

Developing the Capital Improvement Program

Board & Community Engagement Processes

Presented by:

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Agenda

1. CIP Development

- A. New project identification
- B. Adding/removing projects
- C. Tools to aid Board in decision-making

2. Board & Community Engagement

- A. Program Level / Annual Cycle
- B. Project Delivery Level

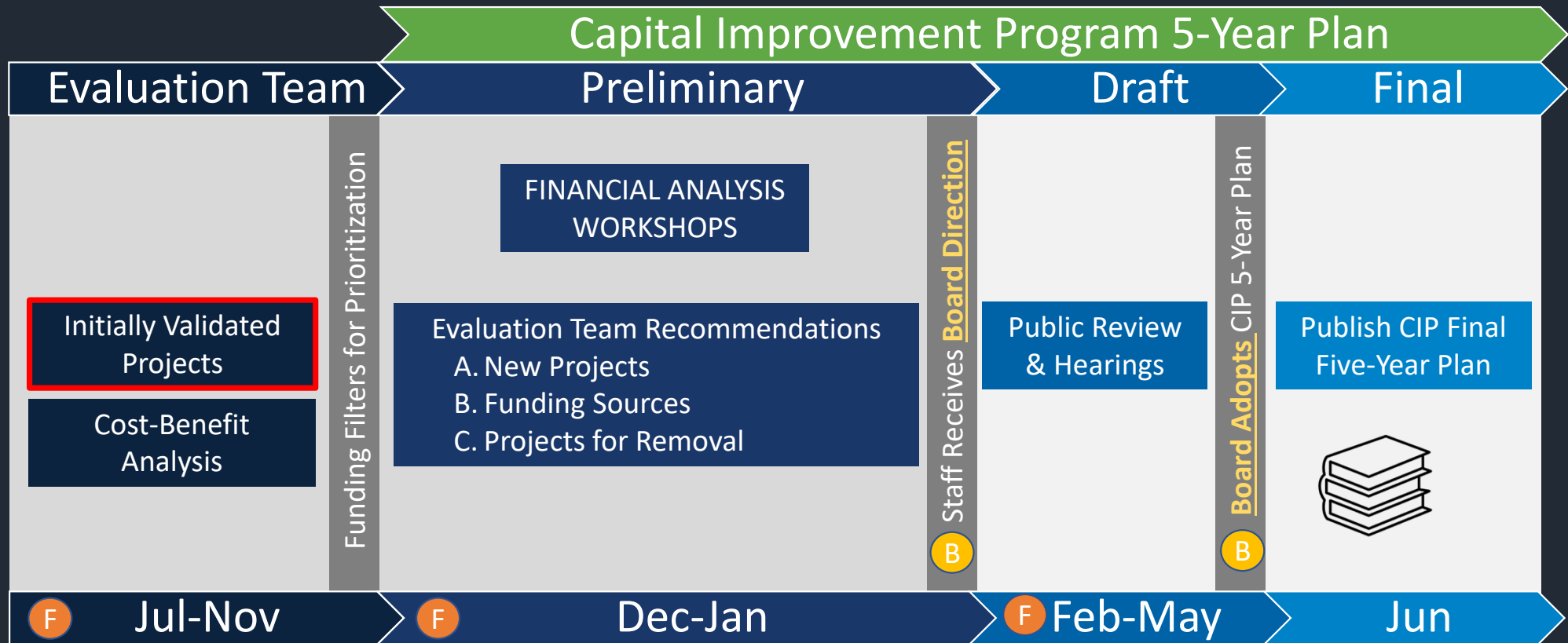
3. Next Steps



Identifying new projects for the CIP

How are new capital projects identified
and initially validated?

Annual CIP 5-Year Plan Timeline



F CIP Committee and/or Board Feedback

B Key Decision Points for Board

Drivers for New Capital Projects



Minimizing asset life-cycle costs while sustainably delivering the levels of service that meet customer expectations at an acceptable level of risk as expressed through the Board. (I-EL-6.4.a)



Initial Project Validation for CIP Preliminary Five-Year Plan

1. Business Case Report*
 - A. Life-cycle Cost
 - B. Risk
 - C. Options
 - D. Costs: Capital, O&M, Benefits
2. Initially Validated Project
3. Evaluation Team
 - A. Prioritization
 - 1) Funding Filters & Categories
 - B. Resource Analyses
 - 1) Funding (Internal/External)
 - 2) Staff

* Staff evaluates the lifecycle costs of different capital, non-capital, or non-asset-based solutions

The image displays two overlapping forms for the Business Case Report for the Santa Clara Valley Water District. The left form shows sections IV and V, while the right form shows sections III and IV.

