

SWEETWATER AUTHORITY

Engineering and Operations Committee

May 1, 2024

REVISED



Update on Capital Improvement Plan Projects – Third Quarter of Fiscal Year 2023-24

CONCLUSION

This is an information item.

OVERVIEW

This report summarizes the activities and milestones involved with the delivery of the Authority's Capital Improvements Program (CIP) during the third quarter of Fiscal Year (FY) 2023-24. It also provides an overview of the CIP, highlighting significant projects, CIP process improvements and accomplishments, and a discussion of significant areas driving change to CIP project delivery. The Authority's CIP is a compilation of individual projects funded by an annually adopted budget and available local, state, and federal grants.

As part of its reporting activities to the Governing Board (Board), staff has been reporting the status of funded CIP Projects on Quarterly Capital Expense Reports. Staff now proposes to change the format in which Quarterly Capital Expense Reports are presented to the Board through this reporting format. A CIP Projects Report for the Third Quarter of FY 2023-24 is included as Attachment 1. This change in reporting format is intended to show more information across all CIP Projects.

The report attached covers the following information:

- Purpose and Scope of Report
- CIP Overview
- CIP Projects Schedule
- CIP Budget and Expenditures per Asset Type
- Relationship of CIP Projects to Strategic Plan Work Plan
- Delivery of CIP Projects
- Previous CIP Project Reporting
- Notable CIP Project Updates Since Last Update in Second Quarter of FY 2023-24
- Programs in Support of Operational Activities
- Local Business Outreach
- CIP Process Improvements

Additionally, the CIP Dashboard presented to the Board during the second quarter of FY 2023-24 has been updated with recent project updates. The CIP Dashboard can be accessed at the following location:

<https://www.sweetwater.org/148/Current-Projects>

The attached report includes the following notable CIP Project Updates. The updated schedules can be found on the Gantt Chart included **within** Attachment 1.

1. Gasoline Underground Storage Tank Replacement (Project No. 20225001) – Construction work had already been completed on this project; however, staff has now received confirmation from County of San Diego that soil mitigation is not required based on laboratory test results submitted and the project is now fully completed. The project has been removed from the Gantt Chart.
2. Street Improvement Project at G Street, between Bay Boulevard and Marina Parkway (Project No. 20234012) – Construction work was completed for a water main relocation in Chula Vista. The project has been removed from the Gantt Chart.
3. Street Improvement – Bonita Road Culvert (Project No. 20234014) – Staff obtained a waiver from the Division of Drinking Water to allow a reduced separation between a water main and a proposed storm drain culvert relocation in Bonita. This saved the Authority \$54,665 in budgeted funds, and this project is now considered complete. The project has been removed from the Gantt Chart.
4. Clearwell Effluent Meter Replacement at Perdue (Project No. 20224011) – The contractor has completed potholing to identify potential utility conflicts. Procurement of materials by the contractor is in progress. Replacement of the meter is scheduled for the winter of 2024, when demands on the system are expected to be the lowest throughout the year. See row 21 of Gantt Chart for project schedule.
5. Pipeline Replacement Program (Project No. 20234003) – The selected contractor has initiated construction work on one of the pipelines to be replaced, on E 32nd Street in Lincoln Acres. See row 32 of Gantt Chart for project schedule.
6. San Miguel Road Pipeline (Project No. 20244011) – Construction on this project is ongoing, and completion is expected before the end of FY 2023-24. See row 11 of Gantt Chart for project schedule.
7. Sweetwater Wetlands Recovery Project (Project No. 20168005) – Removal of invasive species within Sweetwater Reservoir's Habitat Management Area is ongoing and the project is anticipated to be completed by November 2024. See row 52 of Gantt Chart for project schedule.
8. Cathodic Protection of Three Storage Tanks (Project No. 20214008) – The selected contractor has procured all the necessary materials and construction work has begun. See row 2 of Gantt Chart for project schedule.
9. Hazardous Tree Removal Defensible Space at Perdue Project (Project No. 20248005) – This project was awarded to West Coast Arborist and has now moved from the design/environmental/permitting phase to the construction phase. See row 56 of Gantt Chart for project schedule.
10. Sweetwater Reservoir Enhancement Project (Project No. 20224003) – This project has been repurposed in scope and is now named the Sweetwater Reservoir Capacity Restoration Project. The

revised project carries some of the same goals of reservoir water quality improvement and storage capacity restoration but eliminates the goal of materials recovery for commercial purposes and additional revenue to the Authority. Staff is working with Benchmark Resources to redefine the project description and calculate sediment volumes within the revised project boundary, so that the information can feed into a Preliminary Initial Environmental Analysis and determine if a Notice of Exemption, for compliance with the California Environmental Quality Act, would be suitable for the project. See row 182 of Gantt Chart for project schedule.

