



Santa Clara Valley Water District Board of Directors Meeting

Headquarters Building Boardroom

Join Zoom Meeting: <https://valleywater.zoom.us/j/84454515597>

***AMENDED/APPENDED CLOSED SESSION AND REGULAR MEETING AGENDA**

**Tuesday, January 10, 2023
11:00 AM**

***ITEMS AMENDED AND/OR APPENDED SINCE THE ORIGINAL PUBLICATION OF THIS AGENDA
ARE IDENTIFIED BY AN ASTERISK (*) HEREIN**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

DISTRICT BOARD OF DIRECTORS

John L. Varela, Chair Pro Tem -
District 1
Barbara Keegan - District 2
Richard P. Santos - District 3
Jim Beall - District 4
Nai Hsueh - District 5
Tony Estremera - District 6
Rebecca Eisenberg - District 7

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available to the public through the legislative body agenda web page at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to participate in the legislative body's meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

RICK L. CALLENDER, ESQ.
Chief Executive Officer

MICHELE L KING, CMC
Clerk of the Board
(408) 265-2600
Fax (408) 266-0271
www.valleywater.org

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

Santa Clara Valley Water District Board of Directors

***AMENDED/APPEDED AGENDA**

***ITEMS AMENDED AND/OR APPEDED SINCE THE ORIGINAL PUBLICATION OF THIS AGENDA
ARE IDENTIFIED BY AN ASTERISK (*) HEREIN**

Tuesday, January 10, 2023

11:00 AM

Headquarters Building Boardroom

Join Zoom Meeting:

<https://valleywater.zoom.us/j/84454515597>

*****IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS*****

Santa Clara Valley Water District (Valley Water) Board of Directors/Board Committee meetings are held as a “hybrid” meetings, conducted in-person as well as by telecommunication, and is compliant with the provisions of the Ralph M. Brown Act.

To maximize public safety while still maintaining transparency and public access, members of the public have an option to participate by teleconference/video conference or attend in-person. To observe and participate in the meeting by teleconference/video conference, please see the meeting link located at the top of the agenda. If attending in-person, you are required to comply with Ordinance 22-03 - AN ORDINANCE OF THE SANTA CLARA VALLEY WATER DISTRICT SPECIFYING RULES OF DECORUM FOR PARTICIPATION IN BOARD AND COMMITTEE MEETINGS located at <https://s3.us-west-2.amazonaws.com/valleywater.org.if-us-west-2/f2-live/s3fs-public/Ord.pdf>

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee at a video conferenced meeting, during public comment or on any item listed on the agenda, should use the “Raise Hand” tool located in the Zoom meeting link listed on the agenda, at the time the item is called. Speakers will be acknowledged by the Board Chair in the order requests are received and granted speaking access to address the Board.

- Members of the Public may test their connection to Zoom Meetings at: <https://zoom.us/test>
- Members of the Public are encouraged to review our overview on joining Valley Water Board Meetings at: <https://www.youtube.com/watch?v=ToJpYCxXm0>

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board of Directors/Board Committee meetings to please contact the Clerk of the Board’s office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has not been prepared with a view to informing an investment decision in any of Valley Water’s bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water’s bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures and Valley Water’s Investor Relations website, maintained on the World Wide Web at

h t t p s : / / e m m a . m s r b . o r g / a n d
https://www.valleywater.org/how-we-operate/financebudget/investor-relations, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

Join Zoom Meeting:

<https://valleywater.zoom.us/j/84454515597>

Meeting ID: 844 5451 5597

Join by Phone:

1 (669) 900-9128, 84454515597#

1. CALL TO ORDER:

1.1. Roll Call.

2. TIME CERTAIN:

11:00 AM

Notice to the Public: The Board of Directors meets in Closed Session in accordance with the Ralph M. Brown Act. Following the conclusion of Closed Session discussion, the Board will return for the remaining items on the regular meeting agenda.

2.1. CLOSED SESSION

[22-1451](#)

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant Exposure to Litigation Pursuant to Government Code Section
54956.9(d)(2)
One Potential Case

2.2. CLOSED SESSION

[23-0031](#)

CONFERENCE WITH LEGAL COUNSEL -INITIATION OF LITIGATION
Pursuant to Government Code Section 54956.9(d)(4)
One Potential Case

2.3. CLOSED SESSION

[23-0032](#)

CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
San Francisco Baykeeper v. Santa Clara Valley Water District
Santa Clara County Superior Court Case Number 22CV403523

- 2.4. CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Stop the Pacheco Dam Project Coalition v. Santa Clara Valley Water
District (Santa Clara Co. Superior Court, Case No. 22CV399384)

[23-0033](#)

1:00 PM

- 2.5. District Counsel Report on Closed Session.
- 2.6. Pledge of Allegiance/National Anthem.
- 2.7. Orders of the Day.
A. Approximate Discussion Time (Board); and
B. Adjustments to the Order of Agenda Items.
- 2.8. Time Open for Public Comment on any Item not on the Agenda.
Notice to the public: Members of the public who wish to address the Board on any item not listed on the agenda should access the "Raise Hand" tool located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Board Chair in order requests are received and granted speaking access to address the Board. Speakers comments should be limited to three minutes or as set by the Chair. The law does not permit Board action on, or extended discussion of, any item not on the agenda except under special circumstances. If Board action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Board may take action on any item of business appearing on the posted agenda.

- 2.9. Election of Board Chair and Vice Chair for Year 2023.

[22-1342](#)

Recommendation: Nominate and elect a new Chairperson and Vice Chairperson for the Calendar Year 2023.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: Board Governance Policy GP-5.3](#)
[Attachment 2: Chair and Vice Chair Term History](#)

Est. Staff Time: 5 Minutes.

- 2.10. Conduct a Public Hearing to Consider Adopting a Resolution of Necessity Relating to Acquisition of Real Property Interests from the Santos/Alviso Partnership, L.P., a California Limited Partnership, Necessary to Complete the South San Francisco Bay Shoreline Phase I Economic Impact Area 11 Project, Project No. 00044026, APN 015-25-012, Real Estate File No. 2044-13 (San Jose, District No. 3). [22-1436](#)

Recommendation:

- A. Open and conduct the Public Hearing to consider adoption of a Resolution of Necessity relating to acquisition of real property interests from the Santos/Alviso Partnership, L.P., a California Limited Partnership, Necessary to Complete the South San Francisco Bay Shoreline Phase I Economic Impact Area 11 Project, Project No. 00044026;
- B. Close the Public Hearing; and
- C. Adopt the Resolution of Necessity DETERMINING AND DECLARING THE PUBLIC NECESSITY FOR THE ACQUISITION OF CERTAIN REAL PROPERTY OR INTERESTS IN REAL PROPERTY BY EMINENT DOMAIN FOR THE SOUTH SAN FRANCISCO BAY SHORELINE PHASE 1 ECONOMIC IMPACT AREA 11 PROJECT NO. 00044026 (CODE OF CIVIL PROCEDURE SECTIONS 1245.220, *et seq.*), by two-thirds vote.

Manager: Bhavanni Yerrapotu, 408-630-2735

Attachments: [Attachment A: Gov. Code § 84308, Santos/Alviso](#)
[Attachment 1: Project Map](#)
[Attachment 2: Resolution](#)
[Attachment 3: Notice of Intention](#)
[Attachment 4: Appraisal](#)
[Attachment 5: PowerPoint](#)

Est. Staff Time: 5 Minutes.

*2.11 Monthly Drought Emergency Response and Water Supply Update.

[23-0064](#)

Recommendation: Receive an update on water supply conditions in Santa Clara County and staff's drought response efforts and provide direction to staff, as necessary.

Manager: Aaron Baker, 408-630-2135

Attachments: [*Supplemental Agenda Memo](#)
[*Supplemental Attachment 1: PowerPoint](#)
[*Supplemental Attachment 2: Drought Response Report](#)
[*Supplemental Attachment 3: January 2023 Water Tracker](#)

Est. Staff Time: 15 Minutes

2.12. Receive Watersheds and Water Utility Operations and Maintenance and Asset Renewal Program Overviews, and Review Draft 5-Year Plans for FY 2024-2028.

[22-1393](#)

Recommendation: Receive Information on the Watersheds and Water Utility Operations and Maintenance and Asset Renewal Programs, and Review the Draft 5-Year Plans.

Manager: Luz Penilla, 408-630-2228

Attachments: [Attachment 1: PowerPoint](#)
[Attachment 2: Draft Watersheds FY2024-28 O&M Plans](#)
[Attachment 3: Draft WUE FY24-28 O&M Plan](#)

Est. Staff Time: 10 Minutes.

*2.13 Receive an Update on the Pacheco Reservoir Expansion Project, Project No. 91954002 (Santa Clara County, Merced County, District 1).

[23-0065](#)

Recommendation: Receive information on the Pacheco Reservoir Expansion Project.

Manager: Christopher Hakes, 408-630-3796

Attachments: [Attachment 1: PREP Planning Study Report](#)
[*Supplemental Agenda Memo](#)
[*Supplemental Attachment 1: PowerPoint](#)

Est. Staff Time: 5 Minutes

*2.14 Work Study Session on the Capital Improvement Program's Preliminary Fiscal Year 2024-2028 Five-Year Plan; Preliminary Fiscal Year 2023-24 Groundwater Production Charges; and Proposed Adjustments and Modifications to the Safe, Clean Water and Natural Flood Protection Program.

[23-0066](#)

- Recommendation:
- A. Review and approve the Capital Improvement Program's (CIP) Preliminary Fiscal Year 2024-2028 (FY 24-28) Five-Year Plan list of projects for the Watershed Stream Stewardship Fund (Fund 12) and the Water Utility Enterprise Fund (Fund 61);
 - B. Review and approve the CIP Evaluation Team's recommendation to include the RWTP Ammonia Storage & Metering Facility Upgrade Project, a Fund 61 project, in the CIP's Draft FY 24-28 Five-Year Plan;
 - C. Review proposed adjustments and modifications to the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) Fund (Fund 26);
 - D. Set the time and place for a public hearing to consider modifications to the Safe, Clean Water Program (Fund 26) Projects; and
 - E. Discuss and provide direction on the preliminary FY 2023-24 (FY 24) Groundwater Production Charge analysis.

Manager: Melanie Richardson, 408-630-2035
Darin Taylor, 408-630-3068

Attachments: [Attachment 1: CIP Preliminary FY 2024-28 Five-Year Plan](#)
[Attachment 2: Project Plan Updates](#)
[Attachment 3: Funding Filters for Prioritization Matrix](#)
[Attachment 4: Proposed Adjustments and Modifications](#)
[Attachment 5: Resolution No. 99-21](#)
[Attachment 6: Resolution No. 12-10](#)
[Attachment 7: Draft Public Hearing Notice](#)
[*Supplemental Agenda Memo](#)
[*Supplemental Attachment 1: PowerPoint](#)

Est. Staff Time: 90 Minutes

3. CONSENT CALENDAR: (3.1-*3.2) (Est. Time: 5 Minutes)

Notice to the public: There is no separate discussion of individual consent calendar items. Recommended actions are voted on in one motion. If an item is approved on the consent vote, the specific action recommended by staff is adopted. Items listed in this section of the agenda are considered to be routine by the Board, or delegated to the Board Appointed Officers (BAOs) yet required by law or contract to be Board approved (EL-7.10). Any item may be removed for separate consideration at the request of a Board member. Whenever a resolution is on the consent calendar, a roll call vote will be taken on the entire calendar. Members of the public wishing to address the Board on any consent items should submit a request to speak to the Clerk of the Board.

- 3.1. Set Time and Place of a Public Hearing for the Santa Clara Valley Water District Board of Directors to Determine the Necessity for Directors to be Compensated for up to 15 Days per Calendar Month and to Consider Directors' Compensation for Calendar Year 2023. [22-1340](#)

Recommendation:

- A. Set a time and place for a public hearing at 1:00 p.m., on February 14, 2023 at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California, for the Board of Directors to:
 - i. Consider evidence and determine if there is an operational need for Directors to be compensated for up to 15 days per calendar month; and
 - ii. Consider Directors' compensation for calendar year 2023, pursuant to Chapter 2, Division 10 of the California Water Code; and
- B. Direct the Clerk of the Board to publish notice of public hearing in a newspaper of general circulation within Santa Clara County.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: Public Hearing Notice](#)

- *3.2. Accept the CEO Bulletin for the Weeks of December 9, 2022 - January 5, 2023. [23-0043](#)

Recommendation: Accept the CEO Bulletin.

Manager: Rick Callender, 408-630-2017

Attachments: [Attachment 1: 122222 CEO Bulletin](#)
[Attachment 2: 010523 CEO Bulletin](#)

REGULAR AGENDA:

4. BOARD OF DIRECTORS:

- *4.1. Adopt a Resolution Setting the Time and Place of Regular Meetings of the Santa Clara Valley Water District Board of Directors. [22-1341](#)

Recommendation:

- A. Consider the schedule for the regular meetings of the Board, currently held on the second and fourth Tuesday of each month, beginning at 1:00 p.m. respectively, or as designated by the Clerk of the Board to accommodate closed session subject matter;
- B. Discuss and identify, if necessary, 2023 Board meeting recess dates; and
- C. If a new regular Board meeting schedule is approved, adopt the Resolution SETTING TIME AND PLACE OF MEETINGS OF THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY WATER DISTRICT AND RESCINDING RESOLUTION NO. 22-10.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: Resolution 22-10](#)
[Attachment 2: Draft Resolution](#)
[*Attachment 3: Handout 4.1-A-Beall/Keegan Memo](#)

Est. Staff Time: 5 Minutes.

- 4.2. Consider the December 5, 2022, Board Policy and Planning Committee Recommendation to Add a Task to the Committee's 2023 Work Plan to Perform an Identified Process to Incorporate a Board Code of Conduct into the Board Governance Policies. [22-1476](#)

Recommendation:

- A. Consider recommendations resulting from the December 5, 2022, Board Policy and Planning Committee meeting to add a task to the Committee's 2023 Work Plan to perform an identified process to incorporate a Board Code of Conduct into the Board Governance Policies;
- B. Approve recommended update to the Board Policy and Planning Committee's 2023 Work Plan; and/or
- C. Provide feedback and recommendations to staff as necessary.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: Sample Codes of Conduct](#)
[Attachment 2: Prior Public Comments](#)

Est. Staff Time: 5 Minutes.

- *4.3. Board Committee Reports. [23-0046](#)

Attachments: [*Handout 4.7-A: 121222 CIP Meeting Summary](#)

5. WATER UTILITY ENTERPRISE:

- *5.1. (ITEM REMOVED FROM AGENDA) Approve Agreement with Parsons Transportation Group Inc. for Construction Management Services for the Rinconada Water Treatment Plant Reliability Improvement Project Phases 3-6, Project No. 93294057, for a Not-to-Exceed Fee of \$30,106,678 (Los Gatos, District 7).

- 5.2. Approve the Design-Build Agreement for the Coyote Pumping Plant Adjustable Speed Drive Replacement Project, Project No. 91234002, Contract No. C0675, Planet Bid File No. VW0073, with Kiewit Infrastructure West Co. for Phase 1 (Design and Pre-construction Services) for a Not-to-Exceed Fee of \$4,314,077, (Morgan Hill, District 1). [22-1311](#)

Recommendation: Approve the Design-Build Agreement for the Coyote Pumping Plant Adjustable Speed Drive Replacement Project, Project No. 91234002, Contract No. C0675, Planet Bid File No. VW0073, with Kiewit Infrastructure West Co. for Phase 1 (design and pre-construction services) for a not-to-exceed fee of \$4,314,077.

Manager: Emmanuel Aryee, 408-630-3074

Attachments: [Attachment A: Gov. Code § 84308, DB Agmt Kiewit](#)
[Attachment 1: Design-Build Agreement](#)

Est. Staff Time: 5 Minutes.

6. WATERSHEDS:

7. ASSISTANT CHIEF EXECUTIVE OFFICER:

- 7.1. Authorize Acquisition of a Real Property Interest from Janice M. Schultz, [22-1373](#)
Trustee, for the Anderson Dam Tunnel Project as part of the Federal
Energy Regulatory Commission Order Compliance Project, Under the
Anderson Dam Seismic Retrofit Project, Project No. 91864006, APNs
729-37-020, -021, and -022, Real Estate File No. 9186-49 (Morgan Hill,
District 1).

Recommendation: A. Authorize the Chief Executive Officer to execute a Right
of Way Agreement between Janice M. Schultz, Trustee,
and the Santa Clara Valley Water District, for
acquisition of APNs 729-37-020, -021, and -022,
located at 17520, 17530, and 17540 Hoot Owl Way,
Morgan Hill, CA, based upon the terms and conditions
as set forth in the Agreement; and
B. Authorize the Chief Executive Officer to accept the
Grant Deed from Janice M. Schultz, Trustee.

Manager: Chris Hakes, 408-630-3796

Attachments: [Attachment A: Gov. Code § 84308, Janice Schultz](#)
[Attachment 1: Right of Way Agreement](#)
[Attachment 2: Grant Deed No. 9186-49](#)

Est. Staff Time: 5 Minutes.

8. EXTERNAL AFFAIRS:

9. CHIEF EXECUTIVE OFFICER:

- *9.1. CEO and Chiefs' Report. [23-0047](#)

Attachments: [*Handout 9.1-A: Civ Eng](#)
[*Handout 9.1-B: Comm](#)

Est. Staff Time: 5 Minutes.

10. ADMINISTRATION:

- *10.1 Update on the Countywide Flood Emergency and Determination that the
Countywide Flood Emergency Conditions Continue to Constitute an
Emergency.

[23-0062](#)

- Recommendation:
- A. Receive an update on the January 4, 2023, atmospheric river event; and
 - B. Determine by a four-fifths vote of the Board that there is a need to continue the emergency action declared by the Chief Executive Officer (CEO) on January 4, 2023, pursuant to California Public Contract Code §22050 to address the countywide flood emergency.

Manager: Tina Yoke, 408-630-2385

Attachments: [Attachment 1: Declaration of Emergency](#)

11. DISTRICT COUNSEL:

12. ADJOURN:

- 12.1. Board Member Reports/Announcements.
- 12.2. Proposed Future Board Member Agenda Items.
- 12.3. Clerk Review and Clarification of Board Requests.
- 12.4. Adjourn to Special Meeting at 12:00 p.m., on January 18, 2023.



Santa Clara Valley Water District

File No.: 22-1451

Agenda Date: 1/10/2023
Item No.: 2.1.

NON-EXHIBIT/CLOSED SESSION ITEM

SUBJECT:

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant Exposure to Litigation Pursuant to Government Code Section

54956.9(d)(2)

One Potential Case



Santa Clara Valley Water District

File No.: 23-0031

Agenda Date: 1/10/2023
Item No.: 2.2.

NON-EXHIBIT/CLOSED SESSION ITEM

SUBJECT:

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL -INITIATION OF LITIGATION

Pursuant to Government Code Section 54956.9(d)(4)

One Potential Case



Santa Clara Valley Water District

File No.: 23-0032

Agenda Date: 1/10/2023
Item No.: 2.3.

NON-EXHIBIT/CLOSED SESSION ITEM

SUBJECT:

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1)

San Francisco Baykeeper v. Santa Clara Valley Water District

Santa Clara County Superior Court Case Number 22CV403523



Santa Clara Valley Water District

File No.: 23-0033

Agenda Date: 1/10/2023
Item No.: 2.4.

NON-EXHIBIT/CLOSED SESSION ITEM

SUBJECT:

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1)

Stop the Pacheco Dam Project Coalition v. Santa Clara Valley Water
District (Santa Clara Co. Superior Court, Case No. 22CV399384)



Santa Clara Valley Water District

File No.: 22-1342

Agenda Date: 1/10/2023

Item No.: 2.9.

BOARD AGENDA MEMORANDUM

SUBJECT:

Election of Board Chair and Vice Chair for Year 2023.

RECOMMENDATION:

Nominate and elect a new Chairperson and Vice Chairperson for the Calendar Year 2023.

SUMMARY:

In accordance with Board Governance Policy GP-5.3 (Attachment 1), the Board elects both the Chairperson (Chair) and Vice Chairperson (Vice Chair) of the Board of Directors to serve one-year terms beginning at the first regular Board meeting in January of each year.

Under the provisions of Board Governance Policy GP-5.3, beginning in the calendar year 2012, the positions of Chair and Vice Chair shall rotate from member to member in numerical order continuing from the 2010 rotations.

Any Board member may, at his/her discretion, and on a one-time basis, postpone, by one year, the acceptance of either the Chair or Vice Chair office by “swapping” with the Director immediately following him/her on the list of succession.

Provided, however, that newly elected or appointed Board members will postpone, by one year, the acceptance of the Chair office by “swapping” with the Director immediately following him/her on the list of succession.

Any Board member may, at his/her discretion decline to serve as Chair or Vice Chair. In the event the Board member declines to serve, that District shall be skipped, and the next District Board member shall serve in their stead.

The policy also requires that the Clerk of the Board maintain the list of Board members serving as Chair and Vice Chair. The historical list is attached for Board information (Attachment 2).

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Board Governance Policy GP-5.3
Attachment 2: Chair and Vice Chair Term History

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711

Governance Policies of the Board

- 5.2.5. The Chairperson may delegate this authority but remains accountable for its use.
- 5.2.6. The Chairperson will determine, in concert with the CEO as necessary, whether to place on an agenda consideration of documents of support or recognition (e.g., resolutions, commendations, certificates of appreciation, etc.) for individuals, organizations or efforts in the community by evaluating whether the individual, organization or effort has a clear nexus to issues relevant to the District.
 - 5.2.6.1. A Board member may, at his or her discretion, request the CEO to prepare for the Board member's signature a Certificate of Appreciation for an individual, organization, or effort. The Chair may also sign the certificate.
 - 5.2.6.2. No more than three Board members may sign one of the above-mentioned documents, unless the action was approved by the Board at a Board meeting.
 - 5.2.6.3. Should there be disagreement between the Chair and a Board member over a request for placement of any of the above-mentioned documents on an agenda, the Board member may request that the matter be placed on the next available Board agenda for consideration.
- 5.2.7. The Chair may add agenda items to agendas.
- 5.3. The Board of Directors elects both the Chairperson (Chair) and Vice Chairperson (Vice Chair) of the Board. The Chair and Vice Chair each serve 1-year terms beginning at the first Board meeting in January of each year.

Accordingly:

- 5.3.1. Beginning in the calendar year 2012, the positions of Chair and Vice Chair shall rotate from member to member in numerical order continuing from the 2010 rotation: the District 4 Director would be Chair and District 5 Director would be Vice Chair; the Vice Chair follows the Chair in sequence.
- 5.3.2. Any Board member may, at his/her discretion, and on a one-time basis, postpone, by one year, the acceptance of either the Chair or Vice Chair office by "swapping" with the Director immediately following him/her on the list of succession.
 - 5.3.2.1. Provided, however, that newly-elected or appointed Board members will postpone, by one year, the acceptance of the Chair office by "swapping" with the Director immediately following him/her on the list of succession.

Governance Policies of the Board

- 5.3.3. Any Board member may, at his/her discretion, decline to serve as Chair or Vice Chair. In the event the Board member declines to serve, that District shall be skipped and the next District Board member shall serve in their stead.
- 5.3.4. The Clerk of the Board shall maintain the list of Board member service as Chair or Vice Chair.

**SANTA CLARA VALLEY WATER DISTRICT
HISTORY OF BOARD CHAIR AND VICE CHAIR TERMS**

Chair			Vice Chair		
Year	Director	District	Year	Director	District
1975	R. Sapp	3	1975	C. Rush	Appointed/South
1976	J. Lenihan	5	1976	C. Rush	Appointed/South
1977	C. Rush	Appointed/South	1977	M. Dullea	4
1978	M. Dullea	4	1978	P. Ferraro	2
1979	P. Ferraro	2	1979	L. Peralta	Appointed/North
1980	L. Peralta	Appointed/North	1980	J. Lenihan	5
1981	J. Lenihan	5	1981	A. Pfeiffer	1
1982	A. Pfeiffer	1	1982	S. Sanchez	Appointed/South
1983	S. Sanchez	Appointed/South	1983	R. Gross	3
1984	R. Gross	3	1984	J. Donohue	4
1985	J. Donohue	4	1985	A. Fisher	Appointed/North
ⁱ 1986	A. Fisher	Appointed/North	1986	J. Pandit	1
1986 (2/4)	P. Ferraro	2	1986	J. Pandit	1
1987	J. Lenihan	5	1987	J. Pandit	1
1988	J. Pandit	1	1988	J. Judge	Appointed/North
1989	J. Judge	Appointed/North	1989	S. Sanchez	Appointed/South
1990	S. Sanchez	Appointed/South	1990	R. Gross	3
1991	R. Gross	3	1991	P. Ferraro	2
1992	P. Ferraro	2	1992	J. Pandit	1
1993	J. Donohue	4	1993	J. Lenihan	5
1994	J. Lenihan	5	1994	R. Kamei	1
1995	R. Kamei	1	1995	J. Judge	Appointed/North
1996	J. Judge	Appointed/North	1996	S. Sanchez	Appointed/South
1997	S. Sanchez	Appointed/South	1997	R. Gross	3
1998	R. Gross	3	1998	L. Wilson	4
1999	L. Wilson	4	1999	G. Zlotnick	5
2000	G. Zlotnick	5	2000	T. Estremera	Appointed/North
2001	T. Estremera	Appointed/North	2001	R. Kamei	1
2002	R. Kamei	1	2002	J. Judge	2
2003	S. Sanchez	Appointed/South	2003	J. Judge	2
2004	J. Judge	2	2004	R. Santos	3
2005	R. Santos	3	2005	L. Wilson	4
2006	L. Wilson	4	2006	T. Estremera	Appointed/North
2007	T. Estremera	Appointed/North	2007	G. Zlotnick	5
² 2007	T. Estremera	Appointed/North	2007	R. Kamei	1
2008	R. Kamei	1	2008	S. Sanchez ³	Appointed/South
2009	S. Sanchez	Appointed/South	2009	J. Judge	2
⁴ 2010	R. Santos	3	2010	L. Wilson	4
⁵ 2010	R. Santos	3	2010	D. Gage	1
2011	D. Gage	1	2011	L. LeZotte	4
⁶ 2012	L. LeZotte	4	2012	P. Kwok	5
2013	N. Hsueh	5	2013	T. Estremera	6
2014	T. Estremera	6	2014	B. Schmidt	7
2015	G. Kremen	7	2015	D. Kennedy	1

2015	G. Kremen	7	2015 ⁷	B. Keegan	2
2016	B. Keegan	2	2016	J. Varela	1
2017	J. Varela	1	2017	R. Santos	3
2018	R. Santos	3	2018	L. LeZotte	4
2019	L. LeZotte	4	2019	N. Hsueh	5
2020	N. Hsueh	5	2020	T. Estremera	6
2021	T. Estremera	6	2021	G. Kremen	7
2022	G. Kremen	7	2022	J. Varela	1
⁸ 2022	J. Varela	1	2022	⁹ B. Keegan	2

ⁱ A. Fisher's term completed February 1986.

² G. Zlotnick resigned July 2007; R. Kamei elected Vice Chair for remainder of 2007.

³ J. Judge passed on his Vice Chair rotation for 2008.

⁴ J. Judge passed on his Chair rotation for 2010.

⁵ L. Wilson's term completed 12/3/10; D. Gage elected Vice Chair 12/14/10 for remainder of 2010.

⁶ Beginning 2012, Chair and Vice Chair rotate from member to member in numerical order continuing from the 2010 rotation.

⁷ D. Kennedy resigned in November 2015; B. Keegan elected Vice Chair for remainder of 2015.

⁸ G. Kremen delegated his authority to J. Varela (Chair Pro Tem) for duration of investigation 3/16/22.

⁹ B. Keegan elected Vice Chair Pro Tem 6/14/22



Santa Clara Valley Water District

File No.: 22-1436

Agenda Date: 1/10/2023

Item No.: 2.10.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☒ No ☐
(If "YES" Refer to Attachment A - Gov. Code § 84308)

SUBJECT:

Conduct a Public Hearing to Consider Adopting a Resolution of Necessity Relating to Acquisition of Real Property Interests from the Santos/Alviso Partnership, L.P., a California Limited Partnership, Necessary to Complete the South San Francisco Bay Shoreline Phase I Economic Impact Area 11 Project, Project No. 00044026, APN 015-25-012, Real Estate File No. 2044-13 (San Jose, District No. 3).

RECOMMENDATION:

- A. Open and conduct the Public Hearing to consider adoption of a Resolution of Necessity relating to acquisition of real property interests from the Santos/Alviso Partnership, L.P., a California Limited Partnership, Necessary to Complete the South San Francisco Bay Shoreline Phase I Economic Impact Area 11 Project, Project No. 00044026;
- B. Close the Public Hearing; and
- C. Adopt the Resolution of Necessity DETERMINING AND DECLARING THE PUBLIC NECESSITY FOR THE ACQUISITION OF CERTAIN REAL PROPERTY OR INTERESTS IN REAL PROPERTY BY EMINENT DOMAIN FOR THE SOUTH SAN FRANCISCO BAY SHORELINE PHASE 1 ECONOMIC IMPACT AREA 11 PROJECT NO. 00044026 (CODE OF CIVIL PROCEDURE SECTIONS 1245.220, *et seq.*), by two-thirds vote.

SUMMARY:

The San Francisco Bay Shoreline Phase I Economic Impact Area 11 Project (Project) will provide coastal flood protection to the community of Alviso and to public infrastructure between Alviso Slough and Coyote Creek through the construction of four miles of Federal Emergency Management Agency certifiable coastal levees. The Project will help protect the Alviso community of approximately 2,500 residents and 3,000 commuters who work and travel through the area each day, the San Jose-Santa Clara Regional Wastewater Facility and the Silicon Valley Advanced Water Purification Center. The Project will also help protect against future sea level rise, and will restore and enhance approximately 2,900 acres of tidal marsh and related habitat that was lost due to former salt ponds production activities. The new levees will be used as trails and will have connections to the Bay Trail network, with viewing platforms, interpretive signs, and benches.

The United States Army Corps of Engineers (USACE) is the federal sponsor for this Project and is

responsible for construction of this multi-purpose project. Santa Clara Valley Water District (Valley Water) is the local sponsor and is responsible for obtaining the necessary rights of way.

The Project is approximately 4 miles long and made up of five reaches. The main design features of the Project include: a flood risk management levee, ecotone habitat, maintenance access road/recreational trail, and the restoration of ponds (Attachment 1).

The USACE readvertised Reaches 1-3, which begins at the Alviso Marina County Park and ends at the Artesian Slough for construction in January 2021, and began construction in December 2021.

Background

Valley Water previously acquired the rights of way necessary for the USACE to begin construction of Reaches 1-3. One of these rights of way is a 3,841-square foot temporary work area easement (TWAE) from the Property Owner, Santos/Alviso Partnership L.P. (Partnership). The TWAE is described and depicted in the plat and legal description included in Exhibit A of the Resolution of Necessity (RON) (Attachment 2).

The Valley Water Board conducted a hearing to consider adoption of the RON on this TWAE from Santos/Alviso Partnership, L.P. on December 11, 2018. At the same meeting, the Board adopted the Resolution determining and declaring the public necessity of acquiring the TWAE by eminent domain for the Project. A final order of condemnation was recorded in April 2019.

USACE initially planned to start construction of the Project in 2020 but did not actually commence until December 2021. The TWAE from the Partnership will expire on April 12, 2023. Due to the delay in construction start, on October 11, 2022, the USACE requested an extension of the TWAE on the Property. In order for the USACE to complete construction of Reaches 1-3, Valley Water must now acquire a two-year extension of the TWAE from the Partnership.

Valley Water obtained an appraisal for the TWAE from J. Kaeuper & Co. dated November 25, 2022, which provided a fair market value of the property interest at \$101.75, which Valley Water rounded up to \$102.00 in the offer package.

Acquisition of the Property Interest

The hearing by the Board and the adoption of the RON are legal preconditions to the exercise of Valley Water's power of eminent domain. Code of Civil Procedure Section 1245.230 requires that the Board make the following findings and that each be included in the RON:

1. The public interest and necessity require the project. In order to provide flood protection to properties in the Project area, Valley Water must acquire the property right for the parcel described and depicted in the plat map and legal description in Exhibit A of the RON (Attachment 2) to construct flood protection improvements.
2. The project is located in a manner that will be most compatible with the greatest public good and the least private injury. This design impacts the fewest private properties to the least extent possible while providing the protection necessary to reduce flood risk from the one-

percent coastal flood event and to restore and enhance tidal marsh and related habitat in the County of Santa Clara. The property rights to be acquired are located where essential project features (e.g., levee, maintenance access roads and ramps, construction staging area, and vegetative planting) are planned. Furthermore, the property rights to be acquired will not impact private structures or access to private structures.

3. These property interests are necessary for the project. The Project cannot be completed without the property right as shown on and described and depicted in the plat map and legal description in Exhibit A of the RON (Attachment 2).
4. A Government Code Section 7267.2(a) offer was mailed to the Partnership on December 6, 2022.

On December 6, 2022, an offer package was sent to the property owner's P.O. Box, which is the address listed on the last equalized County assessment roll notice. Also, a copy of the offer package was sent to the agent for service of process at the street address identified on the Secretary of State website where legal documents may be mailed. On December 8, 2022, Valley Water received confirmation that the package was delivered to and received at the street address 1110 Taylor Street, Alviso, CA 95002 by return receipt; and on December 9, 2022, Valley Water received confirmation that the package was delivered to and received at the P.O. Box by return receipt.

In the offer letter, Valley Water informed Mr. Tony A. Santos, Manager of Santos Management Company, LLC who is General Partner of the Partnership, that because Mr. Richard Santos, a member of the Santa Clara Valley Water District Board of Directors, has an ownership interest in the Partnership, Government Code 1090 prohibits Valley Water from negotiating with the Partnership. Valley Water believes it is in the best interest of Valley Water to acquire these property interests through eminent domain. During litigation, Valley Water will be permitted to negotiate with the Partnership. Furthermore, the acquisition process will be supervised by an impartial court and will be approved through a court order.

Valley Water provided by certified mail to all persons whose names appear on the last Equalized County Assessment Roll as having an interest in the Property a notice that Valley Water's Board of Directors would hold a hearing on January 10, 2023 to consider the adoption of a RON (Attachment 3) authorizing Valley Water to acquire the Property by eminent domain. Valley Water's notice, mailed out on December 15, 2022, advised all such interested persons of the time and place for the hearing, their right to be heard in relation to that matter, and that their failure to file a written request to appear and be heard at the hearing within 15 days from the mailing of the notice would result in a waiver of their right to be heard.

The RON includes direction from the Board authorizing acquisition of the subject property interest described therein by eminent domain. If the RON is adopted, Valley Water will pursue acquisition of this property interest by eminent domain.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item.

FINANCIAL IMPACT:

The South San Francisco Bay Shoreline Project, Project No. 00044026 is included in the Capital Improvement Program (CIP) Fiscal Year (FY) 2023-27 Five-Year Plan and in the FY 2022-23 Adopted Budget. There are adequate funds in the project's FY 2022-23 Adopted Budget for the appraised value of the parcel interests of \$102.00. The parcel interests of \$102.00 does not change the overall Total Project Cost reflected in the CIP. A copy of the appraisal report is included as Attachment 4. Valley Water will be responsible for the appraised value of the property rights and any court ordered eminent domain costs.

CEQA:

The Final Environmental Impact Report/Environmental Impact Statement for the South San Francisco Bay Shoreline Phase 1 Study was certified by the Board on March 22, 2016 and the Board adopted Resolution No. 16-20 "Adopting Certain Findings for flood control work, pond restoration work and recreational opportunities in an area of North San Jose between the Alviso Slough and the Coyote Creek" on that date. Acquisition of property interests are a part of the Project and are covered in the Environmental Impact Report.

ATTACHMENTS:

Attachment A: Gov. Code § 84308, Santos/Alviso
Attachment 1: Project Map
Attachment 2: Resolution
Attachment 3: Notice of Intention
Attachment 4: Appraisal
Attachment 5: PowerPoint

UNCLASSIFIED MANAGER:

Bhavanni Yerrapotu, 408-630-2735

Attachment A - Gov. Code § 84308

Conduct a Public Hearing to Consider Adopting a Resolution of Necessity Relating to Acquisition of Real Property Interests from the Santos/Alviso Partnership, L.P., a California Limited Partnership, Necessary to Complete the South San Francisco Bay Shoreline Phase I Economic Impact Area 11 Project, Project No. 00044026, APN 015-25-012, Real Estate File No. 2044-13 (San Jose), District No. 3).

List of Parties and Their Agents/Representatives Known to Staff

<u>Organization Name</u>	<u>Name</u>	<u>Role</u>	<u>Location</u>
Santos/Alviso Partnership L.P.	Tony A. Santos	Agent	1110 Taylor Street, Alviso CA 95002

List of Participants and Their Agents/Representatives Known to Staff

<u>Organization Name</u>	<u>Name</u>	<u>Role</u>	<u>Location</u>

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SOUTH SAN FRANCISCO BAY SHORELINE PROJECT

Shoreline Phase I Authorized Project



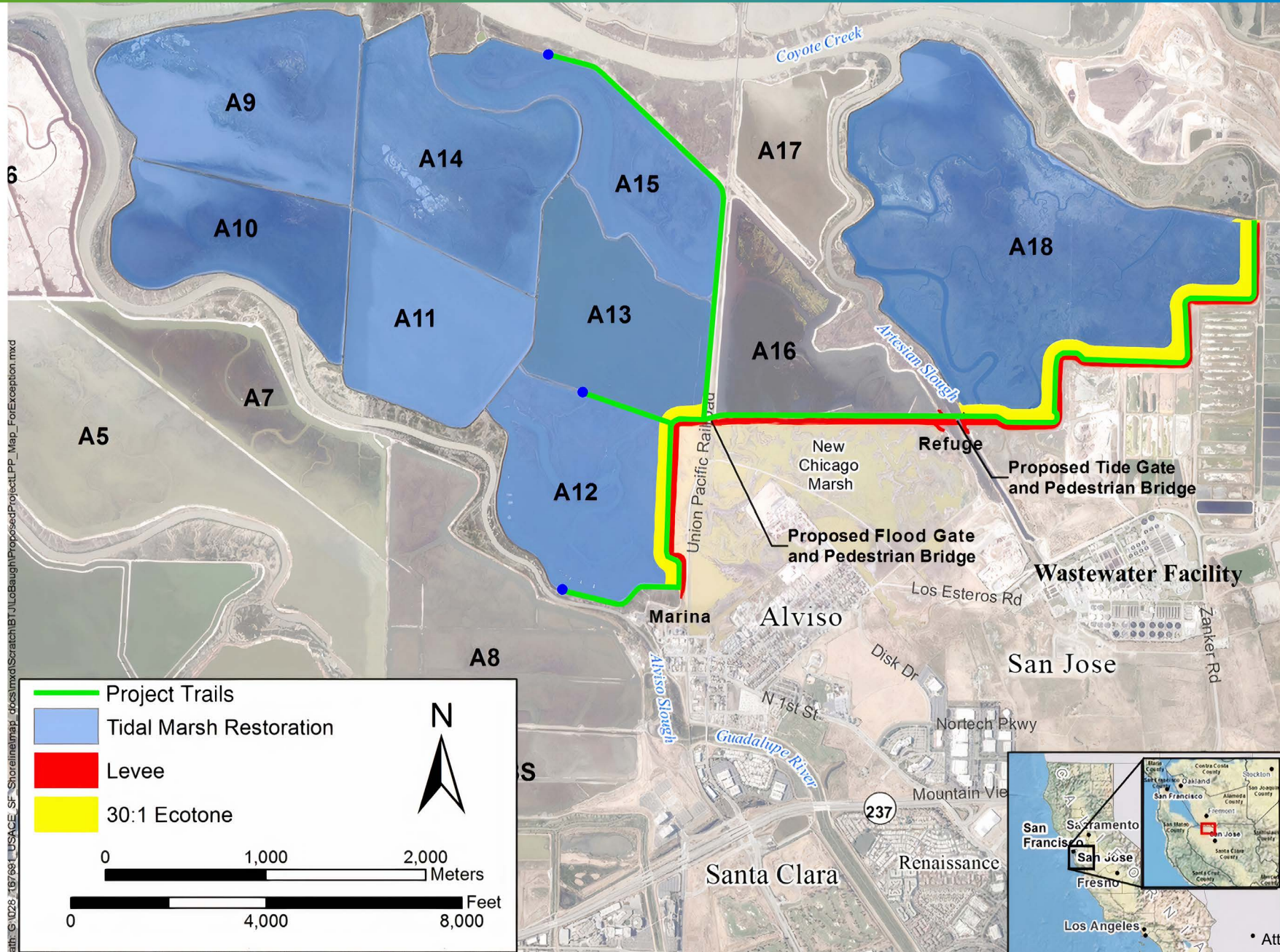
US Army Corps
of Engineers.



Coastal
Conservancy



Valley Water



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**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 23-

**DETERMINING AND DECLARING THE PUBLIC NECESSITY FOR THE ACQUISITION OF
CERTAIN REAL PROPERTY OR INTERESTS IN REAL PROPERTY BY EMINENT DOMAIN
FOR THE SOUTH SAN FRANCISCO BAY SHORELINE PHASE 1 ECONOMIC IMPACT
AREA 11 PROJECT NO. 00044026
(CODE OF CIVIL PROCEDURE SECTIONS 1245.220, *et seq.*)**

WHEREAS, pursuant to a cost-sharing agreement with the United States Army Corps of Engineers (USACE), the Santa Clara Valley Water District (Valley Water) is working to construct the South San Francisco Bay Shoreline Phase 1 Economic Impact Area 11 Project No. 00044026 (the Project), which will provide coastal flood protection to the community of Alviso and to infrastructure between Alviso Slough and Coyote Creek through the construction of four miles of Federal Emergency Management Agency certifiable coastal levees; and

WHEREAS, the Project will help protect the Alviso community of approximately 2,500 residents and 3,000 commuters who work and travel through the area each day, the San Jose-Santa Clara Regional Wastewater Facility, and the Silicon Valley Advanced Water Purification Center; and

WHEREAS, the Project will also help protect against future sea level rise, and will restore and enhance approximately 2,900 acres of tidal marsh and related habitat that was lost due to former salt ponds production activities. The new levees will be used as trails and will have connections to the Bay Trail network, with viewing platforms, interpretive signs, and benches; and

WHEREAS, the USACE is the federal sponsor for this Project and is responsible for design and construction of this multi-purpose project. Valley Water is the local sponsor and is responsible for obtaining necessary rights of way, acquisition of both levee and ecotone fill and relocating utilities; and

WHEREAS, the USACE completed design of Reaches 1, 2 and 3 and planned to start construction of the Project in 2020; and

WHEREAS, Valley Water previously acquired the rights of way necessary for the USACE to begin construction of Reaches 1-3, and one of those rights of way is a 3,841 square foot temporary work area easement (TWAE) from the property owner; and

WHEREAS, the USACE readvertised Reaches 1-3 for construction in January 2021, and began construction of the Project in December 2021; and

WHEREAS, the current TWAE will expire on April 12, 2023, and the Project cannot be completed without the continued and uninterrupted use of the TWAE, thus acquisition of the property interest described below is necessary and in the public interest; and

Determining and Declaring the Public Necessity for the Acquisition of Certain Real Property or Interests in Real Property by Eminent Domain for the South San Francisco Bay Shoreline Phase 1 Economic Impact Area 11 Project No. 00044026 (Code of Civil Procedure Sections 1245.220, *Et Seq.*)

Resolution No. 23-

WHEREAS, the property interest to be acquired for the Project is located near Madison Street, Alviso, California 95002, Santa Clara County Assessor's Parcel No. 015-25-012, and is described and depicted in Exhibit A attached hereto and incorporated herein (Property); and

WHEREAS, the use of the Property for the Project will not interfere with or impair any known, existing public uses and, therefore, is compatible with any other public uses pursuant to Code of Civil Procedure Section 1240.510; and

WHEREAS, Valley Water is authorized to condemn property for the Project pursuant to Article I, Section 19 of the California Constitution, Part 3, Title 7 of the California Code of Civil Procedure, Section 6 of the Santa Clara Valley Water District Act, and other provisions and principles of law; and

WHEREAS, on December 6, 2022, an offer package was sent to the property owner's P.O. Box, which is the address listed on the last equalized County assessment roll notice. Also, a copy of the offer package was sent to the agent for service of process at the street address identified on the Secretary of State website where legal documents may be mailed. On December 8, 2022, Valley Water received confirmation that the package was delivered to and received at the street address 1110 Taylor Street, Alviso, CA 95002 by return receipt; and on December 9, 2022, Valley Water received confirmation that the package was delivered to and received at the P.O. Box by return receipt; and

WHEREAS, Valley Water provided by certified mail to all persons whose names appear on the last Equalized County Assessment Roll as having an interest in the Property a notice that Valley Water's Board of Directors would hold a hearing on January 10, 2023 to consider the adoption of a resolution of necessity authorizing Valley Water to acquire the Property by eminent domain; and

WHEREAS, Valley Water's notice, mailed out on December 15, 2022, advised all such interested persons of the time and place for the hearing, their right to be heard in relation to that matter, and that their failure to file a written request to appear and be heard at the hearing within 15 days from the mailing of the notice would result in a waiver of their right to be heard; and

WHEREAS, Valley Water has calendared this Resolution as an item on its Agenda and invited public comment prior to the meeting; and

WHEREAS, Valley Water's Board of Directors held a public hearing on January 10, 2023 to consider the adoption of this Resolution, and all interested parties were given an opportunity to be heard.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District finds, determines, and hereby declares:

1. The public interest and necessity require the Project;
2. The Project is planned or located in a manner that will be most compatible with the greatest public good and the least private injury;

Determining and Declaring the Public Necessity for the Acquisition of Certain Real Property or Interests in Real Property by Eminent Domain for the South San Francisco Bay Shoreline Phase 1 Economic Impact Area 11 Project No. 00044026 (Code of Civil Procedure Sections 1245.220, *Et Seq.*)

Resolution No. 23-

3. The Property described and depicted herein in Exhibit A is necessary for the Project;
4. Valley Water made the offer required by Government Code section 7267.2 to the owners of record;
5. Valley Water has complied with all conditions and statutory requirements necessary to exercise the power of eminent domain to acquire the Property;
6. Valley Water has complied with the requirements of the California Environmental Quality Act (CEQA) for the Project, Valley Water's Board having on March 22, 2016, adopted a Final Environmental Impact Report;
7. Valley Water's Office of the District Counsel and/or its designee is hereby authorized to commence and prosecute an eminent domain proceeding to acquire the Property, to deposit the amount of probable compensation pursuant to Code of Civil Procedure section 1255.010, and to acquire prejudgment possession of the Property as may be necessary for the Project.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on January 10, 2023:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

EXHIBIT A

TEMPORARY WORK AREA EASEMENT, FILE 2044-13

No. of Pages: 4

Exhibit Attachments: None

EXHIBIT A

(TEMPORARY WORK AREA EASEMENT, FILE 2044-13)

A temporary easement and right-of-way in, on, over and across the land described below, for a period of time not to exceed twenty four (24) months, beginning on April 13, 2023 , for use by the United States Army Corps of Engineers , its representatives, agents, and contractors as a work area, including the right to deposit fill thereon, move, store and remove equipment and supplies, and erect and remove temporary structures on the land and to perform any other work necessary and incident to the construction of the San Francisco Bay Shoreline Phase 1 Economic Impact Area 11 (EIA 11) Project, together with the right to trim, cut, fell and remove therefrom all trees, underbrush, obstructions, and any other vegetation, structures, or obstacles within the limits of the right-of-way; reserving, however, to the landowners, their heirs and assigns, all such rights and privileges as may be used without interfering with or abridging the rights and easement hereby acquired; subject, however, to existing easements for public roads and highways, public utilities, railroads and pipelines.

This temporary construction easement is granted under the express conditions listed below:

1. This easement is necessary for the purpose of constructing the San Francisco Bay Shoreline Phase 1 Economic Impact Area 11 (EIA 11) Project and related activities incident to construction. This temporary construction easement shall not be revoked and shall continue in full force and effect for a period of time not to exceed twenty four (24) months, beginning on April 13, 2023 to complete construction of the San Francisco Bay Shoreline Phase 1 EIA 11 Project.
2. Grantee agrees to use all reasonable efforts to keep the roadway covered by this easement open to traffic and to not interfere with residential occupants or construction activity of Granter on site. Grantee will keep area covered by the easement clean and remove all debris related to its construction.
3. Grantee agrees to indemnify and hold harmless Granter from and against any and all claims, damages, liabilities, costs or any expenses whatsoever, arising from or caused, directly or indirectly by the entry onto the property by Grantee or its agents, employees, invitees, contractors and subcontractors.

**EXHIBIT A
(Continued)**

SANTA CLARA VALLEY WATER DISTRICT

SAN JOSE, CA 95118

PROJECT: SOUTH BAY WETLANDS RESTORATION

RESU FILE NO.: 2044-13

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF SAN JOSE, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, BEING A PORTION OF BLOCK 69 AS DESCRIBED IN THAT CERTAIN GRANT DEED RECORDED ON SEPTEMBER 30, 2005 AS DOCUMENT NUMBER 18605126 OF OFFICIAL RECORDS AND ALSO AS SHOWN ON THAT CERTAIN MAP FILED IN BOOK D OF MAPS ON PAGE 184 AND ALSO AS SHOWN ON THAT CERTAIN RECORD OF SURVEY FILED ON AUGUST 27, 1976 IN BOOK 378 OF MAPS AT PAGE 55, AND ALSO BEING A PORTION OF MADISON STREET AS SHOWN ON SAID MAP AND ALSO AS SHOWN ON SAID RECORD OF SURVEY, ALL IN THE OFFICE OF THE RECORDER, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

(TEMPORARY WORK AREA EASEMENT)

COMMENCING AT THE CAST ALUMINUM MONUMENT 138 ON THE SOUTHERLY LINE OF SAID RECORD OF SURVEY, SAID POINT ALSO SHOWN AS POINT NUMBER 3955 ON SAID RECORD OF SURVEY;

THENCE ALONG SAID SOUTHERLY LINE OF SAID RECORD OF SURVEY, SOUTH 89° 47' 34" EAST, 43.58 FEET TO THE **POINT OF BEGINNING**;

THENCE LEAVING SAID SOUTHERLY LINE, NORTH 02° 31' 31" EAST, 17.93 FEET TO A POINT ON THE CENTER LINE OF SAID MADISON STREET;

THENCE ALONG SAID CENTER LINE OF SAID MADISON STREET, NORTH 49° 07' 40" EAST, 82.58 FEET;

THENCE LEAVING SAID CENTER LINE, SOUTH 02° 31' 31" WEST, 34.41 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID MADISON STREET, SAID LINE ALSO BEING THE NORTHWESTERLY LINE OF BLOCK 69;

THENCE SOUTH 56° 58' 37" EAST, 69.74 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID BLOCK 69, SAID LINE ALSO BEING THE SOUTHERLY LINE OF SAID RECORD OF SURVEY;

THENCE ALONG SAID SOUTHERLY LINE, NORTH 89° 47' 34" WEST, 120.19 FEET TO THE **POINT OF BEGINNING**.

**EXHIBIT A
(Continued)**

CONTAINING 3,841 SQUARE FEET OF LAND, MORE OR LESS.

BASIS OF BEARINGS:

BEARINGS ARE BASED ON AND IDENTICAL TO SAID RECORD OF SURVEY FILED ON AUGUST 27, 1976 IN BOOK 378 OF MAPS AT PAGE 1 THROUGH 57 IN THE OFFICE OF THE RECORDER, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA.

SURVEYOR'S STATEMENT:

THE DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE LAND SURVEYOR'S ACT.

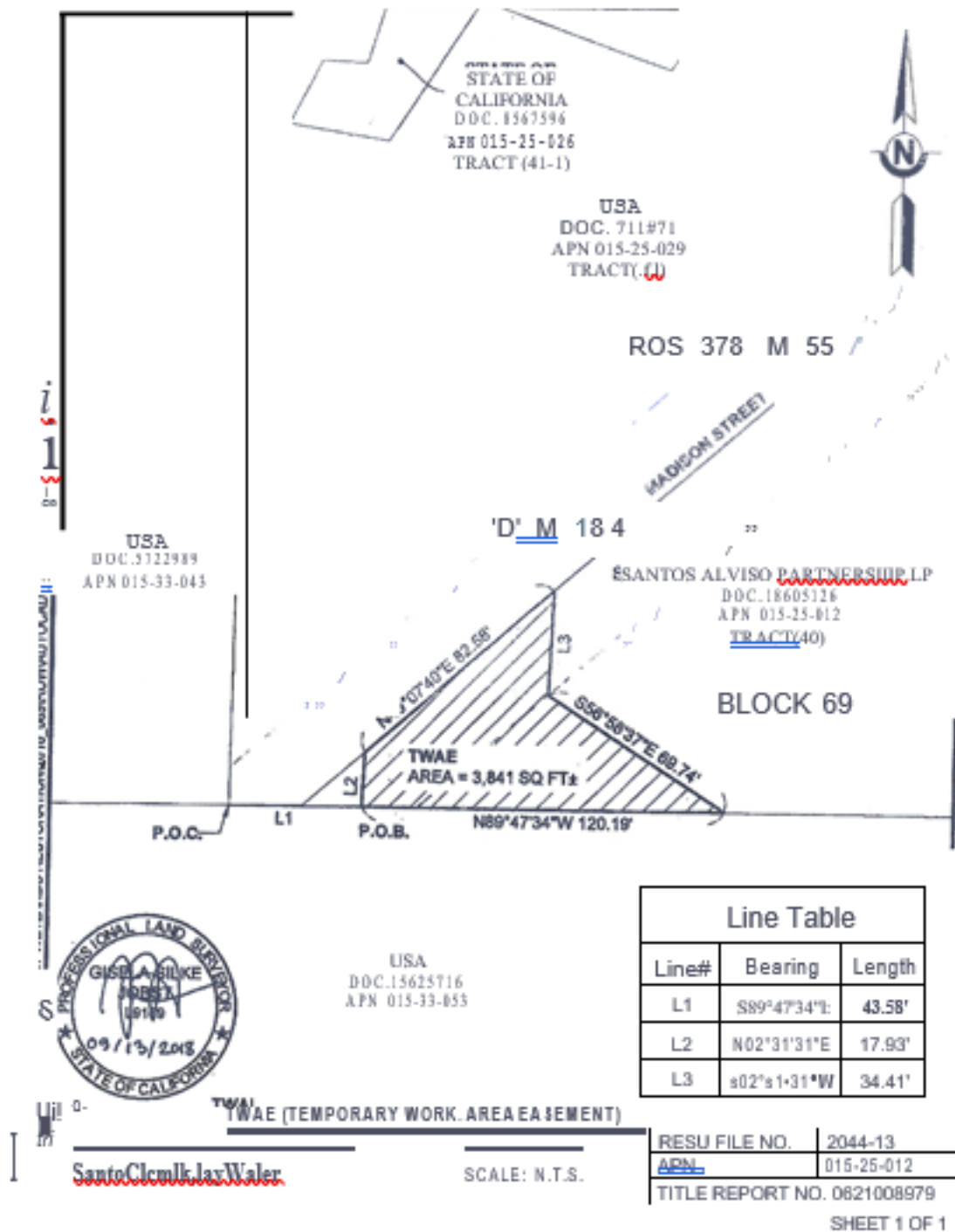


GISELA SILKE JOBST, L9169

09/11 / 2.018
DATE



**EXHIBIT A
(Continued)**



December 15, 2023

File: 2044-13
South San Francisco Bay
Shoreline Phase I Economic
Impact Area 11 Project

VIA CERTIFIED MAIL-RETURN RECEIPT REQUESTED

Mr. Tony A. Santos
Santos/Alviso Partnership L.P.
P.O Box 201
Alviso, CA 95002

Mr. Tony A. Santos
Santos/Alviso Partnership L.P.
1110 Taylor Street
Alviso, CA 95002

NOTICE OF INTENTION TO ADOPT RESOLUTION OF NECESSITY
(California Code of Civil Procedure section 1245.235)

Re: Acquisition of a Temporary Work Area Easement of a Portion of Santa Clara County
Assessor Parcel Number 015-25-012

NOTICE IS HEREBY GIVEN that the Board of Directors (Board) of the Santa Clara Valley Water District (Valley Water) intends to hold a hearing on Tuesday, January 10, 2023, at 1:00 p.m., or as soon thereafter as the matter may be heard, in the Valley Water Headquarters Boardroom, 5700 Almaden Expressway, San Jose, California 95118 to consider the adoption of a Resolution of Necessity. The adopted Resolution will authorize Valley Water to acquire real property by eminent domain for the San Francisco Bay Shoreline Phase 1 Economic Impact Area 11 Project ("Project"). The required property is located near Madison Street, Alviso, California 95002, Santa Clara County Assessor's Parcel No. 015-25-012 and is described and depicted in Exhibit A attached hereto. You are being sent this notice as your name appears on the last equalized Santa Clara County assessment roll.

NOTICE IS FURTHER GIVEN that you have the right to appear and be heard before the Board of Directors at the above scheduled hearing on the following matters and issues, and to have the Board give consideration to your testimony prior to deciding whether or not to adopt the proposed Resolution of Necessity:

Whether the public interest and necessity require the Project;

Whether the Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;

Whether the property sought to be acquired is necessary for the Project; and

Whether the offer required by Government Code Section 7267.2 was made to the owner of record.

Notice of Intention to Adopt Resolution of Necessity
Santos Alviso Partnership LP
Page 2
December 15, 2023

Valley Water is authorized to acquire property by eminent domain for the Project in accordance with Article I, Section 19 of the California Constitution; Code of Civil Procedure Section 1230.010 et seq.; and Section 6 of the Santa Clara Valley Water District Act.

NOTICE IS FURTHER GIVEN that you must file a written request to be heard within 15 days after this Notice was mailed. California Code of Civil Procedure Section 1245.235(b)(3) provides that "failure to file a written request to appear and be heard within 15 days after the notice was mailed will result in waiver of the right to appear and be heard" on the above matters and issues which are the subject of the hearing. If you desire to be heard, you must file a written request with the Clerk of the Board, 5700 Almaden Expressway, San Jose, California, 95118. Your written request to be heard must be received by the Clerk of the Board for filing within 15 days after this Notice was mailed. The date of mailing appears at the end of this Notice.

PLEASE BE AWARE THE PRICE TO BE PAID FOR THE PROPERTY WILL NOT BE CONSIDERED BY THE BOARD AT THIS HEARING, AND IF YOU ELECT NOT TO APPEAR AND BE HEARD, YOUR NON-APPEARANCE WILL **NOT** BE A WAIVER OF YOUR RIGHT TO CLAIM GREATER COMPENSATION IN A COURT OF LAW.

If the Board elects to adopt the Resolution of Necessity, then within six months of the adoption of the Resolution, Valley Water will commence eminent domain proceedings in Superior Court. In that proceeding, the Superior Court will determine the amount of compensation to which you are entitled.

Santa Clara Valley Water District

By: 
Michele L. King, CMC
Clerk of the Board

Certified Mail #70222410000149369974 & #70222410000149369981

Enclosures: Exhibit A – P&D

Dated and mailed on: December 15, 2022

Notice of intention to appear due: December 30, 2022

EXHIBIT A

SANTA CLARA VALLEY WATER DISTRICT

SAN JOSE, CA 95118

PROJECT: SOUTH BAY WETLANDS RESTORATION

RESU FILE NO.: 2044-13

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF SAN JOSE, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, BEING A PORTION OF BLOCK 69 AS DESCRIBED IN THAT CERTAIN GRANT DEED RECORDED ON SEPTEMBER 30, 2005 AS DOCUMENT NUMBER 18605126 OF OFFICIAL RECORDS AND ALSO AS SHOWN ON THAT CERTAIN MAP FILED IN BOOK D OF MAPS ON PAGE 184 AND ALSO AS SHOWN ON THAT CERTAIN RECORD OF SURVEY FILED ON AUGUST 27, 1976 IN BOOK 378 OF MAPS AT PAGE 55, AND ALSO BEING A PORTION OF MADISON STREET AS SHOWN ON SAID MAP AND ALSO AS SHOWN ON SAID RECORD OF SURVEY, ALL IN THE OFFICE OF THE RECORDER, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

(TEMPORARY WORK AREA EASEMENT)

COMMENCING AT THE CAST ALUMINUM MONUMENT 138 ON THE SOUTHERLY LINE OF SAID RECORD OF SURVEY, SAID POINT ALSO SHOWN AS POINT NUMBER 3955 ON SAID RECORD OF SURVEY;

THENCE ALONG SAID SOUTHERLY LINE OF SAID RECORD OF SURVEY, SOUTH 89° 47' 34" EAST, 43.58 FEET TO THE **POINT OF BEGINNING**;

THENCE LEAVING SAID SOUTHERLY LINE, NORTH 02° 31' 31" EAST, 17.93 FEET TO A POINT ON THE CENTER LINE OF SAID MADISON STREET;

THENCE ALONG SAID CENTER LINE OF SAID MADISON STREET, NORTH 49° 07' 40" EAST, 82.58 FEET;

THENCE LEAVING SAID CENTER LINE, SOUTH 02° 31' 31" WEST, 34.41 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID MADISON STREET, SAID LINE ALSO BEING THE NORTHWESTERLY LINE OF BLOCK 69;

THENCE SOUTH 56° 58' 37" EAST, 69.74 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID BLOCK 69, SAID LINE ALSO BEING THE SOUTHERLY LINE OF SAID RECORD OF SURVEY;

THENCE ALONG SAID SOUTHERLY LINE, NORTH 89° 47' 34" WEST, 120.19 FEET TO THE **POINT OF BEGINNING**.


CONTAINING 3,841 SQUARE FEET OF LAND, MORE OR LESS.

BASIS OF BEARINGS:

BEARINGS ARE BASED ON AND IDENTICAL TO SAID RECORD OF SURVEY FILED ON AUGUST 27, 1976 IN BOOK 378 OF MAPS AT PAGE 1 THROUGH 57 IN THE OFFICE OF THE RECORDER, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA.

SURVEYOR'S STATEMENT:

THE DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE LAND SURVEYOR'S ACT.

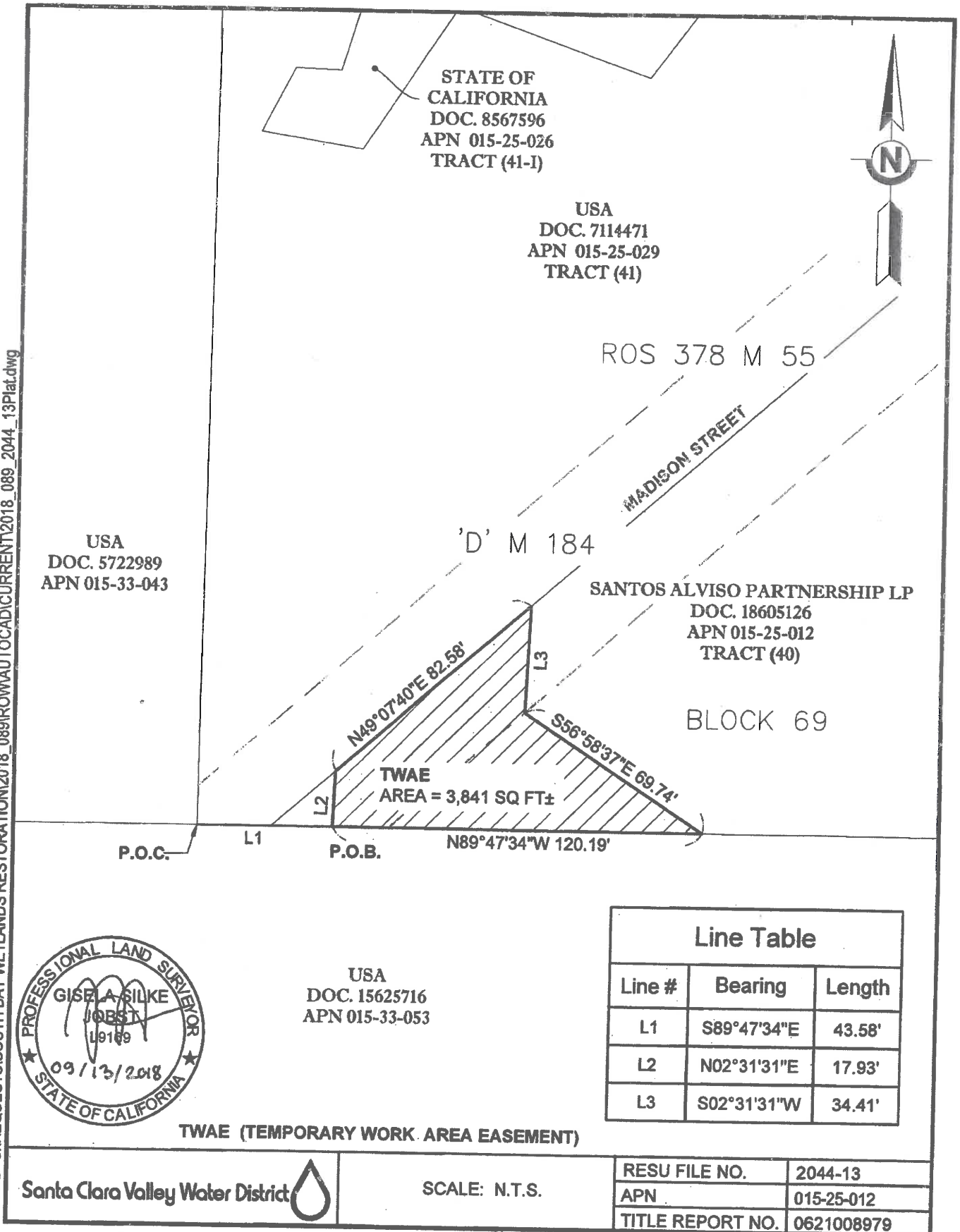


GISELA SILKE JOBST, L9169

09/13/2018
DATE



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AFFIDAVIT OF MAILING

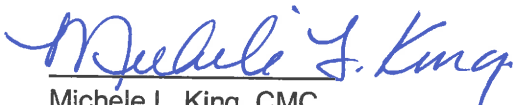
I, Michele L. King, am now and at all times herein mentioned have been over the age of eighteen years, employed in Santa Clara County, California; that my business address is 5750 Almaden Expressway, San Jose, California 95118. I am readily familiar with the District's business practice for collection and processing of correspondence for mailing with the United States Postal Service. I served a copy of the attached Notice of Intention to Adopt Resolution of Necessity by mailing said copy to the address shown on the attached mailing list by FIRST CLASS MAIL and CERTIFIED MAIL. This mailing list has been provided by the Real Estate Services Unit and lists the owners of property who are entitled to Notice of Hearing.

