



Santa Clara Valley Water District Board of Directors Meeting

District Headquarters Board Room
5700 Almaden Expressway
San Jose, CA 95118

9:00 A.M. SPECIAL MEETING AGENDA

**Thursday, March 23, 2017
9:00 AM**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

DISTRICT BOARD OF DIRECTORS

John L. Varela, Chair - District 1
Richard Santos, Vice Chair - District 3
Barbara Keegan - District 2
Linda J. LeZotte - District 4
Nai Hsueh - District 5
Tony Estremera - District 6
Gary Kremen - District 7

All public records relating to an open session 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.

NORMA CAMACHO
Interim Chief Executive Officer

MICHELE L. KING, CMC
Clerk of the Board
(408) 265-2600
Fax (408) 266-0271
www.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
Board of Directors
9:00 A.M. SPECIAL MEETING
AGENDA

Thursday, March 23, 2017

9:00 AM

District Headquarters Board Room

1. CALL TO ORDER:

1.1. Roll Call.

1.2. Pledge of Allegiance/National Anthem.

1.3. 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 Board on any matter not on this agenda. Members of the public who wish to address the Board on any item not listed on the agenda should complete a Speaker Card and present it to the Clerk of the Board. The Board Chair will call individuals to the podium in turn. Speakers comments should be limited to three minutes or as set by the Chair. The law does not permit Board action on, or extended discussion of, any item not on the agenda except under special circumstances. If Board 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 Board may take action on any item of business appearing on the posted agenda.

2. TIME CERTAIN:

9:00 AM

2.1. District's Capital Improvement Program Fiscal Year 2016-17 Progress Report for Water Supply and Information Technology Capital Projects.

[17-0077](#)

- Recommendation:
- A. Receive information from staff on the FY2016-17 Capital Improvement Program (CIP) progress reports for key Water Supply and Information Technology Capital Projects; and
 - B. Approve adjustments to the Safe, Clean Water and Natural Flood Protection Program (SCW Program) schedules for two Water Supply projects.

Manager: Katherine Oven, 408-630-3126

Attachments: [Attachment 1: PowerPoint](#)

Est. Staff Time: 1 Hour 15 Minutes

3. ADJOURN:

- 3.1. Clerk Review and Clarification of Board Requests.
- 3.2. Adjourn to Special Meeting at 11:30 a.m., on March 27, 2017, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

File No.: 17-0077

Agenda Date: 3/23/2017
Item No.: 2.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

District's Capital Improvement Program Fiscal Year 2016-17 Progress Report for Water Supply and Information Technology Capital Projects.

RECOMMENDATION:

- A. Receive information from staff on the FY2016-17 Capital Improvement Program (CIP) progress reports for key Water Supply and Information Technology Capital Projects; and
- B. Approve adjustments to the Safe, Clean Water and Natural Flood Protection Program (SCW Program) schedules for two Water Supply projects.

SUMMARY:

The District plans, manages, and implements capital improvements to comply with the Board's Ends Policies and Executive Limitations. Program plans or master plans are developed to achieve the results established by the Ends Policies. These plans then become the basis for staff to develop and propose individual capital projects that become part of the District's Five-Year Capital Improvement Program (CIP).

The FY2017-21 CIP includes a total of 65 capital projects. Of these, 30 are Water Supply projects and 5 are Information Technology (IT) projects. The total value of the CIP is \$4.2B. Water Supply projects contribute \$2.3B, and IT projects contribute \$39M to the total CIP. Table 1 presents, by CIP category, the number of active FY17 projects, the Board-approved FY17 budget, and actual expenditures through December 31, 2016 (FY17-Q2).

