



CAPITAL IMPROVEMENT PROGRAM

Water Supply Workshop

Presented by

Jessica Collins, Business Planning and Analysis Unit Manager
Office of Integrated Water Management

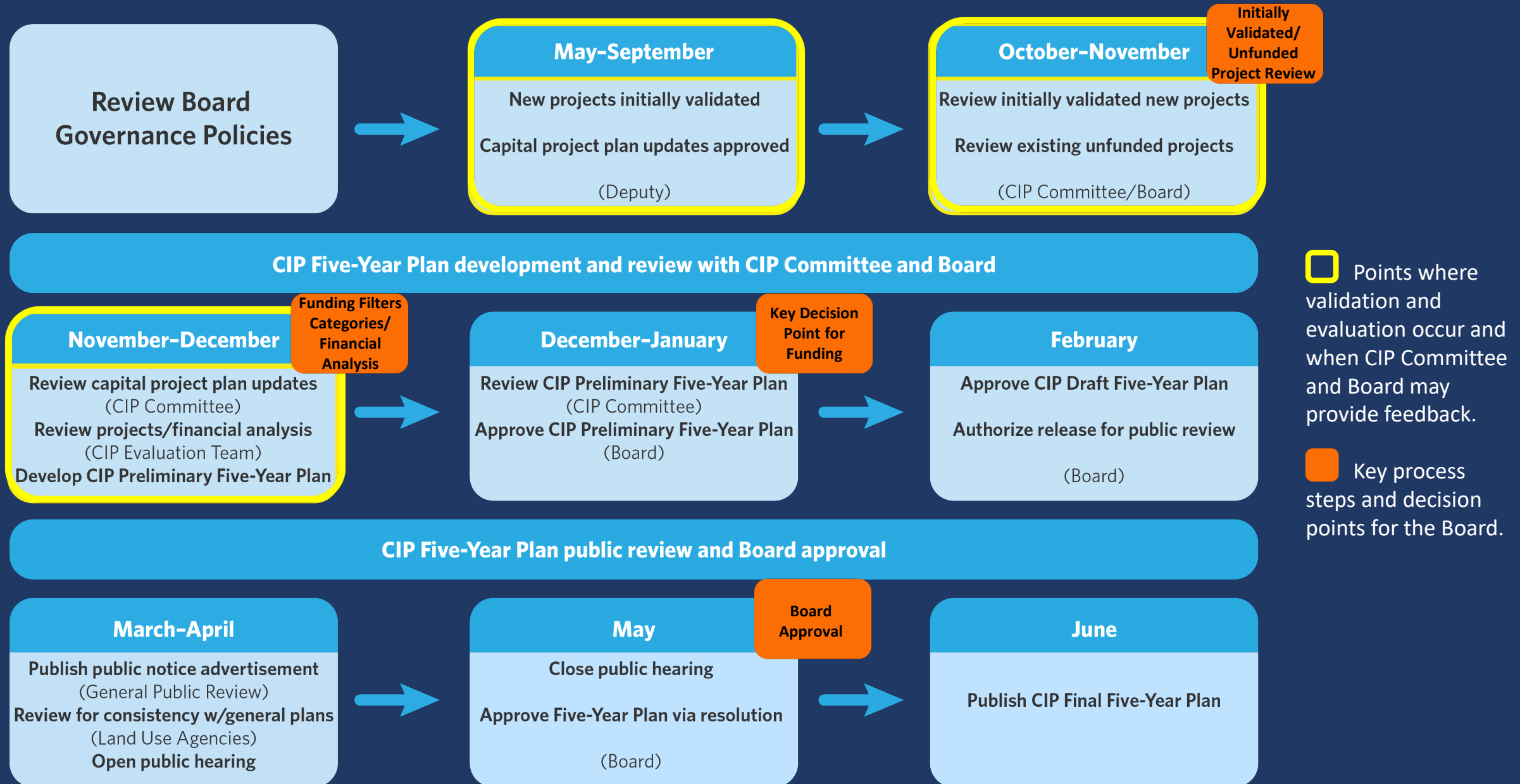


Presentation Outline

1. Annual CIP Process
2. Project Validation and Evaluation
3. Funding Filters for Prioritization
 - A. Funding Categories
4. Water Supply Capital Projects
 - A. Projects At-A-Glance
5. Next Steps/Questions/Discussion



Annual CIP Process Overview



Drivers for New Capital Projects



Funding Filters for Prioritization

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



CIP Performance Audit

Recommendation (summarized):

1. Enhance Funding Filters

Tool to:

- A. Improve transparency
- B. Ensure objectivity
- C. Provide clarity

Solution:

1. Apply points to Funding Filters

2. Add adjustment factor for Business Risk Exposure (BRE)

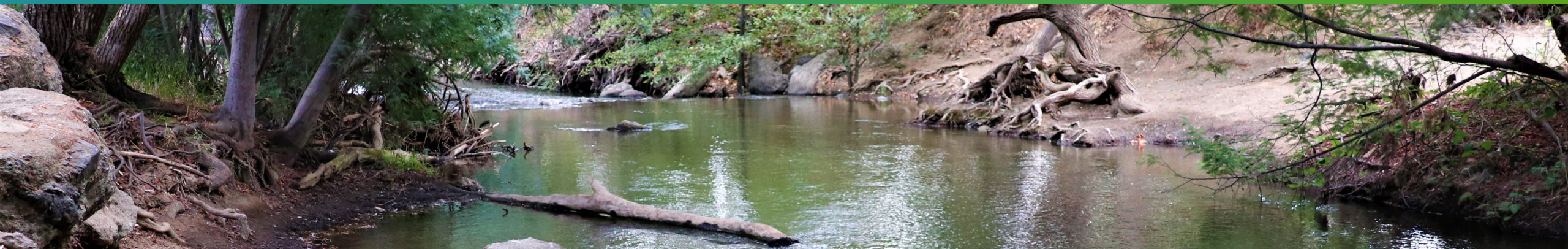
- A. BRE established by Asset Management Program
- B. Used to further prioritize repair/replacement of existing infrastructure projects

3. Identify Project Categories

- A. Tool to aid Board in decision making when faced with funding constraints

Funding Filters Point Application

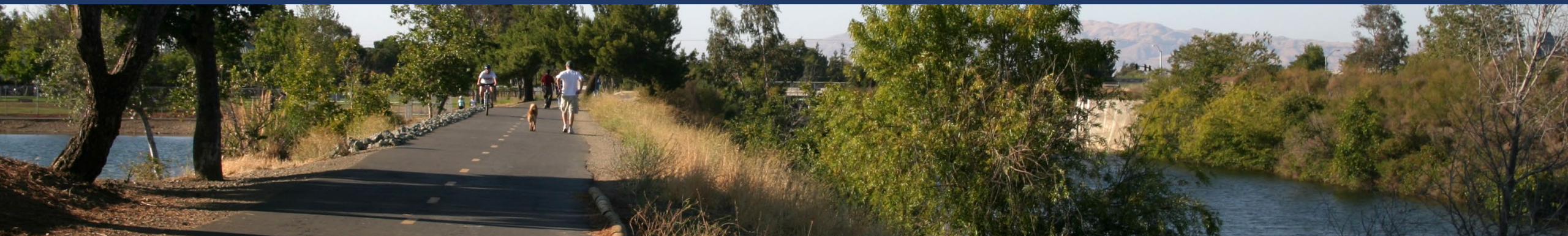
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|---|-----------------|
| 1. Repair/Replace Existing Infrastructure Projects | 5 points |
| 2. Public Health and Safety Projects | 4 points |
| 3. Shovel Ready (Permits/Land Rights Secured) Projects | 3 points |
| 4. Multi-Benefit Projects | 2 points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



