



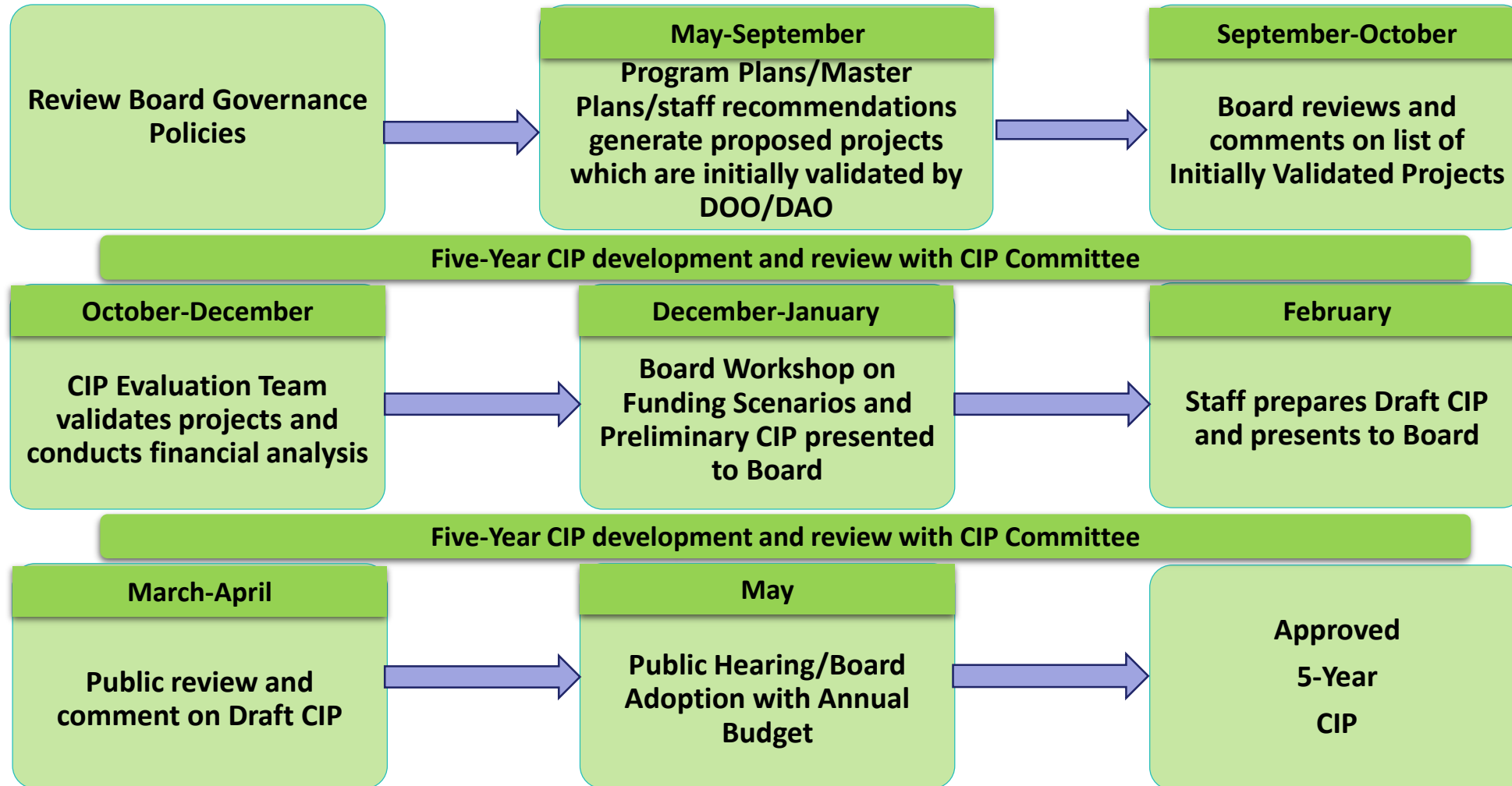
Valley Water

Clean Water • Healthy Environment • Flood Protection

