



## 4.3 Board Committee Report

### MEMORANDUM

FC 14 (01-02-07)

**TO:** Board of Directors

**FROM:** Capital Improvement  
Program Committee

**SUBJECT:** Summary of Recent CIP Committee Meetings  
March – May 2017

**DATE:** May 23, 2017

The following is a summary of the April 10 and May 8, 2017 Capital Improvement Program Committee meetings, which brings the Board up-to-date on Committee work since the Committee's last report to the Board on March 28, 2017.

#### **Rock Springs Flood Risk Reduction Study and Mid-Coyote Creek Project:**

The Committee received staff reports on the status and proposed changes to the two projects, summarized below, on April 10, 2017.

1. The Rock Spring Feasibility Study is on schedule to be completed in December 2017;
2. The Mid-Coyote Creek Project is proposed to be modified to: (i) change the target protection from 1%, or 100-year level flood event, to protection from a flood event equivalent to the February 21, 2017 flood (approximately a 20 to 25-year event) and (ii) extend the upstream limit from Hwy 280 to Tully Road to include the Rock Springs neighborhood.

The Committee supported staff's recommendations, and requested staff to agendize for full Board's consideration the modification of the Mid-Coyote Creek Project per the change management process of the District's Safe Clean Water Program.

#### **Funding Challenges of Watershed Capital Projects:**

Per Committee's Work Plan and earlier directions, staff presented analyses of funding challenges for District's Watershed Capital Projects, including flood protection projects and stewardship capital projects. Fund 26 (Safe Clean Water Special Tax) and Fund 12 (property tax) are the funding sources for Watershed Capital Projects.

#### **Funding Challenge**

The projected capital costs to complete the validated watershed projects exceed the projected future capital reserves.

#### **Next Step**

The Committee requested staff to bring additional analyses of feasible funding sources to its June 12 meeting for continued discussion. The Committee encouraged staff to be innovative and not be constrained by traditional funding mechanisms. The Committee plans to bring a decision-making process of funding as many watershed capital projects as feasible for the Board's discussion and consideration.

#### **Owner Controlled Insurance Programs**

At the request of staff, the Committee received information on Owner Controlled Insurance Programs (OCIPs). This information was provided by staff for the Committee's consideration of cost-saving benefits if a design-build alternative for the Expedited Recycled Water Program is considered by the Board in the future. The Committee received the information and requested that staff continue to identify and analyze the pros & cons associated with OCIPs, and bring discussion back when opportunities arise to consider recommendations on alternatives for specific projects.

Board member comments and suggestions can be forwarded to Ms. Michelle Meredith, Deputy Clerk of the Board, at (408) 630-2557 or by email to [mmeredith@valleywater.org](mailto:mmeredith@valleywater.org).

Thank you.

*Nai Hsueh*

Director, District 5 and CIP Ad Hoc Chairperson