



Santa Clara Valley Water District Capital Improvement Program Committee Meeting

Headquarters, Board Conference Room A-124
5700 Almaden Expressway, San Jose, California

REGULAR MEETING AGENDA

**Monday, October 15, 2018
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, October 15, 2018

10:00 AM

Headquarters, Board Conference Room A-124
5700 Almaden Expressway, San Jose, California

1. CALL TO ORDER:

1.1. Roll Call.

1.2. 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 Card 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.

2. APPROVAL OF MINUTES:

2.1. Approval of September 10, 2018 Meeting Minutes.

[18-0727](#)

Recommendation: Approve the minutes.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: 091018 CIP Committee Minutes](#)

3. ACTION ITEMS:

3.1. FY 2019 Consultant Agreements and Amendments to Existing Consultant Agreements.

[18-0729](#)

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

Manager: Chris Hakes, 408-630-3796
Ngoc Nguyen, 408-630-2632
Katherine Oven, 408-630-3126
Ashu Tikekar, 408-630-2424

Est. Staff Time: 10 Minutes

3.2. Capital Projects Status Updates - Construction [18-0730](#)

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

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

Est. Staff Time: 10 Minutes

3.3. Priority Ranking Criteria for the Capital Improvement Program. [18-0731](#)

Recommendation: Receive information and provide direction to staff on recommended revisions to the Priority Criteria for the FY 2020-24 CIP.

Manager: Ngoc Nguyen, 408-630-2632

Attachments: [Attachment 1: CIP Priority Criteria](#)

Est. Staff Time: 10 Minutes

3.4. 2018 Capital Improvement Committee Work Plan. [18-0733](#)

Recommendation: Review and make necessary revisions to the 2018 Capital Improvement Program Committee Work Plan.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: CIP Committee 2018 Workplan](#)

Est. Staff Time: 10 Minutes

4. INFORMATION ITEMS:

4.1. Staff Response to Public Comment Email from Doug Muirhead dated 8/6/18 regarding Capital Improvement Program Mitigation Monitoring. [18-0824](#)

Attachments: [Attachment 1: Response to D. Muirhead Public Comments](#)

Est. Staff Time: 5 Minutes

4.2. Email From William Sherman dated 9/22/18, Regarding Water Rate Increases. [18-0880](#)

Attachments: [Attachment 1: 092218 Email, William Sherman](#)

5. ADJOURN:

5.1. 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.

- 5.2. Adjourn to Regular Meeting at 10:00 a.m., on November 19, 2018, in the Santa Clara Valley Water District (HQ Boardroom/Board Conference Room A-124), 5700 Almaden Expressway, San Jose, California.

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File No.: 18-0727

Agenda Date: 10/15/2018
Item No.: 2.1.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

Approval of September 10, 2018 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: 091018 CIP Committee Minutes

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711

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CAPITAL IMPROVEMENT PROGRAM COMMITTEE

MINUTES

SEPTEMBER 10, 2018
10:00 AM

(Paragraph numbers coincide with agenda item numbers)

A regular meeting of the Santa Clara Valley Water District (District) Capital Improvement Program Committee (Committee) was called to order in the District Headquarters, Board Conference Room A-124, 5700 Almaden Expressway, San Jose, California at 10:00 a.m.

1. CALL TO ORDER:

1.1 Roll Call.

Committee members in attendance were District 4 Director L. LeZotte, District 6 Director T. Estremera, 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, R. Blank, J. Collins, N. Dominguez, S. Ferranti, C. Hakes, C. Nguyen, N. Nguyen, L. Orta, B. Redmond, L. Rossiter, A. Rouhani, S. Tikekar and T. Yoke.

1.2. 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.

2. APPROVAL OF MINUTES

The Committee considered the attached minutes of the August 13, 2018 meeting.

Director Hsueh requested that Page 4, Item 3.1, Paragraph 3, Line 3, and Page 6, Item 5.1, Paragraph 4 be revised to read as follows: *The Committee requested staff investigate utilizing environmental justice criteria as a standalone category to demonstrate the board's focus and emphasis in the decision-making process regarding the **Clean, Safe Water grant approval criteria capital project implementation.***

It was moved by Director Estremera, seconded by Director LeZotte, and unanimously carried that the minutes be approved as amended.

3. ACTION ITEMS

3.1 Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water) Key Decision Points and Approach for Delivery of Remaining Key Performance Indicators.

Mr. Ngoc Nguyen, Deputy Operating Officer, reviewed the information on this item, per the attached Committee Agenda Memo, and the corresponding presentation materials contained in Attachment 1 were reviewed by Ms. Jessica Collins, Program Administrator.

Ms. Collins reported that in an effort to balance financial demands on the Safe, Clean Water Program Fund (Program) with the commitment to deliver each of the Program's Key Performance Indicators (KPIs), staff plans to recommend to the Board of Directors that each project be limited to the delivery of its KPIs. Once a project's KPI is met, the remaining funds in that project's allocation should be released into the Fund 26 Reserves, which would allow the Board to allocate those funds to other Safe, Clean Water projects with financial needs. The decision to exceed the KPIs for any project would be made by the Board consistent with the annual Safe, Clean Water Change Control Process.

Chairperson Hsueh made the following requests:

- That staff begin working on a report to be shared with the voters prior to the next election, that confirms the status of projects and completed projects under the Safe, Clean Water Program;
- That Attachment 1, Page 2, Priority D6, Column Number 7, be changed from the Board Planning and Policy Committee to the Capital Improvement Program Committee; and
- That staff bring back an updated Safe, Clean Water and Natural Flood Protection: Key Decision Point Tracking Report in November 2018.

