



Development of Preliminary FISCAL YEAR 2024-2028 (FY 24-28)

# Capital Improvement Program (CIP) Annual Process Overview

Presented at the Board of Directors regular meeting on November 8, 2022, by:  
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Office of Integrated Water Management

# Presentation Outline

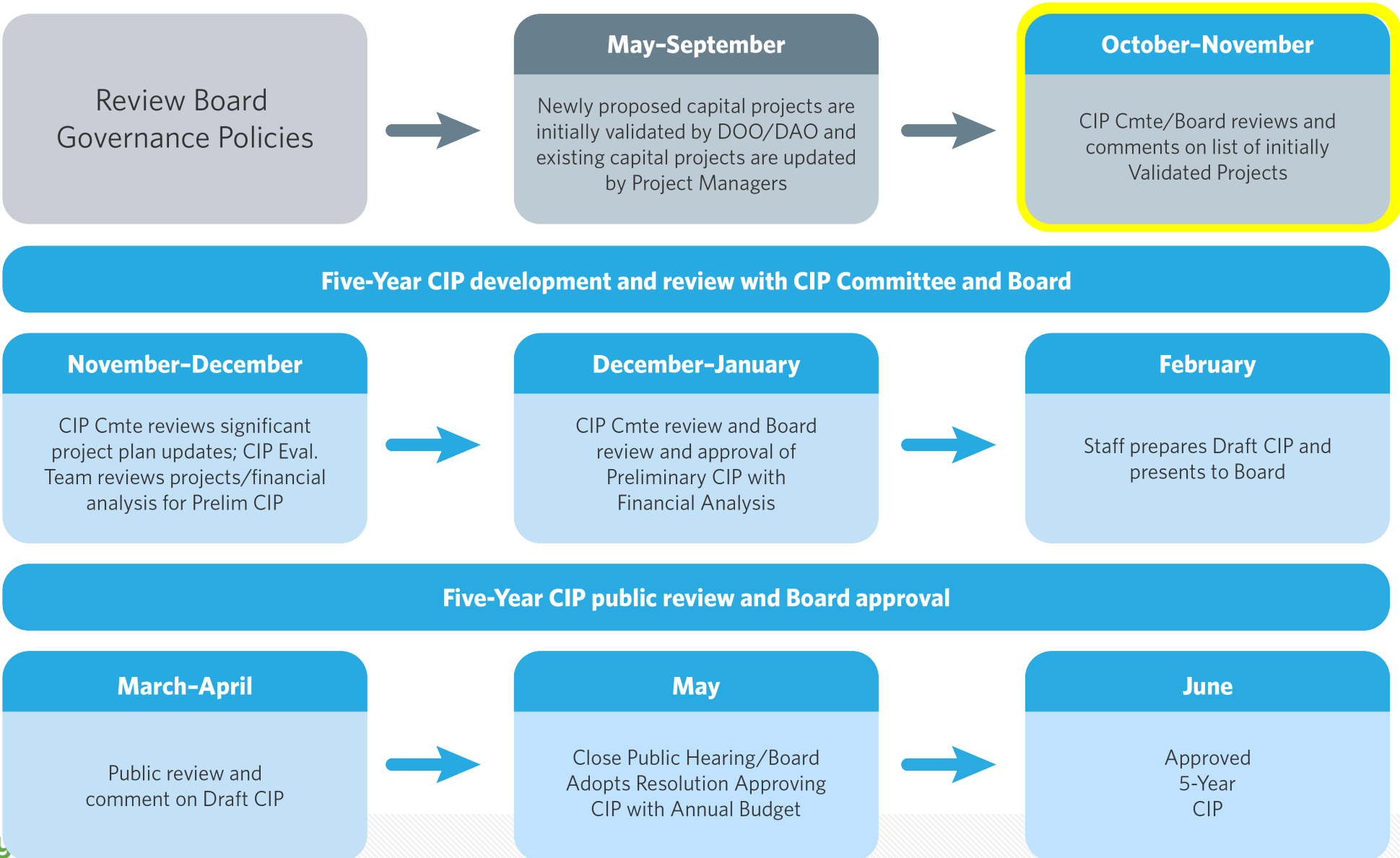
## Development of Preliminary FY 2024-28 CIP

- 1. Annual CIP Process**
- 2. Integrated Financial Planning Schedule**
- 3. Unfunded Project List**
  - a. FY 2022-23 Initially Validated Projects
  - b. FY 2023-27 CIP Unfunded Projects
- 4. Next Steps**