11. Aeration/Destratification System for Sweetwater Reservoir (Aeration System) (Project No. 20228002) – The project’s schedule is being updated in order to include dredge underneath the proposed system. This will support a comprehensive environmental clearance process and will avoid any post dredging re-installation costs of the Aeration System. See row 66 of Gantt Chart for project schedule.
 12. National City Wells Iron and Manganese Removal System (Project No. 20218003) – One of the Authority’s on-call engineering consultants is performing value engineering on this project with the intent of redesigning the proposed system and reduce construction costs. In addition, \$959,752 in federal funds have been earmarked towards this project. Staff is working on securing an additional \$1 million in State funds to offset construction costs. The project is listed in row 136 of Gantt Chart. A new project schedule will be developed once additional funds are secured.
 13. Sweetwater Dam and South Dike Improvements (Project No. 20114012) – As part of the budgeting approval process for FY 2024-25, staff will propose to transfer funds from this project to the following projects as follows:
 - \$1.5 million to the National City Wells Iron and Manganese Removal System Project to supplement available construction funds based on higher than anticipated construction costs.
 - \$4 million to the Central-Wheeler Tank (CWT) Project (Project No. 20014016) to supplement available construction funds. The estimated construction cost for the CWT Project is outdated by several years and the project is underfunded by \$4 million based on a preliminary Opinion of Probable Construction Cost from the on-call engineering consultant completing design for the project. See row 81 of Gantt Chart for project schedule.
- Staff proposes to leave a remaining balance of approximately \$1 million in the Sweetwater Dam and South Dike Improvements Project, to complete the Comprehensive Assessment of the dam and for any potential additional analyses that could be directed to be performed by the Division of Safety of Dams. See row 187 of Gantt Chart for project schedule.
14. Stairway and Valve Replacement at Loveland Dam (Project No. 20214011) – As part of the budgeting approval process for FY 2024-25, staff will propose to transfer \$1 million in funds from this project to the National City Wells Iron and Manganese Removal System Project due to the reasons mentioned above. See row 125 of Gantt Chart for project schedule.

15. Water Resources Master Plan (Project No. 20224000) – A draft plan was presented in February 2024. Staff received some comments and is making the necessary revisions in conjunction with updates necessary to reflect proposed future efforts. See row 149 of Gantt Chart for project schedule.
16. Recycled Water Analysis (Project No. 20244001) – In conjunction with Otay Water District, Carollo Engineers was selected as consultant. The project may be able to receive the full \$500,000 grant that was applied for, even though the full grant amount was in jeopardy given the State's Budget deficit. The draft study is expected in the fourth quarter of FY 2024-25. See row 165 of Gantt Chart for project schedule.

CIP Process Improvements

This CIP Projects Quarterly Progress Report and future reports in this format are intended to provide more information than previous reporting efforts on the status of CIP Projects. Staff will continue to make reporting improvements in an effort to provide more information. Current CIP Process Improvements being undertaken by staff are:

- Updated project estimates to account for inflation and more realistic timelines for projects.
- Well defined project scope to avoid scope creep.
- Deliberate coordination with municipalities and County on pipeline projects to avoid issues with pavement moratoriums.
- Explore grants to offset project costs.
- Change requirements from physical bid submittals on projects advertised for construction to give contractors flexibility on whether they want to submit a physical bid submittal or a digital bid submittal through BidNet Direct. This change would encourage more contractor participation by making it easier for them to submit bids.
- Engage the local Chambers of Commerce to help promote awareness of Authority's CIP Projects that would be advertised soon for construction.
- Continue to leverage the Authority's GIS Platform to provide more information on the CIP Dashboard across all funded CIP Projects.

FISCAL IMPACT

The FY 2023-24 Budget for Capital Investment Project was adopted by the Board on June 28, 2023, and allocates funding to the projects reported in the attached report.

Staff Contact:

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SUPPORTING INFORMATION

Attachments

1. CIP Projects Quarterly Progress Report – Third Quarter FY 2024
2. Staff's Presentation

Strategic Plan

1. Goal 1 – Water Quality: Provide high water quality that meets regulatory requirements.
2. Goal 2 – System and Water Supply Reliability: Achieve an uninterrupted, long-term water supply through investment, maintenance, innovation and developing local water resources.
3. Goal 3 – Financial Viability: Ensure long-term financial viability of the agency through best practices, operational efficiency, and maximizing assets.
4. Goal 4 – Customer Service, Citizen Engagement and Community Relations: Provide high-quality customer service based on customer feedback and serve the community through education, outreach, and partnerships.
5. Goal 6 – Administrative Effectiveness: Provide efficient and effective administrative systems and procedures in accordance with best management.
6. Goal 7 – Environmental Stewardship: Provide core services while maintaining a balanced approach to human and environmental needs.

Note: There are no CIP Projects associated with Strategic Plan Goal 5 – Workforce Development and Constructive Labor Relations.

Past Board Actions

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|---------------|-----------------------------------------------------------------------|
| June 28, 2023 | The Board adopted Resolution 23-13, adopting a Budget for FY 2023-24. |
| June 28, 2023 | The Board approved the FY 2023-24 Strategic Plan Work Plan. |