3.2 Capital Project Monitoring – Planning/Feasibility.

Mr. Nguyen and Ms. Katherine Oven, Deputy Operating Officers, and Mr. Sudhanshu Tikekar, Deputy Administrative Officer, reviewed the information on this item, per the attached Committee Agenda Memo. The corresponding presentation materials contained in Attachment 1 were reviewed as follows: Ms. Oven reviewed Items 1 through 8, Mr. Nguyen reviewed Items 9 through 17, and Mr. Tikekar reviewed Items 18 and 19.

The Committee noted the information, without formal action.

3.3. 2018 Capital Improvement Program Committee Work Plan.

Chairperson Hsueh reviewed the information on this item, per the attached Committee Agenda Memo, and corresponding presentation materials contained in Attachment 1.

The Committee requested the following items be added to the Committee's Work Plan:

- Regulatory Permits – Discussion of strategy to move projects forward; and
- Design-Build Methodology.

Mr. Bill Sherman, Water Rate Advocates for Transparency, Equity and Sustainability (WRATES), discussed WRATES activities on behalf of San Jose Water Company (SJWC) customers, SJWC rate increases, and potential impacts to the District.

4. INFORMATION ITEMS:

None.

5 ADJOURN:

5.1. Clerk's Review and Clarification of Committee Requests and Recommendations.

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

Regarding Item 3.1:

- That staff begin working on a report to be shared with the voters prior to the next election that confirms the status of projects and completed projects under the Safe, Clean Water Program;
- That Attachment 1, Page 2, Priority D6, Column Number 7, be changed from the Board Planning and Policy Committee to the Capital Improvement Program Committee; and
- That staff bring back an updated Safe, Clean Water and Natural Flood Protection: Key Decision Point Tracking report in November 2018.

Regarding Item 3.3:

That the following items be added to the Committee's Work Plan:

- Discussion of Regulatory Permits and strategies to move projects forward; and
- Design-Build Methodology.

- 5.2 Adjourn to Regular Meeting at 10:00 a.m. on October 15, 2018, in the Santa Clara Valley Water District Headquarters Board Conference Room A-124, 5700 Almaden Expressway, San Jose, California.

Chairperson Hsueh adjourned the meeting at 11:35 a.m. to the next scheduled meeting at 10:00 a.m., on October 15, 2018, in the Santa Clara Valley Water District Headquarters Board Conference Room A-124, 5700 Almaden Expressway, San Jose, California.

Natalie F. Dominguez
Assistant Deputy Clerk II

Approved:

File No.: 18-0729

Agenda Date: 10/15/2018

Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

FY 2019 Consultant Agreements and Amendments to Existing Consultant Agreements.

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 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 four consultant agreements and amendments or budget adjustments within the next few months. A brief description of these recommended upcoming board items are as follows:

1. **Budget adjustment for the Pacheco Reservoir Expansion Project No. 91954002.** The Project includes expanding the storage capacity of the existing Pacheco Reservoir, currently owned and operated by Pacheco Pass Water District (PPWD), from 5,500 to 140,000 acre-feet (AF) to provide increased emergency water supplies, improved water quality, and ecosystem benefits. Water Utility Enterprise funds will be used to fund the Project in proportion to the benefits the Project provides to water retailers and District groundwater charge zones.

As noted in the August 13, 2018 CIP Committee meeting, staff will be recommending Board approval of two consultant agreements before the end of this calendar year; a Program Management Services agreement and an agreement for Planning, Design, and Environmental Documentation Services.

To accurately distribute the cost of the Project among the appropriate district cost centers, a budget adjustment is recommended for the Pacheco Reservoir Expansion Project No. 91954002 to change the source of funding from the General Fund to the Water Utility Enterprise Fund. The budget adjustment will transfer \$13.7 million to the Water Utility Pacheco Reservoir Expansion Project (91954002) from the Rinconada Water Treatment Plant Reliability Improvement Project (93294057), while reducing the General Fund Pacheco Reservoir Expansion Study Project (60954001) by a corresponding \$13.7 million. The Rinconada Water

Treatment Plant Reliability Improvement Project has sufficient funds available to allow for this transfer, due to slower than scheduled progression of construction activities. This budget adjustment will optimize the FY2019 cash flow and will not affect the overall project cost for either project.

- 2. Permanente Creek Flood Protection Project No. 26244001, Design Services Agreement Amendment and budget adjustment.** The Project design firm, Mott MacDonald, is currently providing engineering support during construction for the McKelvey and Rancho San Antonio (RSA) Detention Basin Projects. (Agreement No. A3345A)

Amendment No. 3, which added the Engineering Support During Construction and Supplemental Services During Construction scope, was effective February 1, 2015. At that time, staff estimated nine months of construction support for RSA and 15 months for McKelvey. Construction began in late 2016 for RSA and early 2017 for McKelvey. Construction for both sites was anticipated to be completed by early 2018.

Based on the status of Project construction as of September 2018, the construction period is expected to continue until July 2019 for McKelvey and to the end of calendar year 2019 for RSA. Due to the complexity and increased duration of the Projects, the not-to-exceed fees for engineering support during construction will have to be increased. At McKelvey, PG&E delayed their portion of the work by five months and caused accessibility and work resequencing issues. At RSA, an archaeological discovery has required additional engineering support to explore alternatives to completing the Project and additional time and effort to complete the consultation between the U.S. Army Corps of Engineers, State Historic Preservation Office, and the Most Likely Descendant of the Ohlone Indian Tribe. The total combined number of site visits, submittals, and Requests for Information submitted by the construction contractor for the two Project sites have at least doubled from the initial estimates.

