

May 9, 2022

MEETING NOTICE**SANTA CLARA VALLEY WATER DISTRICT
CAPITAL IMPROVEMENT PROGRAM COMMITTEE**

Members of the Capital Improvement Program Committee:

Director Nai Hsueh, Chairperson
Director Tony Estremera, Vice Chairperson
Director Linda LeZotte, Committee Member

Staff Support of the Capital Improvement Program Committee:

Rick Callender, Chief Executive Officer
Melanie Richardson, Asst. Chief Officer – Integrated Water Management
Leslie Orta, Senior Assistant District Counsel
Rachael Gibson, Chief of External Affairs
Tina Yoke, Chief Administrative Officer
Darin Taylor, Chief Financial Officer
Aaron Baker, Chief Operating Officer – Water Utility
Rechelle Blank, Chief Operating Officer – Watersheds
Lisa Bankosh, Assistant Officer
Sam Bogale, Assistant Officer
Don Rocha, Deputy Administrative Officer
Michael Cook, Deputy Administrative Officer
Christopher Hakes, Deputy Operating Officer
Bhavani Yerrapotu, Deputy Operating Officer
John Bourgeois, Deputy Operating Officer
Jennifer Codianne, Deputy Operating Officer
Emmanuel Aryee, Acting Deputy Operating Officer
Vincent Gin, Deputy Operating Officer
Gregory Williams, Deputy Operating Officer
Bryant Welch, Labor Relations Officer
David Montenegro, Principal Construction Contracts Administrator
Charlene Sun, Treasure & Debt Manager
Jessica Collins, Business Planning and Analysis Unit Manager
Conception Gayotin, Purchasing & Contracts Manager
Linh Hoang, Communications Manager
Jill Bernhard, Acting System Development & Support Manager

A regular meeting of the Santa Clara Valley Water District Capital Improvement Program Committee has been scheduled to occur at **11:00 a.m., on Monday, May 16, 2022** in the Headquarters Building Boardroom located at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California.

Members of the public may join the meeting via Zoom Teleconference at <https://valleywater.zoom.us/j/94158013374>

The meeting agenda and corresponding materials are located on the Committee's website at: <https://www.valleywater.org/how-we-operate/committees/board-committees>.



Santa Clara Valley Water District Capital Improvement Program Committee Meeting

Join Zoom Meeting
<https://valleywater.zoom.us/j/94158013374>

Headquarters Building Boardroom
5700 Almaden Expressway
San Jose, CA 95118

REGULAR MEETING AGENDA

**Monday, May 16, 2022
11:00 AM**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

BOARD COMMITTEE MEMBERS:

Committee Chair:
Director Nai Hsueh, District 5

Committee Vice Chair:
Director Tony Estremera, District 6

Director Linda J. LeZotte, District 4

During the COVID-19 restrictions, all public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available to the public through the legislative body agenda web page at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to participate in the legislative body's meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

COMMITTEE LIAISON:
Jessica Collins

COMMITTEE CLERK:
Eva Marie Sans
Assistant Deputy Clerk II
408-265-2306
esans@valleywater.org
www.valleywater.org

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

**Santa Clara Valley Water District
Capital Improvement Program Committee
REGULAR MEETING
AGENDA**

Monday, May 16, 2022

11:00 AM

Join Zoom Meeting
<https://valleywater.zoom.us/j/94158013374>

Headquarters Building Boardroom
5700 Almaden Expressway
San Jose, CA 95118

*****IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS*****

Santa Clara Valley Water District (Valley Water) Board of Directors/Board Committee meetings are held as a “hybrid” meetings, conducted in-person as well as by telecommunication, and is compliant with the provisions of the Ralph M. Brown Act.

To maximize public safety while still maintaining transparency and public access, members of the public have an option to participate by teleconference/video conference or attend in-person. To observe and participate in the meeting by teleconference/video conference, please see the meeting link located at the top of the agenda. If attending in-person, you are encouraged to wear a mask.

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee at a video conferenced meeting, during public comment or on any item listed on the agenda, should use the “Raise Hand” tool located in the Zoom meeting link listed on the agenda, at the time the item is called. Speakers will be acknowledged by the Board Chair in the order requests are received and granted speaking access to address the Board.

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board of Directors/Board Committee meetings to please contact the Clerk of the Board’s office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has not been prepared with a view to informing an investment decision in any of Valley Water’s bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water’s bonds, notes or other obligations and investors and potential investors should rely only on information filed by

Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

Join Zoom Meeting:
<https://valleywater.zoom.us/j/94158013374>
Meeting ID: 941 5801 3374
Join by Phone:
1 (669) 900-9128, 94158013374#

1. CALL TO ORDER:

1.1. Roll Call.

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

Notice to the Public: Members of the public who wish to address the Committee on any item not listed on the agenda should access the "Raise Hand" tool located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Committee Chair in order requests are received and granted speaking access to address the Committee. Speakers comments should be limited to three minutes or as set by the Chair. The law does not permit Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Committee may take action on any item of business appearing on the posted agenda.

3. APPROVAL OF MINUTES:

3.1. Approval of April 18, 2022 Capital Improvement Program Committee Minutes. [22-0593](#)

Recommendation: Approve the minutes.

Manager: Candice Kwok-Smith, 408-630-3193

Attachments: [Attachment 1: 041822 CIP Committee Minutes](#)

Est. Staff Time: 5 Minutes

4. REGULAR AGENDA:

- 4.1. Receive and Discuss Information Regarding the Status of Capital Projects in the Design and Permitting Phase. [22-0595](#)
Recommendation: Receive and discuss information regarding the status of capital projects in the design and permitting phase.
Manager: Bhavani Yerrapotu, 408-630-2735
Emmanuel Aryee, 408-630-3074
Christopher Hakes, 408-630-3796
Attachments: [Attachment 1: Design and Permitting Report](#)
Est. Staff Time: 15 Minutes
- 4.2. Receive Information on the Initiation of the CIP Process Audit as Part of the 2022-2024 Annual Audit Work Plan. [22-0606](#)
Recommendation: Receive information on the initiation of the CIP Process Audit as part of the 2022-2024 Annual Audit Work Plan.
Manager: Darin Taylor, 408-630-3068
Attachments: [Attachment 1: 2022-2024 Annual Audit Work Plan](#)
[Attachment 2: CIP Performance Audit Scope Document](#)
Est. Staff Time: 5 Minutes
- 4.3. Receive Information on Change Orders to Anderson Dam Tunnel Project Construction Contract. [22-0582](#)
Recommendation: Receive Information on Change Orders to Anderson Dam Tunnel Project Construction Contract.
Manager: Christopher Hakes, 408-630-3796
Attachments: [Attachment 1: Construction Contract Change Orders Status](#)
- 4.4. Review 2022 Capital Improvement Program Committee Work Plan. [22-0594](#)
Recommendation: Review the 2022 Capital Improvement Program Committee Work Plan and make adjustments as necessary.
Manager: Candice Kwok-Smith, 408-630-3193
Attachments: [Attachment 1: 2022 CIP Committee Work Plan](#)
Est. Staff Time: 5 Minutes
- 5. CLERK REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS.**
This is an opportunity for the Clerk to review and obtain clarification on any formally moved, seconded, and approved requests and recommendations made by the Committee during the meeting.
- 6. ADJOURN:**
- 6.1. Adjourn to Special Meeting at 11:00 a.m., on June 13, 2022.