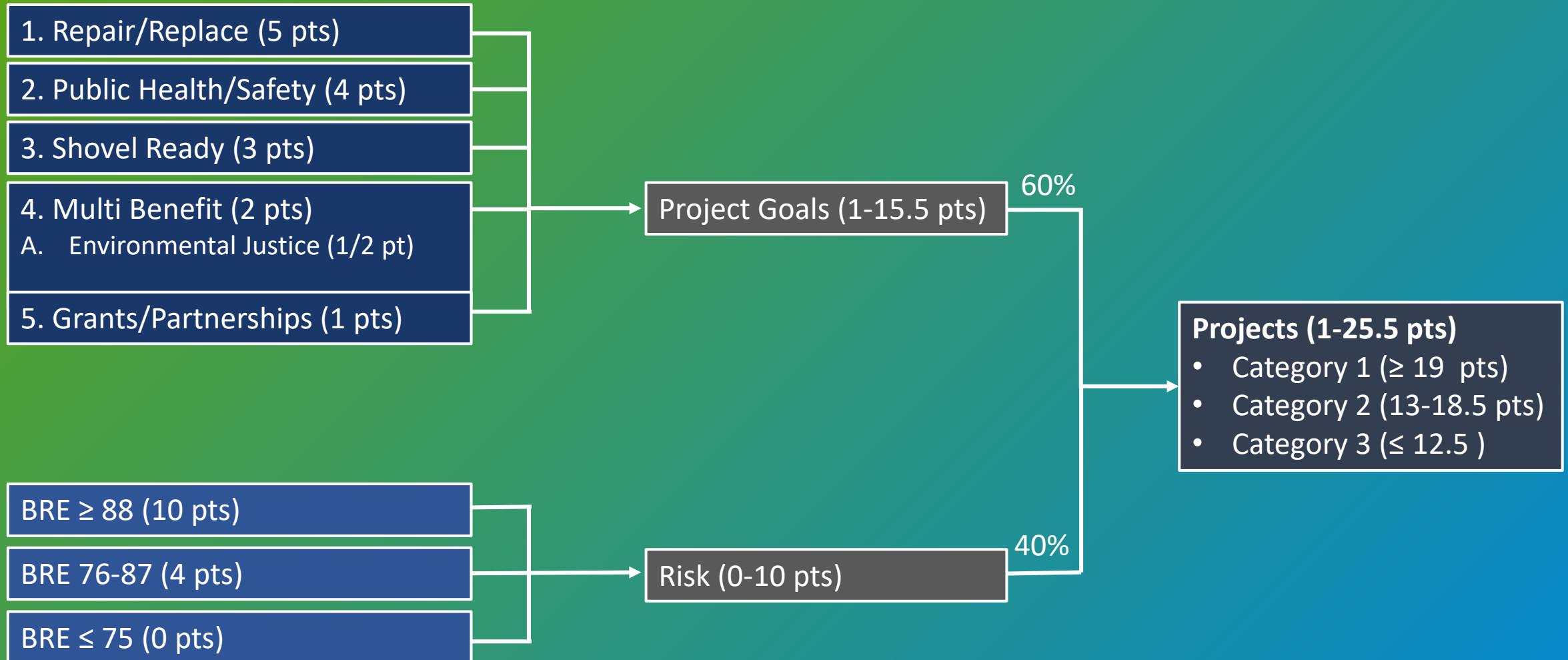
Business Risk Exposure (BRE) Adjustment Factor:

1. $BRE \geq 88$ = Add 10 points
2. $BRE 76-87$ = Add 4 points
3. $BRE \leq 75$ = Add 0 points

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



CIP Project Funding Categories



CIP Project Funding Categories

Category 1: ≥ 19 points

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

Handout 2.2-A
09/19/23



CIP Project Funding Categories

Category 2: 13-18.5 points

- A. Repair/replace existing infrastructure
- B. Risk of failure score is between **76-87**
- C. Required for public health and safety.