Staff will be recommending board approval of Amendment No. 5 for additional engineering support during construction due to the extended duration of the McKelvey and RSA construction durations which adds \$1,197,115 to the current total not-to-exceed fee of \$6,890,158. The Amendment also includes a modification to the Consultant's staff classifications and an extension of the Agreement duration to March 30, 2020. It increases the compensation for the modified tasks by \$897,115 with an additional \$300,000 allocated for supplemental services during construction.

A budget adjustment of \$1,197,115 will be necessary to fund this Amendment. The funds are available from Project reserves of the Upper Penitencia Creek, from Coyote Creek to Dorel Drive (Project No. 40324005). There are currently no planned FY2019 activities for this project number.

- 3. Coyote Pumping Plant Adjustable Speed Drives (ASD) Replacement Project No. 91234002.** Staff will be recommending board approval of a consultant agreement for Planning and Mechanical Heating, Ventilation, and Air Conditioning (HVAC) Services for this Project.

The Coyote Pumping Plant (CPP) is located in the City of Morgan Hill and has been in operation since the mid-1980s. The CPP is part of Reach 3 of the Federal Central Valley Project's San Felipe Division (SFD), which conveys raw water from San Luis Reservoir in Merced County, California, to the CPP. Water from San Luis Reservoir is one of the District's primary sources of imported raw water. The CPP is operated as a booster station to increase the flow and pressure of water from San Luis Reservoir to pump water into and out of Anderson Reservoir. The CPP typically operates three to five of its six pumps simultaneously to meet the demands during high-flow season from April through October.

While Reach 3 facilities are owned and periodically inspected by United States Bureau of Reclamation (USBR), the District is responsible for their operation and maintenance. CPP is situated at the confluence of three of the District's main raw water pipelines: Anderson Force Main (AFM), the Santa Clara Conduit (SCC), and the Cross Valley Pipeline (CVP).

The purpose of the Project is to eliminate the risk of failure due to age and condition of the drives, improve the safety of electrical components, address operational and maintenance concerns, and make general enhancements to the facility. This Project is being considered for a Design-Build delivery method.

The consultant will perform planning and preliminary design phase services such as problem definition, conceptual/feasible alternatives analysis, preliminary (30% design) and design-build procurement support.

4. **Software Upgrades & Enhancements Capital Project No. 73274008 Geographic Information System (GIS).** On April 25, 2018, staff discussed with the CIP Committee their plan to recommend board approval of a sole source agreement with Environmental Systems Research Institute (ESRI) for GIS software maintenance and support services. The CIP Committee recommended that staff proceed with requesting full Board approval of this agreement.

At the May 22, 2018 Board meeting, the Board considered staff's recommendation but directed staff to meet with Director Kremen to discuss his concerns about pursuing a sole source agreement rather than conducting a competitive Request for Proposal (RFP) process, as well as to discuss open data and the availability of data to the public with regards to the District's GIS services.

After further research regarding procurement options other than entering into a sole source agreement with ESRI, staff has determined that conducting an RFP process will be the best way to determine if there are other companies providing the services needed by the district or if ESRI is truly the sole source. Staff will proceed with an RFP process for GIS software maintenance and support services, and, inform the full Board of this decision by a CEO Bulletin item.

ATTACHMENTS:

None

UNCLASSIFIED MANAGER:

Chris Hakes, 408-630-3796

Ngoc Nguyen, 408-630-2632

Katherine Oven, 408-630-3126

Ashu Tikekar, 408-630-2424

File No.: 18-0730

Agenda Date: 10/15/2018

Item No.: 3.2.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

Capital Projects Status Updates - Construction.

RECOMMENDATION:

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

SUMMARY:

The CIP Committee's 2018 Workplan includes monitoring of capital projects during all phases of development. Staff will prepare a list of active projects to the Committee each month and 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

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Capital Project Monitoring Report - July 2018

Construction Phase

Row	Project No.	Project Name	Notes, Upcoming Board Actions or potential issues
<u>Water Utility</u>			
1	26564001	Main and Madrone Pipelines Restoration	70% of new pipeline installed
2	93294057	RWTP Reliability Improvement	Full Board briefings: September and October 2018
<u>Flood Protection</u>			
3	26244001	Permanente Creek, SF Bay to Foothill Expressway	Committee updates: March, July, October 2018 Construction of Channel work on target for January, 2019 Completion; Construction of McKelvey Park extended to July 2019; Construction for Rancho San Antonio extended to December 2019
4	26284002	San Francisquito Creek - Construction, SF Bay to Middlefield Rd.	Committee update: March and October, 2018 San Francisquito Creek Bay to Hwy 101 Construction on schedule to be completed in December 2018; Separate contract for plant establishment to be advertised early 2019
5	26174041s	Berryessa Ck, Calaveras-I-680	COE- civil construction complete June 2018, planting fall 2018 Montague Bridge (SC Co.) substantially complete June 2018
6	40174004	Berryessa Creek, Lwr Penitencia Ck to Calaveras Blvd, Phase 1	Civil construction complete, plant establishment to June 2021
7	40174005	Berryessa Creek, Lwr Penitencia Ck to Calaveras Blvd, Phase 2	Construction complete by March 2019
8	40264008s	Lower Silver Creek, I-680 to Cunningham (Reach 4-6)	Civil construction complete, plant establishment to 2020
9	40264011	Cunningham Flood Detention Certification	On target to complete civil construction by June 2019
<u>Water Resources Stewardship</u>			
10	26084001	Matadero Creek Sediment Removal & Erosion Repair & San Tomas Aquino Creek Erosion Repair Project (WARP)	Contract awarded June 2018, on target to be completed in November 2018
11	26084001	Coyote Creek Levee Rodent Damage Repair Downstream of HWY 237 (WARP)	Contracted awarded May 2018, on target to be completed October 2018
12	26084001	Coyote Creek Levee Rodent Damage Repair Upstream of HWY 237 (WARP)	Contract awarded May 2018, on target to be completed in October 2018
13	26062003	Stevens Creek Bank and Trail Repair (WARP)	Contract awarded June 2018; civil work to be completed October 2018 with plant establishment until 2024
<u>Buildings & IT</u>			
14	73274011	E-Discovery Management System	Project implementation underway
15	73274007	Vena Upgrade	Additional training and report building underway to be completed December 2018

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File No.: 18-0731

Agenda Date: 10/15/2018

Item No.: 3.3.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

Priority Ranking Criteria for the Capital Improvement Program.