**Table 1. FY17 Active CIP Projects, Budgets, and Expenditures
by Category through FY17-Q2**

CIP Category	No. of Active Projects	FY17 Budget (\$ Million)	FY17 Expenditures (\$M) thru 12/31/16 (% expended)
Water Supply	30	\$143.8	\$72.4 (50%)
Flood Protection	19	\$232.0	\$64.1 (28%)

Water Resources Stewardship	8	\$8.5	\$0.6 (7%)
Buildings & Grounds	3	\$ 8.1	\$1.0 (12%)
Information Technology	5	\$ 8.3	\$1.1 (13%)
Total	65	\$400.7	\$139.2 (35%)

Key Capital Projects

Table 2 presents the project delivery phase and FY17 second quarter status of eleven (11) key Water Supply and one IT capital projects' milestones. Staff will discuss these in greater detail in their presentation (Attachment 1) and will present anticipated project accomplishments in the next fiscal year (FY18).

Table 2. FY17-Q2 Status of Water Supply and IT Capital Projects

No.	Key Capital Projects	Project Milestone(s)	Status
Water Supply			
1	Anderson Dam Seismic Retrofit (Design Phase)	1. Complete Contract Amendments for 3 Project Consultants - 12/2016 2/2017 6/2017 2. Identify Modified Project - 12/2016 3. Complete Constructability Analysis - 6/2017 12/2017 4. Complete Phase 3 Geotechnical Investigation - 6/2017 12/2017	1. Adjusted 2. Complete 3. Adjusted 4. Adjusted
2	Calero Dam Seismic Retrofit (Design Phase)	1. Complete Configuration Resolution Memorandum - 12/2016 2/2017 2. Complete Phase 1 Geotechnical Investigation - 1/2017 3. Complete Final Design Criteria Memorandum - 2/2017 5/2017 4. Commence 30% Design Documentation - 6/2017 9/2017	1. Adjusted 2. On target 3. Adjusted 4. Adjusted
3	Guadalupe Dam Seismic Retrofit (Design Phase)	1. Complete Phase 1 Geotechnical Investigation - 12/2017 3/2017 2. Complete Final Design Criteria Memorandum - 4/2017 3. Draft Final 30% Design Documentation - 5/2017	1. Adjusted 2. On target 3. On target
4	Almaden Dam Improvements (Design Phase)	1. Complete Final Geotechnical Report - 9/2016 2. Complete Canal and Dam PSR - 4/2017 3. Complete Consultant Amendment #3 for Design of AC Canal - 6/2017	1. Complete 2. On Target 3. On Target
5	Dam Seismic Stability Evaluation (Planning Phase)	1. Complete geotechnical investigation reports for Chesbro, Uvas, and Coyote Dams - 2/2017 2. Complete geologic investigation report for Coyote Dam - 2/2017 3. Review of reports by DSOD - 6/2017	1. On Target 2. On Target 3. On Target
6	Pipeline Inspection and Rehabilitation (Design Phase)	1. Acquisition of Permits for Pacheco Conduit Inspection/Rehabilitation - 10/2016 4/2017 2. Board award of Pacheco Conduit Inspection/Rehabilitation - 11/2016 8/2017 2. Board award of Cathodic Protection for Pacheco Conduit - 3/2017 6/2017	1. Adjusted 2. Adjusted 3. Adjusted