On December 15, 2022, a Notice was placed for collection and mailing at my place of business following ordinary business practices. Said correspondence will be deposited with the United States Postal Service at San Jose, California, on the above referenced date in the ordinary course of business; there is delivery service by the United States mail at the place so addressed.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this affidavit was executed on December 15, 2022, at San Jose, California.

Date: December 15, 2022

By:



Michele L. King, CMC
Clerk of the Board
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, California 95118

Notice of Intent to Adopt Resolution of Necessity

Notices were provided to the following interested party in the manner described above:

Mr. Tony A. Santos
Santos/Alviso Partnership L.P.
P. O. Box 201
Alviso, CA 95002

Mr. Tony A. Santos
Santos/Alviso Partnership L.P.
1110 Taylor Street
Alviso, CA 95002

Appraisal Report

Temporary Construction Easement

Santa Clara County APN 015-25-012 and Portion of Adjacent Street

RESU File Number: 2044-13

Date of Value:	November 8, 2022
Date of Report:	November 25, 2022
Our File Number:	22230

Prepared For

Carlos Herrera, SR/WA, R/W-NAC

Senior Real Estate Agent

Valley Water

5750 Almaden Expressway

San José, CA 95118

Prepared By

John R. Kaeuper, MAI

J Kaeuper & Company

1 Sansome Street

Suite 3500

San Francisco, CA 94104

J Kaeuper & Company
Commercial Real Estate Appraisers & Consultants

J Kaeuper & Company

1 Sansome Street
Suite 3500
San Francisco, CA 94104
USA

November 25, 2022

Carlos Herrera, SR/WA, R/W-NAC
Senior Real Estate Agent
Valley Water
5750 Almaden Expressway
San José, CA 95118

Re: Appraisal of Temporary Construction Easement
Santa Clara County APN 015-25-012 and Portion of Adjacent Street
RESU File Number: 2044-13

Dear Mr. Herrera:

At your request and authorization I have appraised the value of a temporary easement encumbering the subject property, identified above. The attached appraisal report sets forth the data, methodology and techniques that I employed to arrive at the conclusion of value.

The appraisal develops an opinion of fair market value for an easement. Valley Water is identified as the Client and intended user of the appraisal. The intended use is to assist Client in negotiating acquisition of the appraised property rights. The effective date of value is November 8, 2022 and the date of the appraisal report is November 25, 2022.

Briefly, the subject property consists of a triangular lot and the southeasterly half of an adjacent street, in a paper subdivision known as New Chicago. Except for a very small portion of the street, the land is submerged 24x7. The combined size of the lot and land in the street is 22,050 square feet, with the lot comprising 15,218 square feet of the total and the land in the street comprising 6,832 square feet. The surrounding area is mostly salt marsh and former salt ponds with their related system of levees. The general area is commonly known as New Chicago Marsh and it is part of the South Bay Salt Pond Restoration Project.

The property interest appraised is a temporary construction easement that encumbers 3,841 square feet of land, including 1,938 square feet of land in the paper lot and 1,903 square feet of land in the street. The duration of the easement is two years. The easement is temporary and it will have no permanent impact on the utility or value of the subject property, which is the same value before imposition of the easement and after the easement expires.

Based on the research and analysis conducted for this assignment, I have formed the opinion that the fair market value of the easement rights on the effective date of the appraisal is \$101.75. This value is subject to the assumptions and limiting conditions discussed in the attached appraisal report, and in particular to the following assignment conditions:

tel 415.512.7034
fax 866.661.0096
<http://www.jkcompany.net>

Commercial Real Estate Appraisers & Consultants

Extraordinary Assumptions

1. COVID-19 disclaimer: Although the COVID-19 pandemic has had a substantial negative impact on the economy in general, it is not yet known with any degree of certainty what its full impact on the real estate markets will be. The appraisal assumes that market conditions as presented in the report are valid on the date of value.
2. Inspection: On the date scheduled for inspection the levee road providing the only access route to the property was closed to public use. The description is based on an inspection performed for a 2018 appraisal and on Google Earth aerial images that were created on various dates in 2022.
3. Except for a very small portion of Madison Street the appraised property is submerged 24x7. The appraisal assumes that the physical characteristics of the property and the boundaries as depicted on the maps and the easement plat are accurate as described.

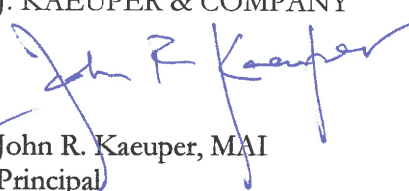
Hypothetical Conditions

No hypothetical conditions were used in the appraisal.

For quick reference to a summary of the most salient facts and conclusions, I direct your attention to the Executive Summary on page ii of the attached report. Also, please note that any opinions conveyed in the letter of transmittal are valid only if the letter is accompanied by the full appraisal report, consisting of pages numbered 1 through 50, plus addenda.

I hope the appraisal proves useful for your needs. If you have any questions or require clarification of any of the points covered in the appraisal report, please feel free to phone me at (415) 512-7034.

Respectfully submitted,
J. KAEUPER & COMPANY

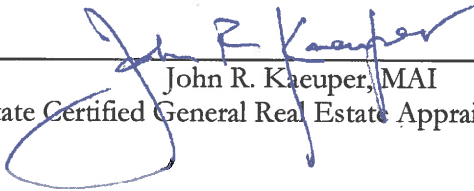


John R. Kaeuper, MAI
Principal

CERTIFICATION

I certify to the best of my knowledge and belief to the following:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and they are my personal, impartial and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report, within the three-year period immediately preceding acceptance of this assignment.
- I have the competency to appraise the property that is the subject of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value, or direction in value, that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I made a personal inspection of the property that is the subject of this report in 2018 and a virtual inspection using Google Earth imagery in November 2022.
- No one provided significant real property appraisal assistance to me in the performance of this assignment.
- As of the date of this report, I have completed the continuing education program of the Appraisal Institute.



John R. Kaeuper, MAI
State Certified General Real Estate Appraiser #006247

November 25, 2022
Date

EXECUTIVE SUMMARY

Subject Property Identifiers

Location	New Chicago Marsh, Alviso
Address	No situs address
APN	015-25-012 plus adjacent southeasterly half of Madison Street
Legal Description	For the lengthy legal description please refer to the preliminary title report and plat included as an addendum. Briefly, the larger parcel comprises Lots 1 through 7 of Block 69 as shown on the Map of New Chicago, recorded April 11, 1890, in Book D of Maps pages 184 and 185, plus the adjacent southeasterly half of Madison Street.
Geopoint	37.433022,-121.978043
Census Tract	5046.02

Basic Site Data

Current Use	Vacant land
Size/Shape	Triangular-shaped lot and portion of adjacent street having a combined size of 22,050 square feet (0.5062 acre), and having the following components:: APN 015-25-012, containing 15,218 square feet (0.3494 acre) Portion of adjacent street: 6,832 square feet (0.1568 acre)
Access/Exposure	No public street access or exposure.
FEMA Flood Zone	Zone AE (EL 12 Feet). Except for a small portion of the street at its extreme west end the land is entirely submerged.
Public Utilities	None available. The property is outside the Urban Growth Boundary and Urban Service Area so it is unlikely that utilities would be available in the foreseeable future.
Zoning District	A Agricultural
General Plan	Open Space, Parklands and Habitat – OSPH

Acquisition

Larger parcel	22,050 square feet (0.5062 acre)
Temporary construction easement	3,841 square feet (0.0882 acre)
Remainder	22,050 square feet (0.5062 acre)
	There will be no change in the size or utility of the appraised property upon expiration of the temporary easement.

Valuation Summary

Highest and best use	
Larger parcel	Speculative hold in the expectation that the value of the property will rise over time
Remainder	No change in highest and best use.
Type of value appraised	Fair market value
Property rights appraised	Easement
Effective date of value	November 8, 2022

Values

Larger parcel	\$7,609.00, based on a value rate of \$0.50 per square foot
Temporary easement	\$101.75
Remainder	\$7,609.00 (no change)

Extraordinary Assumptions

1. COVID-19 disclaimer: Although the COVID-19 pandemic has had a substantial negative impact on the economy in general, it is not yet known with any degree of certainty what its full impact on the real estate markets will be. The appraisal assumes that market conditions as presented in the report are valid on the date of value.
2. Inspection: On the date scheduled for inspection the levee road providing the only access route to the property was closed to public use. The description is based on an inspection performed for a 2018 appraisal and on Google Earth aerial images that were created on various dates in 2022.
3. Except for a very small portion of Madison Street the appraised property is submerged 24x7. The appraisal assumes that the physical characteristics of the property and the boundaries as depicted on the maps and the easement plat are accurate as described.

Hypothetical Conditions

No hypothetical conditions were used in the appraisal.

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- 2 Property Profile
- 3 Plat and Legal Description – RESU File Number 2044-13
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INTRODUCTION

South Bay Salt Pond Restoration Project – Overview

The area between Alviso Slough and Coyote Creek has considerable risk for tidal flooding due to its low-lying terrain protected by non-engineered dikes. The flood risk will increase in the future due to sea level rise. In addition to the flood risk, the past creation of commercial salt harvesting ponds along southern San Francisco Bay has caused the loss of most of the area's tidal salt marsh habitat.

Valley Water requires a temporary construction easement (TCE) to facilitate construction of a new levee as part of the South Bay Salt Pond Restoration Project¹. The restoration project will provide tidal flood protection to Alviso, as well as to infrastructure between Alviso Slough and Coyote Creek. The levee will be part of a system of new levees that will allow approximately 2,900 acres of former salt ponds to be restored to tidal marsh. The new levees will also be used as trails that will connect with the Bay Trail network, with viewing platforms, interpretive signs, and benches.

Subject Property Identifiers

Location	New Chicago Marsh, Alviso
Address	No situs address
APN	015-25-012 plus adjacent southeasterly half of Madison Street
Legal Description	For the lengthy legal description please refer to the preliminary title report and plat included as an addendum. Briefly, the larger parcel comprises Lots 1 through 7 of Block 69 as shown on the Map of New Chicago, recorded April 11, 1890, in Book D of Maps pages 184 and 185, plus the adjacent southeasterly half of Madison Street.
Geopoint	37.433022,-121.978043
Census Tract	5046.02

Client/Intended Use/Intended Users

Valley Water is identified as the Client and intended user of the appraisal. The intended use is to assist Client in negotiating acquisition of the appraised property rights. No liability is extended to third parties for use of the appraisal in any other context without the express written authorization of the appraiser.

¹ The project description is based on, and partially excerpted from, the SCVWD Board Agenda Memorandum, Agenda Date 3/22/2016, entitled *South San Francisco Bay Shoreline Phase I Study - Resolution Certifying the Final Environmental Impact Report and Adopting Findings of Fact, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program; and Approving the Project*. More detailed information about the project is available at <https://tinyurl.com/4w6t82xx>

Type of Value Appraised/Property Interest Appraised

The appraisal develops an opinion of fair market value for an easement. These terms are defined as follows:

Fair Market Value. The California Code of Civil Procedure defines fair market value as follows².

- (a) The fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy, but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.
- (b) The fair market value of property taken for which there is no relevant market is its value on the date of valuation as determined by any method of valuation that is just and equitable.

Easement. The right to use another's land for a stated purpose.

Date of Value/Date of Report

The effective date of value is November 8, 2022 and the date of the appraisal report is November 25, 2022.

Ownership and Property History

A preliminary title report (PTR) dated May 11, 2018, and a property profile dated October 13, 2022, were provided for use in the appraisal. Both are included as addenda. It is noted that the title report applies only to the adjacent portion of Madison Street and not to the assessor's parcel comprising the bulk of the property being appraised. The PTR shows that title to the fee is vested as follows:

The Santos/Alviso Partnership, L.P., a California limited partnership,
who acquired title as Santos/Alviso Partnership, L.P., a California
limited partnership.

The property profile indicates no sales or other transfers of title during the five-year period preceding the effective date of the appraisal. Furthermore, as of the date of the appraisal report, the subject property is not known to be listed for sale or under contract for sale.

Extraordinary Assumptions

An extraordinary assumption is defined as... *An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions*³. The following extraordinary assumptions were used in the appraisal.

1. COVID-19 disclaimer: Although the COVID-19 pandemic has had a substantial negative impact on the economy in general, it is not yet known with any degree of certainty what its full impact on the real estate markets will be. The appraisal assumes that market conditions as presented in the report are valid on the date of value.

² Section 1263.320, California Code of Civil Procedure

³ Uniform Standards of Professional Appraisal Practice, 2020- 2021 ed. (Washington: The Appraisal Foundation), 2019.

2. Inspection: On the date scheduled for inspection the levee road providing the only access route to the property was closed to public use. The description is based on an inspection performed for a 2018 appraisal and on Google Earth aerial images that were created on various dates in 2022.

3. Except for a very small portion of Madison Street the appraised property is submerged 24x7. The appraisal assumes that the physical characteristics of the property and the boundaries as depicted on the maps and the easement plat are accurate as described.

Hypothetical Conditions

A hypothetical condition is defined as... *A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis*⁴.

No hypothetical conditions were used in the appraisal.

Research and Analysis

The extent of research and analysis is summarized as follows:

- Identification and analysis of broad demographic, economic and other trends, particularly as they relate to the region, the market area and the subject property. Sources may include federal, state and local government agencies; quasi-government planning entities; universities and colleges; real estate brokerage firms; published media accounts; and a variety of data reporting and analytical services.
- Identification and analysis of property-specific factors, which may be based on 1) a physical inspection of the property; 2) materials provided for use in the appraisal; 3) a title report, if available; 4) a survey of public records and other publicly available information; 5) interviews with public officials and other knowledgeable persons; 6) conversations with a range of market participants; 7) zoning and planning documents; and 8) other research and analysis described in the text of the report.
- Identification and analysis of comparable sales and/or listings of vacant land and improved properties, as appropriate. Each comparable used in the appraisal was verified using at least two of the following sources: 1) a principal party to the transaction; 2) the listing and/or selling agent; 3) a public official with specific knowledge of the transaction or the property; 4) a third party that may have credible information about the transaction; 5) the local multiple listing service (MLS); 6) a real estate transaction reporting service such as CoreLogic (FARES), Loopnet or CoStar; 7) media accounts, if deemed accurate and reliable; 8) deeds or other public documents related to the transaction; 9) in the case of transactions involving public agencies, private land trusts and similar institutional entities, meeting agendas, minutes, and/or staff reports, all of which may provide information about price, terms and/or property characteristics; 10) for public companies, financial reporting documents.
- Building cost data is 1) from monthly updated costs published in the Marshall Valuation Service (MVS) cost manual; 2) derived directly from the market; or 3) based on conversations with market participants, public officials or other authoritative sources.

⁴ Ibid.

- Identification and analysis of comparable rent, lease and operating expense data, as appropriate. At a minimum, each comparable lease transaction was verified with 1) the listing or leasing agent, 2) the landlord or tenant, 3) other credible and knowledgeable sources, 4) commercial reporting services such as Costar or Compstak; 5) public agency meeting agendas, minutes or staff reports; or 6) published information if deemed credible. Operating expense data may be obtained from 1) the operating history of the subject; 2) the operating histories of comparable properties; or 3) published sources such as BOMA or IREM. Cap rates are derived directly from 1) sales transactions involving similar properties; 2) conversations with market participants and brokers; or 3) published surveys.

Report Type

The analysis, opinions and conclusions are presented in this Appraisal Report, which is intended to conform with the requirements of Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP).

GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal is based on the following general assumptions and limiting conditions:

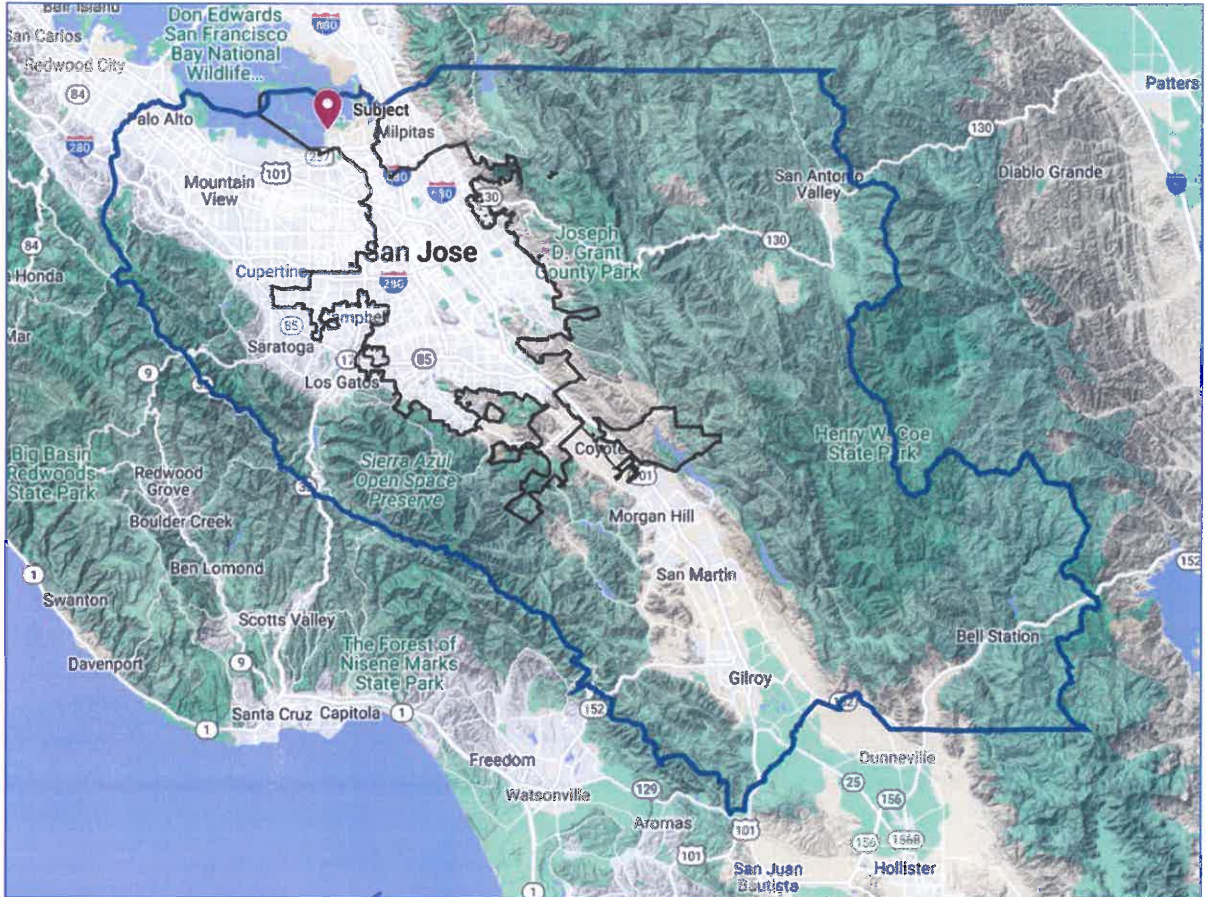
1. The analysis is based on dates, definitions, and assumptions discussed in the report. They are part of the assumptions and limiting conditions as if they were included here in their entirety.
2. Value conclusions are in terms of US Dollars. They apply only as of the date of value, and they are based on physical and economic conditions prevailing at that time.
3. Title is marketable and free and clear of liens, encumbrances, easements and restrictions, except those that are specifically disclosed and discussed in the report.
4. The subject property is under responsible ownership and competent management.
5. The subject property is available for utilization to its highest and best use.
6. Information secured from public records, interviews, commercial data providers, and other sources, is true and correct.
7. The subject property complies with applicable environmental regulations and laws.
8. Sizes and areas are based on reliable information and sources, and they are true and correct.
9. No encumbrance or encroachment exists that would have an adverse effect on the use or value of the subject property.
10. Earthquakes are common in the area. In the absence of detailed geologic reports, the appraiser is not responsible for determining their effect on the value of an individual property.
11. The appraisal deals only with the stated property interest(s). Unless otherwise indicated, it does not deal with issues of mineral rights, related rights-of-entry or the existence or removal of personal property.
12. The reported values are not valid in any context other than that specified in the appraisal report. The values do not apply to any other property or to any use of the subject property different from the use discussed in the report.
13. Unless prior arrangements have been made, this assignment does not obligate the appraiser to testify in court, or at any other governmental, quasi-governmental, or other similar hearing, or to give evidence by deposition or other means.
14. Maps, plats and exhibits are used for illustration only. They are not intended to be surveys. They should not be relied upon for any purpose outside the context of this report, nor should they be reproduced, removed from or used apart from the report.
15. It is not the appraiser's intent to express an opinion on any matters that require legal expertise, specialized investigation or knowledge beyond that customarily employed by real estate appraisers.
16. Any allocation of value between land and improvements pertains only to the use described in the appraisal report. Separate allocations of value are not intended for use in any context that is not within the scope of this appraisal report and they cannot be considered valid if they are so used.
17. The bylaws and regulations of the Appraisal Institute govern disclosure of the contents of the appraisal report. No part may be disseminated through advertising, public relations, news, sales

or any other media, without the appraiser's prior written consent. This prohibition applies especially to any conclusions of value, to the identity of the appraiser or the appraisal firm, and to any reference to the Appraisal Institute.

18. The appraiser reserves the right to alter any opinions or conclusions conveyed in this report if additional or more reliable information becomes available.
19. The appraiser is not responsible for hidden or unapparent conditions that might affect the value of the subject property if they were known. It is not the responsibility of the appraiser to arrange for engineering or other technical studies that may be required to discover such conditions.
20. All required licenses, certificates of occupancy, consents, or other governmental authorities have been obtained, or can be obtained or renewed, for uses of the subject property that may be the basis of the value opinion.
21. Unless disclosed and discussed in the appraisal report, it is assumed that no asbestos, urea formaldehyde foam insulation, or other potentially hazardous materials are present on the subject property. Because an environmental assessment is not within an appraiser's area of expertise, the client is advised to seek the advice of an expert if such an assessment is desired or indicated.
22. The Americans with Disabilities Act (ADA) became effective January 26, 1992. The appraiser has not made a specific survey to determine whether the subject property complies with ADA, and in any case, a detailed survey is outside the appraiser's area of expertise. If the subject property does not comply with one or more provisions of ADA, then the adverse impact on its value could be significant. Because the appraiser has no direct evidence relating to this issue, unless otherwise noted, ADA compliance has not been considered in the value analysis.

SANTA CLARA COUNTY

Subject Property - red icon



Santa Clara County – blue border
City of San Jose – black border

Geography

The subject property is located in Santa Clara County, California. The county is at the south end of San Francisco Bay. Its many varied landforms include estuaries and marshes along the fringes of the Bay, level land extending inland from the Bay where most of the population is concentrated, and rugged mountains on the east and west sides of a valley that stretches south from San Jose. Elevations range from ± 13 feet below sea level at Alviso (San José) to 4,360 feet at Mount Hamilton (Copernicus Peak). Bordering counties include San Mateo and Alameda to the north, Santa Cruz and San Benito to the south, and Merced and Stanislaus to the east. The county covers approximately 1,290 square miles. It is the thirty-seventh largest county in the state and the second largest in the Bay Area.

Transportation

Santa Clara County has an extensive freeway/highway system. Major north-south routes include U.S. 101, I-280, I-880, I-680 and State Route (SR) 17. Major East-west routes include SR 237, SR 85 and SR 152. U.S. 101 runs from San Diego to Seattle and is one of two freeways that connect San Jose and San Francisco, the other being I-280. State Route 17 crosses the mountains between San Jose and Santa Cruz, where it connects with SR 1, the coastal highway. Interstate 880 is the principal connection between San Jose and Oakland, while I-680 connects San Jose with I-80 in Solano County, passing through several inland cities of Alameda and Contra Costa County.

Santa Clara Valley Transportation Authority (VTA) operates a county-wide fleet of buses, as well as a light-rail system in the built-up northern portion of the county. Commuter rail service includes Caltrain between San Jose and San Francisco, the Capital Corridor which runs between San Jose and Sacramento, the Altamont Corridor Express between San Jose and Stockton, and an extension of BART. Long-distance Amtrak rail service is available at Diridon Station in San José, and the station would also be a stop on a long-planned, high-speed rail line between San Francisco and Los Angeles. International airports in San José, San Francisco and Oakland provide ready access to scheduled passenger and air freight service to literally hundreds of domestic and international destinations. Ocean shipping is available at ports in Oakland, San Francisco and – to a lesser extent – Richmond and Redwood City. Union Pacific Railroad provides freight rail service.

Despite these many positive factors, the private automobile is still the primary mode of transport in the county and the transportation infrastructure has not kept pace with the region's growth. The frequent result is long rush hours and a commute that is ranked among the worst in the nation.

Demographics

Santa Clara County is the most populous of the nine Bay Area counties and the sixth most populous county in the state⁵. As of 2019, its population was estimated at 1.961 million, an increase of nearly 170,000 since the Census in 2010. During this period the population grew 9.49 percent overall and 1.01 percent p.a., which is faster growth than the state or the region. The state projects that the county will add 134,000 residents through 2030, for overall growth of 6.82 percent and a growth rate of 0.60 percent p.a. Several factors contribute to the slowing growth rate. Foremost among them are the area's high cost of living and its severe shortage of affordable workforce housing. The county's residents have a high level of educational attainment. In 2020, of those aged 25 years and over,

⁵ State of California – Department of Finance.

52.4% had a bachelor's degree or higher and 24.7% had a graduate or professional degree. Average incomes are significantly higher than in the state or the U.S. overall, reflecting the prominence of the tech industry and its relatively high pay packages in the local economy.

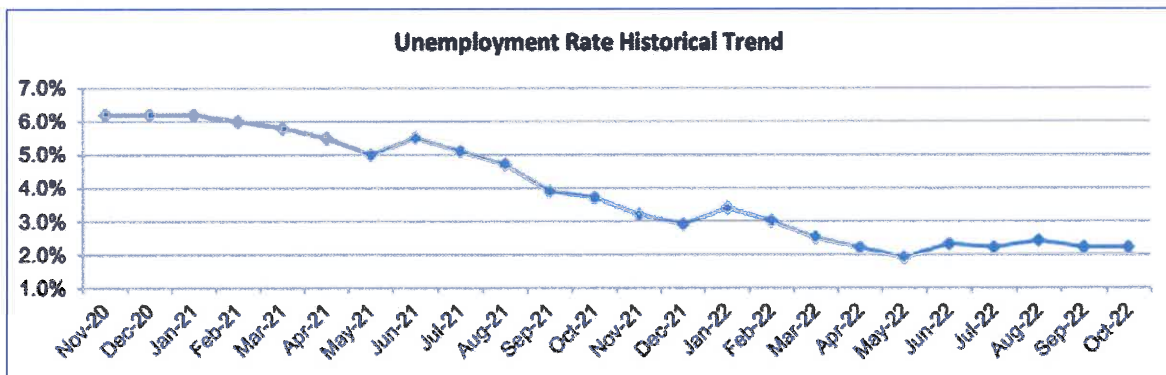
Income Comparison

Description	Santa Clara County	California	United States
Median Household Income	\$124,055	\$75,235	\$62,843
Mean Household Income	\$164,689	\$106,916	\$88,607
Per Capita Personal Income	\$56,248	\$36,955	\$34,103

Source: 2015-2019 American Community Survey (5-year estimates)

Employment

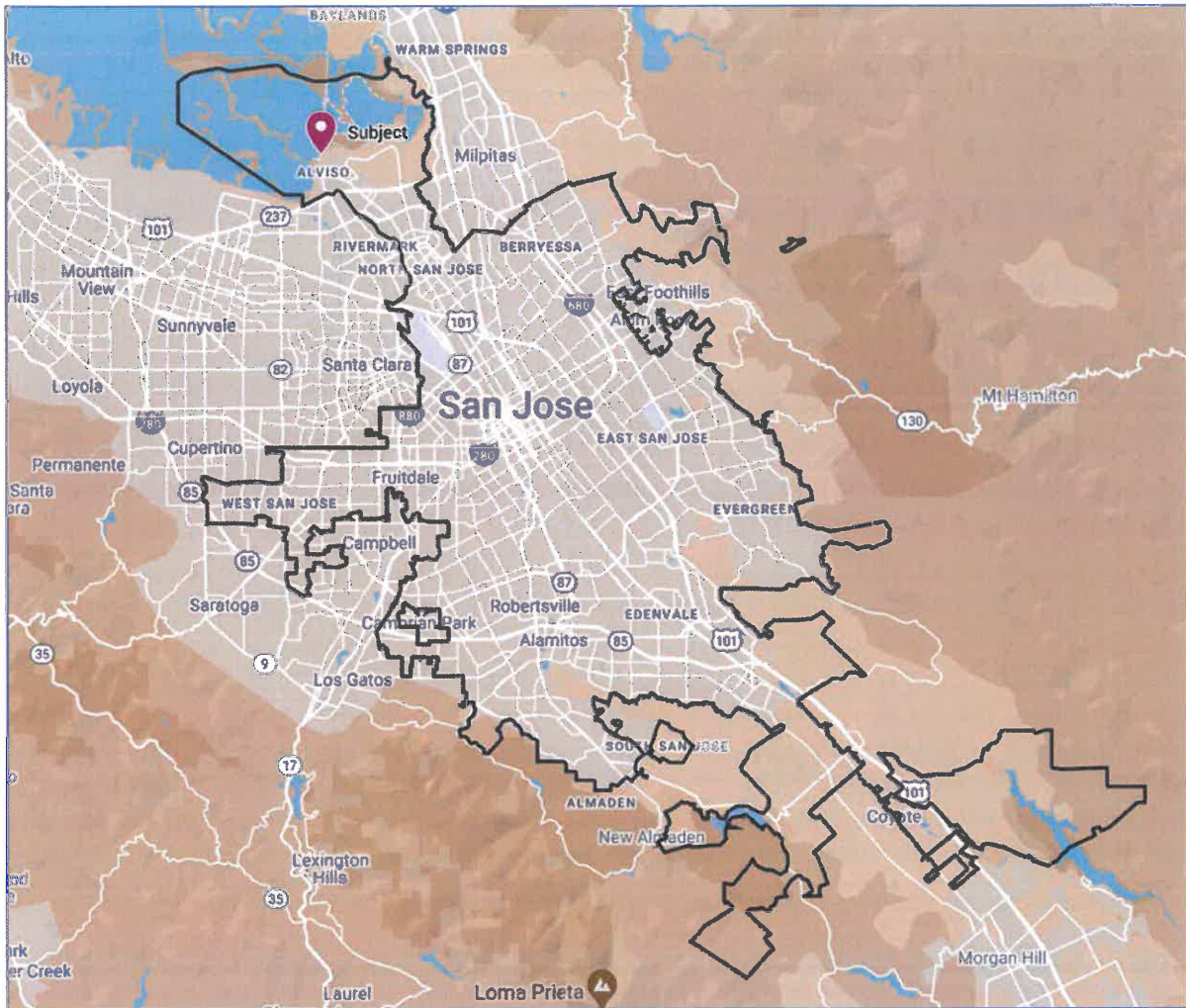
The unemployment rate in the San Jose-Sunnyvale-Santa Clara MSA was 2.2 percent in October 2022, unchanged from a revised 2.2 percent in September 2022, and below the year ago estimate of 3.7 percent. This compares with an unadjusted unemployment rate of 3.8 percent for California and 3.4 percent for the nation during the same period. The unemployment rate was 4.1 percent in San Benito County, and 2.2 percent in Santa Clara County.



Total nonfarm employment was estimated at 1.187 million in October 22. Between September 2020 and September 2021, combined employment in MSA rose by 57,600 jobs, or 5.1 percent.

- Professional and business services (up 15,000 jobs) and leisure and hospitality (up 12,800 jobs) reported the two largest year-over payroll expansions among the major industries.
- Most of the expansion in private educational and health services (up 10,100 jobs) was concentrated in health care and social assistance (up 8,100 jobs).
- The net gains of 5,500 jobs in manufacturing were all due to durable goods.
- Information (up 5,400 jobs), construction (up 5,000 jobs), and trade, transportation, and utilities (up 3,900 jobs) all expanded their workforce over the last year.
- Meanwhile, financial activities decreased by 2,100 jobs. Finance and insurance (down 1,600 jobs) accounted for most of the decline.

CITY OF SAN JOSE



Subject property – red icon
City of San Jose – black border

Geography

San José is the principal city and county seat of Santa Clara County. It encompasses a land area of approximately 180 square miles. It is the most populous city in the Bay Area, the third largest in California, and the tenth largest in the United States. From its beginnings as an agricultural service center for the surrounding orchards, it has grown to its present position at the heart of Silicon Valley. Its diverse landforms range from tidal estuaries in the north, to hills and mountains in the west, south and east. Elevations range from slightly below sea level in Alviso, to a maximum of 4,372 feet (Copernicus Peak). For the most part though, the city has a generally level topography.

Transportation

Although San Jose is a transportation hub, its street and highway infrastructure – like that of the region – has not kept pace with growth. As a result, congestion is common, particularly at rush hour. Several freeways pass through the city, among them US 101, I-280, I-680 and I-880, and State Routes 237, 17, 87 and 85. San José International Airport, situated just northwest of downtown, offers scheduled passenger and air freight service to many destinations, both domestic and international. Santa Clara Valley Transportation Authority (VTA) provides local bus and light rail service. Caltrain and the Capitol Corridor (San José-Sacramento) provide commuter rail service. Amtrak provides long distance rail passenger service, and Union Pacific Railroad provides freight rail service. BART service was extended as far as north San Jose within the last several years, and future plans are for BART to extend to the downtown area. The imminent arrival of BART has catalyzed a burst of transit-oriented development around planned stations.

Population

The state DOF estimated the population of San Jose at 1.03 million in 2020. The city had 337,000 households and the average household size was 3.14 persons per household. From 2010 to 2020, San Jose gained 83,840 residents (+0.85% per annum) and 23,004 households (+0.72% p.a. The level of educational attainment is high: 44% of those aged 25 and older hold a bachelor's degree and 18% have a graduate or professional degree.

Economy

The list of principal employers (see next page) reflects the prominence of the technology sector in the city's economy. Nearly half (46.8%) of the employed residents work in *Management business, science and arts* occupations, and more than half (54.3%) work in one of three broad industry sectors: *Educational services, health care and social assistance; Professional, scientific, management, etc.; and, Manufacturing*. Most manufacturing jobs are technology-related as there is little heavy industry left in the city.

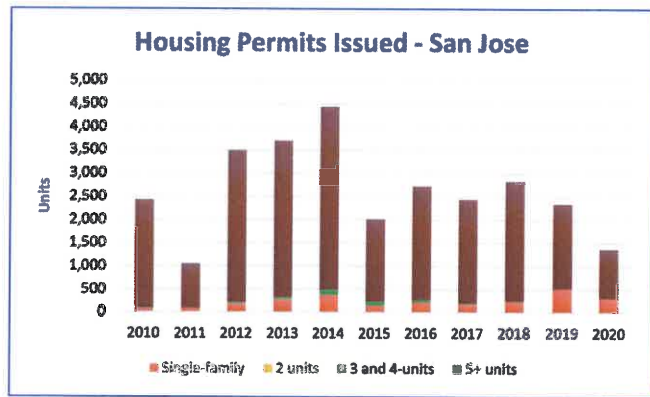
Principal Employers - San Jose

Employer	Industry	2021			2012		
		Employees	Rank	Pct of Total	Employees	Rank	Pct of Total
County of Santa Clara	Government	18,700	1	3.76%	15,360	1	3.37%
City of San Jos	Government	7,627	2	1.53%	6,799	3	1.49%
Cisco Systems	Networking	7,500	3	1.51%	13,600	2	2.98%
PayPal Inc.	Financial technology	3,868	4	0.78%			
San Jose State University	Education	3,650	5	0.73%	4,780	4	1.05%
Adobe Systems Inc.	Software	3,400	6	0.68%	2,020	10	0.44%
Kaiser Permanente	Medical services	3,035	7	0.61%	1,940	11	0.43%
eBay Inc.	E-commerce	2,800	8	0.56%	4,700	5	1.03%
Western Digital	Computer storage	2,759	9	0.56%			
San Jose Unified School District	Education	2,679	10	0.54%	2,690	8	0.59%
Target Stores	Retail	2,437	11	0.49%			
Super Micro Computer	Information technology	2,230	12	0.45%			
IBM	Information technology	2,200	13	0.44%	4,100	6	0.90%
Cadence Design Systems	Software	1,956	14	0.39%	1,924	12	0.42%
Good Samaritan Health System	Medical services	1,850	15	0.37%	1,810	13	0.40%
Total principal employers		66,691		13.40%	59,723		13.10%
Total all employers		497,694			455,901		

Source: City of San Jose CAFR – FY 2021

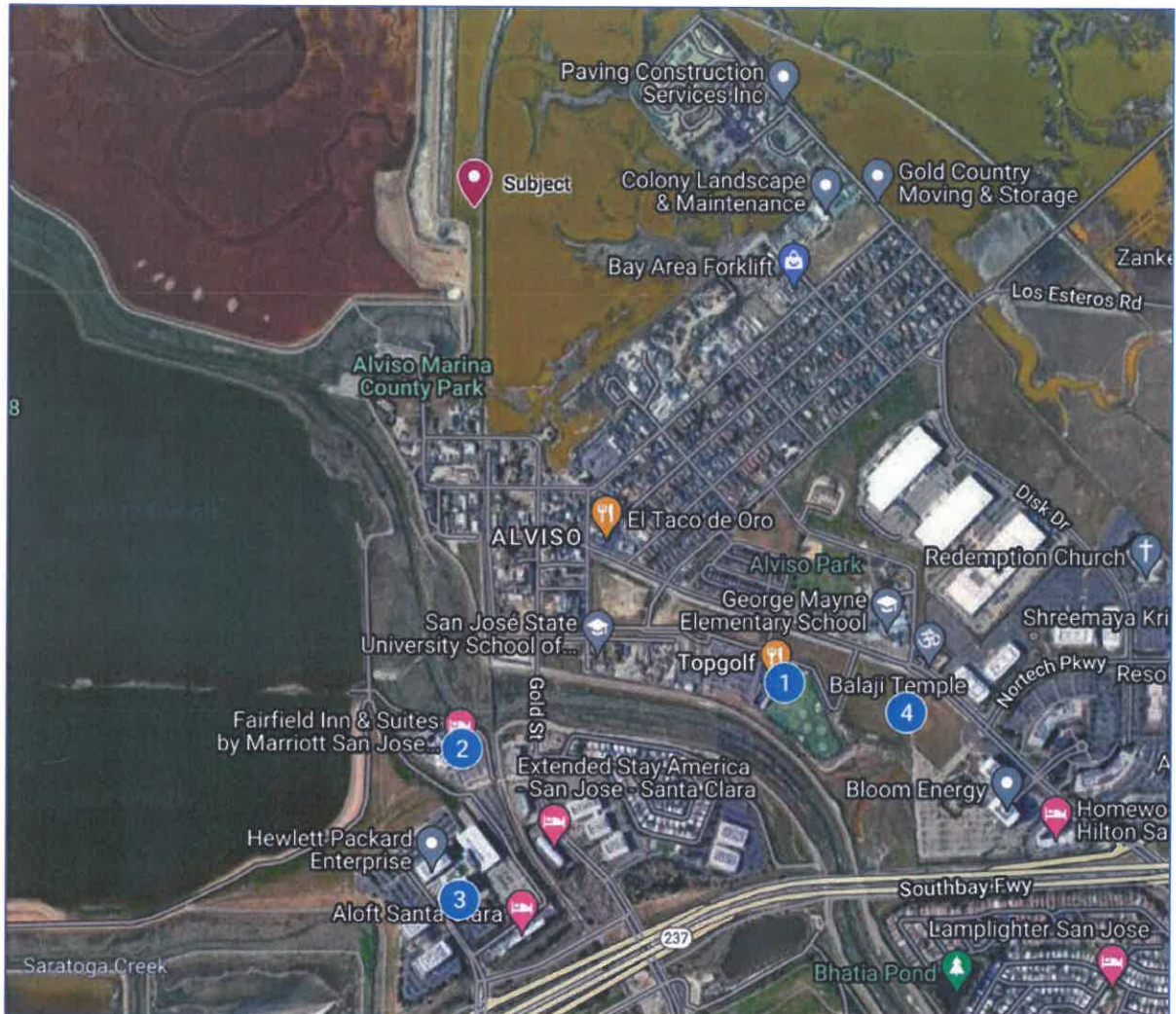
Housing

The state DOF estimated that San Jose had ±337,442 housing units in 2020. Slightly more than three-fifths were in 1-family structures (detached and attached), but more than 90% permits since 2010 (see chart) are for units in structures containing five or more units. Because the city is largely built out, there are few large tracts of vacant land suitable for “green field” development of large, single-family subdivisions. As a result, nearly all new residential construction involves redevelopment of infill sites to multifamily or mixed-use, with much of the recent activity centered around downtown and other transit nodes, particularly existing and proposed BART stations.



Source: U.S. Department of Housing and Urban Development

ALVISO



Neighborhood Map

Subject property – red icon
Recent & proposed development – blue icons

Recent and Proposed Projects						
ID	Project	Location	Use	Comm SF	Lot Acres	Comments
1	Shops @ Terra	10 Topgolf Dr	Mixed	62,400 sf	38.00	Existing Topgolf entertainment center plus 119,000 sf retail & two hotels (±400 rooms)
2	Residence Inn Fairfield Inn & Suites	656 America Center Ct	Lodging	261 Rooms	4.72	Two hotels containing mix of rooms and suites.
3	Office Buildings	6220-6280 America Center Dr	Office Building	461,248 sf	6.43	Two office buildings & vacant land proposed for new building & parking garage expansion.
4	Second Harvest Food Bank	4553 N 1st St	Warehouse	249,130 sf	10.47	Proposed warehouse for food bank

Geographical Context

The subject property is located in Alviso, an established neighborhood in extreme northern San José. Alviso is generally bounded by Alameda County and the estuaries and marshes of San Francisco Bay on the north; Coyote Creek on the east; State Route (SR) 237 (Southbay Freeway) on the south; and Sunnyvale on the west and southwest. Large expanses of the neighborhood consists of sloughs, salt marsh, tidelands and former salt ponds. The dry land portions are generally level but they are also mostly below sea level. Using Google Earth for measurements, Alviso encompasses ± 17.85 square miles, which equates to $\pm 11,433$ acres. At least three-quarters of this acreage is owned by city, county, state or federal agencies.

Linkages

The neighborhood has good highway linkages. The Southbay Freeway forms the southerly boundary and it is accessed at three interchanges: Gold Street, North 1st Street and Zanker Road. The freeway provides a connection to the larger regional highway system. A single VTA bus route (#58) serves Alviso. Passenger rail service provided by ACE and the Capital Corridor passes through Alviso on the Union Pacific right-of-way; however, the nearest station is in Santa Clara and the nearest light rail service is on Tasman Drive. Both are about 1½ mile south of the Alviso town center. The principal surface streets are Gold Street, North 1st Street and Zanker Road/Los Esteros Road. All terminate in the town center as two-lane, two-way streets that carry light traffic volumes. Because of Alviso's bayside location, there is little drive-through traffic; instead, nearly all traffic is destination-oriented.

Land Use

The most prominent landforms are the area's numerous wetlands features. Development is guided by the Alviso Master Plan, an element of the San Jose general plan. Recent and planned projects are mostly clustered southeast of the historic town center. The town center contains a mix of uses that are primarily residential and industrial, and there are a limited number of commercial uses. The San José-Santa Clara Regional Wastewater Facility (WPCP), sprawling over several hundred acres east of the town center, is largely open land. Several recycling and materials supply uses are spotted around the edges of the wastewater facility. To the north is Don Edwards San Francisco Bay National Wildlife Refuge which mains an environmental education center at 1751 Grand Boulevard. The education center also serves as a jumping-off point for hiking trails in the marsh. Closer to the downtown area is Alivso Marina County Park, which also provides access to the network of hiking trails.

Immediate Vicinity of Subject

The subject property is a paper lot in a paper subdivision. It appears to be submerged 24x7 and it has no land access and no utility availability. It is outside the Urban Growth Boundary and the Urban Service Area. The probability is approximately zero that it could ever support a higher and better use than its current vacant land use.

Adjacent uses include a segment of the UPRR active mainline railroad right-of-way on the east; a ± 13 acre rectangular parcel that consists of tidal marsh and some levee upland owned by the federal government and used as open space; a segment of Madison Street – a submerged paper street – on the northwest; and beyond that, other mostly open space land in federal and state ownership.

There has been virtually no recent market activity in the paper subdivision that includes the subject. In the early 1990s, Peninsula Open Space Trust (POST) was an active buyer. After POST purchased the lots, they were then conveyed *en masse* to the federal government in 2017 in a no-cost transfer for open space use. POST paid \$1,000 per standard size lot (i.e. 25' × 120') for most of the acquired parcels. At that time, a representative of POST said that they were motivated by a desire to clear the titles for open space use. A number of parcels bought by POST included multiple lots and several were non-standard lots. The county also owns a number of lots in the subdivision, most of which appear to have been acquired by escheat. The most recent sale was the 2005 purchase by POST of APN 015-07-009, a 3,000 square foot standard lot, for \$2,000 (\$0.67/SF). Research conducted several years ago indicates that a number of lots appear to be in default on their taxes, which suggests that some of these are also likely to pass into public ownership at some point. For the 2021-2022 tax year, the assessor appears to have reduced the assessed value of lots in the subdivision to zero. As a result, the lots are not subject to *ad valorem* taxes, although they still must pay special assessments.

Demographic and Economic Profile

The following observations refer to the demographic and economic summary on page 17. It provides a comparison of demographic and economic characteristics within one-, two- and three-mile radius rings centered on the subject. The primary focus is the one-mile radius ring which is the immediate neighborhood.

- From 2010 to 2022 the neighborhood population fell from 1,958 to 1,559, an average rate of decline of 1.7% per year. The population is projected continue falling to 1,451 in 2027. This is in contrast with the 3-mile ring which experienced a population increase of 2.0% per year from 2010 to 2022, and the 5-mile ring which had population growth of 1.9%. The neighborhood has been losing population at nearly the same rate as the wider area has been growing its population.
- The median age of residents is 37.5 years, slightly less than the wider area.
- The number of households declined slightly faster than the population, dropping from 549 to 429 between 2010 and 2022. The number of households is projected to fall at about the same rate as the population through 2027. The average household size is 3.5 persons, which is considerably larger than the 2.6-person average household size in the 3-mile ring and 2.7 persons in the 5-mile ring.
- The average household income is \$139,301 and the median household income is \$100,223. Both income figures are substantially less than the average incomes in the wider area.
- Local residents have a lower level of educational attainment than the wider area. Of those 25 years and older, 10.9% had a bachelor's degree or higher and 10.9% had an advanced degree.
- Within the 1-mile radius ring the median home value is \$863,157, lower than nearby areas. The housing stock is also older, with the median year built being 1968.
- The neighborhood home ownership rate is 57%. This is somewhat higher than typical in the Bay Area and also higher than the home ownership rates in the 3-mile and 5-mile rings, both of which are closer to 49%.

- The housing supply consists almost entirely of 1-unit structures (95.3%). In the 3-mile and 5-mile ring a significantly larger proportion of the housing is in structures with five or more units.

Demographic & Economic Summary

Radius	1 mile	3 mile	5 mile
Population			
2010 Population	1,958	53,872	182,033
2022 Population	1,559	66,476	223,364
2027 Population Projection	1,451	66,342	224,946
Annual Growth 2010-2022	-1.7%	2.0%	1.9%
Annual Growth 2022-2027	-1.4%	0.0%	0.1%
Median Age	37.5	38.4	38.4
Households			
2010 Households	549	20,857	64,443
2022 Households	429	25,202	79,323
2027 Household Projection	398	25,127	79,944
Annual Growth 2010-2022	-2.0%	2.0%	2.0%
Annual Growth 2022-2027	-1.4%	-0.1%	0.2%
Avg Household Size	3.5	2.6	2.7
Housing			
Median Home Value	\$863,157	\$962,223	\$1,053,624
Median Year Built	1968	1998	1988
Owner Occupied Households	227	12,361	39,266
Renter Occupied Households	171	12,766	40,678
Household Income			
Avg Household Income	\$139,301	\$173,268	\$172,575
Median Household Income	\$100,223	\$153,060	\$150,639
Education			
Some High School, No Diploma	275	3,577	15,660
High School Graduate	294	5,427	20,348
Some College, No Degree	264	8,131	29,022
Associate Degree	111	1,908	7,910
Bachelor's Degree	131	13,714	46,153
Advanced Degree	132	16,360	47,150
Employment			
Civilian Employed	778	38,411	124,017
Civilian Unemployed	48	1,932	6,481
Unemployment Rate	6.2%	5.0%	5.2%
Housing Units			
1 Unit	404	7,566	36,693
2 - 4 Units	10	505	5,331
5 - 19 Units	7	2,329	9,726
20+ Units	3	12,352	26,301

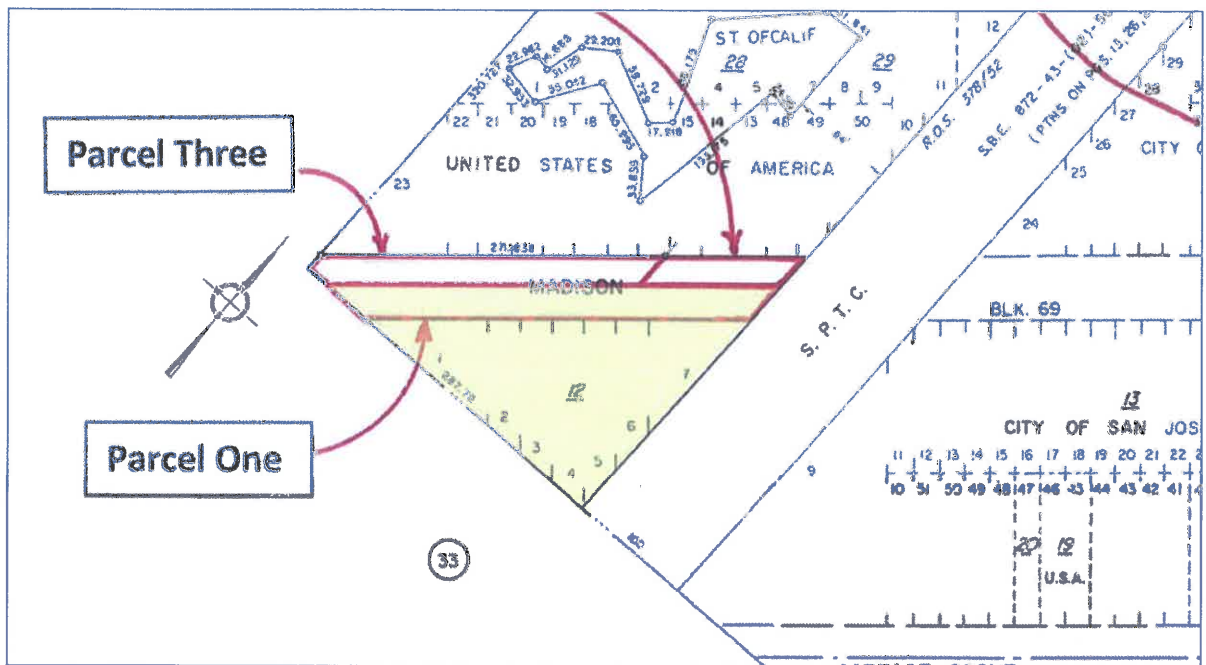
PROPERTY DESCRIPTION



Ground level view from levee road over approximate location of subject property (photographed 8/18/2018)



Aerial view of subject which includes APN 015-25-012 (red border) and southeasterly half of adjacent paper street (Madison Street).



Assessor Map Excerpt

Subject shaded yellow; note that the appraised property includes adjacent southeasterly half of Madison Street

Basic Site Data

Current Use	Vacant land
Size/Shape	Triangular-shaped lot and portion of adjacent street having a combined size of 22,050 square feet (0.5062 acre), and having the following components: APN 015-25-012, containing 15,218 square feet (0.3494 acre) Portion of adjacent street: 6,832 square feet (0.1568 acre)
Access/Exposure	No public street access or exposure.
FEMA Flood Zone	Zone AE (EL 12 Feet). Except for a small portion of the street at its extreme west end the land is entirely submerged.
Public Utilities	None available. The property is outside the Urban Growth Boundary and Urban Service Area so it is unlikely that utilities would be available in the foreseeable future.

Size/Shape/Dimensions

The property has the shape of a right triangle that contains 22,028 square feet (0.5057 acre). It is comprised of an assessor parcel that measures 15,218 square feet (0.3494 acre) and the adjacent southeasterly half of Madison Street that contains 6,810 square feet (0.1563 acre).

The sizes are from the county's online GIS or based on measurements using the county's GIS. They are approximate.

Frontage/Access/Exposure

There is no public street access or exposure. The nearest access points are an adjacent railroad right-of-way and the Alvisio Slough Trail, which follows a minimally improved levee road.

Flood Zone

The subject property is in Zone AE (EL 12). Except for a small portion of Madison Street, the land is below sea level and appears to be under water at all times. It is depicted on FEMA Community Panel 06085C0061H, effective May 18, 2009. A flood map (FIRMette) is included as an addendum. The definition for Zone AE is as follows:

Zone AE and A1-30. Areas subject to inundation by the 1-percent-annual-chance flood event determined by detailed methods. Base Flood Elevations (BFEs) are shown. Mandatory flood insurance purchase requirements and floodplain management standards apply.

Topography/Drainage

See flood zone description, above.

Seismic Hazards

The entire region experiences occasional earthquakes. The Alquist-Priolo Earthquake Fault Zoning Act requires the State Geologist to establish regulatory zones (Earthquake Fault Zones) around surface traces of active faults and to issue maps that delineate the zones. For a property located in an Earthquake Fault Zone, development is subject to special regulations and it may not be permitted at all. The Act also requires seller disclosure at the time of sale if a property is in an Earthquake Fault Zone. According to published maps, the subject property is not in an Earthquake Fault Zone, but it is less than one mile west of the Silver Creek fault and in an area that is vulnerable to liquefaction during a major seismic event.

Public Utilities

No public utilities are available. The property is outside the boundaries of the Urban Service Area and the Urban Growth Boundary. As a result, without utilities it is unlikely that it will ever be ripe for development.

Soil Conditions/Geotechnical

No soils or geotechnical reports were provided for use in the appraisal. The appraisal assumes that soils conditions are adequate for likely low-intensity, vacant land uses.

Toxic/Hazardous Materials

The appraisal assumes that no toxic or hazardous substances are present that would adversely impact the use or value of the property.

Wetlands

Jurisdictional wetlands designation can adversely affect the use and value of land. The process that leads to such a determination is complex. It involves federal agencies and may also involve multiple agencies at the state, regional, and local levels. The three most relevant factors are soils, vegetation and hydrology.

No information was provided to indicate that any portion of the subject land is affected by a jurisdictional wetlands designation. However, it is located in the New Chicago Marsh and it appears to be inundated at all times. The appraisal assumes that the wetlands characteristics would not have an adverse impact its suitability for likely vacant land uses, which are all low intensity.

Archeological Sites

The presence of archeological sites can adversely affect the use and value of land. No information was provided to indicate that there are any archeological sites present on the property and the appraisal assumes that there are none.

Land Improvements

No land improvements are present on the property which is essentially raw land.

ZONING AND PLANNING

Jurisdiction

The City of San Jose is the principal jurisdictional authority for zoning and planning. However, the subject is also within the permit jurisdiction of the San Francisco Bay Conservation and Development Commission (BCDC). In addition, depending upon the use proposed, permits may be required from other state and/or federal agencies.

Zoning District

The subject is in the A Agricultural zoning district⁶. The zoning ordinance provides the following purpose statement for this district:

The purpose of the A Agricultural District is to provide for areas where agricultural uses are desirable. The regulations contained in this district are intended to provide for a wide range of agricultural uses as well as implementing the goals and policies of the general plan.

Allowable Uses

The list of permitted uses in the A Agricultural zoning district is fairly short. Most are agricultural or rural residential in character. The following table presents a list of the uses that are permitted as a right, that are conditionally permitted, or that are permitted with specific regulations pertaining to the particular use. The table also lists a number of uses that specifically are not allowed.

Permitted Uses	Animal breeding (except fish, frogs, rabbits, poultry and hogs)
	Animal breeding (fish, frogs, rabbits, poultry and hogs)
	Any use or improvement for the conservation of water, reclamation and erosion control
	Certified Farmers' Market - Small
	Dairies
	Grazing
	Livestock ranch, excluding hogs
	Pasture
	Planting, cultivating, growing, harvesting and drying of crops
	Child Day Care Center located on an existing school site or as an incident to an on-site Church/Religious Assembly use involving no building additions or changes to the site
	Trails and paths, including equestrian, pedestrian and bicycle
	Wireless Communication Antenna, Building Mounted
	Home Occupations
	Solar Photovoltaic Power system

⁶ San Jose Municipal Code Chapter 20.20 – Open Space and Agricultural Zoning Districts.

Conditional Uses	Livestock ranch, hogs
	Tree farms and forestlands
	Wholesale sale of any animals, articles, wares, goods, merchandise, or commodities produced on-site in the conduct of any Permitted or Conditional Use
	Equestrian and riding club
	Community television antenna systems
	Utility Facilities, excluding corporation yards, storage or repair yards and warehouses
	Wireless Communication Antenna
	One-family Dwelling
	Temporary farm labor camp necessary to the gathering of crops grown on the site
	[Electric generation] Facilities that do exceed noise or air standards
Specific Use Regulations	Certified Farmers' Market
	Wireless Communication Antenna, Slimline Monopole
	[Electric generation] Facilities that do not exceed noise or air standards
Not Permitted	Botanical conservatories, nature garden, nature study areas, and similar uses not within greenhouses or structures
	Extraction of chemicals from water by natural evaporation
	Extraction of minerals from the ground, including quarrying
	Filling or removal of earth, including grading
	Natural Resource Preservation/Reservation
	Wildlife refuge
	Educational, charitable, and philanthropic activities that provide environmental and nature related services/education and are dedicated to the protection and preservation of the environment and/or rural and landscape preservation
	Golf course
	Marinas and other uses and facilities incidental to water recreation
	Shooting range

Site Development Standards

The basic development standards in the A Agriculture zoning district are summarized as follows:

Minimum...	
Lot Area ^a	20 acres
Maximum...	
FAR	0.80-to-1
Height ^b	35 feet, or as established in Municipal Code – Chapter 20.85.

Setbacks from abutting...	
Streets & highways	50 feet
Property zoned or used for residential purposes ^c	300 feet
Property zoned or used for other than residential purposes	50 feet
Other	
Parking	Varies by use. See Municipal Code – Chapter 20.90.

Notes:

^a Minimum does not apply to a lot or parcel created before February 19, 2001.

^b Exception to 40 feet for chimneys, weather vanes, or similar architectural embellishments. Other conditions apply.

^c Exceptions available for additions or new structures on parcels that already have substantial existing development. Other conditions apply.

General Plan

The general plan land use is Open Space, Parklands and Habitat – OSPH. The general plan provides the following description for this designation:

These lands can be publicly- or privately-owned areas that are intended for low intensity uses. Lands in this designation are typically devoted to open space, parks, recreation areas, trails, habitat buffers, nature preserves and other permanent open space areas. This designation is applied within the Urban Growth Boundary to lands that are owned by non-profit or public agencies that intend their permanent use as open space, including lands adjacent to various creeks throughout the City. This designation is also applied outside of the Urban Growth Boundary to the bay lands located within Alviso.

New development on lands within this designation should be limited to minimize potential environmental and visual impacts and, for properties located outside of the Greenline/Urban Growth Boundary, should avoid use of non-native, irrigated vegetation or development of new structures that would alter the environmental and visual quality of native habitat areas. Development of public facilities such as restrooms, playgrounds, educational/visitors' centers, or parking areas can be an inherent part of City or County park properties and are appropriate for Open Space, Parklands and Habitat properties both within and outside of the Greenline/Urban Growth Boundary, but in the latter case should be sensitively located so as to minimize potential environmental and visual impacts. Within the Greenline/Urban Growth Boundary, community centers, public golf courses, and other amenities open to the public would also be allowed within publicly-owned properties in this designation.

Privately-owned lands in this designation are to be used for low intensity, open space activities. Appropriate uses for privately-owned

lands in this category include cemeteries, salt ponds, and private buffer lands such as riparian setbacks. Where appropriate and where it has not otherwise been identified for use as open space (through a zoning, for instance), privately owned land in this designation may be considered for low-intensity agricultural uses provided that such uses do not involve the addition of buildings or other structures or use of irrigation on significant portions of the site.

Examples of appropriate uses for privately-owned OSPH land are cemeteries, salt ponds, private buffer lands and low-intensity agricultural uses. It is unlikely that construction of buildings would be allowed, even if the physical characteristics of the land supported it.

OWNERSHIP AND TITLE

Ownership/Vesting/Sales History

A preliminary title report (PTR) dated May 11, 2018, and a property profile dated October 13, 2022, were provided for use in the appraisal. Both are included as addenda. It is noted that the title report applies only to the adjacent portion of Madison Street and not to the assessor's parcel comprising the bulk of the property being appraised. The PTR shows that title to the fee is vested as follows:

The Santos/Alviso Partnership, L.P., a California limited partnership, who acquired title as Santos/Alviso Partnership, L.P., a California limited partnership.

The property profile indicates no sales or other transfers of title during the five-year period preceding the effective date of the appraisal. Furthermore, as of the date of the appraisal report, the subject property is not known to be listed for sale or under contract for sale.

Easements and Encroachments

Easements, encroachments and other restrictions on use are generally listed as exceptions in a title report. Those summarized below, from the 2018 PTR, were considered in the appraisal. Otherwise, no information was provided to indicate the presence of any adverse easements or encroachments and the appraisal assumes that there are none.

Title Exceptions...

- #5 (a) Any adverse claim based upon the assertion that said land or any part thereof is now or at any time has been included within a navigable river, slough or other navigable body of water .
(b) Rights and easements for commerce, navigation and fishery.
- #6 Any rights in favor of the public which may exist on said land if said land or portions thereof are or were at any time used by the public.
- #7 Any right, title or interest of the State of California in and to those portions that may lie within tide or submerged lands or within navigable sloughs now or in the past.
- #8 Any right, title or interest of the United States of America in and to Parcels One, Two, Three and Four by virtue of its ownership of land abutting the streets.
- #9 Rights of the public, County and/or City, in and to that portion of said land lying within the lines of Madison Street, Randolph Street, Adams Street, Monroe Street, Washington Street, Lake Street, Essex Street, Pacific Avenue, Percunus Court, and the unnamed street encompassed within Block 105 shown on the Map of New Chicago.
- #10 Any private easements or lesser rights in, to, or over Madison Street, Randolph Street, Adams Street, Monroe Street, Washington Street, Lake Street, Essex Street, Pacific Avenue, Percunus Court, and the unnamed street encompassed within Block 105 that would not be affected by proceedings vacating said avenues and streets; including but not limited to private easements of ingress and egress in favor of a) the United States of America, b) The Santos/Alviso Partnership, L.P., a California limited partnership, c) all of the owners of the lots of the subdivision purchased by reference to the subdivision map entitled "Map of New Chicago", which Map was filed in the office of the Recorder of the County of Santa Clara, State of California on April 11, 1890, in Book D of Maps pages 184 and 185, and those rights and claims specified in Streets and Highways Code Sections 8352 and 8353.

PROPERTY TAXES

Taxation of real property in California is governed by Proposition 13, an initiative approved by the voters in 1978. Proposition 13 rolled back the assessed values of all real property that was subject to assessment by the county assessor to 1976 levels. It also limited subsequent increases to the lesser of two percent or the statewide CPI, whichever is lower. The *ad valorem* tax rate was capped at one percent of assessed value, plus a small provision for bonded indebtedness approved by a supermajority of the voters. When a property sells, it is reassessed at full cash value⁷ and the new assessed value sets the base for future increases.

The tax and assessment information for the subject property is presented below. The taxes consist entirely of special assessments. Because the property is assessed at zero dollars, no ad valorem taxes are due. The assessor lowered the assessed value of the subject – and apparently other similar properties in its vicinity – to zero for tax year 2021-2022. The previous assessed value for the 2020-2021 tax year was \$2,295.