RECOMMENDATION:

Receive information and provide direction to staff on recommended revisions to the Priority Criteria for the FY 2020-24 CIP.

SUMMARY:

The purpose of this agenda item is for the Committee to review and discuss the CIP Priority Ranking Criteria used to prioritize projects for the FY 2019-23 CIP and provide direction for any changes to Board Priorities that the Committee believes should be incorporated into the criteria for the FY 2020-24 CIP.

Staff is recommending some changes to more fully incorporate climate change issues into the criteria, as shown on Attachment 1.

The criteria will be revised based on Committee input, and will be used to generate project priority scores for the FY 2020-24 Preliminary CIP that will be presented to the Committee at its December 2018 meeting.

ATTACHMENTS:

Attachment 1: CIP Priority Criteria

UNCLASSIFIED MANAGER:

Ngoc Nguyen, 408-630-2632

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CIP Priority Criteria Water Supply Projects

NORMALIZED PRIORITY SCORE = 0
RAW SCORE = 0

Project Name Here

PRIMARY OBJECTIVE (75%)	<p>Water Supply (E 2) 0</p> <p>A1 <input type="checkbox"/> <input type="checkbox"/> Project maintains existing water utility infrastructure or is required to meet the current and future water supply demand, comply with water quality standards or meet other regulatory requirements I = Impact (H, M, L); P = Probability (H, M, L)</p> <p>OR</p> <p>A2 <input type="checkbox"/> <input type="checkbox"/> Project expands water utility infrastructure or provides additional water supply to meet current or near future demand I = Impact (H, M, L); P = Probability (H, M, L)</p> <p>B <input type="checkbox"/> Project increases water supply portfolio, improves climate change adaptability and/or resilience, increases operation flexibility, improves maintenance capabilities, adds efficiency, or improves post-disaster reliability of water utility infrastructure [Example: improving the systematic reliability of water utility infrastructure to continually perform during and after a devastating event; improving the systematic flexibility of water utility infrastructure to utilize various source water; or adding redundancy so infrastructure can be taken off-line for maintenance] (H, M, L)</p> <p>C <input type="checkbox"/> Timing of when project is needed to meet water supply demands, water quality standards, or other regulations (I = Immediately (0-3 yrs.); S = Short-term (3-5 yrs.); L = Long-term (5+ yrs.))</p>
COMMUNITY ENGAGEMENT (7.5%)	<p>Social Factor - Check if applicable 0</p> <p><input type="checkbox"/> Promotes Emergency Recovery <input type="checkbox"/> Addresses projected water supply demand indentified by Cities/County</p> <p><input type="checkbox"/> Promotes environmental justice and disadvantaged communities (EL 1.1)</p> <hr/> <p>Positive Interaction (E 4) - Check all that apply</p> <p><input type="checkbox"/> With the community <input type="checkbox"/> With other agencies</p>
ENVIRONMENTAL & NATURAL RESOURCES SUSTAINABILITY (7.5%)	<p>Water Quality (E 3.2) - Check if applicable 0</p> <p><input type="checkbox"/> Promotes drinking water quality <input type="checkbox"/> Protects ground water</p> <p><input type="checkbox"/> Protects surface water <input type="checkbox"/> Addresses storm water issues</p> <hr/> <p>Natural Resources Sustainability (E 3.2) - Check all that apply</p> <p><input type="checkbox"/> Promotes water use efficiency <input type="checkbox"/> Reduces reliance on imported water</p> <p><input type="checkbox"/> Promotes stream management <input type="checkbox"/> Encourages water conservation</p> <p><input type="checkbox"/> Protects upland or wetland habitat <input type="checkbox"/> Expands or improves fish habitat</p> <p><input type="checkbox"/> Includes climate change resiliency and/or adaptation elements <input type="checkbox"/> Promotes energy efficiency or incorporates energy efficient features, greenhouse gas reduction or offsets, green or natural infrastructure, is Envision or LEED certified for buildings</p>
COST RECOVERY (10%)	<p>Lifecycle costs are minimized - Check One 0</p> <p><input type="checkbox"/> Annual cost savings of more than \$500,000</p> <p><input type="checkbox"/> Annual cost savings of \$200,000 to \$500,000</p> <p><input type="checkbox"/> Annual cost savings of less than \$200,000 (reference ½ PY)</p> <hr/> <p>Funding Available from Other Agencies - Check One</p> <p><input type="checkbox"/> Over 50% of project costs available from other agencies</p> <p><input type="checkbox"/> 26% to 50% of project costs available from other agencies</p> <p><input type="checkbox"/> Up to 25% of project costs available from other agencies</p>

Note:

Blue text denotes new additions, mostly regarding the Climate Change Action Plan

Revised: 10/01/18

ATTACHMENT 1

1 of 5

CIP Priority Criteria Flood Protection Projects

NORMALIZED PRIORITY SCORE = #REF!

RAW SCORE = #REF!