No.	Key Capital Projects	Project Milestone(s)	Status
Water Supply (continued)			
7	Penitencia Delivery Main/Force Main Seismic Retrofits (Construction Phase)	1. Complete 30% of Construction - 1/2017 2. Complete 60% of Construction - 4/2017 3. Complete Construction and place system back in service - 6/2017	1. On Target 2. On Target 3. On Target
8	Main and Madrone Pipelines Restoration (Construction Phase)	1. Public Hearing for Engineer's Report & Adopt Environmental Document - 3/2017 5/2017 2. Acquire Permits & Advertise for Construction - 5/2017 8/2017	1. Adjusted 2. Adjusted
9	IRP2 PWTP Ops Bldgs Seismic Retrofit (Construction Phase)	1. Complete 30% Construction at PWTP - 12/2016 2. Move staff back into PWTP Control Building - 5/2017 3. Complete Field Construction at PWTP - 6/2017	1. Complete 2. On Target 3. On Target
10	Wolfe Road Recycled Water Pipeline (Construction Phase)	1. Complete 75% of Construction - 12/2016 2. Complete Field Construction - 4/2017 3. Complete As-built markups and submit to CADD - 6/2017	1. Complete 2. On Target 3. On Target
11	RWTP Reliability Improvement (Construction Phase)	1. Manage Phase 2 Construction Activities - 6/2017	1. On Target
Information Technology			
1	PeopleSoft System Upgrade and Expansion (Construction Phase)	1. Vendor Selection - 03/2017 2. Initiate Upgrade - 07/2017 3. Complete Upgrade - 12/2018	1. On Target 2. On Target 3. On Target* *(See Discussion Below)

Water Supply Capital Projects

The primary objectives for most of the current Water Supply capital projects are the retrofit and rehabilitation of the District's existing water supply infrastructure-dams, pipelines, pump stations, and water treatment facilities. In addition, several projects focus on the expansion of recycled water facilities. In the first half of FY 2017, 23 of the 30 Water Supply Projects in the CIP were active, four (4) are small capital projects, five (5) are in planning, five (5) are in design, seven (7) are in construction, and two (2) are in the process of being closed out.

Of the eleven (11) Water Supply projects listed in Table 2, one is in the planning phase, six (6) are in design, and four (4) are under construction.

Construction Contracts. Through FY17-Q2, one (1) Water Supply project construction contract was awarded by the Board, with a value of \$594K.

Consultant Agreements. No new consultant agreements or amendments to agreements were presented to the Board for consideration and award through FY17-Q2.

Information Technology (IT) Capital Projects

The primary objective of the IT projects in the CIP is to provide the software systems and technology the District needs to manage its core business. A new budget tool was successfully implemented in FY17-Q2 and is being used for the FY18 budget cycle. Of the five (5) projects in the CIP two (2) are in the planning stage and three (3) are being implemented.

The PeopleSoft System Upgrade and Expansion has been an interdepartmental project and will impact every administrative operation in the District. The District is currently in the final phase of contract negotiations with the top-rated vendor. However, depending on the final status of negotiations currently taking place, the proposed contract for implementing this project could significantly exceed the established 2016 budget allocations. Based on the outcome of these negotiations as well as other considerations regarding the benefits of re-scoping this upgrade project entirely, the implementation of the District's PeopleSoft system may not occur as outlined in this proposed CIP.

Construction Contracts. No construction contracts were awarded by the Board through FY17-Q2.

Consultant Agreements. The Board awarded three (3) consultant agreements through FY17-Q2 for IT capital projects, for a total encumbrance of \$880K.

Adjustments to Safe Clean Water Program Project Schedules for Water Supply Projects

Capital project schedules change due to various factors including additional time for evaluation, time to work with external stakeholders on design concepts, changed site conditions, limited annual funding allocations from the federal budget on federal projects, and time for regulatory agencies to review and process construction permit applications.

To keep the Board informed and to request Board approval of SCW Program schedule adjustments to Program-identified completion dates, staff includes SCW Program schedule adjustments in the annual progress report for capital projects.

As referenced in the staff presentation (Attachment 1), there are adjustments to project schedule completion dates for two Water Supply projects funded by the SCW Program. As required by the SCW Program change control process, staff is requesting Board approval of these adjustments for the following projects:

Pipeline Reliability (A3 - Ensure a Safe, Reliable Water Supply):

The IRP2 Additional Line Valve project will install four new line valves in the East, West, and Snell pipelines. The original project schedule reflected an estimated start date of FY25 and completion date of FY27. In reviewing the FY15 SCW Annual Report, the Independent Monitoring Committee recommended advancing the project schedule. Staff has evaluated the funding impacts and staff resource availability for initiating this project earlier, and, as part of the January 10, 2017 presentation of the Preliminary FY2018-2022 CIP to the Board, informed the Board that this project work will be incorporated into the District's 10-Year Pipeline Inspection and Rehabilitation Program. The planning phase for this project is anticipated to begin in FY19. Staff is currently estimating that construction will be completed by FY25. Staff's recommendation is to adjust the SCW A3 project schedule to begin in FY19 and be completed by FY25.