Assessed Values and Taxes

Tax Year	2022-2023
Tax Rate Area	017-120
APN	015-25-012
Assessed Values	
Land	\$0
<u>Improvements</u>	<u>\$0</u>
Total	\$0
 Ad Valorem Rate	 1.1944% (includes 0.0044% for State Water Project)
 <u>Special Assessments</u>	 <u>\$47.48</u>
Total Taxes	\$47.48

⁷ More or less equivalent to market value.

HIGHEST AND BEST USE

Highest and best use is the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value⁸.

The four stages of the highest and best use analysis can be summarized as follows:

1. Physically possible: What uses are physically possible?
2. Legally permissible: What uses are permitted by public and private restrictions?
3. Financially feasible: What uses that pass the tests of physical possibility and legal permissibility will produce a net return to the property owner?
4. Maximally productive: Which financially feasible use – or uses – will yield the highest net return or present worth for the property owner?

Legal permissibility and physical possibility are threshold tests. A use must be legally permitted and physically possible before questions of financial feasibility and relative productivity can even be considered. A use that does not pass the threshold tests cannot be a highest and best use.

The highest and best of vacant land is the use that yields the highest present land value, after payments are made for labor, capital and coordination. The analysis assumes that the land is vacant, or that it can be made vacant by demolishing any existing improvements.

A use not supported by a property's physical characteristics cannot be a highest and best use. The subject consists of vacant land that is below sea level and subject to tidal action, and inundated all or most of the time. It lacks public street access and utility availability. It is outside the Urban Growth Boundary and Urban Service Boundary, so it is unlikely that utilities will be available in the foreseeable future. The zoning allows for a relatively limited number of low intensity uses, most of which can be characterized as agricultural or rural residential. The OSPH general plan land use is even more restrictive.

With the exception of the adjacent railroad right-of-way, most surrounding and nearby parcels are owned by federal, state or local agencies and are earmarked for open space use. The most recent nearby market occurred in the early-1990s, when POST was an active acquirer of paper lots. POST cleared title to the lots then conveyed them to the federal government in a no-cost transfer for open space use.

There is no probable development scenario. However, an active market exists in the Bay Area for unbuildable lots of various kinds. Examples include San Francisco tidelands lots in India Basin and offshore of Candlestick Point and numerous lots in early-20th Century paper subdivisions on the coastal bluffs of Half Moon Bay. A high percentage of these transactions are tax auction sales. However, there are limited numbers of private transactions, and government agencies and land trusts have also been active in this market. The chief motivation for most private buyers appears to be speculation whereas government agencies and land trusts purchase primarily for preservation of open space.

⁸ *The Dictionary of Real Estate Appraisal*, Op. Cit.

The maximally productive use is speculative hold in the expectation that the value of the property will rise over time. The most probable buyer would be a government agency purchasing the property for inclusion in the surrounding open space.

METHODOLOGY

Appraisal of a Partial Taking

This assignment involves the appraisal of a partial taking. The total value of the taking will equal the value of the part taken, plus net damages to the remainder parcel after the taking, if any. The figure below summarizes the basic elements of value and the text that follows describes the general methodology.

	1. Larger parcel value (whole)	
less:	2. Value of part taken (as part of whole)	
equals:	3. Remainder value before taking	(#1 – #2)
less:	4. Remainder value after taking	
equals:	5. Damages to remainder	(#3 – #4)
less:	6. Benefits to remainder	
	7. Net damages to remainder	(#5 – #6)
	8. Total value	(#2 + #7)

Item 1. Larger Parcel Value

The first step in the appraisal of the partial taking involves estimating the value of the subject property (larger parcel) before the taking has occurred. This will reflect the value of the unencumbered fee, subject to any existing easements and other restrictions on use. In the case of a leased fee, the fee simple interest is appraised as though unencumbered by leases.

The subject property is generally defined only as the specific property under appraisal and is usually a single legal parcel. However, in some cases the concept of the larger parcel may require that the definition of the subject property be expanded to encompass other parcels. The conditions that usually must be satisfied are (1) contiguity, (2) common ownership or control, and (3) unified use.

For example, consider an office building, with parking for the office tenants located on an adjacent parcel of land that is under the same ownership. The subject property would consist of both the improved property and the parking lot, since all three conditions are satisfied. That is, the two parcels are (1) contiguous, (2) under common ownership, and (3) comprise a unified use. In the analysis that follows, the terms “subject property” and “larger parcel” may be used interchangeably.

Item 2. Value of Part Taken

The value of the part taken is estimated based on its value as a part of the whole. The value will reflect the contributory value of the land and improvements directly affected by the taking. The part taken may consist of a fee interest or an easement. This is also referred to as the take.

Item 3. Remainder Value Before the Taking

The remainder value before the taking is equal to the value of the larger parcel (Item #1), less the value of the part taken (Item #2).

Item 4. Remainder Value After the Taking

In this step, the remainder is appraised again, assuming the taking has occurred and the public project constructed as proposed. The value effect of any benefits associated with the public project that occasioned the taking is disregarded.

Item 5. Damages to the Remainder

The loss in value of the remainder in the after condition is referred to as severance damages. It is calculated by subtracting the remainder value after the taking (Item #4) from the remainder value before the taking (Item #3).

Item 6. Benefits to the Remainder

The value of benefits is estimated by appraising the remainder before and after the taking has occurred, taking into account the value effect of the public project, and assuming that it has been constructed as proposed. Under California law, the value of benefits may be used to offset damages, but not to offset the value of the part taken.

Item 7. Net Damages to the Remainder

Net damages are equal to severance damages (Item #5) less benefits (Item #6).

Item 8. Total Value of the Acquisition

The total value is the sum of values of the part taken (Item #2) and net damages (Item #7).

Easement Interest

The property interest under appraisal is an easement. Estimating the value of an easement presents a special challenge. There is no active market for the sale and purchase of easements. Most are granted free of charge as a condition of development, for other reasons perceived to be mutually beneficial by the parties involved, or as a result of a taking by a public agency. Generally, only the last example involves explicit consideration, and because a taking agency has the power to condemn the implicit element of duress means public agency transactions usually do not meet the willing buyer/willing seller test to be regarded as market value transactions. As a result, they usually are not admissible as evidence of market value in a trial setting.

Because there is no relevant market the definition of market value in this assignment allows for the use of any reasonable method to estimate value. In the majority of takings that involve an easement, if building improvements are not directly affected the value of the part taken is usually estimated as a percentage of the value of the underlying fee land. The percentage may range from as little as 0% for a *de minimis* – nominal impact – easement, to as much as 100% for an easement that is more-or-less equivalent to a taking of the owner's full fee interest.

To illustrate, consider an underground easement within a narrow strip of land at the edge of a property in a required yard or setback that would be unbuildable in any case. It would be a low impact easement with a value near nominal, or 0%, of the value of the fee. On the other hand, an easement for street use could amount to a full taking in the sense that the only right remaining to the property owner is the right of reversion if the street is abandoned or vacated, which is usually an extremely remote possibility. The street easement would be high impact and its value would approach 100% of full fee.

To facilitate the discussion, this appraisal may use the term *diminution factor*⁹ to refer to the impact of the easement on the fee. For example, a *diminution factor* of 50% means the easement diminishes the value of the underlying fee land by 50%. It also means that the underlying fee land retains 50% of its value when the easement is in place.

The following formula illustrates the basic procedure used to calculate the value of an easement:

	Fee Value Rate
x	Easement Diminution Factor
x	Size of Proposed Easement
	Value of Proposed Easement.

For example, assume a fee value rate of \$10/SqFt, a diminution factor of 25%, and an easement size of 1,000 square feet. Under this set of assumptions, the easement value would be calculated as follows:

	\$10/SqFt
x	25%
x	1,000 SqFt
	\$2,500

Temporary Construction Easement

The easement appraised in this assignment is a temporary construction easement (TCE). A TCE is generally viewed as rental of the land for the duration of the easement. It represents diminution of 100% for the duration of the easement. The elements of value include: (1) the value of the underlying fee land; (2) the size of the easement; (3) a rate of return; and (4) the duration of the easement. The size and duration are provided by the client. The value of the land and the rate of return are derived from the market.

Approaches to Value

Sales Comparison Approach

The sales comparison approach provides an indication of a property's value by comparing it with similar properties that have sold recently, that are listed for sale, or that are under contract for sale. It is based on the principle of substitution, which holds that a prudent investor will not pay more for a property than the cost to acquire an equally desirable alternative. This is the most commonly used of

⁹ My term for the percentage measure of the impact of an easement on the underlying fee.

the three approaches to value. Given an adequate number of recent and reliable transactions, the sales comparison approach can be used to appraise virtually any type of property. It is often the only approach used in the appraisal of vacant land and is generally the favored approach in judicial settings.

Cost Approach

The premise of the cost approach is that a prudent buyer will not pay more for a property than it would cost to create a reasonable substitute without undue delay. Like the sales comparison approach, it is based on the principle of substitution. Cost and market value are most closely related when the improvements are new, or nearly new. This approach is especially persuasive when the land value is well supported and the improvements are new. On the other hand, it may be of limited usefulness when the improvements are older, largely because of the difficulty of developing an accurate estimate for accrued depreciation. The cost approach is particularly relevant for appraising special purpose or limited market properties.

Income Capitalization Approach

The income capitalization approach – usually referred to simply as the income approach – is based on the principle of anticipation. It is a set of methods and techniques that can be used to convert the expectation of future benefits into an indication of value. The benefits consist of an income stream and a reversion. Various capitalization models may be used, depending upon (1) the property type and (2) assumptions about the quantity, quality, pattern, and durability of the income stream. The income approach is particularly useful for appraising properties that are bought primarily for their income potential, such as office buildings or apartments.

Application to This Appraisal

The subject property is vacant land. The sales comparison approach is generally recognized as the most appropriate approach for the valuation of land, or land assumed vacant. Because vacant land is not generally bought for income production, the income approach does not usually apply. Also, because vacant land is unimproved, by definition, the cost approach does not usually apply. The appraisal used the sales comparison approach to develop an indication of value for the subject as vacant land. It did not use the income approach or the cost approach.

LAND VALUE

Introduction

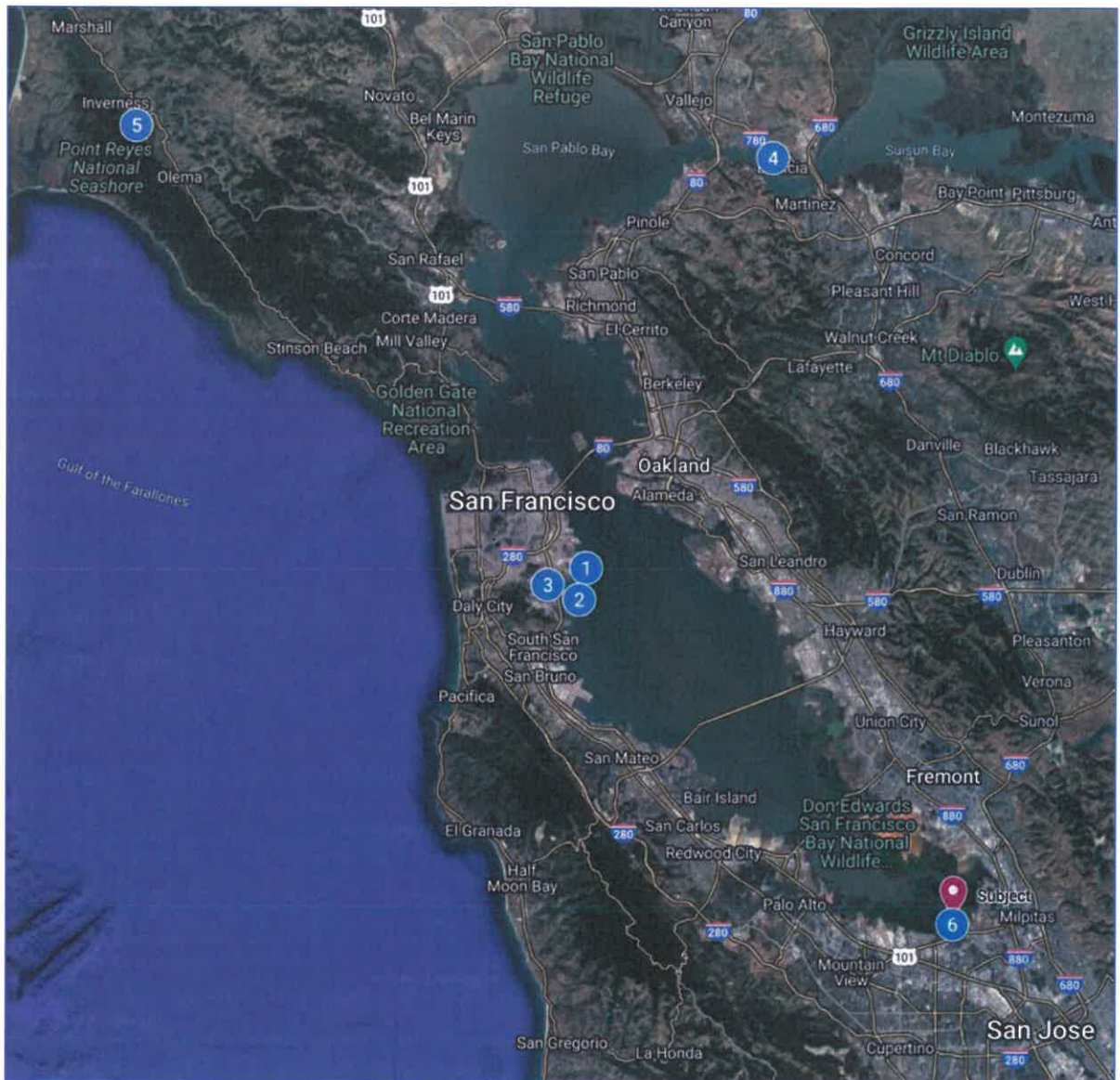
The appraisal used the sales comparison approach to develop an indication of value for the subject as vacant land. The most common unit of comparison for the property type is the price per acre. However, because the subject is relatively small and the easement plat describes the acquisition in terms of square feet, to be consistent the appraisal also used square footage as the unit of comparison. Comparable candidates were identified based on the survey criteria summarized below. Those selected for use in the appraisal are believed to be reasonably representative of the property type.

Survey Criteria

- Inundated tidelands or tidal marsh.
 - All the comparable sales satisfy this criteria. They may vary in the percentage of total upland. Some have none at all while others do have some upland.
- San Francisco Peninsula or South Bay location.
 - Four of the comparable properties satisfy this criterion. Of the other two, one is in Marin County and the other is in Solano County. None are outside the Bay Area.
- Recent date of sale.
 - The oldest sale was in 2015 and the most recent within a few months of the date of value. All are considered to be reasonably recent for the property type, which rarely sells.

A market data map and abbreviated summary table are presented on the following page. A more detailed summary table appears at the end of this section of the appraisal. Unless otherwise noted, all the transactions conveyed the fee interest on financial terms that were cash to the seller or equivalent, and the selling prices were not influenced by non-market conditions or motivations.

Comparable Sales - Tidelands & Tidal Marsh Parcels



Red icon – subject property

Comp #	Acres	Zoning	Upland	Date	Price	PriceAc	PriceSF
1	5.493	Unzoned	None	Jun 2015	\$84,680	\$15,416	\$0.35
2	0.402	Unzoned	None	Aug 2022	\$18,000	\$44,776	\$1.03
3	0.115	Unzoned	None	Oct 2022	\$3,700	\$32,174	\$0.74
4	0.430	RS (0-7 dua)	Est 35k%	May 2018	\$30,000	\$69,767	\$1.60
5.1	0.366	C-RSP-0.33	Est 20%	Aug 2018	\$37,000	\$101,093	\$2.32
5.2	0.366	C-RSP-0.33	Est 20%	Apr 2017	\$4,000	\$10,929	\$0.25
6	1.245	OS / OSPH	Negligible	Jun 2018	\$23,040	\$18,506	\$0.42
Subj	0.349	A / OSPH	None	Nov 2022			

Comparable Transactions

The first three comparables are lots in paper subdivisions just offshore from Candlestick Point.

Comp #1. Candlestick Point, San Francisco



This is the purchase of 39 water lots that have an aggregate size of 239,293 square feet. The lots were bid and purchased separately on 39 deeds at a tax default auction. They are just offshore from Candlestick Point, with no landside access or utility availability. They are also unzoned. The total price was \$84,680 and the individual lots range in size from 2,090 to 49,998 square feet, averaging 6,264 square feet. Sale prices for the lots ranged from \$1,014 to \$17,000, , and averaged \$2,214. The unit prices were \$0.10 to \$1.10 per square foot (psf), with an average unit price of \$0.38 psf. Because the lots were bought at a tax default auction the minimum price for each lot reflected the taxes and penalties owed on that lot.

Comp #2. Candlestick Point, San Francisco.



This is the August 2022 resale of four lots containing 17,500 square feet that the seller purchased in 2015 (see Comp #1). The seller paid \$6,837 in 2015 which translates to \$1,709 per lot and \$0.39 psf. The buyer in this transaction paid \$18,000 which equates to an average price per lot \$4,500 and a unit price of \$1.03 psf. The buyer and seller are both active speculators who buy low-value land – often at tax auctions – for resale to buyers who are less knowledgeable about the uses and limitations of the property type. The highest and best use is speculation.

Comp #3. Candlestick Point, San Francisco.



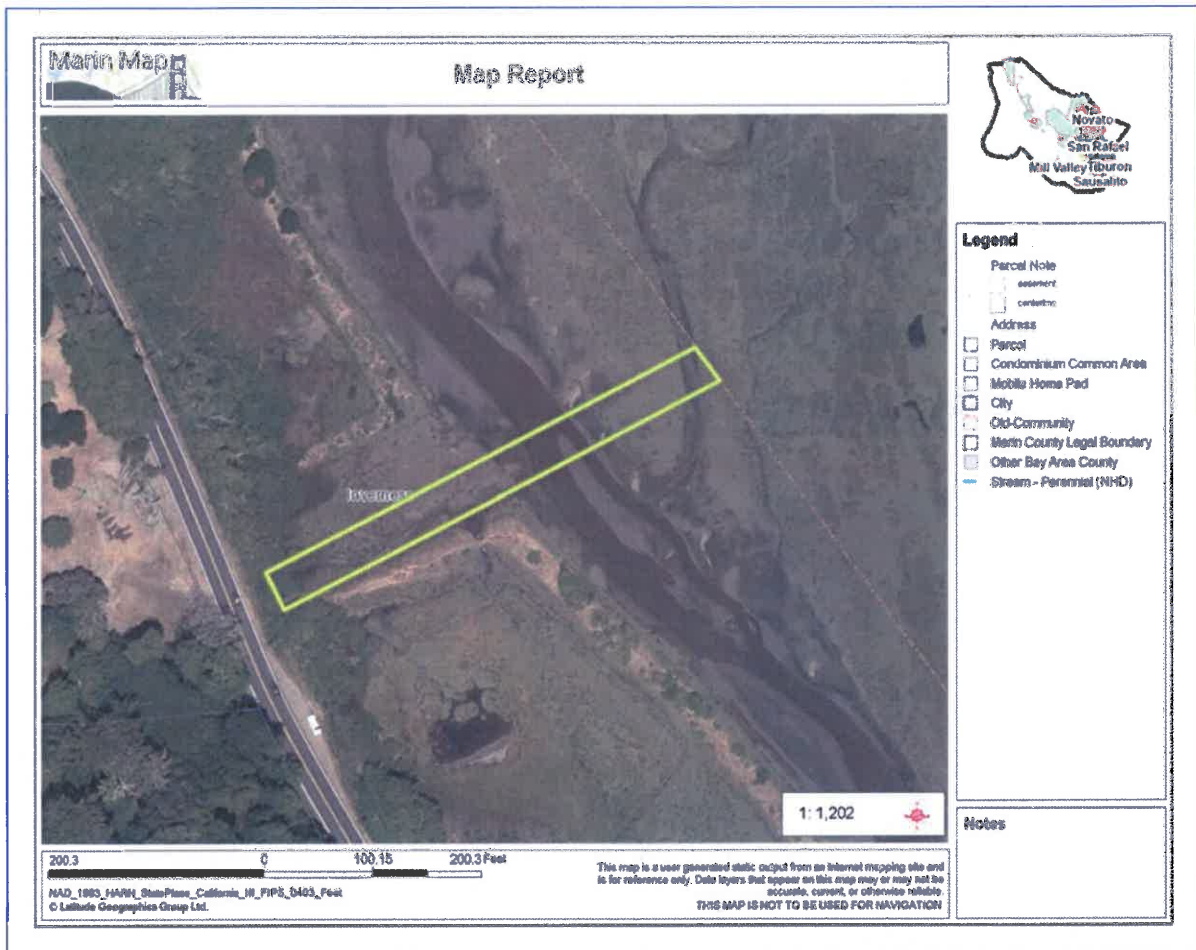
The is the October 2022 resale of one of the four lots purchased in Comp #2. It provides a good example of the speculative aspects of the property type. The lot contains 5,000 square feet and it sold for \$3,700, an indicated unit price of \$0.73 psf. The highest and best is speculation.

Comp #4. Vacant Lot Between 640 and 676 West I Street, Benicia.



This vacant lot contains 18,750 square feet. It is situated on the south side of West “I” Street in Benicia, between two improved residential properties. Public street access and utilities are both available at the frontage. Approximately two-thirds of the land area is tidelands and the balance is beach and marginal upland that have little utility. Despite the access and availability of utilities the property was not buildable at the time of sale. According to the broker, the buyer purchased in the hope that an eventual change in the zoning regulations that would make it into a buildable lot. This property sold for \$30,000 in May 2018. It indicates a unit price of \$1.60 psf. It was listed on the MLS for just 6 days before it went into contract. In 2015 it was listed for 175 days with an asking price of \$125,000, without a sale. The highest and best use is speculation.

Comp #5. Vacant Land Adjacent to 12620 Sir Francis Drake Boulevard, Inverness.



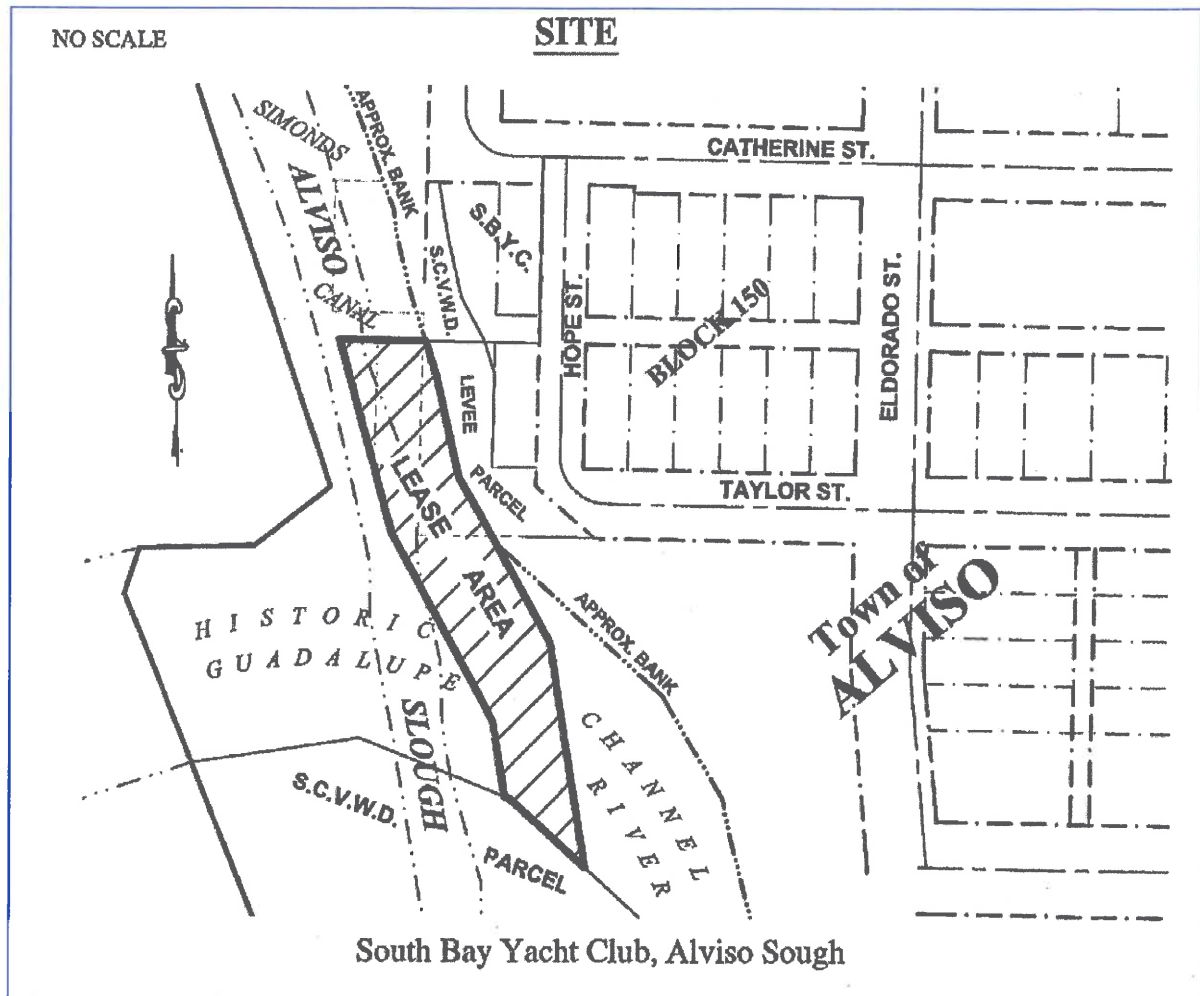
This long and narrow (± 35 feet) parcel contains 15,925 square feet and it occupies a marshy area where Lagunitas Creek flows into Tomales Bay. It is bisected laterally by the creek and situated on or near the San Andreas Fault. It is in unincorporated Marin County and, although probably unbuildable, it is zoned for single-family use. It has frontage on Sir Francis Drake Boulevard and electric and phone service are available at the street. The parcel to the south is owned by Audubon Canyon Ranch and the entire delta area is a nature preserve.

In Sale #5.1, escrow closed in March 2018 and the sale price was \$37,000, for an indicated unit price of \$2.32 psf. Sale #5.2 represents the seller's purchase of the property for \$4,000 in April 2017, which results in a much lower unit price of \$0.25 psf.

The buyer in Sale #5.1 listed the property on the MLS in September 2021 with an initial asking price of \$143,000, which was reduced to \$99,000 before the listing expired in June 2022 without a sale.

The highest and best use is assemblage with the adjacent Audubon property for recreational use or speculation.

Comp #6. Land Adjacent to 1461 Hope Street, Alviso.



This is a ten-year lease from the State Lands Commission to the South Bay Yacht Club for the use, repair and maintenance of existing docking and mooring facilities in Alviso Slough. The lease area contains approximately 54,231 square feet and is adjacent to the Guadalupe River Trail and levee road. It is outside the Urban Growth Boundary and the Urban Service Area so no utilities are available. It is in the OS zoning district and the general plan land use is OSPH. The land value is estimated based on the capitalized value of the rent using a 5.0% cap rate. The lease commenced in June 2018. The lease term is ten years and the rent is \$1,152 per year, with annual CPI adjustments. The estimated land value is \$23,040, equivalent to \$0.42 per square foot.

Analysis

Quantitative price adjustments can be characterized as 1) transactional adjustments or 2) property adjustments. Transactional adjustments relate to the transaction rather than the characteristics of a property. They adjust for cash equivalency and market conditions. Property adjustments are made for property-specific differences such as location, physical characteristics, economic or use characteristics, or non-realty components of value. Unlike transactional adjustments, they are not applied sequentially and they do not follow any particular order. No quantitative adjustments have been made, but the analysis has considered qualitative factors. The market for the property type is not well-ordered. Because the only obvious use in most cases is speculation, the sale prices are not based on the utility of the site. As a result, unit prices vary greatly.

Comp #1 indicates a unit price of \$0.35 psf. In the aggregate, it is much larger than the subject and somewhat dated, and it was purchased at a tax auction where properties often sell for less than market value. These factors suggest that some upward adjustment is indicated.

Comp #2 indicates \$1.03 psf. It is similar in size to the subject and the buyer and seller are both considered to be knowledgeable. This sale is also very recent.

Comp #3 is the resale of several parcels bought by the seller in Comp #2. It indicates a unit price of \$0.74 psf. It is also quite recent.

The three San Francisco sales bracket the range \$0.35 to \$1.03 psf. A value rate towards the lower end of this range is probably appropriate to recognize the existence of a more active market for the property type in San Francisco than the subject neighborhood.

Comp #4 indicates \$1.60 per square foot. It has public street access and utility availability, about one-third of the land is marginal upland or beach, and it is zoned for residential use. In theory, it is buildable, although practically speaking, it is not. This sale property is substantially superior to the subject.

Comp #5 sold for \$0.25 per square foot in 2017 and \$2.32 in 2018. The buyer in Comp #5.1 put the property back on the market in 2021 with an asking price of \$143,000 which was eventually reduced to \$99,000, but it did not sell. The sales history of this property demonstrates the unordered nature of the market for the property type. This comparable also has public street access, with electric and phone service available at the street, and it is zoned for residential use. Like Comp #4, this property is also substantially superior to the subject. It suggests an appropriate value rate towards the lower end of the \$0.25 to \$2.32 psf range.

Finally, Comp #6 is in Alviso, not far from the subject property. It is overall most similar in many respects; however, it is a lease rather than a sale. It indicates a unit price of \$0.42 psf which is based on the capitalized value of the rent using a 5.0% cap rate. The sensitivity of the land value was tested by capitalizing the rent at 4.0% and 6.0%, resulting in capitalized land values of \$19,200 and \$28,800, and unit prices of \$0.35 and \$0.53 psf. Viewed in context with the other comparables this appears to be a reasonable range. This comparable probably provides the best indication of value for the subject.

Summary and Conclusion

The sales indicate unit prices from \$0.25 to \$2.32 psf, with respective mean and median values of \$0.96 and \$0.74. The most similar comparable is Comp #6 which indicates a unit price of \$0.42 psf,

or a range of \$0.35 to \$0.53 psf depending upon the cap rate used to process the rent into an indication of value for the land.

The value rate is concluded at \$0.50 per square foot. It applies to the paper lot, but not to the land in the street. Streets are generally viewed as having no intrinsic value *per se*. Instead, the value of a street is implicit in the increment of value it imparts to the adjacent land served by the street. For example, a residential subdivision is valued based on its lot yield rather than the size of the overall project site. Developers generally do not assign any value to the land in the streets. Based on this analysis, the value of the land in the street is zero.

The indicated value of the subject property is \$7,609, calculated as follows:

<u>Component</u>	<u>Size SF</u>	×	<u>Value Rate/SF</u>	=	<u>Indicated Value</u>
Paper lot	15,218		\$0.50		\$7,609
<u>Paper street</u>	<u>6,832</u>		<u>Nominal</u>		<u>Nominal</u>
Total value	22,050				\$7,609

Comparable Sale Summary – Tideland & Tidal Marsh Parcels

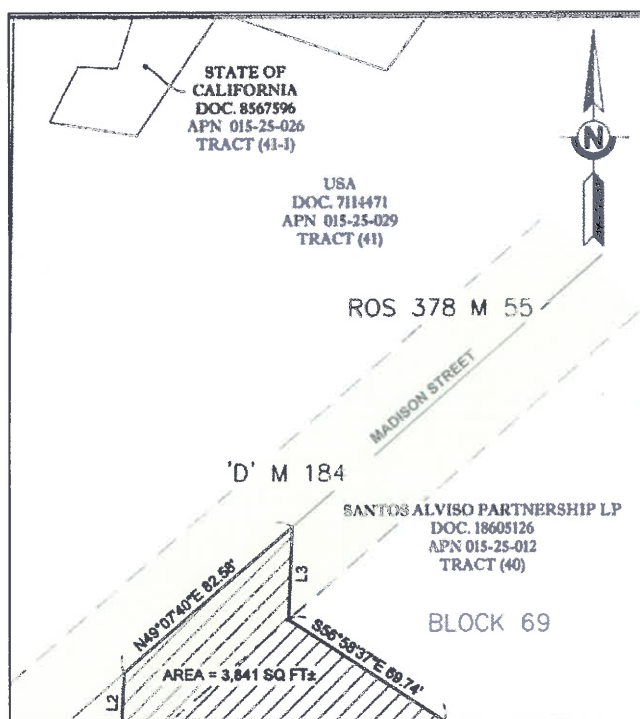
Comp #	Location APN	Sq Ft Acres	Price Upland %	Date Recordation	Zoning Flood Zone	\$ SqFt \$ Acre	Grantor Grantee
1	Candlestick Point San Francisco APN 4868-015 (multiple)	239,293 5.493	\$84,680 None	6/9/15 Multiple	Unzoned VE (EL 13), AE (EL 11)	\$0.35 \$15,415	San Francisco Tax Collector Chuan Zhu
2	Candlestick Point San Francisco APN 4925-002 (multiple)	17,500 0.402	\$18,000 None	8/12/22 2022077257	Unzoned VE (EL 13)	\$1.03 \$44,805	Trent Chuan Zhu Matthew K Banhagel
3	Candlestick Point San Francisco APN 4925-002	5,000 0.115	\$3,700 None	10/18/22 2022-094884	Unzoned VE (EL 13), AE (EL 11)	\$0.74 \$32,234	Matthew K Banhagel Love Stays LLC
4	Bet 640/676 West "I" Street Benicia APN 0089-022-040	18,750 0.430	\$30,000 Est 35k%	5/23/18 34835	RS (O-7 dual) AE (EL 10')	\$1.60 \$69,696	D E Olson Tr et ux David Trumbull
5.1	Adj 12620 Sir Francis Drake Blvd Inverness APN 114-082-02	15,925 0.366	\$37,000 Est 20%	8/3/18 27599	C-RSP-0.33 AE	\$2.32 \$101,207	Nicholas Duro Novitschenko 2014 Family Trust
5.2	Adj 12620 Sir Francis Drake Blvd Inverness APN 114-082-02	15,925 0.366	\$4,000 Est 20%	4/6/17 18318	C-RSP-0.33 AE	\$0.25 \$10,941	Jack Willis Nicholas Duro
6	Adj 1491 Hope St Alviso APN n/a	54,231 1.245	\$23,040 Negligible	6/19/18 SLC Lease 3979.1	OS / OSPH A	\$0.42 \$18,506	State Lands Commission South Bay Yacht Club
Subj	Chicago Marsh Alviso APN 015-26-012	15,218 0.349	None	11/14/22	A / OSPH AE (EL 12)		Santos/Alviso Partnership LP

EASEMENT VALUE

The easement appraised in this assignment is a temporary construction easement (TCE). A TCE is generally viewed as rental of the land for the duration of the easement. It represents diminution of 100% for the duration of the easement. The elements of value include: (1) the value of the underlying fee land; (2) the size of the easement; (3) a rate of return; and (4) the duration of the easement. The size and duration are provided by the client. The value of the land and the rate of return are derived from the market.

Larger Parcel

The larger parcel is coterminous with the subject property as described earlier in the appraisal. It consists of a lot (APN 015-25-012) and part of a street (Madison Street) in a paper subdivision. Except for a small portion of the street, the land is completely submerged. The gross land size is 22,050 square feet (0.5062 acre). It includes the lot which measures 15,218 square feet (0.3494 acre) and the land in the street that contains 6,832 square feet (0.1568 acre). Imposing the TCE will not cause any severance damages to the remainder. Upon expiration of the TCE, the property will have the same utility that it had before the TCE was put in place.



Excerpt from Plat - Temporary Easement

Easement

The total size of the TCE, identified by crosshatching on the plat (see above), is 3,841 square feet. The TCE is split between the portion in the lot (1,938 square feet) and the portion in the adjacent street (1,903 square feet).

Duration

The client has indicated that the duration of the easement will be two years.

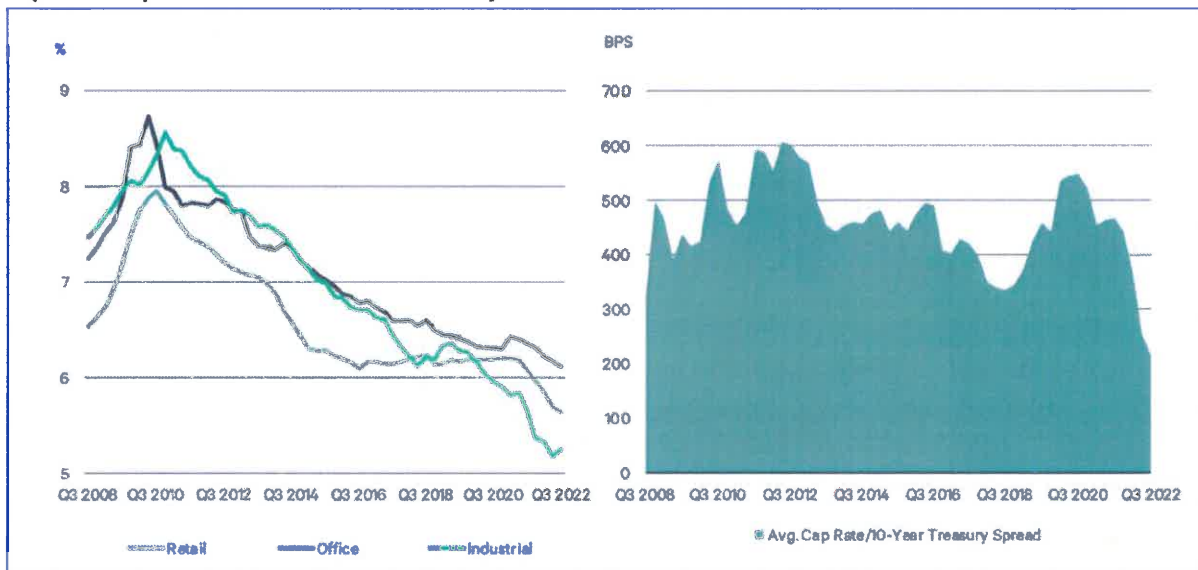
Land Value

The TCE represents 100% diminution of the encumbered land for the duration of the easement. The portion encumbering the lot has been appraised using the same value rate that applies to the lot as a whole, and multiplying the result by the diminution factor 100%. The portion encumbering the street likewise takes on the value of the underlying fee land which is zero dollars. The indicated value of the fee land that the easement will encumber is \$969.00.

Rate of Return

In this step, a rate of return (RoR) is derived from the market. CBRE, a commercial brokerage firm, publishes a periodic survey of the net lease real estate market. The most recent survey covered the third quarter of 2022 and it reported that properties were trading for cap rates averaging 5.7%. The yield spread over 10-year Treasuries – the benchmark for real estate – was 215 basis points, which is below historical averages. The average 10-year Treasury yield for the week before the date of value was 4.12%. Adding the yield spread to the yield rate implies a cap rate of 5.27%. Note that the net lease property market consists of many kinds of commercial and industrial properties, including both ground leased properties and improved properties. Cap rates are generally somewhat lower for land since it does not depreciate.

Cap Rate & Spreads Between 10-Year Treasury Rate



Closer to home, a survey of the local market identified four recent leases of yard space or vacant land that involve properties with known, or reasonably accurate estimated, land values. Dividing the square footage rental rate by the square footage land value yields imputed cap rates for these leases. The cap rates range from 4.4% to 6.0%, and average 5.2%. Three leases for yard space include nominal or low value buildings, so the actual land values are likely somewhat lower than indicated, meaning the cap rates would be slightly higher.

Imputed Cap Rates – Vacant Land and Yard Space Leases

ID	Street Address	City	Tenant	Quarter	Land SF	Term	Rent \$/SF	Land \$/SF	Cap Rate	Comments
1	735 Reed Street	Santa Clara	Albanese Construction	2020 Q4	47,044	5 years	\$4.92	\$105	4.7%	Nominal value 4,151 sf industrial building
2	40595 Albrae Street	Fremont	Bobcat Enterprises	2021 Q2	12,232	n/a	\$3.60	\$60	6.0%	Low value 12,232 indust bldg built 1983
3	894 Faulstich Court	San Jose	Samotors	2021 Q2	4,686	2 years	\$3.84	\$67	5.7%	Gravel yard, no power.
4	165 South Linden Ave	South SF	Rivian Automotive	2022 Q1	40,946	5 years	\$8.40	\$189	4.4%	Nominal value 7,500 industrial bldg built 1965

Based on the above analysis, the RoR is concluded at 5.25%.

Summary and Conclusion

The subject of the appraisal is a temporary construction easement with a duration of two years. The total size of the easement is 3,841 square feet, split between 1,938 square feet encumbering the lot and 1,903 square feet encumbering the street. Both the lot and the street are in a paper subdivision. Except for a very small portion of the street, they are under water 24x7.

The base value rate applicable to the lot is \$0.50 per square foot which yields a value for the fee land underlying the easement of \$969.00. The value rate applicable to the street is zero. The easement encumbers land having a total fee value of \$969.00.

The TCE diminishes the value of the encumbered land for the duration of the easement. In effect, it is rental of the land for that period of time. The value of the TCE is calculated as the product of the fee value of the land assuming 100% diminution caused by the easement \times the 5.25% rate of return \times the two-year duration of the easement. The result of the calculation is an indicated value of \$101.75.

Temporary Construction Easement – Valuation Summary

Fee Value				TCE Value ¹		
<u>Component</u>	<u>Size SF</u>	<u>Value Rate \$/SF</u>	<u>Fee Value</u>	<u>Rate of Return</u>	<u>Duration</u>	<u>Indicated Value</u>
Paper lot	1,938	\$0.50	\$969.00	5.25%	2	\$101.75
Land in street	1,903	Nominal	Nominal	5.25%	2	Nominal
Total	3,841		\$969.00			\$101.75

¹ TCE Indicated value = Fee Value x RoR x Duration. Assumes easement diminution of 100%.

RECONCILIATION

No reconciliation of values is necessary. The indicated value of the TCE is \$101.75. It represents 100% diminution of the encumbered land for the two-year duration of the easement. The TCE contains 3,841 square feet, including 1,938 square feet encumbering a paper lot with a base value of \$0.50 per square foot and 1,903 square feet encumbering a paper street having zero value. The fee value of the encumbered land is \$969.00. The TCE diminishes the value of the land 100% for the duration of the easement. Multiplying the fee value of the encumbered land \times the 5.25% market-derived rate of return produces an indicated value of \$101.75, which is also the conclusion of value.

EXPOSURE TIME

The definition of value used in this appraisal does not require an opinion for exposure time.

ADDENDA

- 1 Title Report
- 2 Property Profile
- 3 Plat and Legal Description – RESU File Number 2044-13
- 4 Flood Zone FIRMette
- 5 Glossary
- 6 Appraiser's Qualifications



8060 Santa Teresa Blvd, Suite 100
Gilroy, CA 95020
(408) 847-1505 Fax: (408) 848-3507

PRELIMINARY REPORT

SANTA CLARA VALLEY WATER DISTRICT
5750 Almaden Expressway
San Jose, CA 95118

Our Order Number 0621008979-RR

Customer Reference Phantom Streets

Attention: Josephine Garcia-Paunil

When Replying Please Contact:

Randy Romriell
(408) 847-1505

Property Address:

New Chicago Marsh San Jose, CA 95002

In response to the above referenced application for a policy of title insurance, OLD REPUBLIC TITLE COMPANY, as issuing Agent of Old Republic National Title Insurance Company, hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit I attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the Homeowner's Policy of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit I. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit I of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of May 11, 2018, at 7:30 AM

OLD REPUBLIC TITLE COMPANY
For Exceptions Shown or Referred to, See Attached

Page 1 of 10 Pages

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0621008979-RR

The form of policy of title insurance contemplated by this report is:

CLTA Standard Coverage Policy -1990. A specific request should be made if another form or additional coverage is desired.

The estate or interest in the land hereinafter described or referred or covered by this Report is:

Fee

Title to said estate or interest at the date hereof is vested in:

The Santos/Alviso Partnership, L.P., a California limited partnership, who acquired title as Santos/Alviso Partnership, L.P., a California limited partnership, as to Parcels One and Two;

Pamela A. Valera, an undivided one-half interest, and Alexandra B. Roderick, an undivided one-half interest, as tenants in common, as to Parcel Three;

Maxine S. Souza individually, Heirs or Devisees of Vernon B. Sutcliffe and Claudine M. Williamson, share and share alike, as to Parcel Four;

United States of America, acting by and through the United States Department of the Interior, Fish and Wildlife Service, as to Parcels Five and Six

The land referred to in this Report is situated in the County of Santa Clara, City of San Jose, State of California, and is described as follows:

PARCEL ONE:

That portion of Madison Street that would be apportioned by law to Lots 1 through 7 inclusive in Block 69 and which would pass by a conveyance describing said Lots, as said Street, Lots and Blocks are shown on that certain Map entitled "Map of New Chicago", which Map was filed in the office of the Recorder of the County of Santa Clara, State of California on [April 11, 1890, in Book D of Maps pages 184 and 185](#).

APN: Adjacent to and North of 015-25-012

PARCEL TWO:

That portion of Randolph Street that would be apportioned by law to Lot 12 in Block 70 and which would pass by a conveyance describing said Lot, as Randolph Street and Lot 12 in Block 70 are shown on that certain Map entitled "Map of New Chicago", which Map was filed in the office of the Recorder of the County of Santa Clara, State of California on [April 11, 1890, in Book D of Maps pages 184 and 185](#).

APN: Adjacent to and North of 015-25-005

PARCEL THREE:

That portion of Madison Street, Randolph Street, Adams Street, Essex Street, and Monroe Street, which is the street between Block 72 and Block 73, that would be apportioned by law to the land described as being Lots 1 through 11 inclusive, Lots 13 through 23 inclusive, and Lots 48, 49, and 50 in Block 70, Lots 1 through 30 inclusive, in Block 71, Lots 1 through 18 inclusive in Block 72, excepting the 84 foot strip along the right of way of the Southern Pacific Railroad as described in the Quit Claim Deed from the City of Alviso, a municipal corporation to Frank K. Laurent, recorded [February 5, 1968 in Book 8016 of Official Records, Page 399 under](#)

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OLD REPUBLIC TITLE COMPANY
ORDER NO. 0621008979-RR

Recorder's Serial Number 3363835 and which would pass by a conveyance describing said land, as said Streets, Lots and Blocks are shown on that certain Map entitled "Map of New Chicago", which Map was filed in the office of the Recorder of the County of Santa Clara, State of California on April 11, 1890, in Book D of Maps pages 184 and 185.

APN: Adjacent to 015-25-025, 015-25-026, 015-25-027, 015-25-029, 015-26-021, 015-26-022, 015-26-023

PARCEL FOUR:

That portion of Monroe Street, which is the street between Block 74 and Block 75, Adams Street, and Essex Street that would be apportioned by law to Lots 14 through 18 inclusive in Block 75 and which would pass by a conveyance describing said Lots, Streets and Blocks are shown on that certain Map entitled "Map of New Chicago", which Map was filed in the office of the Recorder of the County of Santa Clara, State of California on April 11, 1890, in Book D of Maps pages 184 and 185.

APN: Adjacent to 015-26-025

PARCEL FIVE:

That portion of Madison Street, Randolph Street, Adams Street, and Essex Street that would be apportioned by law to the land described as being all those portions of Blocks 71 and 72; Lots 1 through 11 inclusive, 13 through 23 inclusive, and 48 through 50 in Block 70, lying within the bounds of an 84 foot strip of land along the right of way of the Southern Pacific Railroad, as said strip of land was excepted in the Quit Claim Deed from the City of Alviso, a municipal corporation to Frank K. Laurent, recorded February 5, 1968 in Book 8016 of Official Records, Page 399 under Recorder's Serial Number 3363835 and which would pass by a conveyance describing said land, as said Streets, Lots and Blocks are shown on that certain Map entitled "Map of New Chicago", which Map was filed in the office of the Recorder of the County of Santa Clara, State of California on April 11, 1890, in Book D of Maps pages 184 and 185.

APN: Adjacent to 015-25-027, 015-25-029, 015-26-007

PARCEL SIX:

That portion of Monroe Street, which is the street between Blocks 72 and 75 and Blocks 73 and 74, Washington Street, Lake Street, Essex Street, Pacific Avenue, Percunus Court, being the street encompassed within Block 105, and the unnamed street encompassed within Block 105 that would be apportioned by law to Lots 1 and 2 in Block 73, Lots 1 through 31 inclusive and Lots 33 through 44 inclusive in Block 74, Lots 1, 13, 19 through 24 inclusive, 41, and 42 in Block 75, Lots 1 and 2 in Block 87, Lots 1 through 20 inclusive in Block 103, Lots 1 through 36 inclusive in Block 104, Lots 1 through 20 inclusive in Block 105, and Lots 1 through 43 inclusive in Block 106 and which would pass by a conveyance describing said Lots, Street and Blocks are shown on that certain Map entitled "Map of New Chicago", which Map was filed in the office of the Recorder of the County of Santa Clara, State of California on April 11, 1890, in Book D of Maps pages 184 and 185.

APN: Adjacent to 015-26-001, 015-26-015, 015-26-025, 015-26-027, 015-27-012, 015-27-014, 015-28-007

Note: It is anticipated that the use this legal description will not be in violation of the Subdivision Map Act by reason of common ownership of contiguous land or otherwise with the approval of City of San Jose.

OLD REPUBLIC TITLE COMPANY
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Any use of this legal description prior to such approval or without satisfactory evidence of compliance with or non-violation of the Act, shall be deemed to be without the consent of Old Republic Title and/or its underwriters.

At the date hereof exceptions to coverage in addition to the Exceptions and Exclusions in said policy form would be as follows:

1. Taxes and assessments, general and special, for the fiscal year 2018 - 2019, a lien, but not yet due or payable.

2. Taxes and assessments, general and special, for the fiscal year 2017 - 2018, as follows:

Assessor's Parcel No	:	015-25-012	
Code No.	:	017-120	
1st Installment	:	\$61.51	Marked Paid
2nd Installment	:	\$61.51	Marked Paid
Land Value	:	\$2,163.00	

Said matters affect Parcel One

3. Taxes and assessments, general and special, for the fiscal year 2017 - 2018, as follows:

Assessor's Parcel No	:	015-25-005	
Code No.	:	017-120	
1st Installment	:	\$52.05	Marked Paid
2nd Installment	:	\$52.05	Marked Paid
Land Value	:	\$569.00	

Said matters affect Parcel Two

4. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq., of the Revenue and Taxation Code of the State of California.

5. (a) Any adverse claim based upon the assertion that said land or any part thereof is now or at any time has been included within a navigable river, slough or other navigable body of water.

(b) Rights and easements for commerce, navigation and fishery.

OLD REPUBLIC TITLE COMPANY
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6. Any rights in favor of the public which may exist on said land if said land or portions thereof are or were at any time used by the public.
7. Any right, title or interest of the State of California in and to those portions that may lie within tide or submerged lands or within navigable sloughs now or in the past.
8. Any right, title or interest of the United States of America in and to Parcels One, Two, Three and Four by virtue of its ownership of land abutting the streets.
9. Rights of the public, County and/or City, in and to that portion of said land lying within the lines of Madison Street, Randolph Street, Adams Street, Monroe Street, Washington Street, Lake Street, Essex Street, Pacific Avenue, Percunus Court, and the unnamed street encompassed within Block 105 shown on the Map of New Chicago.
10. Any private easements or lesser rights in, to, or over Madison Street, Randolph Street, Adams Street, Monroe Street, Washington Street, Lake Street, Essex Street, Pacific Avenue, Percunus Court, and the unnamed street encompassed within Block 105 that would not be affected by proceedings vacating said avenues and streets; including but not limited to private easements of ingress and egress in favor of a) the United States of America, b) The Santos/Alviso Partnership, L.P., a California limited partnership, c) all of the owners of the lots of the subdivision purchased by reference to the subdivision map entitled "Map of New Chicago", which Map was filed in the office of the Recorder of the County of Santa Clara, State of California on [April 11, 1890, in Book D of Maps pages 184 and 185](#), and those rights and claims specified in [Streets and Highways Code Sections 8352 and 8353](#).
11. Any facts, rights, interests or claims which may exist or arise by reason of matters set forth and/or disclosed by the map entitled "Record of Survey" filed [August 27, 1976 in Book 378 of Maps, Pages 1 thru 57](#).
12. NOTE: A certified copy of a Certificate Of Limited Partnership – Form LP-1 filed in the office of the Secretary of State for The Santos/Alviso Partnership, L.P. was dated September 2, 2005, recorded [September 30, 2005 in Official Records under Recorder's Serial Number 18605065](#), disclosing all the general partners as then being:

Santos Managment Co, LLC

OLD REPUBLIC TITLE COMPANY
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NOTE: Limited Partnership Division
Office of the Secretary of State
P.O. Box 704
Sacramento, CA 95803
(916) 324-6769

Reports that The Santos/Alviso Partnership, L.P., a California limited partnership is active as of May 21, 2018.

13. Prior to the issuance of any policy of title insurance, the Company requires the following with respect to Santos Management Co, Inc., a California Limited Liability Company:

1. A copy of any management or operating agreements and any amendments thereto, together with a current list of all members of said LLC.
2. A certified copy of its Articles of Organization (LLC-1), any Certificate of Correction (LLC-11), Certificate of Amendment (LLC-2), or Restatement of Articles of Organization (LLC-10).
3. Recording a Certified copy of said LLC-1 and any "amendments thereto".

The Secretary of State of California reports that Santos Management Co, LLC, a California limited liability company is active as of May 21, 2018.

14. The requirement that satisfactory evidence be furnished to this Company of compliance with applicable statutes, ordinances and charters governing the ownership and disposition of the herein described land.

OLD REPUBLIC TITLE COMPANY
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15. NOTE: Information in possession of this Company indicates the possibility of a division of land ownership. If such division is in fact contemplated, the transaction would appear to fall within the purview of the Subdivision Map Act (66410 et seq. Government Code). As a prerequisite to the Company's participation in land division transactions, compliance with one of the following provisions of the Subdivision Map Act will be required:
- a. The recording of a subdivision map in compliance with statutes or related local ordinances; or
 - b. The recording of a parcel map in compliance with statutes or related local ordinances; or
 - c. The recording of a Certificate of Compliance, as provided by statute; or
 - d. The recording of a waiver as provided by Government Code Section 66428; or
 - e. Submission of other satisfactory evidence of compliance with or non-violation of the Act.

----- Informational Notes -----

- A. The applicable rate(s) for the policy(s) being offered by this report or commitment appears to be section(s) 1.1.

- B. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument
Entitled : Grant Deed
By/From : Tony A. Santos, Trustee of The Tony A. Santos Separate Trust
Established under the Santos 2005 Irrevocable Trust, to an undivided
17.33 interest; Tony A. Santos, Trustee of The Richard P. Santos
Separate Trust Established under the Santos 2005 Irrevocable Trust,
to an undivided 17.33 interest; Tony A. Santos, Trustee of The Toni
L. Robinson Separate Trust Established under the Santos 2005
Irrevocable Trust, to an undivided 17.34 interest
To : Santos/Alviso Partnership, L.P., a California limited partnership, 52%
of an undivided interest
Recorded : September 30, 2005 in Official Records under Recorder's Serial
Number 18605123

OLD REPUBLIC TITLE COMPANY
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Grant Deed executed by Dorothy Mae Santos, Trustee of the Santos Survivor's Trust created under the Santos Family Revocable Trust dated June 3, 1993 as to an undivided 38% interest, Dorothy Mae Santos, Trustee of the Santos Non-Marital Trust created under the Santos Family Revocable Trust dated June 3, 1993 as to an undivided 10% interest to Santos/Alviso Partnership, L.P., a California limited partnership recorded [September 30, 2005 in Official Records under Recorder's Serial Number 18605126](#).

Said matters affect Parcels One and Two

- C. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument
Entitled : Judgment of Final Distribution on Waiver of Accounting and Request for Attorney's Fees and Extraordinary Fees
By/From : In re the Matter of the Estate of Frank Krieza Laurent, Deceased
To : Pamela A. Valera, an undivided one-half interest, and Alexandra B. Roderick, an undivided one-half interest, as tenants in common
Recorded : [July 21, 1975 in Book B512 of Official Records, Page 534 under Recorder's Serial Number 5052552](#)

Said matters affect Parcel Three

- D. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument
Entitled : Order and Decree of Approval of Report of Executrix, and of Final Distribution and for Payment of Extraordinary Fees
By/From : In the Matter of the Estate of Verne Marion Sutcliffe, also known as Verne M. Sutcliffe, Deceased
To : Maxine S. Souza individually, Vernon B. Sutcliffe and Claudine M. Williamson, share and share alike
Recorded : [September 11, 1975 in Book B607 of Official Records, Page 159 under Recorder's Serial Number 5097147](#)

Said matters affect Parcel Four

OLD REPUBLIC TITLE COMPANY
ORDER NO. 0621008979-RR

E. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument
Entitled : Conveyance of Real Property
By/From : City of San Jose, a municipal corporation of the State of California
To : United States of America, acting by and through the United States
Department of the Interior, Fish and Wildlife Service
Recorded : [March 3, 1981 in Book F936 of Official Records, Page 126 under
Recorder's Serial Number 6993972](#)

Said matters affect Parcel Five and a portion of Parcel Six

F. NOTE: The last recorded transfer or agreement to transfer the land described herein is as follows:

Instrument
Entitled : Warranty Deed
By/From : Pamela A. Valera, as to an undivided one-half interest, and Alexandra
B. Roderick, as to an undivided one-half interest, as tenants in
common
To : United States of America
Recorded : [July 17, 1981 in Book G219 of Official Records, Page 516 under
Recorder's Serial Number 7114471](#)

Warranty Deed executed by Alphons Frey as Attorney in Fact for Louis-David Rossier and Alice Rossier to United States of America recorded [September 3, 1981 in Book G316 of Official Records, Page 571 under Recorder's Serial Number 7156674](#).

Warranty Deed executed by Fred Huxham, a married man, as his separate property and Alice D. Huxham, a widow, in joint tenancy to United States of America recorded [December 23, 1981 in Book G516 of Official Records, Page 697 under Recorder's Serial Number 7243417](#).

Warranty Deed executed by Maxine S. Souza, Vernon B. Sutcliffe and Claudine M. Williamson to United States of America recorded [January 11, 1982 in Book G546 of Official Records, Page 29 under Recorder's Serial Number 7255779](#).

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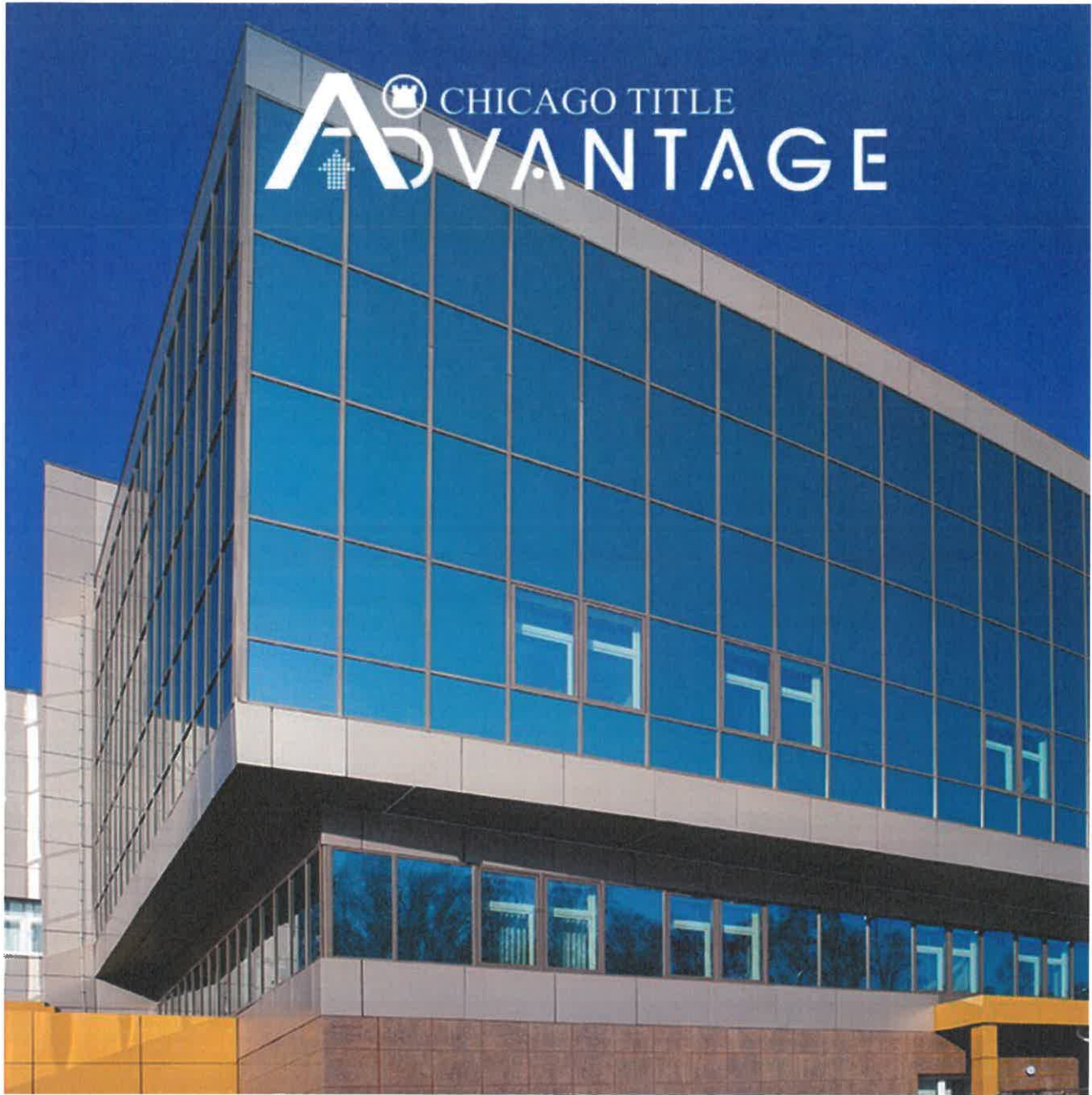
Warranty Deed executed by The California Province of the Society of Jesus, a California non-profit corporation to United States of America recorded [June 14, 1982 in Book G840 of Official Records, Page 387 under Recorder's Serial Number 7388313](#).

Warranty Deed executed by Henry M. Seeberg and Phillip M. Seeberg, in joint tenancy to United States of America, recorded [November 8, 1982 in Book H130 of Official Records, Page 684 under Recorder's Serial Number 7512213](#).

Warranty Deed executed by Diana Angelina Mini, sole heir of William B. Mini, deceased, an heir of Rosa Mini, deceased et al. to United States of America recorded [May 23, 1983 in Book H572 of Official Records, Page 565 under Recorder's Serial Number 7690906](#).

Said matters affect the remainder of Parcel Six

EH/eh



Date: 10/13/2022
Property: CA
APN: 015-25-012
County: SANTA CLARA



Subject Property Location

Property Address

City, State & Zip , CA
 County SANTA CLARA COUNTY
 Mailing Address PO BOX 201, ALVISO, CA 95002-0201
 Census Tract 5046.02
 Thomas Bros Pg-Grid

Report Date: 10/13/2022

Order ID: R97251638

Property Use Vacant Land (General)
 Parcel Number 015-25-012
 Latitude 37.433066
 Longitude -121.97794

Legal Description Details City, Municipality, Township: SAN JOSE Brief Description: CITY: SAN JOSE

Current Ownership Information *Source of Ownership data: Assessment Data

Primary Owner Name(s)	SANTOS ALVISO PART LP
Vesting	Partnership


Latest Full Sale Information

Details beyond coverage limitations

Financing Details at Time of Purchase

No financing details available

Property Characteristics

	Bedrooms		Year Built		Living Area (SF)	0
	Bathrooms/Partial		Garage/No. of Cars		Price (\$/SF)	
	Total Rooms		Stories/Floors		Lot Size (SF/AC)	19,200/.44
	Construction Type		No. of Units		Fireplace	
	Exterior Walls		No. of Buildings		Pool	
	Roof Material/Type		Basement Type/Area		Heat Type	
	Foundation Type		Style		A/C	
	Property Type	Vacant Land	View		Elevator	
	Land Use	Vacant Land (General)			Zoning	A

Assessment & Taxes

	Assessment Year	2022	Tax Year	2021	Tax Exemption	
	Total Assessed Value		Tax Amount	\$45.94	Tax Rate Area	17-120
	Land Value		Tax Account ID			
	Improvement Value		Tax Status	No Delinquency Found		
	Improvement Ratio		Delinquent Tax Year			
	Total Value			Market Improvement Value		
	Market Land Value			Market Value Year		

Lien History

Trans. ID	Recording Date	Lender	Amount	Purchase Money
No details available				

Loan Officer Insights

No details available

Subject Property Location

Property Address

City, State & Zip , CA

Report Date: 10/13/2022

Order ID: R97251639

County: SANTA CLARA

Comparable Sales 1 Comps

Pin	Sale Type	Address	Record Date	Sale Price	S/SF	Living SF	Rm	Bd	Ba	Year	Lot SF	Pool	Dist
		SUBJECT PROPERTY	09/30/2005				0				19,200/.44		
1		4553 N 1ST ST	05/02/2022	\$37,200,000			0				456,291/10.48		0.97

Area Sales Analysis

Total Area Sales/ Count	\$37,200,000/ 1	Median # of Baths	NaN	Median Lot Size (SF/AC)	456,291 /10.48
Price Range - 2 years	\$37,200,000 - \$37,200,000	Median # of Bedrooms		Median Year Built	
Age Range		Median Living Area (SF)		Median Value	\$37,200,000
Median Age		Median Price (\$/SF)			



Subject Property Location

Property Address

City, State & Zip

County

Mailing Address

, CA

SANTA CLARA COUNTY

PO BOX 201, ALVISO, CA 95002-0201

Report Date: 10/13/2022

Order ID: R97251640

Property Use

Parcel Number

Vacant Land (General)

015-25-012

Transaction Summary

Trans ID	Recording Date	Document Type	Document Description	Sale Price / Loan Amount	Document Number	Buyer / Borrower	Seller
1	09/30/2005	Deed	Grant Deed		18605126	SANTOS/ALVISO PARTNERSHIP LP	SANTOS, DOROTHY MAE; SANTOS SURVIVORS TRUST; SANTOS FAMILY REVOCABLE TRUST; SANTOS NON MARITAL TRUST
2	09/30/2005	Deed	Grant Deed		18605123	SANTOS/ALVISO PARTNERSHIP LP	SANTOS, TONY A; THE TONY A SANTOS SEPARATE TRUST; THE RICHARD P SANTOS SEPARATE TRUST; THE SANTOS 2005 IRREVOCABLE TRUST; THE TONI L ROBINSON SEPARATE TRUST
3	09/30/2005	Deed	Intra-family Transfer or Dissolution		18605109	SANTOS, TONY A; THE TONY A SANTOS SEPARATE TRUST; THE RICHARD P SANTOS SEPARATE TRUST; THE SANTOS 2005 IRREVOCABLE TRUST; THE TONI L ROBINSON SEPARATE TRUST	SANTOS, DOROTHY MAE; SANTOS MARITAL TRUST; SANTOS FAMILY REVOCABLE TRUST
4	09/30/2005	Deed	Intra-family Transfer or Dissolution		18605100	SANTOS, TONY A; THE TONY A SANTOS SEPARATE TRUST; THE RICHARD P SANTOS SEPARATE TRUST; THE SANTOS 2005 IRREVOCABLE TRUST; THE TONI L ROBINSON SEPARATE TRUST	SANTOS, DOROTHY MAE; SANTOS SURVIVORS TRUST; SANTOS FAMILY REVOCABLE TRUST
5	09/30/2005	Deed	Intra-family Transfer or Dissolution		18605087	SANTOS, DOROTHY MAE; SANTOS SURVIVORS TRUST; SANTOS FAMILY REVOCABLE TRUST; SANTOS MARITAL TRUST; SANTOS NON MARITAL TRUST	SANTOS, DOROTHY MAE; SANTOS FAMILY REVOCABLE TRUST

Transaction History Legend



Transfer



Mortgage



Mortgage Assignment



Foreclosure Activity



Mortgage Release

Transaction Details

Transfer

	Transaction ID	1	Recorder Doc Number	18605126	Partial Interest Transferred	48
	Transfer Date	08/30/2005	Document Type	Deed	Type of Transaction	Non Arms-Length Transfer
	Sale Price		Document Description	Grant Deed	Multiple APNs on Deed	3
	Recorder Book/Page		Recording Date	09/30/2005	Property Use	

Buyer 1	SANTOS/ALVISO PARTNERSHIP LP	Buyer 1 Entity	Partnership	Buyer Vesting	
Buyer 2		Buyer 2 Entity		Buyer Mailing Address	1440 MICHIGAN AVE, ALVISO, CA 95002
Seller 1	SANTOS, DOROTHY MAE	Seller 1 Entity	Trustee or Conservator	Seller Mailing Address	
Seller 2	SANTOS SURVIVORS TRUST	Seller 2 Entity		Legal City/ Muni/ Township	ALVISO
Legal Recorder's Map Ref	MAP D PG184	Legal Subdivision	NEW CHICAGO	Legal Section/ Twn/ Rng/ Mer	
Legal Brief Description/ Unit/ Phase/ Tract	LOT12 BLK70 & LOT21 BLK30/ / /			Title Company Name	

Transfer



Transaction ID	2	Recorder Doc Number	18605123	Partial Interest Transferred	52
Transfer Date	08/30/2005	Document Type	Deed	Type of Transaction	Non Arms-Length Transfer
Sale Price		Document Description	Grant Deed	Multiple APNs on Deed	3
Recorder Book/Page		Recording Date	09/30/2005	Property Use	
Buyer 1	SANTOS/ALVISO PARTNERSHIP LP	Buyer 1 Entity	Partnership	Buyer Vesting	
Buyer 2		Buyer 2 Entity		Buyer Mailing Address	1440 MICHIGAN AVE, ALVISO, CA 95002
Seller 1	SANTOS, TONY A	Seller 1 Entity	Trustee or Conservator	Seller Mailing Address	1440 MICHIGAN AVE, ALVISO, CA 95002
Seller 2	THE TONY A SANTOS SEPARATE TRUST	Seller 2 Entity		Legal City/ Muni/ Township	ALVISO
Legal Recorder's Map Ref	MAP D PG184	Legal Subdivision	NEW CHICAGO	Legal Section/ Twn/ Rng/ Mer	
Legal Brief Description/ Unit/ Phase/ Tract	LOT12 BLK70 & LOT21 BLK30/ / /			Title Company Name	

Transfer




Transaction ID	3	Recorder Doc Number	18605109	Partial Interest Transferred	40
Transfer Date	08/30/2005	Document Type	Deed	Type of Transaction	Non Arms-Length Transfer
Sale Price		Document Description	Intra-family Transfer or Dissolution	Multiple APNs on Deed	3
Recorder Book/Page		Recording Date	09/30/2005	Property Use	
Buyer 1	SANTOS, TONY A	Buyer 1 Entity	Trustee or Conservator	Buyer Vesting	Trust
Buyer 2	THE TONY A SANTOS SEPARATE TRUST	Buyer 2 Entity	Company or Corporation	Buyer Mailing Address	1440 MICHIGAN AVE, ALVISO, CA 95002
Seller 1	SANTOS, DOROTHY MAE	Seller 1 Entity	Trustee or Conservator	Seller Mailing Address	
Seller 2	SANTOS MARITAL TRUST	Seller 2 Entity		Legal City/ Muni/ Township	ALVISO
Legal Recorder's Map Ref	MAP D PG184	Legal Subdivision	NEW CHICAGO	Legal Section/ Twn/ Rng/ Mer	
Legal Brief Description/ Unit/ Phase/ Tract	LOT12 BLK70 & LOT21 BLK30/ / /			Title Company Name	

Transfer



Transaction ID	4	Recorder Doc Number	18605100	Partial Interest Transferred	12
Transfer Date	08/30/2005	Document Type	Deed	Type of Transaction	Non Arms-Length Transfer
Sale Price		Document Description	Intra-family Transfer or Dissolution	Multiple APNs on Deed	3
Recorder Book/Page		Recording Date	09/30/2005	Property Use	
Buyer 1	SANTOS, TONY A	Buyer 1 Entity	Trustee or Conservator	Buyer Vesting	Trust
Buyer 2	THE TONY A SANTOS SEPARATE TRUST	Buyer 2 Entity	Company or Corporation	Buyer Mailing Address	1440 MICHIGAN AVE, ALVISO, CA 95002
Seller 1	SANTOS, DOROTHY MAE	Seller 1 Entity	Trustee or Conservator	Seller Mailing Address	

	Seller 2	SANTOS SURVIVORS TRUST	Seller 2 Entity		Legal City/ Muni/ Township	ALVISO
	Legal Recorder's Map Ref	MAP D PG184	Legal Subdivision	NEW CHICAGO	Legal Section/ Twn/ Rng/ Mer	
	Legal Brief Description/ Unit/ Phase/ Tract	LOT12 BLK70 & LOT21 BLK30/ / /			Title Company Name	
Transfer						
	Transaction ID	5	Recorder Doc Number	18605087	Partial Interest Transferred	
	Transfer Date	08/30/2005	Document Type	Deed	Type of Transaction	Non Arms-Length Transfer
	Sale Price		Document Description	Intra-family Transfer or Dissolution	Multiple APNs on Deed	3
	Recorder Book/Page		Recording Date	09/30/2005	Property Use	
	Buyer 1	SANTOS, DOROTHY MAE	Buyer 1 Entity	Trustee or Conservator	Buyer Vesting	Trust
	Buyer 2	SANTOS SURVIVORS TRUST	Buyer 2 Entity	Company or Corporation	Buyer Mailing Address	1440 MICHIGAN AVE, ALVISO, CA 95002
	Seller 1	SANTOS, DOROTHY MAE	Seller 1 Entity	Trustee or Conservator	Seller Mailing Address	
	Seller 2	SANTOS FAMILY REVOCABLE TRUST	Seller 2 Entity	Revocable Trust	Legal City/ Muni/ Township	ALVISO
	Legal Recorder's Map Ref	MAP D PG184	Legal Subdivision	NEW CHICAGO	Legal Section/ Twn/ Rng/ Mer	
	Legal Brief Description/ Unit/ Phase/ Tract	LOT12 BLK70 & LOT21 BLK30/ / /			Title Company Name	



Subject Property Location

Property Address

City, State & Zip

County

Mailing Address

Owner Name

, CA

SANTA CLARA COUNTY

PO BOX 201, ALVISO, CA 95002-0201

SANTOS ALVISO PART LP

Report Date: 10/13/2022

Order ID: R97251641

Property Use

Parcel Number

Vacant Land (General)

015-25-012



Subject

Subject Property Location

Property Address

City, State & Zip , CA
 County SANTA CLARA COUNTY
 Mailing Address PO BOX 201, ALVISO, CA 95002-0201

Report Date: 10/13/2022

Order ID: R97251642

Property Use
 Parcel Number

Vacant Land (General)
 015-25-012

Nearby Neighbor #1

Address	906 ELIZABETH ST, ALVISO, CA 95002			APN	015-01-038
Owner	GROSS ROBERT JOHN AND SHELLY CAROL (TRUSTEE)			Lot Size (SF/AC)	42,000/.96
Bedrooms	0	Year Built	1970	Living Area (SF)	4,000
Bathrooms/Partial		Garage/No. of Cars		Phones	

Nearby Neighbor #2

Address	970 ELIZABETH ST, ALVISO, CA 95002			APN	015-01-004
Owner	BILLECI REBECCA (TRUSTEE)			Lot Size (SF/AC)	30,000/.69
Bedrooms	5	Year Built	1980	Living Area (SF)	3,044
Bathrooms/Partial	3	Garage/No. of Cars		Phones	

Nearby Neighbor #3

Address	922 ELIZABETH ST, ALVISO, CA 95002			APN	015-01-036
Owner	GROSS ROBERT J AND SHELLY C			Lot Size (SF/AC)	13,500/.31
Bedrooms	3	Year Built	2008	Living Area (SF)	2,900
Bathrooms/Partial	3.5	Garage/No. of Cars	Garage	Phones	

Nearby Neighbor #4

Address	801 MILLS ST, SAN JOSE, CA 95002			APN	015-01-040
Owner	SANTA CLARA COUNTY			Lot Size (SF/AC)	80,150/1.84
Bedrooms	0	Year Built		Living Area (SF)	0
Bathrooms/Partial		Garage/No. of Cars		Phones	

Nearby Neighbor #5

Address	1290 HOPE ST, ALVISO, CA 95002			APN	015-01-028
Owner	D & RJ LLC			Lot Size (SF/AC)	96,703/2.22
Bedrooms	0	Year Built		Living Area (SF)	0
Bathrooms/Partial		Garage/No. of Cars		Phones	

Nearby Neighbor #6

Address	1080 CATHERINE ST, ALVISO, CA 95002			APN	015-02-003
Owner	VAHL FAMILY LP			Lot Size (SF/AC)	26,000/.6
Bedrooms	3	Year Built	1950	Living Area (SF)	1,303
Bathrooms/Partial	1	Garage/No. of Cars	Garage/2	Phones	

Nearby Neighbor #7

Address	995 ELIZABETH ST, ALVISO, CA 95002			APN	015-01-018
Owner	TAHAMTANZADEH ALI (TRUSTEE); TAHAMTANZADEH ELIZABETH F (TRUSTEE)			Lot Size (SF/AC)	25,264/.58
Bedrooms	0	Year Built	1960	Living Area (SF)	8,650
Bathrooms/Partial		Garage/No. of Cars		Phones	

Nearby Neighbor #8

Address	1303 EL DORADO ST, ALVISO, CA 95002			APN	015-02-001
Owner	BILLECI REBECCA (TRUSTEE)			Lot Size (SF/AC)	7,623/.18
Bedrooms	0	Year Built	1950	Living Area (SF)	645
Bathrooms/Partial		Garage/No. of Cars		Phones	

Nearby Neighbor #9

Address	907 ELIZABETH ST, ALVISO, CA 95002			APN	015-01-020
Owner	LAME, KYLE ASHBY			Lot Size (SF/AC)	7,405/.17
Bedrooms	0	Year Built	1925	Living Area (SF)	1,088
Bathrooms/Partial		Garage/No. of Cars		Phones	

Nearby Neighbor #10

Address	1055 ELIZABETH ST, ALVISO, CA 95002			APN	015-02-046
Owner	WATSON CHAD AND AMY			Lot Size (SF/AC)	6,750/.15
Bedrooms	2	Year Built	1940	Living Area (SF)	960
Bathrooms/Partial	1	Garage/No. of Cars		Phones	

Nearby Neighbor #11

Address	1200 HOPE ST, ALVISO, CA 95002			APN	015-01-029
Owner	GROSS ROBERT JOHN AND SHELLY CAROL (TRUSTEE)			Lot Size (SF/AC)	15,943/.37
Bedrooms	0	Year Built		Living Area (SF)	0
Bathrooms/Partial		Garage/No. of Cars		Phones	

Nearby Neighbor #12

Address	945 CATHERINE ST, ALVISO, CA 95002			APN	015-01-016
Owner	ANDERSON SANDRA L (TRUSTEE)			Lot Size (SF/AC)	19,600/.45
Bedrooms	0	Year Built		Living Area (SF)	0
Bathrooms/Partial		Garage/No. of Cars		Phones	

Nearby Neighbor #13

Address	1355 EL DORADO ST, ALVISO, CA 95002			APN	015-02-051
Owner	BURNS, THOMAS; BURNS, VIRGINIA			Lot Size (SF/AC)	3,309/.08
Bedrooms	3	Year Built	2019	Living Area (SF)	2,632
Bathrooms/Partial	2/1	Garage/No. of Cars	Garage/2	Phones	

Nearby Neighbor #14

Address	1004 CATHERINE ST, ALVISO, CA 95002			APN	015-02-050
Owner	VAVROUSEK, KENNETH ARTHUR			Lot Size (SF/AC)	3,559/.08
Bedrooms	3	Year Built	2019	Living Area (SF)	2,632
Bathrooms/Partial	2/1	Garage/No. of Cars	Garage/2	Phones	

Nearby Neighbor #15

Address	956 CATHERINE ST, ALVISO, CA 95002			APN	015-01-017
Owner	ANDERSON SANDRA L (TRUSTEE)			Lot Size (SF/AC)	20,100/.46
Bedrooms	0	Year Built	1957	Living Area (SF)	5,500
Bathrooms/Partial		Garage/No. of Cars		Phones	

Subject Property Location

Property Address

City, State & Zip

County

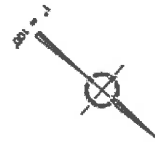
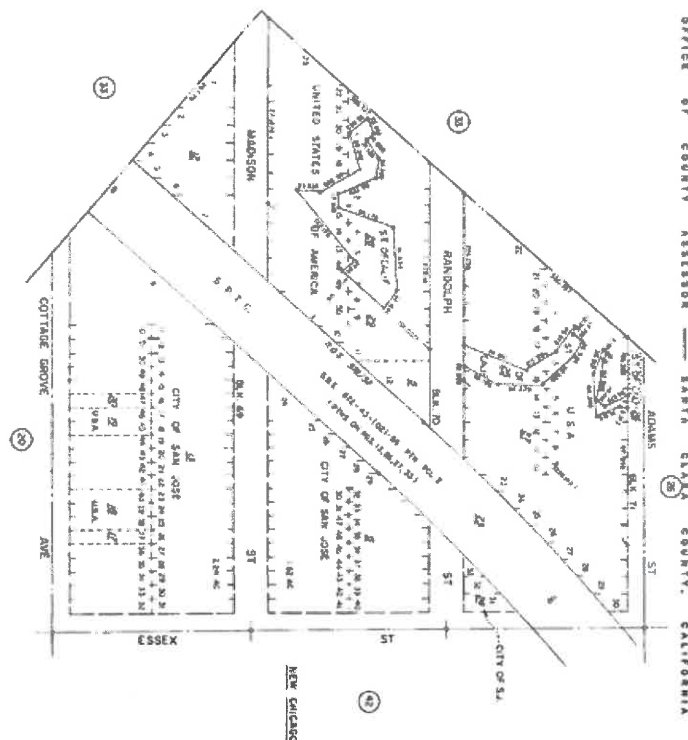
, CA

SANTA CLARA COUNTY

Report Date: 10/13/2022

Order ID: R97251643

Parcel Number 015-25-012



[Download the map in PDF](#)

 Download the map in TIFF

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SANTA CLARA VALLEY WATER DISTRICT

SAN JOSE, CA 95118

PROJECT: SOUTH BAY WETLANDS RESTORATION

RESU FILE NO.: 2044-13

ALL THAT CERTAIN REAL PROPERTY SITUATE IN THE CITY OF SAN JOSE, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, BEING A PORTION OF BLOCK 69 AS DESCRIBED IN THAT CERTAIN GRANT DEED RECORDED ON SEPTEMBER 30, 2005 AS DOCUMENT NUMBER 18605126 OF OFFICIAL RECORDS AND ALSO AS SHOWN ON THAT CERTAIN MAP FILED IN BOOK D OF MAPS ON PAGE 184 AND ALSO AS SHOWN ON THAT CERTAIN RECORD OF SURVEY FILED ON AUGUST 27, 1976 IN BOOK 378 OF MAPS AT PAGE 55, AND ALSO BEING A PORTION OF MADISON STREET AS SHOWN ON SAID MAP AND ALSO AS SHOWN ON SAID RECORD OF SURVEY, ALL IN THE OFFICE OF THE RECORDER, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CAST ALUMINUM MONUMENT 138 ON THE SOUTHERLY LINE OF SAID RECORD OF SURVEY, SAID POINT ALSO SHOWN AS POINT NUMBER 3955 ON SAID RECORD OF SURVEY;

THENCE ALONG SAID SOUTHERLY LINE OF SAID RECORD OF SURVEY, SOUTH 89° 47' 34" EAST, 43.58 FEET TO THE **POINT OF BEGINNING**;

THENCE LEAVING SAID SOUTHERLY LINE, NORTH 02° 31' 31" EAST, 17.93 FEET TO A POINT ON THE CENTER LINE OF SAID MADISON STREET;

THENCE ALONG SAID CENTER LINE OF SAID MADISON STREET, NORTH 49° 07' 40" EAST, 82.58 FEET;

THENCE LEAVING SAID CENTER LINE, SOUTH 02° 31' 31" WEST, 34.41 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID MADISON STREET, SAID LINE ALSO BEING THE NORTHWESTERLY LINE OF BLOCK 69;

THENCE SOUTH 56° 58' 37" EAST, 69.74 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID BLOCK 69, SAID LINE ALSO BEING THE SOUTHERLY LINE OF SAID RECORD OF SURVEY;

THENCE ALONG SAID SOUTHERLY LINE, NORTH 89° 47' 34" WEST, 120.19 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 3,841 SQUARE FEET OF LAND, MORE OR LESS.

BASIS OF BEARINGS:

BEARINGS ARE BASED ON AND IDENTICAL TO SAID RECORD OF SURVEY FILED ON AUGUST 27, 1976 IN BOOK 378 OF MAPS AT PAGE 1 THROUGH 57 IN THE OFFICE OF THE RECORDER, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA.

SURVEYOR'S STATEMENT:

THE DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE LAND SURVEYOR'S ACT.

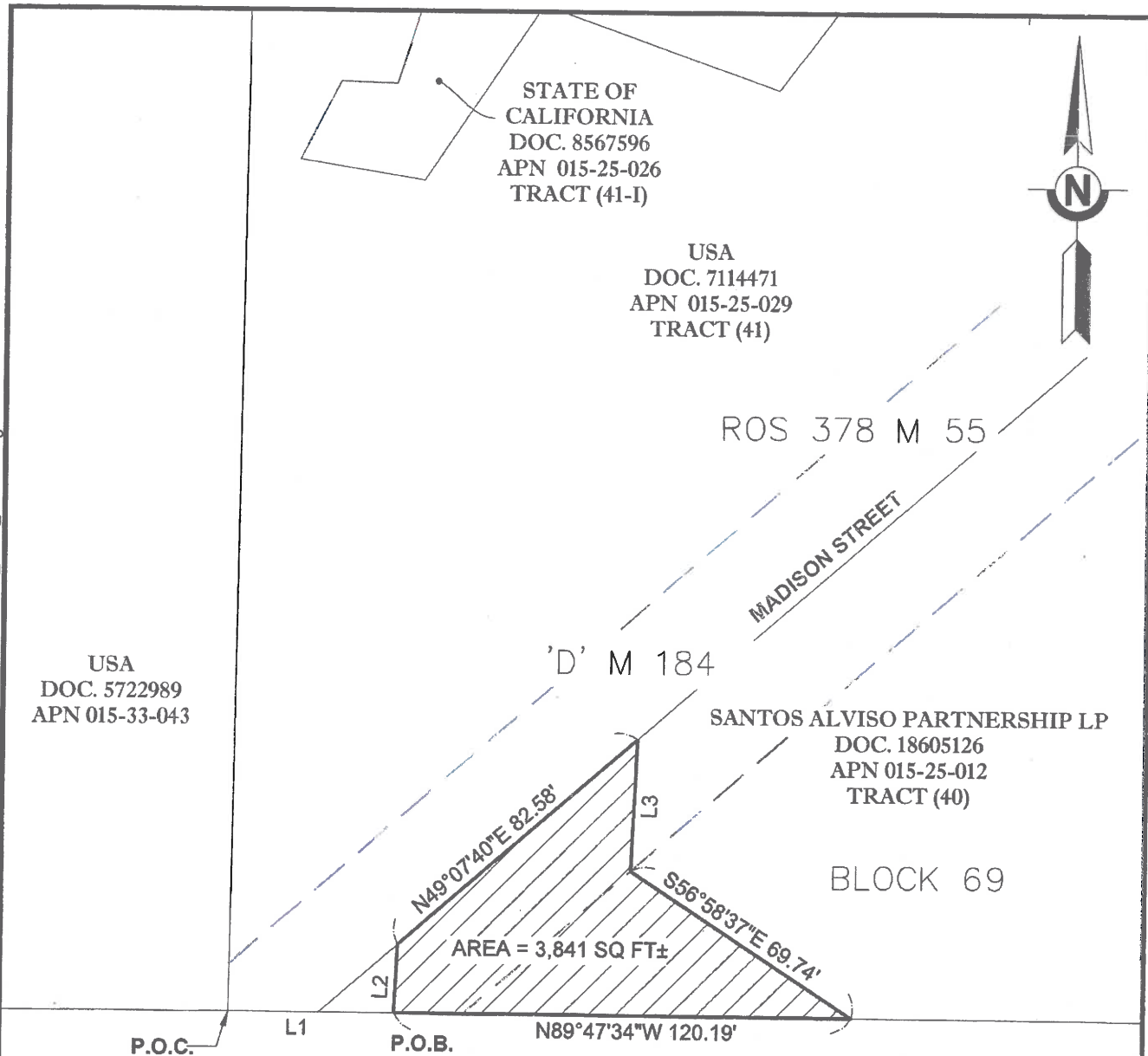


GISELA SILKE JOBST, L9169

06/12/2018
DATE



SCVWD S:\REQUESTS\SOUTH BAY WETLANDS RESTORATION\2018_089\ROWAUTOCAD\CURRENT\2018_089_2044_13Plat.dwg



USA
DOC. 15625716
APN 015-33-053

Line Table		
Line #	Bearing	Length
L1	S89°47'34"E	43.58'
L2	N02°31'31"E	17.93'
L3	S02°31'31"W	34.41'

Santa Clara Valley Water District



SCALE: N.T.S.

RESU FILE NO.	2044-13
APN	015-25-012
TITLE REPORT NO.	0621008979

SHEET 1 OF 1

National Flood Hazard Layer FIRMette



121°59'W 37°26'13"N



Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS	<div data-bbox="181 399 219 472" data-label="Image"></div> <div data-bbox="219 399 256 472" data-label="Image"></div> <div data-bbox="256 399 284 472" data-label="Image"></div>
OTHER AREAS OF FLOOD HAZARD	<div data-bbox="300 399 381 472" data-label="Image"></div> <div data-bbox="381 399 418 472" data-label="Image"></div> <div data-bbox="418 399 456 472" data-label="Image"></div> <div data-bbox="456 399 511 472" data-label="Image"></div>
OTHER AREAS	<div data-bbox="527 399 565 472" data-label="Image"></div> <div data-bbox="565 399 602 472" data-label="Image"></div> <div data-bbox="602 399 639 472" data-label="Image"></div> <div data-bbox="639 399 677 472" data-label="Image"></div>
GENERAL STRUCTURES	<div data-bbox="649 399 686 472" data-label="Image"></div> <div data-bbox="686 399 724 472" data-label="Image"></div>
OTHER FEATURES	<div data-bbox="722 399 760 472" data-label="Image"></div> <div data-bbox="760 399 797 472" data-label="Image"></div> <div data-bbox="797 399 834 472" data-label="Image"></div> <div data-bbox="834 399 872 472" data-label="Image"></div> <div data-bbox="872 399 909 472" data-label="Image"></div> <div data-bbox="909 399 946 472" data-label="Image"></div> <div data-bbox="946 399 984 472" data-label="Image"></div> <div data-bbox="984 399 1021 472" data-label="Image"></div>
MAP PANELS	<div data-bbox="974 399 1011 472" data-label="Image"></div> <div data-bbox="1011 399 1049 472" data-label="Image"></div> <div data-bbox="1049 399 1086 472" data-label="Image"></div>

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 11/26/2022 at 3:21 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Glossary

Ad valorem tax

A tax levied in proportion to the value of the thing(s) being taxed; generally refers only to property taxes, although technically the term is applicable to income taxes, ad valorem tariffs, special property taxes, etc. Exclusive of exemptions, use value assessment provisions, and the like, the property tax is an ad valorem tax.

As is market value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Assessed value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.

Benefits

In eminent domain valuation, the advantageous factors that arise from a public improvement for which private property has been taken. The law in some jurisdictions makes a distinction between general benefits and special benefits because only special benefits are considered in determining the value of the remainder in a partial acquisition. The distinction between special benefits and general benefits is both a factual and a legal question, so appraisers may need to consult legal counsel to resolve questions about the classification of benefits.

[Overall] Capitalization rate (R_o)

An income rate for a total real property interest that reflects the relationship between a single year's net operating income expectancy and the total property price or value. May also be referred to simply as the *cap rate*, or the *going-in cap rate*.

Cash equivalency

An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash.

Conditions, covenants & restrictions (CC&Rs)

A list of expressed assurances and limitations on land use; often found in contracts between a land subdivider and a lot purchaser. CC&Rs should be specified in the conveyance.

Contract rent

The actual rental income specified in a lease.

Damages

In condemnation, the loss in value to the remainder in a partial taking of property.

Direct capitalization

A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only a single year's income is used. Yield and value changes are implied but not identified.

Discount rate

A yield rate used to convert future payments or receipts into present value; usually considered to be a synonym for *yield rate*.

Discounted cash flow analysis (DCF)

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

Easement

The right to use another's land for a stated purpose.

Effective rent

The rental rate net of financial concessions such as periods of no rent during the lease term and above- or below-market tenant improvements (TIs).

Environmental Contamination

Adverse environmental conditions resulting from the release of hazardous substances into the air, surface water, groundwater, or soil. Generally, the concentrations of these substances would exceed regulatory limits established by the appropriate federal, state, and/or local agencies.

Equity capitalization rate (R_E)

An income rate that reflects the relationship between one year's equity cash flow and the equity investment; also called the *cash on cash rate*, *cash flow rate*, or *equity dividend rate*.

Excess land

Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately.

Glossary

Exposure time

1. The time a property remains on the market. 2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market.

Extraordinary assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions².

Fair market value

A term that is, in concept, similar to market value in general usage; used mainly in condemnation, litigation, income tax, and property tax situations. When an appraisal assignment involves developing an opinion of fair market value, the appropriate, requisite, and precise definition of the term depends on the use of the appraisal and the applicable jurisdiction.

Fee simple estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA)

A federal law enacted in the wake of the savings and loan crisis of the 1980s. FIRREA established the Resolution Trust Corporation (RTC) to close hundreds of insolvent thrifts and provided funds to pay out insurance to their depositors. It also moved thrift regulatory authority from the Federal Home Loan Bank Board to the Office of Thrift Supervision (OTS) (within the U.S. Department of the Treasury) to regulate thrifts. In addition, the Act established the Appraisal Subcommittee (ASC) within the Examination Council of the Federal Financial Institutions Examination Council, and it established new regulations for real estate appraisals. Also known as *12 CFR 34* (per OCC) and *Regulation Y*.

Floor area ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Going concern value

The value of a business enterprise that is expected to continue to operate into the future. The intangible elements of Going Concern Value result from factors such as having a trained work force, an operational plant, and the necessary licenses, systems, and procedures in place.

Going-out capitalization rate (R_N)

The capitalization rate applied to the expected net income for the year immediately following the end of the projection period to derive the prospective resale price or value of a property. Also called a *terminal*, *residual* or *reversionary capitalization rate*.

Gross building area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region.

Gross leasable area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces.

Gross lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called *full-service lease*.

Gross living area (GLA)

Total area of finished, above-grade residential space; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.)

Highest and best use

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Highest and best use of land or a site as though vacant

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

Glossary

Highest and best use of property as improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

Hypothetical condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis².

Industrial gross lease

A lease of industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance, and real estate taxes, as specified in the lease. There are significant regional and local differences in the use of this term.

Insurable value

A type of value for insurance purposes.

Investment value

The value of a property interest to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.

Larger parcel

In governmental land acquisitions, the tract or tracts of land that are under the beneficial control of a single individual or entity and have the same, or an integrated, highest and best use. Elements for consideration by the appraiser in making a determination in this regard are contiguity, or proximity, as it bears on the highest and best use of the property, unity of ownership, and unity of highest and best use. In most states, unity of ownership, contiguity, and unity of use are the three conditions that establish the larger parcel for the consideration of severance damages. In federal and some state cases, however, contiguity is sometimes subordinated to unitary use.

Lease

A contract in which the rights to use and occupy land or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased fee interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).

Leasehold interest

The tenant's possessory interest created by a lease.

Liquidation value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

AKA "Quick Sale" Value

Market conditions

An element of comparison in the sales comparison approach; comparable properties can be adjusted for differences in the points in the real estate cycle at which the transactions occur. Sometimes called a *time adjustment* because the differences in dates of sale are often compared, although that usage can be misleading.

Market rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

Market value

A type of value, stated as an opinion, that presumes the transfer of a property (i.e. a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal².

Glossary

Marketing time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Modified gross lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease*, *net net lease*, *partial net lease*, or *semi-gross lease*.

Mortgage capitalization rate (R_M)

The capitalization rate for debt; the ratio of the annual debt service to the principal amount of the mortgage loan. The mortgage capitalization rate (R_M) is equivalent to the periodic (monthly, quarterly, annually) mortgage constant times the number of payments per year on a given loan on the day the loan is initiated.

Net lease

A lease in which the landlord passes on all expenses to the tenant.

Net net net lease

A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN*, *triple net lease*, or *fully net lease*.

Occupancy rate

1. The relationship or ratio between the income received from the rented units in a property and the income that would be received if all the units were occupied. 2. The ratio of occupied space to total rentable space in a building.

Partial taking

The taking of part of any real property interest for public use under the power of eminent domain; requires the payment of compensation.

Prospective opinion of value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or

those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Remainder

In eminent domain condemnation, that portion of a larger parcel remaining in the ownership of the property owner after a partial taking.

Rent

An amount paid for the use of land, improvements, or a capital good.

Rentable area

For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.

Retrospective value opinion

A value opinion effective as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation.

Right-of-Way

A right to pass over land in some particular path; a strip of land used for transportation such as streets and roads, railways, utility lines, and for other private or public transportation uses.

Riparian Land

1. Land that includes part of the bed of a watercourse or lake. 2. Land that borders on a public watercourse or public lake whose bed is owned by the public.

Shell rent

The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called *vanilla finish* in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.

Glossary

Surplus land

Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

Usable area

1. For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called *net building area* or *net floor area*. 2. The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.

Vacancy rate

1. The relationship between the amount of vacant space and total space in a building or market; expressed as a percentage.
2. The relationship between the rent estimated for vacant building space and the total rent estimated for all the space in the building.

Value in use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually.

Value indication

An opinion of value derived through application of the appraisal process.

Wetlands

Areas that are frequently inundated or saturated by surface or groundwater and support vegetation typically adapted for life in saturated soil conditions; generally include swamps, marshes, bogs, and similar areas, but classification may differ in various jurisdictions. Section 404 of the Clean Water Act defines wetlands as "those areas that are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions."

Sources

- ¹ *Black's Law Dictionary*, 8th edition (St. Paul: West Publishing Company), 2004.
- ² *Uniform Standards of Professional Appraisal Practice*, 2018- 2019 ed. (Washington: The Appraisal Foundation), 2017.
- ³ *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: The Appraisal Institute, 2010).

Appraiser's Qualifications

J Kaeuper & Company

1 Sansome Street
Suite 3500 / PMB 6201
San Francisco, CA 94104
USA

John R. Kaeuper, MAI

john.kaeuper@jkcompany.net

Professional Licenses and Affiliations

MAI (Member of the Appraisal Institute #10540)
Certified General Real Estate Appraiser (California)
#AG006247
Real Estate Broker (California) #00597723
International Right-of-Way Association

Real Estate Experience

J. Kaeuper & Company (Principal), Appraiser, since May 1993
Pacific Gas & Electric Co., Property Appraiser, July 1989 until April 1993
Arthur Gimmy International, San Francisco.
Appraiser December 1987 through June 1989
J. Kaeuper & Co. (formerly Kaeuper, Lustic & Co.), Principal, 1982 to 1987. Real estate broker
Real Estate Agent & Broker, 1978-81

Education

MBA, San Francisco State University.
BA, Miami University (Ohio)
Student, Miami University Luxembourg (Europe)
Student, Goethe Institute Munich

Appraisal Institute Courses & Examinations

Standards of Professional Practice
Advanced Income Capitalization
Case Studies
Report Writing & Valuation Analysis
Appraisal Principles
Appraisal Procedures
Basic Income Capitalization
The Appraiser as an Expert Witness
Eminent Domain and Condemnation
Valuation of Detrimental Conditions

Appraisal Institute Seminars and Workshops

Appraisal Practices for Litigation
Commercial Construction Overview
Real Estate Damage Economics
Subdivision Analysis
Rates and Ratios: Making Sense of GIMs, OARs and CDF
Analyzing Distressed Real Estate
Affordable Housing
Comparative Analysis

Feasibility, Market Value, Investment Timing:
Option Value

Marshall & Swift Cost Training

Site Use and Valuation Analysis

Appraisal Review - Income Properties

The Uniform Commercial/Industrial Appraisal Report

Understanding Limited Appraisals

The Appraiser's Complete Review

Vineyard Valuation II, III & V

Inspecting Commercial Properties

Forecasting Revenue

Analyzing Operating Expenses

Subdivision Valuation

Annual Spring Litigation Conference (multiple)

Business Practices and Ethics

GIS – The Executive Overview

Business Practices and Ethics

Data Verification Methods

What Commercial Clients Would Like Appraisers to Know

Apartment Appraisal Concepts & Applications

The Discounted Cash Flow Model: Concepts, Issues and Applications

Small Hotel/Motel Valuation

Real Estate Finance Statistics and Valuation Modeling

Appraisal Regulations of the Federal Banking Agencies

Federal and California Statutory and Regulatory Laws

Periodic USPAP Update

Introduction to Green Buildings: Principles & Concepts

International Right-of-Way Association Seminars, Workshops and Conferences

Wetlands Valuation Issues

Corridor Valuation

Partial Acquisitions –Legal Issues and Update

Contaminated Properties

How to Plan and Execute a Successful Right-of-Way Project

National Conference 1995 - Railroad Day

tel 415.512.7034

fax 866.661.0096

<http://www.jkcompany.net>

Commercial Real Estate Appraisers & Consultants

Eminent Domain and Mock Trial

College-level Real Estate Courses

Real Estate Law
Real Estate Appraisal
Real Estate Principles
Real Estate Finance
Real Estate Ethics
Real Estate Practice
Commercial Real Estate Lease Law

Other

CLE Condemnation Seminar for California Attorneys
The Technical Inspection of Real Estate
UC Berkeley Annual Real Estate & Economics Symposium (Multiple Times)
Continuing education for brokers license.

Qualified as Expert Witness

Superior Court

Alameda County
San Francisco County
Santa Clara County
Contra Costa County
San Mateo County
Stanislaus County
Municipal Court
Arbitration & Mediation Proceedings
California Public Utilities Commission

Property Types Appraised

Vacant Land and Acreage

Industrial
Commercial
Residential
Agricultural
Timberland
Open Space
Wetlands

Improved Properties

Office - CBD & Suburban
Warehouse
R&D
Light Industrial
Heavy Industrial
Retail

Apartment
Hotel
Mixed Use
Various Special Purpose Properties

Right-of-Way and Easements

Conservation Easements
Riparian Easements
Canals
Electric Transmission Lines
Electric Distribution Lines
Gas Pipelines
Petroleum Pipelines
Water Pipelines
Sewer Pipelines
Railroad Properties
Partial Acquisitions
Air Rights
Underground Rights
Active Railroad R/W
Inactive Railroad R/W
Multi-Parcel Feasibility Studies
Telecommunications Facilities

Other

Partial Interests
Utility Properties
Port Properties (San Francisco & Oakland)
Contaminated Properties
Environmentally Sensitive Properties
Construction Defects
Land Leases

Appraised in 38 California Counties

Hearing to Consider Adoption of Resolution of Necessity Relating to: South San Francisco Bay Shoreline Phase I (Project No. 00044026)

Public Necessity for the Project

Finding: The public interest and necessity require the project to:

- Provide coastal flood protection from a one-percent chance event to the community of Alviso and the San Jose-Santa Clara Regional Wastewater Facility
 - The South San Francisco Bay Shoreline Project Phase 1 Economic Impact Area 11 located between Alviso Slough and Coyote Creek (Project)
 - Construct 4 miles of coastal levees commencing with Reaches 1-3

Primary Project Design Features

Primary design features of Reaches 1-3 include:

1. Flood Risk Management Levee
2. Ecotone Habitat
3. Maintenance Access Road
4. Recreational Trail
5. Restoration of Pond A12

Project Design Serves the Greatest Public Good with the Least Private Injury

4

- **Finding:** The project is located in a manner that will be most compatible with the greatest public good and the least private injury.
- Achieve through Holistic Approach to Project Design

Holistic Approach Minimizes Private Injury

- New coastal levees tie into riverine levees to protect against coastal flooding and future sea level rise
- Restores and enhances approximately 2,900 acres of tidal marsh and related habitat lost due to former salt ponds production activities
- New levees will be used as trails and will connect to the Bay Trail network
- Property rights to be acquired will not impact private structures or access to private structures

Least Private Injury

- The parcel is located within the project construction limits
- No private structures or access to private structures will be impacted

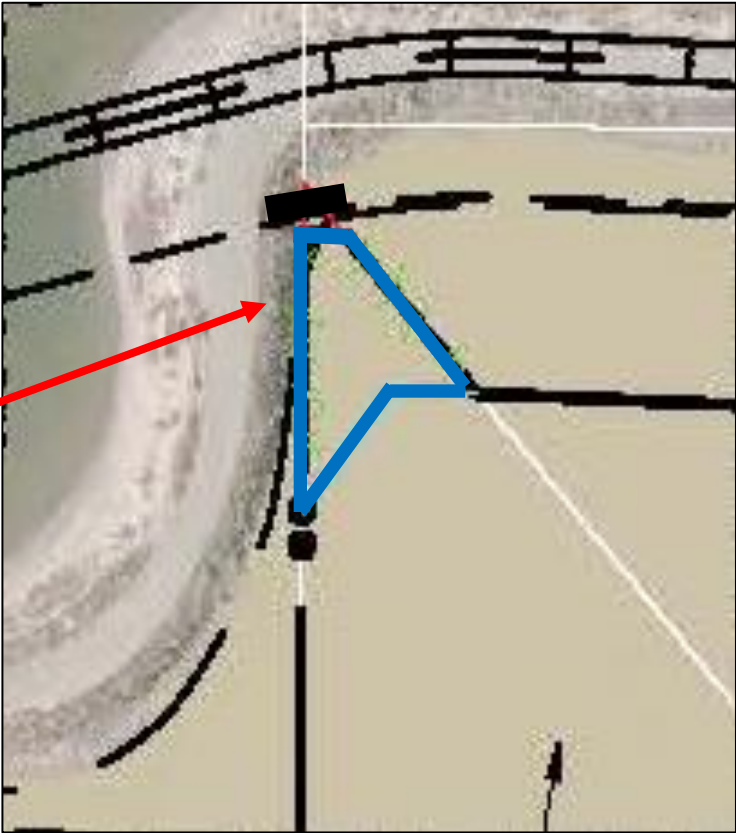
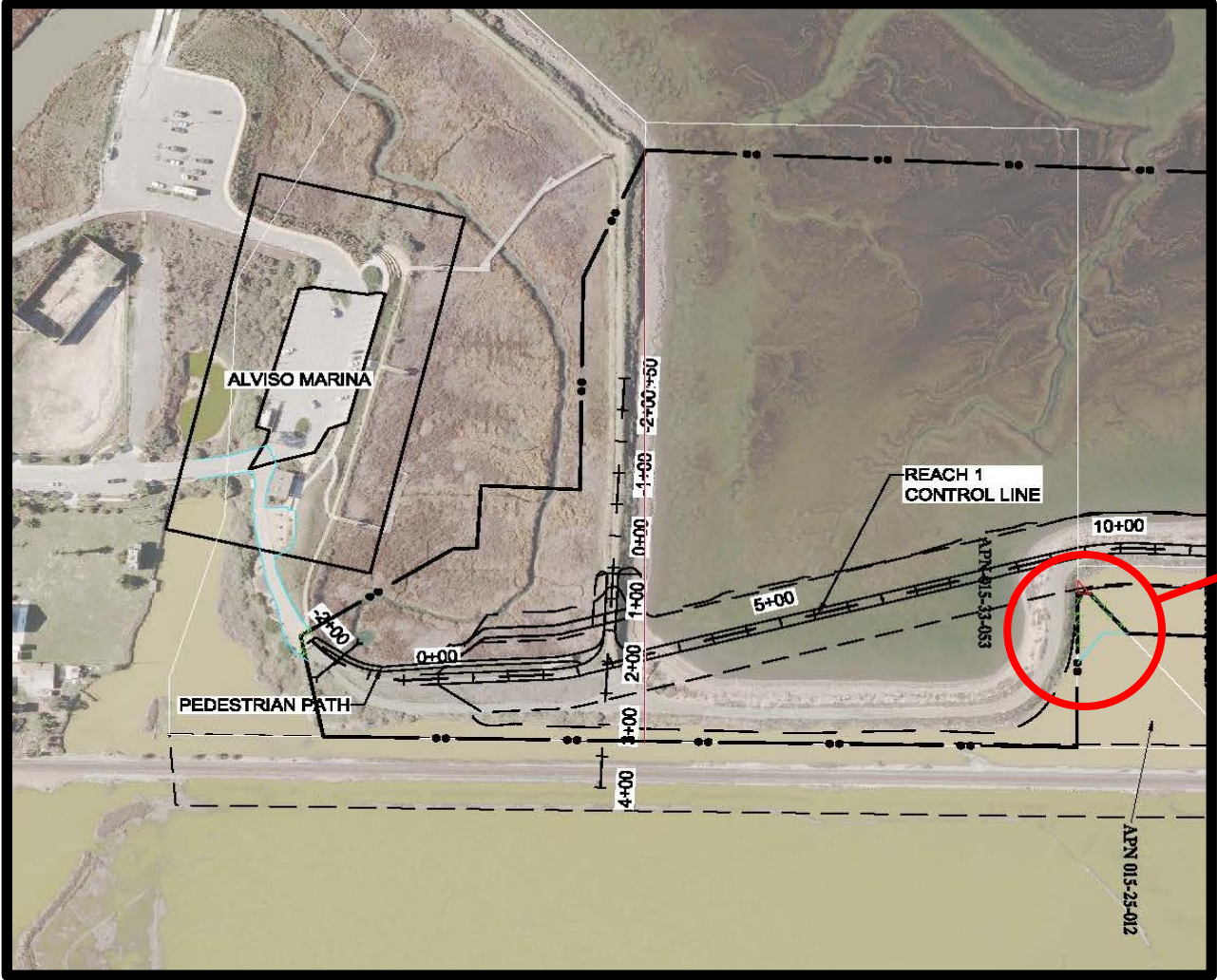
Property is Necessary for the Project

7

Finding: The property described in the resolution is necessary for the project.

- The project cannot be completed without the right of way as shown on the Project Site Plan on the next slide.
- Essential project construction staging uses are planned on the property to be acquired

Project Site Plan



Government Code 7267.2 Offer Made To Owner

9

- Gov. Code 7267.2(a) offer package was mailed to property owner on December 6, 2022
- The owner was notified of this hearing

QUESTIONS





Valley Water

Clean Water • Healthy Environment • Flood Protection

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Santa Clara Valley Water District

File No.: 23-0064

Agenda Date: 1/10/2023
Item No.: *2.11.

BOARD AGENDA MEMORANDUM

SUBJECT:

Monthly Drought Emergency Response and Water Supply Update.

RECOMMENDATION:

Receive an update on water supply conditions in Santa Clara County and staff's drought response efforts and provide direction to staff, as necessary.

SUMMARY:

On June 9, 2021, the Santa Clara Valley Water District (Valley Water) Board declared a water shortage emergency condition pursuant to California Water Code §350, called for countywide water use reduction of 15% compared to 2019, and urged Santa Clara County to proclaim a local emergency. The County ratified its proclamation of a drought emergency on June 22, 2021. On April 12, 2022, the Board called for no more than 2 days of irrigation in a week for lawns and ornamental landscapes and prohibited midday irrigation and runoff. On May 24, 2022, the Board approved Ordinance 22-02 to enforce these restrictions. Ordinance 22-02 went into effect on June 1, 2022, and was amended on September 13, 2022, to include the State's watering ban on watering non-functional turf at Commercial, Industrial, and Institutional (CII) properties.

Reflecting critically dry conditions across the state, in 2021 and 2022 Valley Water received drastic reductions in imported water allocations, which comprise about half of Valley Water's typical annual water supply. Valley Water is also impacted by the unavailability of Anderson Reservoir as a surface water storage facility for the duration of the Anderson Dam Seismic Retrofit Project, which is expected to last 10 years. The loss of Anderson Dam storage, lower imported water supplies, and uncertainty in receiving emergency water transfers results in increased risk for subsidence in North County and dry wells, particularly in South County. In South County, groundwater is the only drinking water supply.

Valley Water has been conducting a wide array of efforts to respond to the drought and the resulting water shortage emergency condition. These efforts along with the latest water supply condition in the County will be described in the current month's Water Tracker Report and Drought Response Report. These reports will be added in the 3-day supplemental agenda item.

ENVIRONMENTAL JUSTICE IMPACT:

Valley Water acknowledges that disadvantaged communities are disproportionately impacted by the effects of drought. To address these impacts, Valley Water promotes access to equitable and affordable water supplies (Water Supply Goal 2.6). Valley Water offers the Lawn Busters program to provide water-efficient landscapes to low-income, elderly, disabled or veteran homeowners and schools within disadvantaged communities. Valley Water currently provides the Low-Income Residential Water Rate Assistance Program to help low-income households impacted by the COVID-19 pandemic pay their water bills ensuring access to water. To enable meaningful engagement in the decision-making process, Valley Water provides drought and conservation information in multiple languages, answers questions, and accepts feedback through Valley Water's BeHeard webpage, conservation and drought webpages, Speakers Bureau presentations, media outreach, public outreach presentations, hotlines, and email.

FINANCIAL IMPACT:

This is an informational item only. Hence there is no financial impact.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

- *Supplemental Agenda Memo
- *Supplemental Attachment 1: PowerPoint
- *Supplemental Attachment 2: Drought Response Report
- *Supplemental Attachment 3: January 2023 Water Tracker

UNCLASSIFIED MANAGER:

Aaron Baker, 408-630-2135



Santa Clara Valley Water District

File No.: 22-1485

Agenda Date: 1/10/2023

Item No.: *2.11.

SUPPLEMENTAL BOARD AGENDA MEMORANDUM

SUBJECT:

Monthly Drought Emergency Response and Water Supply Update.

REASON FOR SUPPLEMENTAL MEMORANDUM:

This report conveys additional information received after the initial report was released, consistent with Executive Limitations Policy EL-7.10.5.

RECOMMENDATION:

Receive an update on water supply conditions in Santa Clara County and staff's drought response efforts and provide direction to staff, as necessary.

SUMMARY:

The latest drought and water supply information contained in attachments was not available at the time of the 10-day posting.

Attachments added: PowerPoint, Drought Response Report, and January 2023 Water Tracker

ENVIRONMENTAL JUSTICE IMPACT:

Santa Clara Valley Water District (Valley Water) acknowledges that disadvantaged communities are disproportionately impacted by the effects of drought. To address these impacts, Valley Water promotes access to equitable and affordable water supplies (Water Supply Goal 2.6). Valley Water offers the Lawn Busters program to provide water-efficient landscapes to low-income, elderly, disabled, or veteran homeowners and schools within disadvantaged communities. Valley Water currently provides the Low-Income Residential Water Rate Assistance Program to help low-income households impacted by the COVID-19 pandemic pay their water bills ensuring access to water. To enable meaningful engagement in the decision-making process, Valley Water provides drought and conservation information in multiple languages, answers questions, and accepts feedback through Valley Water's BeHeard webpage, conservation and drought webpages, Speakers Bureau presentations, media outreach, public outreach presentations, hotlines, and email.

FINANCIAL IMPACT:

No change from original memo.

CEQA:

No change from original memo.

ATTACHMENTS:

- *Supplemental Attachment 1: PowerPoint
- *Supplemental Attachment 2: Drought Response Report
- *Supplemental Attachment 3: January 2023 Water Tracker

UNCLASSIFIED MANAGER:

Aaron Baker, 408-630-2135

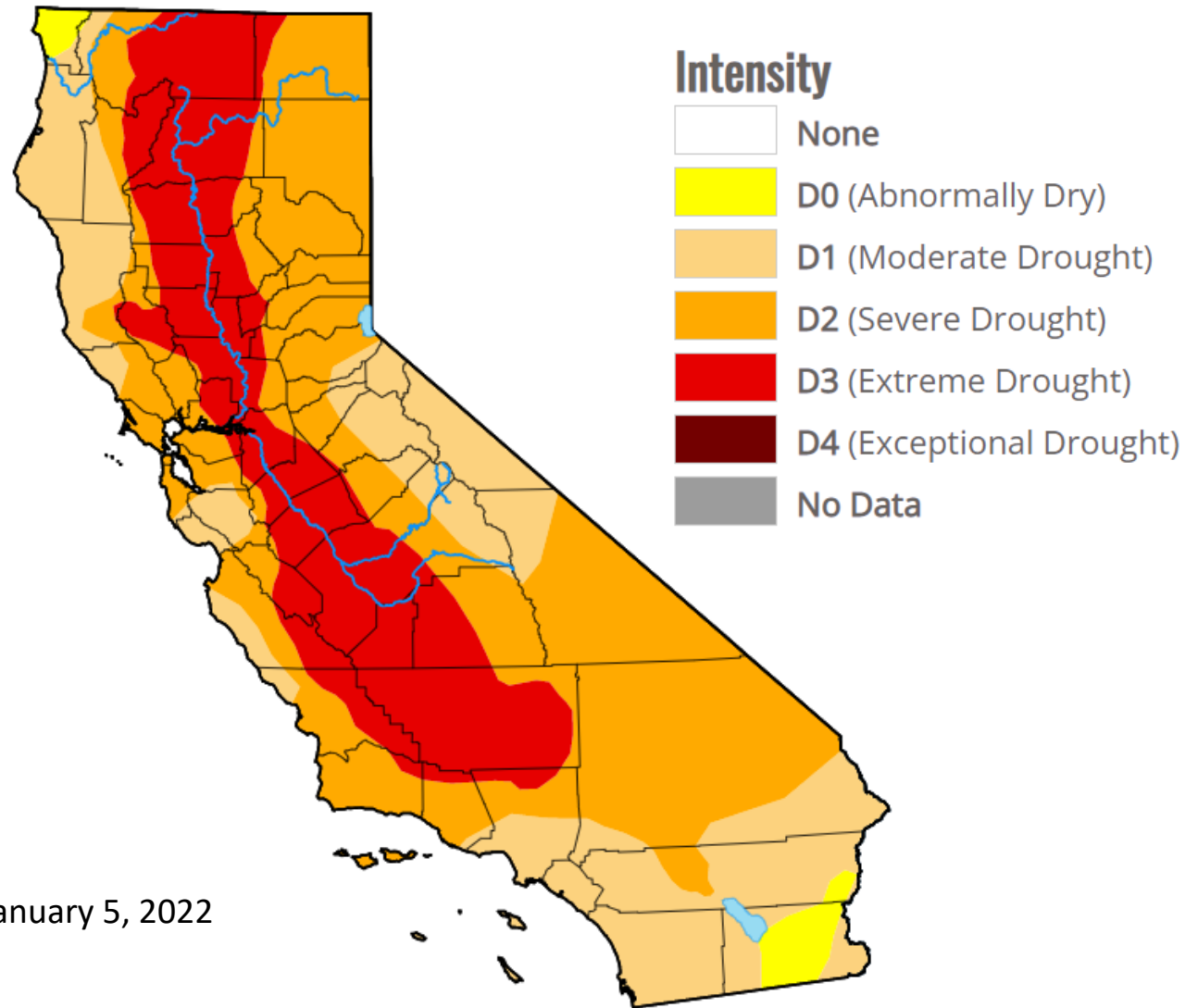


Monthly Drought Emergency Response and Water Supply Update

Valley Water Board Meeting
January 10, 2023

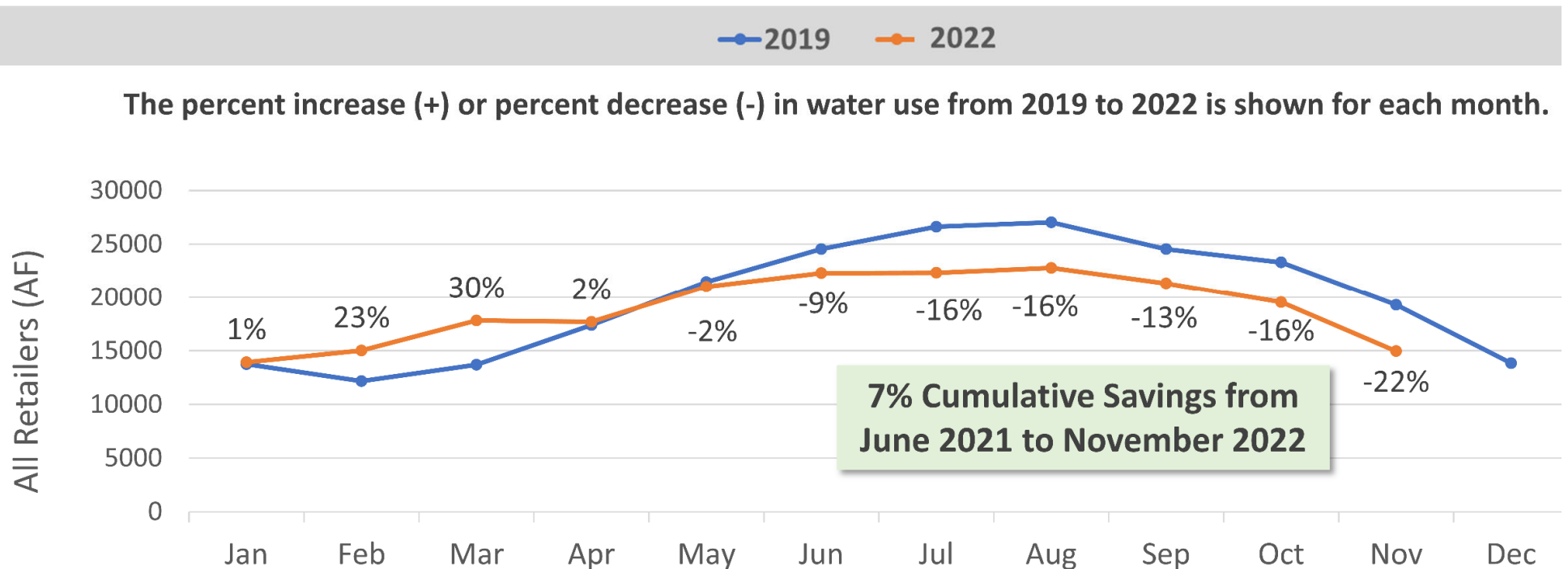
Drought Status

- Recent storms



Data source: U.S. Drought Monitor, January 5, 2022

Countywide Water Savings



Valley Water's water savings target was exceeded in November 2022.

Historically Low Imported Water Allocations*

- **State Water Project** - 5% and minimum Human Health and Safety needs
- **Central Valley Project** - Public Health and Safety only, 0% for Ag
- **Semitropic water bank withdrawals**
- **Emergency transfers**

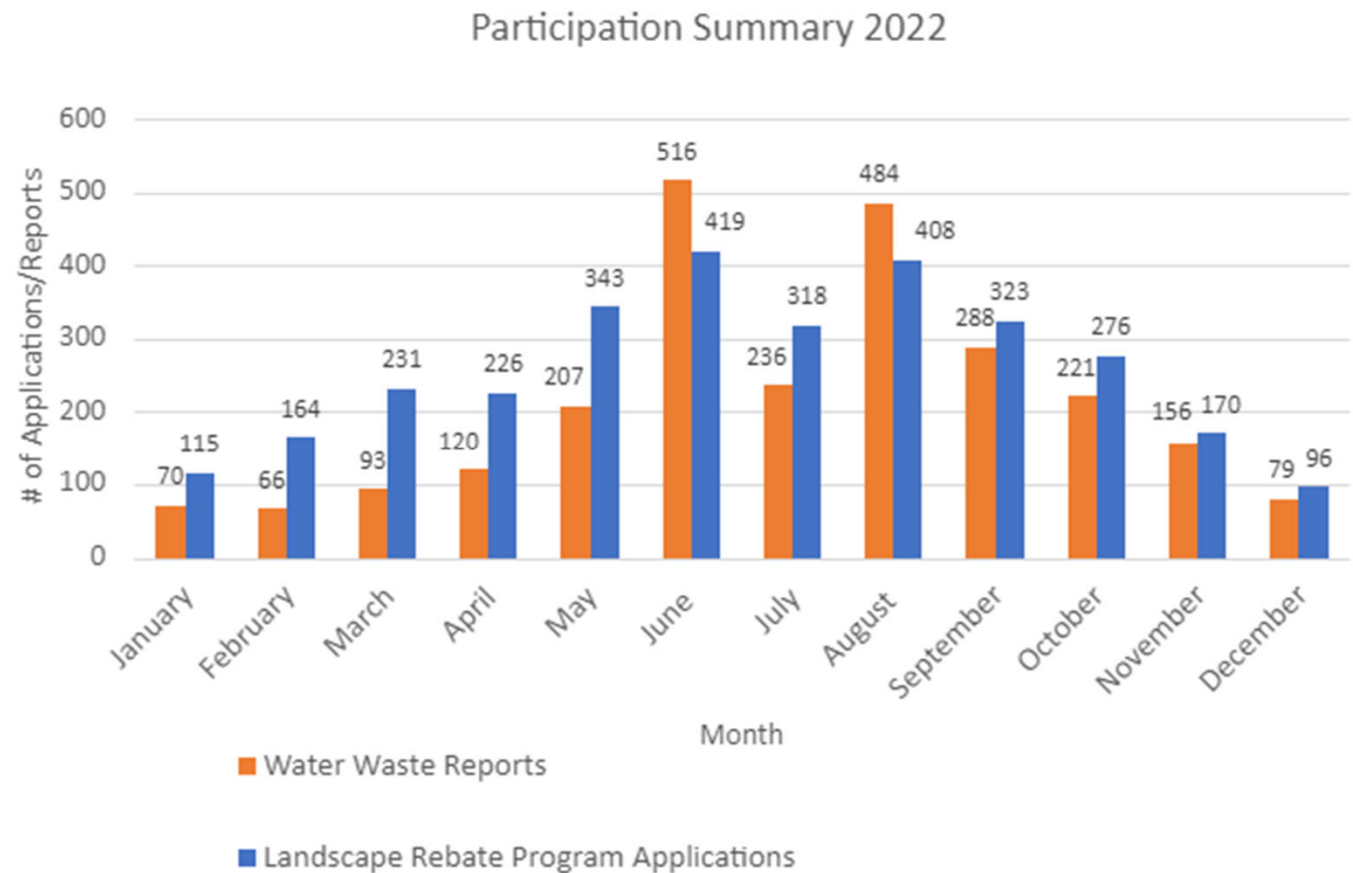
*2023 State Water Project initial allocation is 5% with possibility of additional water for Human Health and Safety

Groundwater

- Managed recharge in 2022 was at 97% of long-term average
- Reduced recharge countywide from Nov. 1 through January 31
- Water levels have increased in many areas of the county
- Most water levels remain above 2014 drought levels

Water Conservation

- Participation decreasing in winter
- E-cart
 - Over 10,000 orders



Water Use Reduction Enforcement Updates

Over 1,900 reports received since June (enforcement launch)

Enforceable Water Waste Violations	June	July	Aug	Sept	Oct	Nov	Dec
More than 2 days of watering per week	76	39	113	83	54	26	17
Watering from 9AM-6PM	84	30	92	45	29	14	4
Watering within 48 hours of rainfall	11	4	3	21	4	19	17
Runoff	199	95	210	129	118	46	21
Watering CII non-functional turf	n/a	n/a	n/a	15	38	18	5

Drought and Conservation Outreach

- Anderson tunnel media day
- Winter conservation campaign
- Say Yes sports partnership videos
- Water allocation news release



Drought Emergency Response Report

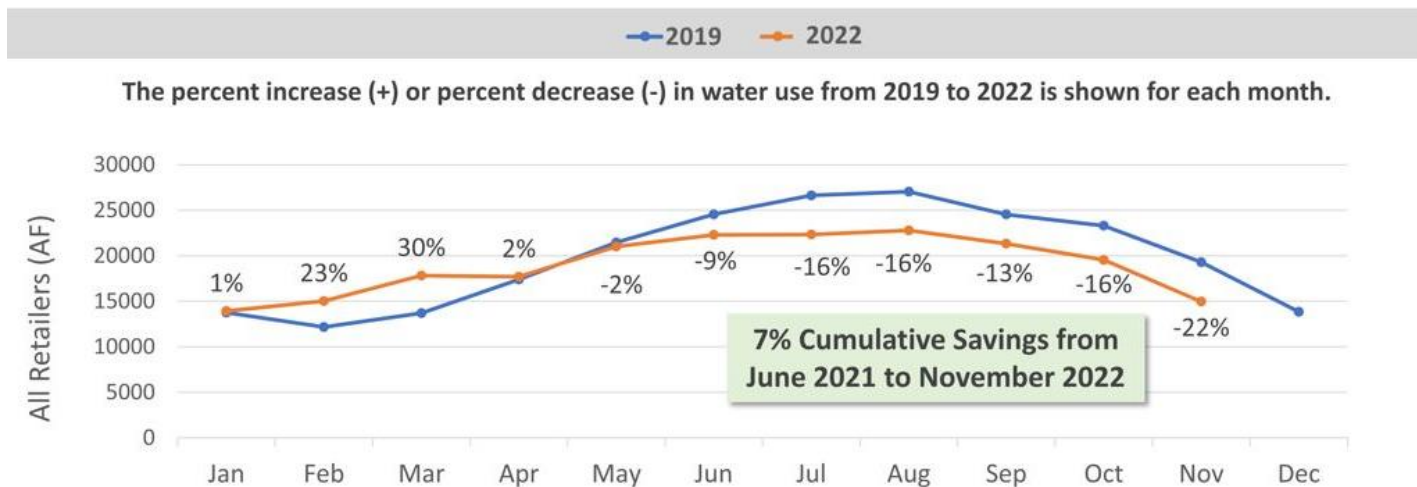
DECEMBER 2022

Drought Resolution Implementation

On June 9, 2021, the Board adopted Valley Water Resolution 21-68 which declared a water shortage emergency condition pursuant to California Water Code §350, called for water use reduction of 15% compared to 2019, and urged the County of Santa Clara (County) to proclaim a local emergency. The County adopted a Resolution ratifying the proclamation of a local emergency due to the drought on June 22, 2021. California's Governor included Santa Clara County as part of a drought emergency proclamation on July 8, 2021, and this proclamation included all California counties on October 19, 2021. Valley Water activated its Emergency Operations Center (EOC) on June 16, 2021 to assist with resolution implementation and other drought-related efforts. Valley Water Resolution 22-20 amended Valley Water Resolution 21-68 on April 12, 2022 to call for no more than 2 days of irrigation in a week for ornamental lawns and prohibit excessive runoff, midday irrigation, and irrigation after rainfall. On May 24, 2022, the Board approved Ordinance 22-02 to enforce these restrictions. The ordinance went into effect on June 1, 2022. On September 13, the Board amended Ordinance 22-02 to include the State's ban against watering commercial, industrial, and institutional (CII) non-function turf amongst its list of enforceable restrictions.