Santa Clara Valley Water District

File No.: 22-0593

Agenda Date: 5/16/2022

Item No.: 3.1.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

Approval of April 18, 2022 Capital Improvement Program Committee Minutes.

RECOMMENDATION:

Approve the minutes.

SUMMARY:

In accordance with the Ralph M. Brown Act, a summary of Committee discussions, and details of all actions taken by the Capital Improvement Program Committee, during all open and public Committee meetings, is transcribed and submitted to the Committee for review and approval.

Upon Committee approval, minutes transcripts are finalized and entered into the Committee's historical record archives, and serve as the official historical record of the Committee's meeting.

ATTACHMENTS:

Attachment 1: 041822 CIP Committee Minutes

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193

CAPITAL IMPROVEMENT PROGRAM COMMITTEE MEETING

MINUTES

**MONDAY, APRIL 18, 2022
11:00 AM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A regular meeting of the Capital Program Committee (Committee) was held on April 18, 2022, via Zoom video teleconference, and in-person at the Headquarters Building Boardroom at Valley Water, 5700 Almaden Expressway, San Jose, California at 11:00 a.m.

1.1 Roll Call.

Committee members in attendance were District 4 Director Linda LeZotte, District 6 Director Tony Estremera and District 5 Director Nai Hsueh, Chairperson presiding, constituting a quorum of the Committee.

Staff members in attendance were Joseph Aranda, Emmanuel Aryee, Aaron Baker, Sarah Berning, Wade Blackard, John Bourgeois, Rolando Bueno, Barton Ching, Conception Gayotin, Vincent Gin, Jessica Collins, Mike Cook, Chris Hakes, Jennifer Martin, David Montenegro, Carmen Narayanan, Calvin Nguyen, Melanie Richardson, Don Rocha, Darin Taylor, Bryant Welch, Bhavani Yerrapotu, and Tina Yoke.

Guest in attendance was: James Crowder (Soluri Meserve).

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

3.1. Approval of March 14, 2022 Capital Improvement Program Committee Meeting Minutes.

Recommendation: Approve the Minutes.

It was moved by Director LeZotte, seconded by Director Estremera, and unanimously carried by roll call vote to approve the Minutes of March 14, 2022, as presented.

4. ACTION ITEMS

4.1. Review Capital Project Monitoring – Feasibility and Planning Report.

Recommendation: Receive updates on projects in the feasibility and planning phase, discuss resource needs, and make recommendations as necessary.

Mr. Christopher Hakes, Deputy Operating Officer, reviewed the information on this item per the attached Committee agenda memo and the information contained in Attachment 1 were reviewed by staff as follows: Mr. Hakes reviewed Line Items 1 and 2; Mr. John Bourgeois, Deputy Operating Officer, reviewed Items 3, 10, 11, 13 through 15; Mr. Emmanuel Aryee, Acting Deputy Operating Officer, reviewed Line Items 4 and 5; Ms. Bhavani Yerrapotu, Deputy Operating Officer, reviewed Line Items 7 through 9 and 12. Due to a technical glitch, staff was not able to connect online and present Line Item 6.

The Committee received information without taking formal action.

4.2. Receive Information on Upcoming Consultant Agreement Amendments for Capital Projects.

Recommendation: Receive information on upcoming consultant agreement amendments for capital projects.

Mr. Hakes, and Mr. Aryee reviewed the information on this item, per the attached Committee agenda memo.

The Committee received information without taking formal action.

4.3. Receive update on the 10-year Pipeline Inspection and Rehabilitation Project, Project No. 95084002.

Recommendation: Receive update on the 10-year Pipeline Inspection and Rehabilitation Project, Project No. 95084002.

Mr. Aryee announced that the presentation is revised Attachment 2 of this item, attached herein as Handout 4.3-A.

Mr. Rolando Bueno, Capital Engineering Manager, reviewed the information on this item per the attached Committee agenda memo and the information contained in Handout 4.3-A were reviewed by staff as follows: Mr. Bueno reviewed Slides 1 through 5; and Mr. Calvin Nguyen, Senior Engineer-Civil, reviewed Slides 6 through 12.

The Committee received information without taking formal action.

4.4. Review Information on Change Orders to Anderson Dam Tunnel Project Construction Contract.

Recommendation: Receive information on Change Orders to Anderson Dam Tunnel Project Construction Contract.

Mr. Hakes reviewed the information on this item per the attached Committee agenda memo; and informed the Committee about a correction on Page 2 of the memo from, "*Chief ~~Operating~~ Officer: Up to \$5 million,*" should say, "*Chief Executive Officer: Up to \$5 million.*"

The Committee received information without taking formal action.

4.5. Review 2022 Capital Improvement Committee Work Plan.

Recommendation: Receive the 2022 Capital Improvement Program Committee Work Plan and make adjustments as necessary.

The Committee approved the current work plan as presented.

5. CLERK'S REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS AND RECOMMENDATIONS:

None.

6. ADJOURN

6.1. Adjourn to Regular Meeting at 11:00 a.m., on May 16, 2022.

Chairperson Hsueh adjourned the meeting at 12:00 p.m., to the next meeting scheduled to occur at 11:00 a.m. on Monday, May 16, 2022.

Eva M. Sans
Assistant Deputy Clerk

Approved:



Santa Clara Valley Water District

File No.: 22-0595

Agenda Date: 5/16/2022

Item No.: 4.1.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

Receive and Discuss Information Regarding the Status of Capital Projects in the Design and Permitting Phase.

RECOMMENDATION:

Receive and discuss information regarding the status of capital projects in the design and permitting phase.

SUMMARY:

The 2022 Work Plan for the Board Capital Improvement Program Committee (Committee) includes monitoring of capital projects during all phases of development. Staff will present a list of active projects at each Committee meeting and provide detailed information on those where potential and/or significant issues have been identified. The projects presented for discussion will be organized by phases: planning/feasibility; design; and construction. Staff will present projects to the Committee for review one phase at a time. Projects currently in the design/permitting phase are being presented at this Committee meeting. Other attachments may be included to provide more detail on other items associated with these projects.

Attachment 1 is a list of projects in the design and permitting phase. A verbal report will be provided at the meeting with more detailed information about recent developments on the projects listed in Attachment 1.

