

TO: Board of Directors

FROM: Capital Improvement
Program Committee

SUBJECT: 08/14/17 CIP Committee Meeting Summary

DATE: August 22, 2017

This memorandum summarizes the Capital Improvement Program Committee (Committee) meeting on August 14, 2017, where the following workplan items were discussed:

A. Status of Key Projects and Issues Related to FY 2018-22 CIP

The Committee reviewed the status of the following key projects and provided feedback to staff for projects with issues:

1. Monitoring and Mitigation Obligations for Completed Capital Projects

Issue: Two of the 19 active mitigation sites, Adobe Creek Reaches 1-4 and Calabazas Creek, failed to meet their required success criteria. Staff has negotiated remedial measures with the resource agencies and will start implementing the measures in fall 2017.

2. Watershed-Wide Regulatory Permitting Strategy

Issue: COE 404 permit for Upper Llagas Project, the last regulatory permit needed for construction, is dependent upon acquisition of Lake Silveira from Santa Clara County. The negotiation is currently intertwined with another negotiation between the District and the County, i.e. the Master Reservoir Lease.

Action: The Committee suggested that Chair Varela discuss the issue with Supervisor Wasserman.

3. Rinconada Water Treatment Plant Residuals Management Project

Issue: Short-term remediation work at the plant to stabilize the performance of the residuals management process is in progress. Additionally, a two-phased capital project to remedy the deficiencies long-term is being developed.

Action: The Committee directed staff to diligently sort through issues related to responsibility and accountability related to the performance issue and associated costs incurred by the District related to the inadequate residual management process.

4. Campus Projects Including Winfield Warehouse, Space Study, HQ Operations Building

Issue: None

5. Anderson, Almaden, Calero and Guadalupe Dam Retrofit Projects

Issue: None

6. Watershed Habitat Enhancements

Issue: City of San Jose currently does not have a schedule to complete design and construction of the Singleton Road Bridge Fish Passage Improvement Project due to lack of staff resources and funding.

B. Upcoming Consultant Agreements and Amendments

The Committee reviewed three proposed amendments. All three amendments are scheduled for Board Action on August 22, 2017.

1. RWTP Reliability Improvement Project--Agreements w/CDM Smith for Engineering Support During Construction, and w/HDR Inc. for Construction Management

Two reasons drive the need for amending both agreements.

Issue: First, extend the current contract duration to the end of construction phase. This is consistent with Board's actions when the two agreements were approved in 2014 and 2015.

Action: The Committee concurred.

Issue: Second, one-year delay of construction completion. This delay requires more time and staff resources by the two consultants, particularly the construction management consultant HDR.

Action: The Committee recognized the need for amending the agreements, but reinforced the Board's continued concern regarding project responsibility and accountability, and specifically for these two amendments, the additional costs directly related to the one-year delay. The Committee directed staff to sort through the issue.

2. Coyote Warehouse Project--Agreement with Siegfried for engineering services during construction

Issue: This amendment is consistent with District practices of amending design agreements to add engineering support services when Projects are under construction.

Action: The Committee concurred.

Board member comments and suggestions can be forwarded to Ms. Michelle Meredith, Deputy Clerk of the Board, at [\(408\) 630-2557](tel:4086302557) or by email to mmeredith@valleywater.org.

Thank you.

Nai Hsueh

Director, District 5 and CIP Ad Hoc Chairperson