

SWEETWATER AUTHORITY

Engineering and Operations Committee

January 13, 2025



Update on Capital Improvement Plan Program – First and Second Quarters of FY 2024-25

CONCLUSION

This is an information item.

OVERVIEW

This report summarizes the activities and milestones of delivering the Authority's Capital Improvements Program (CIP) during the first and second quarters of Fiscal Year (FY) 2024-25. 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 Board, staff has reported the status of funded CIP Projects on Quarterly Capital Expense Reports. Staff has now changed the format in which Quarterly Capital Expense Reports are presented to the Board through this reporting format. A CIP Projects Report for the First and Second Quarters of FY 2024-25 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 May 2024
- Projects funded through the General Fund
- Programs in Support of Operational Activities
- Local Business Outreach
- CIP Process Improvements

Additionally, the CIP Dashboard 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, including completing twelve CIP Projects since the last update provided to the Board in May 2024. The updated schedules are on the Gantt Chart included in Attachment 1.

Construction Phase Projects

1. *Cathodic Protection at Three Storage Tanks Project (Project No. 20214008)* – The project has been completed and has been removed from the Gantt Chart.
2. *San Miguel Road Pipeline (Project No. 20244011)* – The project has been completed and has been removed from the Gantt Chart.
3. *Clearwell Effluent Meter Replacement at Perdue (Project No. 20224011)* – Replacement of the meter was completed in December 2024 and the new production meter at Perdue is now active. Minor project items are pending with project completion expected in February 2025. See row 2 of Gantt Chart for project schedule.
4. *FY 2023 Pipeline Replacement Program (Project No. 20234003)* – Construction of pipelines in National City and Lincoln Acres is in progress and expected to be completed in Q3 of this fiscal year. See row 13 of Gantt Chart for project schedule.
5. *Naples Street Large Meter Improvements (Project No. 20204009)* – The project has been completed and has been removed from the Gantt Chart.
6. *Sweetwater Wetlands Recovery Project (Project No. 20168005)* – Removal of invasive species within Sweetwater Reservoir's Habitat Management Area was completed in December 2024. Project closeout for grant purposes is expected in February 2025. See row 31 of Gantt Chart.
7. *Hazardous Tree Removal Defensible Space at Perdue Project (Project No. 20248005)* – Selective removal of eucalyptus trees was completed in October 2024. Project has been completed and has been removed from the Gantt Chart.
8. *Fire Tank Replacement at Loveland Reservoir (Project No. 20224004)* – The Board awarded a construction contract in October 2024. A pre-construction meeting with the contractor was held in early January 2025. See row 34 of Gantt Chart for project schedule.
9. *National City Wells Iron and Manganese Removal System (Project No. 20218003)* – The Board awarded a construction contract in October 2024 to SCW Contracting. A groundbreaking ceremony is being planned for Q3 in FY 2025. See row 40 of Gantt Chart for project schedule.

Design/Environmental/Permitting Phase Projects

10. *Customer Water Bill Payment Kiosk (Project No. 20241005)* – The payment kiosk in the lobby of the Authority's Administration Building has been installed and is operational. The payment kiosk planned outside of the building will now be funded through the General Fund. Because this project is no longer funded through the CIP Fund, it has been removed from the Gantt Chart.
11. *Central Wheeler Tank (Project No. 20014016)* – The project was advertised for construction in November 2024. Bids are due January 17, 2025, and staff anticipates making a construction contract award recommendation to the Board in February 2025. See row 52 of Gantt Chart for project schedule.

