the Board of Directors approved revising the 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 one agreement amendment within the next few months. A brief description of the recommended upcoming Board item is as follows:

Rinconada Water Treatment Plant Reliability Improvement Project No. 93294057 - Amendment to Executive Project Management Services Agreement (A4242G) with Cordoba Corporation. In February 2019, Santa Clara Valley Water District (Valley Water) executed an agreement for a not-to-exceed fee of \$224,900 with Cordoba Corporation (Consultant) to provide executive project management services for the subject Project. This Agreement also included scope for construction management (CM) services, with the level of effort and correlating compensation amount for this work to be determined after the Consultant performed its initial analysis of the Project status and made recommendations for next steps to achieve Project completion. That work is almost complete; the timing is appropriate to amend this Agreement clarifying the CM services and increasing the not-to-exceed fee to match the anticipated level of effort.

In late 2018, due to the Project's circumstances of significant construction delays, poor workmanship, and failure of the construction contractor to comply with Contract Documents, Valley Water staff undertook a streamlined process to hire a firm with water treatment and infrastructure project management expertise to objectively assess the issues relating to late completion by the contractor; to recommend strategies to progress the Project; to attain, at a minimum, completion of Phase 2 (of 5 phases) by the current contractor; and to provide construction management expertise, as needed, for the Project.

Due to the urgency of the Project's situation, Valley Water's standard competitive consultant selection process was not followed; however, sufficient steps were taken and a "hybrid" outreach and selection process was followed to make a fair selection. During the past four months, the Consultant has performed a "deep dive" to ascertain the Project's construction history, current status, and actions taken by Valley Water and its consultants to enable the Project to be built. The Consultant has also assembled a team of construction management (CM) staff to provide CM services for the Project.

In parallel with the Consultant's efforts, Valley Water management has implemented changes in the Project's leadership and organizational structure. During the next several months, a transition of roles and responsibilities will occur as the Consultant's team takes responsibility for the key CM tasks for this Project. The role of the consultant that has been performing CM work since Project construction began in 2015 will be significantly reduced.

Staff plans to recommend Board approval, in August 2019, of Amendment No. 1 to the Agreement with Cordoba Corporation, to extend the Agreement's term to August 31, 2021 and to add a not-to-exceed fee of approximately \$13.4 million for executive project management and construction management services.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Katherine Oven, 408-630-3126



Santa Clara Valley Water District

File No.: 19-0581

Agenda Date: 7/29/2019

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

THIS PAGE INTENTIONALLY LEFT BLANK

CIP Committee 2019 Workplan

	<u>Jan 3</u>	<u>Jan 14</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
CIP Implementation													
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									
Anderson Dam Improvements Update	X	X							X				
Employee Workspace Study				X									
Capital Project Monitoring													
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				
CIP Development													
Project Ranking Criteria									X	X	X	X	X
Preliminary CIP	X											X	X
Project Validation									X				

THIS PAGE INTENTIONALLY LEFT BLANK