Form 1 (Left):

- Section IV. LIFE-CYCLE COSTING (LCC) AND BUSINESS RISK EXPOSURE (BRE) ANALYSIS**
- A. Summary Table – see attached.**
- B. BRE Assumptions**
Describe any assumptions used in determining:
 - Provide reasoning for CoE scores.
 - Provide an explanation of any redundancy.
- C. LCC Assumptions**
Describe any key assumptions used in developing the LCC analysis.

Form 2 (Right):

- Section III. OPTIONS ANALYSIS**
- Complete the table below with a brief description of each option. The Status Quo Option should be analyzed for all projects. Besides the Status Quo, not all options will apply to every project. It is possible to have more than one alternative for each type of option. For example, there may be two options for "operate differently", and the "maintain differently" option may not apply.

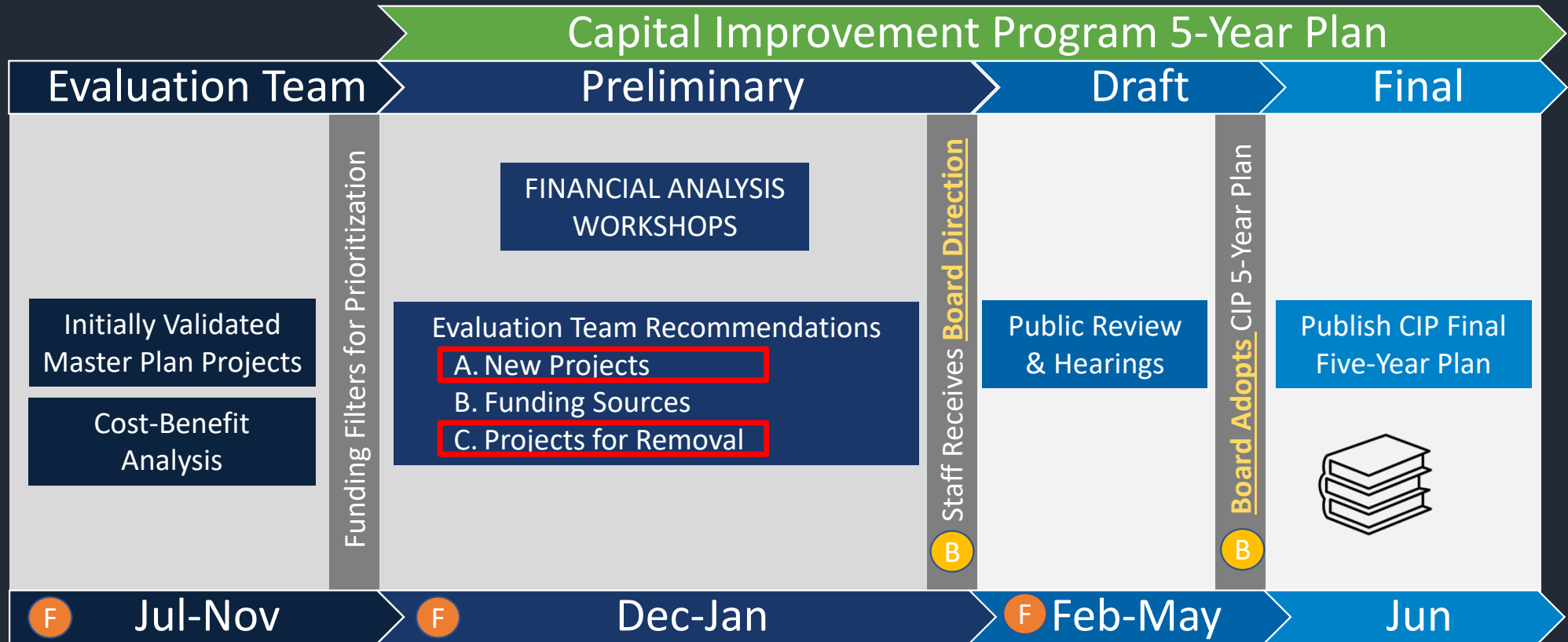
Option	Brief Description
1. Status Quo / Baseline	Continue operating and maintaining the asset as it is currently being done. This is the base case and should be analyzed for all projects with existing processes or assets.
2. Do Nothing / Run to Fail	Running an asset to failure. It involves not spending any money on planned maintenance or refurbishments unless required to maintain a minimum level of service to the customer.
3. Operate Differently	Changing operations to meet the project objectives. Examples include running a pump at lower speeds or releasing lower flows into a channel.
4. Maintain Differently	Changing the maintenance programs to meet the project objective. Examples include increasing the frequency of planned maintenance.
5. Refurbish / Rehabilitation	Transforming the asset to "as new" condition. It includes replacement of a component part or parts, or equivalent intervention sufficient to return the asset to as-new condition.
6. Replace	Substitution of an entire asset with a new or equivalent asset.
7. New Asset or Augmentation	Augmenting an asset or adding a new asset, typically to meet new level of service or capacity requirements.
8. Decommission	Retiring the asset at the end of its useful life.
9. Non Asset Solutions	A solution that meets the project objective(s) without changing the asset or its operations and maintenance plans. Examples include changing policies, contracts, or permit requirements to decrease demand on the asset, such as conservation.
10. (Other options)	Identify any other feasible alternatives.