12. *Aeration/Destratification System for Sweetwater Reservoir (Aeration System) (Project No. 20228002)* – At its August 26, 2024 meeting, the Board adopted Addendum No. 1 to the Environmental Impact Report (EIR) for the Perdue Water Treatment Plant, to add the proposed Aeration System to the EIR. Staff submitted permit applications to the permitting agencies, to have the project permitted before advertising it for construction. See row 64 of Gantt Chart for project schedule.
13. *SDF Well Pump Control Valve Modification (Project No. 20248008)* – The project has been completed and has been removed from the Gantt Chart.
14. *Sodium Hydroxide and Sodium Hypochlorite Tank Replacement (Project No. 20258004)* – New CIP Project listed in Gantt Chart; project added to FY 2024-25 Budget. See row 93 of Gantt Chart for project schedule.
15. *Bonita Valley Reservoir Residual Control System (Project No. 20258005)* - New CIP Project listed in Gantt Chart; project added to FY 2024-25 Budget. See row 95 of Gantt Chart for project schedule.
16. *Pipeline on H Street, Claire Avenue to 750 feet east, in Chula Vista (Project No. 20244004)* – Project removed from Gantt Chart because it was defunded for FY 2024-25. Staff will propose to fund the project once pavement moratorium expires.
17. *Loveland Residence Roof Replacement & Photovoltaic Installation (Project No. 20194007)* – Project removed from Gantt Chart because it was defunded for FY 2024-25. Project is no longer cost effective based on new regulations from the California Public Utilities Commission.
18. *Stairway and Valve Replacement at Loveland Dam (Project No. 20214011)* – Staff is performing a constructability review of the Stairway Replacement design that was prepared by GEI Consultants, Inc. Design for the Valve Replacement is in progress. See row 99 of Gantt Chart for project schedule.
19. *Loveland Reservoir Trails Master Plan (Project No. 20254001)* – A grant agreement for the \$750,000 State grant has been executed and funding has been received. Staff is coordinating design details and environmental considerations for the project with on-call consultants. See row 109 of Gantt Chart for project schedule.
20. *Deep Well Anode Bed for a 30-inch Second Avenue Pipeline Rectifier (Project No. 20254002)* - New CIP Project listed in Gantt Chart; project added to FY 2024-25 Budget. Design has been completed and the project is anticipated to be advertised in early January 2025. See row 120 of Gantt Chart for project schedule.
21. *FY 2025 Pipeline Replacement Program (Project No. 20254004)* - New CIP Project listed in Gantt Chart; project added to FY 2024-25 Budget and design is near the 50 percent level of completion. See row 131 of Gantt Chart for project schedule.
22. *Desal Programmable Logic Controller Replacement (Project No. 20258001)* - New CIP Project listed in Gantt Chart; project added to FY 2024-25 Budget. See row 142 of Gantt Chart for project schedule.

Plan/Study Phase Projects

23. *Water Resources Master Plan (Project No. 20224000)* – The project has been completed and has been removed from the Gantt Chart.

24. *New SDF Well in National City (Project No. 20234001)* – The project has been completed and has been removed from the Gantt Chart.
25. *Lead and Copper Service Line Inventory (Project No. 20248002)* – The project has been completed and has been removed from the Gantt Chart.
26. *Automatic Metering Infrastructure Feasibility Study (Project No. 20241003)* - The project has been completed and has been removed from the Gantt Chart.
27. *Board Room Technology Upgrade (Project No. 20236002)* – The project has been completed and has been removed from the Gantt Chart.
28. *Sweetwater Reservoir Capacity Restoration (Project No. 20224003)* – The consultant for the project is finalizing a Project Description and updating sediment estimates within the revised project footprint in the area of the reservoir's outlet tower, to feed that information into the Preliminary Environmental Impact Assessment. See row 156 of Gantt Chart for project schedule.
29. *Sweetwater Dam and South Dike Improvements (Project No. 20114012)* – Staff provided a status update to the Board on this project during the September 25, 2024 Board meeting. Based on the Division of Safety of Dams' (DSOD) review of reports submitted to date for the Comprehensive Assessment of Sweetwater Dam, DSOD provided a response letter in August 2024 requesting additional analyses for the dam and an updated Probable Maximum Flood (PMF) Analysis to support one of the alternatives to be selected for addressing deficiencies with the South Spillway. The Board approved a new task order for DSOD for an amount not-to-exceed \$89,582. The new scope of work for GEI, to be incorporated into the Comprehensive Assessment, consists of the following:
 - Analysis for risk of failure of the North Spillway concrete apron
 - Stability analysis of the rockfill ballast above the North Spillway
 - Hydraulic analysis of the North and Center Spillways, including an updated PMF analysis

For more detail information on the update to this project, please refer to Item 8.1 of the Board agenda from September 25, 2024. See row 161 of Gantt Chart for project schedule.