ATTACHMENTS:

Attachment 1: Design and Permitting Report

UNCLASSIFIED MANAGER:

Bhavani Yerrapotu, 408-630-2735

Emmanuel Aryee, 408-630-3074

Christopher Hakes, 408-630-3796

Capital Project Monitoring Report - May 2022

Design and Permitting Phase

Row	Project No.	Project Name	Notes, Upcoming Board Actions or potential issues	Planned CM Services		
				Internal	External	Combination
Water Supply						
1	91864005	Anderson Dam Seismic Retrofit (C1: Fund Transfer KPI)	The 90% design of Anderson Dam Seismic Retrofit Project (ADSRP) is underway with the 90% plans and specifications anticipated to be completed by the end of August 2022 and the 90% construction cost estimate following at the end of September 2022. The Project team had recent discussions with Division of Safety of Dams (DSOD) and Federal Energy Regulatory Commission (FERC) about the improvements to the unlined spillway and a higher design criteria was set for this feature. Significant improvements will be required for the unlined spillway, which were not anticipated earlier. Winterization measures for the interim dams and Coyote operations during ADSRP construction are currently requiring additional input or discussions with DSOD, FERC, and the Board of Consultants (BOC). Also, ongoing discussions with National Marine Fisheries Service (NMFS) and California Department of Fish and Wildlife (CDFW) might result in changing the non-mechanical weirs as currently designed for ADTP into mechanical adjustable weirs for ADSRP. Similarly, design of permanent facilities for County Parks use are also at a conceptual level, requiring input from County Parks to proceed with design. Assuming the input from the various agencies is received in a timely manner and that 90% design schedule is maintained, it is anticipated that final design could be completed and submitted for review by the BOC, DSOD, and FERC at the end of 2023.			X
2	91864005	Coyote Percolation Dam Replacement Project	The Coyote Percolation Dam Replacement Project recently completed the draft 60% plans and specifications and received review comments from Valley Water staff, DSOD, CDFW, and NMFS in March and April. The 90% design is in progress and will be completed by July 2022 and then distributed to Valley Water staff and stakeholder agencies for review. The draft geotechnical report was completed in January 2022 and is being reviewed by DSOD. The design team procured a rubber dam vendor for the design and manufacturing services on March 18, 2022.			X
3	91864005	Coyote Creek Chillers Plant Project	Staff is currently working on the Final Bid Documents (plans and specifications). The United States Bureau of Reclamation (USBR) approved Final design in March 2022. Staff anticipates Board approval for advertisement in June and award in September 2022.	X		
4	91864005	Coyote Creek Flood Management Measures Project	Due to the Anderson Dam Seismic Retrofit Project (ASDRP) FERC Order, this project was split off from Coyote Creek Flood Protection Project to be completed before Anderson Dam Tunnel Project (ADTP) is operational. The design consultant completed the 60% plans in March 2022 with 90% anticipated in May 2022. Staff submitted an amendment to the Federal Energy Regulatory Commission Order Compliance Project (FOCP) Lake and Streambed Alteration Agreement (LSAA) in April 2022. Staff will be hosting two open house-style public meetings in late May 2022 to provide project updates to the impacted communities. Staff will begin the request for proposal (RFP) process for construction management services in late spring 2022.			
5	91894002	Guadalupe Dam Seismic Retrofit - Design & Construct	Preliminary 90% design documentation was submitted by consultant in December 2020. Design documentation is under review.			X
6	91324002	Coyote Pumping Plant ASD Replacement	Request for Proposal was issued in November 2021 and a proposal was received from the individual qualified proposer on February 16, 2022. A review and evaluation of the proposal has been completed and negotiations with the proposer were initiated on April 20, 2022. Pending negotiations, staff will present the design-build contract to the Board for consideration of award in July 2022.			X
7	95084002	10-Yr Pipeline Inspection & Rehabilitation Project (Santa Clara Conduit)	Valley Water Board of Directors authorized construction bid advertisement on April 26, 2022. Construction contract award is scheduled for June 28, 2022.	X		
8	95084002	10-Yr Pipeline Inspection & Rehabilitation Project (Snell Pipeline)	60% design was completed in February 2022 and 90% Design is scheduled for August 2022.	X		
9	95084002	10-Yr Pipeline Inspection & Rehabilitation Project (Almaden Valley Pipeline)	Advertisement for construction bids is scheduled for May 10, 2022. Construction contract is expected to be awarded on July 12, 2022.	X		
10	95084002	10-Yr Pipeline Inspection & Rehabilitation Project (West Pipeline)	Staff is preparing the 60% design documents which are currently scheduled for completion in July 2022.	X		

Capital Project Monitoring Report - May 2022

Design and Permitting Phase

Row	Project No.	Project Name	Notes, Upcoming Board Actions or potential issues	Planned CM Services		
				Internal	External	Combination
11	26764001	A3: IRP2 Additional Line Valves	Final Designs for all four locations are complete, including Snell Pipeline Valve, East Pipeline Valve, West Pipeline Valve downstream of Santa Clara Distributary, and West Pipeline Valve between Rainbow & Mann turnouts. The construction schedule for IRP2 Additional Line Valves will be coordinated with associated 10-Year Pipeline Inspection & Rehabilitation work.	X		
12	93294057	Rinconada WTP Reliability Improvement Project	The Engineer of Record is preparing plans and specifications to advertise the remaining reliability improvements for construction, incorporating lessons learned and design enhancements for latest codes, plant water system upgrades, and future improvements. The 70% design submittal is anticipated in May 2022. An RFP for construction management and inspection services is underway.			X
13	93284013	Santa Teresa WTP Filter Media Replacement Project	Valley Water's Board of Directors awarded construction contract on April 26, 2022.	X		
14	93084004	WTP Electrical Improvement Project	The Board approved the Engineer's Report and California Environmental Quality Act (CEQA) exemption declaration in February 2022. 60% Design was completed in March 2022. 90% design documents are underway and anticipated to be complete early in the new fiscal year.	X		
15	93234044	Penitencia WTP Residuals Management Project	The Board approved the consultant agreement for design services on November 9, 2021. Project is progressing through preliminary design, on schedule. Valley Water has received and provided input on several technical memos that will support development of project alternatives. Efforts over the next couple months will be focused on development of project alternatives and a basis of evaluation. This effort will include two workshops with Staff.	X		
16	92264001	Vasona Pump Station Upgrade Project	The final 30% design documents are anticipated to be completed in May 2022. The final CEQA Memorandum is to be completed in April 2022.			
17	92144001	Pacheco/Santa Clara Conduit Right-of-Way Acquisition Project	Public Hearing on Engineer's Report and CEQA MND was completed on February 8, 2022. Title reports and Plat Maps for property acquisitions have been requested.	X		
18	91094001	Land Rights- South County Recycled Water Pipeline	Staff is preparing the 30% design documents, which are currently scheduled for completion in June 2022.	N/A		
19	94084007	Treated Water Isolation Valves Project	30% design was completed in March 2022 and 60% design is scheduled to be completed on August 2022.	X		
20		Water Utility Small Capital Projects	Pacheco Pumping Station Electrical System & Hydraulic Valves Operating System Upgrades: Board Authorization to Advertise for Construction was completed in February 2022, Board Award was on April 26, 2022. Silicon Valley Advanced Water Purification Center (SVAWPC) Storage Building: Board authorized advertisement on January 11, 2022, no bids were received. Board Authorization for Re-advertisement was completed on April 12, 2022; construction contract is expected to be awarded in June 2022.	X		
Flood Protection						
21	10394001	Palo Alto Flood Basin Tide Gate Structure Replacement	Final CEQA Mitigated Negative Declarations (MND) was adopted by the Board on April 27, 2021. 90% design package was completed in February 2022, shared with internal and external stakeholders for review and comment, and 90% design workshops were conducted with internal and external stakeholders. Final design is anticipated to be completed in June 2022 pending receipt of environmental permits. Staff is coordinating with City of Palo Alto and City of Mountain View regarding cost sharing agreements. The Valley Water Board of Directors approved an agreement for construction management services in March 2022.		X	