CIP Project Funding Categories

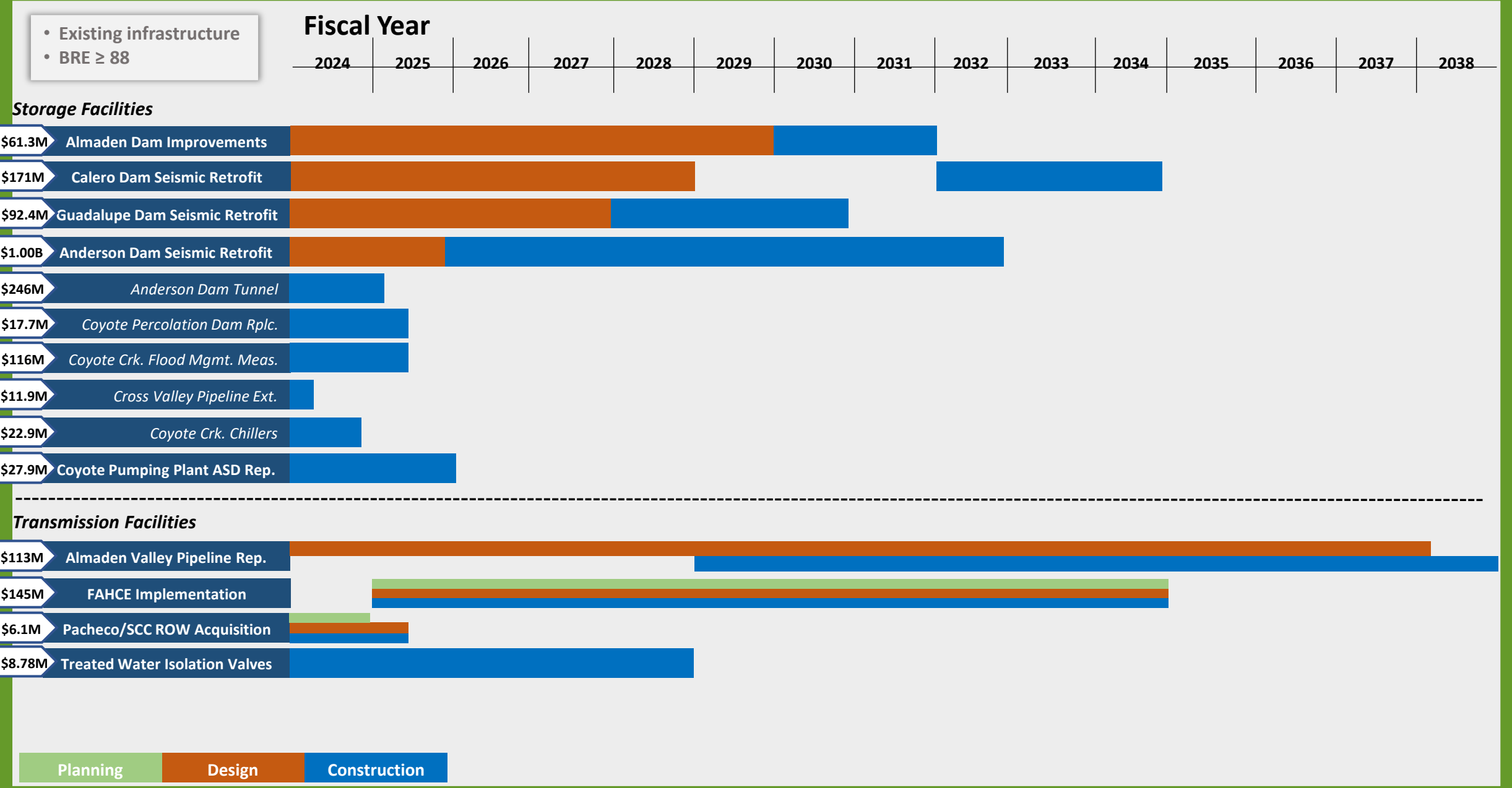
Category 3: ≤ 12.5 points

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



PAUSE FOR QUESTIONS

Category 1 Projects



Category 1 Projects Continued

- Existing infrastructure
- BRE ≥ 88

Fiscal Year

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
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Treatment Facilities



Recycled Water Facilities



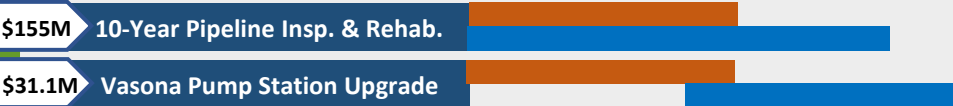
Category 2 Projects

- Existing infrastructure
- BRE 76-87

Fiscal Year

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
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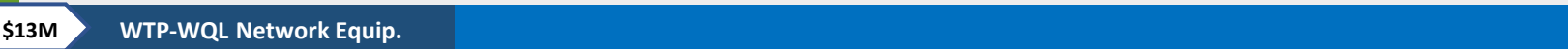
Transmission Facilities



Treatment Facilities



Information Technology Facilities



Planning	Design	Construction	Closeout
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Category 3 Projects

- Existing infrastructure w/
BRE ≤ 75
- NEW Infrastructure

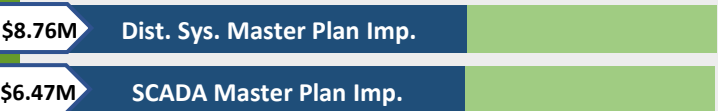
Fiscal Year

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
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Storage Facilities



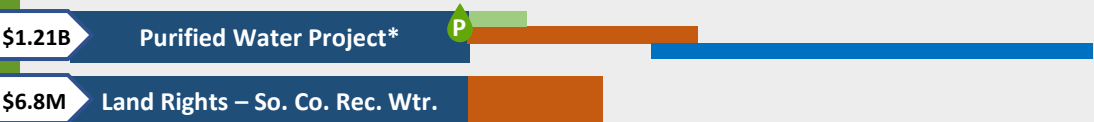
Transmission Facilities



Treatment Facilities



Recycled Water Facilities



Planning

Design

Construction



WSMP Potential Scenario Project

*The Purified Water Project is planned to be delivered via a Public-Private Partnership (P3); the P3 entity will finance the costs upfront; the capital cost estimate made in the CIP is for informational purposes only.

