



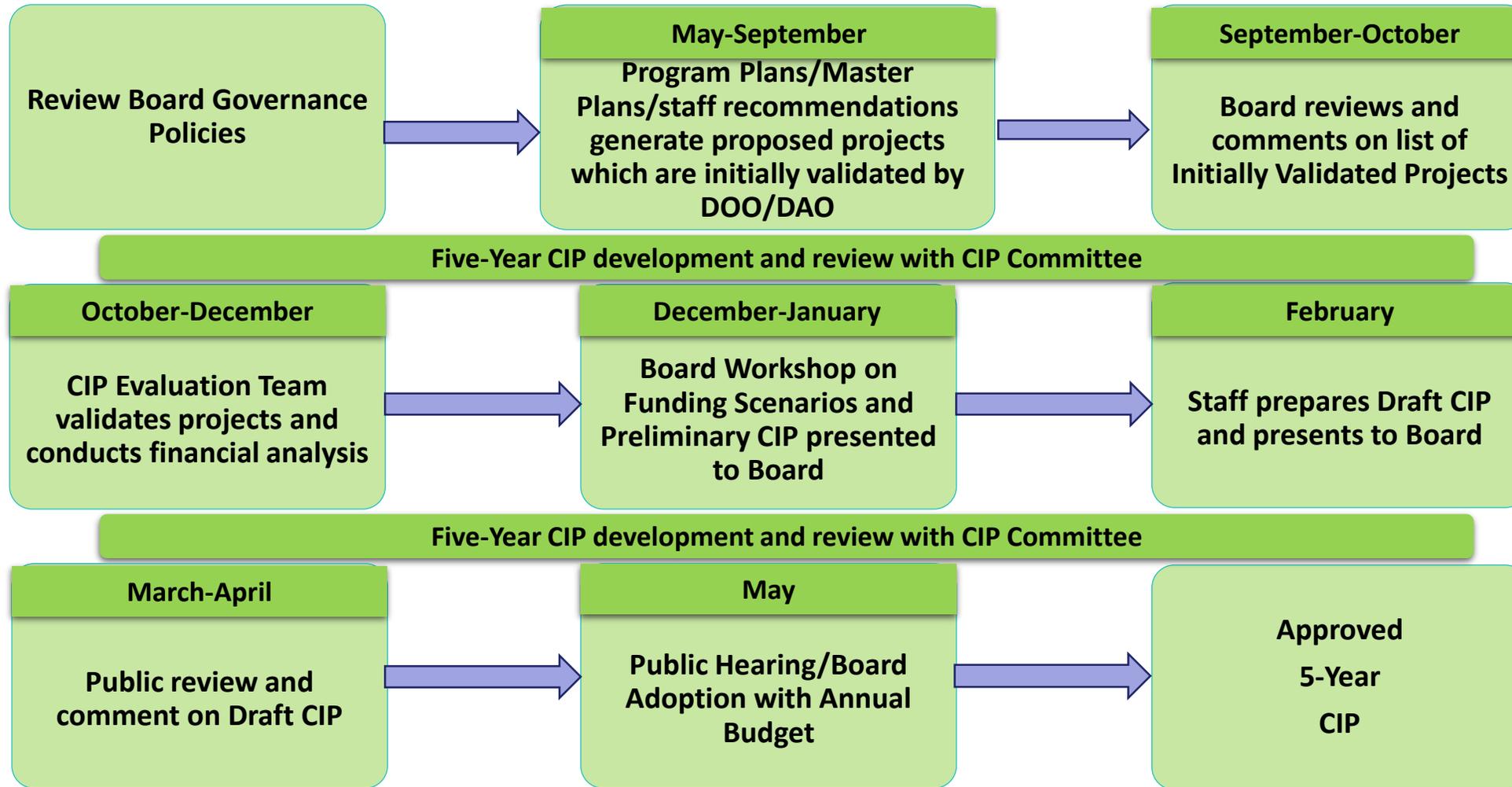
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