Retailer Water Use Reduction

The graph below depicts total water use from the 13 retailers in Santa Clara County to help track progress towards achieving Valley Water's 15% call for water use reduction made in June 2021.



- Valley Water exceeded its water savings target in November 2022. Countywide water savings were 22% in November 2022 compared to November 2019.
- December rainstorms have increased the water levels in our local reservoirs and also increased the snowpack in the Sierra, however, Santa Clara County continues to be in drought.
- Valley Water continues its conservation and drought-messaging with the "Say Yes to Saving Water" campaign. The multilingual, multi-platform campaign encourages residents, businesses, farms, and others to follow watering restrictions and take actions, both large and small, that can increase water savings.

- The following table shows countywide water savings compared to 2019 (Valley Water’s baseline for conservation) and 2020 (Governor’s baseline for conservation).

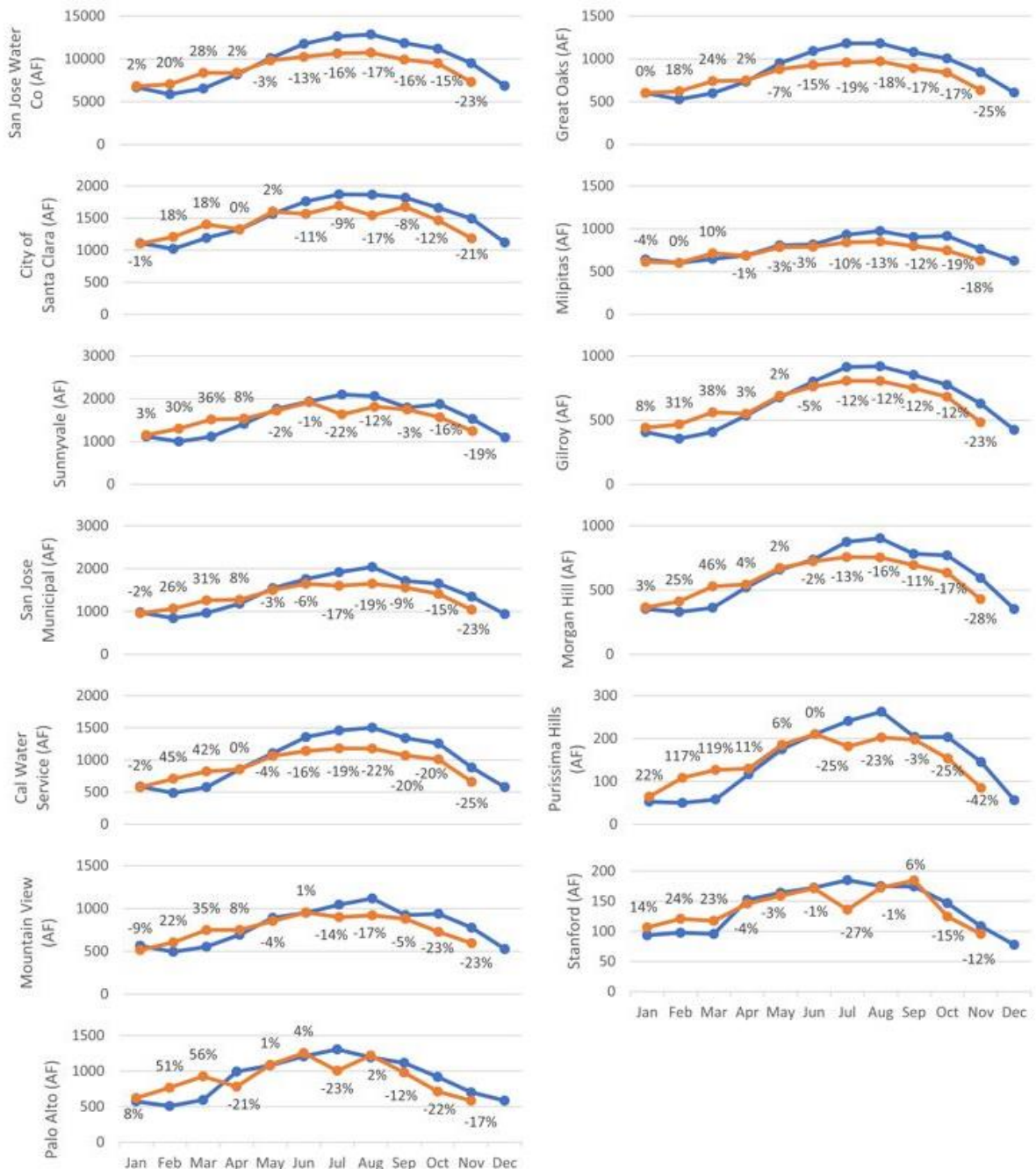
Santa Clara County		
Baseline Year	2019	2020
November 2022 Savings	22%	21%
Cumulative*	7%	12%
* Cumulative for 2019 baseline begins in June 2021 and for 2020 baseline begins in July 2021		

The graphs below depict water use by each of Valley Water's 13 retailers to help track progress towards achieving the 15% call for water use reduction made in June 2021. Note that City of Palo Alto Utilities (Palo Alto) and Purissima Hills Water District (Purissima) normally do not use Valley Water sources of water. A large proportion of water used by the City of Mountain View Public Works (Mountain View) and Stanford Utilities (Stanford) is not from Valley Water sources.

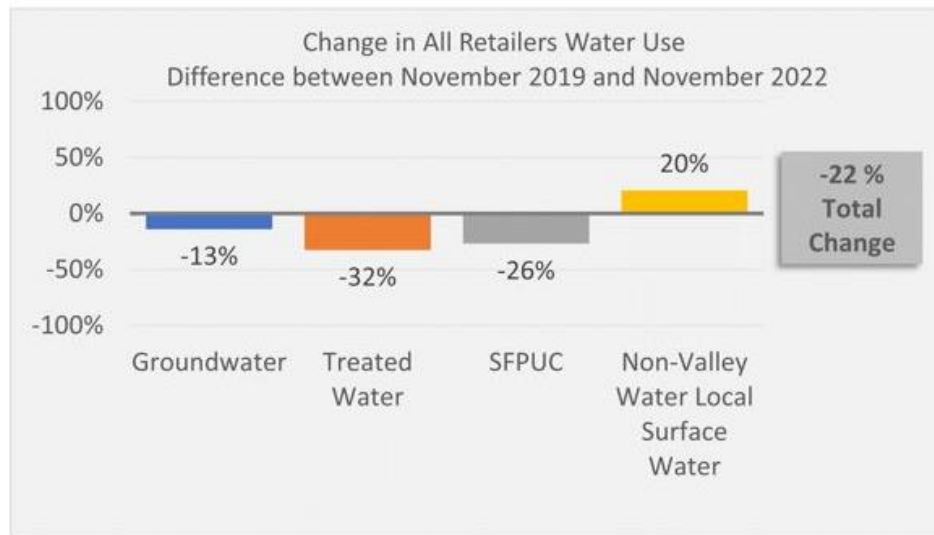
Monthly Water Use by Retailer (AF)

— 2019 — 2022

The percent increase (+) or percent decrease (-) in water use from 2019 to 2022 is shown for each month.



The graph below depicts changes between the retailers' different types of water use. As expected, the proportion of groundwater use tends to increase during drought.



The table below shows Valley Water retailers' water usage volumes by type.

Water Retailer	Total Water Use in Acre-Feet (November 2019)					Total Water Use in Acre-Feet (November 2022)				
	Groundwater	Treated Water	SFPUC	Non-Valley Water Local Surface Water	SUM	Groundwater	Treated Water	SFPUC	Non-Valley Water Local Surface Water	SUM
San Jose Water Company	4,270	4,910	-	320	9,490	3,970	2,960	-	380	7,310
Santa Clara, City	990	170	340	-	1,490	680	240	260	-	1,180
Sunnyvale	10	450	1,070	-	1,530	-	580	660	-	1,240
San Jose Municipal Water	80	890	380	-	1,350	60	650	330	-	1,040
California Water Service	300	580	-	-	880	440	220	-	-	660
Palo Alto	-	-	700	-	700	-	-	580	-	580
Mountain View	20	80	670	-	780	10	50	530	-	590
Great Oaks	840	-	-	-	840	630	-	-	-	630
Milpitas	-	250	510	-	760	-	280	350	-	630
Gilroy	630	-	-	-	630	480	-	-	-	480
Morgan Hill	590	-	-	-	590	430	-	-	-	430
Purissima Hills Water	-	-	150	-	150	-	-	80	-	80
Stanford	-	-	110	-	110	-	-	100	-	100
Total	7,730	7,320	3,920	320	19,300	6,710	4,980	2,890	380	14,960

Collaboration with the County, Retailers, and Cities

- As of December 31, 2022, 14 cities in Santa Clara County have implemented a maximum two-day irrigation schedule, including five cities that have taken additional formal action to their elected boards in response to the ongoing drought emergency and Valley Water's Amended Resolution 22-20. Of the current jurisdictions that have implemented a two-day irrigation schedule, one city has further restricted outdoor watering to one-day-a-week, effective through February, under its current Level 4 Water Supply Shortage declaration.
- In December, Valley Water continued to monitor actions related to the adoption of the Model Water Efficient New Development Ordinance (MWENDO) and provide staff support to municipalities as part of ongoing efforts to support cities' and the County's interests in expanding water efficiency measures. Currently, the County and

several cities are considering select MWENDO measures to include as part of their jurisdictions' updated building code.

Water Conservation Programs

Valley Water is actively promoting ways our community can save water through rebates, free water-saving devices, and behaviors. The Shopping Cart (eCart) Program offers free water-saving devices to homes and businesses. The Landscape Rebate Program (LRP) provides rebates for converting high-water use landscapes to low-water-use landscapes, as well as retrofitting existing irrigation equipment with approved high-efficiency irrigation equipment. As expected, application submittal rate, though higher than non-drought years, continues to decrease as we move into winter.

Estimated conservation program applications received are shown below.

Program	October	November	December
Landscape Rebate Program Applications	276	170	96
Water-saving Device Orders	278	218	113

Water Waste Enforcement

Valley Water began enforcing outdoor water waste restrictions against runoff, midday watering, and watering after rainfall, and a limit of two days a week of watering for non-functional turf on June 1, 2022. On September 13, 2022, Valley Water's Board of Directors amended the Ordinance 22-02 to allow Valley Water to enforce the State of California's ban against watering non-functional turf on commercial, industrial, and institutional properties. The Water Waste Program is enforcing these restrictions while continuing its educational mission. The number of water waste reports since program launch in June 2022 is shown below.

	June	July	Aug	Sept	Oct	Nov	Dec
Water Waste Reports	515	236	484	286	221	156	79

Complaints of violations against water waste restrictions are submitted by members of the public. A total of 79 water waste complaints were received in December 2022. Twenty-eight of the complaints received are enforceable, as they relate to the restrictions listed in Ordinance 22-02 and occurred in service areas supplied by Valley Water sources; the remaining are not enforceable but are addressed through education. Each complaint may include multiple reports of violations against water waste restrictions. Below is a breakdown of the numbers of reported water waste violations related to the restrictions listed in Ordinance 22-02. Not all violations are verified by staff to be occurring, such as those related to watering after rainfall. Seven second complaints on the same violation were received from enforcement program launch through the end of December.

Enforceable Water Waste Violations	June	July	Aug	Sept	Oct	Nov	Dec
More than 2 days of watering per week	76	39	113	83	54	26	17
Watering from 9AM-6PM	84	30	92	45	29	14	4
Watering within 48 hours of rainfall	11	4	3	21	4	19	17
Runoff	199	95	210	129	118	46	21
Watering CII non-functional turf	n/a	n/a	n/a	15	38	18	5

Drought and Water Conservation Outreach

- In December, an on-site media event updating the public on the progress of the tunnel portion of the Anderson Dam Seismic Retrofit Project was held. Chair Pro Tem Varela and Assistant Officer Ryan McCarter gave interviews to NBC Bay Area, ABC7, CBS5, KTVU, NTD, KCBS-Radio, the Mercury News, Morgan Hill Times and Morgan Hill Life. They discussed the round-the-clock work being done and the project's overall importance to our future water supply. Media interest also focused on December rain events. Staff addressed the storm, flood preparedness, the drought and the need to conserve water even when it rains.
- Our water conservation campaigns continue with tips for saving water and messaging on dialing back on irrigation during the winter. We are also promoting our landscape, irrigation and graywater rebates, outdoor water surveys and e-cart. A campaign focused on commercial watering rules continued until December 31. Ads run on audio and video streaming platforms, digital, social media, newspapers and supermarket shopping carts. Our monthly newsletter continues to feature water conservation tips and resources.
- The Say Yes to Saving Water public service announcement (PSA) involving local professional sports teams was published on Valley Water's social media channels. The PSAs are running on television, radio and streaming services. The video features San Francisco 49ers player Taybor Pepper, who encourages everyone to make a difference in their community by Saying Yes to Saving Water. In partnership with the City of Gilroy, our Say Yes to Saving Water PSA with San Jose Earthquakes player Tommy Thompson ran in its movie theater during December. The second commercial Landscape Rebate success story was published on Valley Water's social media channels. Chair Pro Tem Varela was featured in the video which highlighted the landscape transformation at Morgan Hill's Woodland Estates clubhouse.
- Staff shared a news release on all social platforms in early December to address the California Dept. of Water Resources allocation numbers. The release and social posts reminded people although we've seen early-season rain, the low allocation is a reminder we're still in a severe drought emergency. Staff continues to share posts with water-saving tips and links to our conservation programs.
- Community outreach put on one Speakers Bureau presentation in December. Chair Pro Tem Varela and staff conducted a virtual drought presentation to South County RE/MAX Realtors during an informational meeting.
- Statistics for public outreach efforts are shown below.

Outreach Type	December 2022
Social Media¹	
Impressions ²	4,888,040
Engagements ³	281,421
Link Clicks	45,456
Video Views	942,010
Website Page Views	
Water conservation webpages	54,370
BeHeard.ValleyWater.org/drought-information	238
Media	
Media Mentions ⁴	1,264
Speakers Bureau	
Presentations ⁵	1

¹Includes Facebook, Twitter, Instagram, YouTube and LinkedIn

²Impressions are the number of times a post is displayed in a newsfeed.

³Engagements are the number of times a user interacts with a post, such a retweet, click, and more.

⁴Includes TV, radio, social media, online and print

Drought and Water Conservation Education

- In December, the Education Outreach Program (EO) supported 27 educators and 696 students through nine in-person presentations, one virtual presentation and one tour of the Alamos Outdoor Classroom. EO staff also engaged with 15 members of the public during a San Jose Public Library after-school “Kids In Science” virtual program at Empire Branch Library. All students, teachers and families attending EO programs recited the Water Conservation Pledge and received a Water Conservation Pledge Bookmark. The bookmark contains the pledge and suggestions on saving water every day with links to the Valley Water website.
- The table below shows Education Outreach efforts in Fiscal Year 2023, all of which included drought and water conservation messaging.

EDUCATION OUTREACH PRESENTATION NUMBERS			
MONTH	STUDENTS & EDUCATORS	PUBLIC ATTENDEES	FY23 YEAR TO DATE
July – November	5,563	508	6,071
December	723	21	744
Total	6,286	529	6,815

- Members of the Valley Water Youth Commission Youth Citizen Science Network Working Group continued raising awareness about the ongoing drought and the need for water conservation through their social media campaign. Three stories, posted on the Valley Water Instagram account, featured Valley Water Youth Commissioners promoting the water-saving devices available in the Valley Water Online Shopping Cart.
- Through the assistance of the Water Ambassadors, a total of 500 Do-It-Yourself (DIY) kits for Water Conservation have been completed. These kits help people identify where to look for potential leaks. The kits will be distributed via the Shopping Cart.

Water Supply Operations and Outlook

- The cumulative rainfall in San José in this rainfall year through December 31, 2022, is 8.86 inches or 180% of the long-term average for the valley floor for this date. The current rainfall year extends from July 1, 2022, to June 30, 2023.
- Total reservoir storage as a percentage of unrestricted reservoir capacity is 33% for January 1, 2022, which is 79% of the (20-year) average storage for January.

Imported Water

- The current drought from Water Year 2020 to 2022 is the driest three-year period on record, breaking the old record set by the last drought from Water Year 2013 to 2015. California’s water year runs from October 1 to September 30 and is the official timeframe used to compare hydrologic records. Water Year 2023 began on October 1, 2022, and while precipitation was below average in October and November, recent storms have resulted in above average precipitation in December.
- Despite the recent storms, state reservoir levels remain below the historical average. As of December 29, 2022, Shasta Reservoir is at 55% of average for this date, Oroville Reservoir is at 61% of average for this date, and

Folsom Reservoir is at 82% of average for this date. Total storage in each of these three major reservoirs has increased in December.

- As of December 29, 2022, storage in San Luis Reservoir is approximately 628 thousand acre-feet (TAF), which is 50% of the average 1,248 TAF for this day. San Luis Reservoir storage increased by approximately 114 TAF in November.
- Valley Water entered 2022 with over 65 TAF of imported supplies stored in San Luis Reservoir. This includes emergency transfer supplies purchased in 2021, previously undelivered State Water Project (SWP) supplies, and water recovered from the Semitropic Groundwater Bank. This amount is higher than normal to ensure reliable supplies in the event the drought continues. The added carryover was needed given that Anderson Reservoir is undergoing construction and cannot support water supply needs. This strategy was very effective in 2022 and will be used again to mitigate expected drought conditions in 2023.
- The California Department of Water Resources (DWR) announced a 2022 SWP allocation of 5% on March 18, 2022, which equates to an allocation of 5 TAF for Valley Water. Subsequently, DWR approved Valley Water's request for additional water to meet our critical human health and safety needs in 2022.
- The California Department of Water Resources (DWR) announced an initial 2023 SWP allocation of 5% on December 1, 2022, which equates to a 5 TAF allocation for Valley Water. DWR has also indicated that water agencies may apply for additional water in order to meet minimum human health and safety needs in 2023. Valley Water has submitted an initial request for human health and safety water to meet the County's minimum human health and safety needs in 2023.
- The U.S. Bureau of Reclamation (Reclamation) Central Valley Project (CVP) 2022 water supply allocations for south-of-Delta CVP contractors, including Valley Water, were set to a municipal and industrial allocation of public health and safety water only and an agricultural allocation of zero percent. Reclamation approved Valley Water's request for public health and safety water in 2022. The CVP water supply allocation for 2023 has not been announced yet.
- Valley Water will continue to withdraw previously stored supplies from the Semitropic Groundwater Bank in 2023 if SWP and CVP allocations remain low. Staff continues to work with DWR and other Semitropic Banking partners and anticipates that at least 31.5 TAF would be available for delivery to Valley Water. As of November 30, Valley Water has withdrawn approximately 35 TAF in 2022 from Semitropic Groundwater Bank.
- Valley Water previously executed several long-term water transfer agreements that provided emergency transfer supplies in 2022, but transfer supply was severely limited due to the critically dry conditions across the state. Valley Water secured agreements for approximately 24 TAF of emergency transfer supplies in 2022. After conveyance losses, this provided an estimated 18 TAF of additional supply for the district.

Treated Water

- In December, MIB (Methyl-Isoborneol) level was briefly above our internal trigger level (≥ 8 ng/l) in our source water (South Bay Aqueduct, at Lake Del Valle) to the plants. Per VW Taste and Odor Response Plan, staff took proactive measures to implement source water change and treatment process adjustment to minimize impact. No complaint was reported by retailers during this brief episode. MIB is a naturally occurring taste and odor compound produced by algae in the water and does not pose any human health risks.
- Source water algal toxins were below our internal triggers and treated water delivered met all applicable drinking water standards.

Groundwater Recharge

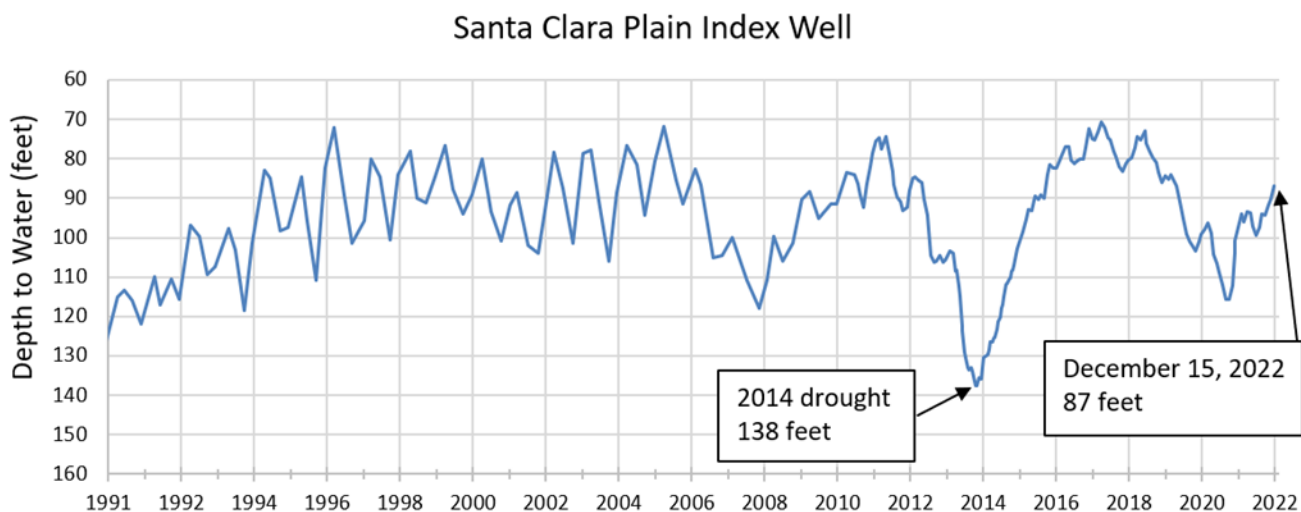
- Valley Water has been maintaining a reduced managed groundwater recharge program countywide due to a three-month shutdown to conduct a pipeline inspection and rehabilitation project from the first week of November 2022 through the end of January 2023.

- However, recharge operations continue in creeks downstream of local reservoirs, including Coyote Creek, as well as in off-stream percolation ponds in the Los Gatos Recharge System.
- Countywide managed recharge in 2022 was at 97% of normal or the 20-year average.

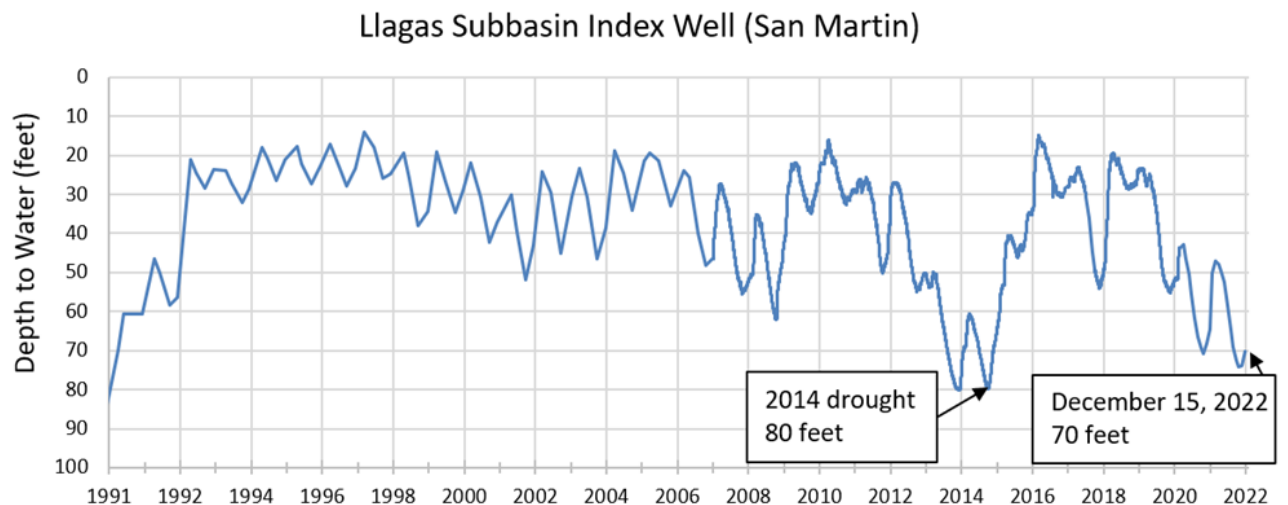
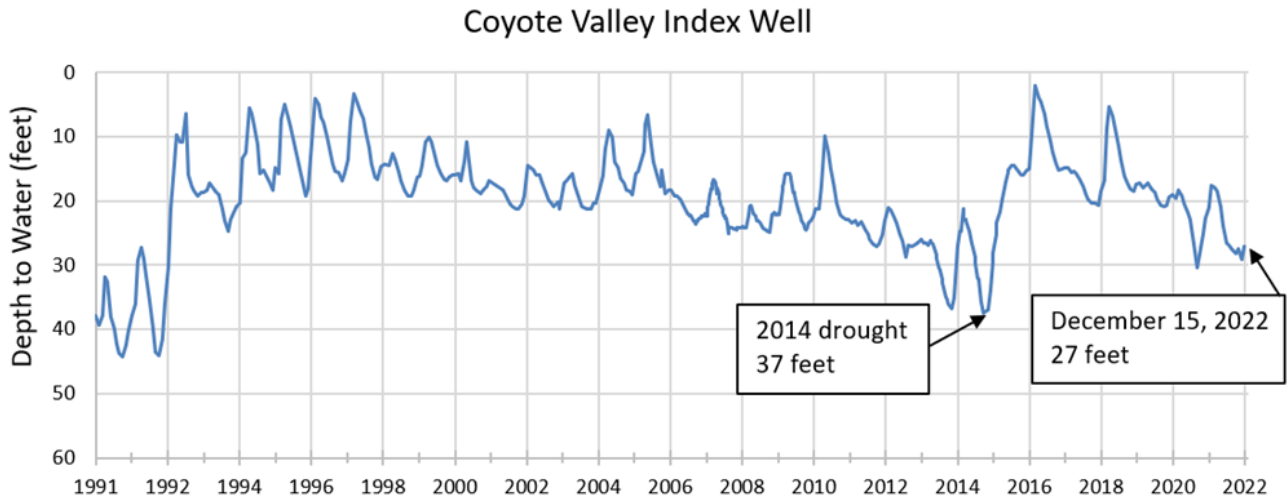
Groundwater Conditions:

Groundwater levels are increasing in most areas due to seasonal recovery, Valley Water’s managed recharge operations, and ongoing water conservation by the community. While groundwater levels in most monitoring wells are higher than last month, many are lower relative to December 2021. With drought conditions expected to continue, water use reduction is essential to minimize the risk of resumed subsidence in North County and wells going dry, particularly in South County. The risk of dry wells and subsidence increases as the drought persists. One new dry well was reported in December.

- North County Groundwater
 - The current water level at the regional index well has increased about 3 feet since last month and is about 51 feet above the minimum water level in 2014. The water level at this well is about 14 feet higher compared to this time last year.
 - Groundwater levels are more than 60 to 100 feet above thresholds established to minimize the risk of permanent subsidence.
 - No dry wells were reported in December. Since the onset of the current drought, a total of two dry wells have been reported in North County, all in the foothills where yield is generally less reliable.



- South County Groundwater
 - The current water level in the Coyote Valley and Llagas Subbasin regional index wells have increased by about 2 and 4 feet, respectively, since last month and both are about 10 feet above the minimum water level in 2014. Additionally, the water levels in these wells are about 6 and 5 feet lower, respectively, compared to this time last year.
 - One dry well was reported in December. Since the onset of the current drought, a total of six dry domestic wells have been reported in South County, with most located near the foothills where yield is generally less reliable. Valley Water works to provide affected well owners with appropriate assistance, including information on available resources or billing support as needed.



Staffing and Resources

- Drought emergency expenses are expenditures supplemental to the regular budget that would not have been adopted had there been no drought. Due to the timing of monthly financial system closes, drought expenditures are reported one month behind the monthly Drought Emergency Report.
- The FY 2022-23 Adopted Budget of \$37 million for drought emergency is comprised of \$17 million for emergency water purchases, \$7 million for water banking expenses to help bring approximately 32,000 acre-feet of water banked at Semitropic Water Storage District into the county, and \$13 million for conservation programs and drought related public relations. Budget adjustments will be brought to the Board for any additional expenses incurred during the year.
- November 2022 expenses totaled approximately \$5.57 million spent or encumbered primarily for emergency water purchases tied to contracts executed in prior years, operating supplies and services for public relations, eCart supplies, temps and interns supporting drought related conservation programs, and labor expenses for staff time supporting Valley Water's drought response program.

Expanded Opportunities

Purified Water Project

The Purified Water Project will replenish groundwater supplies with purified water and expand usage of recycled and purified water, a drought-resilient, locally-controlled water source.

- Staff continues to work with our partner agencies on agreements, technical requirements, and the draft EIR.

Flood-Managed Aquifer Recharge (Flood-MAR) Study

Valley Water is collaborating with a team of water experts from the University of California system (referred to as UC Water) to complete a reconnaissance study for Flood-MAR implementation in Santa Clara County. The study began in 2021. Study deliverables include a GIS-based tool to identify potential sites for Flood-MAR projects in Santa Clara County and an evaluation of institutional/regulatory requirements for implementing Flood-MAR projects.

- Drafts are currently being reviewed by staff.

Drought Response Plan

Valley Water is developing a Drought Response Plan (DRP) to improve water supply reliability in Santa Clara County during times of future shortage through a WaterSMART grant from the Bureau of Reclamation. Valley Water's DRP will evaluate new approaches for determining when to request water use reductions from the public and develop a response framework to employ during future droughts.

- Internal work continues to develop potential drought triggers and water shortage actions.

A monthly assessment of trends in water supply and use for Santa Clara County, California

Outlook as of January 1, 2023

On December 1, 2022, the California Department of Water Resources announced an initial State Water Project allocation of 5% of contract amount for 2023. An initial Central Valley Project allocation for 2023 has not come out yet. Despite the recent storms, Santa Clara County continues to be in a water shortage emergency. Due to severe drought and increased reliance on imported water in the next 10 years while Anderson Reservoir storage is unavailable, meeting the Board of Directors call for 15% water use reduction relative to 2019 is essential.

Weather

- Rainfall in San José:
 - » Month of December, City of San José = 6.18 inches
- Rainfall year total = 8.86 inches or 173% of average to date (rainfall year is July 1 to June 30)
- January 1 Northern Sierra snowpack was 139% of normal for this date

Local Reservoirs

- Total January 1 storage = 52,978 acre-feet

Reservoir Storage	All Ten Valley Water Reservoirs	All Reservoirs Except Anderson
Storage as % of unrestricted capacity	32%	63%
Storage as % of restricted capacity (1)	84%	81%
Storage as % of the 20-year average for January 1	78%	157%

(1) Per the Federal Energy Regulatory Commission's order, the capacity of Anderson Reservoir was restricted to the deadpool storage as of October 1, 2020

- No imported water delivered into Calero Reservoir during December 2022
- Total estimated releases to streams (local and imported water) during December were 6,450 acre-feet (based on preliminary hydrologic data)

Treated Water

- Below average demands of 4,647 acre-feet delivered in December
- This total is 82% of the five-year average for the month of December
- Year-to-date deliveries are 89,018 acre-feet or 87% of the five-year average

Groundwater

- Groundwater levels are increasing in most areas due to seasonal recovery, Valley Water's managed recharge operations, and ongoing water conservation by the community. While groundwater levels in most monitoring wells are higher than last month, many are lower relative to December 2021. The end of 2022 groundwater storage is estimated to be in low Stage 1 (Normal) of the Water Shortage Contingency Plan

	Santa Clara Subbasin		Llagas Subbasin
	Santa Clara Plain	Coyote Valley	
December 2022 managed recharge estimate	4,100	2,500	1,100
YTD managed recharge estimate	55,900	12,800	19,500
YTD managed recharge as % of 5-year average	109%	81%	101%
November 2022 pumping estimate	5,600	1,200	3,300
YTD pumping estimate	64,100	12,000	40,200
YTD pumping as % of 5-year average	98%	112%	100%
Current index well groundwater levels compared to December 2021	14 Feet Higher	6 Feet Lower	5 Feet Lower

All volumes are in acre-feet. All data is for 2022 except where noted. YTD = Year-to-Date

Imported Water

- To date in December, the State Water Project operated Banks pumping plant with an average daily export of 3,278 acre-feet, resulting in a total export of 95,069 acre-feet from the delta (data through December 29)
- To date in December, the Central Valley Project operated Jones pumping plant with an average daily export of 2,528 acre-feet, resulting in a total export of 73,301 acre-feet from the delta (data through December 29)
- There have been no interruptions to delta pumping operations, due to water quality or otherwise, during the month of December

WY 2023 Imported Water Allocations	Allocation	Allocation (acre-feet)	Additional Allocation
State Water Project	5%	5,000	Additional supply may be available to meet minimum human health and safety needs in 2023
Central Valley Project	-	-	Central Valley Project allocations for 2023 have not been announced yet
State-wide Reservoir Storage	Capacity	Current Storage (acre-feet)	Average for Date (as of 12/30/22)
Shasta Reservoir	33%	1,483,482	56%
Oroville Reservoir	32%	1,137,629	62%
San Luis Reservoir	32%	653,701	52%
Semitropic Groundwater Bank	Capacity	Current Storage (acre-feet)	Date of Data
	75%	262,159	11/30/22
Estimated SFPUC Deliveries	November (acre-feet)	2022 Total to Date (acre-feet)	Five-year annual average (acre-feet)
	2,893	41,533	48,700

Conserved Water

- Saved 76,584 acre-feet in FY21 through Valley Water's long-term conservation program (baseline year is 1992)
- Long-term program goal is to save nearly 100,000 acre-feet by 2030 and 110,000 acre-feet by 2040
- On June 9, 2021, the Board called for a 15% reduction in water use compared to 2019 and for retailers, cities, and the County to implement local water restrictions. On May 24, 2022, the Board approved an ordinance to enforce outdoor water waste restrictions against runoff, midday watering, and watering after rainfall, and a limit of two days a week of watering for non-functional turf. On September 13, 2022, this ordinance was amended to include the State's ban against watering commercial, industrial, and institutional non-functional turf amongst its list of enforceable restrictions
- Countywide water savings compared to 2019 (Valley Water's baseline) and 2020 (State's baseline)

Baseline Year	Santa Clara County	
	2019	2020
November 2022 Savings	22%	21%
Cumulative*	7%	12%

*Cumulative for 2019 baseline begins in June 2021 and for 2020 baseline begins in July 2021

Recycled Water

- Estimated December 2022 production = 770 acre-feet
- Estimated year-to-date through February = 17,086 acre-feet or 100% of the five-year average
- Silicon Valley Advanced Water Purification Center produced an estimated 1.7 billion gallons (5,150 acre-feet) of purified water in 2021. Since the beginning of 2022, about 4,800 acre-feet of purified water has been produced. The purified water is blended with existing tertiary treated recycled water for South Bay Water Recycling Program customers

Alternative Sources

- As of December 10, 2019, Valley Water's wastewater contract right from Palo Alto/ Mountain View remains at 11,200 acre-feet/year

CONTACT US

To find out the latest information on Valley Water projects or to submit questions or comments, email info@valleywater.org or use our **Access Valley Water** customer request system at <https://deliver.com/2yukx>.



FOLLOW US



Submit your Attachment 3

2 of 2



Santa Clara Valley Water District

File No.: 22-1393

Agenda Date: 1/10/2023
Item No.: 2.12.

BOARD AGENDA MEMORANDUM

SUBJECT:

Receive Watersheds and Water Utility Operations and Maintenance and Asset Renewal Program Overviews, and Review Draft 5-Year Plans for FY 2024-2028.

RECOMMENDATION:

Receive Information on the Watersheds and Water Utility Operations and Maintenance and Asset Renewal Programs, and Review the Draft 5-Year Plans.

SUMMARY:

The purpose of the Watersheds and Water Utility Five-Year Operations and Maintenance and Asset Renewal Plans (Plans) is to identify and document the resources needed for operations and maintenance activities and for asset renewals for the next five fiscal years, 2024 to 2028.

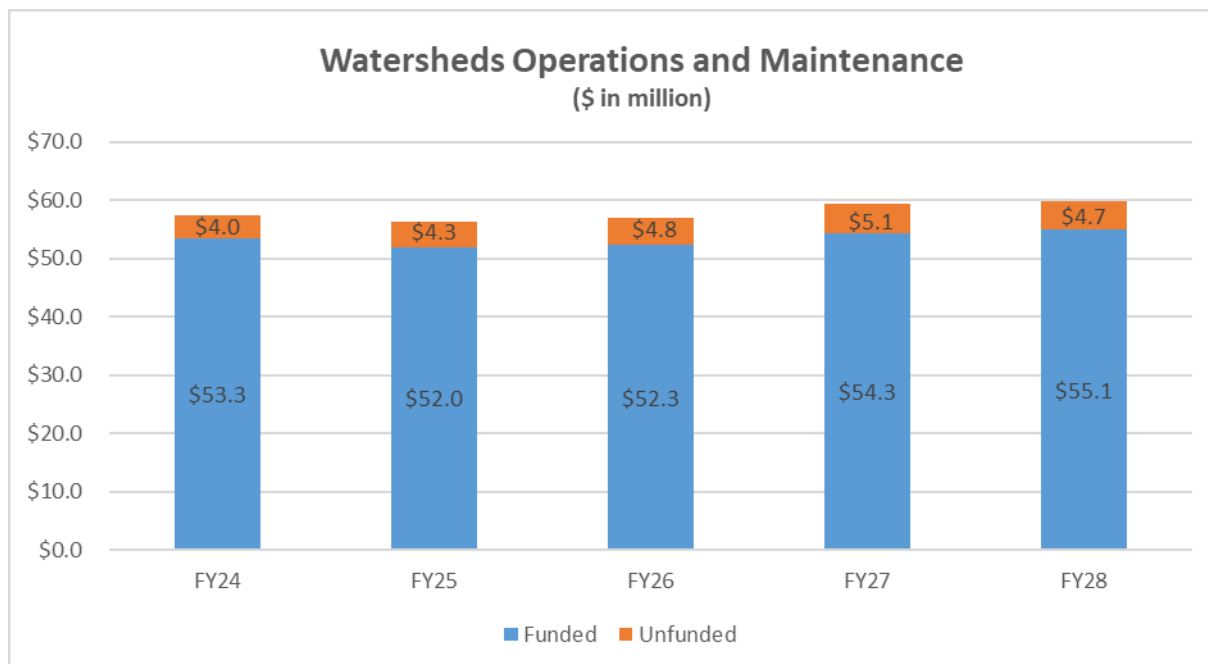
The Plans forecast the resources needed for operations and maintenance activities including corrective and preventive maintenance, operator labor, chemical costs, power, and engineering and environmental staff support. The Plans do not include resources needed for planning activities.

With regards to asset renewal activities, the Water Utility Five-Year Operations and Maintenance and Asset Renewal Plan (Water Utility Plan) documents the planned asset renewal projects scheduled for the next five fiscal years. Asset renewals are asset replacements or rehabilitation to 'like new' condition. These projects are typically budgeted and executed in one of six water utility small capital improvement projects. The Watersheds Five-Year Operations and Maintenance and Asset Renewal Plan (Watersheds Plan) discusses efforts on a new strategic planning approach to identify planned asset renewal projects. This strategic planning effort is being conducted under Safe, Clean Water Project F8: Sustainable Creek Infrastructure for Continued Public Safety.

The Plans are rolling five-year plans and are updated annually. The Draft Plans were prepared using long term forecast data and unfunded needs requests as of October 2022. The Fiscal Year 2024 budget requests and unfunded needs will be evaluated throughout the budget and groundwater charge setting processes through May 2023. The Plans will be finalized following Board adoption of Valley Water's final budget and groundwater production charges for Fiscal Year 2024. The Draft Plans are included as Attachments 2 and 3.

Watersheds Summary

The Draft Watersheds Plan summarizes the funded and unfunded resources needed for the Watersheds Operations and Maintenance Division for the next five fiscal years, 2024 to 2028, as shown in the figure below. It does not include the Watershed Design and Construction Division or Stewardship and Planning Division resource needs.



In total, the Watersheds Operations and Maintenance Division has identified funded resource needs of \$267 million, and an additional unfunded need of \$22.8 million for the next five fiscal years. The \$22.8 million unfunded need would provide resources for the following services:

- Support for growing workload of vegetation field operations
- Support for encampment clean-up to reduce public/agency complaints and minimize the amount of trash/debris entering our waterways
- Support for increased creek erosion repair work and increased sediment removal dumping costs
- Support for the Saratoga Hazardous Tree Project
- Support for Stream Maintenance Program permit compliance with a new Assistant Water Resource Specialist II position

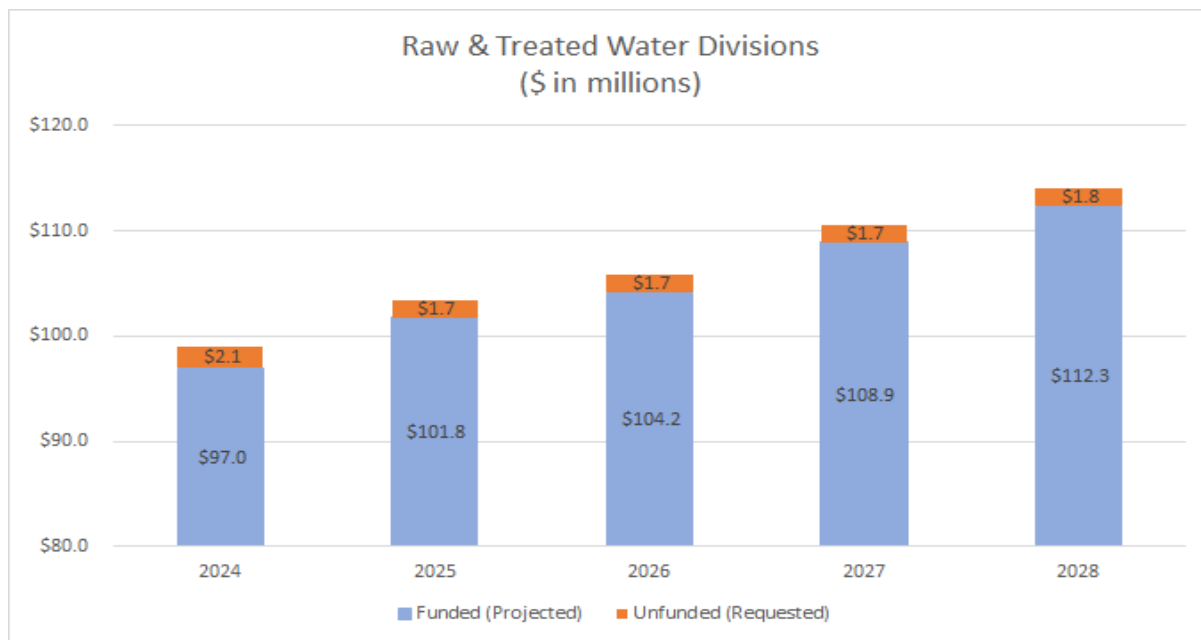
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- Support for the upcoming Valley Habitat Plan reopening and annual fees.

The goal of Project F8 is to identify and prioritize infrastructure issues (including deferred maintenance issues mentioned above), develop asset management plans to identify asset renewal projects, and to implement those asset renewal projects. Asset renewal work that will be identified as part of this program includes restoring the level of service originally intended for flood protection infrastructure, extending the life of flood protection infrastructure, and improving the reliability of flood protection infrastructure. Progress to date includes analyzing and prioritizing infrastructure issues for over 85 creeks, developing an asset management plan for Stevens Creek (in progress), requesting a Watershed Asset Rehabilitation Program (WARP) small capital improvement project to restore level of service on Randol Creek, and submitting a business case for a planning study on San Tomas Aquino Creek.

Based on analysis so far, the magnitude of future Watershed's asset renewal work is estimated at \$372 million. This estimated cost is preliminary and will be refined over the next few years. Some of the asset renewal projects identified through this effort may be funded by Safe, Clean Water Project F8, which is allocated \$15 million over 15 years (FY2022-36) (half funded by Safe, Clean Water and half by the Watersheds Stream Stewardship fund), or by the Watershed Asset Rehabilitation Program small capital improvement project, which is currently funded at approximately \$7.5 to \$8 million per year. The magnitude of future asset renewal work will likely exceed available funding in some future years.

Water Utility Summary

The Draft Water Utility Plan summarizes the funded and unfunded resources needed for the Raw Water and Treated Water Divisions for the next five fiscal years, 2024-2028, as shown in the figure below. It does not include the Water Utility Capital Division or Water Supply Division resource needs. It also does not include imported water purchases.



In total, the Raw and Treated Water Operations Divisions have identified funded resource needs of \$524 million, and an additional unfunded need of \$9 million for the next five years. These unfunded resources would provide the following services:

- Support for laboratory operations
- Support for Corrosion Control Cathodic Protection Program
- Support for Plant Maintenance Engineering & Commissioning Project
- Support for Water Utility Maintenance Engineering Mechanical Engineering program
- Support for Water Quality program
- Support for Treated Water Treatment Plant General Maintenance

In addition to operations and maintenance project forecasts, the Draft Water Utility Plan documents the planned asset renewal projects scheduled for the next five fiscal years. These projects are identified by the asset management program and are typically budgeted and executed in one of six water utility small capital improvement projects. When many assets at a single facility are due for renewal, the plan may recommend a new large/individual capital project.

Valley Water has identified 58 planned asset renewal projects scheduled in Fiscal Year 2023 for Water Utility facilities. This work is estimated at \$3.2 million. This cost does not include large/individual capital projects such as the Anderson Dam Seismic Retrofit Project or operations improvements or modifications. Some significant projects scheduled for Fiscal Year 2024 are listed

below.

- Inspection and Maintenance of Penitencia WTP Clearwell
- Rehabilitation of Rinconada WTP centrifuges
- Removal of Rinconada WTP Aqua Ammonia tank liner and tank inspection

Additional detail on work scheduled for Fiscal Year 2024 is provided in the Draft Water Utility Enterprise Operation and Maintenance Plan Appendix A.

Next Steps

The activities and resource needs described in the Draft Plans will be evaluated throughout the budget and groundwater charge setting processes through May 2023. The Plans will be finalized following Board adoption of Valley Water's final budget and groundwater production charges for Fiscal Year 2024 and will be provided to the Board at that time.

ENVIRONMENTAL JUSTICE IMPACT:

The Environmental Justice impact is unknown at this time. Further analysis of Environmental Justice impacts associated with the planned activities noted in these plans will be done at a closer date of implementation.

FINANCIAL IMPACT:

There is no financial impact associated with this item. The Watershed and Water Utility Five-Year Operations and Maintenance and Asset Renewal Plans identify planned funding and unfunded future resource needs for continuing operations and maintenance of Valley Water facilities. These resource needs will be further evaluated, and funding recommended to the Board through Valley Water's FY2023-24 and FY2024-25 Biennial Budget process. Funding needs for future years will be brought to the Board through subsequent budget processes and/or through budget adjustments.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment. Implementation of some of the operations and maintenance activities described in the draft plans may require CEQA review and if so, Valley Water will comply with CEQA prior to approving those activities.

ATTACHMENTS:

Attachment 1: PowerPoint
Attachment 2: Draft Watersheds FY2024-28 O&M Plan
Attachment 3: Draft WUE FY2024-28 O&M Plan

File No.: 22-1393

Agenda Date: 1/10/2023
Item No.: 2.12.

UNCLASSIFIED MANAGER:

Luz Penilla, 408-630-2228



Draft Watersheds and Water Utility Five-Year Operations & Maintenance and Asset Renewal Plans

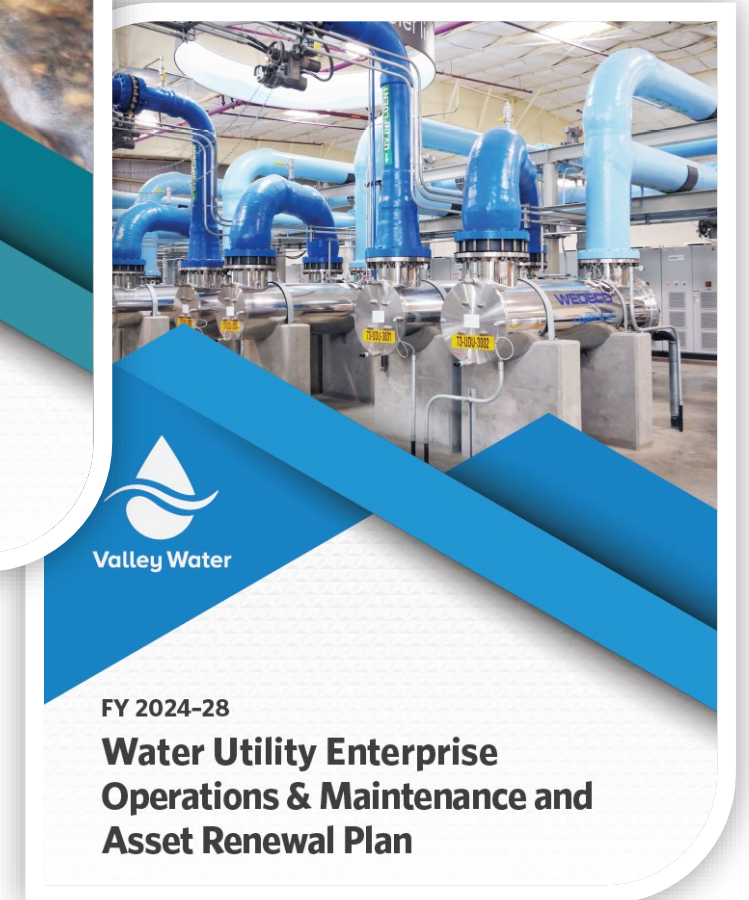
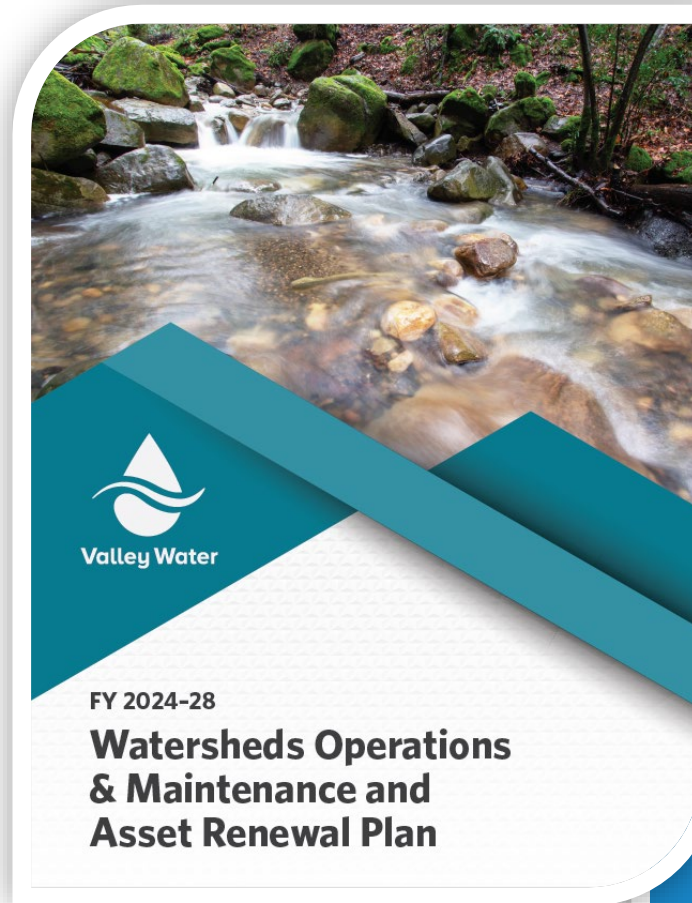
Presented by: Lizzie Mercado, Senior Engineer

Plan Purpose

For next five fiscal years 2024 – 2028, identify resources needed for:

1. O&M activities
2. Asset renewal

Work identified in plans aligns with Board Ends Policy E-2.3 and E-3.1



O&M Activities

3

- Corrective & preventive maintenance
- Engineering and environmental support
- Water system operations costs (operator labor, chemicals, power, lab)



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Renewal Activities

4

Asset Renewal = Replacement or rehabilitation to 'like new' condition

Water Utility

- Five-year forecast developed through annual work planning process
- Typically budgeted in Small Capital Improvement Projects

Watersheds

- Forecast to be defined through Safe Clean Water Project F8
- Projects to be identified for O&M, Small CIP, CIP or additional planning studies

Not included in Plans: Individual/Large Capital Asset Renewal Projects

Water Utility O&M Forecast

Totals over Five Years*:

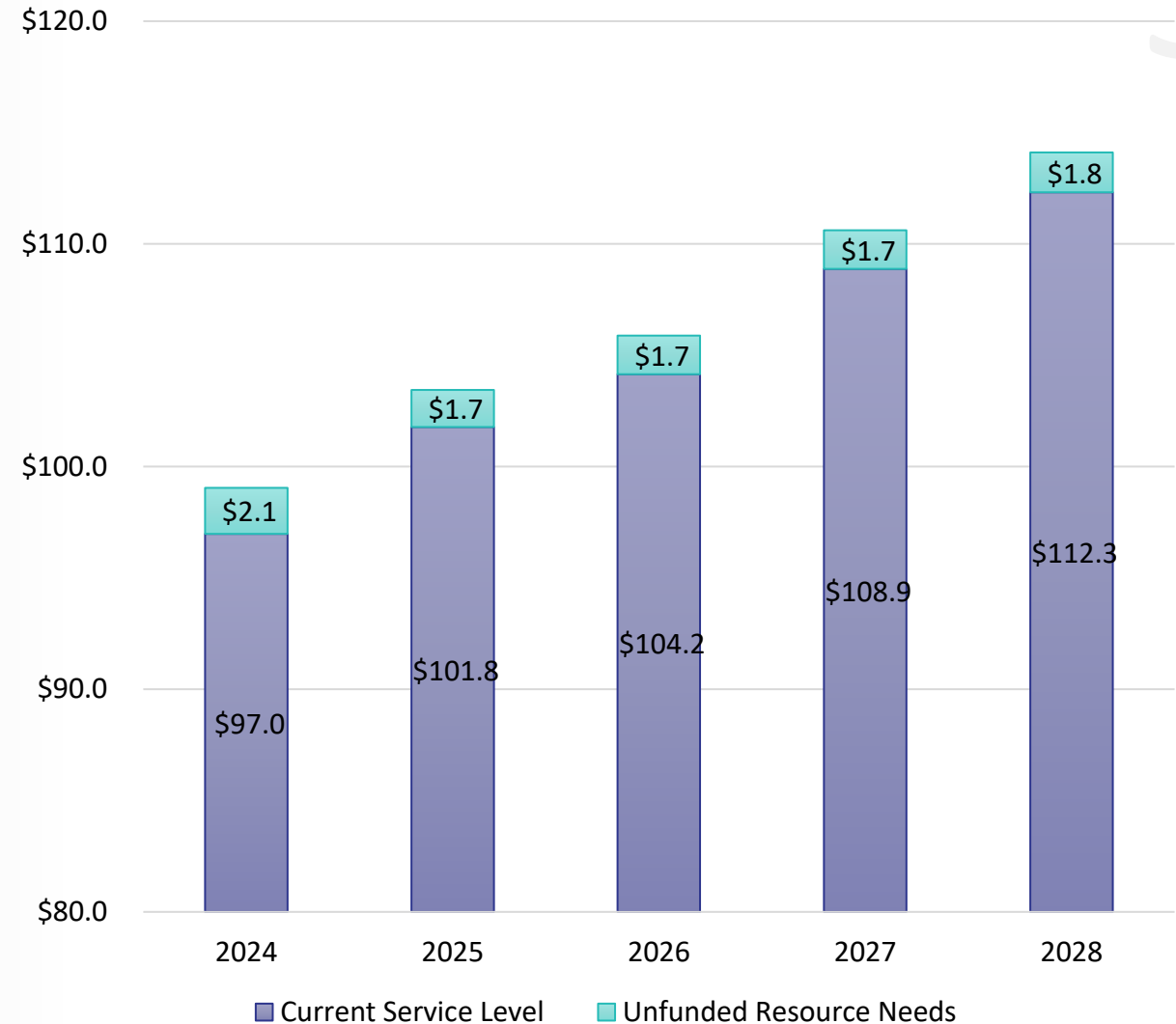
Baseline: \$524.1 Million

Unfunded: \$9.0 Million

- Laboratory QA/QC requirements and emerging contaminants testing
- Corrosion control program support
- Mechanical engineering support for O&M and capital projects
- Water quality pilot and full-scale testing
- Water treatment plant maintenance instrumentation technician

*As of December 2022, to be evaluated through the budget process.

Raw & Treated Water Divisions
(\$ in millions)

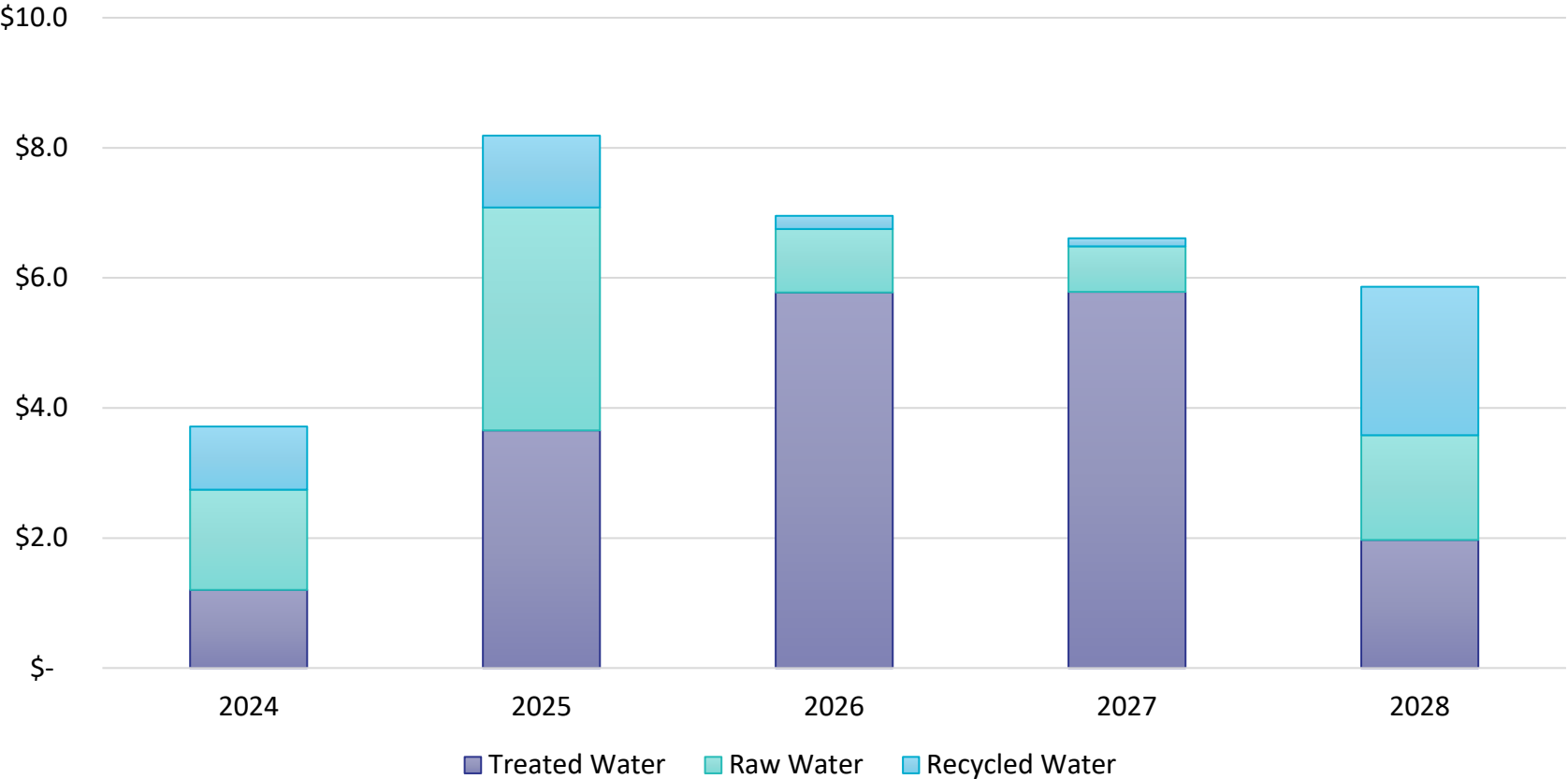


Does not include Water Supply Planning Division or water purchases

Water Utility Asset Renewal Forecast

6

(\$ in Millions)



Fiscal Year 2024:
Approx. \$3.7 Million

Future Years 25 –28:
\$21 Million

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Does not include individual capital projects (i.e., Anderson Dam Seismic Retrofit); or routine preventive or corrective maintenance (see O&M forecast).