Capital Project Monitoring Report - May 2022

Design and Permitting Phase

Row	Project No.	Project Name	Notes, Upcoming Board Actions or potential issues	Planned CM Services		
				Internal	External	Combination
22	26284002	E5: San Francisquito Creek - Upstream of HWY 101	Pope Chaucer design is at 80%; Channel widening design is at 90%; Final Environmental Impact Report (EIR) was certified in September 2019. San Francisquito Creek Joint Powers Authority (SFCJPA) will submit permit applications in spring 2022; Channel widening construction is anticipated in summer 2023, pending receipt of permits but more likely 2024 if United States Army Corps of Engineers (USACE) agrees to fund creek widening construction through CAP 205 funding; Newell Road Bridge (led by the City Palo Alto) construction is expected in summer 2023, pushing Pope-Chaucer Bridge construction to 2024 (schedule will be updated pending USACE CAP 205 study findings). The USACE and SFCJPA hosted a National Environmental Policy Act (NEPA) scoping workshop on October 25, 2021. Comments on the NEPA scoping plan were received in November 2021 and will be incorporated in the draft USACE Feasibility Study Report. The Draft USACE Feasibility Study Report is expected in the summer of 2022, and the final study report is expected early 2023. Two tasks orders were issued in April 2022 to the on-call structural consultant to complete the widening design.		X	
23	26074002	E2: Sunnyvale East and West Channels	Project design is 99% complete. Google has received the regulatory permits for their new campus development and Valley Water is working on re-submitting the Sunnyvale East and West Channels project permits, since the Regional Board deemed Valley Water's 2017 San Francisco Bay Area Joint Aquatic Resources Permit Application (JARPA) expired/outdated. Valley Water's Board of Directors approved the CEQA addendum and the agreement with Google at their February 22, 2022 meeting.			
24	26154003	E8: Upper Guadalupe River - SPRR to Blossom Hill Road (Reaches 7-12)	In January 2021, the USACE began re-evaluating the entire project, including re-evaluating the project's alternatives and benefit-cost-ratio, with the goal of making the project more competitive for federal funding. The study will take three years and is estimated to be completed by January 2024. The first study milestone, Alternative Milestone, meeting was held on April 20, 2021. The next study milestone, Tentatively Selected Plan, was originally planned for April 2022 but due to hydraulics modeling delays is now planned to be completed by August 2022.	N/A	USACE construction	
25	26174043	E1: Coyote Creek - Montague Expressway to Tully Road (for 2017 flood event criteria)	Due to the ASDRP FERC Order, this project was split into two projects: Coyote Creek Flood Management Measures and Coyote Creek Flood Protection Project. Final draft Planning Study Report for the Coyote Creek Flood Protection Project and Coyote Creek Flood Management Measures to protect from a 2017 equivalent flood event was completed in March 2022. The design consultant has completed the 30% design documents and submitted them for review in April 2022. Staff will begin the RFP process for construction management services in late spring 2022.		X	
26	26174051 26174052	E6: Upper Llagas Creek, Phase 2B (Portion of Reach 8, and Reaches 6, 7B, and 14)	On August 17, 2021, the National Resource Conservation Service (NRCS) notified Valley Water of committed funding to construct Phase 2B. The funding amount available is up to \$80M. NRCS has stated it could take up to 24 months to approve the project design. Staff is working to satisfy NRCS' requirements as quickly as possible. In addition, staff is pursuing a Water Infrastructure Finance and Innovation Act (WIFIA) loan if all or a portion of the NRCS funding amount is not realized.			X (2B-TBD)
27	00044026	San Francisco Bay Shoreline, EIA 11 - Alviso Slough to Coyote Creek Bypass (E7: 26444001, 26444002, 26444004)	Design of Union Pacific Railroad closure and pedestrian bridge structures on hold pending path forward on impact to railroad operation, bridge height, and resolution on resource agency comments. Design of Reaches 4-5 elements is on hold to explore funding sources for project cost shortfalls and ways to lower Reaches 4-5 costs.	N/A	USACE construction	
28	62084001	Watershed Asset Rehabilitation Program (WARP)	Calabazas Creek Project: Final CEQA Mitigated Negative Declaration (MND) for the Calabazas Creek Rehabilitation Project was adopted by the Board of Directors on September 14, 2021.	X		
Water Resources Stewardship						
29	26164001	D6: Hale Creek Enhancement Pilot Study	Plans and specifications are complete. The Board approved an agreement with Harris & Associates for construction management services in February 2022. Staff began the advertisement period for construction in March, and will be going to the Board to award on May 10, 2022.		X	
30	26044002	D6: SCW Fish Passage Improvements at Bolsa Rd.	Plans and specifications are complete. The Board approved an agreement with Cal Engineering & Geology, Inc. for construction management services in March 2022. Staff began the advertisement period for construction in March, and will be going to the Board to award on May 10, 2022.		X	

Capital Project Monitoring Report - May 2022

Design and Permitting Phase

Row	Project No.	Project Name	Notes, Upcoming Board Actions or potential issues	Planned CM Services		
				Internal	External	Combination
31	26044001	D4: Almaden Lake Improvements	Final EIR was certified by Valley Water Board of Directors on May 11, 2021. At the May 11 meeting, the Board selected the project to be constructed under Key Performance Indicator (KPI) #2 of Safe Clean Water (SCW) D4. Design revisions and modeling updates are being made for the 60% design. Permit applications are being drafted and coordination meetings will be set up with the agencies in advance of submitting the permit applications. Staff submitted a California Department of Fish and Wildlife (CDFW) Prop 1 Grant Application in March 2022. Staff is pursuing a WIFIA loan and working on incorporating compliance of requirements into the contract documents.	X		

Buildings & IT

No projects to report



Santa Clara Valley Water District

File No.: 22-0606

Agenda Date: 5/16/2022

Item No.: 4.2.

COMMITTEE AGENDA MEMORANDUM **Capital Improvement Program Committee**

SUBJECT:

Receive Information on the Initiation of the CIP Process Audit as Part of the 2022-2024 Annual Audit Work Plan.