Project Name Here

PRIMARY OBJECTIVE (60%)	<p>Flood Protection (E 3)</p> <p><input type="checkbox"/> I <input type="checkbox"/> P Project restores existing watershed infrastructure to its intended level of flood protection I = Impact on home, school, or business parcels (H = 1000+, M = 200 to 1000 , L = <200); P = Probability based on frequency of flooding (H = every 10 yrs, M = every 25 yrs, L = every 50+ yrs)</p> <p><input type="checkbox"/> Project is a Board or USACE priority, improves watershed infrastructure to achieve the committed level of flood protection, or provides flood protection beyond the level of commitment (H, M, L)</p> <p><input type="checkbox"/> Includes climate change adaptation elements or Envision certified infrastructure</p> <p><input type="checkbox"/> Timing of when the flood protection benefit will be realized by the community I = Immediate (0-3 years); S = Short-term (3-5 years); L - Long-term (more than 5 years)</p>	#REF!
COMMUNITY ENGAGEMENT (10%)	<p>Positive Interaction - Check all that apply</p> <p><input type="checkbox"/> With the Community (E 4) <input type="checkbox"/> With other agencies (E 4)</p> <p><input type="checkbox"/> Promotes environmental justice or has a positive impact on disadvantaged communities (EL 1.1)</p> <p>Good Neighbor (E 4) - Check all that apply</p> <p><input type="checkbox"/> Graffiti removal or Prevention Features <input type="checkbox"/> Improves aesthetics of project location</p> <p><input type="checkbox"/> Trash removal features (vortex weirs)</p>	0
ENVIRONMENTAL & NATURAL RESOURCES SUSTAINABILITY (15%)	<p>Ecological Function (E 3.1, 4.1)</p> <p><input type="checkbox"/> Project incorporates at least one of the following green infrastructure features: removal of fish barrier; structural improvements to fish habitat; inclusion of riparian habitat (planting, setback or protect in place); inclusion of SRA plantings and/or features designed to improve water temperature; improvements to facilitate habitat connectivity, upland habitat and/or wetland habitat protection or preservation; or reduction of hardscape elements</p> <p>Physical Function (E 3.2)</p> <p><input type="checkbox"/> Project incorporates at least one of the following: a holistic watershed approach; ecosystem restoration; transitional habitat; greenhouse gas reduction or sequestration; geomorphic design elements; erosion control (sediment source reduction); floodplain connectivity; or protection from sea level rise and increased storm intensity</p> <p>Water Quality and Supply (E 2.1)</p> <p><input type="checkbox"/> Project incorporates TMDL improvements or provides opportunity for recharge</p> <p>Trails & Open Space (E 4.2, E 4.3) - Check all that apply</p> <p><input type="checkbox"/> Project incorporates trail friendly features, provides protection or preservation of open space, or provides/improves Bicycle Commute Route</p>	0
COST RECOVERY (15%)	<p>Funding Available from Other Agencies - Put an "X" in the % column based on the percentage eligible for cost sharing; Put an "H", "M", or "L" in the C column based on the level of confidence</p> <p><input type="checkbox"/> % <input type="checkbox"/> C 50% or more of project costs available from other agencies % = Percentage of cost provided; C = Confidence Level (H, M, L)</p> <p><input type="checkbox"/> % <input type="checkbox"/> C 26% to 49% of project costs available from other agencies % = Percentage of cost provided; C = Confidence Level (H, M, L)</p> <p><input type="checkbox"/> % <input type="checkbox"/> C Up to 25% of project costs available from other agencies % = Percentage of cost provided; C = Confidence Level (H, M, L)</p>	0

Note:
Blue text denotes new additions, mostly regarding the Climate Change Action Plan

CIP Priority Criteria Water Resources Stewardship Projects

NORMALIZED PRIORITY SCORE = **0**

Project Name _____

RAW SCORE = **0**

PRIMARY OBJECTIVE (50%)	<p>Stewardship Projects 0</p> <p>A <input type="checkbox"/> Project creates stewardship features to achieve stewardship commitments: meet a permit condition/requirement, settlement agreement, voter-approved measure (SCW) (H, M, L)</p> <p>B <input type="checkbox"/> Project creates stewardship features that are discretionary activities directed by the Board (H, M, L)</p> <p>C <input type="checkbox"/> <i>Project promotes adaptability and/or resiliency to climate change effects</i></p>
COMMUNITY ENGAGEMENT (15%)	<p>Positive Interaction - Check all that apply 0</p> <p><input type="checkbox"/> With the community (E 4) <input type="checkbox"/> With other agencies (E 4)</p> <p><input type="checkbox"/> Promotes environmental justice and disadvantaged communities (EL 1.1)</p> <p>Good Neighbor (E 4) - Check all that apply Education Element</p> <p><input type="checkbox"/> Graffiti removal or prevention features <input type="checkbox"/> Promotes stream stewardship</p> <p><input type="checkbox"/> Trash removal features (vortex weirs) <input type="checkbox"/> Promotes flood protection</p> <p><input type="checkbox"/> Improves aesthetics of project location <input type="checkbox"/> Promotes Bay protection</p> <p><input type="checkbox"/> Promotes water conservation</p>
ENVIRONMENTAL & NATURAL RESOURCES SUSTAINABILITY (20%)	<p>Ecological Function (E 3.2) - Check all that apply 0</p> <p><input type="checkbox"/> Fish barrier removal / structural or nonstructural improvement to fish habitat <input type="checkbox"/> Upland habitat protection / preservation</p> <p><input type="checkbox"/> Riparian habitat (planting, setback or protect in place) <input type="checkbox"/> Wetland habitat protection / preservation</p> <p><input type="checkbox"/> Resilient or adaptable to future climate changes <input type="checkbox"/> Hardscape reduction</p> <p><input type="checkbox"/> SRA plantings or improved water temperature</p> <p>Physical Stream Function (E 3.2) - Check all that apply</p> <p><input type="checkbox"/> Holistic watershed approach <input type="checkbox"/> Erosion control or sediment source reduction</p> <p><input type="checkbox"/> Geomorphologic Design Elements <input type="checkbox"/> <i>Greenhouse gas reduction or sequestration</i></p> <p>Water Quality (E 2.1) - Check all that apply</p> <p><input type="checkbox"/> Storm water treatment (pervious pavement, green roofs, etc.) <input type="checkbox"/> Hazardous material removal (asbestos, lead, hydrocarbons, etc.)</p> <p><input type="checkbox"/> TMDL Improvements</p> <p>Trails & Open Space (E 3.3) - Check all that apply</p> <p><input type="checkbox"/> Trail-friendly features <input type="checkbox"/> Open space protection / preservation</p> <p><input type="checkbox"/> Provides / improves bicycle commute route <input type="checkbox"/> Climate change elements</p>
COST RECOVERY (15%)	<p>Funding Available from Other Agencies - Check One 0</p> <p><input type="checkbox"/> <input type="checkbox"/> C Over 50% of project costs available from other agencies % = Percentage of cost provided; C = Confidence Level (H, M, L)</p> <p><input type="checkbox"/> <input type="checkbox"/> 26% to 50% of project costs available from other agencies % = Percentage of cost provided; C = Confidence Level (H, M, L)</p> <p><input type="checkbox"/> <input type="checkbox"/> Up to 25% of project costs available from other agencies % = Percentage of cost provided; C = Confidence Level (H, M, L)</p>