- For each viable option in the table above, attach a detailed description to this report. A template is provided in Appendix A as an example of the type of information that should be included in the description. The template is not required. Any reasonable description can be attached.

Adding/removing projects from the CIP

How are capital projects added or
removed from the CIP?

Annual CIP 5-Year Plan Timeline



Funding Categories Tool Implemented

How to use the tools designed to aid the Board
in its decision-making

Fund 12: Watershed Stream Stewardship

Total Project Cost \$ based upon Draft FY 2025-29 Five-Year Plan

Category 1 Projects

- Existing infrastructure with **BRE ≥ 88**; and/or
- In **construction and/or mandated**

Flood Protection

\$117.3M	SF Bay Shoreline (EIA 11)
\$35.5M	Lower Pen. Creek Improvements
\$6.9M	Lower Llagas Creek Capacity

Water Resources Stewardship

\$8.9M	Coyote 10B Freshwater Wetlands
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Category 2 Projects

- Existing infrastructure with **BRE 76-87**

Flood Protection

\$107M	Lower Guadalupe River Capacity Restoration
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Water Resources Stewardship

\$15.5M	Calabazas/San Tomas Ck Marsh Connection
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Category 3 Projects

- Existing infrastructure with **BRE ≤ 75**
- NEW** Infrastructure
- Placeholder**/Small Caps

Flood Protection

\$138.3M	Berryessa Creek (Phases 1 and 2)
\$11.5M	Palo Alto Tide Gates

Water Resources Stewardship

\$5.7M	Pond A4 (Phase 1)
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Placeholder Projects

\$49.7M	Berryessa Creek (Phase 3) Construction
\$27.9M*	Ogier Ponds Construction
\$13.7M	Stevens Creek Fish Passage Const/Moffett Ave (FAHCE)
Small Capital Improvements	
\$304.4M	WARP