Anderson Dam Seismic Retrofit (C1 - Protect our Water Supply from Earthquakes and Natural Disasters):

The original SCW Program schedule, as included in the SCW Program Report, referenced the project's baseline delivery schedule. The Key Performance Indicator (KPI) for this project is the transfer of up to \$45M (2012 dollars) of

SCW Program funding to partially reimburse the Water Utility for the seismic retrofit project costs. Thus, the funding schedule is what should be referenced in the Program to indicate progress toward completing the KPI. The original fund transfer was to occur in two years - FY18 and FY28. The first fund transfer was completed in FY16. The second and final transfer is still scheduled for FY28. Staff recommends adjusting the SCW C1 schedule to reflect the FY16 actual and FY28 planned fund transfers rather than the project delivery schedule.

FINANCIAL IMPACT:

The recommended action has no financial impact.

CEQA:

The recommended action does not constitute a project under California Environmental Quality Act (CEQA) because it does not have a potential for resulting in a direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:

Katherine Oven, 408-630-3126

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Water Supply and IT Capital Improvement Program FY 2016-17 Mid-Year Progress Report

SCVWD Board of Directors
March 23, 2016

Water Supply Key Capital Projects

FY2016-17 Mid-Year Report

1. Anderson Dam Seismic Retrofit

Total Estimated Cost: \$400 million



Spillway Outlet pipe Dam embankment Crest of dam



Mid-Year Progress Report:

- Modified project presented to Board – Dec. 2016
- Public meeting – March 2017
- 30% design to be completed – June 2017
- Staff initiating meetings with regulatory agencies on permitting issues
- CEQA studies/assessments moving forward

FY18 Outlook: 60% design and draft CEQA document



Water Supply Key Capital Projects FY2016-17 Mid-Year Report

2. Calero Dam Seismic Retrofit

Total Estimated Cost: \$80 million



Mid-Year Progress Report:

- Design phase work underway
 - Downstream embankment
 - New intake and outlet tunnel
 - Spillway modifications
 - Breaching of Fellows Dike
- Phase 1 geotechnical investigations completed
- Basis of Design Technical Memoranda – June 2017

FY18 Outlook: 30%-60% design; CEQA document preparation.

Water Supply Key Capital Projects FY2016-17 Mid-Year Report

3. Guadalupe Dam Seismic Retrofit

Total Estimated Cost: \$65 million



Mid-Year Progress Report:

- Design phase work underway
 - Downstream embankment
 - New intake and outlet tunnel
 - Spillway weir modifications
 - New bridge over spillway from Hicks Rd
- Phase 1 geotechnical investigations completed
- Basis of Design Technical Memoranda – October 2017

FY18 Outlook: 30%-60% design; CEQA document preparation



Water Supply Key Capital Projects FY2016-17 Mid-Year Report

4. Almaden Dam Improvements

Total Estimated Cost: \$60M



Mid-Year Progress Report:

- Almaden-Calero Canal
 - Planning Study Report – April 2017
 - Initiate design work – June 2017
- Almaden Dam Improvements
 - Phase II Geotechnical Investigations completed
 - Spillway Physical Model Testing – May 2017
 - Spillway modifications and new outlet works design underway

FY18 Outlook: 30% design

Water Supply Key Capital Projects FY2016-17 Mid-Year Report

5. Dam Seismic Stability Evaluation

Total Estimated Cost: \$18.8M



Mid-Year Progress Report:

- Coyote, Chesbro, and Uvas Dams under evaluation
- Phase 1 Geotechnical Reports (3) completed
- Phase 1 Geologic Report (Coyote only) completed
- DSOD Report Review (June 2017)
- Project work to be completed – 2020

FY18 Outlook: Complete Phase 2 geotechnical investigations and site characterization

Water Supply Key Capital Projects FY2016-17 Mid-Year Report

6. Pipeline Inspection and Rehabilitation

Total Estimated Cost: \$100M



Mid-Year Progress Report:

- Permit acquisition for Pacheco Conduit Inspection/Rehabilitation – April 2017
- Award of Cathodic Protection work for Pacheco Conduit – June 2017

FY18 Outlook: Pacheco Conduit Inspection/Rehabilitation; Almaden Valley Pipeline Inspection/Rehabilitation



Water Supply Key Capital Projects FY2016-17 Mid-Year Report

7. Penitencia Delivery Main/Force Main Seismic Retrofits

Total Estimated Cost: \$34.4M

Mid-Year Progress Report:

- 30% pipeline installation complete
- Field construction completed – June 2017
- Construction close-out – Nov. 2017
- Project close-out – April 2018



Water Supply Key Capital Projects FY2016-17 Mid-Year Report

8. Main and Madrone Pipelines Restoration

Total Estimated Cost: \$15.7M



Mid-Year Progress Report:

- Draft MND Released for public review – April 2017
- Public Hearing: Engineer's Report and Final MND – May 2017
- Board award of Consultant Management Agreement – May 2017
- Advertise/Award of Construction – Summer 2017

FY18 Outlook: Complete field construction



Water Supply Key Capital Projects FY2016-17 Mid-Year Report

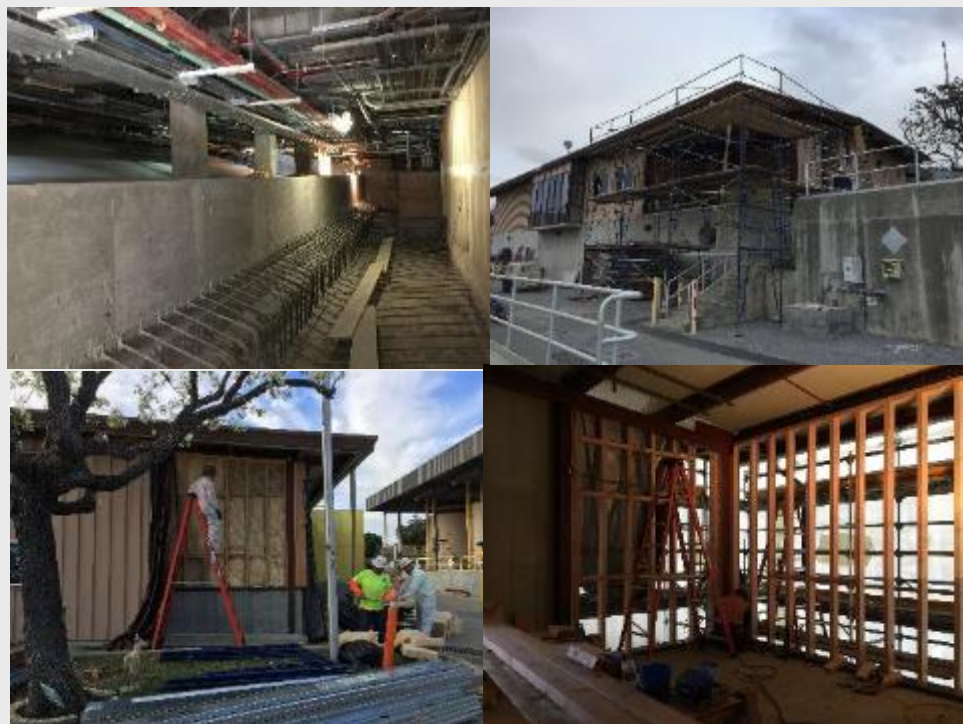
9. IRP2 WTP Ops Bldgs Seismic Retrofit

Total Estimated Cost: \$22M

Mid-Year Progress Report:

