

CAPITAL IMPROVEMENT PROGRAM COMMITTEE MEETING

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# MINUTES

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**MONDAY, AUGUST 12, 2019  
10:00 AM**

(Paragraph numbers coincide with agenda item numbers)

A regular meeting of the Santa Clara Valley Water District (Valley Water) CAPITAL IMPROVEMENT PROGRAM COMMITTEE (Committee) was called to order in the Valley Water Conference Room A-124, 5700 Almaden Expressway, San Jose, California, at 10:00 a.m.

**1. CALL TO ORDER/ROLL CALL**

Committee members in attendance were District 6 Director T. Estremera, District 4 Director L. LeZotte, and District 5 Director N. Hsueh, Chairperson presiding, constituting a quorum of the Committee.

Staff members in attendance were T. Yoke, Chief Operating Officer, R. Blank, M. Baratz, S. Berning, M. Bilski, J. Collins, M. Cook, N. Dominguez, T. Esch, M. Ganjoo, C. Hakes, J. Martin, N. Nguyen, L. Orta, K. Oven, B. Redmond, D. Taylor and J. Villarreal.

**2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA**

Chairperson Hsueh declared time open for public comment on any item not on the agenda. There was no one present who wished to speak.

**3. APPROVAL OF MINUTES**

The Committee considered the attached minutes of the July 29, 2019 meeting. It was moved by Director Estremera, seconded by Director LeZotte, and unanimously carried that the minutes be approved as presented.

Chair Hsueh moved the agenda to Item 4.3.

**4. ACTION ITEMS**

**4.3 Priority Ranking Criteria and Validation Process for Capital Projects.**

Mr. Chris Hakes, Deputy Operating Officer, reviewed the information on this item, per the attached Committee Agenda Memo, and corresponding presentation materials contained in Attachment 1.

During the presentation, the Committee made the following requests of staff:

- Staff to refine the financial analyses the Board discussed during the FY 19-20 rate setting process and expand it to include watershed capital projects. The analyses referenced above is the analyses of water charge increase scenarios and new capital projects could be included with each rate increase scenario.
- Staff to review the current Priority Ranking Process and determine the benefits and advantages of its continued use.
- Staff to review that capital investments for Valley Water's maintenance programs and asset management needs are adequately provided for in the CIP.

Mr. William Sherman, San Jose resident, announced that he would be submitting comments on Valley Water's Master Plan to the Board of Directors.

Director Hsueh returned the agenda to Item 4.1.

#### 4.1 Capital Project Monitoring - Construction.

MS. Katherine Oven, Deputy Operating Officer, reviewed the information on this item, per the attached Committee Agenda Memo and noted changes to the report format, and the corresponding presentation materials contained in Attachment 1 were reviewed by staff as follows: Ms. Oven reviewed Items 1 through 4, Mr. Ngoc Nguyen, Deputy Operating Officer, reviewed Items 5 through 10, 12 through 15, 17 and 18; Mr. Hakes reviewed Items 10 and 16; and Mr. Michael Cook, Deputy Administrative Officer, reviewed Items 19 and 20.

The Committee noted the information, without formal action.

#### 4.2 Consultant Agreements and Amendments.

Mr. Nguyen reviewed the information on this item, per the attached Committee Agenda Memo.

It was moved by Director Estremera, seconded by Director LeZotte, and unanimously carried that the Committee support staff's recommendations for Board approval of:

- Amendment to Agreement A3967A with Wood Rogers, Inc., for the Lower Penitencia Creek Improvements Project for engineering support services during construction. This is new scope for Wood Rogers, Inc. and the proposed increase is \$444,984, and brings the total NTE agreement amount to \$2,563,738.
- Amendment to Agreement A3851A with Environmental Science Associates for additional work resulted from public participation/inputs for the Almaden Lake Improvements Project. Proposed increase is \$261,582, and will bring the total NTE agreement amount to \$979,761.

#### 4.4. 2019 Capital Improvement Program Committee Work Plan.

Chairperson Hsueh reviewed the information on this item, per the attached Committee Agenda Memo, and corresponding presentation materials contained in Attachment 1.

The Committee made the following adjustments to the 2019 CIP Committee Work Plan:

- Review of validation process for Valley Water capital and watershed projects, September 2019; and
- Schedule a Special CIP Committee meeting for discussion of PLA only.

#### 5. **INFORMATION ITEMS.**

None.

#### 6. **CLERK'S REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS AND RECOMMENDATIONS:**

Ms. Natalie Dominguez, Assistant Deputy Clerk II, read the new Committee Recommendations and Requests into the record, as follows:

In regard to Item 4.3:

- Staff to refine the financial analyses the Board discussed during the FY 19-20 rate setting process and expand it to include watershed capital projects. The analyses referenced above is the analyses of water charge increase scenarios and new capital projects could be included with each rate increase scenario.
- Staff to review the current Priority Ranking Process and determine the benefits and advantages of its continued use.
- Staff to review that capital investments for Valley Water's maintenance programs and asset management needs are adequately provided for in the CIP.

In regard to Item 4.4:

The Committee requested the following adjustments to the 2019 CIP Committee Work Plan:

- Add a review of Valley Water's validation process for capital and watershed projects (September 2019); and
- Schedule a Special CIP Committee meeting for discussion of PLA only (October 2019).

**7. ADJOURN**

Chairperson Hsueh adjourned the meeting at 11:15 a.m., to the next scheduled meeting at 10:00 a.m., on September 23, 2019, in the Valley Water Conference Room A-124, 5700 Almaden Expressway, San Jose, California.

Natalie F. Dominguez, CMC  
Assistant Deputy Clerk II

Approved: