



MEMORANDUM

FC 14 (01-02-07)

TO: Board of Directors

FROM: Capital Improvement
Program Committee

SUBJECT: 01/13/2020 Capital Improvement Program
Meeting Summary

DATE: 02/10/2020

This memorandum summarizes the Capital Improvement Program Committee (Committee) meeting held on January 13, 2020, where the following workplan items were discussed:

1. Updated Preliminary Capital Improvement Program Fiscal Years 2021-2025.

The Committee received an update on the Fiscal Years 2021-20205 Capital Improvement Program regarding adjustments made to the various funds per the Board's direction at its 12/9/19 meeting. Funds were transferred from Upper Penitencia Creek Flood Protection Project to the Coyote Creek Flood Protection Project, and updates were made to the Watershed Stream Stewardship Fund (Fund 12) and the Safe, Clean Water and Natural Flood Protection Program Fund (Fund 26) for the following projects:

- Coyote Creek, Montague Expressway to Tully Road Flood Protection Project: Administrative transfer of \$2.3M from Fund 26 Reserves to restore Preliminary CIP Funding level to FY 20-24 CIP funding level; and the Board directed transfer of \$21M (uninflated dollars) from Upper Penitencia Creek Project to fund construction of the Coyote Creek project.
- Upper Penitencia, Coyote Creek to Dorel Drive Flood Protection Project: Administrative transfer of \$3.1M from Fund 26 Reserves to restore Preliminary CIP funding level to FY 20-24 CIP Funding level; and the Board directed transfer of \$21M (uninflated dollars) from Upper Penitencia Creek project to fund construction of Coyote Creek project, which required a fund transfer of \$5M within the Upper Penitencia Project. The Project is now closed.
- Hale Creek Enhancement Pilot Study: The Preliminary CIP was updated to reflect updated project cost increase of \$4.1M.

The Committee reviewed financial models which reflected the adjustments to Funds 12 and 26, and while Fund 12 financial forecast had relatively minor changes, Fund 26 reflected a \$12M shortfall at the end of the program in 2028.

Staff will present the Preliminary CIP to the Board on 1/14/2020 and based on Board discussion and action will make adjustments as necessary, and bring the updated report back to the Committee for a review of changes.

2. Capital Project Monitoring – Planning and Feasibility Report:

The Committee received an update on projects in the planning and feasibility phase. The Committee directed staff to remove the FAHCE Implementation from the Capital Project Monitoring – Planning and Feasibility Report, and refer it to the FAHCE Committee.

3. 2019 Capital Improvement Program Committee Accomplishment Report:

The Committee reviewed the 2019 Capital Improvement Program Committee Accomplishment Report, suggested minor revisions for clarification and directed staff to prepare a Board Agenda Item to present the report to the Board to the full Board in February 2020.

4. 2020 Capital Improvement Program Committee Work Plan:

The Committee reviewed the 2020 Capital Improvement Program Committee Work Plan, and made the following requests of staff:

- Remove Save Clean Water Projects Implementation from the Work Plan;
- Move Project Planning Studies for Board Review/Approval from Capitol Project Monitoring to CIP Implementation section;
- Delete New Projects from CIP Development section; and
- Add new item to CIP Development section: Potential Capital Projects for New Measure.

Board member comments and suggestions can be forwarded to Natalie Dominguez, Assistant Deputy Clerk II, at (408) 630-2659 or by email to ndominguez@valleywater.org.

Thank you.

Nai Hsueh

Director, District 5
Capital Improvement Program Committee Chairperson