- Penitencia WTP shut down in October 2016
- Operations Bldg retrofit underway
- Construction completion – May 2017
- Staff returns to Operations Bldg – June 2017

FY18 Outlook: Project Close-Out



Water Supply Key Capital Projects FY2016-17 Mid-Year Report

10. Wolfe Road Recycled Water Pipeline

Total Estimated Cost: \$15M



Mid-Year Progress Report:

- 13,300 Linear feet of 24 inch pipe installed – Dec. 2016
- Pump station construction underway
- System operations testing with Apple – May 2017

FY18 Outlook: Project Close-Out

Water Supply Key Capital Projects FY2016-17 Mid-Year Report

11. RWTP Reliability Improvement

Total Estimated Construction

Contract Cost: \$200M



Mid-Year Progress Report:

- 55% of Phase 2 structures complete – Dec 2016
- 6 planned shutdowns completed successfully – Dec 2016
- 1,100 Submittals/740 RFIs received through Dec 2016

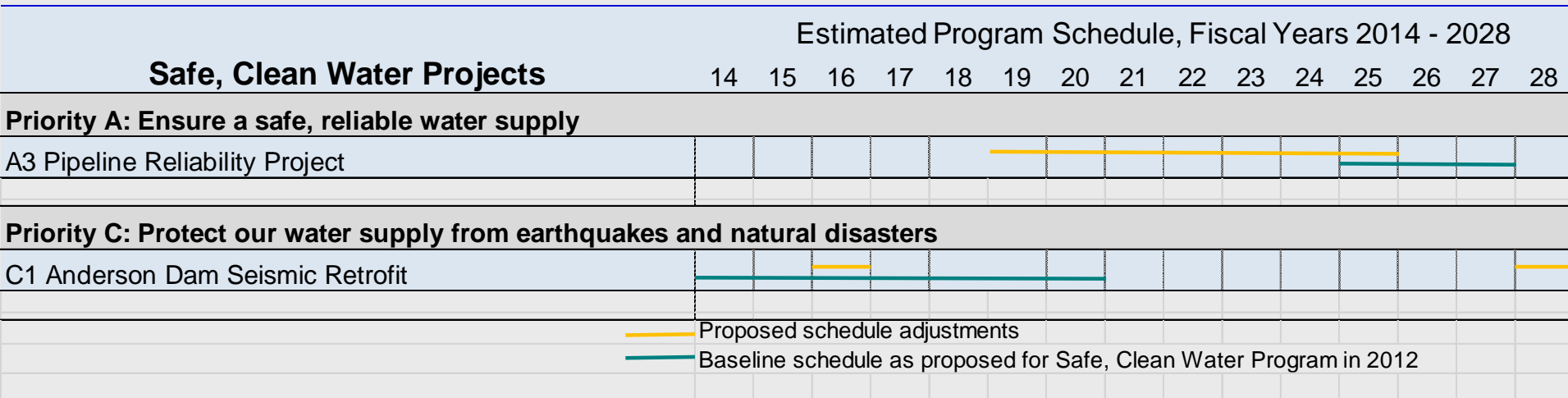
FY18 Outlook: Completion of Phase 2 and initiation of Phase 3 construction



Water Supply Key Capital Projects

FY2016-17 Mid-Year Report

SCW Program Schedule Adjustments



IT Key Capital Project FY2016-17 Mid-Year Report

1. PeopleSoft System Upgrade and Expansion

Total Estimated Cost: \$16.3M



Mid-Year Progress Report:

- Vendor selection – March 2017
- Initiate upgrade – July 2017
- Complete upgrade – Dec. 2018