RECOMMENDATION:

Receive information on the initiation of the CIP Process Audit as part of the 2022-2024 Annual Audit Work Plan.

SUMMARY:

On January 11, 2022, the proposed 2022-2024 Annual Audit Work Plan (Attachment 1) was approved by the Board. At its January 19th meeting the Board Audit Committee (BAC) identified the top 3 areas of interest to be audited in 2022: 1) ID #1, CIP Process; 2) ID #3, Emergency Response; and 3) ID #6, Data Management.

At the BAC meetings on February 16 and April 20, 2022, the Chief Audit Executive (CAE) Sjoberg Evashenk Consulting, Inc., reviewed the audit scoping document for the CIP Process Audit, which is the first audit that is proposed to be conducted in 2022 (see attachment 2).

The purpose of this agenda item is to provide information to the CIP Committee about the CIP Process Audit, as it will directly impact an area under the committee's purview.

ATTACHMENTS:

Attachment 1: 2022-2024 Annual Audit Work Plan

Attachment 2: CIP Performance Audit Scope Document

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068



TAPInternational

FY 2022-2024 Annual Audit Work Plan

November 10, 2021

Final

ANNUAL AUDIT WORK PLAN

The Audit Work Plan serves as a tool for communicating audit priorities as determined by the Santa Clara Valley Water District's Board Audit Committee (BAC) and Board of Directors. The selection of audits for formal review and approval by the Board of Directors is an important responsibility of the Audit Committee.

Audits are an important oversight tool because they provide independent and fact-based information to management and elected officials. Those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitate decision making.

Audits can:

- Verify that programs, services, and operations are working based on your understanding.
- Assess efficiency and effectiveness.
- Identify the root cause or problems.
- Assess the progress of prior audit recommendations.
- Identify the impact of changes
- Identify leading practices.
- Assess regulatory compliance.
- Develop policy options.
- Assess the accuracy of financial information reported.

The types of audits that can be conducted include:

- Internal audits: Internal audits review the environment, information, and activities that are designed to provide proper accountability over District operations.
- Compliance audits: Compliance audits review adherence to policies and procedures, state regulatory requirements, and/or federal regulatory requirements.
- Performance audits (impact or prospective audits): Performance audits review the economy, efficiency, and effectiveness of Valley Water programs, services, and operations.
- Desk reviews: Small and quick audits.
- Follow up audits: Follow up audits assess the implementation status of recommendations included in prior audit reports.
- Best practices reviews: Compares current operations to best practices.

This proposed audit work plan is divided into sections. Section A describes anticipated ongoing support services to be provided by the independent auditor as well as other quality assurance activities planned by Valley Water's executive management. Section B describes the audits planned for implementation by the Independent Auditor.

SECTION A

ONGOING SUPPORT SERVICES AND SPECIAL PROJECTS

The following table lists non-audit services and special projects for the FY 2022 to 2024 audit work plan:

Project/Responsible Party	Scope	FY 2022 Planned Hours	FY 2023 Planned Hours	FY 2024 Planned Hours
Board of Director & Board Audit Committee Requests for Information/ Independent Auditor	Ongoing. Should the Board of Directors request information on activities implemented by other public agencies or on other matters of interests applicable to enhancing the efficiency and effectiveness of operations, the independent auditor will collect and summarize information.	80	80	80
Audit Training/ Independent Auditor	Annual. The Board Audit Committee Charter describes a requirement to provide audit training to Board Audit Committee members at least annually.	2	2	2
Support Services/ Independent Auditor	Ongoing. Provide support services to Board Directors and Valley Water staff applicable to specific initiatives or planning projects to prevent potential service delivery risks.	40	40	40
QEMS/Valley Water Continual Quality Improvement Unit	Ongoing. Provide services to ensure proper oversight and accountability.	As needed	As needed	As needed

Management Reviews/Valley Water Management	Ongoing. Valley Water's Chief Executive Officer ,as needed, will initiate internal quality assurance reviews of business practices and operations. These reviews are to be shared with the audit committee.	As needed	As needed	As needed
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SECTION B

AUDIT SERVICES – INDEPENDENT AND ON-CALL AUDITORS

Labor Summary

Project/Responsible Party	Scope	FY 2022 Planned Hours	FY 2023 Planned Hours	FY 2024 Planned Hours
Independent and On-Call Auditors	Audits and Follow-up Audits Based on the Audit Work Plan	TBD	TBD	TBD

Recommended Audits

The Board Audit Committee will select and recommend audits described below for approval by the Board of Directors.

ID	Risk Area(s)	Risk Factor	Audit Topic	Type of Audit	Suggested Audit Objectives
1	CIP Planning Process Financial Management	<input checked="" type="checkbox"/> Financial <input checked="" type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	CIP Planning Process	Cross-Functional Performance Audit	<ol style="list-style-type: none"> Are there opportunities to improve the capital improvement project planning process (project initiation to CIP plan approval)? To what extent can early participation of Valley Water support units (environmental planning, permitting, purchasing, warehousing) on large capital projects prevent project delays and reduce cost overruns? Can the Capital Improvement Plan be better right sized that considers the Agency's funding and staffing levels?
2	Inventory Control	<input type="checkbox"/> Financial <input checked="" type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Inventory Management	Cross-Functional Performance Audit	<ol style="list-style-type: none"> Does Valley Water effectively manage, account for and record inventory across the agency? What resources (e.g., staffing, systems, facilities) and business processes (communication and coordination) are necessary to meet current and future needs including centralizing inventory management?
3	Emergency Response Emergency Detection Emergency Management	<input type="checkbox"/> Financial <input type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Program Monitoring	Cross-Functional Performance Audit	<ol style="list-style-type: none"> To what extent do the emergency management plans variously established by Valley Water contain gaps and activities to ensure proper prevention, detection, response, and recovery activities? Do gaps exist in surveillance and detection of potential problems across Valley Water's infrastructure?

					<ol style="list-style-type: none"> 3. To what extent is the virtual Emergency Operations Center aligned with FEMA best practices? 4. Are there lessons learned from past emergencies to prevent disruptions to regular operations while providing additional manpower and resources to respond to emergencies?
4	Emergency Cost Recovery Data Management & Accuracy	<input checked="" type="checkbox"/> Financial <input type="checkbox"/> Reputational <input type="checkbox"/> Operational	Financial Management	Cross-Functional Performance Audit	<ol style="list-style-type: none"> 1. To what extent has Valley Water been able to claim the full reimbursement of costs for eligible expenses from FEMA? 2. Are business practices aligned with federal and state aid requirements for emergency cost reimbursement? To what extent are information systems and other business processes configured to capture information needed for cost reporting and recovery?
5	Financial Oversight Purchasing and Contracting Processes	<input checked="" type="checkbox"/> Financial <input type="checkbox"/> Reputational <input type="checkbox"/> Operational	Financial Management	Performance Audit	<ol style="list-style-type: none"> 1. To what extent do Valley Water procurement programs for low dollar purchases (i.e., P-Cards, & Standing Orders) comply with established policies and procurement limits? 2. Are added policies and procedures needed to control spending and prevent work arounds to formal competitive bids?
6	Data Management Date Integrity Data Accuracy	<input type="checkbox"/> Financial <input checked="" type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Business Process	Cross Functional Performance Audit	<ol style="list-style-type: none"> 1. To what extent does Valley Water use multiple data stores for the same information?
7	Plan Implementation Plan Monitoring	<input type="checkbox"/> Financial <input type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Organizational Culture	Culture Audit	<ol style="list-style-type: none"> 1. How has Valley Water's organizational culture impacted implementation of plan established across the agency? 2. To what extent does Valley Water demonstrate and practice common cultural characteristics including:

					<ul style="list-style-type: none"> a) Defining organization's values and proactively emphasize and model those values. b) Ensuring strategies are consistent with the values and holding management accountable. c) Executing their duties within the organization's risk appetite. d) Management reinforces the values and culture through clear communication of expectations across the organization. e) Management actively gathers and listens to feedback. f) All levels are open to constructive criticism and problem solving through methods including information obtained from second- and third-line functions via inputs such as well-received and acknowledged employee suggestion/question program, ethics hotlines, open door policies, employees' events, and meetings, and more. g) All employees (to the extent possible) are engaged in objective setting and strategy discussions.
8	Grant Management Financial Management Coord. & Comm. Financial Oversight Data Accuracy	<input checked="" type="checkbox"/> Financial <input type="checkbox"/> Reputational <input type="checkbox"/> Operational	Grant Reimbursement	Performance Audit	1. Can Valley Water's process for tracking labor and expense activities on state grants awarded to Valley Water benefit from updating? 2. How timely are claims for reimbursement submitted to awarding state agencies? 3. What circumstances have contributed to lost opportunities

					for reimbursement by awarding state agencies?
9	Plan Monitoring	<input type="checkbox"/> Financial <input type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Human Resources Management	Cross-Functional Performance Audit	1. What progress has been made in implementing existing workforce development and succession planning plans? 2. What evidenced-based factors have been significant in facilitating the hiring of technical and operational staff? 3. To what extent have position descriptions and classification evolved to ensure that Valley Water has the technical capability to meet future demands to solve complex problems in an agile and creative manner?
10	Aging Infrastructure Detection Aging Infrastructure Monitoring	<input checked="" type="checkbox"/> Financial <input type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Asset Management	Cross-Functional Performance Audit	1. To what extent do Valley Water divisions and units ensure compliance to specification standards to prevent substandard replacements of parts, equipment, and capital assets? 2. Is Valley Water adequately meeting the needs of equipment maintenance?
11	Data Accuracy	<input checked="" type="checkbox"/> Financial <input type="checkbox"/> Reputational <input type="checkbox"/> Operational	Unmetered Groundwater Measurement	Desk Review	1. Is the methodology supporting unmetered groundwater usage measurement valid and include all applicable methodological assumptions?
12	CIP Planning Process Financial Management	<input checked="" type="checkbox"/> Financial <input type="checkbox"/> Reputational <input type="checkbox"/> Operational	Capital Project Budgeting	Performance Audit	1. Are there areas of Valley Water's capital project budgeting practices that can benefit from adopting best practices?
13	IT Security Management	<input type="checkbox"/> Financial <input type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	SCADA	Performance Audit	1. What is the status of implementation of prior audit recommendations? 2. Will the recommendations as implemented by Valley Water accomplish intended goals and objectives?

					3. Are changes needed in the frequency of communications to the Board on the progress and status of cybersecurity and other IT needs?
14	Plan Monitoring Management Plan Implementation	<input checked="" type="checkbox"/> Financial <input type="checkbox"/> Reputational <input type="checkbox"/> Operational	Strategy Development and Implementation	Cross-Functional Performance Audit	1. To what extent are management plans underway or completed across Valley Water? 2. To what extent do the plans need a completion date or require updating? 3. Are strategy and management plans developed across the Agency right sized to the divisions and/or units' staffing levels and workloads? 4. What progress has Valley Water made in implementing management plans to manage risks?
15	Program Monitoring Governance Management	<input type="checkbox"/> Financial <input type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Homelessness Programs	Performance Audit	1. To what extent has Valley Water implemented its homelessness plan? 2. Can other cost-effective strategies implemented in other jurisdictions to prevent the creation and establishment of homeless encampments on Valley Water property? 3. How can Valley Water enhance its homelessness encampment clean-up activities to ensure the protection of health and safety of employees?
16	Grant Management	<input checked="" type="checkbox"/> Financial <input checked="" type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Financial Management	Follow-Up Audit	1. Have improvements occurred in the timeliness of grant reimbursements? 2. To what extent has the grant management and administration implemented prior audit recommendations? 3. What improvements in program outcomes have occurred in the timeliness of grant application review, reimbursement, and accomplishment of deliverables?

17	Program Monitoring Management	<input type="checkbox"/> Financial <input checked="" type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Encroachment Program	Performance Audit	1. Is Valley Water implementing its encroachment licensing program consistent with the Board's guiding principles?
18	Data Management Data Accuracy	<input type="checkbox"/> Financial <input checked="" type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Business Process	Cross Functional Performance Audit	1. To what extent have Valley Water units established business processes to ensure accurate data collection and input? 2. What gaps remain in automating data collection and input?
19	Operations	<input type="checkbox"/> Financial <input type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Risk Management	Performance Audit	1. What are the advantages and disadvantages of realigning business functions (i.e., all risk management activities, workers compensation administration, and claim administration)? 2. Can risk management business processes benefit from updating? (i.e., overall operations, data management, contract claims, workers compensation, small claims, claims administration and management, workers compensation administration, and all risk management activities, including insurance & self-insurance.
20	Emergency Management	<input type="checkbox"/> Financial <input type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Peer Review	Best Practices Review	1. Can regulatory permitting practices administered by other utilities districts help reduce barriers and other challenges experienced by Valley Water?
21	IT Project Management & Communication Data Accuracy	<input type="checkbox"/> Financial <input type="checkbox"/> Reputational <input type="checkbox"/> Operational	System Implementation	Post IT Implementation Audit	1. Has the current large ERP project implementation produced the desired functionality? 2. To what extent have all contract deliverables been met? 3. To what extent have data quality issues surfaced post-implementation? 4. What lessons learned can apply to future information system implementations?