Capital Improvement Program (CIP) Annual Validation Process Overview

Annual CIP Process Overview

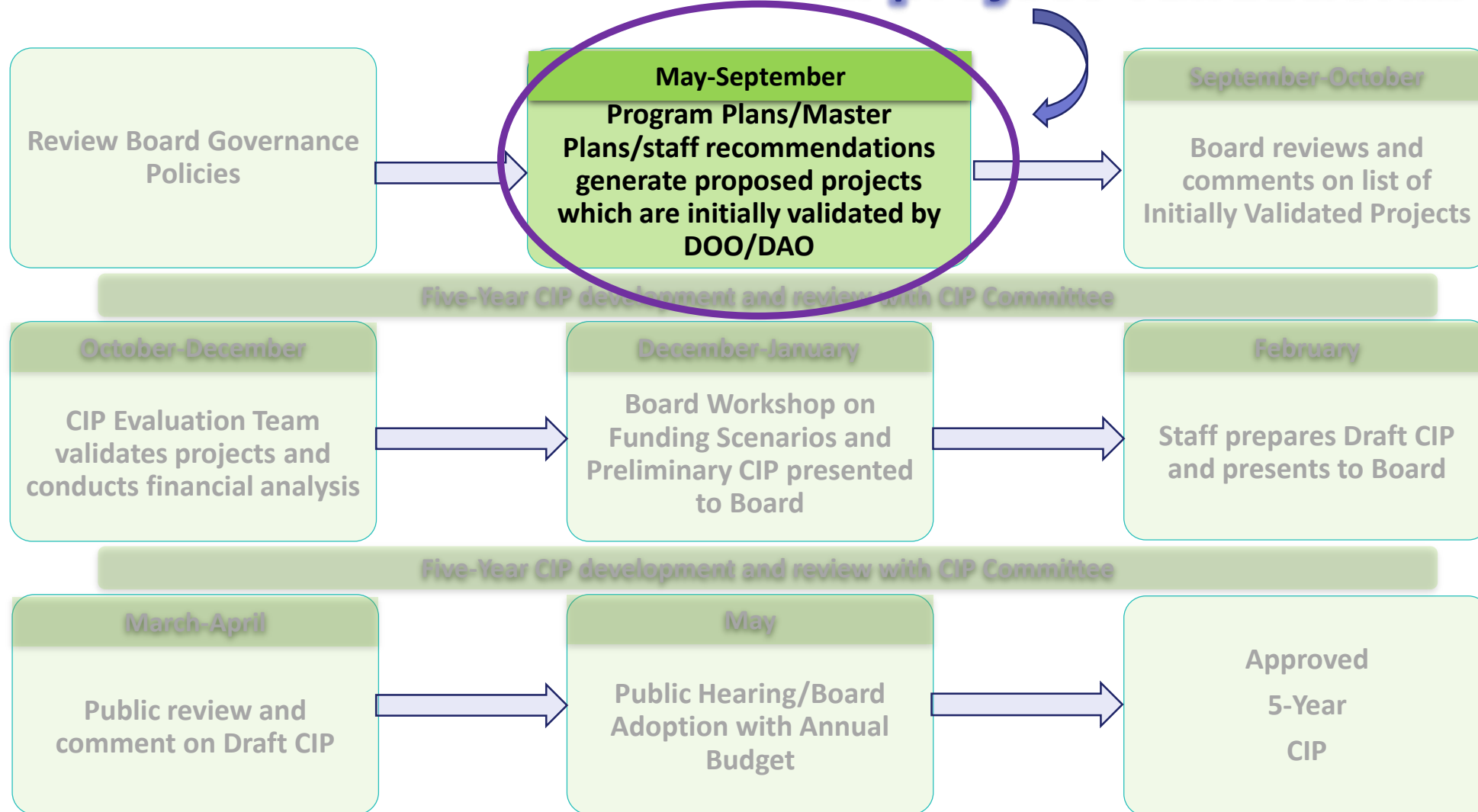