Watersheds O&M Forecast

Totals over Five Years*:

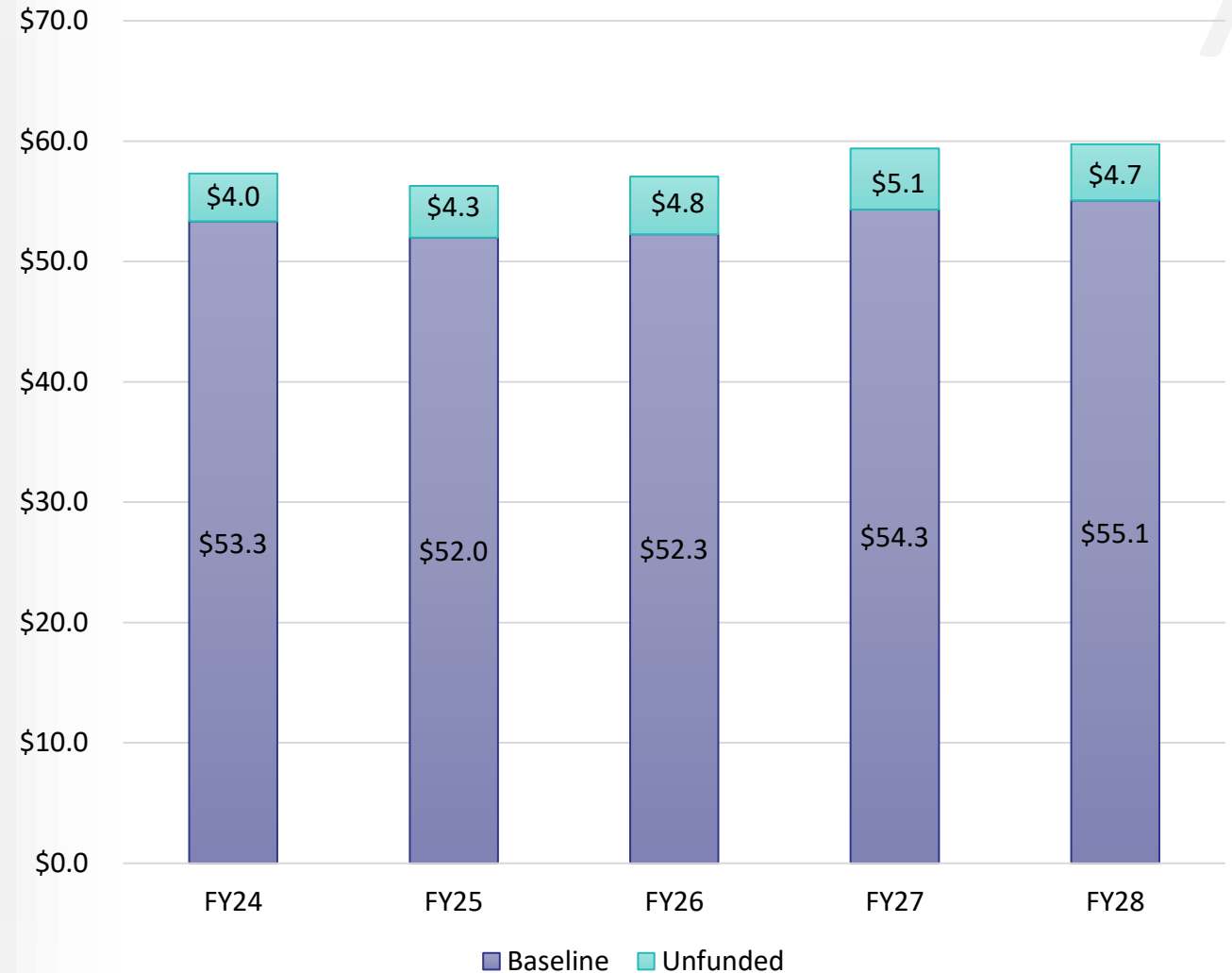
Baseline: \$267 Million

Unfunded: \$22.8 Million

- Engineering analysis for vegetation management
- Quicker response to encampment cleanup
- Increased erosion repair
- Saratoga Creek Hazard Tree Removal and Restoration Project
- Support SMP permit compliance
- Valley Habitat Plan reopening and annual fees

*As of December 2022, to be evaluated through the budget process

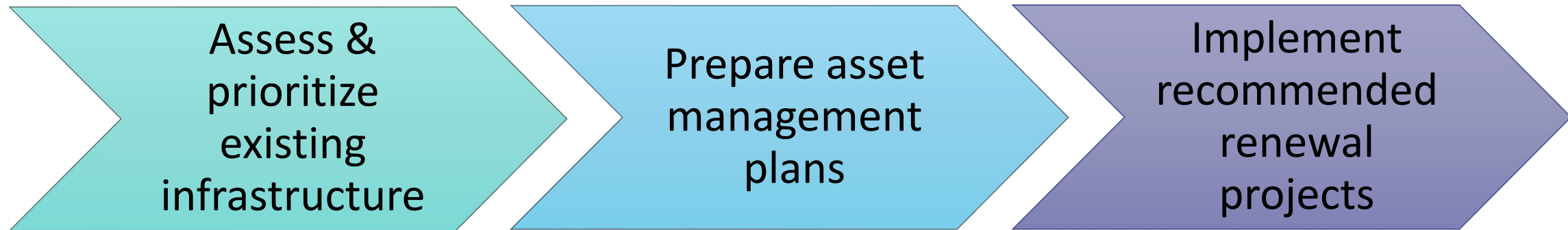
Watersheds Operations and Maintenance
(\$ in millions)



Does not include Watersheds Stewardship & Planning Division

Strategic Planning for Watershed Asset Renewal8

Safe, Clean Water Project F8: Sustainable Creek Infrastructure for Continued Public Safety



- Assessed and prioritized over 85 creeks by risk
- Developed preliminary list of projects to address “Deferred Maintenance”
- Identified next steps for 15 creeks

Strategic Planning for Watershed Asset Renewal

Safe, Clean Water Project F8 – Current Progress

Asset Management Plans

- Stevens Creek (in progress)
- Matadero Creek
- Thompson Creek
- Calabazas Creek
- Permanente Creek
- San Francisquito Creek
- Sunnyvale East Creek
- Sunnyvale West Creek

Renewal Projects*

- Randol Creek – Levee Rehabilitation
- Regnart Creek – Bank Rehabilitation
- San Tomas Aquino Creek – Levee Rehabilitation and/or improvement
- Adobe Creek – Concrete Rehabilitation
- Barron Creek – Concrete Rehabilitation
- Berryessa Creek – Concrete Rehabilitation
- Lower Coyote – Levee Rehabilitation and/or Improvement

***\$372 million preliminary estimate for asset renewal projects**



Valley Water

Clean Water • Healthy Environment • Flood Protection



Valley Water

FY 2024-28

Watersheds Operations & Maintenance and Asset Renewal Plan

FY 2024-2028

Watersheds Operations & Maintenance and Asset Renewal Plan

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December 1, 2022

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List of Acronyms

AMP	Asset Management Plan
BMP	Best Management Practice
CDFW	California Department of Fish and Wildlife
CEQA	California Environmental Quality Act
CIP	Capital Improvement Program
DBH	Diameter at Breast Height
LWD	Large Woody Debris
MOA	Memorandum of Agreement
NPW	Notice of Proposed Work
NRCS	Natural Resources Conservation Service
O&M	Operations and Maintenance
SMP	Stream Maintenance Program
USACE	United States Army Corps of Engineers
USFWS	United States Fish and Wildlife Service
VHP	Valley Habitat Conservation Plan
WARP	Watersheds Asset Rehabilitation Program
WS	Watersheds

EXECUTIVE SUMMARY

Report Overview

This Watersheds Operations & Maintenance and Asset Renewal Plan (WS O&M and AR Plan) describes Valley Water's Watersheds O&M activities and the projected funding allocated for these activities over the next five years. In addition, it discusses planning for future asset rehabilitation needs. It is a rolling plan that will be evaluated and updated annually. Specifically, this plan:

- Documents the baseline and unfunded operations and maintenance project resource needs for the Watersheds Operations and Maintenance Division (WS O&M Division) for the next five fiscal years, 2024 to 2028, and explains unfunded needs.
- Discusses planning for additional asset rehabilitation projects identified through Project F8: Sustainable Creek Infrastructure for Continued Public Safety (Project F8) under the renewed Safe, Clean Water and Natural Flood Protection (Safe, Clean Water) Program.

Throughout the plan, the term 'baseline' refers to activities that provide current service levels and are assumed to be funded in fund forecasts prepared by Valley Water's Financial Planning and Management Services Division.

Work Planning and Execution

Currently, the majority of Valley Water's stream maintenance work is conducted under the Stream Maintenance Program (SMP). Valley Water regularly inspects creeks, floodwalls, and levees, and on an annual basis, develops a proposed work plan for stream maintenance activities, secures state and federal regulatory agencies' approval of the work plan, and performs approved maintenance activities. Sediment removal, vegetation management, trash and debris clearing, bank stabilization and mitigation activities are performed under the SMP. This work is included in the five-year operations forecasts presented in Section V of this plan.

To supplement O&M resources or for projects outside the scope of the SMP, stream maintenance work may also be performed through Valley Water's Watersheds Asset Rehabilitation Program (WARP), a small capital improvement project. Projects conducted as part of the WARP are not included in the financial charts in this plan, as they are included in Valley Water's five-year Capital Improvement Program (CIP).

Strategic Planning for Future Asset Rehabilitation

While work conducted as part of the SMP and WARP has been successful in planning and executing necessary stream maintenance projects, Valley Water recognized the need to evaluate stream maintenance from a more strategic and holistic planning approach, as well as to identify asset rehabilitation needs for past flood protection projects. Consequently, Valley Water initiated a new project as part of the renewed Safe, Clean Water Program, approved by voters in 2020.

Under Project F8, the Sustainable Creek Infrastructure project, Valley Water is working to identify, prioritize, and implement needed creek asset rehabilitation projects. Asset rehabilitation work being identified includes restoring the level of service originally intended for flood protection infrastructure, extending the life of flood protection infrastructure, and improving the reliability of flood protection infrastructure.

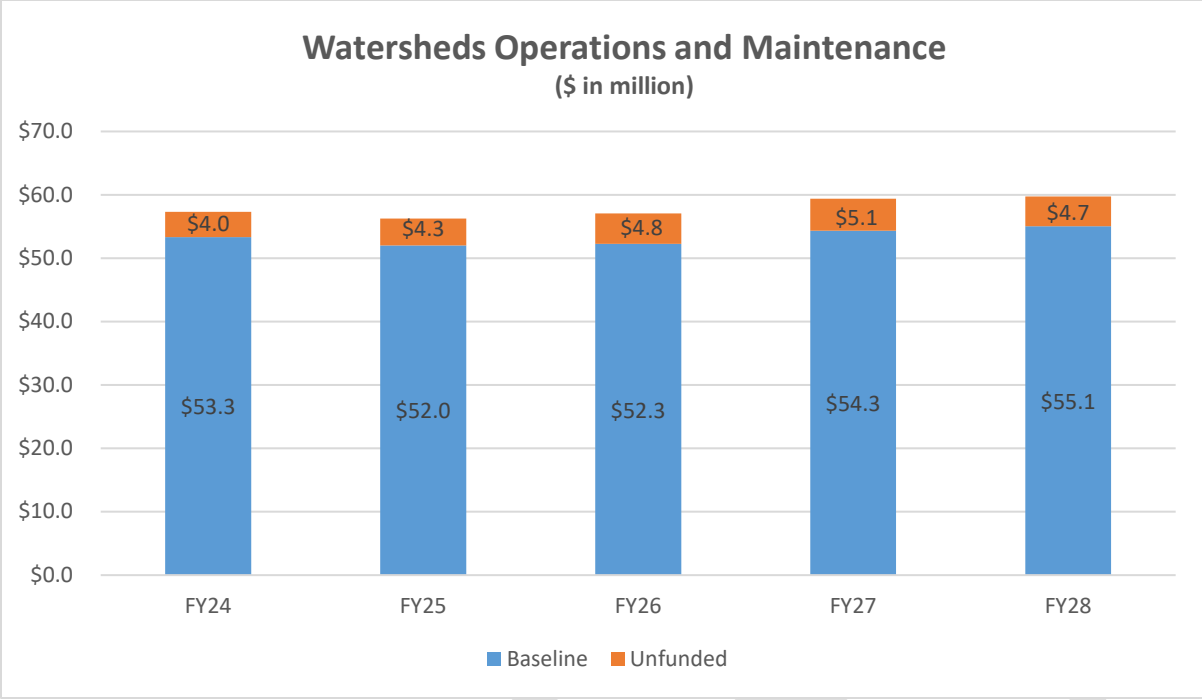
Over the past two years, Valley Water has analyzed approximately 85 creeks to identify creek asset rehabilitation needs and has further evaluated approximately 20 individual creeks to determine how to best address those needs, either through routine maintenance, a small capital project through WARP, or as a new capital project. For approximately eight (8) creeks where a solution is not clear, or the creek could benefit from a holistic planning approach, the project will develop asset management plans to help identify the most effective rehabilitation strategy.

Based on analysis so far, the magnitude of future Watersheds' asset rehabilitation work is estimated at \$372 million. This estimated cost is preliminary and will be refined over the next few years. The work may be phased over 10 to 30 years as funding becomes available. Some of the asset rehabilitation projects identified through this effort may be funded by Project F8, which is allocated \$15 million over 15 years (FY22-36) (half funded by Safe, Clean Water Fund and half by the Watershed and Stream Stewardship Fund), and/or by the WARP small capital improvement project, which is currently funded at approximately \$7.5 - \$8 million per year. Valley Water will also be pursuing available grant funding. It is likely that in some future years, the magnitude of work will exceed available funding.

Five-Year Operations Forecasts

Five-year forecasts of funding for current service levels as well as future resource requirements not yet funded for the Watersheds Operations and Maintenance (WS O&M) Division are shown in the chart below. The final financial information provided in this section will be based on the Board-adopted budget for FY24 and FY25, as well as the forecast data that is collected as part of the budget process. This draft report is prepared using long-term forecast data and unfunded needs requests as of December 1, 2022. The FY24 and FY25 budget requests and unfunded needs will be evaluated throughout the budget process through May 2023. The plan will be finalized following the Board's adoption of Valley Water's budget. The final plan will document the final budgeted amounts for each project for FY24, planned budget amounts for FY25, and any remaining unfunded needs following the budget process.

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Note: Data as of December 2022

In total, the WS O&M Division has identified an additional unfunded need for \$22.8 million for the next five years to support the growing workload of vegetation field operations, encampment clean up, increased creek erosion repair work, the Saratoga Creek Hazard Tree Removal and Restoration project, SMP permit compliance, and the upcoming Valley Habitat Plan reopening and annual fees.

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I. INTRODUCTION

Report Overview

This Watersheds Operations & Maintenance and Asset Renewal Plan (WS O&M and AR Plan) describes Valley Water's Watersheds O&M activities and the projected funding allocated for these activities over the next five years. In addition, it discusses planning for future asset rehabilitation needs. It is a rolling plan that will be evaluated and updated annually. Specifically, this plan:

- Documents the baseline and unfunded operations and maintenance project resource needs for the Watersheds Operations and Maintenance Division (WS O&M Division) for the next five fiscal years, 2024 to 2028, and provides an explanation of unfunded needs.
- Discusses planning for additional asset rehabilitation projects that are being identified through Project F8: Sustainable Creek Infrastructure for Continued Public Safety (Project F8) under the renewed Safe, Clean Water and Natural Flood Protection (Safe, Clean Water) Program.

Throughout the plan, the term 'baseline' refers to activities that provide current service levels are assumed to be funded in fund forecasts prepared by Valley Water's Financial Planning and Management Services Division.

WS O&M and Asset Renewal activities are carried out to meet the following Board of Directors' (Board) Ends Policies:

- Ends Policy E-3: Natural flood protection is provided to reduce risk and improve health and safety for residents, businesses, and visitors, now and into the future.
- Ends Policy E-4: Water resources stewardship protects and enhances ecosystem health.

The WS O&M Division achieves the Board's Ends Policies by:

- Maintaining flood protection facilities to the designed levels of protection
- Maintaining the structural and functional integrity of Valley Water facilities
- Fulfilling regulatory permit obligations
- Meeting Safe, Clean Water and Natural Flood Protection Program obligations
- Avoiding, minimizing, or mitigating impacts on the environment by identifying when maintenance work is necessary and incorporating stream stewardship measures to further reduce potential impacts and enhance conditions where possible
- Complying with city and county codes and state and federal regulations (e.g., Endangered Species Act)
- Assisting people, businesses, schools, and communities to prepare for, respond to, and recover from flooding through equitable and effective engagement
- Increasing the health and safety of residents countywide by reducing community flood risk

This plan, covering FY24-28, now includes progress updates on Project F8 and future asset rehabilitation needs; thus, the plan title is renamed to the WS O&M and AR Plan. It was previously titled, "Watersheds Operations and Maintenance Plan." Copies of past years' plans

Watersheds Infrastructure

To fulfill its mission, Valley Water constructs flood protection projects to protect homes, businesses, and infrastructure. Once those flood protection projects are completed, Valley Water's WS O&M Division conducts inspections and maintenance to ensure those projects and associated facilities continue to function as required. This work is carried out using best management practices to avoid, minimize, or mitigate potential environmental impacts, and, where possible, enhance habitat values.

- 294 miles of creeks (owned by Valley Water)
- 126 miles of levees (including both accredited and non-accredited levees)
- 44 miles of concrete-lined channels
- 3,000+ individual assets (e.g., drop structures, weirs, fish ladders, mitigation areas)

This map illustrates the various watersheds within the San Francisco Bay Area, color-coded to distinguish between different regions. The map includes the following labeled watersheds and features:

- Lower Peninsula Watershed** (Light Green): Located in the northwest, draining into San Francisco Bay.
- West Valley Watershed** (Light Orange): Located in the west-central area.
- Guadalupe Watershed** (Light Pink): Located in the central area, featuring several reservoirs including Stevens Creek, Lake Ranch, Vasona, Lexington, Guadalupe, and Almaden.
- Coyote Watershed** (Light Brown): Located in the east-central area, featuring the Anderson Reservoir.
- Uvas/Llagas Watersheds** (Dark Brown): Located in the southeast, featuring the San Felipe Lake.
- Drains to Alameda County** (Light Yellow): Located in the northeast, draining into the San Joaquin River.

Other labeled features include San Francisco Bay, Shoreline Lake, Calaveras Reservoir, Cherry Flat Reservoir, Bullhead Reservoir, Oak Springs Reservoir, Pacheco Lake, and various major highways (e.g., 101, 880, 580, 88, 87, 68, 92, 94).

Related Documents

Documents related to this Plan include:

- FY24-28 Capital Improvement Program (CIP): The CIP is a rolling five-year plan that identifies major capital improvements. This WS O&M and AR Plan discusses maintenance needs for improvements identified in the CIP. This Plan also identifies improvements that are included in WARP, which is a small capital improvement project, and may identify improvements as individual capital improvement projects in the future.
- FY24-28 Water Utility Operations and Maintenance Work Plan: The Water Utility Operations and Maintenance Plan is a rolling five-year plan that describes operations and maintenance activities for the Water Utility Operations and Maintenance Divisions for the next five years. It is similar to this WS O&M and AR Plan.
- FY24-33 Long-Term Forecast: The long-term forecast is prepared as the first step of the budget process each year to forecast future funding needs for operations projects. The operations projects' five-year forecasts provided in this report are taken from the long-term forecast data. This draft report is prepared using long-term forecast data and unfunded needs requests as of December 2022. Budget requests and unfunded needs are further evaluated throughout the budget processes through May 2023.
- FY24-FY25 Operating and Capital Budget: Valley Water's budget is produced each year to identify the planned operations and capital expenditures and funding sources for the coming and subsequent fiscal years. It provides an overview of both operations and capital expenses, as well as revenues, for the next two fiscal years. This WS O&M and AR Plan identifies operations expenditures that are included in the Operating Budget.
- 2016 Watersheds Asset Management Plan (AMP): The Watersheds AMP is a comprehensive plan that documents the current state and future needs of Valley Water's watersheds assets. The plan provides a high-level, 100-year forecast of asset maintenance activities, while this WS O&M and AR Plan provides more detail on the next five-year forecast. Ideally, the plan would be updated every 5 years.
- Stream Maintenance Program (SMP) Manual: The SMP Manual defines the overall routine stream maintenance program and describes the authorized avoidance measures, best management practices (BMPs), mitigation activities, and program management actions. The manual serves as a guide for performing much of the maintenance work described in this WS O&M and AR Plan, and helps inform the design, schedule, cost, and labor for O&M projects conducted under the SMP.
- Safe Clean Water Program (Measure S [2020]): The Safe, Clean Water Program is a long-term strategy to ensure continued water resources services in Santa Clara County. In November 2020, Santa Clara County voters approved Measure S, the renewed Safe, Clean Water Program and provide funding to ensure a seamless continuation of critical water resources-related services to the community. The renewed Safe, Clean Water Program provides funding, and in some instances increased funding, for various WS O&M efforts,

including vegetation control and sediment removal for capacity; vegetation management for access and fire safety; encampment cleanups; graffiti and litter removal, and management of riparian planting and invasive plant removal. It also includes funding for Project F8: Sustainable Creek Infrastructure for Continued Public Safety.

- Safe Clean Water Program 5-Year Implementation Plan for Fiscal Years 2024-2028: This plan describes how Valley Water will implement the Safe, Clean Water Program over the five-year period to deliver the Key Performance Indicators (KPIs) associated with various projects.

In addition, WS O&M and AR Plans from previous years are available starting in FY21-25 and provide additional context on the origins of this plan as well as additional detail on each WS O&M Division unit. Starting with the FY24-28 plan, the plan includes progress updates on Project F8 and future asset rehabilitation needs; thus, the plan is renamed to the WS O&M and AR Plan. It was previously titled, “Watersheds Operations and Maintenance Plan” or WS O&M Plan.

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II. OVERVIEW OF WATERSHEDS O&M ACTIVITIES

This section describes the types of Watersheds O&M activities conducted by Valley Water. There are more than 800 miles of creeks on the County valley floor; however, Valley Water only has right-of-way (ownership or easement) for 294 miles, which are maintained by Valley Water.

Valley Water has constructed flood protection projects on approximately 180 miles of creeks within the 294 miles of right-of-way. Maintaining these 180 miles of constructed and improved channels is a top priority for Valley Water. Valley Water also conducts many maintenance activities outside the limits of constructed projects but still within sections of Valley Water right-of-way. These may be performed for maintenance access, water quality, fire code compliance, erosion repair, and mitigation purposes.

Section III describes how this work is planned and executed through the Stream Maintenance Program (SMP) or as small capital improvement project work through WARP.

Watersheds O&M work includes:

- Sediment removal
- Bank erosion repair
- Levee maintenance
- Vegetation management
- Mitigation site maintenance
- Riparian planting
- Invasive plant management
- Trash and debris removal
- Installation of fisheries improvement projects
- Access road maintenance
- Weir, grade control structure maintenance
- Large woody debris management
- Fence repairs and graffiti removal
- Fish ladder maintenance
- Inspections, monitoring, and condition assessment
- Concrete channel lining repair
- Management of animal conflict

Valley Water identifies this maintenance work in four main categories: preventive, corrective, preventive maintenance repair, and deferred. Valley Water gives high priority to service requests that are generally preventive or corrective in nature. While Valley Water to balance community requests with other required corrective and preventive work activities, limited resources, time, and other factors often lead to deferrals and delays in planned maintenance. The four categories of maintenance are described below.

Preventive Maintenance: This is routine planned maintenance work to keep an asset at a required level of service and to reduce the likelihood of failure. It includes the maintenance of completed CIP flood protection projects. Project-specific maintenance guidelines or manuals guide preventive maintenance. In some instances, these manuals are developed in partnership with project sponsors, such as the Natural Resources Conservation Service (NRCS) and the U.S. Army Corps of Engineers (USACE). For example, the Uvas Creek Operations, Maintenance, Repair, Replacement and Rehabilitation Manual, issued by USACE, provides O&M staff with the information, guidance, and requirements for the proper operation and maintenance of the project.

Non-capital project preventive maintenance includes maintenance of all mitigation sites (riparian planting and invasive plant management), and routine maintenance required for instream flow conveyance, maintenance access, and fire code compliance.

Preventive maintenance responsibilities are projected to increase as more flood protection capital projects and updated maintenance guidelines are completed and turned over to the WS O&M Division. In addition, preventative maintenance responsibilities will likely increase after deferred maintenance projects have been addressed under WARP or Project F8.

Preventive Maintenance Repair: This is non-routine maintenance work that is identified and addressed proactively prior to failure instead of allowing the issue to progress and having to be addressed later by corrective maintenance. This work is first identified in the field during inspections, where it has been determined that a creek's ability to meet its level of service is compromised. Under preventive maintenance repair, infrastructure is repaired or rehabilitated after an issue is identified in the field, but prior to complete failure requiring Corrective Maintenance. Examples of preventive maintenance repair include repairing a creek bank or levee, removing sediment or vegetation, and maintaining Valley Water access roads to design conditions, all of which have been identified by previous inspections.

Corrective Maintenance: This is non-routine or unplanned maintenance. Under corrective maintenance, infrastructure is repaired or replaced after unexpected failure and the asset is no longer meeting its level of service. Examples of corrective maintenance include emergency repair of a creek bank or levee damaged from winter storms, emergency removal of fallen trees or trash and debris, and repair or replacement of damaged Valley Water fences, gates, and signs.

Weather events may prompt the need to perform corrective maintenance work. During heavy storms, vegetation and sediment washed down from areas upstream can restrict the flow of water, and, in some areas, cause a back-up, increasing the risk of flooding and/or bank erosion. WS O&M regularly monitors known "hot spots" for vegetation and debris buildups, and, where needed and safe to do so, takes action to remove these blockages and reduce the threat of localized flooding.

Deferred Maintenance: This is preventive or corrective maintenance that has been postponed to a future period for various reasons, such as limited availability of resources, constraints of existing regulatory permits, or managing the volume of public requests. Deferred maintenance is required to repair, restore, or rehabilitate infrastructure, and failure to do so would contribute to asset deterioration and, ultimately, asset impairment. This work is prioritized and accomplished subject to the availability of resources. Generally, a policy of continued deferred maintenance may result in higher costs, difficulty in obtaining required permits, infrastructure failure and, in some cases, health and safety implications. Deferred maintenance activities can include sediment removal, larger-scale instream vegetation or tree removal (not currently allowed under existing environmental documentation and regulatory permits) for flow conveyance, infrastructure repair and rehabilitation, and erosion repairs.

In addition to O&M activities, all units also provide O&M review of CIP flood protection projects and Community Projects Review Unit (CPRU) submittals, which may entail reviewing third-party projects adjacent to or on Valley Water right-of-way. The Watersheds Operations and

Maintenance Engineering Support Unit (298), Vegetation Field Operations Unit (295), and Watersheds Field Operations Unit (253) also provide for the creation of work orders to address identified deficiencies, and for addressing public requests made through Valley Water's online customer relationship management portal related to Watersheds' infrastructure.

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III. WORK PLANNING AND EXECUTION

This section describes the process for planning and executing the O&M activities described in Section II. The majority of Watersheds O&M activities are conducted under the Stream Maintenance Program (SMP). Some of this work is conducted as small capital projects under the WARP; depending on the nature of the work, the SMP may also provide coverage for WARP activities. It is noted the Watersheds O&M Division also provides support for Valley Water's Water Utility Enterprise (e.g., conducts maintenance work on raw water pipelines, percolation ponds, dams, canals, etc.). Additional information and corresponding funding related to this work is not included herein as this work is funded by the Water Utility Enterprise Fund.

The WARP project costs are not included in this plan as they are included in Valley Water's five-year CIP. In addition, Section IV describes recent efforts to augment these current processes and develop a program to holistically address creek maintenance needs.

Because of the dynamic nature of creek systems, it is challenging for Valley Water to provide specificity regarding future stream maintenance projects. For instance, an active rainy season could create more erosion- and sediment-related issues in creeks than a dry winter. In addition, it is not always clear what deficient sites can be taken on as maintenance projects by the WS O&M Division, or what sites might be clustered together and addressed via WARP.

Maintenance requirements and schedules are based on several factors, including Board policies, condition assessments, stream maintenance guidelines, commitments to federal project partners (NRCS, USACE), regulatory permit requirements, code compliance (county or city codes) and Safe, Clean Water Program commitments.

Stream Maintenance Program (SMP)

Valley Water performs preventive, corrective, preventive repair, and deferred maintenance activities under the SMP. SMP-2 is a 10-year program approved in 2013 by seven state and federal regulatory agencies and is set to expire in 2023. With a subsequent 10-year SMP program, SMP-3, currently in negotiation, Valley Water is seeking permit extensions for SMP-2 through 2026. SMP work is included in the fund forecasts in Section V.

WS O&M staff regularly inspects creeks and flood protection infrastructure such as levees, berms, and floodwalls. In April, staff finalizes a proposed work plan for the upcoming SMP work season. When generating this list of projects, staff analyzes and prioritizes hundreds of inspections/condition assessments where creek assets are at risk of not meeting their level of service. Staff also considers resource availability in the Field Operations Unit to construct within one SMP season (June to October), and ability for the Vegetation Field Operations Unit and others to conduct corresponding mitigation implementation and monitoring for associated impacts.

From June to October, after securing state and federal regulatory agencies' approval of the work plan, WS O&M staff perform maintenance activities in streams to remove sediment, manage vegetation, clear trash and debris, and stabilize eroded creek banks. Stream maintenance work also includes an integrated vegetation management program that provides many benefits, including removal of instream vegetation to maintain flow conveyance; upland vegetation

management to meet fire code compliance and sustain maintenance access; and native planting and invasive plant management to improve the ecological habitat of the riparian ecosystem. While much of this instream work takes place in the summer, stream maintenance is a year-round effort.

The WS O&M Engineering Support Unit designs SMP bank stabilization, sediment removal, and instream complexity mitigation projects, which are, in general, carried out by the Watersheds Field Operations Unit. The Vegetation Field Operations Unit performs instream vegetation removal, upland vegetation management, and riparian planting and invasive plant management mitigation projects.

Approximately 30 SMP bank stabilization and sediment removal projects are initiated by the WS O&M Engineering Support Unit each year. A list of proposed SMP projects for FY24 is provided in Appendix A. Vegetation-related SMP projects are not included in this list; the Vegetation Field Operations Unit performs hundreds of projects each year.

Watersheds Asset Rehabilitation Program (WARP)

To supplement WS O&M Division resources, stream maintenance work may also be performed through Valley Water's WARP, which was initiated as a small capital improvement project in Valley Water's Capital Improvement Program in 2013. With WARP, Valley Water seeks to address a backlog of asset rehabilitation projects determined to be either outside the scope of the SMP and/or identified as those which Valley Water would be better served having contractors undertake due to WS O&M Division resource limitations or the extent of work. The total project budget for WARP is approximately \$147 million (or \$177 million with inflation).

Each fiscal year, the WARP project list is reviewed and re-prioritized as needed based on field conditions and the risks associated with the consequences of watersheds asset failure. This list is included in Appendix B. As of 2022, 21 higher priority projects were completed out of 34 identified projects. WARP projects are typically carried out during the same annual work season as SMP work (generally, June 15 through October 15). Depending on the scope of a particular WARP project, the work may or may not be covered by the SMP. WARP planning and design work is led by Valley Water's Watersheds Design and Construction Unit #5, and WARP construction work is conducted by contractors. WARP work is conducted in close consultation with the WS O&M Engineering Support Unit and other units within the WS O&M Division.

While a list of WARP projects is provided for information, the WARP project costs are not included in the financial charts in this plan, as those projects are accounted for in Valley Water's Five-Year CIP.

Safe, Clean Water Project F8: Sustainable Creek Infrastructure for Continued Public Safety

To further supplement WS O&M Division resources and improve the effectiveness and cost-efficiency of current O&M management strategies, Valley Water recognized the need to address stream maintenance work from a holistic and geomorphic approach and identify asset

rehabilitation needs for past flood protection projects and creek infrastructure. This work, under Project F8, is led by the Asset Management Unit.

Some of the watershed assets currently on the deferred O&M maintenance list are within the limits of a few of the asset rehabilitation projects and therefore, may be addressed and funded by Project F8. The list of potential asset rehabilitation projects is included in Appendix C.

While a list of asset rehabilitation projects is provided for information, costs for asset rehabilitation projects are not included in the financial charts in this plan; such costs will be included after Valley Water's CIP validation process is completed for these potential projects.

Work Execution

Execution of the Watersheds O&M projects is predominantly performed through the following units, as described above:

- Watersheds Operations and Maintenance Engineering Support Unit (298)
- Operations and Maintenance Environmental Support Unit (297)
- Vegetation Field Operations Unit (295)
- Watersheds Field Operations Unit (253)
- Watersheds Design and Construction Unit #5 (336)

Additional technical support is provided by the following units that are all involved in the Project F8/WARP development:

- Business Support and Asset Management Unit (411)
- Watershed Stewardship and Planning Division (241)
- Hydrology, Hydraulics and Geomorphology Unit (296)

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IV. STRATEGIC PLANNING FOR FUTURE ASSET REHABILITATION: PROJECT F8 - SUSTAINABLE CREEK INFRASTRUCTURE FOR CONTINUED PUBLIC SAFETY

While the SMP and WARP have been successful in planning and executing necessary stream maintenance projects, Valley Water recognized the need to evaluate stream maintenance from a more strategic and holistic planning approach, as well as to identify asset rehabilitation needs for past flood protection projects. Consequently, Valley Water initiated a new project as part of the renewed Safe, Clean Water Program that voters approved in 2020. Under Project F8, the Sustainable Creek Infrastructure project, Valley Water is working to identify, prioritize, and implement needed asset rehabilitation projects. Asset rehabilitation work being investigated and identified as part of this project includes:

- restoring the level of service originally intended for flood protection infrastructure
- extending the life of flood protection infrastructure
- improving the reliability of flood protection infrastructure

Goal and Approach

The goal of Project F8 is to identify and prioritize asset rehabilitation needs and determine how to best address the issues through routine maintenance, small capital, or larger capital improvements. Some deficiencies are easily addressed through routine maintenance (e.g., trash and debris removal, fence and gate repairs, etc.); however, for more complex issues (e.g., erosion of a creek embankment or levee, compromised flow conveyance capacity beyond routine maintenance capabilities), addressing the root of the problem may require a small capital or capital improvement. Additionally, in many instances, the most effective solution is not clear, and a holistic planning effort or asset management plan is needed.

Similar to O&M projects, asset rehabilitation work includes restoring creek infrastructure to the level of service originally intended. The most apparent differences among O&M projects, WARP projects, and asset rehabilitation are typically the size, scope, and cost. Asset rehabilitation projects address systemic issues, restore the creek back to as-built or steady-state condition, and generally possess larger project footprints, higher costs, and longer design and construction schedules compared to conventional maintenance and WARP projects. In addition, these projects further extend the useful life of creek assets. For projects Valley Water typically identifies as needing more immediate attention, the WARP is employed. Asset rehabilitation projects are generally pursued when Valley Water determines there is time to spare for a more in-depth planning study. For an overview of the differences between WARP and Project F8, please refer to Table IV-1 below.

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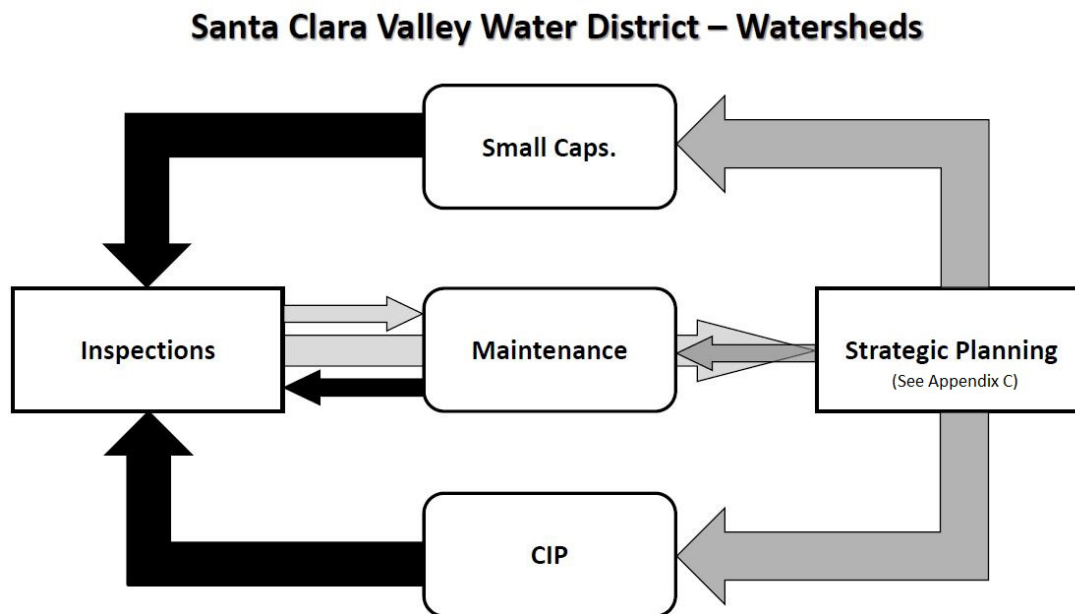
Table IV-1 Comparison of WARP and Project F8: Sustainable Creek Infrastructure for Continued Public Safety

Blue shaded boxes indicate a key purpose of the program	WARP	F8
O&M work beyond SMP limits	Yes	Yes
Asset Rehabilitation	Yes	Yes
Restoration of Existing Flood Level of Service (LOS)	Yes	Yes
Asset Management Plan or Planning Study	No	Yes
New Flood Protection LOS or Environmental Enhancement	No	No
Timing/Urgency	Quickest solution: Ideal for high-risk or already failed assets	Few years to construction: Ideal for moderate to high-risk assets that would benefit from a planning study
Typical Cost	\$1-\$19M	Over \$20M
Total Program Cost (uninflated)	Currently \$147M	\$372M, with \$60M potentially going to WARP

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The Project F8 approach is described further in the following Figure IV-1, as well as a draft workflow that includes detailed steps of strategic planning (box shown in Figure IV-1) provided in Appendix C.

Figure IV-1 Strategic Planning Approach



1. Light grey arrows (to the right): Inspections lead to maintenance (much of which is routine) but can or should also lead to strategic planning.
2. Dark grey arrows (to the left): Strategic planning, including identification and prioritization of assets, and preparation of implementable asset management plans, should result in recommendations that would either lead to conducting work via routine maintenance, small caps., or a new CIP.
3. Black arrows (to the left): Once any of these three efforts (maintenance, small caps, CIP) are done, inspections should be undertaken.

Work Completed

Over the past two years, Valley Water has analyzed approximately 85 creeks to identify creek asset rehabilitation needs and has further evaluated 20 individual creeks to determine how to best address those needs, either through routine maintenance, a small capital project through the WARP program, or as a new capital project. For approximately eight (8) creeks where the solution is not clear, or the creek could benefit from a holistic planning approach, Valley Water will develop asset management plans to help identify the most effective rehabilitation strategy.

An initial analysis for each creek was done using inspection records from the last five years and prioritized based on business risk exposure (BRE). BRE is a standard asset management metric used to quantify the nature and level of exposure an organization is likely to confront through a potential failure of an asset or group of assets. The BRE score is a product of an asset's probability of failure and the consequence of failure. The probability of failure score is

determined during inspections based on the asset's maintenance guidelines and the consequence of failure score is based on the asset's level of service, adjacent properties and geography, financial impact, environmental impact, and safety.

Following the initial analysis, which resulted in a prioritized list of high-risk creek reaches, a more detailed analysis of each creek is being conducted to determine if issues can be addressed through maintenance, or if a more substantial small or individual capital project is needed. Valley Water has conducted this more detailed analysis on 20 creeks, and the preliminary results are discussed below. Analysis of the remaining creeks is ongoing.

The initial and following detailed creek analysis was conducted through regular meetings of staff from the Watersheds Operations and Maintenance Engineering Support Unit (298), Vegetation Field Operations Unit (295), Hydrology, Hydraulics, and Geomorphology Unit (296), Watersheds Stewardship and Planning Division (241), Environmental Mitigation and Monitoring Unit (244), Watersheds Small Capital Design and Construction Unit #5 (336), and Asset Management Unit (411). During these regular project meetings, the workflow discussed above and provided in Appendix C was used to help the team determine if a creek asset (or group of assets) is due for capital improvement, rehabilitation, maintenance, and/or an updated asset management plan.

Preliminary Results

A working list (draft) of asset rehabilitation work identified so far through Project F8 is provided in Appendix D. This list is preliminary and will continue to be refined over time.

Based on analysis so far, the magnitude of future watersheds asset rehabilitation work is estimated at \$372 million. This estimated cost is preliminary and will be refined over the next few years. The work may be phased over 10 to 30 years as funding becomes available. Some of the asset rehabilitation projects identified through this effort may be funded by Project F8, which is allocated \$15 million over 15 years (FY22-36) (half funded by the Safe, Clean Water Fund and half by the Watershed and Stream Stewardship Fund), and/or by the WARP small capital improvement project, which is currently funded at approximately \$7.5 - \$8 million per year. Valley Water will also be pursuing available grant funding. It is likely that the magnitude of future work will exceed available funding in some future years.

To this end, some next steps have been taken, as listed below:

- A business case report was submitted to the capital improvement program to initiate new capital projects for San Tomas Creek Aquino Creek to address high-priority issues.
- A decision was made to develop a business case report to create a new F8 implementation capital project in which work resulting from Project F8 analyses can be executed.
- Evaluating small capital improvement options for Regnart, Randol, Adobe, and Barron creeks to be undertaken under WARP.
- An asset management plan is in progress for Stevens Creek.
- It was determined that asset management plans will be beneficial prior to asset rehabilitation project planning for 7 creeks: Matadero Creek, Sunnyvale East and West Channels, Calabazas, Permanente, San Francisquito, and Thompson creeks.

V. FIVE YEAR OPERATIONS FORECASTS

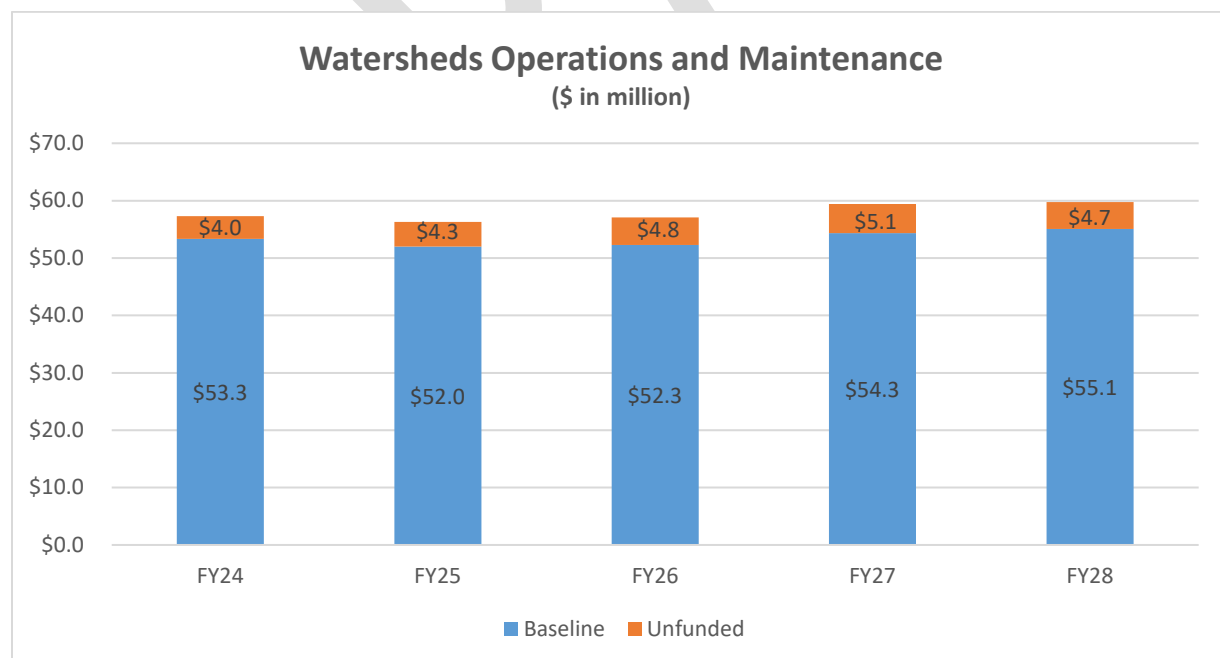
This section provides an overview of the expected operations expenses and unfunded needs for the operations and maintenance activities conducted by the WS O&M Division for the next five fiscal years. The types of activities budgeted in the projects presented in this section are described in Section II. Note that the forecasts do not include O&M activities conducted under WARP.

The financial information provided in this section was taken from the forecast data for FY24 and FY25 collected as part of the budget process. The FY24 and FY25 budget requests and unfunded needs will be evaluated throughout the budget process through May 2023. The plan is finalized following the Board adoption of Valley Water's budget. The final plan will document the budgeted amounts for each project for FY24, planned amounts for FY25, as well as any remaining unfunded needs following the budget process.

The sections below provide an overview of the WS O&M Division units, as well as tables and charts that summarize expected operations expenses and unfunded operations resource needs for FY24-28. The term 'baseline' refers to activities that provide current service levels and are assumed to be funded in fund forecasts prepared by Valley Water's Financial Planning and Management Services Division.

A summary of the five-year forecasts of funding for current service levels as well as future resource requirements which are not yet funded for the WS O&M Division is shown in the chart below. Unit-specific information is provided in the following sections.

Figure V-1 FY2024-28 Projected Resource Requirements for WS O&M Division



Note: Data as of December 2022

The WS O&M Division has identified additional unfunded needs of \$22.8 million for the next five years to support the growing workload of vegetation field operations, encampment clean up, increased creek erosion repair work, the Saratoga Creek Hazard Tree Removal and Restoration project, SMP permit compliance, and the upcoming Valley Habitat Plan reopening and associated fees. It is important to note that in addition to these unfunded needs, additional asset rehabilitation needs identified through Project F8 are not funded. As a high-level estimate, staff estimates the current list of projects will cost \$372 million, which will be further refined through Project F8 as described in Section IV.

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Watersheds O&M Engineering Support Unit (298)

The WS O&M Engineering Support Unit is responsible for conducting creek and levee inspections, preparing work orders, and providing engineering support for operations and maintenance activities for streams, levees, and other watersheds assets within Santa Clara County over which Valley Water has responsibility. This work supports the flood protection and watersheds stewardship components of Valley Water's mission.

This unit updates stream maintenance guidelines and carries out general engineering planning to support the watersheds operation and maintenance activities throughout the county. Stream maintenance guidelines are vital to ensuring that Valley Water continues to provide flood protection to the community while complying with regulatory permits. The guidelines inform when a modified creek facility requires routine maintenance work, such as sediment removal, vegetation management, rodent control measures, and road repairs, among other work activities, to provide the levels of service intended by the original construction of the facility and to ensure the functionality of designed project elements.

Engineering and inspection support includes preliminary development of planning for projects, working with municipalities and other entities, pre-project planning, developing environmental documentation and acquiring permits for non-Stream Maintenance Program (non-SMP) projects, and managing Pond A8 activities resulting from requirements under an agreement with the U.S. Fish and Wildlife Service (USFWS). This unit also supports the watersheds strategic planning and analysis efforts as part of Project F8, and this is reflected in the long-term forecast.



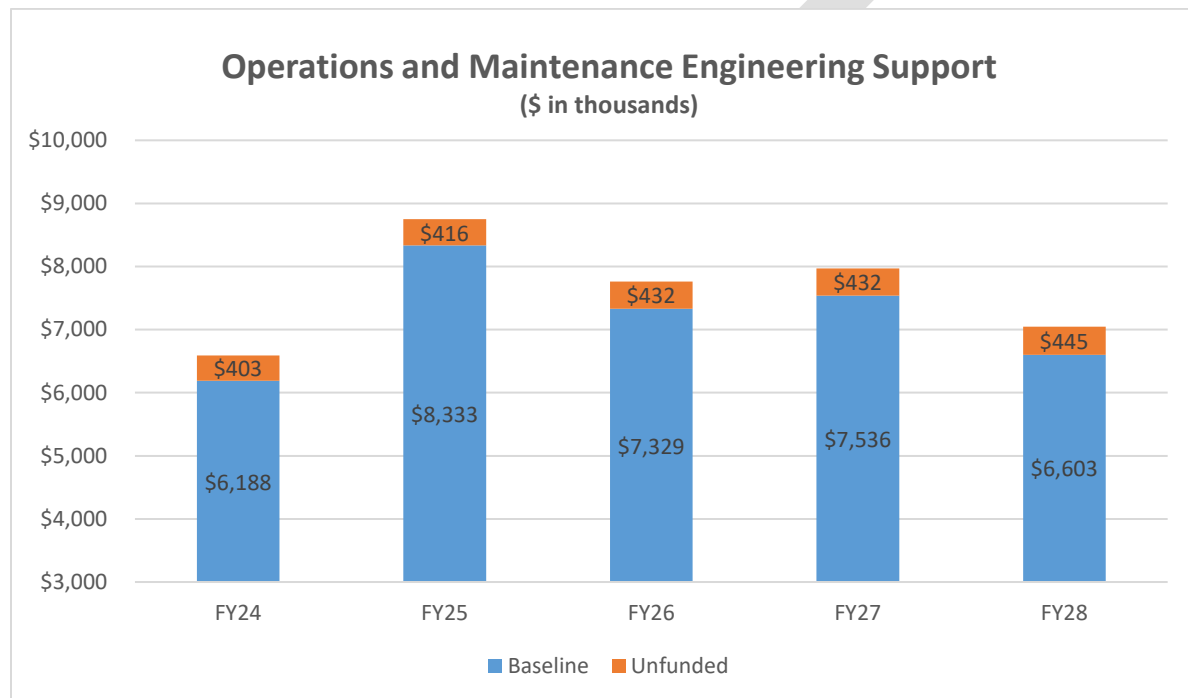
Staff measuring extent of bank erosion along Calabazas Creek

In addition, this unit provides for regular inspection and documentation of watersheds infrastructure, such as flood protection structures (such as levees, floodwalls, berms), streams, and banks, to determine maintenance required and ensure those assets are safe and maintained to their design conditions. The unit inspects USACE-constructed flood protection projects along sections of Guadalupe River, Coyote Creek, and Uvas Creek, and the NRCS-constructed Lower Llagas Creek Flood Protection Project. As the local sponsor for these projects, Valley Water is responsible for maintaining these facilities for flood protection.

Creek inspection work is expected to grow in the coming years as capital flood protection projects are completed and turned over to the WS O&M Division for inspection and maintenance.

In addition, the unit assists with reviews of flood-related emergency action plans and is integral in overseeing related field information team (FIT) efforts.

Figure V-2 FY2024-28 Projected Resource Requirements for Watersheds O&M Engineering Support



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Table V-1 Projected Resource Requirements by Projects for Watersheds O&M Engineering Support

Operations and Maintenance Engineering Support (\$ in thousand)
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Program	Project Number(s)	FY22 (Actuals)	FY23 (Adopted)	FY24	FY25	FY26	FY27	FY28
Watersheds O&M Engineering and Inspection Support	62021009	\$1,820	\$1,839	\$2,013	\$2,505	\$2,597	\$2,677	\$2,756
Watersheds Maintenance Guideline Update	62042050	\$737	\$974	\$984	\$0	\$0	\$0	\$0
Watershed Facility Condition Assessment	62761024	\$2,015	\$2,559	\$2,754	\$2,890	\$2,991	\$3,098	\$3,184
Non SMP Vegetation Removal for Conveyance	62761080	\$6	\$328	\$437	\$2,937	\$1,741	\$1,762	\$662
		\$4,577	\$5,699	\$6,188	\$8,333	\$7,329	\$7,536	\$6,603

Table V-2 Additional Resource Needs (Unfunded) for Watersheds O&M Engineering Support

Operations and Maintenance Engineering Support (\$ in thousand)						
Program	Project Number(s)	FY24	FY25	FY26	FY27	FY28
Watersheds O&M Engineering and Inspection Support	62021009	\$403	\$416	\$432	\$432	\$445
		\$403	\$416	\$432	\$432	\$445

The projected additional resource needs over the next five years FY24-28 are estimated at \$2.1 million for a Senior Engineer position to better understand, prioritize, and manage the growing workload of vegetation field operations work. For the past several years, the need for vegetation management within Valley Water's creeks and watersheds has significantly increased due to higher turnover of CIP projects to O&M and an overall increased workload. In addition to updated environmental permits and regulations, the removal of vegetation has required more engineering analysis and justification to determine the best approach to remove vegetation of specific sizes and species, to continue to meet levels of service, and minimize damage to infrastructure. To keep up with the growth of other units within this division, this position will ensure engineering justification for the work is more completely implemented, work moves smoothly, and resources are allocated effectively when performing vegetation management.

This position will also assist with O&M review of CIP flood protection projects and CPRU submittals.

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Watersheds Field Operations Unit (253)

The Watersheds Field Operations Unit is responsible for the coordination and management of field construction and O&M activities (noted in section II) within the WS O&M Division, coordination of emergency response services, and monitoring of safety procedures.

One of the many O&M activities that this unit is responsible for is maintaining all Watersheds assets to design capacity to allow stormwater to flow through the creeks as designed. High and/or sustained flows can cause extensive damage to creek banks or levees, while sediment buildup can restrict the flow of water, increasing the risk of flooding. To allow water to flow through the creeks as designed, Valley Water removes sediment, manages vegetation, and repairs banks and levees. This effort also helps ensure that Valley Water meets the requirements identified in the Safe, Clean Water Program's Project F1: Vegetation Control and Sediment Removal for Capacity. When specific criteria are met, the removed sediment may also be reused to support the South Bay Salt Pond Restoration project or other environmental enhancement and restoration projects under the Safe, Clean Water Program's Project D3: Sediment Reuse to Support Shoreline Restoration. These operations are expected to grow as new capital flood protection projects are completed and turned over to the WS O&M Division for inspection and maintenance.

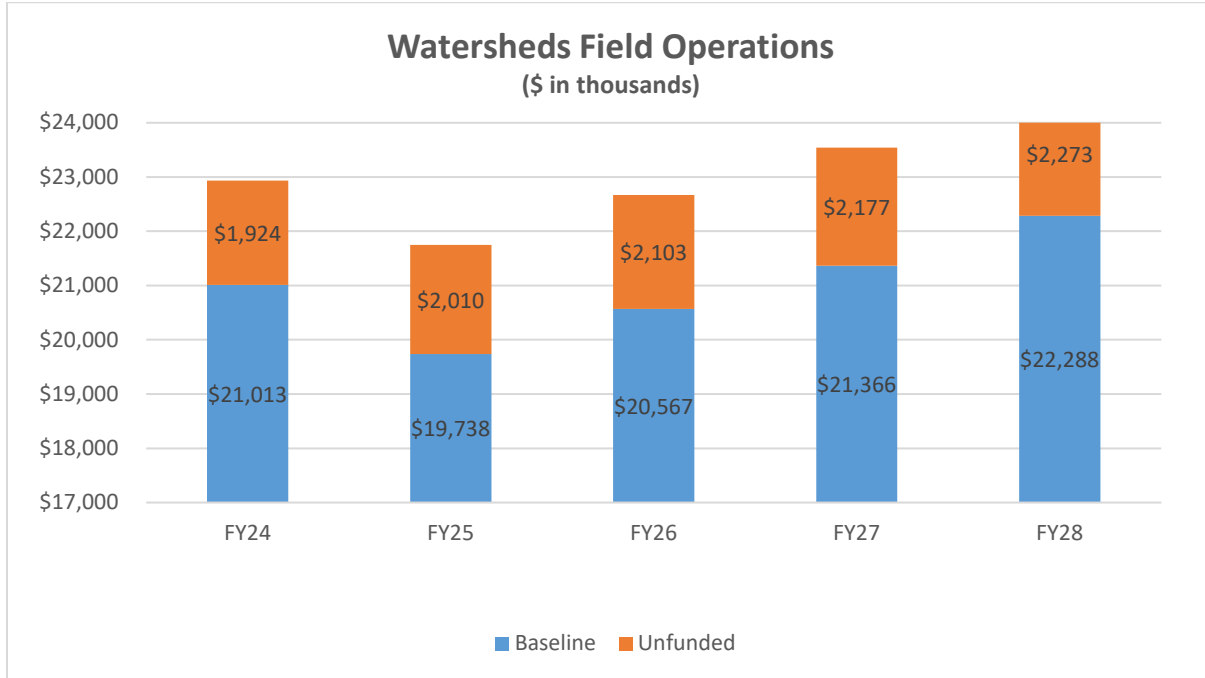


Sediment removal activities

In addition to maintaining WS projects, this unit is also responsible for several other programs and general maintenance of Valley Water properties and facilities under watersheds such as debris removal, encampment clean up (supported by the Safe, Clean Water Project F5: Good Neighbor Program: Encampment Cleanup), Pond A4 operations, graffiti and litter removal (supported by the Safe, Clean Water Program's Project F6: Good Neighbor Program: Graffiti and

Litter Removal and Public Art), and other general field maintenance such as access road repairs, fence repair and installation, and sign installation.

Figure V-3 FY2024-28 Projected Resource Requirements for Watersheds Field Operations



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Table V-3 Projected Resource Requirements by Projects for Watersheds Field Operations

Watersheds Field Operations (\$ in thousand)								
Program	Project Number(s)	FY22 (Actuals)	FY23 (Adopted)	FY24	FY25	FY26	FY27	FY28
WS Good Neighbor Maintenance	00761022	\$1,692	\$2,059	\$1,864	\$1,422	\$1,480	\$1,536	\$1,592
Watershed Sediment Removal	00761023	\$3,798	\$6,778	\$6,878	\$6,931	\$7,248	\$7,567	\$8,025
D3 SCW Sediment Reuse to Support Shoreline	26441003	\$202	\$277	\$284	\$237	\$244	\$251	\$259
Encampment Cleanup Program	26771027	\$2,218	\$2,407	\$2,626	\$2,646	\$2,761	\$2,846	\$2,961
Pond A4 Operations	62761009	\$38	\$107	\$126	\$108	\$113	\$142	\$123
General Field Maintenance	62761025	\$2,709	\$3,655	\$2,917	\$2,434	\$2,521	\$2,598	\$2,675
Watershed Debris Removal	62761026	\$1,523	\$1,797	\$1,615	\$1,632	\$1,695	\$1,751	\$1,808
Watershed Erosion Protection	62761027	\$4,472	\$4,052	\$3,881	\$3,516	\$3,661	\$3,800	\$3,941
Watershed Levee Maintenance	62761028	\$1,138	\$844	\$821	\$812	\$843	\$873	\$904
		\$17,789	\$21,975	\$21,013	\$19,738	\$20,567	\$21,366	\$22,288

Table V-4 Additional Resource Needs (Unfunded) for Watersheds Field Operations

Watersheds Field Operations (\$ in thousand)						
Program	Project Number(s)	FY24	FY25	FY26	FY27	FY28
Encampment Cleanup Program	26771027	\$1,267	\$1,321	\$1,379	\$1,417	\$1,475
Watershed Erosion Protection	62761027	\$656	\$689	\$724	\$760	\$798
		\$1,924	\$2,010	\$2,103	\$2,177	\$2,273

The projected additional resource needs over the next five years FY24-28 are estimated at \$2.27 million. Part of this need will support encampment trash and debris clean up, and thus, reduce the number of public complaints and minimize the amount of trash and debris entering our waterways. The unfunded needs also include requests for additional labor and resources to repair erosion issues within creeks throughout the county and the increased costs for sediment removal dumping costs as testing standard for reuse on site have become much more restricted.

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Vegetation Field Operations Unit (295)

The Vegetation Field Operations Unit is responsible for the coordination and management of integrated vegetation management programs, riparian planting and invasive plant management mitigation projects, hazard tree program, and the sandbag program county-wide, including capital projects and water utility sites.

This unit supports Valley Water meeting the requirements identified in the Safe, Clean Water Program's Project D1: Management of Riparian Planting and Invasive Plant Removal. This project provides for the maintenance and management of existing and future revegetation projects throughout the county to ensure that Valley Water meets its regulatory requirements. Revegetation sites provide mitigation to compensate for impacts to habitat from flood protection and maintenance projects.

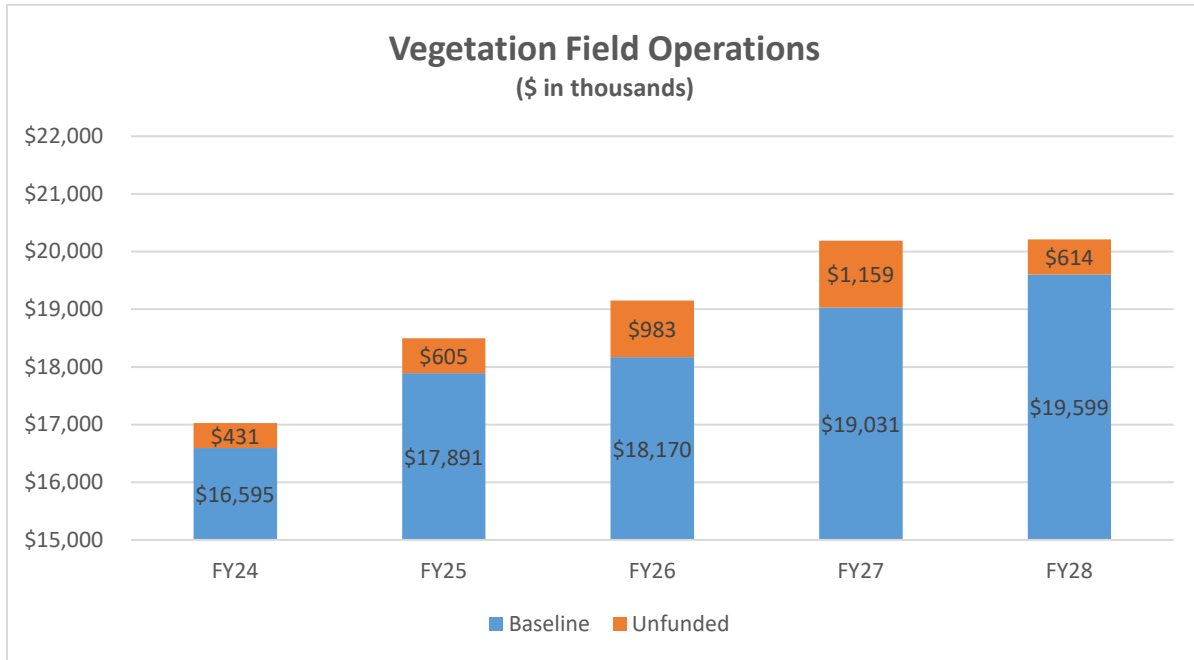
In addition, Project D1 provides for removing non-native invasive plants to mitigate for temporary impacts generated from SMP activities on various riparian corridors throughout the county. It is a required mitigation condition of USACE, USFWS, and California Department of Fish and Wildlife (CDFW) permits for the SMP, which is critical to preserving the flood conveyance capacity as well as maintaining the integrity of Valley Water's flood protection projects and the health of the stream corridors.

The Vegetation Field Operations Unit also supports a variety of other programs that include instream vegetation removal for flow conveyance, vegetation maintenance for access and fire safety (supported by Safe Clean Water Program's projects F1: Vegetation Control & Sediment Removal for Capacity and F4: Vegetation Management for Access and Fire Safety), watersheds hazard tree removal, and sandbags.



Pictured: Invasive species removal along Coyote Creek in San José

Figure V-4 FY2024-28 Projected Resource Requirements for Vegetation Field Operations



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Table V-5 Projected Resource Requirements by Projects for Vegetation Field Operations

Vegetation Field Operations (\$ in thousand)								
Program	Project Number(s)	FY22 (Actuals)	FY23 (Adopted)	FY24	FY25	FY26	FY27	FY28
Revegetation Project Management	761075	\$2,361	\$3,818	\$3,545	\$4,123	\$4,293	\$4,875	\$5,136
Invasive Plant Management	62761006	\$1,296	\$2,424	\$2,460	\$2,562	\$2,650	\$2,730	\$2,811
Stream Capacity Vegetation Con	26771067	\$2,206	\$3,344	\$3,306	\$3,693	\$3,819	\$3,936	\$4,053
Vegetation Management for Access	00761078	\$4,889	\$4,421	\$4,453	\$4,687	\$4,849	\$4,998	\$5,123
Tree Maintenance Program	00762011	\$820	\$1,148	\$1,280	\$1,347	\$1,394	\$1,437	\$1,480
Drought Induced Tree Removal	60061058	\$1,352	\$1,779	\$1,002	\$899	\$568	\$440	\$363
Sandbag Program	62761008	\$474	\$576	\$548	\$579	\$597	\$615	\$633
		\$13,398	\$17,509	\$16,595	\$17,891	\$18,170	\$19,031	\$19,599

Table V-6 Additional Resource Needs (Unfunded) for Vegetation Field Operations

Vegetation Field Operations (\$ in thousand)						
Program	Project Number(s)	FY24	FY25	FY26	FY27	FY28
Drought Induced Tree Removal	60061058	\$431	\$605	\$983	\$1,159	\$614
		\$431	\$605	\$983	\$1,159	\$614

The projected additional resource needs over the next five years FY24-28 are estimated at \$3.8 million due to a contractor bid coming in unexpectedly high for the Saratoga Creek Hazard Tree Removal and Restoration project. The increase in the bid from the original requested amount is due to multiple factors, including inflation, time in between award of contract to design, etc.

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Operations and Maintenance Environmental Support Unit (297)

The Operations and Maintenance Environmental Support Unit is responsible for managing Valley Water's SMP, implementing Instream Habitat Complexity projects, and providing additional Water Utility field operations support.

This unit coordinates routine maintenance activities under the SMP, including sediment removal, vegetation management and bank protection. The goal is to ensure activities are carried out in compliance with various regulatory permits and in a manner that minimizes environmental impact to the stream systems. Instream Habitat Complexity projects are an SMP-2 requirement, compelling Valley Water to conduct gravel augmentation and/or large woody debris (LWD) projects in each of the five watersheds--Coyote, Guadalupe, Lower Peninsula, Pajaro and West Valley. Based on the Board-adopted budget for FY23 and FY24, two new efforts will commence and be led by this unit – the Evelyn Avenue Fish Ladder Rehabilitation Project and the SMP portion of reopening the Valley Habitat Plan (VHP).



Pictured: Stevens Creek streambed restoration

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Figure V-5 FY2024-28 Projected Resource Requirements for SMP Management

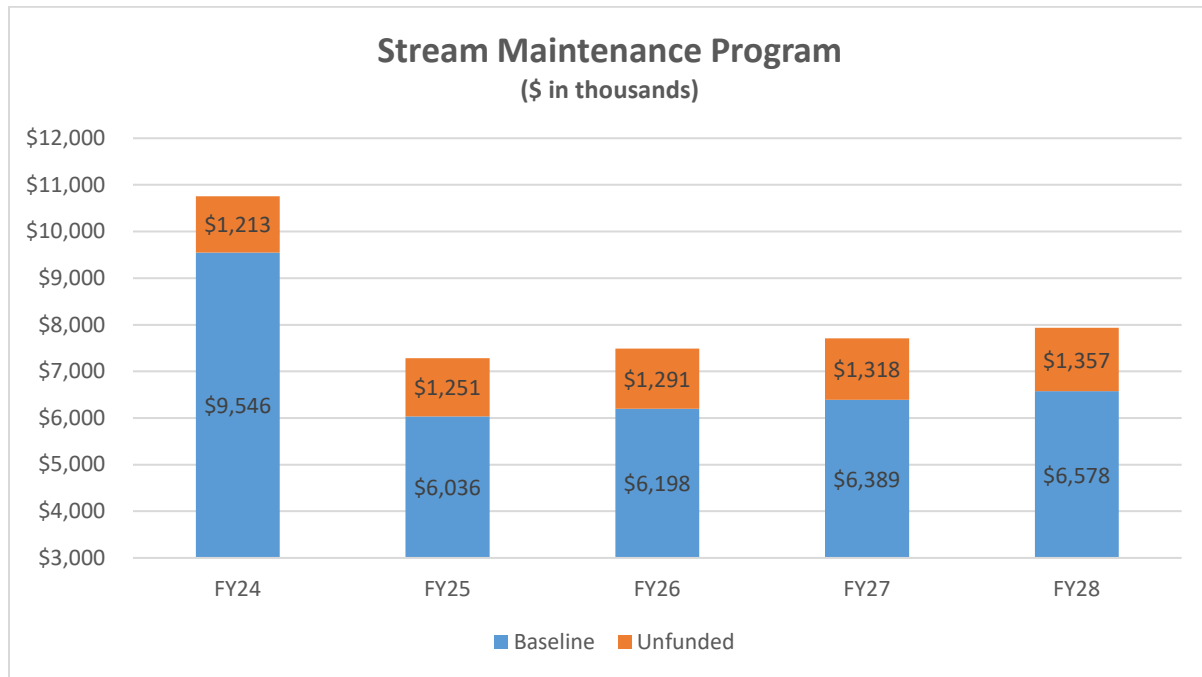


Table V-7 Projected Resource Requirements by Projects for SMP Management

Stream Maintenance Program (\$ in thousand)								
Program	Project Number(s)	FY22 (Actuals)	FY23 (Adopted)	FY24	FY25	FY26	FY27	FY28
Stream Maintenance Program Management	00041022	\$4,768	\$4,512	\$4,848	\$5,065	\$5,244	\$5,406	\$5,566
Instream Habitat Complexity	62181006	\$262	\$1,311	\$3,947	\$183	\$137	\$141	\$146
Field Operations Support	62061029	\$647	\$707	\$751	\$787	\$816	\$842	\$866
Water Resources Environmental Planning and Permitting	00741042	\$1,976	\$1,929	\$3,475	\$2,448	\$2,536	\$2,614	\$2,691
		\$5,678	\$6,530	\$9,546	\$6,036	\$6,198	\$6,389	\$6,578

Table V-8 Additional Resource Needs (Unfunded) for SMP Management

Stream Maintenance Program (\$ in thousand)						
Program	Project Number(s)	FY24	FY25	FY26	FY27	FY28
Stream Maintenance Program Management	00041022	\$544	\$561	\$581	\$586	\$603
Instream Habitat Complexity	62181006	\$670	\$690	\$710	\$732	\$754
		\$1,213	\$1,251	\$1,291	\$1,318	\$1,357

The projected additional resource needs over the next five years from FY24-28 is estimated at \$6.4 million. This covers the request for an Assistant Water Resources Specialist II to support the Stream Maintenance Program permit compliance and the VHP reopening and annual fees to support mitigating the SMP-3. The unit also requested an Assistant Environmental Planner II position to support environmental review and permitting services for operations and maintenance activities. However, this effort would support the Water Utility Enterprise, and thus, is not included in the unfunded needs for this WS O&M and AR Plan.