Category 3 Projects Continued

- Small Capital Imp. Proj.
- Placeholder Proj.

Fiscal Year

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
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Small Capital Improvement Projects

\$81.1M	San Felipe Reaches 1-3
\$15.5M	Raw Water
\$1.36M	Treated Water Transmission
\$46.6M	Water Treatment

Placeholder Projects

\$66.7M	WS Habitat Enhancements
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Planning

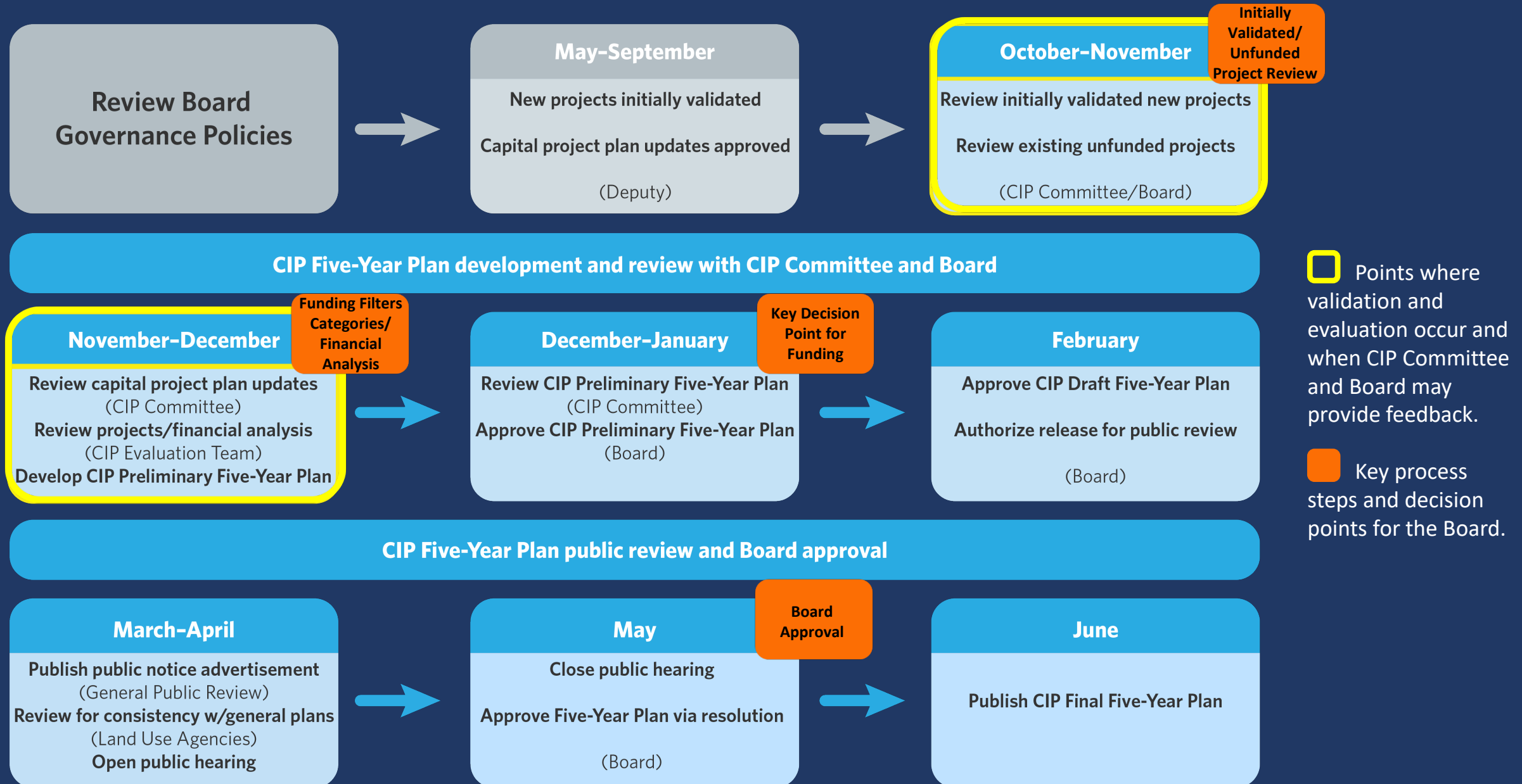
Design

Construction

Closeout

PAUSE FOR QUESTIONS

Next Steps in CIP Process



QUESTIONS





Valley Water

Clean Water • Healthy Environment • Flood Protection