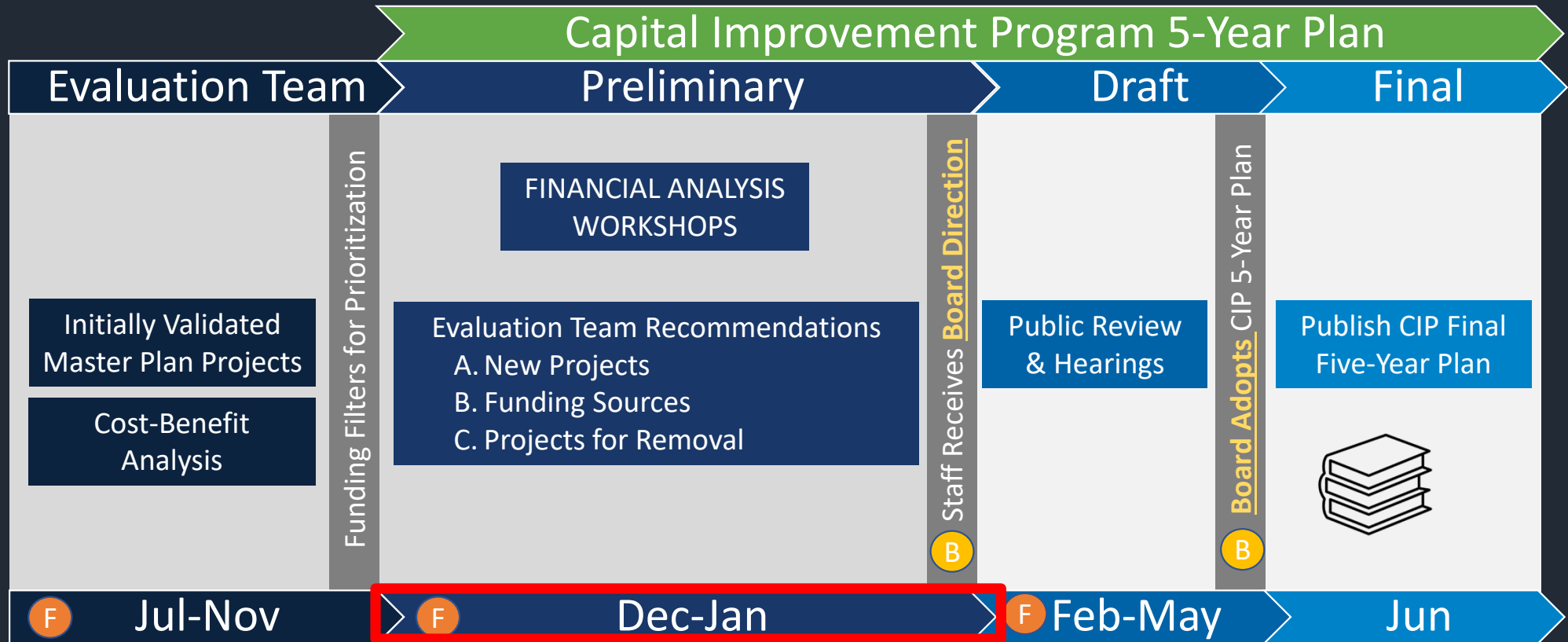
*The Ogier Ponds Project has an additional \$12.5M in Fund 26 and \$73.1M in Fund 61, which includes placeholder project dollars of \$23.1M and \$50M earmarked in ADSRP for project mitigation.

Board & Community Engagement (Program-Level)

Q1. When can the community provide feedback on the CIP Five-Year Plan?

Q2. When is the ideal time to provide Board direction for adding/removing projects?

Annual CIP 5-Year Plan Timeline



F CIP Committee and/or Board Feedback

B Key Decision Points for Board - **January Board Workshop on CIP Preliminary Five-Year Plan**

Board & Community Engagement (CIP Project Delivery Level)

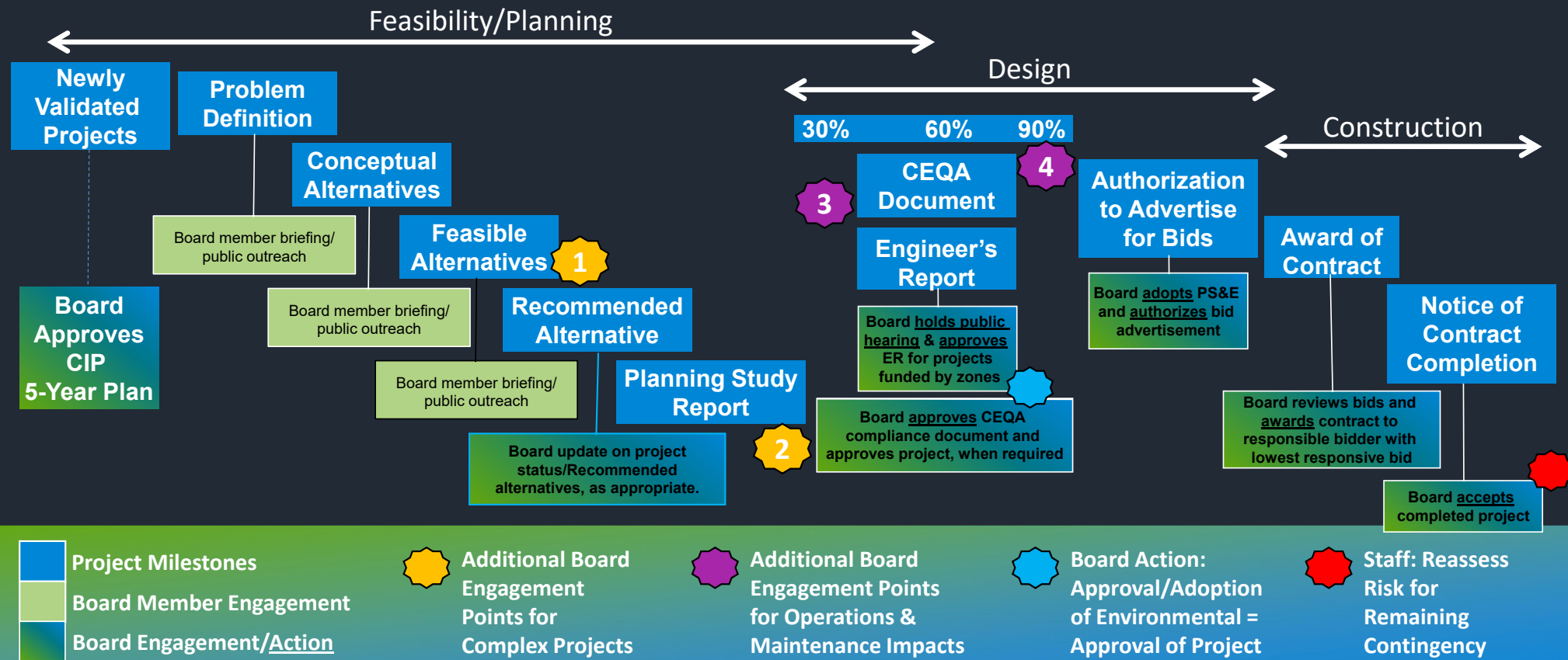
Q1. When can the community provide feedback on capital projects?

Q2. When can the Board provide direction on capital project delivery?

CIP Processes Overview

Board Action & Engagement: Capital Project Delivery Process*

* This is an example of the Project Delivery Process that may be followed and may not apply to all capital projects.



Overview of Project/Program Engagement Opportunities

CIP Meeting	Frequency / Month	Action
Project Status Update	Monthly (CIP Committee), or as requested by Board	Feedback
Significant Project Plan Updates	Annual / Oct	Feedback
New Proposed Projects (Including previously validated)	Annual / Nov	Board Direction
Preliminary CIP 5-Year Plan	Annual / Dec	Board Direction
Draft CIP 5-Year Plan	Annual + 60 Day Public Review / Jan	Board Direction
Outreach to Cities and County	Annual / Feb	Feedback
Public Hearings	Annual / April	Feedback
Final CIP 5-Year Plan	Annual / May	Board Direction
Preliminary Project Alternatives	@ Project Milestone	Feedback
Planning Study	@ Project Milestone	Feedback & Board Direction
CEQA & Authorization to Construct	@ Project Milestone	Board Direction

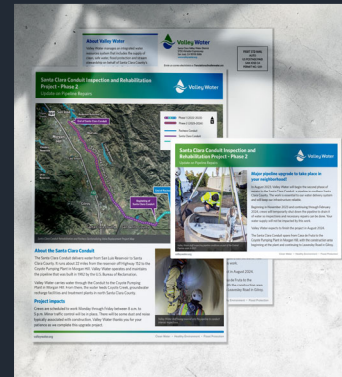
Community Engagement Outreach

1. Meetings

- A. Board
- B. CIP Committee
- C. Community Centers
- D. Libraries
- E. Tours

2. Outreach Tools

- A. Valley Water Webpage
- B. Social Media (Facebook, Instagram, LinkedIn)
- C. Public Notices
- D. City & County Outreach (Email & US Mail)



Next Steps

1. May 2024 –Board to approve **CIP FY25-29 Five-Year Plan**
2. July 2024 - **CIP FY26-30 Five-Year Plan Development Begins**
 - A. November 2024 – CIP Committee feedback and direction on initially validated projects and Significant Project Plan Updates
 - B. December 2024 – CIP Committee feedback on CIP Preliminary Five-Year Plan
 - C. January 2025 – Board feedback and direction on CIP Preliminary Five-Year Plan.