22	Emergency Response Emergency Management	<input type="checkbox"/> Financial <input checked="" type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Procurement	Performance Audit	<ol style="list-style-type: none"> 1. Have Valley Water's procurement policies been flexible and agile to effectively and timely respond to and recover from past emergencies? 2. Are other procurement and operational activities needed to ensure prompt and reliable emergency services?
23	Environmental Sustainability Framework Development Program Monitoring Governance	<input type="checkbox"/> Financial <input checked="" type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Program Measurement & Evaluation	Cross-Functional Performance Audit	<ol style="list-style-type: none"> 1. What level of success has Valley Water's environmental stewardship activities had on preventing environmental damage and promoting environmental sustainability? 2. To what extent has Valley Water adopted sustainability indicators on specific projects to measure progress? 3. To what extent has Valley Water adopted sustainability indicators in its decision-making?
24	Program Monitoring Management	<input type="checkbox"/> Financial <input type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Program Outcomes Business Process	Performance Audit	<ol style="list-style-type: none"> 1. To what extent has Valley Water mitigated the environmental hazards caused by non-use of the percolator ponds? 2. In a non-drought year, are barriers present that prevent Valley Water from filling percolator ponds? 3. What processes need development to prevent expiration of groundwater charge permits?
25	Financial Management Coord. & Comm. Financial Oversight	<input checked="" type="checkbox"/> Financial <input type="checkbox"/> Reputational <input type="checkbox"/> Operational	Capital projects	Desk Review	<ol style="list-style-type: none"> 1. What potential financial risks could occur on the California WaterFix project?
26	CIP Monitoring	<input type="checkbox"/> Financial <input checked="" type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Capital Project Evaluation and Monitoring	Cross-Functional Performance Audit	<ol style="list-style-type: none"> 1. Have completed capital projects met their intended goals? 2. To what extent does Valley Water include performance measures to measure success and monitor financial management?

					Are there lessons learned that can be adopted in future capital project plans to ensure goal accomplishments as well as implementation of alternative strategies to facilitate early communication to the Board of Directors of potential and actual problems, and to predict success such as performing cost vs. benefit analysis?
27	IT Security Management	<input type="checkbox"/> Financial <input type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	IT Risk Management	Desk review	1. To what extent is IT risk management activities aligned with best practices, such as National Institute of Standards and Technology (NIST) guidance, including whether acceptable risk appetites and risk tolerances have been formally documented and approved by the Board of Directors?
28	Purchasing and Contracting Processes	<input type="checkbox"/> Financial <input type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Financial Oversight	Desk Review	1. Can Valley Water benefit from updating its qualifications and experience criteria to include in future competitive bids for external financial audit services?
29	IT Strategic Planning Emergency Management	<input type="checkbox"/> Financial <input checked="" type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Disaster Planning	Performance Audit	1. Does Valley Water's prioritization for systems and data recovery meet the agency's needs for sustained business continuity? 2. To what extent does Valley Water's process for determining the prioritization of systems and data recovery adhere to best practices (ex. NIST)?
30	Plan Development Plan Implementation Plan Monitoring	<input type="checkbox"/> Financial <input type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Decision-Making	Cross-Functional Performance Audit	1. What lessons has Valley Water learned from its ad hoc cross-functional efforts to proactively address current or emerging risks?
31	Financial Oversight	<input checked="" type="checkbox"/> Financial <input type="checkbox"/> Reputational <input checked="" type="checkbox"/> Operational	Outsourcing of Legal Services	Desk Review	1. How have changes occurred in District Counsel Office spending

for contracting external legal services?

2. To what extent are the nature of services provided by contracted legal firms presently outside of the District Counsel Office's expertise?
 3. Can expanding outsourced legal services prevent project delivery delays?
-

SECTION C

AUDIT SERVICES – VALLEY WATER RESPONSIBILITY

QEMS ACTIVITIES

Under development

COMPLIANCE AND FINANCIAL AUDITS

FINANCIAL AUDITS
Financial Audits
Treasurer's Report
Appropriation's Limit
Compensation and Benefit Compliance (odd years)
Travel Expenses Reimbursement (even years)
Single Audit (if applicable)
WUE Fund Audit

SANTA CLARA VALLEY WATER DISTRICT

Audit Scoping Document

2022 Audit Plan Item

Review of Valley Water's Capital Project Planning Process.

Audit Objectives

To evaluate the capital project planning process employed by Valley Water to determine the extent to which the process is consistent with relevant requirements, policies, and best practices.

Audit Scope

Valley Water activities associated with planning, developing, executing, and monitoring the Capital Improvement Program.

Audit Approach

Phase I—Audit Planning

- Through interviews, document review, and system and process walk-throughs, gain an understanding of Valley Waters procedures and activities related to its CIP.
- Obtain and review criteria relevant to Valley Water's capital project planning process, including statutes, Board policies, management policies and procedures, and best practices.
- Identify roles and responsibilities of key departments, units, and staff in planning, developing, executing, and monitoring the CIP.

Phase II—Audit Fieldwork

- Assess the processes employed to identify projects for inclusion on the CIP, update the CIP, and to prioritize projects to ensure practices are in-line with the Board's intent and goals for the CIP. This includes evaluating aging infrastructure and condition assessments, system monitoring and detection systems, internal and external stakeholder input, Board priorities, and long-term planning.
- Through interviews and process walk-throughs, develop a high-level understanding of the protocols employed to identify and secure funding sources to implement the CIP, including grant funding and administration, rate setting, debt financing.
- Map out the CIP cycle, identifying key parties involved and business processes; identify the time and resources required for each step in the process (depending on information available), as well as potential gaps, inefficiencies, or opportunities for improvement.
- Evaluate historic trends relating to the CIP, including target start and completion dates, project budgets, and project goals, and compare to actual results; evaluate metrics established to define and evaluate project success or measure program performance.
- Evaluate Valley Water's protocols for monitoring the CIP program, project delivery, project outcomes, and overall performance.
- Conduct a high-level evaluation of Valley Water's approach to implementing the CIP and project delivery. This will include interviews with project management staff and reviews of select project files, and will focus on Valley Water's project management approaches, selection of contractors, contract oversight and monitoring, project strategy and organization, project controls and risk

SANTA CLARA VALLEY WATER DISTRICT Audit Scoping Document

management, change order management, project reporting, budget and performance indicators, and schedule management.

- Conduct benchmarking research to identify best practices in CIP planning and monitoring among large water districts and public works agencies in California. Compare results with practices observed at Valley Water, and identify potential opportunities for improvement.

Phase III—Reporting

- Develop Draft Report and obtain management's response.
- Develop Final Report and presentation.

Proposed Project Budget & Schedule

	Partner	Director	Sr. Consultant	Associate Consultant	Total Hours	Total Cost
<i>HOURLY RATE:</i>	\$230	\$180	\$115	\$90		
Task Description						
Project Initiation & Planning	45	45	45		135	\$23,625
Fieldwork	40	150	200	160	550	\$73,600
Draft & Final Report	60	35			95	\$20,100
<i>Total Hours</i>	145	230	245	160	780	
Total Project Costs						\$117,325

MILESTONE	TIMELINE											
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
Project Planning												
Fieldwork												
Draft Report												
Final Report												



Santa Clara Valley Water District

File No.: 22-0582

Agenda Date: 5/16/2022

Item No.: 4.3.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

Receive Information on Change Orders to Anderson Dam Tunnel Project Construction Contract.

RECOMMENDATION:

Receive Information on Change Orders to Anderson Dam Tunnel Project Construction Contract.