3



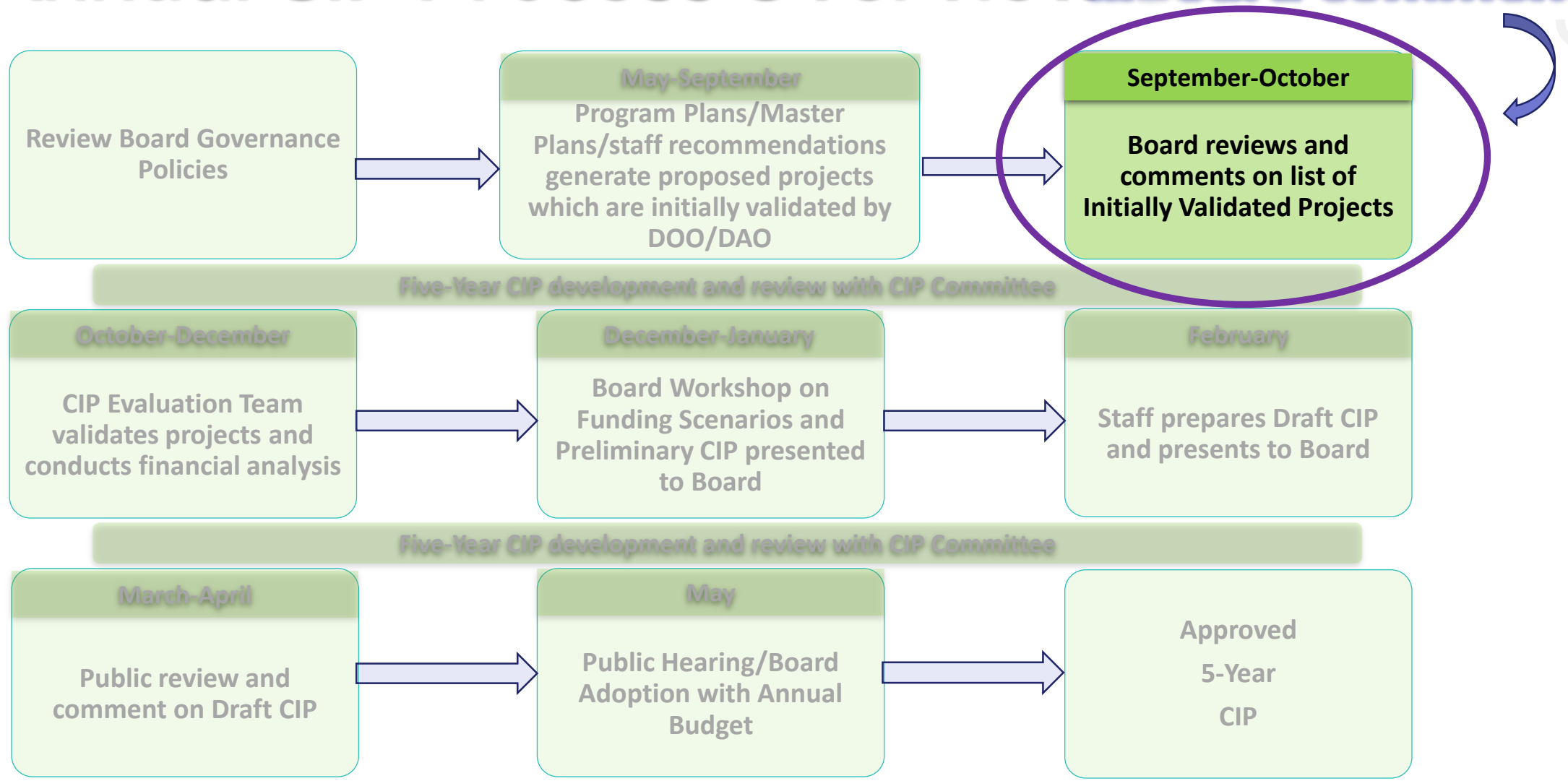
Annual CIP Process

Initial project Validation...