**Updates
Available
Online**

SCAN THE QR CODE:



Or visit this website:
delivr.com/24wqn

END OF PRESENTATION

Questions & Answers



EXTRA SLIDES

Asset Management Program Tool (Business Risk Exposure (BRE))

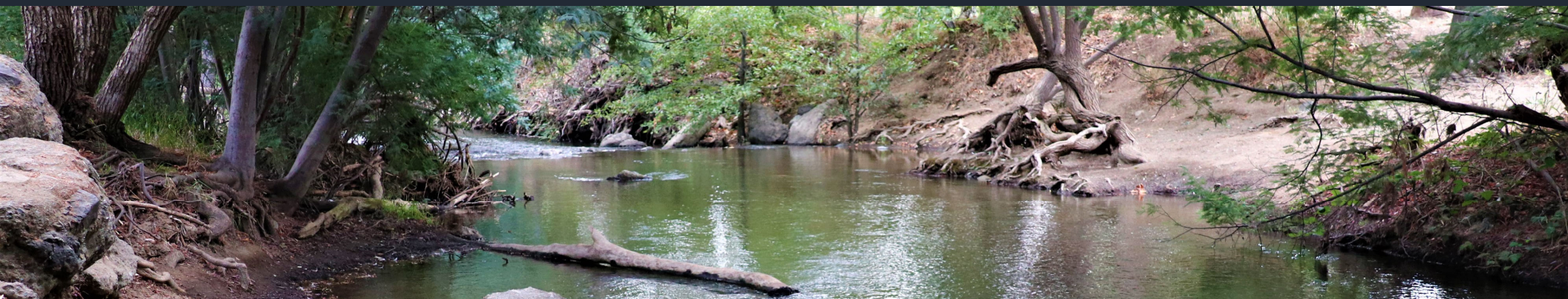
Asset Management Program- Business Risk Exposure (BRE)

Consequence of Failure 0 - 30 <i>(each criteria scored on a 0-to-5 scale)</i>		x	Probability of Failure 1 - 5	=	Business Risk Exposure (BRE) 0 - 150
Social (50% of CoF)	Service Delivery		1 = New or Recently Rehabilitated 2 = Good Condition, Only Minor Defects 3 = Defects Requiring Monitoring, But Fully Functional 4 = Requires Corrective Action, Functionality Threatened 5 = Failed, Unable to Satisfy LOS, Requires Immediate Action		
	Community Impacts				
	Workplace Safety				
Environmental (17% of CoF)	Environmental Impacts				
Economic (33% of CoF)	Financial Impacts				
	Impact to Reputation				

Capital Improvement Program Tool (Funding Filters and Categories)

CIP Funding Filters for Prioritization (w/Point Application)

- | | |
|---|-----------------|
| 1. Repair/Replace Existing Infrastructure Projects | 5 points |
| 2. Public Health and Safety Projects | 4 points |
| 3. Shovel Ready (Permits/Land Rights Secured) Projects | 3 points |
| 4. Multi-Benefit Projects | 2 points |
| A. Environmental Justice Benefit Projects | ½ point |
| 5. Partially External-Funded (Grants/Partnerships) Projects | 1 point |



CIP Project Funding Categories

Scoring for Repairing and Replacing Existing Infrastructure



CIP Project Funding Categories

Category 1: ≥ 19 points

1. Repair/replace existing infrastructure
2. Risk of failure score is ≥ 88
3. Required for public health and safety
4. **Projects under construction or mandated (required by law, regulation, federal order, lawsuit, etc...) are automatically included in Category 1.**



CIP Project Funding Categories

Category 2: 13-18.5 points

1. Repair/replace existing infrastructure
2. Risk of failure score is between **76-87**
3. Required for public health and safety.