Note:

Blue text denotes new additions, mostly regarding the Climate Change Action Plan

CIP Priority Criteria Buildings & Grounds Projects

NORMALIZED PRIORITY SCORE = 0

Project Name _____

RAW SCORE = 0

PRIMARY OBJECTIVE (60%)	Buildings and Grounds (EL 3.4) 0.00 <div style="display: flex; justify-content: space-between; margin-bottom: 5px;"> I P </div> <p>A <input type="checkbox"/> <input type="checkbox"/> Project maintains or replaces existing building infrastructure to provide continuous housing of existing functions and/or to comply with employer safety standards I = Impact (H, M, L); P = Probability (H, M, L)</p> <p>B <input type="checkbox"/> Project enhances building infrastructure to address treatment of staff issues</p> <p>C <input type="checkbox"/> Project positions the District to meet projected future space needs</p>
COMMUNITY ENGAGEMENT (10%)	Positive Interaction (E 4) - Check all that apply 0.00 <input type="checkbox"/> With the community <input type="checkbox"/> With other agencies
ENVIRONMENTAL & NATURAL RESOURCES SUSTAINABILITY (15%)	Natural Resources Sustainability (E 3.2) - Check all that apply 0.00 <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Air quality & visibility improvement <input type="checkbox"/> Energy efficient features (lighting, HVAC, maximize daylight use, etc.) / greenhouse gas reduction or offsets </div> <div style="width: 45%;"> <input type="checkbox"/> Recycled water, rain water or gray water utilized <input type="checkbox"/> Construction site waste management <input type="checkbox"/> Recycle / reuse solid waste </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> <input type="checkbox"/> Renewable energy use <input type="checkbox"/> Water efficient features: plumbing fixtures, landscaping, etc. <input type="checkbox"/> Envision or LEED certified </div> <div style="width: 45%;"> <input type="checkbox"/> Reduce solid waste production <input type="checkbox"/> Use of recycled or alternative building materials </div> </div> <p>Trails & Open Space (E 3.3) - Check all that apply</p> <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> Trail friendly features <input type="checkbox"/> Open space protection / preservation </div> <input type="checkbox"/> Provides / improves bicycle commute route
COST RECOVERY (15%)	Funding Available from Other Agencies (Grants & Cost-share) - Check One 0.00 <input type="checkbox"/> Over 50% of project costs available from other agencies <input type="checkbox"/> 26% to 50% of project costs available from other agencies <input type="checkbox"/> Up to 25% of project costs available from other agencies

Note:

Blue text denotes new additions, mostly regarding the Climate Change Action Plan

CIP Priority Criteria Information Technology Projects

NORMALIZED PRIORITY SCORE = **0**

SCORE = **0**

Project Name

PRIMARY OBJECTIVE (75%)	<p>Information Technology (EL 7.5) 0.00</p> <p>A <input type="checkbox"/> ^I <input type="checkbox"/> ^P Project maintains existing mission critical software systems and/or Information Technology infrastructure to improve reliability for business continuity; protection of intellectual property information and files from loss or damage I = Impact (H, M, L); P = Probability (H, M, L)</p> <p>B <input type="checkbox"/> Project enhances mission critical software systems and/or IT infrastructure to improve user functionality (H, M, L)</p> <p>C <input type="checkbox"/> Project enhances mission critical software systems and/or IT infrastructure to meet projected future needs (H, M, L)</p> <p>D <input type="checkbox"/> Ties into IT Master Plan finding and/or recommendations (10 pts.)</p>
COMMUNITY ENGAGEMENT (15%)	<p>Good Neighbor - Check all that apply 0.00</p> <p><input type="checkbox"/> Program promotes the distribution of information to the community (public transparency)</p> <p><input type="checkbox"/> Program provides an opportunity for community interaction with the District</p>
COST RECOVERY (10%)	<p>Funding Available from Other Agencies - Check One 0.00</p> <p><input type="checkbox"/> Over 50% of project costs available from other agencies</p> <p><input type="checkbox"/> 26% to 50% of project costs available from other agencies</p> <p><input type="checkbox"/> Up to 25% of project costs available from other agencies</p>

Note:

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File No.: 18-0733

Agenda Date: 10/15/2018

Item No.: 3.4.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

2018 Capital Improvement Committee Work Plan.

RECOMMENDATION:

Review and make necessary revisions to the 2018 Capital Improvement Program Committee Work Plan.

