

CEO BULLETIN



To: Board of Directors
From: Rick L. Callender, CEO

Weeks of December 18, 2020 – January 7, 2021

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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1. Reclamation Announces 60-day Comment Period for Central Valley Project San Felipe Division Draft Contract

On December 18, 2020, the U.S. Bureau of Reclamation (Reclamation) announced the start of the 60-day public review period for the conversion of Valley Water's primary water service contract for Central Valley Project (CVP) supply, Amended and Restated Contract Between the United States and Santa Clara Valley Water District for Water Service, Facilities Repayment, and Operation and Maintenance of Certain Works of the San Felipe Division, as provided under the Water Infrastructure Improvements for the Nation Act (WIIN Act). Section 4011 of the WIIN Act directs Reclamation to convert water service contracts to repayment contracts upon a contractor's request and authorizes prepayment of outstanding CVP construction costs. Revenue generated by these contract conversions will be placed in an account to fund future water storage projects.

Valley Water anticipates bringing the contract conversion to its Board for approval in Spring of 2021, after the close of the public comment period. Conversion of Valley Water's Central Valley Project contract will require a prepayment of approximately \$13.5 million.

Reclamation's press release can be found at the following website:
<https://www.usbr.gov/newsroom/newsrelease/detail.cfm?RecordID=73313>.

The draft conversion contract can be found at the following website:
<https://www.usbr.gov/mp/wiin-act/negotiated-conversion-contracts.html>.

For further information, please contact Vincent Gin at (408) 630-2633.

2. Rinconada Water Treatment Plant Shutdown

The Rinconada Water Treatment Plant is scheduled to be shut down for five (5) days, from Wednesday, January 20 to Sunday, January 24, 2021, to perform biennial electrical systems and equipment testing. Valley Water will also take this opportunity to perform other critical plant and pipeline maintenance activities. Performing these maintenance activities on a regular basis is essential to ensuring the plant's critical systems are reliable and remain in good working order. Barring any unforeseen circumstances, plant start up is scheduled for Monday, January 25, 2021.

West Pipeline retailers impacted by the upcoming outage are the cities of Santa Clara and Sunnyvale, the California Water Service Company, and the San Jose Water Company. The impacted retailers will use their groundwater and/or alternate supplies to meet demands during the plant shutdown. Customers may notice a change in water characteristics and pressure during the shutdown. The above-stated shutdown schedule has also been communicated to the retailers and Valley Water will continue to send periodic updates and reminders.

For further information, please contact Bhavani Yerrapotu at (408) 630-2735.

3. Saratoga Tree Removal Update

Beginning June 2021, all encroached fences, fence posts, landscaping and hardscaping will need to be removed from Valley Water property along Saratoga Creek, between Cox Avenue and Prospect High School, to allow for minor grading in preparation for restoration work and the next two phases of tree removal work slated to begin in October of 2021. To that end, on December 14, 2020, letters were sent to the remaining 34 property owners with encroaching fences and other items. This letter stated that all items must be removed from Valley Water right of way no later than January 30, 2021 to avoid delays in the project and potential legal action. This letter pointed out that, over the past five years, the property owners have had numerous communications with Valley Water concerning removal of their encroaching items that would allow this critical tree-removal project to move forward.

In addition, a Saratoga Creek Restoration project update and timeline was included in this letter. Valley Water also offered to re-stake the property lines and provided property owners with another copy of their survey exhibit and fence cost-share information.

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

4. Valley Water Clears Multiple Infection Testing Requirement

The new Cal/OSHA emergency standards on COVID-19 prevention in the workplace requires employers to implement certain protocols when there are three or more COVID-19 cases in an exposed workplace within a 14-day period. When this standard is triggered, the employer must provide testing immediately, as well as one week later, to all employees in the exposed workplace during the high-risk exposure period.

On December 14, 2020, Valley Water triggered this requirement for testing when there were three positive cases within a 14-day period within the Vegetation Management Unit. 26 employees and contractors were affected by the testing requirement and all personnel have received the two rounds of COVID-19 testing. All test results were negative for both rounds of testing, and all employees that were in isolation from being ill, as well as those employees in self-quarantine due to being identified as close contacts, are now back to work without restrictions.