CIP Project Funding Categories

Category 3: ≤ 12.5 points

1. Projects with a lower risk of failure, ≤ 75
2. **New infrastructure projects in the Water Supply Master Plan and One Water Plan**
3. **Small capital improvement and placeholder projects.**
 - A. **Placeholder projects meet Valley Water's mission and are anticipated to be needed but may not yet have defined scopes, schedules, or funding sources.**



Draft FY 2025-29 Five-Year Plan Projects (Categorized by Fund and Funding Categories)

Fund 12: Watershed Stream Stewardship

Total Project Cost \$ based upon Draft FY 2025-29 Five-Year Plan

Category 1 Projects

- Existing infrastructure with **BRE ≥ 88** ; and/or
- In **construction and/or mandated**

Flood Protection

\$117.3M SF Bay Shoreline (EIA 11)

\$35.5M Lower Pen. Creek Improvements

\$6.9M Lower Llagas Creek Capacity

Water Resources Stewardship

\$8.9M Coyote 10B Freshwater Wetlands

Category 2 Projects

- Existing infrastructure with **BRE 76-87**

Flood Protection

\$107M Lower Guadalupe River Capacity Restoration

Water Resources Stewardship

\$15.5M Calabazas/San Tomas Ck Marsh Connection

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Total Project Cost \$ based upon Draft FY 2025-29 Five-Year Plan

Category 3 Projects

- Existing infrastructure with **BRE ≤ 75**
- **NEW** Infrastructure
- **Placeholder**/Small Caps

Flood Protection

\$138.3M	Berryessa Creek (Phases 1 and 2)
\$11.5M	Palo Alto Tide Gates

Water Resources Stewardship

\$5.7M	Pond A4 (Phase 1)
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Placeholder Projects

\$49.7M	Berryessa Creek (Phase 3) Construction
\$27.9M*	Ogier Ponds Construction
\$13.7M	Stevens Creek Fish Passage Const/Moffett Ave (FAHCE)
\$304.4M	WARP

*The Ogier Ponds Project has an additional \$12.5M in Fund 26 and \$73.1M in Fund 61, which includes placeholder project dollars of \$23.1M and \$50M earmarked in ADSRP for project mitigation.

Fund 26: Safe, Clean Water

Total Project Cost \$ based upon Draft FY 2025-29 Five-Year Plan

Category 1 Projects

- Existing infrastructure with **BRE ≥ 88**; and/or
- In **construction and/or mandated**

Flood Protection

\$340.9M	Llagas Creek (all phases)
\$216.1M	Coyote Creek (Montague Expwy – Tully)

Water Resources Stewardship

\$6.3M*	Ogier Ponds Separation from Coyote Creek (D4.2)
\$12.4M	Hale Creek Pilot Project
\$9.1M	Bolsa Rd Fish Passage Improvements
\$8.9M	SCW Regnart Creek Rehabilitation (F8)

Water Supply - Transmission

\$25.4M	IRP2 Additional Line Valves
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Category 2 Projects

- Existing infrastructure with **BRE 76-87**

Flood Protection

\$124.9M	Guadalupe River-Upper (Reaches 7-12)
\$57.8M	Sunnyvale East & West
\$28.7M	SF Shoreline (EIAs 1-4)
\$15.7M	SF Shoreline (EIAs 5-9 or 10)

* The Ogier Ponds Project has an additional \$7.4M in placeholder dollars in Fund 26, \$27.9M in placeholder dollars in Fund 12 and \$77.9M in Fund 61, which includes placeholder project dollars of \$27.9M and \$50M earmarked in ADSRP for project mitigation.



Fund 26: Safe, Clean Water

Total Project Cost \$ based upon Draft FY 2025-29 Five-Year Plan

Flood Protection

\$101.8M	SF Creek, SF Bay to Middlefield, Construction
\$38.1M	Guadalupe River (R6)*
\$7.8M	Berryessa Creek, Phase 3- Planning & Design
\$11.3M	Upper Penitencia Creek, Coyote Ck- Dorel

Water Resources Stewardship

\$9.3M	SCW D4.3 Fish Passage Improvements
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Category 3 Projects

- Existing infrastructure with **BRE ≤ 75**
- **NEW** Infrastructure
- **Placeholder**/Small Caps

*Guadalupe River Reach 6 Phase I, gravel Augmentation complete. Phase II construction in FY29-30