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 2018 Capital Improvement Program Committee (Committee) Work Plan is contained in Attachment 1. Information in the Work Plan document was provided by staff as follows:

Discussion of topics as stated in the Work 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: 2018 CIP Committee Work Plan

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711

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CIP Committee 2018 Workplan

		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
CIP Implementation														
10 Year Pipeline	N o M e e t i n g			X		N o M e e t i n g								
Long Term Purified Water		X												
Public Private Partnership (P3) Delivery for capital projects														
So Co Recycled Water Pipeline					X									
Calero & Guadalupe Dams									X					
Safe, Clean Water Projects Implementation										X			X	
Regulatory Permits Coyote Watershed														
Presentation on Design-Build														X
Project Labor Agreement														
Capital Project Monitoring														
Construction		X					X			X				
Design			X					X			X			
Planning / Feasibility				X					X			X		
Upcoming Consultant Agreements and Amendments				X						X				
CIP Development														
Project ranking criteria										X	X	X		
Preliminary CIP											X	X		
Criteria for Ranking Stewardship Projects							X							
Project w/ Environmental Justice Prioritization Criteria								X						

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Santa Clara Valley Water District

File No.: 18-0824

Agenda Date: 10/15/2018
Item No.: 4.1.

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Natalie Dominguez

From: Ngoc Nguyen
Sent: Tuesday, September 18, 2018 5:32 PM
To: 'doug.muirhead@stanfordalumni.org'
Cc: Melanie Richardson; Nina Hawk; Michele King; Natalie Dominguez; Katherine Oven; Beth Redmond; Jessica Collins
Subject: CIP Committee Referral for Staff Response to Public Comment E-mail, 08/06/2018, D. Muirhead
Attachments: SKM_C55818091817160.pdf

Mr. Muirhead,

Thank you for your comments to the Santa Clara Valley Water District’s (District) Board Capital Improvement Program (CIP) Committee on August 13, 2018. For information, your comments are shown in the attached PDF. Below please find District staff response related to your 2 comments.

General Statement:

With respect to “Monitoring of mitigation commitments for capital projects”, I have two observations based on staff comments in the IMC Priority D Subcommittee Meeting Notes for Project D1: Management of Revegetation Projects.

Statement/Observation 1:

Statement

For the statement, “There are several capital projects that are under construction...that will have long-term mitigation and monitoring requirements, once installation of mitigation planting is complete. Those projects are not included in Attachment 1.”

Observation

It is not clear to me if “mitigation planting is complete” refers to the start or the end of the plant establishment period (3 years) included as part of the Capital Project, but extending beyond the completion of project construction, before mitigation monitoring migrates to the District Vegetation Field Operations.

District Staff Response:

“Mitigation planting is complete” refers to the start of the plant establishment period. The plant establishment period can vary by project and range from one to five years, with short-term monitoring required as defined by the establishment success criteria in each project’s environmental permits. The District’s Environmental Mitigation and Monitoring Unit is responsible for monitoring capital project mitigation sites for success criteria during the plant establishment period and for the required mitigation monitoring. The Stream Maintenance Program (SMP) Unit is responsible for monitoring SMP mitigation sites for success criteria during the 5-year monitoring period. The Vegetation Field Operations Unit is responsible for designing, planting and maintaining all SMP mitigation sites and for the mitigation site maintenance of long-term capital mitigation projects after the plant establishment period ends.

Statement/Observation 2:

Statement

Item 4.1

For the statement, “There are a total of 19 active long-term mitigation sites...[T]wo sites failed due to a variety of factors including...the presence of plant pathogens (Phytophthora spp.). ...Both sites will require additional years of monitoring, maintenance and reporting to achieve regulatory compliance, and project success.”

Observation

Staff explained that not all capital projects are required to use clean plants.

Last year there were only 2 nurseries that were willing to follow the BMPs that were created by the Phytophthora working group. The capital projects are required to use a large amount of plants and sometimes the [now] 3-4 nurseries that have adopted the BMPs will not be available to grow the amount of plants that are required.

[The Upper Llagas project will use upwards of 70,000 plants. As of FY23, maintenance of the Upper Llagas Creek project will add an additional 70 acres of riparian mitigation.]

District Staff Response:

All watershed capital projects currently in construction (Lower Silver, Lower Berryessa, Permanente, and San Francisquito Creeks) have external contracts with nurseries to grow plant material according to the Phytophthora Working Group (PWG) clean nursery guidelines. The District has contracted with four (4) different native plant nurseries to date to grow clean plants for these projects using the PWG guidelines. The District anticipates that in a typical year, its native plant needs can be supplied through a combination of these native plant nurseries. In addition, the District is continuing outreach to other local plant nurseries, as well as commercial growers, to heighten their awareness to this emerging issue. As a result of the heightened awareness surrounding this issue, more and more nurseries continue to express an interest in complying with the PWG clean nursery guidelines and best management practices (BMPs).

The Upper Llagas Flood Protection Project (Project) followed the District’s procurement/ purchasing process when issuing the Request for Quotation among qualified nurseries to grow the Project’s required native plant/tree order. The nursery, that was awarded the Project’s contract in April 2017, is recognized for utilizing the clean growing practices endorsed by the PWG. The nursery is contracted to grow 82,862 total native plants/trees, where the plantings are grown in three separate stages to coordinate with anticipated construction of the Project. The nursery is currently growing 33,750 plantings anticipated for site delivery in October 2019, will be growing 24,556 plantings for site delivery in October 2020, and 24,556 plantings for site delivery in October 2021.

