

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

Chief Executive Officer Bulletin

Week of January 25 - 31, 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>	District Credit Rating Upgraded to 'AAA' by S&P Global Ratings
<u>2</u>	San Francisco Creek Joint Powers Authority Bay to Highway 101 Project Trails Update
<u>3</u>	Varela Staff is to schedule an update on CA WaterFix for second meeting in January 2019. R-18-0017
<u>4</u>	Kremen Our Level of Service objective for water supply is to survive the drought planning scenario (1987-92 followed by 1976-77) with no more than 20% rationing from a total system demand of 265 MGD...We need to plan for each year as if it is the beginning of our drought planning scenario. R-19-0001

District Credit Rating Upgraded to 'AAA' by S&P Global Ratings

On January 22, 2019, S&P Global Ratings ("S&P") upgraded the district's flood control system Refunding and Improvement Certificates of Participation (COPs), Series 2012A to 'AAA' from 'AA+'.

With this rating change, the district's overall credit rating profile is now as follows:

- (1) Watersheds Credit Ratings: Fitch AA+; Moody's Aa1; S&P AAA
- (2) Water Utility Credit Ratings: Fitch AA+; Moody's Aa1; S&P AA-

The strong credit ratings reflect the district's large size, diverse sources of revenues, strong liquidity position, economic strength of the service area, strong management team and the board's leadership in maintaining a strong financial position.

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

San Francisco Creek Joint Powers Authority Bay to Highway 101 Project Trails Update

San Francisquito Creek Joint Powers Authority's (SFC JPA) first of two (2) projects, the Bay to Hwy 101 Project (Project) is in its last phases of construction. The last push to complete the Project entails finishing work on trails and vegetation planting.

From Monday, January 28, 2019, through Friday, February 8, 2019, a portion of recreational trail will be intermittently closed in East Palo Alto from East Bayshore Road to the O'Connor Street entrance as crews lay base rock on a 900-foot section of pathway and make other grading improvements to the trail adjacent to the new levee. Neighborhood outreach has been coordinated with partner agencies, who will push trail closure communication via their respective platforms. A detour route defined by the City of East Palo Alto staff has been provided in all update materials. Director Kremen approved the trail closure messaging sent to his district and JPA partner agencies.

The mitigation planting contract for the Project is currently being advertised and approval is tentatively scheduled during the February 26, 2019, board meeting.

The second of the two (2) projects, the Upstream of Highway 101 Reach, is in the planning phase. The administrative Environmental Impact Report (EIR) was distributed in early January 2019. The JPA draft EIR is scheduled for public review in March 2019.

For further information, please contact Rick Callendar at (408) 630-2017 or Melanie Richardson at (408) 630-2035.

Varela

**Staff is to schedule an update on CA WaterFix for second meeting in January 2019.
R-18-0017**

Staff provided an update on California WaterFix at the January 22, 2019, Board Meeting.

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

Kremen

**Our Level of Service objective for water supply is to survive the drought planning scenario (1987-92 followed by 1976-77) with no more than 20% rationing from a total system demand of 265 MGD...We need to plan for each year as if it is the beginning of our drought planning scenario.
R-19-0001**

Response to I-19-0001 requires additional modeling to be performed. Staff requests the due date be extended to Friday, February 8, 2019, to allow the staff time to finish updating the model and review the results.

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