Fund 61: Water Utility Enterprise

Total Project Cost \$ based upon Draft FY 2025-29 Five-Year Plan

Storage Facilities

\$1.9B	Anderson Dam Seismic Retrofit
\$253M	Anderson Dam Tunnel
\$186M	Calero Dam Seismic Retrofit
\$117.4M	Coyote Creek Flood Mgmt. Measure
\$84.7M	Guadalupe Dam Seismic Retrofit
\$65M	Coyote Pumping Plant ASD Replacement
\$40.5M	Almaden Dam Improvements
\$31.3M	Dam Seismic Stability Evaluations
\$23.5M	Coyote Creek Chillers
\$17.7M	Coyote Percolation Dam Replacement

Storage Facilities (cont'd)

\$11.9M	Cross Valley Pipeline Extension
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Transmission Facilities

\$171M	10-Year Pipeline Insp. & Rehab.
\$145.1M	FAHCE Implementation
\$119.3M	Almaden Valley Pipeline Replacement
\$36.8M	Vasona Pump Station Upgrade
\$9.3M	Dist. Sys. Master Plan Implementation
\$8.5M	Treated Water Isolation Valves
\$6.5M	SCADA Master Plan Implementation
\$6.1M	Pacheco/SCC ROW Acquisition

Category 1 Projects

- Existing infrastructure with BRE ≥ 88 ; and/or
- In construction and/or mandated

Fund 61: Water Utility Enterprise

Total Project Cost \$ based upon Draft FY 2025-29 Five-Year Plan

Category 1 Projects continued...

- Existing infrastructure with **BRE ≥ 88**; and/or
- In **construction and/or mandated**

Treatment Facilities

\$722.5M	RWTP Reliability Improvement
\$38.6M	RWTP Residuals Mgmt.
\$20.4M	WTP Electrical Improvement
\$20.6M	STWTP Filter Media Replacement

Recycled Water Facilities

\$60.1M	South County Recycled Water Pipeline (all phases)
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Placeholder Projects

\$27.9M*	Ogier Ponds
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*The Ogier Ponds Project has \$13.7M in Fund 26 and \$50M in Fund 61 earmarked in ADSRP for project mitigation.

Category 2 Projects

- Existing infrastructure with **BRE 76-87**

Treatment Facilities

\$41.5M	PWTP Residuals Mgmt.
\$6.9M	RWTP Ammonia Storage & Metering

Transmission Facilities

\$10.4M	SMPPIP Upgrades – Phase 1
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Fund 61: Water Utility Enterprise

Total Project Cost \$ based upon Draft FY 2025-29 Five-Year Plan

Storage Facilities

\$2.75B Pacheco Reservoir Expansion

Treatment Facilities

\$9.3M WTP Master Plan Implementation

Recycled Water Facilities

\$50M San Jose Purified Water Project (SJPWP)

\$6.8M Land Rights – South County Recycled Water PL

Small Capital Improvement Project

\$23.9M Water Utility Computer Network Modernization

Small Capital Improvement Projects

\$73M San Felipe (Reaches 1-3)

\$59.2M Water Treatment

\$13.7M Raw Water Transmission

\$0.78M Treated Water Transmission

Placeholder Projects

\$20M Coyote Percolation Dam Fish Passage – Phase 2

Category 3 Projects

- Existing infrastructure with BRE ≤ 75
- NEW Infrastructure
- Placeholder/Small Caps

Fund 11: General

Total Project Cost \$ based upon Draft FY 2025-29 Five-Year Plan

Buildings & Grounds

\$16.9M Security Upgrades & Enhancements

\$15.1M Headquarters Operations Building

Small Capital Improvement Project

\$64M Facility Mgmt, Small Capital Improvements

Category 3 Projects

- Existing infrastructure with BRE ≤ 75
- NEW Infrastructure
- Placeholder/Small Caps

Fund 11 does not have Category 1 & 2 projects in the CIP FY25-29 Five-Year Plan

Fund 73: Information Technology

Total Project Cost \$ based upon Draft FY 2025-29 Five-Year Plan

Category 1 Projects

- Existing infrastructure with BRE ≥ 88 ; and/or
- In construction and/or mandated

Information Technology

\$2.6M IT Disaster Recovery

\$1.3M Data Consolidation

Category 3 Projects

- Existing infrastructure with BRE ≤ 75
- NEW Infrastructure
- Placeholder/Small Caps

Small Capital Improvement Project

\$20.8M Software Upgrades & Enhancements

Fund 73 does not have Category 2 projects in the CIP FY25-29 Five-Year Plan

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