

CEO BULLETIN



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

Week of December 6, 2019 – December 12, 2019

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.

Item	IN THIS ISSUE
<u>1</u>	Invasive species removal efforts begin on Adobe & Matadero Creeks within Palo Alto Baylands.
<u>2</u>	Natural Resources Conservation Service: PL-566 Project Annual Inspection
<u>3</u>	Results of the Sale of Water System Refunding Revenue Bonds, Series 2019C
<u>4</u>	South San Francisco Bay Shoreline Phase 1 Project - USACE Advertisement for Construction of Reaches 1, 2 & 3
<u>5</u>	Update on PFAS (Per- and Polyfluoroalkyl Substances)
<u>6</u>	Vault Design Reviews Result in Ergonomic Improvements
<u>7</u>	Winter Preparedness Workshop
<u>8</u>	<u>Keegan</u> A comprehensive lessons learned on Permanente Creek Flood Protection Project when complete; and share with Board. R-19-0016

1. Invasive species removal efforts begin on Adobe & Matadero Creeks within Palo Alto Baylands.

Vegetation management work has begun on a countywide effort to map and remove invasive species *Arundo donax*. Lower Peninsula Watershed has been mapped in its entirety and 2.3 acres are in the process of a removal effort. Approximately 1.3 of these acres lie within Palo Alto Baylands on Adobe (.96 acres) and Matadero (.34 acres) Creeks. This work is performed under the Stream Maintenance Program's (SMP-2) Invasive Plant Management Program (IPMP).

Based on an initial desk audit of the invasive plant removal sites, potential for special status species to occur within the work area was identified, including Salt Marsh Harvest Mouse, Ridgway's Rail, and Black Rail. Subsequent investigations determined that immediate removal of these infestations could provide ecological benefit to Bayland habitats and help control the localized populations of these invasive species before they have a chance to spread.

The work was not proposed within the regular Notice of Proposed Work (NPW) process, so a special informal consultation was initiated with the US Army Corp of Engineers and California Department of Fish & Wildlife. Valley Water asked for a waiver to perform this work within sensitive species habitat. After several weeks of negotiations, a waiver was granted on November 7, 2019 to perform removal work until the beginning of the Ridgeway Rail Breeding Season on January 15, 2020.

A biological field evaluation was conducted prior to work to identify areas of potential rail and mouse habitat, as well as appropriate Best Management Practices (BMPs) to avoid impacts to sensitive species. All activities are occurring after Ridgeway's Rail nesting season, per SMP-2 BMP GEN-6 (Minimize Impacts to Nesting Birds). In addition, Valley Water engaged Stillwater Associates to perform on-site continuous bio-monitoring for mouse and both rail species.

As originally proposed, work was planned to occur at the following locations:

- Matadero Creek Arundo donax Removal: Approximately 0.34 acres of Arundo Donax would be removed along Matadero Creek downstream of Highway 101 from stream, marsh, and upland habitats.
- Adobe Creek Arundo donax & Phragmites australis Removal: Approximately 0.96 acres of Arundo Donax would be removed along Adobe Creek downstream of Highway 101 from stream and adjacent marsh habitats. Approximately 26.9 acres of Phragmites australis have been mapped as occurring within the Adobe Creek channel and adjacent marshes. Valley Water is proposing to remove Phragmites only within and immediately adjacent to the Adobe Creek channel (6.75 acres). We will not be removing the large stands within the surrounding marsh areas.

The majority of the proposed work along Matadero and Adobe creeks is within Valley Water property or easement; Permission to enter City of Palo Alto property was obtained for discrete areas outside of Valley Water land rights.

Work began last week and on Tuesday, December 3, 2019 Valley Water staff was approached in the field by members of the public. Several calls were also received from the public who voiced concerns with the removal and the potential harm that the loss of this habitat would have on bird species. Vegetation Field Operations and Stream Maintenance Program biological staff have responded to the calls and are currently continuing with the work.

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

2. Natural Resources Conservation Service: PL-566 Project Annual Inspection

The Llagas Creek Watershed Project (PL-566 Project), authorized and funded under Public Law 83-566 (PL-566) in 1969, included the construction of portions of Llagas Creek, West Branch Llagas Creek, East Little Llagas Creek, Lions Creek, and North and South Morey Channels between 1973 and 1986. The Soil Conservation Service, now the Natural Resources Conservation Service (NRCS), completed the construction work with Valley Water as a partner. Following completion of the PL-566 Project, Valley Water assumed maintenance responsibilities on said channels, including biannual inspections and the provision of annual reports to NRCS detailing deficiencies observed and/or corrected.

Following a round of fall inspections, Valley Water met with NRCS on November 19, 2019 to tour the PL-566 Project area. Sites visited included locations of maintenance work completed over the last year: sediment removal from Llagas Creek upstream of Highway 152 and from West Branch Llagas Creek upstream of Day Road, and a small bank repair on Lions Creek upstream of Kern

Avenue. Site visits also included locations of potential work over the next year: repair of a slump on the inboard face of a levee along Llagas Creek downstream of Bloomfield Avenue, multiple experimental treatments of rodent damage to the banks of Lions Creek downstream of Day Road, and sediment removal and maintenance road repair on Llagas Creek downstream of Buena Vista Avenue. Also noted were areas of completed and scheduled vegetation management work, both instream and beyond the top-of-bank, along many of the channels within the PL-566 Project and creek reaches currently in construction under the Upper Llagas Flood Protection Project. NRCS staff expressed appreciation for the diligent inspection and maintenance efforts on the PL-566 Project by Valley Water.

Consistent with the operations and maintenance agreement between Valley Water and NRCS for the PL-566 Project, an annual report will be prepared and submitted to NRCS, summarizing inspection results, completed maintenance work and associated costs, and work proposed to address deficiencies observed.

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

3. Results of the Sale of Water System Refunding Revenue Bonds, Series 2019C

On November 26, 2019, Valley Water closed a debt transaction that resulted in the payoff of \$38 million in debt issued in 2007 to finance the capital cost of water utility system improvements (Water System Revenue Certificates of Participation, Series 2007B) from proceeds of a new bond issuance (Water System Refunding Revenue Bonds, Series 2019C). The bonds are rated 'AA+' by Fitch & 'Aa1' by Moody's. The sale of the bonds was authorized by the Board at its November 12, 2019, regular meeting. The successful transaction was made possible by a coordinated and expeditious effort by staff throughout Valley Water. With the goals of taking advantage of historically low interest rates and dealing with the issue of the London InterBank Offered Rate (LIBOR) benchmark being terminated by the end of 2021, the variable interest rate LIBOR-indexed 2007B debt was refinanced with the fixed interest rate 2019C bonds. The new debt has an all-in true interest cost of 2.76% and is projected to generate annual budgetary savings of approximately \$700,000 per year and total net present value budgetary savings of \$9.7 million.

For further information, please contact Darin Taylor at (408) 630-3068.

4. South San Francisco Bay Shoreline Phase 1 Project - USACE Advertisement for Construction of Reaches 1, 2 & 3

On December 5, 2019 the United States Army Corps of Engineers (USACE) advertised the South San Francisco Bay Shoreline Phase 1 Project Reaches 1, 2 and 3 for construction bidding. The USACE anticipates awarding the construction contract by the middle of January 2020 with construction of Reach 1 (from the Alviso Marina to the Union Pacific railroad) beginning in late January 2020. The contract will have an option to construct Reaches 2 and 3 (from Union Pacific railroad to the Artesian Slough) if necessary real estate property rights are acquired for USACE certification.

With the advertisement of Reaches 1, 2 and 3 for construction, Valley Water will need to terminate the current levee import procurement contract with Pacific-States Environmental Contractors, Inc (Pacific-States). Pacific-States will discontinue the hauling of levee import material to the Pond A12 stockpile site on December 31, 2019.

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

5. Update on PFAS (Per- and Polyfluoroalkyl Substances)

Valley Water continues to track the emerging technical and regulatory issues related to a group of widely used but unregulated chemicals known as PFAS (short for Per- and Polyfluoroalkyl Substances). PFAS have gained attention for their persistence in the environment and potential adverse health effects. The State Water Resources Control Board (State Board) hosted a two-day PFAS workshop the first week of December 2019, which provided Valley Water and other participants the latest information on PFAS occurrence, sampling, treatment, and potential regulations in drinking water.

The State Board continues to issue orders for phased well testing throughout the state to help inform potential drinking water standards. No Santa Clara County drinking water wells tested to date have detected PFAS above the State Board response level, where source removal is recommended. To better understand the presence and extent of PFAS in local water supplies, Valley Water is preparing to conduct additional monitoring of groundwater and treated water. Valley Water has also developed frequently asked questions on PFAS, which have been shared with local water retailers and posted to the Valley Water website at <https://www.valleywater.org/your-water/where-your-water-comes-from/groundwater/groundwater-quality>.

For further information, please contact Garth Hall at (408) 630-2750.

6. Vault Design Reviews Result in Ergonomic Improvements

As part of the Dutard Turnout Flowmeter Replacement project, Valley Water is currently in the process of making operational and safety design changes to the vault located in the Penitencia Water Treatment Plant. The safety improvements will provide both ergonomic and vault access improvements. Overexertion during routine maintenance tasks is a common cause of injuries and reports of physical pain from Valley Water workers including back, shoulder, arm, and hand pain. Overexertion injuries can be painful, irritating, disruptive, and potentially disabling. Early intervention and proper workplace design, to prevent such injuries, are critical elements in providing a safe and healthy work environment.

A feature of the new vault design will lessen the weight of the vault lid which will reduce the excessive forces required to open and close the lid. Additionally, a built-in access ladder is being introduced so staff does not have to carry, handle, set up, and use a portable extension ladder to access, and exit, the vault. Also, a permanent sump pump is being installed within the vault to eliminate having to lift, handle, and lower portable sump pumps by hand when needed. The upgrades to the Dutard Vault are a result of an on-going design review of existing vaults throughout Valley Water, to assist Valley Water staff in safely performing their work. The upgrades to the Dutard Vault are expected to be completed by the end of December 2019.

For further information, please contact Tina Yoke at (408) 630-2385.

7. Winter Preparedness Workshop

Emergency Services and Security hosted the Winter Preparedness Workshop at Valley Water on December 05, 2019. The purpose of the workshop was to discuss the predicted weather forecast for the upcoming winter season, how agencies have prepared for the winter, resources for agencies and the public, and what a coordinated response to emergency situations would look like. Valley Water and external agencies delivered presentations on the different types of flooding, monitoring/response capabilities, and emergency management coordination.

Presentation topics included: Valley Water Office of Emergency Services (OES) Update, Public

Information, Reservoir Operations, Watersheds Field Operations, Flood Forecast & Warning System, Sandbag Operations, Winter Outlook (National Weather Service), Urban Flooding (City of San Jose), Evacuation Planning (City of Palo Alto), Pre-season Coordination (DWR), County Coordination (Santa Clara County Office of Emergency Management), and CAL FIRE.

Display tables were also set up to share information regarding the California Conservation Core's sandbag resources, Santa Clara County Public Health, and Valley Water Communications and Outreach.

71 participants were present during the workshop, which included representatives from the following external agencies: NASA Ames Moffett Field, Palo Alto OES, Santa Clara County Fire, Santa Clara County Office of Emergency Management, Santa Clara Kaiser, Sunnyvale Department of Public Safety, Town of Los Gatos, Kaiser Santa Clara, Morgan Hill Community Emergency Response Team (CERT), Milpitas OES, Department of Water Resources, National Weather Service, Morgan Hill OES, Emergency Response Team NASA, American Red Cross, Cupertino OES, CAL Fire, County of Santa Clara Public Health Department, City of San Jose OES, Mt. View Fire, Palo Alto Public Works, City of Morgan Hill, City of Mountain View, City of Palo Alto, City of San Jose, City of Santa Clara.

This annual workshop is a valuable event for Valley Water and its partner stakeholders. As Valley Water prepares for the Winter season, coordinating and communication with our partners prior to emergencies continues to build response and recovery capabilities for all.

For further information, please contact Tina Yoke at (408) 630-2385.

8. Keegan

A comprehensive lessons learned on Permanente Creek Flood Protection Project when complete; and share with Board.

R-19-0016

The civil construction is anticipated to be complete by March 2021 and the project team will incorporate the lesson's learned presentation at the Board meeting where we will recommend the acceptance of the project construction milestone.

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

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