



# MEMORANDUM

FC 14 (02-08-19)

**TO:** Board of Directors  
**FROM:** Director Nai Hsueh  
CIP Committee Chair  
**SUBJECT:** Capital Improvement Program Committee  
(CIP) May 16, 2022 Meeting Summary  
**DATE:** June 14, 2022

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This memorandum summarizes the Capital Improvement Program Committee (CIP) meeting held on May 16, 2022, where discussions occurred on the following items:

1. Approval of Minutes

The Committee considered the minutes of the April 18, 2022, Capital Improvement Program Committee meeting, and unanimously carried by vote to accept the minutes as presented.

2. Receive and Discuss Information Regarding the Status of Capital Projects in the Design and Permitting Phase.

The Committee reviewed progress of projects under the design and permitting phase and noted the following:

- On Line Item No. 1, Mr. Christopher Hakes, Deputy Operating Officer, reviewed statuses on unlined spillways, winterization measures, mechanical adjustable weirs, and permanent facilities on the Anderson Dam Seismic Retrofit Project. In response to Committee inquiries, Mr. Hakes stated that the new requirement on the unlined spillway was a Department of Safety of Dams (DSOD) comment received on the 60% design; that the unlined spillway, as it is now, functions as an energy dissipating device to pass the problem of maximum flood over the unlined spillway; that the criteria to pass the probable maximum flood through spillways of future projects could be required by the DSOD; that other Valley Water (VW) facilities either have longer spillways or have a different unlined spillway configuration than Anderson; that recent analysis of several of VW spillways seemed fine for now; that possible spillway extensions or replacements may have to be done on other VW seismic retrofit projects; and that ongoing discussions are going on with National Marine Fish Services on weir design to control flow.
- On Line Item No. 5, Mr. Hakes reported that for the Guadalupe Dam Seismic Retrofit project, staff is waiting for incorporation of Environmental Impact Report (EIR) comments that would be in line with FAHCE, Anderson Dam Seismic Retrofit project, and anticipated DSOD comments.
- On Line Item No. 16, Mr. Emmanuel Aryee, Acting Deputy Operating Officer, reported that completion of the CEQA final memorandum for the Vasona Pump Station Upgrade Project completion would be moved to December 2022 from April 2022 since the exemption for a Mitigated Negative Declaration did not apply due to the pumping of water to a nearby creek.
- On Line Item No. 18, Mr. Aryee stated that the 30% design status for the Land Rights – South County Conduit ROW Acquisition, is a use of QEMS language on project process, and does not pertain to a 30% redesign of the South County pipeline that was built years ago; that acquiring property rights on plats and land to maintain pipelines are underway; and that four projects would move from design to construction phase, as follows: 10-year Pipeline Inspection & Rehabilitation for Santa Clara Conduit, and for Almaden Valley, Pacheco Pumping Station

Electrical System & Hydraulic Valves, Silicon Valley Advanced Water Purification Center (SVAWPC) Storage and Maintenance Building projects

- On Line Item No. 21, Ms. Bhavani Yerrapotu, Deputy Operating Officer, reported that the last remaining environmental permit is expected to be received for the Palo Alto Flood Basin Tide Gate Structure Replacement project; that Construction Management Services have been validating the constructability of the project; and that seven contractors have been prequalified.
- On Line Item No. 22, Ms. Yerrapotu gave a status summary of four elements of the San Francisquito Creek-Upstream HWY101 project with a discussion of two bridges, a channel widening, top of bank improvement, and flood wall improvement on the project.
- On Line Item No. 23, Ms. Yerrapotu stated that the reapplication for the expired/outdated Sunnyvale East and West project permits could take about a year before construction could start; and that advertisement for the project could happen in the middle of 2023.
- On Line Item No. 26, Ms. Yerrapotu informed the Committee that the permit requirements for the Upper Llagas Creek Phase 2B are still being validated with environmental planning staff.
- On Line Item No. 28, Ms. Yerrapotu reported that bids received are being evaluated for the Watershed Asset Rehabilitation Program, and would be brought to the Board at the May 24, 2022 meeting.
- On Line Item No. 30, Ms. Yerrapotu reported that the SCW Fish Passage Improvements at Bolsa Road would be up for rebid due to a bid form discrepancy. Instead of May 2022, this would go to the Board towards end of June 2022.

The Committee received information without taking formal action.

3. Receive Information on the Initiation of the CIP Process Audit as Part of the 2022-2024 Annual Audit Work Plan.

Mr. George Skiles, Sjoberg Evashenk Partner, reviewed the information contained in Attachment 2 of this item.

In response to Committee inquiries, Mr. Taylor stated that he would seek advice from Legal to understand how committees should receive information on audit results. Mr. George Skiles, Sjoberg Evashenk Consulting Partner, informed the Committee that Board members would each have an opportunity to add their perspectives on the performance audit.

The Committee requested to clarify the application and use of “planning process” and “capital projects” in the Objective statement of the Audit Scoping Document in the P1 phase; consider in the benchmark comparison the uniqueness of Valley Water capital projects that could either be an overall program or individual projects, and cited as examples the Anderson Dam Seismic Retrofit Project that needed 13 regulatory permits, or Upper Llagas Creek P2B project that runs decades long and receives state and federal funding; consider the participation of the CIP Committee in this audit process; integrate recommendations from the 2020 Capital Construction Contract Change Order Management Audit, 2019 Lower Silver Creek Flood Protection Project Consultant Audit, and ongoing Pacheco Reservoir Expansion Project investigation on cost escalation; and accommodate suggestion of Ms. Jessica Collins, Business Planning and Analysis Manager, to consider improvements that are underway to address the audit recommendations through development of the Capital Project Management and Project Controls Program and through its implementation of Projectmates, a new capital project management information system, scheduled for go-live in the fall of this year.

4. Review Information on Change Orders to Anderson Dam Tunnel Project Construction Contract.

The Committee was informed that the format of Attachment 1 of this item would be updated to a more comprehensible format at the next CIP meeting.

The Committee received information without taking formal action.

5. Review 20222 Capital Improvement Program Committee Work Plan.

The Committee received the information on the current work plan.

Board member comments and suggestions can be forwarded to Eva Sans, Assistant Deputy Clerk II, by email to [esans@valleywater.org](mailto:esans@valleywater.org) or phone at (408) 630-2306.