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VI. CONCLUSION

In this FY24-28 WS O&M and AR Plan, an immediate need is identified for an additional \$22.8 million of funding for the WS O&M Division that would provide resources for engineering support and analysis for vegetation management, encampment clean up, increased creek erosion repair work, the Saratoga Creek Hazard Tree Removal and Restoration project, SMP permit compliance, and the upcoming Valley Habitat Plan reopening and associated fees.

In addition to the immediate O&M need, additional asset rehabilitation needs are currently estimated at approximately \$372 million. This estimated cost is preliminary and will be refined over the next few years. The work may be phased over 10 to 30 years as funding becomes available. Some of the asset rehabilitation projects identified through this effort may be funded by Project F8, which is allocated \$15 million over 15 years (FY22-36) (half funded by the Safe, Clean Water Fund and half by the Watershed and Stream Stewardship Fund), and/or by the WARP small capital improvement project, which is currently funded at approximately \$7.5-\$8 million per year. Valley Water will also be pursuing grant funding. It is likely that the magnitude of future work will exceed available funding in some future years.

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VII.APPENDIX A – 2023 SMP PROJECTS

To be determined for Final Draft in May 2023.

2023 SMP Project List*								
Item	Watershed	Creek / Facility	Work Type	Location	Sta (From)	Sta (To)	Length (Feet)	Project Type

2023 SMP Project List*								
Item	Watershed	Creek / Facility	Work Type	Location	Sta (From)	Sta (To)	Length (Feet)	Project Type

* This is SMP work anticipated to be conducted in 2023 (FY24). While Valley Water will make every effort to undertake these projects, work may not be conducted for multiple reasons, including delays in receipt of regulatory agencies' approvals, wildlife considerations, unforeseen site conditions, and unavailability of resources, among other circumstances.

VIII. APPENDIX B – WARP PROJECT LIST (IN PROGRESS & PLANNED)

Small Caps/WARP Project List						
Creek	Location	Work type	Planning	Design	Construction ⁱ	Cost Estimate ⁱⁱ
Uvas	Miller Ave. to end of levee	ERO	FY18	FY18, FY19	FY19, FY20	N/A
Calabazas	Miller Ave. to Bollinger Rd.	ERO	FY18, FY19	FY19, FY20	FY22, FY23	\$18 million
Guadalupe River	at San Carlos St.	ERO (gabion repair)			TBD	\$1 million
Guadalupe River	at Blossom Hill Rd.	ERO (gabion repair)	FY22	FY22, FY23	FY23	\$1 million
Guadalupe River	at Malone Rd.	ERO (retaining wall repair)	FY22	FY22, FY23	FY23	\$2 million
Calabazas	Vallco Pkwy. to Stevens Creek Blvd. / Finch Ave.	ERO (RCB repair), SED	FY22	FY22, FY23	FY23	\$1 million
Coyote	Hwy. 237 to Tasman Dr.	ERO (levee repair)	FY22	FY22, FY23	FY23	\$2.25 million
Permanente	Mountain View Ave. to Park Ave.	ERO (concrete U-frame wall repair)	FY21, FY22			\$6 million
Hale	Arboleda Dr. to Rosita Ave.	ERO (concrete U-frame wall repair)				\$1 million
Regnart	Union Pacific Railroad to Bubb Rd.	ERO	FY22, FY23	FY23		\$8 million
Randol	u/s Camden Ave.	Restore LOS, levee rehabilitation				\$850,000

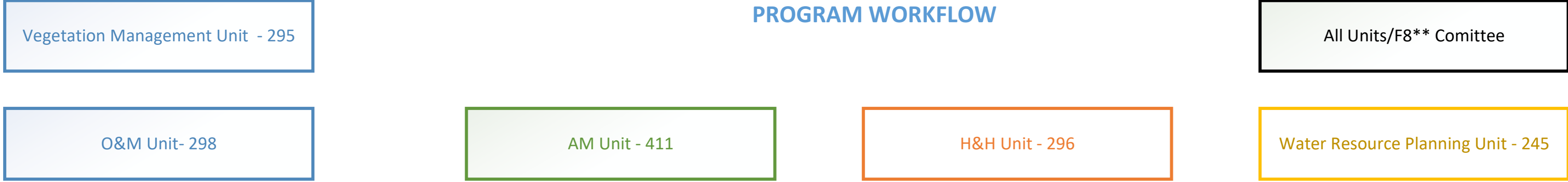
Small Caps/WARP Project List						
Creek	Location	Work type	Planning	Design	Construction ⁱ	Cost Estimate ⁱⁱ
Coyote ⁱⁱⁱ	u/s Julian St.	ERO	FY23	FY23, FY24	FY24	\$8 million
Llagas	d/s Bloomfield Ave.	ERO (levee)				\$200,000

- i. Construction FY refers to the fiscal year in which the project is awarded for construction and funds are encumbered (e.g., FY24 means project would be awarded, say, in spring 2024, with construction to start in summer 2024 (FY25).
- ii. Conceptual, high-level cost estimate and is subject to change.
- iii. Project may be subject to cost-sharing agreement with other(s).

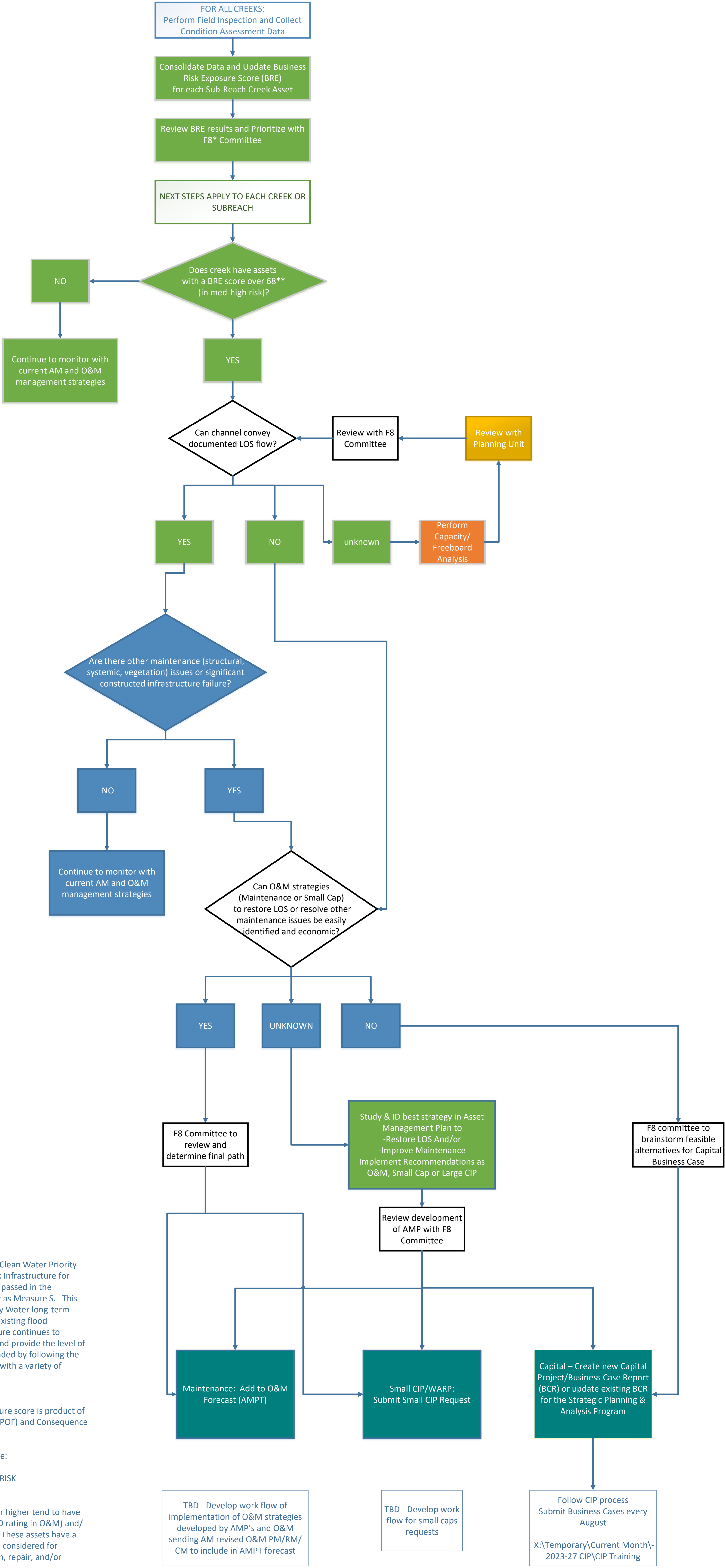
IX. APPENDIX C – WATERSHEDS STRATEGIC PLANNING WORKFLOW

DRAFT

SCI F8 - WATERSHED STRATEGIC PLANNING
PROGRAM WORKFLOW



FREQUENCY OF WORKFLOW PROCESS (2020): 5 CREEKS EVERY MONTHS TO BE ANALYZED, REVIEWED, AND PRIORITIZED BY WATERSHED UNITS
FUTURE GOAL: FREQUENCY TO REDUCE TO BI-ANNUALLY WITH UPDATED RISK SCORES AND PRIORITIZATION



X. APPENDIX D – ASSET REHABILITATION PROJECT LIST

Asset Rehabilitation Project List				
Creek or Project Name	Location	Asset Rehabilitation Notes	Approximate Length	Cost Estimate ⁱ
San Tomas Aquino ⁱⁱ	Bay to Tasman Dr. d/s Williams Rd. and u/s Smith Creek confluence Westmont Ave. to Wildcat Creek confluence	Aging concrete and modified levees and banks	2 miles	\$60 million
Stevens ⁱⁱⁱ	Crittenden Ln. to I-280	Aging concrete and modified levees and deferred creek improvements ^{iv}	3 miles	\$100 million
Adobe	d/s Charleston Rd. to Bay Barron Creek confluence to Louis Rd.	Culvert rehabilitation below Hwy. 101 Aging concrete, levee, and banks	3.6 miles	\$20 million
Berryessa	Montague Expwy. to I-680 to Sierra Creek confluence (concrete) Morrill Ave. to Messina Dr. (concrete) Messina Dr. to u/s Cropley Ave. (natural)	Aging concrete and modified banks	2.5 miles	\$1 million
Lower Coyote	McCarthy Blvd. to Montague Expwy.	Eroding banks/levees with rodent damage	3.5 miles	\$30 million
Barron	Adobe Creek confluence to Louis Rd.	Aging concrete and eroding banks with rodent damage	0.5 miles	\$20 million
Calabazas	Old Mountain View Rd. to Hwy 101	Aging concrete floodwalls and banks	1.5 miles	\$30 million
Permanente	Shoreline Amphitheater to Hwy 101	Eroding banks with rodent damage	0.5 mile	\$7 million

Asset Rehabilitation Project List				
Creek or Project Name	Location	Asset Rehabilitation Notes	Approximate Length	Cost Estimate ⁱ
Matadero	SF Bay to Middlefield Rd.	Aging concrete and eroding banks with rodent damage	2.7 miles	\$6 million
San Francisquito	d/s of Friendship Bridge	Eroding banks with rodent damage	0.6 mile	\$7 million
Thompson	Lower Silver Creek confluence to Quimby Creek	Asset Management Plan or geomorphic study to address eroding banks and sediment build-up	1.1 miles	\$25 million
Ross	Kirk Rd. to Camden Ave. Union Ave. to Camino del Cerro	Erosion and potential hydraulic improvements	1.5 miles	\$11 million
Canoas	Guadalupe River confluence to Hillsdale Dr.	Erosion and potential hydraulic improvements	1.6 miles	\$50 million
Creek in Pipe Program	Inspection and maintenance of creek in underground pipe and culverts county-wide	Preventive maintenance of creek in pipe	N/A	\$5 million
Rodent Control Bank/Levee Program	Address rodent damage on creek banks county-wide	Levee/banks with rodent damage	N/A	TBD
			TOTAL	\$372 million

- i. Conceptual, high-level cost estimate and is subject to change.
- ii. A business case report for a Capital Improvement Planning Study and Project for San Tomas Aquino Creek was submitted in FY22 but not validated. The Sustainable Infrastructure project team will revise and resubmit in FY24.
- iii. The Sustainable Infrastructure project team determined that the appropriate next step for Stevens Creek is to move forward with preparation of an updated asset management plan to develop the most sustainable and economic management strategies.
- iv. Improvement indicates an element that was omitted from original construction.

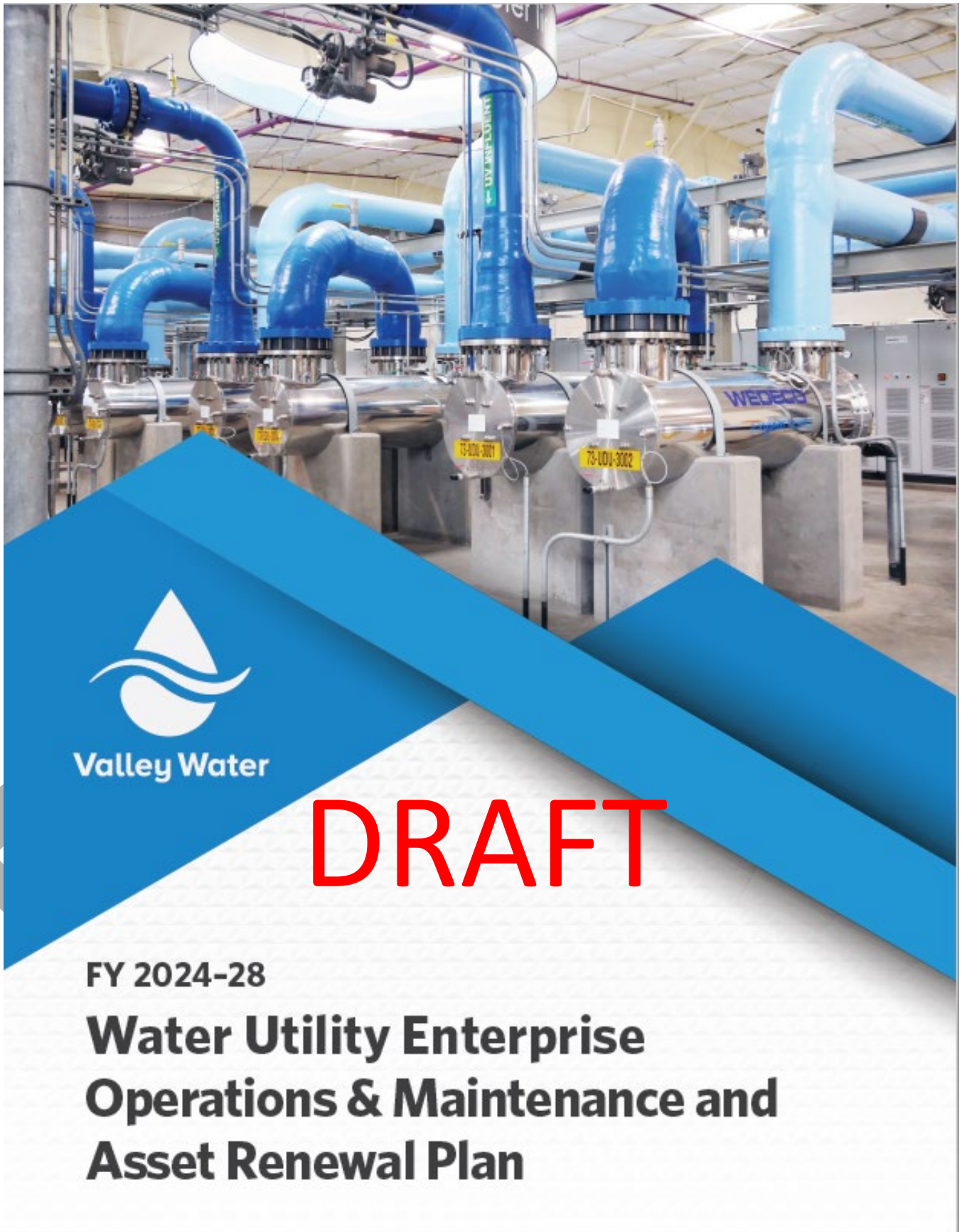


Valley Water

Clean Water • Healthy Environment • Flood Protection

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DRAFT

FY 2024-28

**Water Utility Enterprise
Operations & Maintenance and
Asset Renewal Plan**

FY 2024-28 Water Utility Enterprise Operations & Maintenance and Asset Renewal Plan

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Effective July 1, 2023

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FACILITY ACRONYMS

AHY = Anderson Hydroelectric Facility

CAD = Campbell Distributary

CDL = Coyote Discharge Line

CPL = Central Pipeline

CPP = Coyote Pumping Plant

CVP = Cross Valley Pipeline

DPP = Dutard Pumping Plant

GPP = Greystone Pumping Plant

LEN = Lenihan Dam

PAC = Pacheco Conduit

PPP = Pacheco Pumping Plant

PWTP or PWT = Penitencia Water Treatment Plant

RWTP or RWT = Rinconada Water Treatment Plant

SCC = Santa Clara Conduit

SFI = San Francisco PUC Intertie

STWTP or SWT = Santa Teresa Water Treatment Plant

SVA = Silicon Valley Advanced Water Purification Center

ULT = Uvas-Llagas Transfer Pipeline

VPP = Vasona Pumping Plant

WSMS = Water Supply Management Systems (e.g., pond systems)

EXECUTIVE SUMMARY

Report Overview

The purpose of this plan is to provide a summary of activities and costs associated with operating and maintaining Valley Water's Water Utility Infrastructure for the next five fiscal years. Specifically, this plan:

- Documents the baseline and unfunded operations and maintenance project resource needs for the Raw and Treated Water Operations Divisions for the next five fiscal years, 2024 to 2028, and provides an explanation of unfunded needs.
- Identifies the water utility planned asset renewal projects scheduled for the next five fiscal years, 2024 to 2028, and provides guidance for planning, scheduling, and budgeting this work in Valley Water's operations or capital budgets.
- Provides a summary of asset renewal work completed in the prior fiscal year 2023.

This is a rolling five-year plan that is updated annually. Throughout the plan, the term 'baseline' refers to activities that provide current service levels and are assumed to be funded in fund forecasts prepared by Valley Water's Financial Planning and Management Services Division. ***The FY24-25 budget requests and unfunded needs are preliminary, and will be evaluated throughout the budget and groundwater charge (rate) setting processes through May 2023.*** The plan will be finalized following Board adoption of Valley Water's budget. The final plan will document the budgeted amounts for each project for FY24, planned amounts for FY25, as well as any remaining unfunded needs following the budget and groundwater charge setting process.

In the past, Valley Water's Water Utility developed three separate plans that have now been combined into this Water Utility Enterprise Operations and Maintenance Plan (WUE OMP). Previous plans included a Five-Year Operations and Maintenance Plan, a Five-Year Maintenance Work Plan, and a Maintenance Work Plan Review Report.

Overview of O&M Activities

The Water Utility budgets and executes operations activities in operating projects, and budgets and executes maintenance work through both operations and capital projects. Work that is budgeted in operations projects includes:

- Operations activities including operator labor, chemical costs, power, etc.
- General maintenance activities including inspections and preventive and corrective maintenance
- Engineering support for operations and general maintenance

Five-year forecasts of baseline and unfunded resource requirements for these operations activities are summarized in Section IV of this plan.

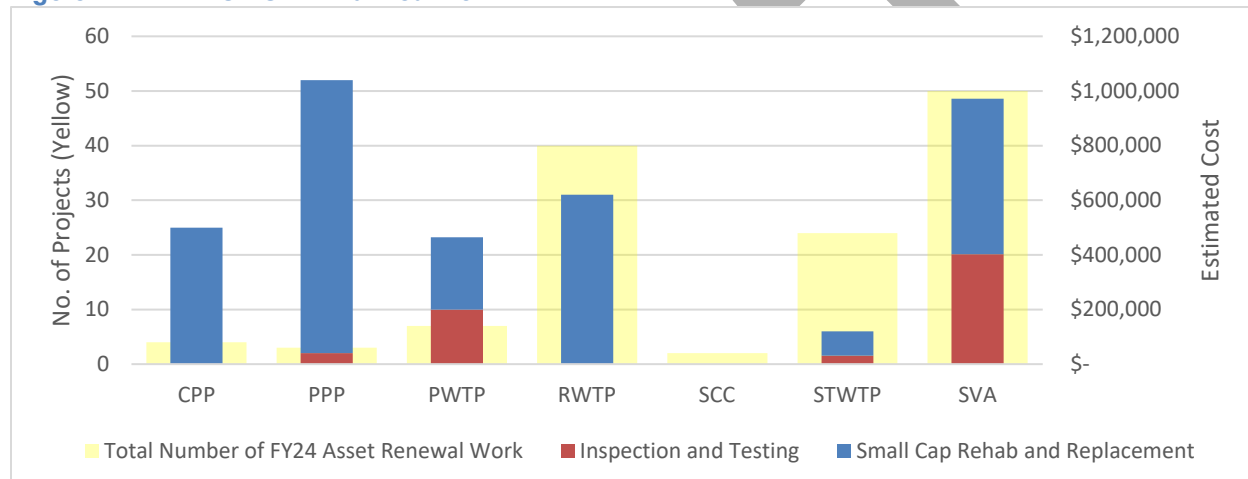
Maintenance work that involves rehabilitation or replacement of an asset or group of assets is budgeted in small or individual capital projects. This type of work extends the life of an asset and is therefore capitalized. Asset rehabilitation and replacement work is identified through the maintenance work planning process described in Section III of this plan. An overview of work for the next five years is below. Note this plan does not include individual/large capital projects as these are included in Valley Water's Five-Year CIP.

In addition, Valley Water is undertaking infrastructure master planning efforts for its water treatment plants, distribution system, and SCADA system. These efforts will identify major facility renewal projects for future years. The projects that come from the master plans will likely be too large for maintenance to execute and will be done as individual capital improvement projects and not included in this plan.

FY 24 – 28 Planned Asset Renewal Work

Figure 1 shows 102 planned asset renewal projects scheduled in fiscal year 2024 (FY24) for Water Utility facilities. This work is estimated at nearly \$3.7 Million.

Figure 1: FY24 WUE OMP Planned Work

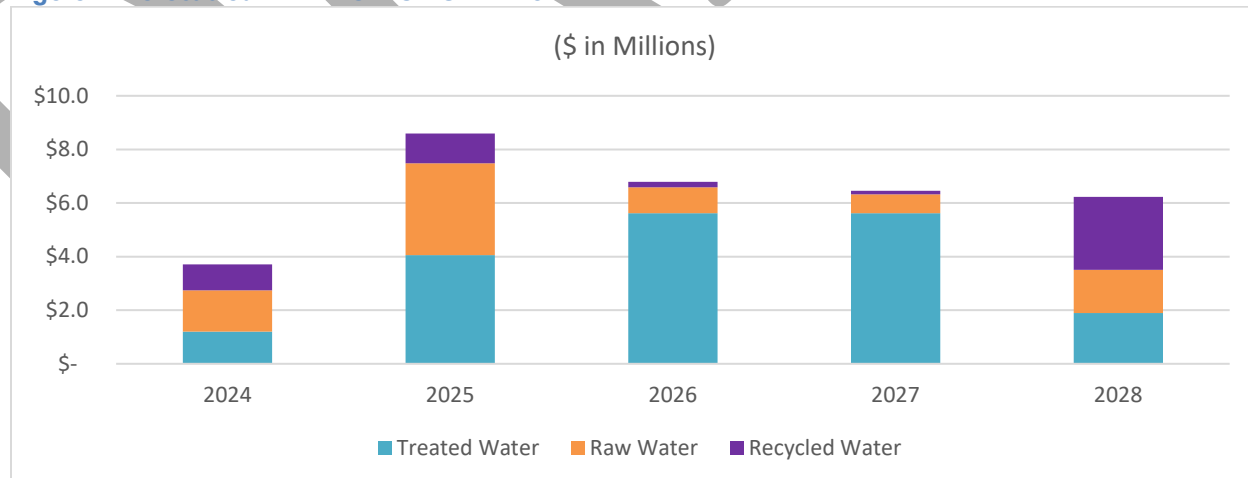


Notes: SVA = Silicon Valley Advanced Water Purification Center; PWTP = Penitencia Water Treatment Plant; STWTP = Santa Teresa Water Treatment Plant; RWTP = Rinconada Water Treatment Plant; CPP = Coyote Pumping Plant; PPP = Pacheco Pumping Plant

FY2024 – FY2028

Figure 2 summarizes costs of projected asset renewal projects to be completed in fiscal years 2024-2028 (FY24-28). Over the next five fiscal years, Valley Water estimates \$31.8 Million of planned asset renewal work.

Figure 2: Forecasted FY24-28 WUE OMP Work



Note: In this chart, project costs are grouped by facility category rather than individual facility. Raw Water = Raw Water facilities including pipelines, pump stations, and pond systems. Treated Water = Penitencia, Rinconada, and Santa Teresa Water Treatment Plants. Recycled = SCRWA system and Silicon Valley Advanced Water Purification Center

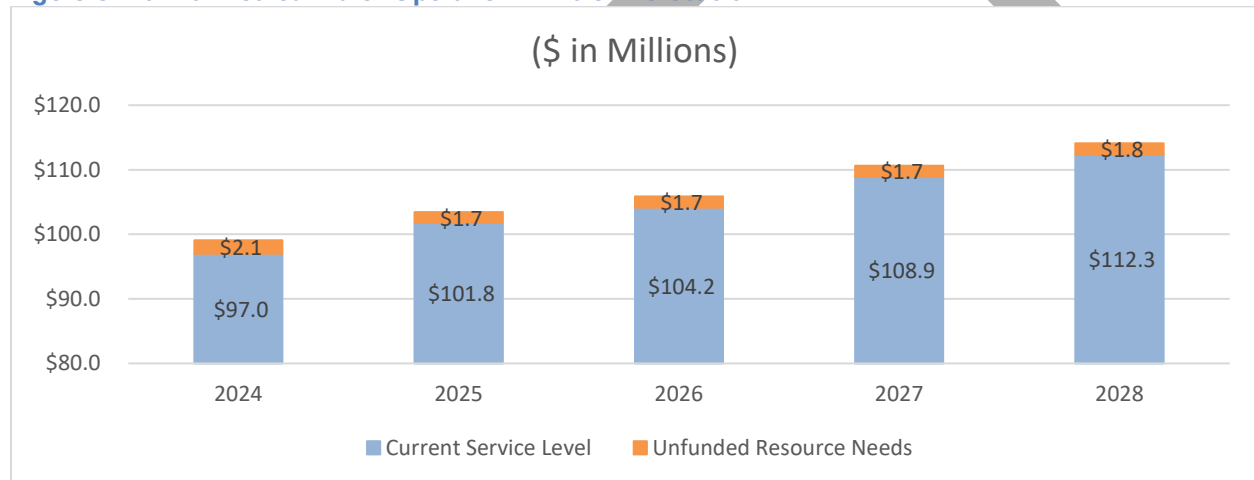
Review of Completed FY2022 Asset Renewal Projects (to be updated at the end of FY23)

To be updated at the end of FY23

Five-Year Operations Project Forecasts

Five-year forecasts of funding for baseline (current) service levels as well as future resource requirements which are not yet funded for the Water Utility Raw and Treated Water Operations Divisions are shown in Figure 3. The Draft report is prepared using long term forecast data and unfunded needs requests as of December 2022. ***The FY24-25 budget requests and unfunded needs are preliminary, and will be evaluated throughout the budget and groundwater charge (rate) setting processes through May 2023.***

Figure 3: Raw & Treated Water Operation Division Forecasts



*Data as of October 18, 2022

In total, the Raw and Treated Water Operations Divisions have budgeted baseline resource needs of \$97 Million for current service levels for FY 2024, as well as identified \$ 2.1 Million of remaining unfunded needs. The unfunded needs will be evaluated through the budget and groundwater charge setting process. The unfunded resources would provide for the following services:

- Support for laboratory operations and accreditation
- Support for Corrosion Control Cathodic Protection Program
- Support for Water Utility Maintenance Mechanical Engineering program
- Support for Water Quality program
- Support for Water Treatment Plant General Maintenance

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I. INTRODUCTION

Report Overview

The purpose of this plan is to provide a summary of activities and costs associated with operating and maintaining Valley Water's Water Utility Infrastructure for the next five fiscal years. Specifically, this plan:

- Documents the baseline and unfunded operations and maintenance project resource needs for the Raw and Treated Water Operations Divisions for the next five fiscal years, 2024 to 2028, and provides an explanation of unfunded needs.
- Identifies the water utility planned asset renewal projects scheduled for the next five fiscal years, 2024 to 2028, and provides guidance for planning, scheduling, and budgeting this work in Valley Water's operations or capital budgets.
- Provides a summary of asset renewal work completed in the prior fiscal year 2023.

This is a rolling five-year plan that is updated annually. In the past, Valley Water's Water Utility developed three separate plans that have now been combined into this Water Utility Enterprise Operations and Maintenance Plan (WUE OMP). The three plans were:

- Five-Year Operations and Maintenance Plan: Documented five-year forecasts of all Water Utility operations project costs and unfunded needs
- Five-Year Maintenance Work Plan: Identified asset renewal projects for the coming five fiscal years
- Maintenance Work Plan Review Report: Summarized asset renewal projects completed in the prior fiscal year

Water Utility (WU) O&M activities are carried out to meet the following Board of Directors' (Board) Ends Policies:

- Ends Policy E-2: Valley Water provides a reliable, safe, and affordable water supply for current and future generations in all communities served.

The WU Raw and Treated Water Operations Divisions achieve the Board's Ends Policies by:

- Monitoring and protecting the groundwater basins.
- Conveying local and imported source water to water treatment plants, recharge facilities, and streams.
- Treating and delivering water to retail customers.
- Maintaining the infrastructure needed to conduct the above listed activities.
- Ensuring services are carried out in way that protects the environment.

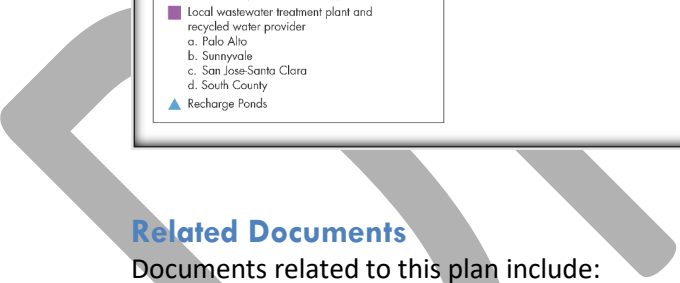
Copies of past years' reports are available on the Valley Water intranet on the asset management web site at <http://www.aqua.gov/asset-management-library>.

Water Utility Infrastructure

Valley Water manages an integrated water resources system to provide a supply of clean, safe water, flood protection, and stewardship of streams in Santa Clara County (County). Valley Water operates and maintains complex infrastructure and integrates natural and constructed systems to capture, treat and convey raw and treated water for a reliable water supply. Valley Water's system delivers about 300 million gallons of raw water and 200 million gallons of treated drinking water every day (subject to water demand and hydrologic changes).

pipelines

- pipelines



- Local wastewater treatment plant and recycled water provider
 - a. Palo Alto
 - b. Sunnyvale
 - c. San Jose-Santa Clara
 - d. South County
- ▲ Recharge Ponds

- Local wastewater treatment plant and recycled water provider
 - a. Palo Alto
 - b. Sunnyvale
 - c. San Jose-Santa Clara
 - d. South County
- ▲ Recharge Ponds

- Local wastewater treatment plant and recycled water provider
 - a. Palo Alto
 - b. Sunnyvale
 - c. San Jose-Santa Clara
 - d. South County
 - ▲ Recharge Ponds

the Watershed Operations and Maintenance Division for the next five years. It is similar to this WUE OMP FY24-28.

- FY24-39 Long-Term Forecast: The long-term forecast is prepared as the first step of the budget process each year to forecast future funding needs for operations projects. This WUE OMP links to the long-term forecast in two ways. First, it identifies asset renewal costs for the next five years, which is incorporated into long-term forecast for appropriate projects. Second, the operations project five-year forecasts provided in this report are taken from the long-term forecast data. The draft report is prepared using long-term forecast data and unfunded needs requests as of December. The budget requests and unfunded needs are further evaluated throughout the budget and groundwater charge (rate) setting processes through May.
- FY24 & FY 25 Operating and Capital Budget: Valley Water's budget is produced bi-annually to identify the planned operations and capital expenditures and funding sources for the coming fiscal year. It provides an overview of both operations and capital expenses, as well as revenues, for the next fiscal year. This WUE OMP identifies both operations and capital expenditures that are included in the Operating and Capital Budget.
- Protection and Augmentation of Water Supplies (PAWS) Report: The PAWS report is produced each year in accordance with requirements in the District Act section 26.5, and documents the activities undertaken to provide a reliable, clean water supply for the coming fiscal year as a basis for the proposed maximum groundwater production charges. It provides an overview of both operations and capital expenses for the next fiscal year while this plan provides an overview of selected operations and maintenance activities for the next five fiscal years.

II. OVERVIEW OF O&M ACTIVITIES

The Water Utility plans, budgets and executes operations activities in operating projects, and plans, budgets, and executes maintenance work through both operations and capital projects. This section provides an overview of O&M activities and explains what type of work is budgeted in operations projects and what type of work is budgeted in capital projects.

Operations Project Activities

General descriptions of activities budgeted in Water Utility operations projects are provided below. Section IV of this plan provides additional detail on the operations projects and includes a five-year forecast of the projects in which this work is planned, budgeted, and executed.

Operations: Operations activities include operating 150 miles of large diameter transmission pipelines, three pumping plants, 102 ponds used to recharge the groundwater basins, three potable water treatment plants, one well field, and one advanced water purification center. Costs associated with operating these facilities include operator labor, chemical costs, power costs, laboratory operations, and water quality support. Costs associated with these operations activities are budgeted in the operations projects presented in Section V of this plan.

General Maintenance: General maintenance activities include the following, which account for the majority of maintenance labor. These activities are budgeted in the operations projects presented in Section V of this plan:

- *Preventive Maintenance (PM)*: Planned routine maintenance to prevent premature asset failure, such as an oil change or calibration. PM activities occur weekly, monthly, quarterly, semi-annually, or annually, depending on the activity. When a PM work task becomes due for an asset, Maximo (Valley Water's computerized maintenance management system or CMMS), automatically generates a work order for maintenance staff to perform the task. The water utility completes approximately 14,000 PM work orders each year. PM work accounts for approximately 80% of maintenance labor hours.
- *Corrective Maintenance (CM)*: Corrective maintenance addresses unplanned asset failures. CM work accounts for approximately 10% of maintenance labor hours.
- *Inspections and Testing*: Projects that involve inspection or testing activities are not capital investments. They are budgeted and conducted under one of the maintenance operating projects identified in Section V of this plan. Biennial electrical testing or chemical tank inspection are examples of activities budgeted under operating projects. These projects are completed by maintenance staff and may require engineering, environmental and/or contractor support. These projects are identified through the maintenance work plan process described in Section III of this plan.

Engineering Support: Engineering support is needed for various operations initiatives, operations planning, and maintenance projects. Civil, mechanical, electrical and control systems engineers support the operations and maintenance of the Water Utility facilities. Engineering support is budgeted in the planning and engineering projects presented in Section V of this plan.

Capital Project Activities

Maintenance work that involves rehabilitation or replacement of an asset or group of assets is budgeted in small or individual capital projects, as described below. This type of work extends the life of an asset and therefore is capitalized. Asset rehabilitation and replacement work is identified through the maintenance work planning process described in Section III of this plan.

Small Capital Projects: Projects that involve replacement or rehabilitation of a single asset, such as a single pump re-build, are budgeted and executed in the Water Treatment, Treated Water Transmission, Raw Water Transmission, or San Felipe Reach 1-3 Small Capital Improvement Projects in Valley Water's five-year CIP. The scopes of each of the Small Capital Improvement Projects change annually based on the work identified in this Plan. These projects are completed by maintenance staff or contractors. They may require engineering and environmental support thus may need to be competitively bid.

Individual Capital Projects: Occasionally, projects can be grouped together to create an individual capital project. In such case, staff initiates a new project in the CIP. On average, one new capital project is identified through the asset renewal planning process each year. One example is the Vasona Pumping Plant Upgrades, which is a project in Valley Water's current five-year CIP. Several pumps, motors, drives, valves, and other equipment within the pump station were due for replacement in 2016. The multiple asset replacements were combined into one project, to be executed under the CIP.

In addition, the pipeline inspection and rehabilitation projects are identified through the maintenance work planning process. These projects are budgeted and executed in the Ten-Year Pipeline Rehabilitation Capital Project.

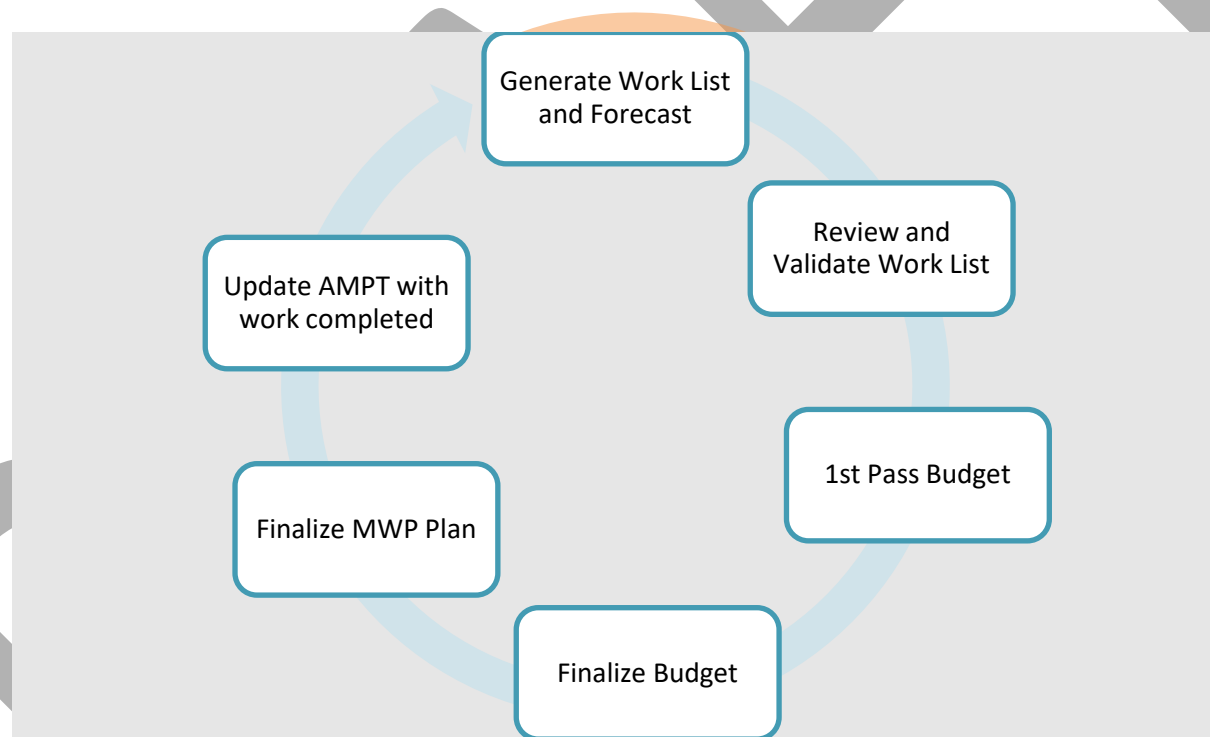
III. WORK PLANNING AND EXECUTION

Work Planning

The Asset Management Program develops forecasts of asset renewal activities and costs using a software tool, Asset Management Planning Tool (AMPT). AMPT contains the database of water utility assets and their planned renewal activities and costs. Asset renewal activities are planned at specific intervals, such as every 5 or 10 years, and are validated as the due dates approach.

Each year, staff generates a list of all renewal activities required for water utility assets for the next five years from the AMPT database. Operations, maintenance, engineering, and asset management validate the list by evaluating field condition and estimated remaining asset life. If assets are found in good condition, renewal projects are rescheduled to future years. The renewal projects are selected to optimize asset performance, maintain, or improve reliability within an acceptable risk tolerance, and to minimize asset life-cycle costs.

Work is planned annually, according to the diagram below, to align with the budget process.



Assets Excluded from the Work Planning Process

The following assets are excluded from the work planning process:

- An asset that has a value less than \$2,500 or is not critical for performance
- An asset that is easily accessible (e.g., spare kept on the shelf)
- An asset that is replaced if it fails calibration
- Consumable assets (e.g., air filters)

The following table shows the assets that are not included in the work planning process:

Asset Class	Asset Type
Mechanical	Sump pumps, transfer pumps, metering pumps, sludge pumps and motors, sample pumps, air pressure regulating valve ¹ , leak detectors ²
Instrumentation	Analyzers, turbidimeters, level instruments/indicators, portable leak detectors, wet well float switch, staff gauges, mass flowmeters
Civil	Pump out risers, manholes, drain valves, water supply trash racks, underground petroleum storage tanks ³
Notes ¹ Ozone air pressure regulating valves are included ² Leak detectors preventative maintenance is scheduled and replaced if not functioning. ³ These tanks are inspected annually and maintained by a trained and certified contractor. These tanks and their appurtenances are not maintained by Valley Water Staff.	

Work Execution

Execution of the asset renewal projects is predominately performed through the following units:

- Treatment Plant Maintenance Unit (555)
- Raw Water Field Operations and Pipeline Maintenance Unit (585)
- Additional technical support is provided by
 - Raw Water & Pipeline Maintenance Engineering (435)
 - Raw Water Operations Unit (455)
 - Plant Maintenance Engineering and Commissioning Unit (516)
 - Utility Electrical and Control Systems Engineering Unit (545)
 - Other Valley Water units including Watershed Field Operations units, Facilities management and the Environmental Health and Safety Unit.
 - Outside contractors are used as needed.

IV. PLANNED ASSET RENEWAL WORK

This section provides an overview of planned work for the next five fiscal years. Section II of this plan describes how this work is budgeted in operations or capital projects and Section III of this plan describes the work planning process.

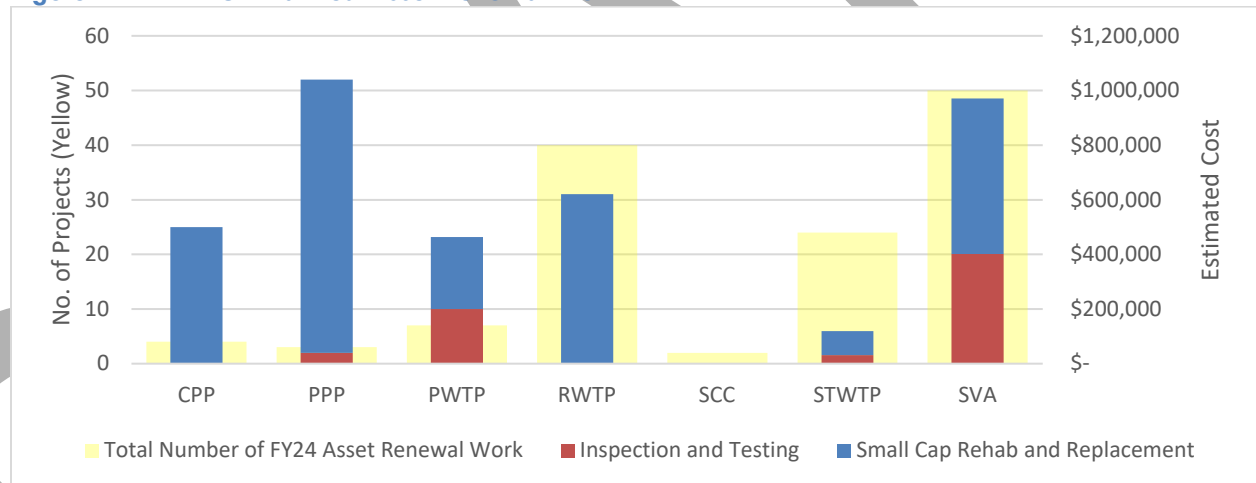
FY 24-28 Planned Asset Renewal Work

The key output of the work planning process is the list of asset renewal work to be conducted over the upcoming five fiscal years. The work identified in this process is incorporated into capital and operations budgets as described in Section II. The work list for the upcoming fiscal year FY24 is fixed, whereas the work listed for the remaining four years of the five-year rolling plan is adjusted based on changing conditions.

FY24 Summary

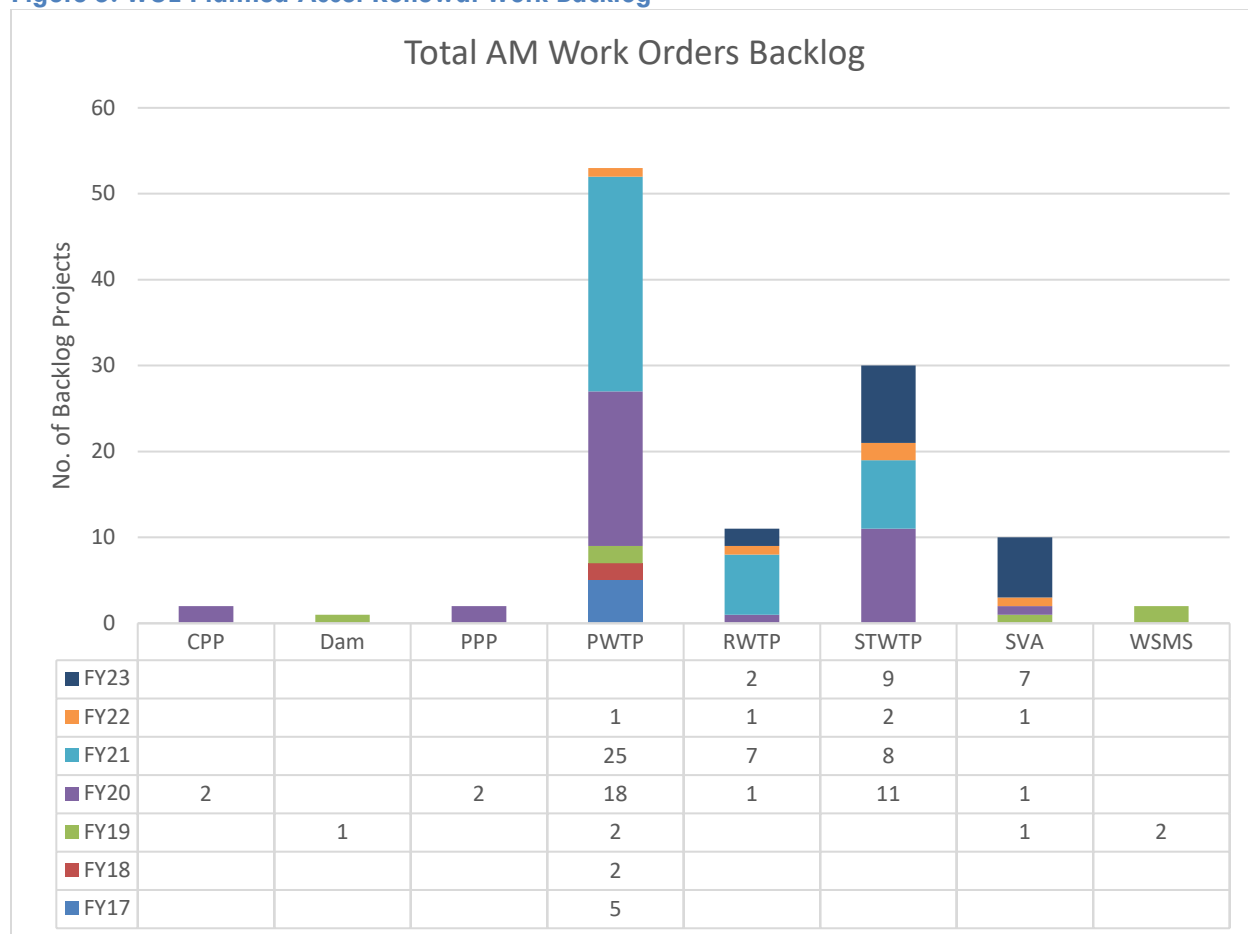
For FY 2024, a total of 102 asset renewal projects were identified, with an estimated total cost of \$3.7 Million. Note this cost includes materials and equipment plus a multiplier for labor and installation costs. In addition to projects identified for FY 2024, staff continues to work on projects identified in prior years. These projects are referred to as “backlog work”. There are a total of 111 TBD backlog projects from prior years FY16-23 that staff continues to work on as of November 9, 2022. Figures 4 and 5 provide information about FY24 Planned work and backlog. As shown in Figure 5, many backlog projects are from FY20 and FY21. Many asset renewal projects did not get completed these years due to COVID-19.

Figure 4: FY24 WUE Planned Asset Renewal Work



Note: See Table of Acronyms for Facility Names

Figure 5: WUE Planned Asset Renewal Work Backlog



Note: See Table of Acronyms for Facility Names *Data as of October 19, 2022.

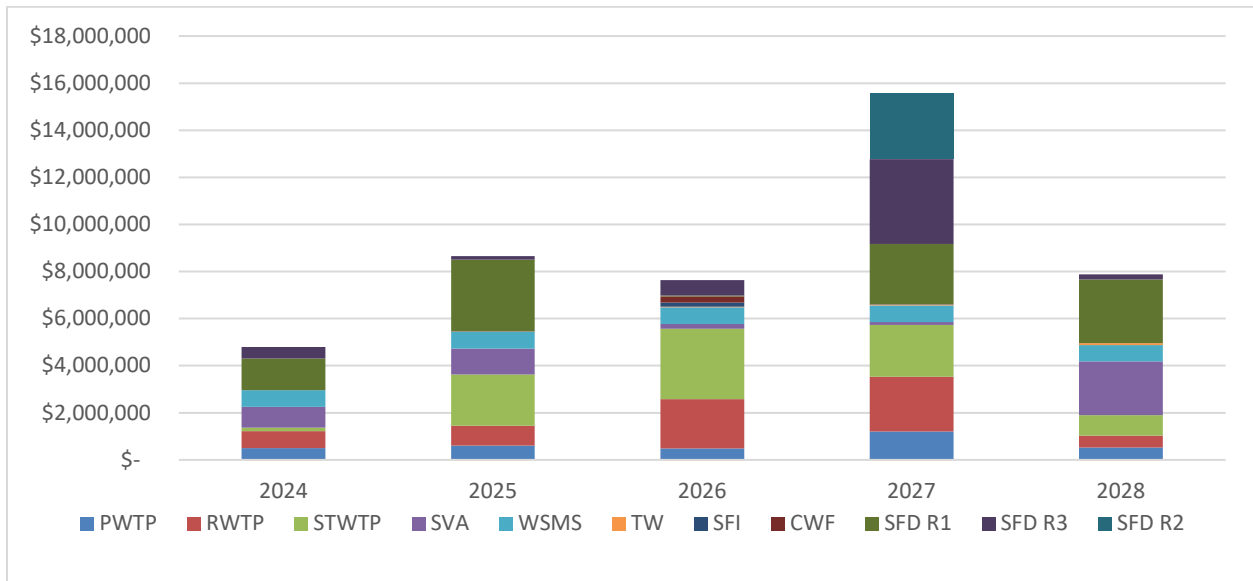
FY2024 – 2028 Summary

Figures 7 through 16 summarize the projected asset renewal projects to be completed in future fiscal years, 2024-2028. The project costs provided in the figures include equipment and material costs. Labor costs are included as a multiplier of the equipment and material costs. The total project costs over five years is \$31.8 Million.

Expanding the horizon from a single year to five-years allows staff to review the workload by year and see trends and peaks in workload, asset class, or facility. This also provides staff with an opportunity to look for efficiencies and balance the work between the years.

Asset renewal work for the raw and treated water pipelines for FY 2024 - 2027 is included in the 10-year Pipeline Rehabilitation Project, which is a capital project and included in Valley Water's five-year CIP. Because the costs are included in the CIP, forecasts are not included in this plan. There is, however, a summary of planned pipeline rehabilitation work that will be done as part of the 10-year Pipeline Rehabilitation Project included in the section following figures 6 -16. Also note that Anderson Hydroelectric is planned to be decommissioned. No asset renewal work is scheduled in FY24-28 and therefore there is no forecast for the facility in this plan.

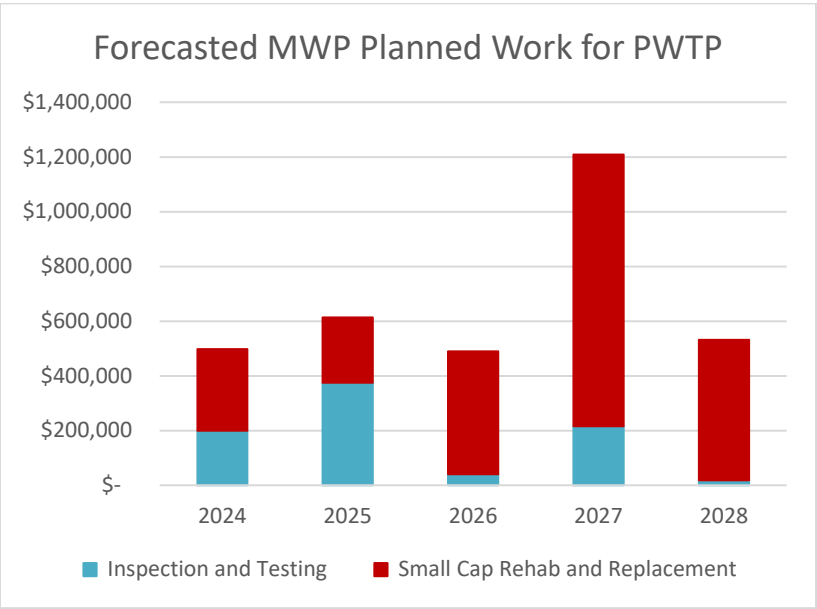
Figure 6: Five-year Forecasted Projects



Note: See Table of Acronyms for Facility Names

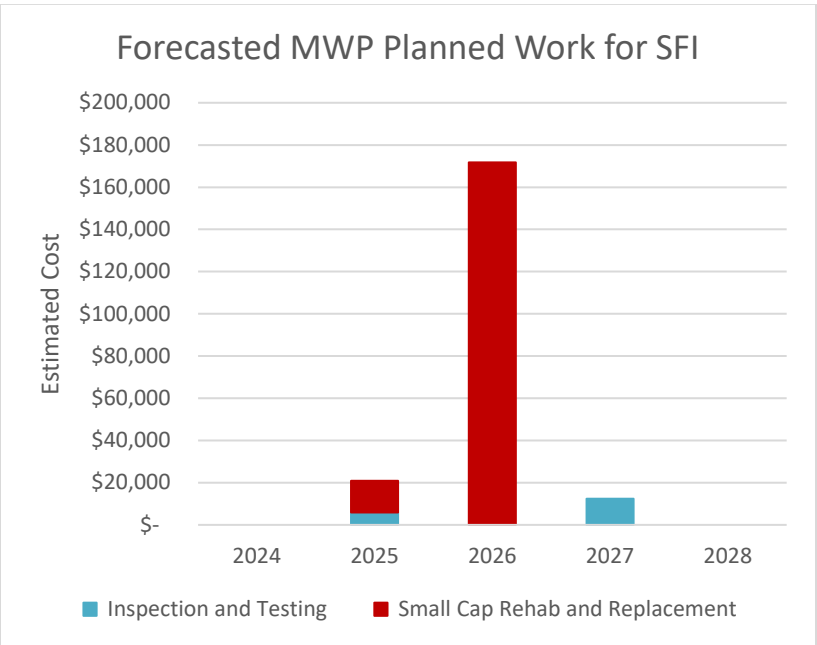
All replacements are pending condition assessment.
Replacement activities may be replaced with rehabilitations.

Figure 7: Penitencia Water Treatment Plant (PWTP) FY24-28 Planned and Forecasted Work



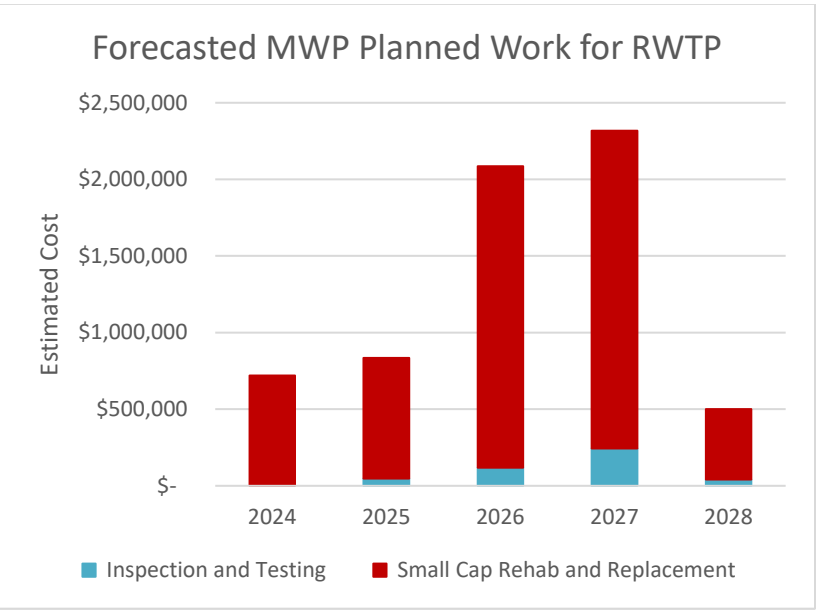
Year	Most Expensive Planned Work for PWTP
2024	-Maintenance and inspection of the Clearwell (\$200k) -Replacement of the Phosphoric Acid flow meter (~6k) -Clean and Coat 3 Alum Tanks (\$7k total)
2025	-Replacement of Dutard Pump #1 (~53k) -Replacement of Plant Water #2
2026	-Replacement of OCL tank liner in tank #2 (~\$33k) -Replacement of Non-Ionic Poly, carbon, ammonia, and sulfuric acid metering pumps (\$9k each 9 total) -Replacement of filter flow meters (\$6k each 6 total)
2027	-Replacement of PWTP Flocculator drive units (\$25k each 9 total) -Replacement of Plant Water piping, Domestic water piping (~\$90k) -Replacement of various filter valves (\$7k each for 14 total)
2028	-Replacement of PAC dust collectors (\$44k each 2 total) -Replacement of OCL storage tank transfer pumps (~\$36k each 3 total)
Note: The following assets replacements are not included in the MWP forecast: -Motor control centers included in the WTP Electrical Improvement Project (Capital Project estimated in FY25)	

Figure 8: San Francisco Intertie (SFI) FY24-28 Planned and Forecasted Work



Year	Most Expensive Planned Work for SFI
2024	
2025	-Replacement of SFI station transformer and main control panel (~\$6k and \$15k respectively)
2026	-Replacement of SFI manifold 42-inch butterfly valves operators (\$24k each 6 total)
2027	-Inspection of SFI Phosphoric acid tank
2028	

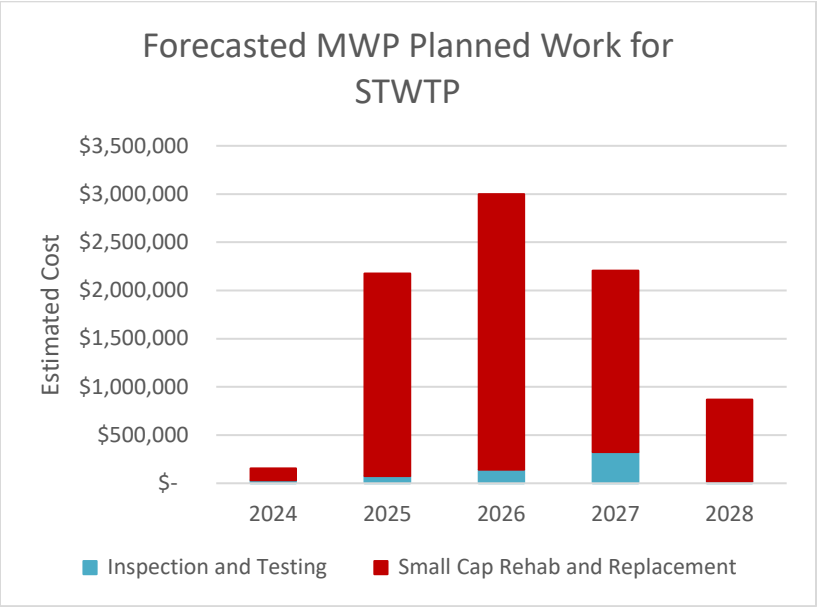
Figure 9: Rinconada Water Treatment Plant (RWTP) FY24-28 Planned and Forecasted Work



Year	Most Expensive Planned Work for RWTP
2024	-Rebuild of More Ave Pump #2 (~\$65k) -Rebuild of centrifuges (~\$80k each 2 total)
2025	-Replacement of the RWTP TW Booster #1 Pump and Motor (~\$250k) -Replacement of OCL tank #2 liner (~\$33k)
2026	-Replacement of RWTP Warehouse Fire Sprinklers (~\$667k) -Replacement of the RWTP TW Booster #2 Pump and Motor (~\$250k) -Replacement of chemical piping (~\$250k) -Replacement of OCL tank #1 liner (~\$33k) -Replacement of PAC injection line (~\$12k)
2027	-Replacement of RFM guard valve (~\$288k) -Replacement of some trailers (~\$150k each 2 total) -Replacement of various UPS (~\$80k each 4 total) -Replacement of Backwash motor and More ave motor (~\$80k each 2 total)
2028	-Replacement of trailer (~\$150k each 1 total) -Replacement of Standby air compressor generator (\$37k) -Replacement of clearwell bypass valve (\$24k)
Note: RWTP projected planned work is anticipated to change once AMPT is updated with the newly installed assets per the CIP project. AMPT has been updated with RWTP new assets starting in FY22 and will continue until the CIP completion.	

All replacements are pending condition assessment.
Replacement activities may be replaced with rehabilitations.