30. *GIS Assessment, Plan, and Expansion of Portal (Project No. 20226000)* – The project has been completed and has been removed from the Gantt Chart.
31. *City of San Diego Second Pipeline Interconnection Replacement (Project No. 20224001)* – Project removed from Gantt Chart because it was defunded for FY 2024-25. Staff will propose to fund the project once it is ready to proceed. The City of San Diego controls the schedule on this project.

Street Improvements

32. *Paradise Creek Water Quality Enhancements Phase II (Project No. 20214018)* – Water main relocation in National City to accommodate National City stormwater improvements has been completed. The project has been removed from the Gantt Chart.

Software Projects

33. *Customer Service Information System Replacement (Project No. 20241006)* – Project removed from Gantt Chart because it was defunded for FY 2024-25.

Projects funded through the General Fund

1. *Watershed Model*: At its October 9, 2024 meeting, the Board approved a contract with River Focus Water Resource Consultants for the development of Hydrologic and Hydraulic Models (Watershed Model) of the Sweetwater River Watershed. The project has initiated and it is planned for completion by June 30, 2025.
2. *Seismic Stability Study for Sweetwater Reservoir Outlet Tower*: A Request for Proposals for consultant selection was advertised in December 2024. Proposals are due on January 16, 2025. The Study is planned to be completed by June 30, 2025.
3. *Destruction of Well SDF-2*: At its December 11, 2024 meeting, the Board awarded a construction contract for the destruction of San Diego Formation Well No. 2 to Layne Christensen Company, for a not-to-exceed amount of \$219,565. The construction contract is in the process for execution. The contractor has 45 calendar days to complete the project once a Notice to Proceed is provided after contract execution.
4. *Recycled Water Analysis*: In conjunction with Otay Water District (Otay), Carollo Engineers was selected as a consultant. The project received a \$350,000 grant from the State Water Resources Control Board. Per Agreement with Otay, project costs will be shared equally. The consultant for the project had a change in Project Manager, which has caused project delays. Project completion is still planned for Q4 of FY 2024-25. This project was previously funded through the CIP Fund in FY 2023-24.
5. *Clearwell Assessment Study*: During the Perdue Treatment Plant shutdown period in December 2024, to install the new production meter for the treatment plant, an inspection of the inside of the Perdue Clearwell was conducted by Ardurra, one of the Authority's on-call consultants. The Study is planned to be completed by June 30, 2025.
6. *Urban Runoff Diversion System Master Plan*: At its December 11, 2024 meeting, the Board approved a contract with CWE for the development of the URDS Master Plan. The contract has been executed and a project kick-off meeting is planned for mid-January, with anticipated project completion by June 30, 2025.

CIP Process Improvements

Staff will continue to make reporting improvements in an effort to provide more information. CIP Process Improvements already undertaken by staff are:

- Updated project estimates to account for inflation and account for more realistic timelines on 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 to digital bid submittals through PlanetBids. This change would encourage more contractor participation by making it easier for them to submit bids.

- 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 2024-25 Budget for Capital Investment Project was adopted by the Board on June 12, 2024, 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 – First and Second Quarters of FY 2024-25
2. Staff 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 Action

June 12, 2024 The Board adopted Resolution 24-08, approving the Budget for FY 2024-25.
The Board approved the FY 2024-25 Strategic Plan Detailed Work Plan.