4

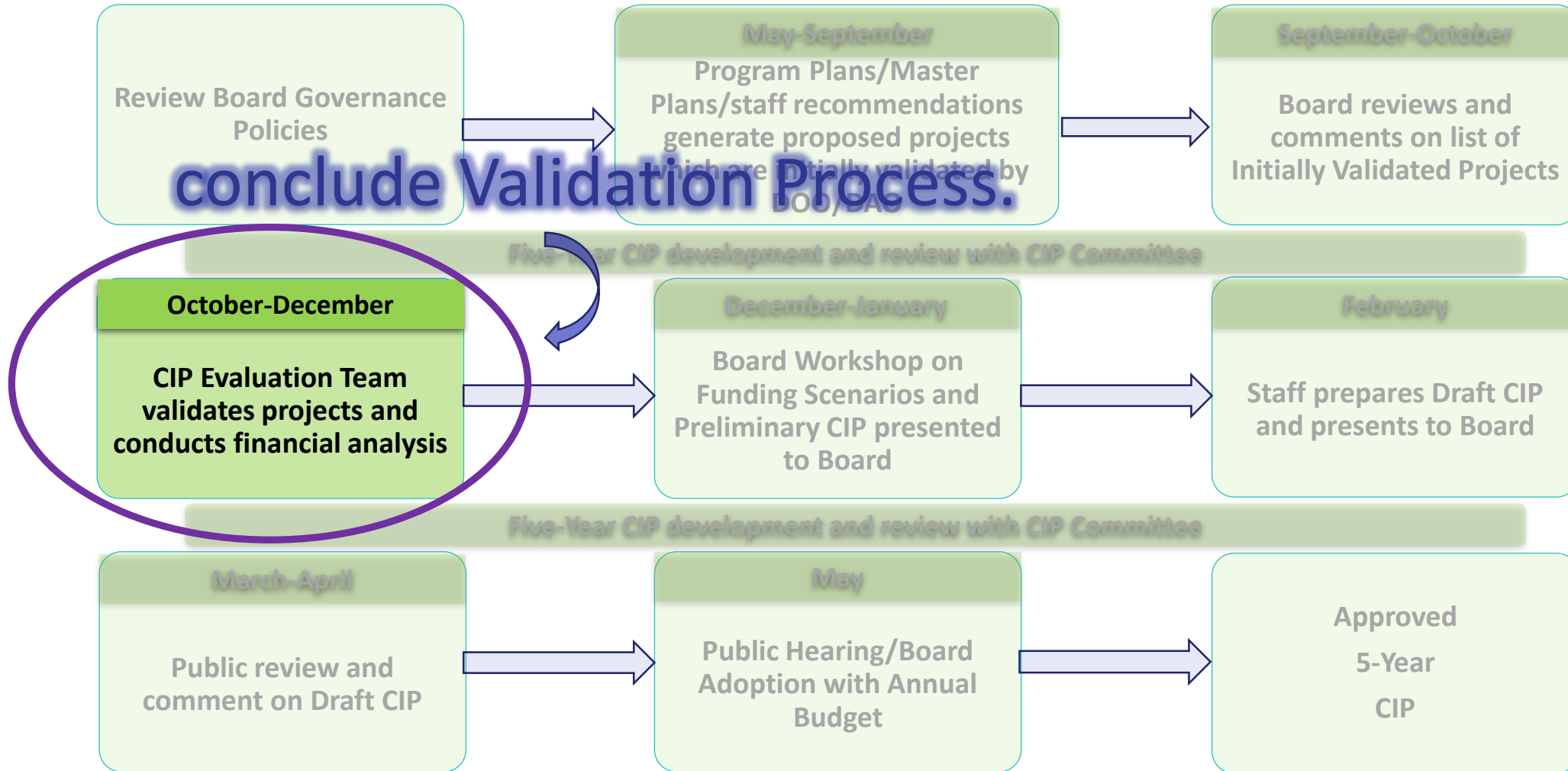


Annual CIP Process Overview...Board comment...