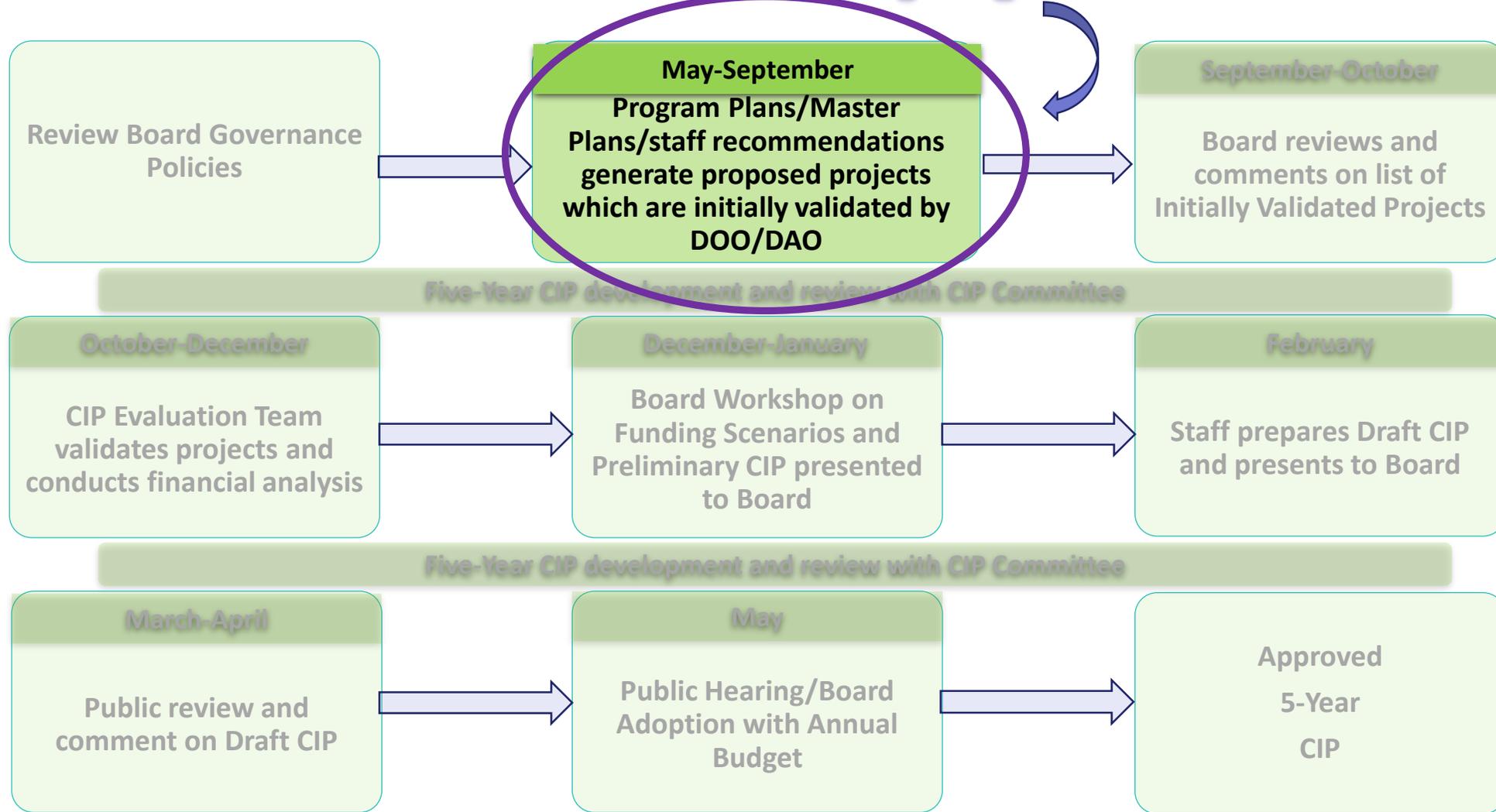
Capital Improvement Program (CIP) Annual Validation Process Overview