Valley Water's social distancing and safety protocols, implemented by staff, were effective in preventing the spread of the virus and minimizing the impact to operations during this time of increased risk.

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

5. Valley Water Hosts Virtual Meeting to Discuss Policies for Public Trails on Valley Water Lands

On December 17, 2020, Valley Water hosted a virtual public meeting to discuss draft policy criteria and guidance for public trails on Valley Water land. This draft policy describes how Valley Water collaborates with local cities and special districts interested in using its lands for public trail use.

The virtual meeting included a presentation on the draft public trails policy and a set of survey questions that were posed to attendees throughout the meeting, with responses shared in real-time immediately after each question. The survey questions ranged from how people use trails to what they value most about trails and creeks. The survey remains open and available for the public on the project webpage. Final survey results will be posted on the project webpage by the end of January 2021. Valley Water will utilize the survey results to refine the draft policy.

Seventy-one participants representing a range of municipal, nonprofit, and environmental representatives, and others joined the virtual meeting via Zoom and 13 watched it live on Facebook. Project staff responded to 38 questions from participants that ranged from inquiries regarding riparian corridors, trail setbacks, impacts to wildlife, and creek maintenance. Attendees were encouraged to provide additional feedback on the draft trails policy and were given information on where to send their feedback and input. In the coming months, Valley Water will inform attendees of further updates pertaining to the draft trails policy criteria and guidance.

A recording of the virtual meeting, presentation, draft public trails policy, survey, and project materials are available on the project's webpage, <https://www.valleywater.org/trails-policy>.

For further information, please contact Rachael Gibson at (408) 781-4739.

6. Valley Water Hosts Workshop on Nature-Based Solutions (NBS)

On December 9, 2020, Valley Water hosted a workshop titled “A Regional Perspective on Benefits of Nature-Based Solutions (NBS) for the South Bay.” The objective of this workshop was to articulate recent successes that NBS technologies offer not only to water reuse but also to efforts related to enhancing the South San Francisco Bay Shoreline. The speakers and panelists included staff from Valley Water, Oro Loma Sanitary District, San Francisco Estuary Institute (SFEI), University of California Berkley (UCB), USEPA, and San Francisco Estuary Partnership (SFEP) on topics including regional benefits and potential constraints of NBS, the Shoreline Project integration of NBS, Oro Loma’s horizontal levee pilot project, and the evaluation of NBS for Reverse Osmosis (RO) Concentrate treatment and management.

The workshop had over 70 attendees.

NBS have the potential of mitigating metals, nutrients and other contaminants present in treated wastewater and RO Concentrate. The engineered integration of these processes and technology holds potential for enhancing habitat quality, reducing flood risk, and fostering urban resilience and well-being. Examples of NBS include horizontal levees, open-cell treatment wetlands, and floating wetland treatment systems. The workshop highlighted the multiple benefits and positive environmental impact of NBS.

Recording of the workshop can be found here: <https://fta.valleywater.org/dl/vxrds8Oi1d>.

For further information, please contact Kirsten Struve at (408) 630-3138.

7. Kremen

Provide Director Kremen with the following information: what has been our accounts payable days outstanding, list of accounts payable over 30 days (vendor and amount) each and every month for the last 12 months?
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On December 28, 2020, Valley Water provided Director Kremen with an excel file that shows the accounts payable aging for the last 12 months. The file includes over 25,000 lines and can be obtained by contacting the Clerk of the Board.

The Accounts Payable department targets to pay all invoices within 30 days of the invoice date. In summary, of over 25,000 invoices paid in the last 12 months, about 5,500 (21%) were paid more than 30 days from the invoice date. To research the reasons, which are often invoices received late from the vendor; payment of retention; billing discrepancies or disputes; check reissues, etc., would take hundreds of hours. However, typically when an invoice is paid more than 60 days from invoice date, past research has shown that the delay was caused by Valley Water less than 1% of the time (approval delays, invoices lost in routing, etc.).

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