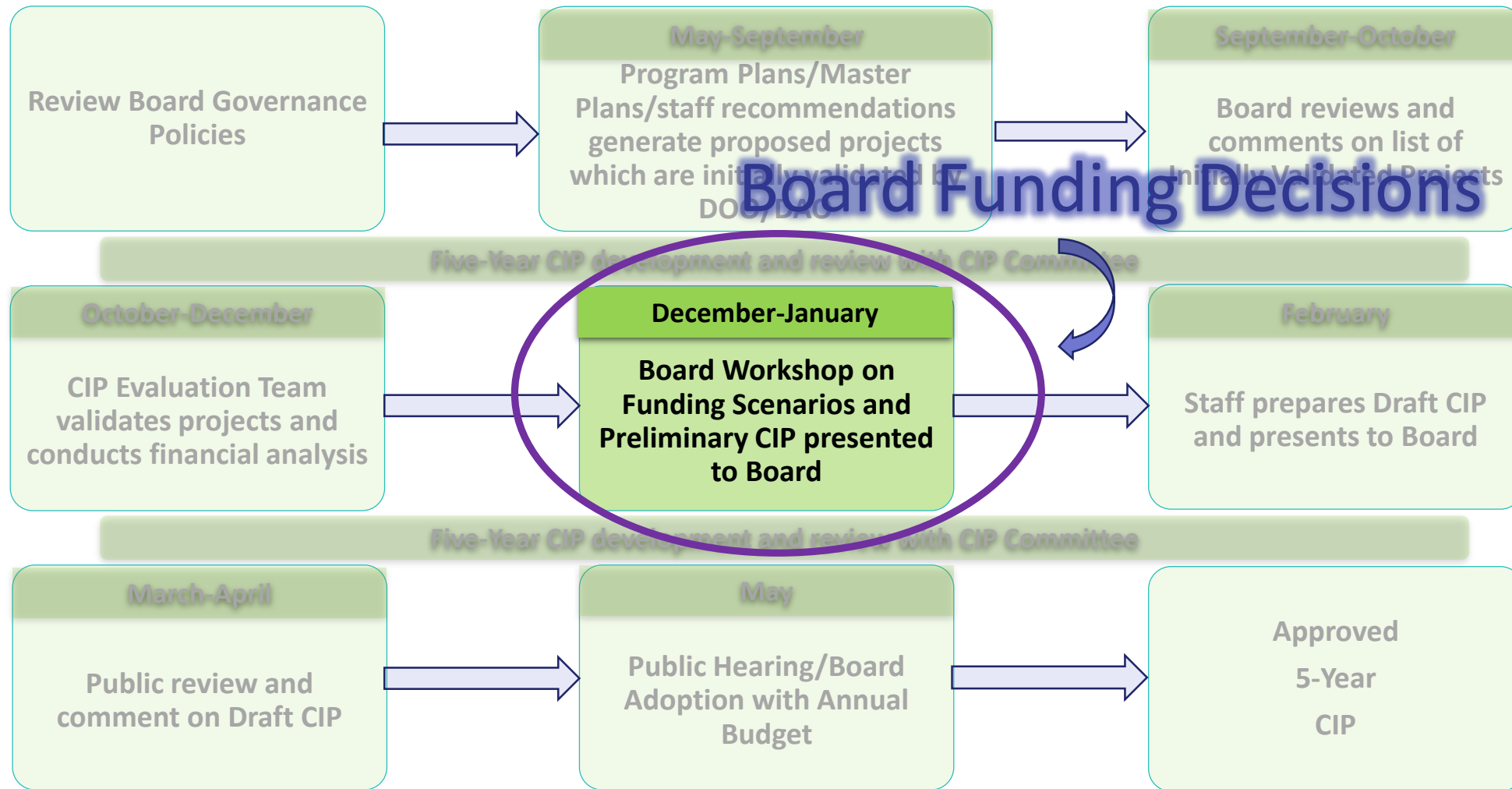
Annual CIP Process Overview

6

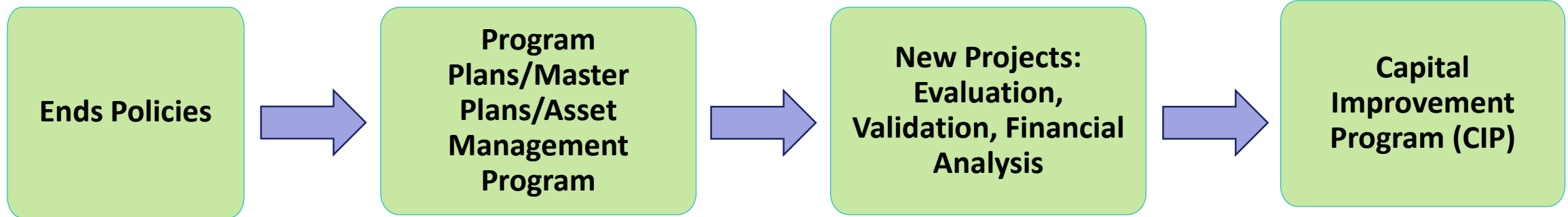


Annual CIP Process Overview

7

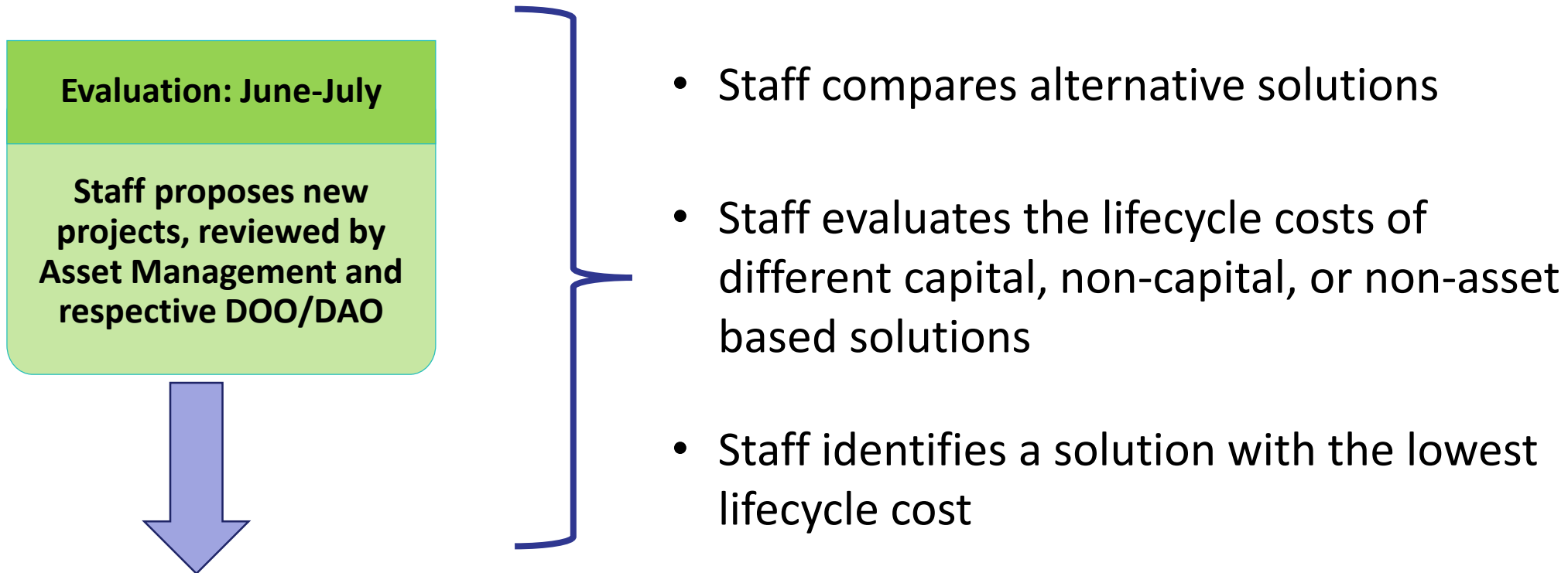


Drivers for New Capital Projects:



Proposed Project Evaluation

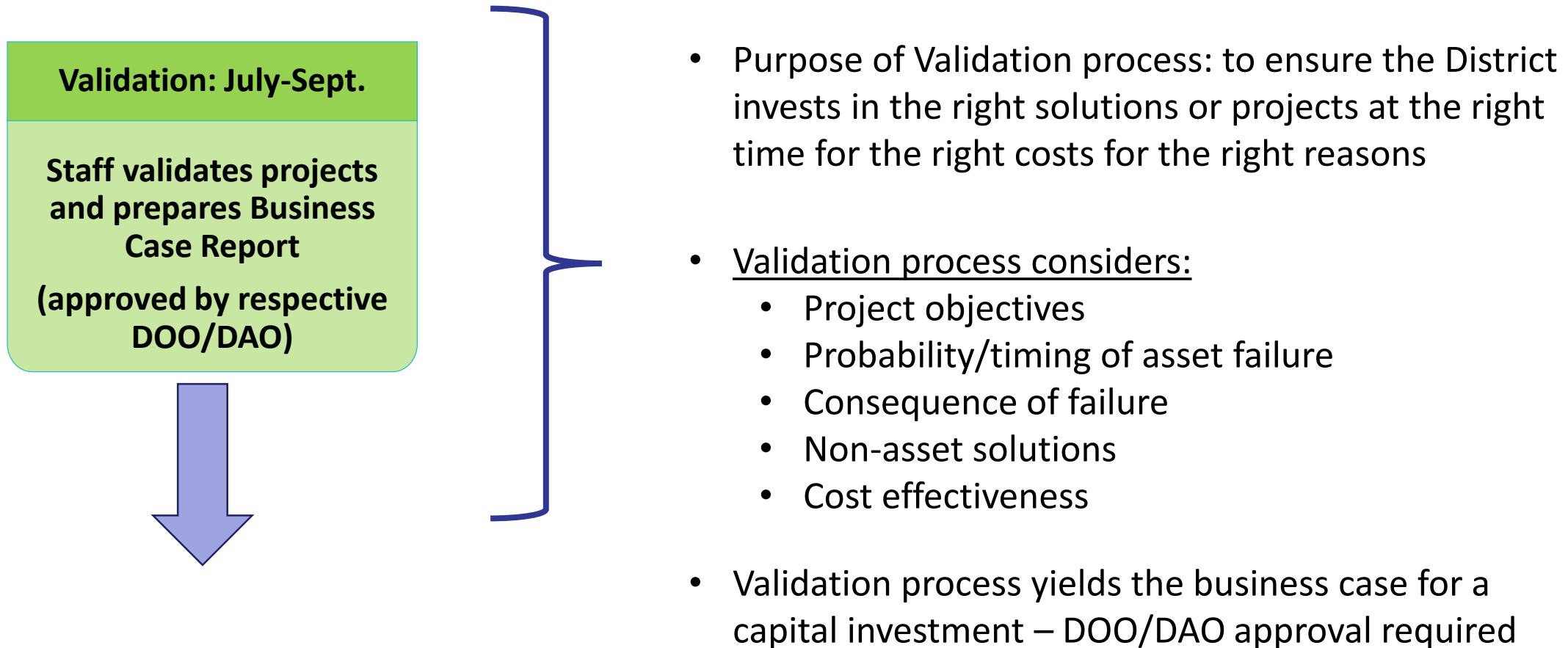
(Operations)