Annual CIP Process Overview

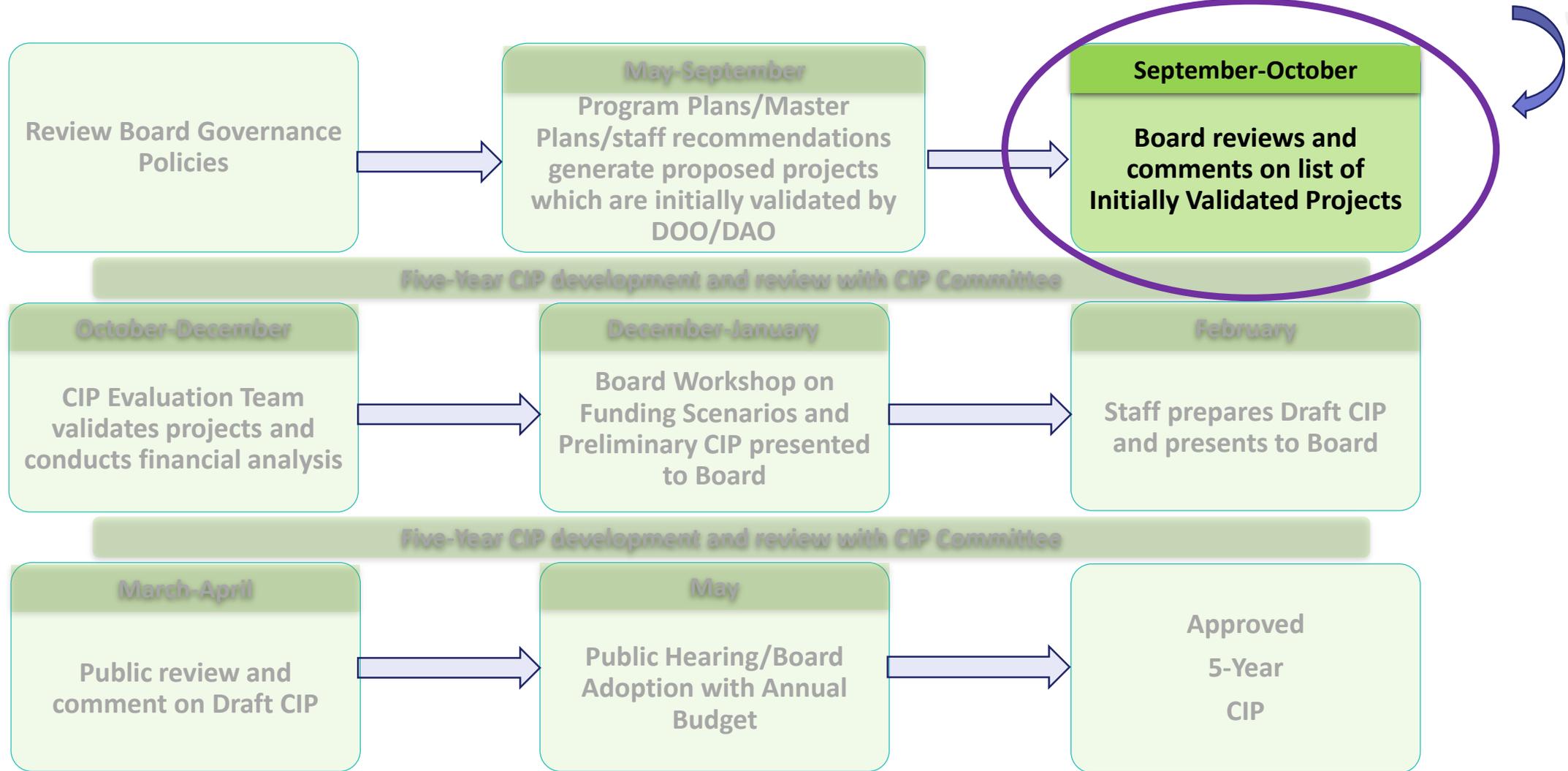
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Annual CIP Process Initial project Validation...

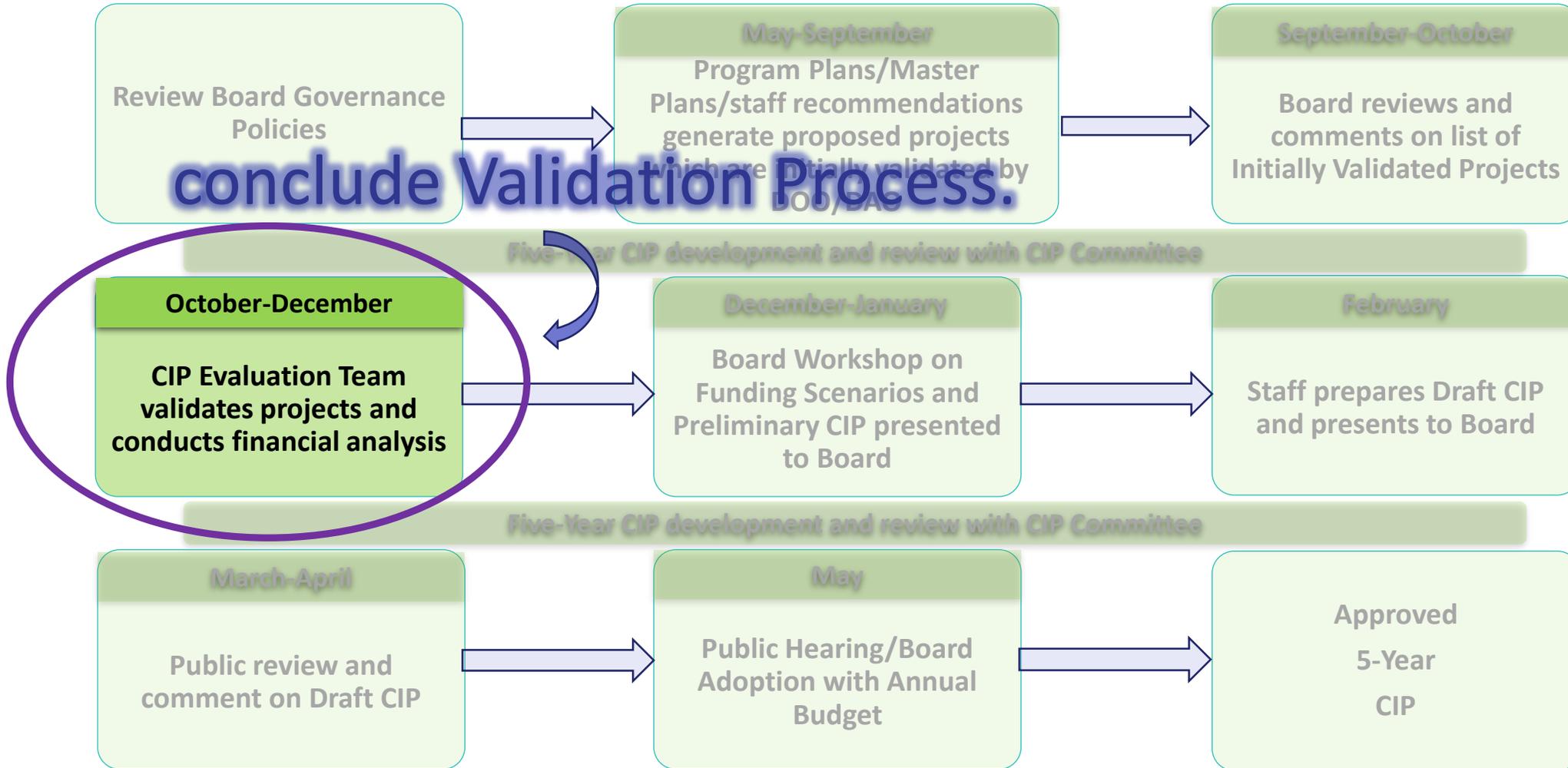


Annual CIP Process Overview..Board comment...