# Annual CIP Process Overview



# Integrated Financial Planning Schedule

## VALLEY WATER FINANCIAL PLANNING SCHEDULE

FY 2023-24

Ref	Brd Cmte Date	Brd Mtg Date	Milestone
1	9/1/22		Inflation/Recession Discussion w/Confirmation of Board Priorities for Funding Sequencing of Capital Projects
2		9/27/22	Inflation/Recession Discussion w/Confirmation of Board Priorities for Funding Sequencing of Capital Projects
3	10/17/22 CIP		Overview of Annual CIP Process and Integrated Financial Planning Calendar & Review list of Newly Validated, Unfunded Capital Projects
4		11/8/22	Overview of Annual CIP Process and Integrated Financial Planning Calendar & Review list of Newly Validated, Unfunded Capital Projects
5	11/14/22 CIP		CIP Committee Presentation on Significant Project Plan Updates
6		11/22/22	Water Rate Planning Overview
7	11/17/22 FSWG		Long-Term (25-year) Financial Planning Review with Financial Sustainability Working Group (WSS, SCW & WUE)
8	12/12/22 CIP		CIP Committee Presentation: Preliminary CIP funding discussion w/ financial modeling & major changes vs FY 23-27 adopted CIP Board Workshop prior to presentation of Prelim CIP
9		12/13/22	Budget Process Planning Overview
10		1/3-1/6/23	TENTATIVE Special Brd Mtg: Multi-day Workshop on CIP Funding Scenarios based upon significant changes to prior CIP (Review scenarios and CIP Committee Recommendations)
11		1/10/23	E. Baker to present 5-Year WS and WU O&M Plans to Board (for information only) Watersheds prelim 10 year financial analysis (show prelim WSS and SCW fund graphs and discuss funding issues) Prelim Water Rate Analysis to Board (Prelim water rate scenarios) Prelim CIP to Board (Approve Project List and Prelim CIP)
12		1/24/23	1st pass budget update
13		2/21/22	Draft CIP to Board (Authorize to distribute for public review)
14		3/14/23	2nd pass budget update
15		4/11/23	GW charge public hearings begin
16		4/11/23	CIP Public hearing begin (or this could happen on 4/25)
17		4/13/23	GW charge public hearing in South County (Morgan Hill)
18		4/25/23	GW charge public hearings close
19		4/26/23	Budget Workstudy session
20		5/9/23	Board adoption of Water Rates, CIP, Budget, Investment and Debt Resolutions (w/Final CIP and Budget Reports completed by 6/30/2023)
21		6/30/23	FY24 rate notifications: website and mailers (retailers and all customers)

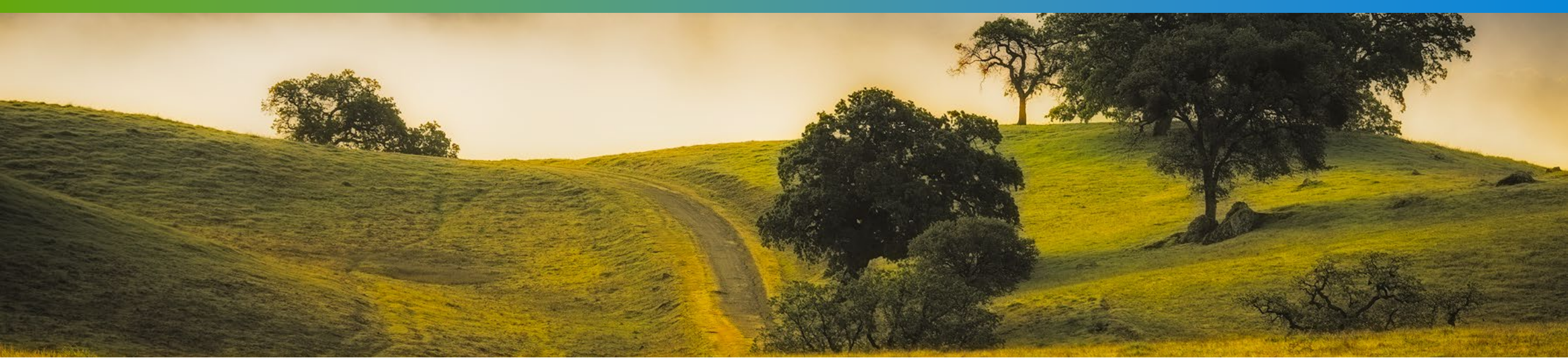
Budget  
 Water Rates  
 CIP

SCW/WS O&M  
 All Other/Combined

# Initially Validated and Currently Unfunded Projects

Project Name	Total Project Cost (In \$ thousands)	Remaining Cost (FY24 to completion) (In \$ thousands)	Phase	Notes
<b>FY24 Validated Projects (as of 09/30/2022, Validation due date)</b>				
South Babb Flood Protection Project (Long Term project)	\$21.60M	\$21.60M	N/A	Initially recommended in FY23, staff revised cost estimates for FY24 re-Validation.
<b>Proposed Unfunded Project List for FY24-28 CIP</b>				
Long-Term Purified Water Program Elements	\$206.14M	\$206.14M	N/A	Recommended to <b>REMAIN</b> on the unfunded list - for Phase 2 Purified Water Program.
RWTP Ammonia Storage & Metering Facility Upgrade	\$6.2M	\$6.2M	N/A	Recommended to <b>REMAIN</b> on the unfunded list as the project is being analyzed to determine whether it would be appropriate to include in the RWTP Reliability Improvement Project. Business Case/Project Proposal was developed in 2019.
<b>Total:</b>	<b>\$212.34</b>	<b>\$212.34</b>	<b>N/A</b>	





# Development of Preliminary FY 24-28 CIP

## NEXT STEPS

1. November 2022 – CIP Committee reviews Significant Project Plan Updates;
2. December 2022 – CIP Committee reviews Preliminary CIP (including Funding Filters for Prioritization Matrix and Funding Scenarios); and
3. January 2023 – Board reviews and provides direction regarding Preliminary CIP (including Funding Filters for Prioritization Matrix and Funding Scenarios).



# Valley Water

Clean Water • Healthy Environment • Flood Protection

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