Initial Project Validation Process

(Operations)

10



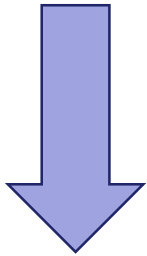
Board comments on Initially Validated Projects and CIP Evaluation Team Begins Validation

11

(Capital and Finance)

Sept.-October

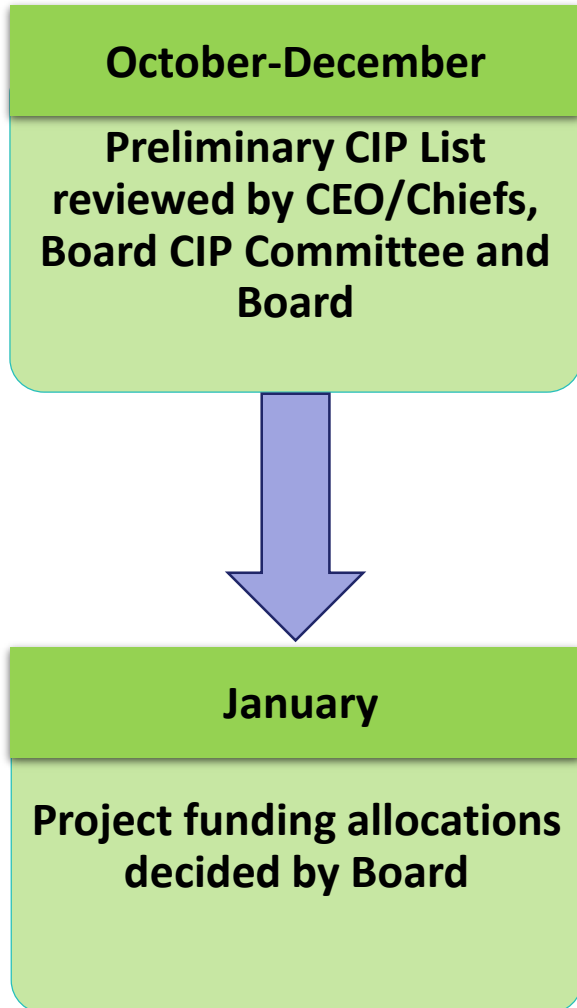
Board reviews/comments on Initially Validated Projects and staff refines projects' estimated schedule and cost and prepares financial models



- Financial models prepared based on continuing capital projects and operations targets (Baseline Scenario)
- Financial models reviewed by CIP Evaluation Team (composed of DOOs/DAOs)
- CIP Evaluation Team propose projects to be funded or unfunded in Preliminary CIP List:
 - Board Priorities
 - Asset's remaining lifespan
 - Available funding
 - Urgency of investment

Preliminary CIP List and Funding Allocation

12



- Preliminary CIP List presented to the CEO/Chiefs
- Board CIP Committee reviews/discusses Preliminary CIP List and recommends presentation to Board in January
- Board Workshop to review funding scenarios and provide direction for incorporation into Preliminary CIP
- Board decision on funding allocation through approval of Preliminary CIP



Valley Water

Clean Water • Healthy Environment • Flood Protection

THIS PAGE INTENTIONALLY LEFT BLANK