Please let me know if you have questions or need additional information.



NGOC NGUYEN, P.E.
DEPUTY OPERATING OFFICER
Watersheds Design & Construction Division
Santa Clara Valley Water District
5750 Almaden Expressway, San Jose CA 95118
(408) 630-2632
nnguyen@valleywater.org
www.valleywater.org

Melissa Stone

From: D. Muirhead <doug.muirhead@stanfordalumni.org>
Sent: Monday, August 06, 2018 11:45 AM
To: Clerk of the Board
Subject: comments Capital Improvement Program Committee Meeting 08/14/17 Item: 4.1

Capital Improvement Program Committee Meeting 08/14/17 Item: 4.1

SUBJECT: Status of Board's Key Projects and Issues Related to
FY 2018-22 Capital Improvement Program (CIP).

With respect to "Monitoring of mitigation commitments for capital projects", I have two observations based on staff comments in the IMC Priority D Subcommittee Meeting Notes for Project D1: Management of Revegetation Projects.

1) For the statement

"There are several capital projects that are under construction ... that will have long-term mitigation and monitoring requirements, once installation of mitigation planting is complete. Those projects are not included in Attachment 1."

It is not clear to me if "mitigation planting is complete" refers to the start or the end of the plant establishment period (3 years) included as part of the Capital Project, but extending beyond the completion of project construction, before mitigation monitoring migrates to the District Vegetation Field Operations.

2) For the statement

"There are a total of 19 active long-term mitigation sites ... [T]wo sites failed due to a variety of factors including ... the presence of plant pathogens (Phytophthora spp.) ... Both sites will require additional years of monitoring, maintenance and reporting to achieve regulatory compliance, and project success."

Staff explained that not all capital projects are required to use clean plants. Last year there were only 2 nurseries that were willing to follow the BMPs that were created by the Phytophthora working group. The capital projects are required to use a large amount of plants and sometimes the [now] 3-4 nurseries that have adopted the BMPs will not be available to grow the amount of plants that are required. [The Upper Llagas project will use upwards of 70,000 plants. As of FY23, maintenance of the Upper Llagas Creek project will add an additional 70 acres of riparian mitigation.]

Thank you for your consideration, Doug Muirhead, Morgan Hill

Supplemental Staff Response:

Per the District's QEMS procedures, at the completion of project construction, staff prepare a Close-Out checklist. The following are conducted at the final close-out phase:

1. Conduct Lessons Learned meeting with design, construction, environmental planner and O&M staff.
2. Meet with the Project Owner (Capital or Watershed deputy) to review lessons learned and conduct Customer Satisfaction Survey.
3. Deliver signed As-Built drawings to Records Management
4. Prepare Construction-to-Operation Transition Report to transfer project knowledge to Operations & Maintenance staff for conducting routine maintenance per O&M Manual for the project.



Santa Clara Valley Water District

File No.: 18-0880

Agenda Date: 10/15/2018
Item No.: 4.2.

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Item 4.2

From: [William Sherman](#)
To: [Natalie Dominguez](#)
Subject: Copies of Documents discussed at 9/10 CIP Committee
Date: Saturday, September 22, 2018 4:10:58 PM

Natalie:

I apologize for taking so long to respond, At the 9/10 meeting, I briefed the attendees on issues concerning the Application for rate increases for San Jose Water Company for 2019, 2020, and 2021 as they related to their Capital Plans and budgets. The information was in flux at the time since only 1 Brief of 4 and 1 Settlement Comments document of 2 was available at the time of the CIP meeting. The documents from the other 3 parties were due to be served later on September 10th. My comments were based only on my knowledge to date and the Documents I had written and served earlier that day for WRATES.

The points I made were:

1) That SJWC and ORA (then Office of Ratepayer Advocates; now California Public Adviser's Office) had agreed that SJWC would develop an Asset Management Plan and their approved budget would be based on the previous General Rate Case run rate. In return, SJWC would be given flexibility to prioritize the capital projects in order to best serve its customers and would be monitored on overall performance.

2) I provided in general the financial settlement terms. Here, from the Partial Settlement Agreement are the actual numbers:

For the Present Year, 2018:

SJWC proposed \$116,114,863; ORA proposed \$91,838,851; Settlement \$95,679,851

For the 3 Year (2018, 2019, and 2020) Total:

SJWC proposed \$403,217,363; ORA proposed \$296,502,504; Settlement \$319,398,454

I don't believe I got to discuss some of the peripheral issues in item 1) above that resulted in a settlement that is somewhat unclear. Here they are:

- When WRATES originally wrote its Response in May, it had become apparent that the Capital Plan was a wish list that had little if any prioritization of need. During further discussion, we saw that both SJWC and ORA were interested in negotiating a top level capital budget based on a Master Facilities Plan which SJWC would develop. The previous method was to negotiate every project, thoroughly described in a 1700 page exhibit. We immediately saw the potential productivity improvement and allowed ORA to represent WRATES in making this happen. Our only concern due to

the extensive change in approach was for ORA to audit the results after the first year to assure there were no unintended consequences.

- After seeing the Partial Settlement Agreement between SJWC and ORA, we had one remaining question. We were not sure if it had been eliminated inadvertently or during the Settlement negotiations, but we could not find any reference to the Asset Management Plan. In it's Settlement Comments, WRATES has asked the Judge for clarification as part of his proposed decision. We believe that this is a key starting point for productivity improvements in the next GRC that could benefit both ratepayers and stockholders.

Natalie, please let me know if this meets your expectations.

Bill Sherman
408-268-3694