Annual CIP Process Overview

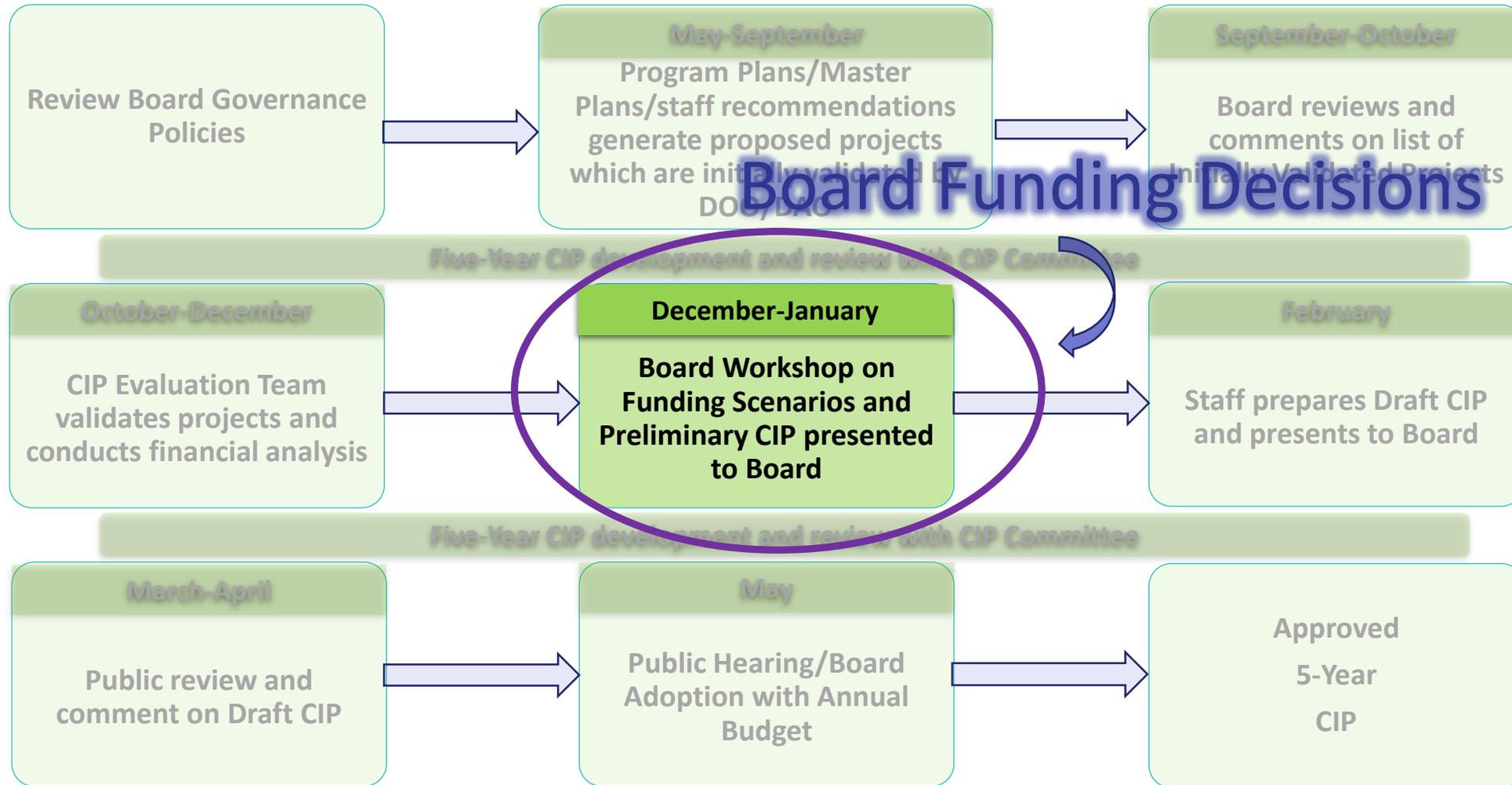
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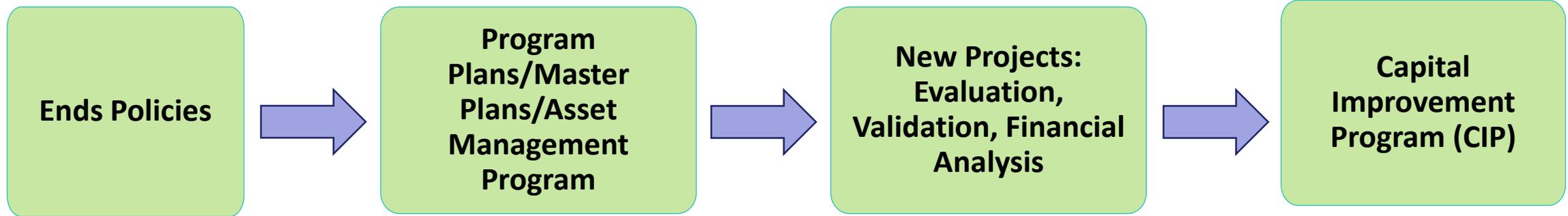
Annual CIP Process Overview

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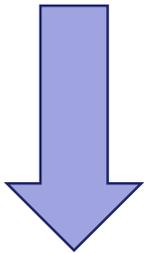
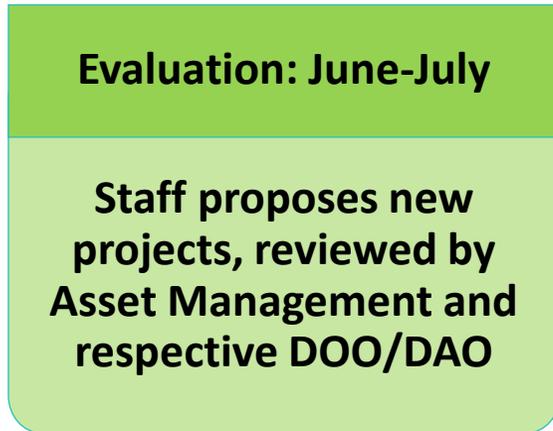
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Drivers for New Capital Projects:



Proposed Project Evaluation

(Operations)



- Staff compares alternative solutions
- Staff evaluates the lifecycle costs of different capital, non-capital, or non-asset based solutions
- Staff identifies a solution with the lowest lifecycle cost

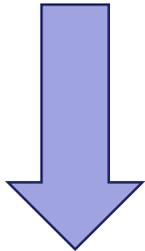
Initial Project Validation Process

(Operations)

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Validation: July-Sept.

Staff validates projects and prepares Business Case Report (approved by respective DOO/DAO)



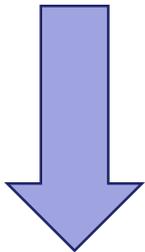
- Purpose of Validation process: to ensure the District invests in the right solutions or projects at the right time for the right costs for the right reasons
- Validation process considers:
 - Project objectives
 - Probability/timing of asset failure
 - Consequence of failure
 - Non-asset solutions
 - Cost effectiveness
- Validation process yields the business case for a capital investment – DOO/DAO approval required

Board comments on Initially Validated Projects and CIP Evaluation Team Begins Validation

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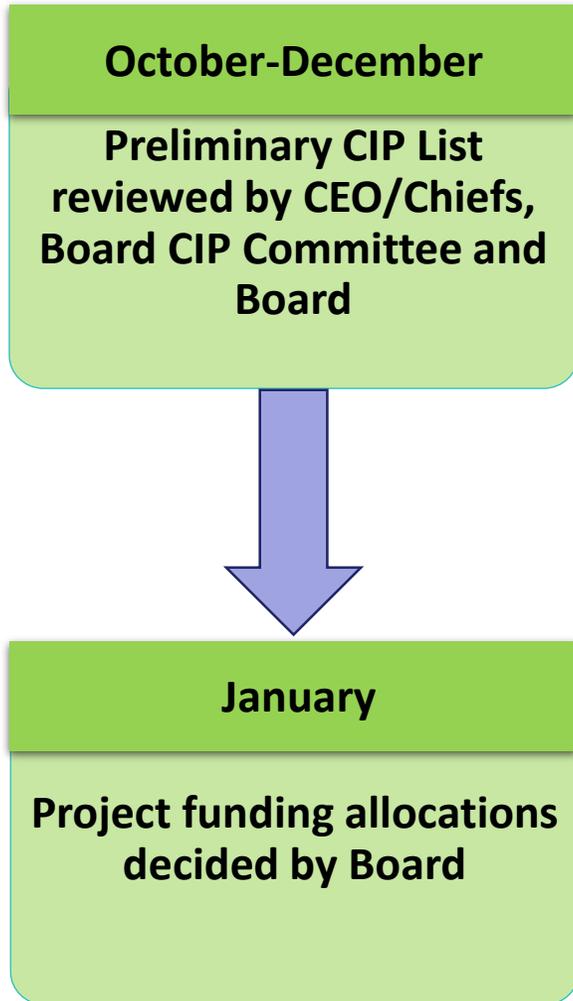
(Capital and Finance)

Sept.-October
Board reviews/comments on Initially Validated Projects and staff refines projects' estimated schedule and cost and prepares financial models



- Financial models prepared based on continuing capital projects and operations targets (Baseline Scenario)
- Financial models reviewed by CIP Evaluation Team (composed of DOOs/DAOs)
- CIP Evaluation Team propose projects to be funded or unfunded in Preliminary CIP List:
 - Board Priorities
 - Asset's remaining lifespan
 - Available funding
 - Urgency of investment

Preliminary CIP List and Funding Allocation



- Preliminary CIP List presented to the CEO/Chiefs
- Board CIP Committee reviews/discusses Preliminary CIP List and recommends presentation to Board in January
- Board Workshop to review funding scenarios and provide direction for incorporation into Preliminary CIP
- Board decision on funding allocation through approval of Preliminary CIP



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