

To: Board of Directors
From: Norma J. Camacho, CEO

Chief Executive Officer Bulletin Week of March 30 – April 5, 2018

Board Executive Limitation Policy EL-7:

The Board Appointed Officers shall inform and support the Board in its work. Further, a BAO shall 1) inform the Board of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established and 2) report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

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District begins removing hazardous eucalyptus trees along Saratoga Creek for public safety

On Monday, April 2, 2018, the district began removing 30 diseased and drought-damaged eucalyptus trees along Saratoga Creek in Saratoga to protect life, property and electrical power infrastructure. The trees are expected to be removed before April 20, 2018.

In recent years, numerous tree failures have occurred along the creek between Cox Avenue and Prospect Road due to multi-year drought, disease and decay fungi. Targets below the trees include high-value homes and properties, a private swim and tennis club, Saratoga Creek, and PG&E distribution lines.

The giant trees, some of them as tall as 150-feet, are on district property and access to hazard trees is highly limited due to adjacent private property, encroachments on district property by some adjacent property owners, and the creek area itself.

Due to limited access, the trees are being approached from the opposite bank, using an oversized crane and a skilled and experienced tree crew to cut and lift tree material over the creek away from homes and utility lines. It is a highly coordinated operation with tree climbers and crane operators in continuous and direct contact through wireless communication systems. The work is being carried out by a specialty tree contractor, Mowbray's Tree Service, a PG&E preferred contractor for large jobs of this nature where access is limited, and homes are in close proximity.

Once removed, the trees will be gradually replaced with native vegetation.

For further information, please contact Sue Tippetts at (408) 630-2253.

Update on California WaterFix

On April 2, 2018, Metropolitan Water District's (MWD) Chairman of the Board and General Manager sent a joint letter to the MWD Board regarding a meeting with State Water Project (SWP) and Central Valley Project (CVP) contractors, and officials from the State and United States Bureau of Reclamation (Reclamation). According to the letter, the majority of CVP contractors and Reclamation officials said that there were a number of internal institutional issues to be resolved among the CVP contractors before they could make a commitment to participate in the full 9,000 cfs WaterFix project. Based on this information, it was decided that the SWP contractors would proceed as proposed by the Brown Administration, with a staged approach to initially build a single tunnel with a capacity of 6,000 cfs. The second stage of the project would proceed later and would bring the project to a total capacity of 9,000 cfs. MWD staff intend to bring an action to the MWD Board on April 10, 2018, that MWD fund its share of the first stage of the WaterFix project.

Recall that on February 7, 2018, the State of California first announced that it would evaluate the option of constructing the WaterFix in stages. The first stage would build two intake facilities and a single tunnel with a capacity of 6,000 cfs. A third intake and a second tunnel would follow at a later date to bring the project up to its full capacity of 9,000 cfs.

Then, on February 14, 2018, the Water Stewardship and Planning Committee of MWD requested that MWD staff explore the possibility of leading the financing for construction of the entire 9,000 cfs project in a single stage. Further, on February 27, 2018, MWD's Special Committee on Bay-Delta confirmed the direction to staff to continue exploring that approach.

Returning to the latest information from MWD, as contained in its April 2, 2018, letter: the focus of SWP contractors has reverted to a 6,000 cfs project scope as an initial stage. MWD reports that CVP contractors and Reclamation officials expressed great appreciation for the concepts MWD advanced to explore alternative financing mechanisms to construct the full 9,000 cfs preferred alternative. MWD represents that SWP contractors and Department of Water Resources will continue to work with CVP contractors and Reclamation to resolve their issues and continue to explore alternative financing concepts that honor the "beneficiary pays" principle to help expedite construction of the second stage. MWD's letter notes that the door will also remain open for CVP contractors to participate in the first stage if there is interest.

For further information, please contact Nina Hawk at (408) 630-2736.

Status of the Native American's remains found within the Permanente Creek Flood Protection Project and the Project construction.

Staff has completed and submitted the Burial Treatment Plan for Native American remains in Permanente Creek Flood Protection Project (Project) footprint to the US Army Corps of Engineers (USACE) for use in the consultation with State Historic Preservation Office (SHPO).

USACE has previously informed the district that they will not issue a provisional permit allowing remaining work outside the waters of the U.S. to continue at the Project site. USACE believes a SHPO consultation must be completed before any work can continue.

It is the district's understanding that USACE's tribal liaison has been in contact with both Mr. Galvan (Most Likely Descendant) and SHPO. The district also understands that SHPO and

USACE are in agreement to recover the three partially exposed remains as soon as possible, but they will defer to Mr. Galvin's wishes. At this time, Mr. Galvin is waiting for SHPO requirements to make his decision. Project requirements will be documented in a formal Memorandum of Agreement (MOA), which USACE has already started drafting. The district has offered to help USACE to finalize the MOA.

This district is planning to set up a meeting with SHPO and USACE the week of April 9, 2018, to better understand the construction constraints so that work can be appropriately planned. Any delay to begin the construction within the channel beginning May 2018, could potentially delay the completion of the Project.

For further information, please contact Ngoc Nguyen at (408) 630-2632.