SUMMARY:

During the May 17, 2021, Capital Improvement Program (CIP) Committee meeting, staff provided an update on the Anderson Dam Tunnel Project No. 91864005. The Committee requested staff provide monthly change order status updates after construction of the ADTP commences on July 7, 2021.

Project Background

Santa Clara Valley Water District (Valley Water) is undertaking the Anderson Dam Federal Energy Regulatory Commission Order Compliance Project (FOCP) as a result of the February 20, 2020, directive from the Federal Energy Regulatory Commission (FERC) to implement interim risk reduction measures at Anderson Dam. One of those measures is the Anderson Dam Tunnel Project (ADTP).

On April 27, 2021, Valley Water's Board of Directors awarded the construction contract for the Anderson Dam Tunnel Project (ADTP) to the top ranked best value proposer, Flatiron West, Inc. (Flatiron), in the sum of \$161,140,321 and approved a contingency amount of \$40,000,000 (25% of the contract price). The Board directed staff to discuss delegating authority for contingency expenditures with the CIP Committee.

By unanimous roll call vote at its May 17, 2021, meeting, the Committee approved recommending to the full Board that it consider delegating authority to staff to approve change orders for the Anderson Dam Tunnel Project at the amounts stated below and that the CIP Committee receive regular monthly reports with information regarding approved change orders, pending change orders, and the cumulative amounts. Valley Water's Board of Directors accepted the CIP Committee recommendations at its regular meeting on May 25, 2021.

Delegated Approval Authority

Unit Manager: Up to \$100,000
Assistant Operating Officer: Up to \$250,000
Deputy Operating Officer: Up to \$500,000
Assistant Chief Executive Officer: Up to \$2.5 million
Chief Executive Officer: Up to \$5 million
Board of Directors: \$5 million and above

Construction Contract Change Orders Status

There is one pending change order, which was analyzed and reviewed by staff, related to the following:

- 1. Procurement of water quality monitoring equipment.** The Water Quality Certification Condition 2 Plan required Water Quality Stations Multiparameter water quality sondes (instrument probe) to monitor water quality for the Project for various construction activities at multiple locations. This part of the change order reimburses the contractor for the purchase of the equipment and is valued \$131,603.28.
- 2. Miscellaneous demolition and installation of 18" pipe.** An existing culvert inlet and outlet, not shown on the plans, required modification to continue local drainage away from Staging Area 2E. Additional miscellaneous Items, not identified in Project plans, also required demolition and removal. This portion of the change order work is valued at \$45,496.00.
- 3. TCEAP VHF/UHF Radios.** The Temporary Construction Emergency Action Plan (TCEAP) requires the contractor to provide up to six (6) VHF/UHF radios to ADTP site Safety and Health Supervisor and Engineer. The Contractor, Flatiron, has advised that they cannot purchase these specialized radios as required by the Contract Documents, since they are only available for purchase by certain government agencies, including Valley Water. Therefore, Valley Water agreed to purchase the radios. As a result, the cost of the radios as priced by Flatiron, \$45,496.00, will be a deductive change order and removed from the contract price.

In conclusion, the total additive change order (#1. and #2.) is \$131,603.28, a figure agreed to by Valley Water and Flatiron.

ATTACHMENTS:

Attachment 1: Construction Contract Change Orders Status

UNCLASSIFIED MANAGER:

Christopher Hakes, 408-630-3796

**Anderson Dam Tunnel Project
Construction Contract Change Order Status**

Change Order Number	Date	Description	Amount	Contingency Amount	Approval Level
N/A	4/27/2021	Original Contract	\$161,140,321	\$40,000,000	Board
1	12/16/2021	Additional Tree Removal, Protection and Relocation	\$460,250.41		DOO
2	4/26/2022	Outlet Works Vertical Shaft Re-sizing	\$3,783,119.15		CEO

Remaining Contingency \$35,756,630

Pending Change Order	Description	Claim Amount
1	Water Quality Monitoring Equipment, Miscellaneous demolition, TCEAP VHF/UHF Radios	\$131,603.28
Number of Change Orders Approved Previously	Number Of Change Orders Approved Current Month	Total Number Of Change Orders Executed To Date
1	1	2

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Santa Clara Valley Water District

File No.: 22-0594

Agenda Date: 5/16/2022

Item No.: 4.4.

COMMITTEE AGENDA MEMORANDUM

Capital Improvement Program Committee

SUBJECT:

Review 2022 Capital Improvement Program Committee Work Plan.

RECOMMENDATION:

Review the 2022 Capital Improvement Program Committee Work Plan and make adjustments as necessary.

SUMMARY:

Work Plans are created and implemented by all Board Committees to increase Committee efficiency, provide increased public notice of intended Committee discussions, and enable improved follow-up by staff. Work Plans are dynamic documents managed by Committee Chairs and are subject to change. Committee Work Plans also serve to assist to prepare an Annual Committee Accomplishments Reports.

Discussion of topics as stated in the Plan have been described based on information from the following sources:

- Items referred to the Committee by the Board;
- Items requested by the Committee to be brought back by staff;
- Items scheduled for presentation to the full Board of Directors; and
- Items identified by staff.

The CIP Work Plan contained in Attachment 1 is presented for the Committee's review to determine topics for discussion in 2022.

Regular monthly meetings are scheduled to occur at 11:00 a.m., on the third Monday of each month or at the call of the Committee Chair.

ATTACHMENTS:

Attachment 1: 2022 CIP Committee Work Plan

UNCLASSIFIED MANAGER:

Candice Kwok-Smith, 408-630-3193

CIP Committee 2022 Workplan

	<i>Jan</i>	<i>Feb</i>	<i>Mar</i>	<i>Apr</i>	<i>May</i>	<i>Jun</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>
Capital Project Monitoring												
Feasibility/Planning	X			X			X			X		
Design/Permitting	X	X			X			X			X	
Construction	X		X			X			X			X
CIP Implementation												
Lower Berryessa Creek Phase 2 Project Update		X										
Dam Safety Program Overview and Updates			X									
Purified Water Program Update			X									
Updates 10-Year Pipeline Program Overview and Updates				X								
ERP System Implementation Overview and Updates						X						
Consultant Agreement Compliance Process						X						
Capital Projects not in Monitoring							X					
CIP Development												
CIP Process Audit					X							
CIP Planning Process												
• Annual CIP Process and Integrated Financial Planning Schedule and Review of Initially Validated and unfunded Projects										X		
• Review Significant Project Plan Updates											X	
Preliminary CIP Review												X
Standing Items												
Anderson Dam Tunnel Project Contingency and Change Order Monitoring	X	X	X	X	X	X	X	X	X	X	X	X
Upcoming Consultant Agreement Amendments	X	X	X	X	X	X	X	X	X	X	X	X
Workplan	X	X	X	X	X	X	X	X	X	X	X	X
Minutes	X	X	X	X	X	X	X	X	X	X	X	X
Annual Election of Committee Officer		X										

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