Figure 10: Santa Teresa Water Treatment Plant (STWTP) FY24-28 Planned and Forecasted Work



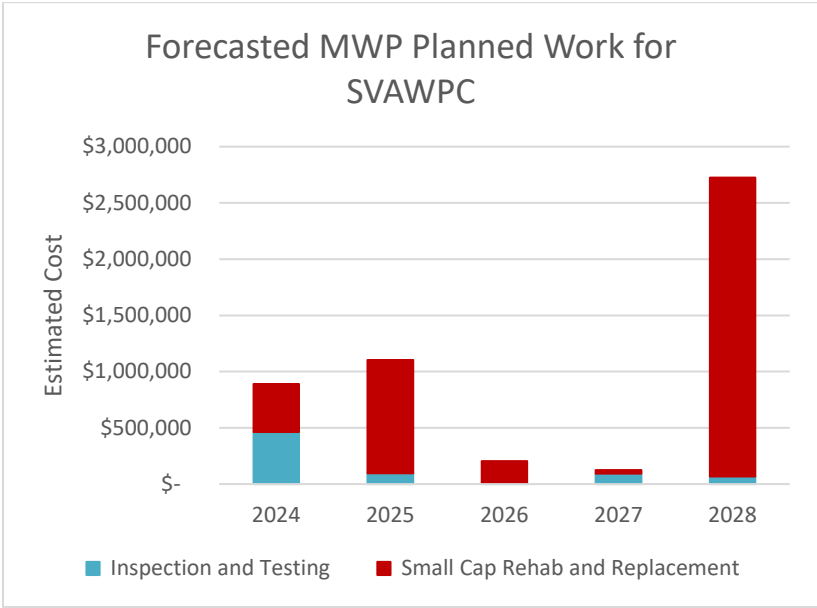
*Includes Graystone pumping station projects

Year	Most Expensive Planned Work for STWTP
2024	
2025	-Replacement of Ozone generator power supplies (~\$180k 3 total) -Replacement of WWC floc mixer (~\$80k) -Replacement of #1E rake, chain, and flights (~\$71k)
2026	-Replacement of WWC floc mixers (~\$80k 2 total) -Replacement of Liquid Oxygen Vaporizers (~\$53k 3 total) -Replacement of WWC return pump #1 (~\$52k)
2027	-Replacement of Backwash pump #9 (~190k) -Replacement of WWC floc mixers (~\$80k 2 total) -Replacement of Floc Mixers (~\$56k each 15 total) -Inspection of the Ozone Generation East and West Contactor (~\$133k each) -Replacement of Carbon Dust Collector (~\$38k each 2 total)
2028	-Replacement of Washwater Recovery Pump (~\$95K 3 total) -Replacement of UPS system in Operations room (~\$80k) -Replacement of WWC floc mixers (~\$80k)

Note: The following assets replacements are not included in the MWP forecast:
-Replacement of Filter Media and Filter valves (Capital Project)

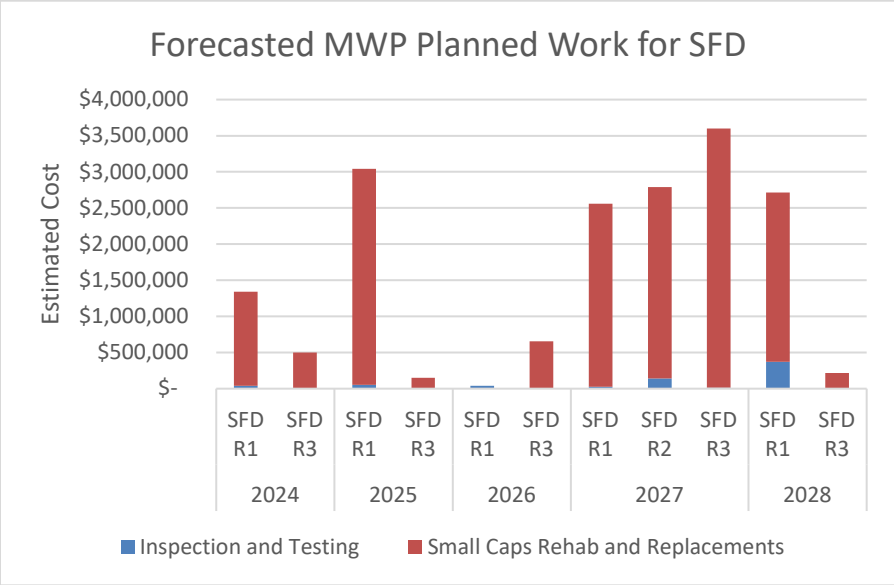
-Motor control centers included in the WTP Electrical Improvement Project (Capital Project estimated in FY24)

Figure 11: Silicon Valley Advanced Water Purification Center (SVAWPC) FY24-28 Planned and Forecasted Work



Year	Most Expensive Planned Work for SVAWPC
2024	
2025	-Rehabilitation of fire protection pump (~\$28k) -Rehabilitation of flush pump (~\$28k) -Inspection and refurbishment of wiper control panels (~\$15k each 12 total)
2026	-Rehabilitation of Threshold Inhibitor tank mixer (~80k) -Rehabilitation of MF Reverse supply pump #2 (~2\$8k) -Replacement of Potable Water 12" overflow valve (~\$12k)
2027	-Replacement of turbidity meters (~\$7K 2 each) -Inspection of chemical tanks
2028	-Replacement of RO cartridge filters (\$104k each 3 total) -Replacement of autostrainers (~\$12K each 3 total) -Replacement of various plant and chemical piping scheduled for every 15 years (~\$468k total)

Figure 12: San Felipe Division Reach 1-3 FY24-28 Planned and Forecasted Work



Year	Most Expensive Planned Work for SFD
2024	<u>R1</u> -Rehabilitation of PPP Pump Unit (~\$1.32M) -PPP Pump and Motor condition assessment (~\$30K) <u>R3:</u> -Rehabilitation of CPP Pump Unit (~\$150k)
2025	<u>R1</u> -Rehabilitation of PPP Pump #1-12 Motors (~\$236k each) -PPP Pump and Motor condition assessment (~\$30K) <u>R3</u> -Rehabilitation of CPP Pump Unit (~\$150k) -Replacement of Coyote Pump Office Trailer #1 (~\$124k)
2026	<u>R1</u> -Replacement of PPP Regulating Tank External CP Rectifier Anode Bed (~\$226k) -Inspection of Pacheco Regulating Tank (~\$28k) -PPP Pump and Motor condition assessment (~\$30K) <u>R3</u> -Rehabilitation of CPP Pump Unit (~\$150k) -Replacement of Coyote Pump Isolation Control Valves #3&4 (~\$92k each)

Year	Most Expensive Planned Work for SFD (continued)
2027	<u>R1</u> -Replacement of PPP Mech and HVAC Gallery Chillers CH-1&CH-2 (~\$313k each 2 total) -PPP Pump and Motor condition assessment (~\$30K) <u>R2</u> -Rehabilitation of SCC Fault Crossing Pipe (~\$1.8M) <u>R3</u> -Rehabilitation of CPP Pump Unit (~\$150k) -Replacement of CPP Distribution Panelboard DNA Transformer (~\$1.1M)
2028	<u>R1</u> -Replacement of PPP AC motor units (~\$63k each 3 total) Replacement of office trailers (~\$146k each 2 total) -PPP Pump and Motor condition assessment (~\$30K) <u>R3:</u> -Replacement of cooling water supply pumps and motors (~\$10k each 4 total)

Note: The following assets replacements are not included in the MWP forecast:
-Pipeline inspection and rehabilitations for SCC per the 10-year Capital Pipeline Rehabilitation project Scheduled in FY23:
Pacheco Tunnel Reach 2, PSV, Santa Clara Tunnel SCT to SV1, and Santa Clara Conduit. Santa Clara Tunnel SV1 to CPP and Coyote Discharge line
-CPP ASD Replacement Capital project scheduled in FY23

Figure 13: Water Supply Management System FY24-28 Planned and Forecasted Work

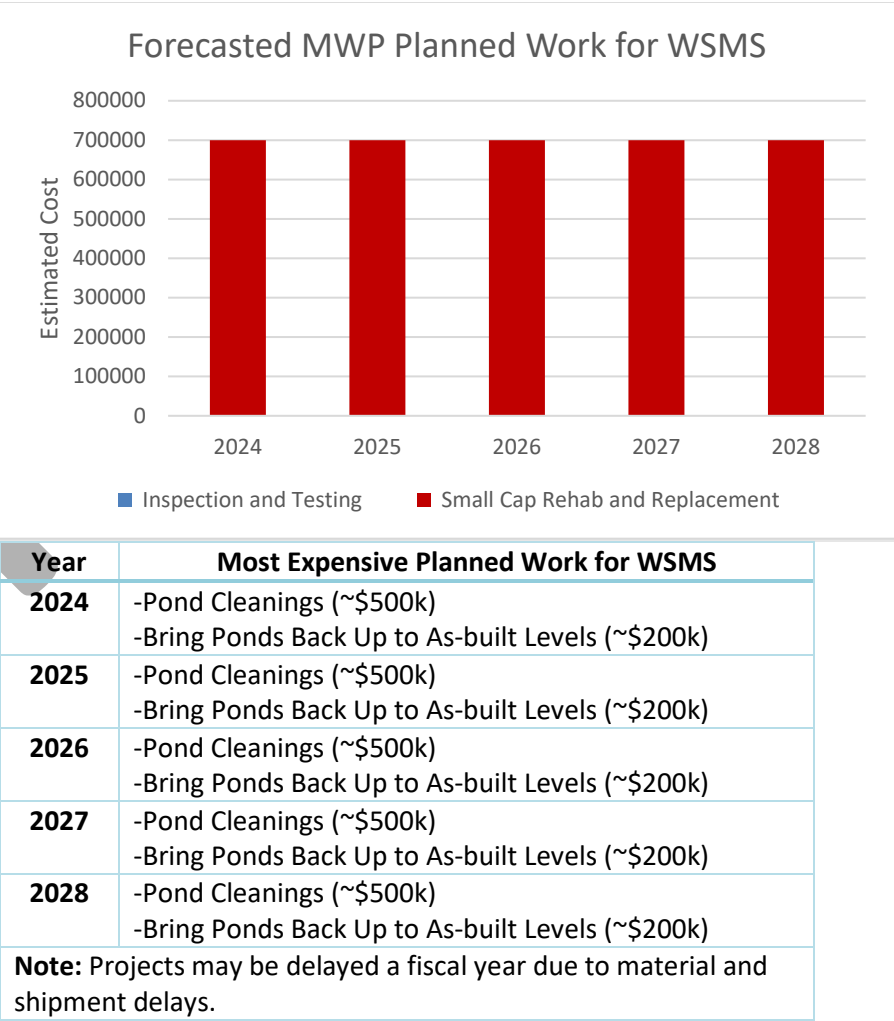


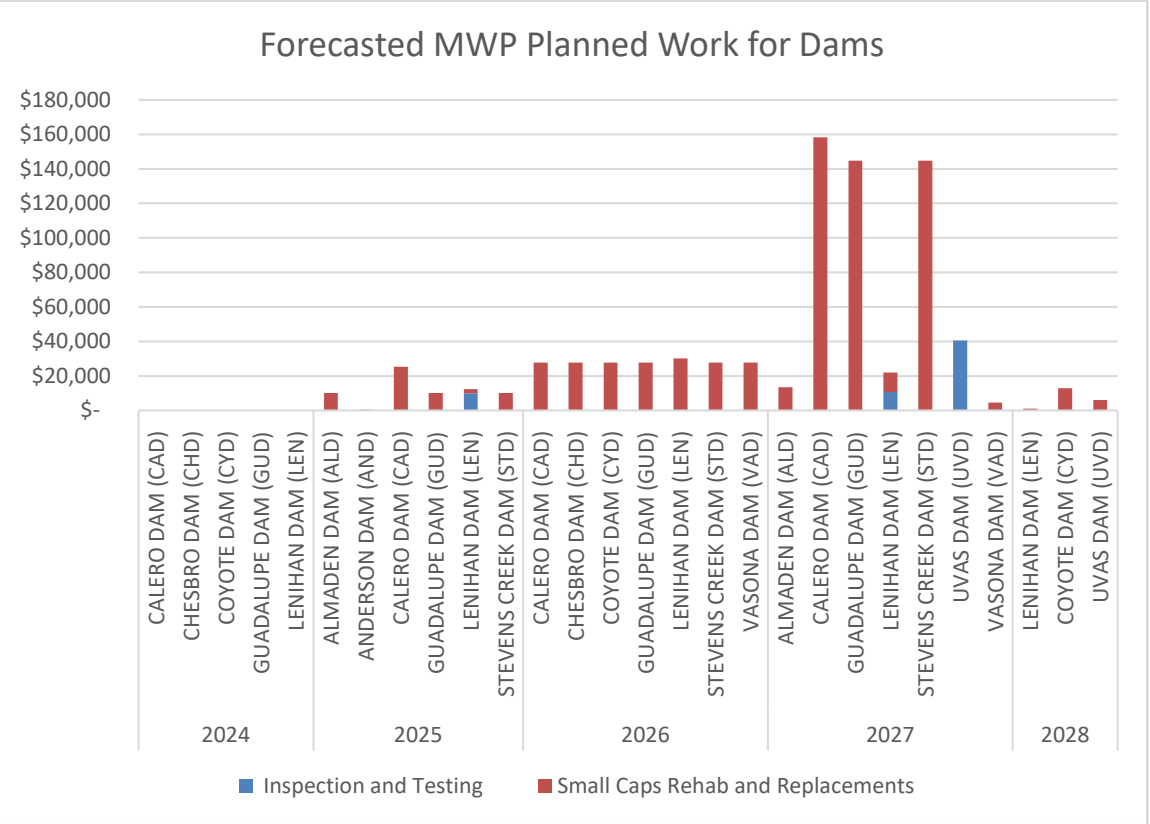
Figure 14: Recycled Water Distribution FY24-28 Planned and Forecasted Work

Year	Most Expensive Planned Work for Gilroy Reclamation Line
2024	- Condition Assessment Date TBD (~\$44k)
2025	TBD
2026	TBD
2027	TBD
2028	TBD
Note: An inspection of a portion of the Gilroy Reclamation Line will be schedule during the South Country Recycled Water Pipeline Project (Capital Project). A contractor will conduct a condition assessment of the pipeline. In addition, a full condition assessment of the system will be completed soon. After these inspections, Asset Management will update the planned work.	

Figure 15: Vasona Pumping Plant (VPP) Facility FY24-28 Planned and Forecasted Work

Year	Most Expensive Planned Work for VPP
2024	-Electrical Testing (~\$9k)
2025	TBD
2026	TBD
2027	TBD
2028	TBD
Note: Major replacements are scheduled for FY24-25 per Capital project Vasona Upgrade	

Figure 16: Dams FY24-28 Planned and Forecasted Work



Year	Most Expensive Planned Work for Dams
2024	
2025	-Replacement of ALD, CAD, & GUD Oxygenation Trailer RECIP Compressors (~\$10k each)
2026	-Replacement of SCADA RTUs (~\$195k each)
2027	-Replacement of CAD, GUD, & STD Oxygenation Trailers (~\$131k each)
2028	-Replacement of Coyote Dam outlet valve (~\$15k)
Note: The Five-Year MWP does not currently include rehabilitation or replacements recommended by the State of California Division of Safety of Dams (DSOD) and Federal Energy Regulatory Commission (FERC). DSOD and FERC annual inspections identify required maintenance activities which Valley Water implements under its Dam Safety Program.	

Individual/Large Capital Project Recommendations

The work planning process recommends some activities for execution as individual or larger capital projects. Individual/large capital projects represent major work efforts that are beyond the capabilities of the maintenance units to perform and meet one of the following criteria: exceeds \$5 Million, duration greater than 2 years, or requires right of way purchase. Generally, these projects require multi-year planning and extensive design efforts, which include preparation of plans and specifications for bidding.

No new individual Capital Projects have been identified for FY2024.

10-Year Pipeline Rehabilitation Project

As mentioned above, raw and treated water pipeline renewal work is included in Valley Water's five-year CIP in the 10-Year Pipeline Rehabilitation Project, and therefore forecasts of planned work are not included in this plan. Below is a list of currently planned work for the 10-Year Pipeline Rehabilitation Project.

FY24	<ul style="list-style-type: none">• Santa Clara Conduit inspection and rehabilitation from SV1 to CPP• Snell pipeline inspection and rehabilitation from Aborn LV to STWTP
FY25	<ul style="list-style-type: none">• West pipeline inspection and rehabilitation from RWTP to Cox
FY26	<ul style="list-style-type: none">• West pipeline inspection and rehabilitation from Cox to Mountain View LV• AVP inspection and rehabilitation
FY27	<ul style="list-style-type: none">• East pipeline inspection and rehabilitation from PWTP to Thompson LV
FY28	<ul style="list-style-type: none">• Milpitas Pipeline inspection and rehabilitation• AVP inspection, rehabilitation, and CFRP repair from Coleman to Calero• AVP inspection, rehabilitation, and CFRP repair from Vasona to Calero• Santa Teresa Force Main Pipeline Inspection and Rehabilitation

Valley Water is undertaking infrastructure master planning efforts for its water treatment plants, distribution system, and SCADA system. These efforts will identify major facility renewal projects for future years. The projects that come from the master plans will likely be too large for maintenance to execute, and will be done as large/individual capital improvement projects.

Planned Work Tracking

Actual scheduling, execution, and reporting on the planned asset renewal projects are primary responsibilities of the assigned units' work within the Maximo work order system. These units communicate the status to Asset Management Unit, which performs QA/QC and reviews at the close of each fiscal year to assess what work was successfully completed. The Asset Management Program tracks asset renewal that is not undertaken since it increases the risk of asset failures.

A review of competed asset renewal work planned for FY23 is provided in Appendix B.

V. FIVE YEAR OPERATIONS FORECASTS

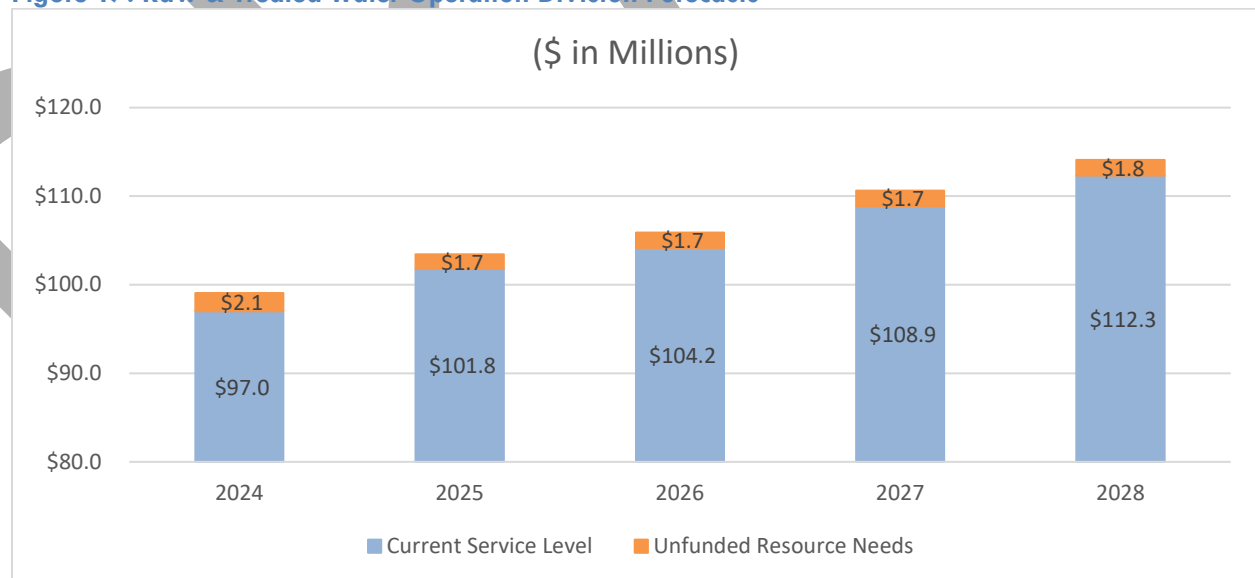
This section provides an overview of the expected operations expenses and unfunded needs for the operations and maintenance activities conducted by the Raw and Treated Water Operations Divisions for the next five fiscal years. These two Divisions are responsible for operations and maintenance of Valley Water's water supply, treatment, and distribution system. The types of activities budgeted in the projects presented in this section are described in Section II.

The Draft report is prepared using long term forecast data and unfunded needs requests as of December 2022. ***The FY24 budget requests and unfunded needs are preliminary, and will be evaluated throughout the budget and groundwater charge (rate) setting processes through May 2023.*** The plan is finalized following Board adoption of Valley Water's final budget and groundwater production charges. The final plan will document the final budgeted amounts for each project for FY24-25 as well as any remaining unfunded needs following the budget and groundwater charge setting process. Throughout the plan, the term 'baseline' refers to activities that maintain current service levels and are assumed to be funded in fund forecasts prepared by Valley Water's Financial Planning and Management Services Division.

The sections below provide an overview of the Raw and Treated Water Division Units, as well as tables and charts which summarize expected operations expenses and unfunded operations resource needs for fiscal years 24-28.

A summary of the five-year forecasts of funding for current service levels as well as future resource requirements which are not yet funded for the Raw and Treated Water Operations Divisions are shown in the chart below.

Figure 17: Raw & Treated Water Operation Division Forecasts*



*Data as of October 18, 2022.

In total, the Raw and Treated Water Operations Divisions have identified baseline resource needs of \$97 Million for Fiscal Year 2024 for current service levels, as well as \$2.1 Million of unfunded resource needs. Additional details on these unfunded resource requests are provided below. The additional requested resources would provide the following services:

- Support for laboratory operations and accreditation
- Support for Corrosion Control Cathodic Protection Program
- Support for Water Utility Maintenance Mechanical Engineering program
- Support for Water Quality program
- Support for Water Treatment Plant General Maintenance

Raw Water Division

The Raw Water Division maintains and operates 150 miles of large diameter transmission pipelines including 94 miles of raw water pipelines and tunnels, three pumping plants and 102 ponds used to recharge the groundwater basins. The use of local and imported raw water supplies are maximized to meet treated water, groundwater recharge, and environmental needs.

Unit 408 is this Division's organizational unit and consists of the Deputy Operating Officer and one Administrative assistant. This Division manages one project in addition to the Units listed below: 91211005 – SFD Reach 1 Administration. The following Units are included in this Division:

Raw Water & Pipeline Maintenance Engineering (Unit 435)

The Raw Water & Pipeline Maintenance Engineering Unit provides civil and corrosion control engineering and support services for all Water Utility facilities; monitor and maintain pipeline condition assessment equipment (Acoustic Fiber Optic, Transient and Cathodic Protection monitoring); support 10-Year Pipeline Rehabilitation Program; and support O&M, Asset Management, General Engineering, CIP and Small Cap work requests.

Raw Water Operations (Unit 455)

The Raw Water Operations Unit performs the day-to-day operations planning and remote operations of Valley Water's Raw Water System consisting of:

- 10 water supply reservoirs with a combined restricted storage capacity of about 62,362 acre-feet.
- 3 Raw Water Pump Stations with over 37,000 combined horsepower.
- 1 hydroelectric facility.
- 94 miles of large diameter raw water pipelines and tunnels.
- 102 groundwater recharge ponds.
- 98 miles of streams managed for groundwater recharge.

The Unit also performs the required water right and regulatory compliance reporting to maintain and protect local water supply operations.

Groundwater Management (Unit 465)

The Groundwater Management Unit helps ensure continued groundwater sustainability by providing accurate and timely information on current and forecasted groundwater conditions; ensuring continued Valley Water compliance with California Water Code Sustainable Groundwater Management Act (SGMA) requirements; and implementing programs to protect groundwater resources.

Treatment Plant Maintenance (Unit 555)

The Treatment Plant Maintenance Unit conducts preventive, corrective and rehabilitative maintenance required to sustain operations of the Santa Teresa Water Treatment Plant, Penitencia Water Treatment Plant (PWTP), Rinconada Water Treatment Plant (RWTP), Campbell Well Field, and San Francisco Intertie.

Raw Water Field Operations and Pipeline Maintenance (Unit 585)

The Raw Water Field Operations and Pipeline Maintenance Unit is responsible for the mechanical, electrical, and control system preventive, corrective, and rehabilitative maintenance of the distribution

system infrastructure which includes three pump stations (Pacheco, Coyote, and Vasona) and 150 miles of pipeline. Also included is the operation of recharge and water distribution systems for groundwater basins, reservoirs, canals, and other water supply infrastructure.

Funding for current service levels as well as future resource requirements which are not yet funded for the operations projects managed by this Division are included in the tables below. The resource requirements and unfunded needs are summarized by project.

Resource Requirements for Current Service Levels*

PROJECT NAME & NUMBER	Unit No.	FY23 Adopted	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected	FY28 Projected
Groundwater Management Program - 91041018	465	\$ 5,466	\$ 5,702	\$ 5,982	\$ 6,393	\$ 6,413	\$ 6,580
Hollister Groundwater Mgm - 60041003	465	\$ 71	\$ 73	\$ 78	\$ 135	\$ 106	\$ 86
Raw Water Corrosion Control - 92781002	435	\$ 733	\$ 905	\$ 853	\$ 882	\$ 909	\$ 936
Raw Water T&D Eng Other - 92761083	435	\$ 1,686	\$ 1,632	\$ 1,719	\$ 1,777	\$ 1,832	\$ 1,886
SF Reach 1- Engineering - Other - 91211085	435	\$ 528	\$ 599	\$ 380	\$ 393	\$ 404	\$ 417
SF Reach 2- Engineering - Other - 91221006	435	\$ 235	\$ 479	\$ 389	\$ 403	\$ 415	\$ 427
SF Reach 3- Engineering - Other - 91231085	435	\$ 138	\$ 621	\$ 398	\$ 514	\$ 530	\$ 546
SFD Reach 1 Administration - 91211005	408	\$ 12	\$ 17	\$ 18	\$ 18	\$ 19	\$ 20
Treated Water T/D Corrosion - 94781001	435	\$ 596	\$ 758	\$ 747	\$ 772	\$ 795	\$ 819
TW T&D - Engineering - Other - 94761005	435	\$ 706	\$ 816	\$ 1,032	\$ 1,068	\$ 1,101	\$ 1,133
Water Operations Planning - 91041012	455	\$ 561	\$ 620	\$ 651	\$ 675	\$ 696	\$ 716
Water Rights - 91111001	455	\$ 817	\$ 902	\$ 950	\$ 986	\$ 1,018	\$ 1,050
Water Treatment Plant Engineer - 93081009	435	\$ 487	\$ 561	\$ 475	\$ 491	\$ 506	\$ 521

PROJECT NAME & NUMBER	Unit No.	FY23 Adopted	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected	FY28 Projected
Rinconada WTP General Maint - 93291099	555	\$ 4,241	\$ 4,368	\$ 4,655	\$ 4,813	\$ 4,958	\$ 4,917
Penitencia WTP General Maint - 93231099	555	\$ 3,344	\$ 3,362	\$ 3,507	\$ 3,628	\$ 3,738	\$ 3,848
Santa Teresa WTP General Maint - 93281099	555	\$ 3,841	\$ 3,879	\$ 4,020	\$ 4,159	\$ 4,285	\$ 4,411
Campbell Well Field Maint - 93761005	555	\$ 128	\$ 102	\$ 140	\$ 144	\$ 149	\$ 153
SF/SCVWD Intertie Gen Maint - 93761099	555	\$ 139	\$ 165	\$ 171	\$ 176	\$ 182	\$ 187
San Felipe Reach 1 Gen Maint - 91211099	585	\$ 1,000	\$ 967	\$ 1,801	\$ 986	\$ 1,016	\$ 1,046
San Felipe Reach 2 Gen Maint - 91221099	585	\$ 160	\$ 156	\$ 170	\$ 176	\$ 181	\$ 187
San Felipe Reach 3 Gen Maint - 91231099	585	\$ 1,298	\$ 1,259	\$ 1,170	\$ 1,287	\$ 1,248	\$ 1,285
Vasona Pump Station Gen Main - 92261099	585	\$ 183	\$ 177	\$ 242	\$ 230	\$ 258	\$ 238
Recycled Water T&D Genrl Maint - 92761008	585	\$ 297	\$ 298	\$ 276	\$ 286	\$ 295	\$ 303
Recharge/RW Field Ops - 92761009	585	\$ 3,662	\$ 3,786	\$ 4,113	\$ 4,254	\$ 4,382	\$ 4,510
Rchrg / RW Field Fac Maint - 92761010	585	\$ 1,498	\$ 1,517	\$ 1,594	\$ 1,644	\$ 1,694	\$ 1,744
Anderson Hydrelctrc Fclty Main - 92761085	585	\$ 156	\$ 154	\$ 154	\$ 146	\$ 164	\$ 155
Raw Water T / D Gen Maint - 92761099	585	\$ 2,687	\$ 2,705	\$ 2,721	\$ 2,818	\$ 2,905	\$ 2,991
Treated Water T/D Gen Maint - 94761099	585	\$ 1,646	\$ 1,598	\$ 1,759	\$ 1,835	\$ 1,878	\$ 1,941
San Felipe Reach 1 Operation - 91211004	455	\$ 746	\$ 810	\$ 850	\$ 881	\$ 908	\$ 934

PROJECT NAME & NUMBER	Unit No.	FY23 Adopted	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected	FY28 Projected
San Felipe Reach 2 Operation - 91221002	455	\$ 79	\$ 96	\$ 101	\$ 104	\$ 108	\$ 111
San Felipe Reach 3 Operation - 91231002	455	\$ 311	\$ 339	\$ 357	\$ 369	\$ 380	\$ 391
Local Res/Div Plan & Analysis - 91761001	455	\$ 2,453	\$ 2,532	\$ 2,509	\$ 2,502	\$ 2,579	\$ 2,655
Raw Water T&D Gen'l Oper - 92761001	455	\$ 1,831	\$ 1,872	\$ 1,970	\$ 2,043	\$ 2,108	\$ 2,173
Untreated Water Prog Plan - 92761012	455	\$ 364	\$ 430	\$ 446	\$ 462	\$ 476	\$ 490
Total		\$ 42,097	\$ 44,258	\$ 46,395	\$ 47,451	\$ 48,634	\$ 49,808

*In thousands. Data as of October 18, 2022.

Key Milestones for Current Service Levels

- Complete all required corrosion control and cathodic protection monitoring and minor repair work on all utility facilities.
- Provide engineering support for both planned and unplanned work requests and monitor condition of all utility facilities.
- Operate and maintain the Almaden Valley Pipeline, Central Pipeline, Cross Valley Pipeline, and Calero Pipeline, and Santa Clara Conduit and Pacheco Conduit Acoustic Fiber Monitoring Systems
- Ensure pipelines are protected by operating rectifiers based upon industry established criteria per NACE SP0100-2019.
- Update raw water operations plans as water supply conditions change and operations evolve, or at least monthly.
- Submit and maintain Central Valley Project (CVP) and State Water Project (SWP) annual delivery schedules per contract requirements.
- Coordinate San Felipe Division Reach 1 Operations with the United States Bureau of Reclamation (USBR) and San Benito County Water District (SBCWD).
- Manage the untreated surface water program and prepare annual report on previous fiscal year (FY).
- Submit the annual water rights reports to State Water Resources Control Board and pay the associated fees.
- Prepare Lake or Streambed Alteration Agreement (LSAA) South County operating strategy annual compliance report and Annual Report on North County LSAA's.
- Measure groundwater elevation in 200 wells and complete monthly Groundwater Condition Reports.
- Submit annual SGMA report and semi-annual groundwater elevation data to the California Department of Water Resources.
- Implement alternative Groundwater Sustainability Plan and ensure continued SGMA compliance.

- Complete identified Preventive Maintenance (PM) and Corrective Maintenance (CM) work for all water utility facilities.
- Manage operations of off stream recharge, in-stream recharge, canals, ditches, low-pressure pipelines, in-stream diversion facilities, fish screens, and fish ladders.
- Provide on-call support 24 hours per day.
- Plan and execute work projects identified in the 5-year Maintenance Work Plan.
- Perform condition assessments all water utility facilities.

Additional Resource Needs (Unfunded)*

PROJECT NAME & NUMBER	Unit No.	FY24	FY25	FY26	FY27	FY28
Raw Water Corrosion Control - 92781002	435	\$ 391	\$ 405	\$ 419	\$ 420	\$ 432
Penitencia WTP General Maint - 93231099	555	\$ 124	\$ 128	\$ 132	\$ 133	\$ 137
Santa Teresa WTP General Maint - 93281099	555	\$ 125	\$ 129	\$ 134	\$ 134	\$ 138
Rinconada WTP General Maint - 93291099	555	\$ 120	\$ 124	\$ 128	\$ 128	\$ 132
Total		\$ 760	\$ 785	\$ 814	\$ 815	\$ 839

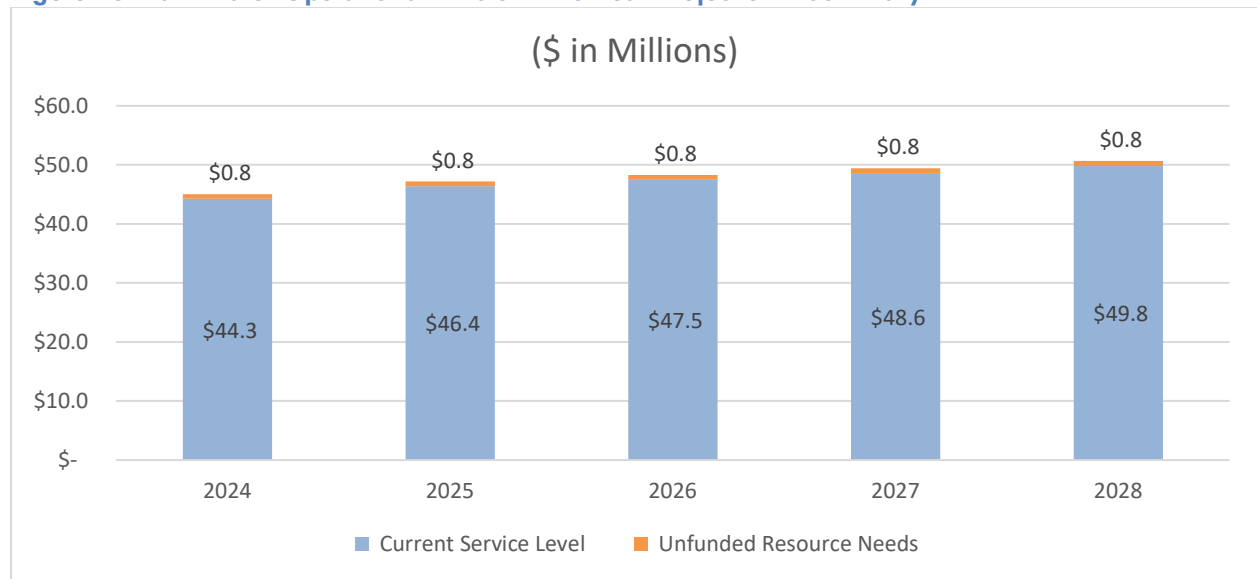
*\$ in thousands. Data as of October 18, 2022.

Description of Services to be Provided with Additional Resources

The additional requested resources were not approved through the groundwater charge setting and budget process. The requested resources will provide for:

- Support for Corrosion Control Cathodic Protection Program to compile, analyze and assess data; coordinate and administer on-call contract; coordinate and schedule equipment maintenance and replacement projects; coordinate, plan and schedule CSI and ECDA surveys; and assist with incorporation of data into overall pipeline and infrastructure condition assessment and management strategies.
- Support for Treated Water Treatment Plant General Maintenance of instrumentation and controls assets. The request cost are spread across the 3 water treatment plant general maintenance operating budgets.

Figure 18: Raw Water Operations Division Five Year Projection – Summary



*Data as of October 18,2022.

Treated Water Division

The Treated Water Division (Division) is responsible for managing the operation of Valley Water's three conventional drinking water treatment plants and the Campbell Well Field to provide a reliable, high-quality drinking water supply to the Santa Clara County residents. The Division also manages the operation and maintenance of the Silicon Valley Advanced Water Purification Center to enhance the quality and advance the use of recycled water in the county.

In addition, the Division manages business units that provide leadership and technical support in areas of laboratory services; water quality process engineering; electrical and control systems engineering; and plant maintenance engineering to improve the overall safety, quality, and reliability of current facilities and the commissioning of new facilities upon capital construction handover to Operations and Maintenance (O&M). Furthermore, the Division regularly communicates with Valley Water's drinking water retailers to maintain a collaborative working relationship and conducts annual check-ins and ad-hoc meetings with the State Water Resources Control Board (SWRCB) for ongoing and annual updates of drinking and recycled water regulations.

Unit 515 is this Division's organizational unit and consists of the Deputy Operating Officer, a Senior Management Analyst, and one Administrative Assistant. The following Units are included in this Division:

Plant Maintenance Engineering and Commissioning (Unit 516)

The Plant Maintenance Engineering and Commissioning Unit leads and coordinates the commissioning and start-up activities at Valley Water's treatment plants and, treated water pipelines. The unit supports and implements the integration of large capital projects, throughout all phases, to our treatment plants and treated water pipelines. The unit also provides mechanical engineering support services for operations, maintenance, asset management and capital improvements at the treatment plants and pump stations.

Water Quality (Unit 525)

The Water Quality Unit is responsible for providing water quality operational, process, and project support directly to the treated water managers and water treatment plant supervisors and operators. The unit is also responsible for tracking drinking water-related regulatory development, providing recommendations for regulatory compliance strategy, and communicating with DDW on various regulatory issues and retailers on various water quality issues. The unit provides leadership in water quality and treatment research through collaboration with other agencies and involvement in professional drinking water organizations. In addition, the unit oversees Source Water Quality Management and Invasive Mussel Prevention Programs and supports internal and external groups on source water quality management and protection.

Laboratory Services (Unit 535)

The Laboratory Services Unit is responsible for providing analytical and sampling services to the Water Utility Enterprise. The state-of-the-art laboratory is accredited with the California Environmental Laboratory Accreditation Program (ELAP), maintains a robust quality assurance and quality control program, and tests water produced from each of our drinking water treatment plants, distribution lines, the Silicon Valley Advanced Water Purification Center, surface water reservoirs and groundwater basins.

Utility Electrical and Control Systems Engineering (Unit 545)

The Utility Electrical and Control Systems Engineering Unit provides electrical, control systems, Supervisory Control and Data Acquisition (SCADA), and imported electricity management engineering

services, including direct technical services, in support of Valley Water's critical infrastructure and systems used in the day-to-day (24 hours a day, 7 days a week) operations and maintenance of its complex, countywide raw and treated water conveyance system (including three raw water pump stations and pipelines), three drinking water treatment plants, one advanced purified water processing plant, the headquarters office campus, and watershed facilities. The imported electricity management saved Valley Water approximately \$1 Million in annual electrical energy expenditures and is 100 percent carbon-free in 2021.

North Water Treatment Operations (Unit 565)

The North Water Treatment Operations Unit provides safe, clean, and high-quality drinking water to Valley Water's three (3) treated water retailers along the East/Milpitas Pipelines, including San Jose Water Company, City of San Jose, and City of Milpitas. The unit is responsible for safe and cost-effective operations (24 hours a day, 7 days a week) and management of the Penitencia Water Treatment Plant (PWTP), the joint San Francisco Public Utilities Commission (SFPUC)-Valley Water (VW) Intertie facility, and the East/Milpitas Pipeline turnouts. The unit is also responsible for cost-effective operations and maintenance of the Silicon Valley Advanced Water Purification Center (SVAWPC).

South Water Treatment Operations (Unit 566)

The South Water Treatment Operations Unit provides safe, clean, and high-quality drinking water and a backup supply of drinking water to Valley Water's seven (7) treated water retailers, and ultimately to the residents of Santa Clara County. The unit is responsible for providing safe and cost-effective operations (24 hours a day, 7 days a week) and management of the Santa Teresa Water Treatment Plant (STWTP), the Rinconada Water Treatment Plant (RWTP), the Campbell Well Field, and the West and Snell/East Pipeline turnouts.

Funding for current service levels as well as future resource requirements which are not yet funded for the operations projects managed by this Division are included in the tables below. The resource requirements and unfunded needs are summarized by project.

Resource Requirements for Current Service Levels*

PROJECT NAME & NUMBER	Unit No.	FY23 Adopted	FY24 Projection	FY25 Projection	FY26 Projection	FY27 Projection	FY28 Projection
Campbell Well Field Operations - 93761004	566	\$ 102	\$ 109	\$ 113	\$ 116	\$ 119	\$ 122
Energy Management - 21008	545	\$ 380	\$ 415	\$ 434	\$ 450	\$ 464	\$ 478
Invasive Mussel Prevention - 91451011	525	\$ 717	\$ 797	\$ 844	\$ 822	\$ 847	\$ 872
Plant Maintenance Engineering & Commissioning	516	\$ 953	\$ 823	\$ 861	\$ 892	\$ 919	\$ 946

PROJECT NAME & NUMBER	Unit No.	FY23 Adopted	FY24 Projection	FY25 Projection	FY26 Projection	FY27 Projection	FY28 Projection
Project - 93081002							
PWTP General Operations - 93231009	565	\$ 7,079	\$ 8,203	\$ 8,448	\$ 8,747	\$ 9,025	\$ 9,305
Raw Water T&D Ctrl and Electr - 92761082	545	\$ 874	\$ 876	\$ 905	\$ 937	\$ 965	\$ 993
RWTP General Operations - 93291012	566	\$ 10,616	\$ 11,964	\$ 11,915	\$ 12,347	\$ 13,601	\$ 14,056
San Felipe Reach1 Ctrl and Ele - 91211084	545	\$ 464	\$ 394	\$ 412	\$ 427	\$ 440	\$ 452
San Felipe Reach3 Ctrl and Ele - 91231084	545	\$ 294	\$ 345	\$ 359	\$ 371	\$ 383	\$ 394
SF/SCVWD Intertie General Ops - 93761001	565	\$ 170	\$ 178	\$ 188	\$ 194	\$ 200	\$ 206
Source Water Quality Mgmt - 91451005	525	\$ 396	\$ 427	\$ 448	\$ 731	\$ 479	\$ 493
STWTP - General Operations - 93281005	566	\$ 7,375	\$ 7,649	\$ 8,361	\$ 8,652	\$ 8,922	\$ 9,195
SVAWPC Facility Maintenanc - 91281008	565	\$ 3,142	\$ 2,449	\$ 2,976	\$ 2,418	\$ 3,617	\$ 5,116
SVAWPC Facility Operation - 91281007	565	\$ 2,985	\$ 4,011	\$ 4,280	\$ 4,224	\$ 4,378	\$ 4,535
Treated Water Ctrl & Elec Eng - 93761006	545	\$ 2,974	\$ 3,242	\$ 3,390	\$ 3,511	\$ 3,618	\$ 3,724
W T General Water Quality - 93081008	525	\$ 2,798	\$ 2,787	\$ 2,928	\$ 3,032	\$ 3,125	\$ 3,218

PROJECT NAME & NUMBER	Unit No.	FY23 Adopted	FY24 Projection	FY25 Projection	FY26 Projection	FY27 Projection	FY28 Projection
Water District Laboratory - 93401002	535	\$ 6,532	\$ 6,945	\$ 7,361	\$ 7,639	\$ 7,916	\$ 8,171
Wolfe Road Recycled Water Facility - 91241001	565	\$ 100	\$ 210	\$ 223	\$ 229	\$ 236	\$ 243
SCADA Systems Upgrade - 761013	545	\$ 868	\$ 905	\$ 938	\$ 968	\$ 998	\$ -
Total		\$ 48,818	\$ 52,729	\$ 55,385	\$ 56,708	\$ 60,250	\$ 62,517

*In thousands. Data as of October 18, 2022

Key Milestones for Current Service Levels

- 100% of the treated water delivered to customers meets and/or surpasses all applicable primary drinking water quality regulatory standards.
- Provide cost-effective service to our retailers, ensuring that the annually contracted volume of treated water is delivered effectively and efficiently.
- Supply recycled water, up to 8 million gallons per day, to reach a target of 500 mg/L (+/- 50 mg/L) for total dissolved solids, into the South Bay Water Recycling distribution system.
- Provide water to SFPUC through the Intertie as needed, consistent with the SFPUC-Valley Water agreement.
- Maintain state accreditation through California ELAP for majority of drinking water parameters, through the successful completion of on-site audits, proficiency testing studies, and payment of applicable fees.
- Submit all regulatory compliance reports for drinking water testing by the required due dates.
- Provide technical expertise and leadership for all commissioning-related work to improve overall safety, quality, and reliability upon capital construction handover to Operations and Maintenance.
- Provide mechanical engineering support services for operations, maintenance, asset management and capital improvements of treatment plants and pump stations.
- Actively track drinking water regulations and provide annual updates on the status of regulations.
- Maintain regular communications and participate in the annual check-in with DDW.
- Maintain timely and regular communication with retailers on water quality issues.
- Support continual operation of critical water utility facilities, dam safety projects, new reservoir projects, and raw and treated water capital projects by providing essential electrical, control systems, and SCADA engineering services to capital project teams.
- Continue to manage a cost-effective and carbon-free imported electricity program.
- Support the development of the water treatment plant, distribution system and SCADA master plans.

Additional Resource Needs (Unfunded)*

PROJECT NAME & NUMBER	Unit No.	FY24 Projection	FY25 Projection	FY26 Projection	FY27 Projection	FY28 Projection
Plant Maintenance Engineering & Commissioning Project - 93081002	516	\$ 462	\$ 478	\$ 495	\$ 496	\$ 510
W T General Water Quality - 93081008	525	\$ 452	\$ -	\$ -	\$ -	\$ -
Water District Laboratory - 93401002	535	\$ 394	\$ 408	\$ 422	\$ 423	\$ 436
Total		\$ 1,308	\$ 885	\$ 918	\$ 919	\$ 946

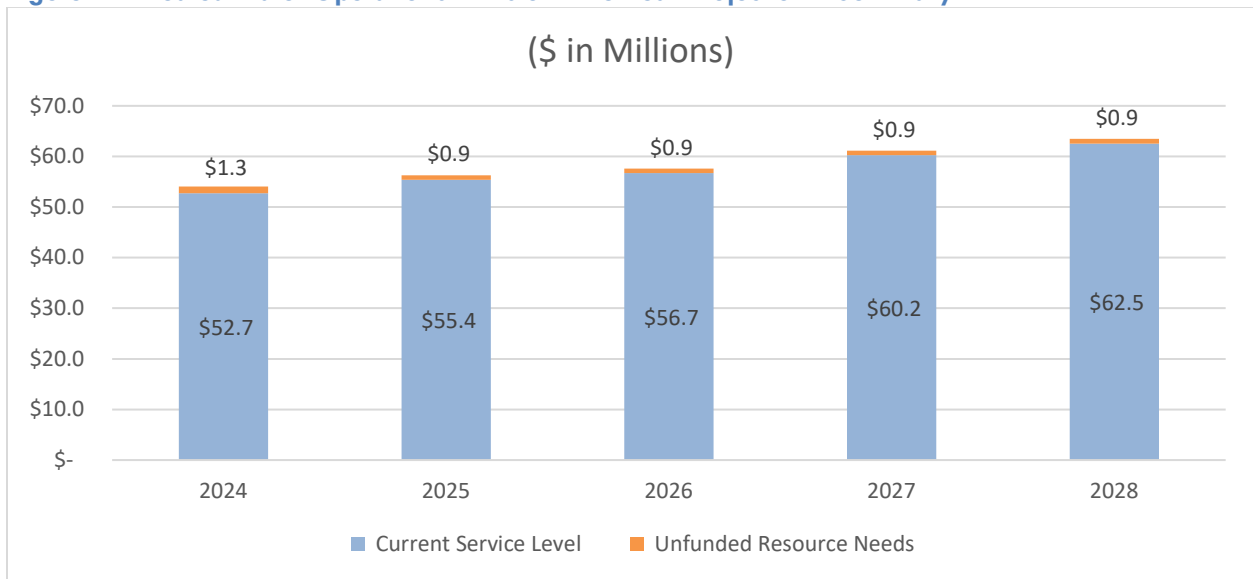
*\$ in thousands. Data as of October 18,2022

Description of Services to be Provided with Additional Resources

The additional requested resources were reviewed through the groundwater charge setting and budget process. The resources will provide for:

- Support for the implementation of the quality assurance and quality control requirements per new ELAP laboratory accreditation standards required by January 1, 2024, and to support sampling and testing activities for emerging contaminants such as PFAS, algaltoxins, and Microplastics.
- Support for mechanical engineering work for operations, maintenance, asset management and capital projects and programs for four treatment plants, three pump stations, SFPUC-VW Intertie, and related transmission facilities.
- Support for Water Quality program's pilot and full-scale testing, troubleshooting and recommendations on various water quality issues. Conduct water quality data and plant performance evaluation with effective data query tools.

Figure 19: Treated Water Operations Division Five Year Projection – Summary



*Data as of October 18,2022.



Fiscal year 2023-2027
Water Utility Enterprise Operation & Maintenance Plan (WUE OMP)

APPENDIX A: FISCAL YEAR 2024 (FY2024)

PLANNED ASSET RENEWAL WORK

Overview

Appendix A contains tables conveying the FY2024 Planned Asset Renewal Work (PARW) details per facility. Each facility has one table for planned work which may span multiple pages. In addition, one table has been made to convey the backlog.

Notes for the PW tables:

- The project costs provided in the tables include services and supply costs; and required labor hours are estimated. The required labor hours are provided by staff and are conservative.
- Work order number will be generated in Maximo and effective July 1, 2023.

Description	Figure No.
FY2024 PW for PWTP	20
FY2024 PW for SFI	21
FY2024 PW for RWTP	22
FY2024 PW for STWTP	23
FY2024 PW for SVAWPC	24
FY2024 PW for San Felipe Reaches	25
FY2024 PW for Water Supply Management System	26

Maximo work orders- will be created in July 2023

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APPENDIX A: FY2023 PLANNED ASSET RENEWAL WORK (PARW) PLANNED WORK

Figure 20: FY24 Planned Asset Renewal Work for PWTP

System	Renewal Project Description and Maximo work order number	Estimated Cost	#
PWTP ALUM/FERRIC SYSTEM	Clean and coat Alum Tank #1 (internal staff) - AP10017	\$ 2,500	1
	Clean and coat Alum Tank #2 (internal staff) - AP10018	\$ 2,500	2
	Clean and coat Alum Tank #3 (internal staff) - AP10019	\$ 2,500	3
PWTP CLEARWELL SYSTEM	Maintenance & Inspection of PWTP CLEARWELL - AP10151 Maximo work order: to be created in June 2023	\$200,000	4
	PWTP Clearwell bypass install BFVs	\$250,000	5
PWTP ZINC/PHOSPHORIC ACID SYSTEM	Replacement of PWTP PHOSPHORIC ACID FLOW METER - AP10671		7
PWTP has 6 total FY24 Renewal Projects with an estimated cost of ~\$463,865K.			

Figure 21: FY24 Planned Asset Renewal Work for SFI

System	Renewal Project Description and Maximo work order number	Estimated Cost	#
SFI has 0 total FY24 Renewal Projects with an estimated cost of ~\$0.			

Figure 22: FY24 Planned Asset Renewal Work for RWTP

System	Renewal Project Description and Maximo work order number	Estimated Cost	#
RWTP AQUA AMMONIA SYSTEM	Replacement of RWTP AQUA NH4 FLOWMETER # 1- 1/4INCH - AP20375	\$ 6,000	1
	Replacement of RWTP AQUA NH4 FLOWMETER # 2- 1/10INCH - AP20376	\$ 6,000	2
	Removal of tank liner for RWTP AQUA NH4 STORAGE TANK - AP20030	\$ 130,000	3
RWTP CARBON SYSTEM	Replacement of RWTP Chemical Feed Pump- purchase 1 spare	\$ 14,000	4
	Replacement of RWTP PAC DUST COLLECTOR #1 - AP20100	\$ 60,000	5
RWTP FILTER POLY SYSTEM (NON-IONIC)	Replacement of RWTP NON-IONIC FILTER POLY FLOW METER; FLOC #1 - AP50158	\$ 6,365	6
	Replacement of RWTP NON-IONIC FILTER POLY FLOW METER; FLOC #2 - AP50159	\$ 6,365	7
	Replacement of RWTP NON-IONIC FILTER POLY FLOW METER; FLOC #3 - AP50160	\$ 6,365	8
	Replacement of RWTP NON-IONIC FILTER POLY FLOW METER; FLOC #4 - AP50161	\$ 6,365	9

Maximo work orders- will be created in July 2023

System	Renewal Project Description and Maximo work order number	Estimated Cost	#
RWTP FILTER SYSTEM	Replacement of RWTP FILTER #1 LEVEL TRANSMITTER (NORTH) - AP20196	\$4,000	10
	Replacement of RWTP FILTER #1 LEVEL TRANSMITTER (SOUTH) - AP20197	\$4,000	11
	Replacement of RWTP FILTER #1 RFCV HEADLOSS METER - AP46658	\$ 6,365	12
	Replacement of RWTP FILTER #2 LEVEL TRANSMITTER (NORTH) - AP20208	\$4,000	13
	Replacement of RWTP FILTER #2 LEVEL TRANSMITTER (SOUTH) - AP20209	\$4,000	14
	Replacement of RWTP FILTER #2 RFCV HEADLOSS METER - AP46661	\$ 6,365	15
	Replacement of RWTP FILTER #3 LEVEL TRANSMITTER (NORTH) - AP20221	\$4,000	16
	Replacement of RWTP FILTER #3 LEVEL TRANSMITTER (SOUTH) - AP20222	\$4,000	17
	Replacement of RWTP FILTER #3 RFCV HEADLOSS METER - AP46659	\$ 6,365	18
	Replacement of RWTP FILTER #4 LEVEL TRANSMITTER (NORTH) - AP20233	\$4,000	19
	Replacement of RWTP FILTER #4 LEVEL TRANSMITTER (SOUTH) - AP20234	\$4,000	20
	Replacement of RWTP FILTER #4 RFCV HEADLOSS METER - AP46662	\$ 6,365	21
	Replacement of RWTP FILTER #5 LEVEL TRANSMITTER (NORTH) - AP54301	\$4,000	22
	Replacement of RWTP FILTER #5 LEVEL TRANSMITTER (SOUTH) - AP54302	\$4,000	23
	Replacement of RWTP FILTER #5 RFCV HEADLOSS METER - AP46660	\$ 6,365	24
	Replacement of RWTP FILTER #6 LEVEL TRANSMITTER (NORTH) - AP54303	\$4,000	25
	Replacement of RWTP FILTER #6 LEVEL TRANSMITTER (SOUTH) - AP54304	\$4,000	26
	Replacement of RWTP FILTER #6 RFCV HEADLOSS METER - AP49756	\$ 6,365	27
	Replacement of RWTP FILTER #1 LEVEL TRANSMITTER (NORTH) - AP20196	\$4,000	28
	Replacement of RWTP FILTER #1 LEVEL TRANSMITTER (SOUTH) - AP20197	\$4,000	29
	Replacement of RWTP FILTER #1 RFCV HEADLOSS METER - AP46658	\$ 6,365	30
	Replacement of RWTP FILTER #2 LEVEL TRANSMITTER (NORTH) - AP20208	\$4,000	31

Maximo work orders- will be created in July 2023

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System	Renewal Project Description and Maximo work order number	Estimated Cost	#
	Replacement of RWTP FILTER #2 LEVEL TRANSMITTER (SOUTH) - AP20209	\$4,000	32
	Replacement of RWTP FILTER #2 RFCV HEADLOSS METER - AP46661	\$ 6,365	33
	Replacement of RWTP FILTER #3 LEVEL TRANSMITTER (NORTH) - AP20221	\$4,000	34
	Replacement of RWTP FILTER #3 LEVEL TRANSMITTER (SOUTH) - AP20222	\$4,000	35
	Replacement of RWTP FILTER #3 RFCV HEADLOSS METER - AP46659	\$ 6,365	36
	Replacement of RWTP FILTER #4 LEVEL TRANSMITTER (NORTH) - AP20233	\$4,000	37
	Replacement of RWTP FILTER #4 LEVEL TRANSMITTER (SOUTH) - AP20234	\$4,000	38
	Replacement of RWTP FILTER #4 RFCV HEADLOSS METER - AP46662	\$ 6,365	39
	Replacement of RWTP FILTER #5 LEVEL TRANSMITTER (NORTH) - AP54301	\$4,000	40
	Replacement of RWTP FILTER #5 LEVEL TRANSMITTER (SOUTH) - AP54302	\$4,000	41
	Replacement of RWTP FILTER #5 RFCV HEADLOSS METER - AP46660	\$ 6,365	42
	Replacement of RWTP FILTER #6 LEVEL TRANSMITTER (NORTH) - AP54303	\$4,000	43
	Replacement of RWTP FILTER #6 LEVEL TRANSMITTER (SOUTH) - AP54304	\$4,000	44
	Replacement of RWTP FILTER #6 RFCV HEADLOSS METER - AP49756	\$ 6,365	45
RWTP SODIUM HYDROXIDE (CAUSTIC) SYSTEM	Replacement of RWTP CAUSTIC METER PUMP # 1; FLOWMETER (FIT-303) - AP50217	\$ 6,365	46
	Replacement of RWTP CAUSTIC METER PUMP # 2; FLOWMETER (FIT-302) - AP50218	\$ 6,365	47
	Replacement of RWTP CAUSTIC METER PUMP # 3; FLOW METER (FIT-301) - AP50219	\$ 6,365	48
RWTP WATER MONITORING SYSTEM	Replacement of RWTP 2100N TURBIDIMETER (SPARE) - BENCHTOP - AP20592	\$7,966	49
RWTP ZINC/PHOSPHORIC ACID SYSTEM	Replacement of RWT PHORPHORIC ACID SUMP TANK LEVEL SENSOR - AP50769	\$6,565	50
	Replacement of RWT PHOSPHORIC ACID TANK #1; LEVEL SENSOR (LIT 201) - AP50746	\$6,565	51

Maximo work orders- will be created in July 2023

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System	Renewal Project Description and Maximo work order number	Estimated Cost	#
	Replacement of RWT PHOSPHORIC ACID TANK #2; LEVEL SENSOR (LIT 202) - AP50747	\$6,565	52
RWTP MORE AVE PUMP SYSTEM	Rebuild RWTP MORE AVENUE PUMP STATION PUMP #2 - AP21038	\$65,000	53
RWTP DEWATERING SYSTEM	Rebuild RWTP SLUDGE DEWATERING CENTRIFUGE #2 (RDWTCFG02) - AP66934	\$80,000	54
	Rebuild RWTP SLUDGE DEWATERING CENTRIFUGE #1 (RDWTCFG01) - AP66933	\$80,000	55
RWTP has 55 total FY24 Renewal Projects with an estimated cost of \$620,141			

Figure 23: FY24 Planned Asset Renewal Work for STWTP

System	Renewal Project Description and Maximo work order number	Estimated Cost	#
STWTP AMMONIA SYSTEM	*Maintenance & Inspection of STWTP AQUA NH4 STORAGE TANK - AP30050 (need to check last report)	\$7,082	1
STWTP CARBON SYSTEM	Replacement of STWTP CARBON DUST COLLECT BLOW MOTOR NORTH ME-51 - AP30103	\$6,365	2
	Replacement of STWTP CARBON DUST COLLECT BLOW MOTOR SOUTH ME-50 - AP30108	\$6,365	3
	Replacement of STWTP CARBON METER PUMP MOTOR #1 VFD FD-28 - AP43072	\$4,249	4
	Replacement of STWTP CARBON METER PUMP MOTOR #2 VFD FD-29 - AP43073	\$4,249	5
	Replacement of STWTP CARBON METER PUMP MOTOR #3 VFD FD-30 - AP43074	\$4,249	6
	Replacement of STWTP CARBON MIXER DRIVE MOTOR - NORTH MX-43 - AP30106	\$6,365	7
	Replacement of STWTP CARBON MIXER DRIVE MOTOR - SOUTH MX-42 - AP30111	\$6,365	8
STWTP CATIONIC POLYMER SYSTEM	Replacement of STWTP CATIONIC POLY TANK #10 MIXER (MX-1) - AP30330 (cost includes mixer, motor, and drive)	\$8,500	9
	Replacement of STWTP CATIONIC POLY TANK #10 MIXER MOTOR (MX-1)		
	Replacement of STWTP CATIONIC POLY TANK #10 MIXER MOTOR DC DRIVE (MX-1) (change to AC)		
	Replacement of STWTP CATIONIC POLY TANK #11 MIXER (MX-2)		
	Replacement of STWTP CATIONIC POLY TANK #11 MIXER (MX-2) - AP30332 (cost includes mixer, motor, and drive)	\$8,500	10
	Replacement of STWTP CATIONIC POLY TANK #11 MIXER MOTOR DC DRIVE (MX-2) (change to AC)		
STWTP CLEARWELL SYSTEM	Maintenance & Inspection of STWTP CLEARWELL - AP42738	\$5,000	11

Maximo work orders- will be created in July 2023

STWTP MAIN ELECTRICAL SYSTEM	Maintenance & Inspection of STWTP MAIN SWITCHBOARD A - OZONE GEN ELEC ROOM - AP45081		
	Maintenance & Inspection of STWTP MAIN SWITCHBOARD B - OZONE GEN ELEC ROOM - AP45082	\$6,293	12
	Maintenance & Inspection of STWTP MAIN SWITCHGEAR (MSG-21KV) - AP52060	\$6,293	13
	Maintenance & Inspection of STWTP MAIN SWITCHBOARD A - OZONE GEN ELEC ROOM - AP45081	\$6,293	14
STWTP NON-IONIC POLY SYSTEM	Replacement of STWTP FLOC MIXER 2ND STG MX-10 - AP30731		
	Replacement of STWTP FLOC MIXER DRIVE MOTOR 2ND STG MX-10 - AP30732		
	Replacement of STWTP FLOC MIXER 2ND STG MX-10 - AP30731		
	Replacement of STWTP FLOC MIXER DRIVE MOTOR 2ND STG MX-10 - AP30732		
	Replacement of STWTP FLOC MIXER 3RD STG MX-12 - AP30735		
	Replacement of STWTP FLOC MIXER DRIVE MOTOR 3RD STG MX-12 - AP30736		
	Replacement of STWTP FLOC MIXER 3RD STG MX-13 - AP30737		
	Replacement of STWTP FLOC MIXER DRIVE MOTOR 3RD STG MX-13 - AP30739		
STWTP SODIUM HYPOCHLORITE (OCL) SYSTEM	Replacement of liner for STWTP OCL STORAGE TANK #1 - AP30138	\$20,000	
STWTP has # total FY24 Renewal Projects with an estimated cost of \$116,543.			

Figure 24: FY24 Planned Asset Renewal Work for SVAWPC

System	Renewal Project Description and Maximo work order number	Estimated Cost	#
SVA AQUA AMMONIA SYSTEM	Replacement of SVA AQUA AMMONIA FEED PUMP #1 (PMP-8201) - AP52383	\$9,281	
SVA DECARBONATION SYSTEM	Rehabilitation of SVA Decarbonation Tower #1 Blower (BLO-2901) - AP52667	\$7,219	
	Rehabilitation of SVA Decarbonation Tower #2 Blower (BLO-2902) - AP52672	\$7,219	
	Rehabilitation of SVA PRODUCT WATER TRANSFER PUMP #1 (PMP-2911) - AP52680	\$29,699	
SVA INFLUENT PUMPS AND STRAINERS	AP52901 - SVA INFLUENT PUMP #1; CHECK VALVE (VLV-1112)	\$25,000	
	AP52905 - SVA INFLUENT PUMP #2; CHECK VALVE (VLV-1122)	\$25,000	

Maximo work orders- will be created in July 2023

System	Renewal Project Description and Maximo work order number	Estimated Cost	#
SVA INFLUENT PUMPS AND STRAINERS	AP52907 - SVA INFLUENT PUMP #3; CHECK VALVE (VLV-1132)	\$25,000	
	AP52910 - SVA INFLUENT PUMP #4; CHECK VALVE (VLV-1142)	\$25,000	
	FY24 Autostrainer condition assessment evaluation (AM) AP52345	\$75,000	
	FY24 Autostrainer condition assessment evaluation (AM) AP52347	\$75,000	
	FY24 Autostrainer condition assessment evaluation (AM) AP52349	\$75,000	
	FY24 Autostrainer condition assessment evaluation (AM) AP52351	\$75,000	
	SVA AUTOSTRAINER UNIT #1 16 in CHECK VALVE (VLV-1161)	\$15,000	
	SVA AUTOSTRAINER UNIT #2 16 in CHECK VALVE (VLV-1171)	\$15,000	
	SVA AUTOSTRAINER UNIT #3 16 in CHECK VALVE (VLV-1181)	\$15,000	
	SVA AUTOSTRAINER UNIT #4 16 in CHECK VALVE (VLV-1191)	\$15,000	
SVA MF AERATION SYSTEM	Replacement of SVA MF SCRUB AIR BLOWER #1; MOTOR (MTR-1901) - AP52491	\$5,150	
	Replacement of SVA MF SCRUB AIR BLOWER #2; MOTOR (MTR-1902) - AP52494	\$5,150	
SVA MF CIP SYSTEM	Rehabilitation of SVA MF CIP CIRCULATION PUMP #2 (PMP-1602) - AP52518	\$28,511	
SVA MF HIGH PRESSURE AIR SYSTEM	Inspection of SVA MF COMPRESSED AIR RECEIVER TANK (TNK-1801) - AP52485	\$1,815	
SVA PRODUCT WATER STORAGE SYSTEM	Inspection of SVA PRODUCT WATER STORAGE TANK (PWST-4001) TNK - AP52770 *cost provided by Techcorr*	\$45,000	
SVA RO INTERPROCESS SYSTEM	Inspection of SVA Inter-Process Storage Tank (IST-1301) - AP70378 *cost provided by Techcorr*	\$55,000	
SVA SODIUM HYPOCHLORITE (OCL) SYSTEM	Replacement of SVA SODIUM HYPOCHLORITE FEED PUMP #2 (PMP-8102) - AP67783	\$9,559	
	Replacement of SVA SODIUM HYPOCHLORITE FEED PUMP #3 (PMP-8103) - AP52373	\$9,281	
	Replacement of SVA SODIUM HYPOCHLORITE PUMP #1 MOTOR (MTR-8101) - AP69685	\$1,236	
	Replacement of SVA SODIUM HYPOCHLORITE PUMP #2 MOTOR (MTR-8102) - AP69686	\$2,060	

Maximo work orders- will be created in July 2023

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System	Renewal Project Description and Maximo work order number	Estimated Cost	#
SVA WASTE EQUALIZATION SYSTEM	AP70342 - SVA Wetwell Pump 5001 Check Valve (VLV-5011)	\$25,000	
	AP70345 - SVA Wetwell Pump 5002 Check Valve (VLV-5021)	\$25,000	
	AP70348 - SVA Wetwell Pump 5003 Check Valve (VLV-5031)	\$25,000	
	Spare parts for 10 control panels; change out components on an as need basis.	\$20,000	
SVAWPC has 37 total FY24 Renewal Projects with an estimated cost of ~\$700K.			

Figure 25: FY 24 Planned Asset Renewal Work for San Felipe Reaches

System	Renewal Project Description and Maximo work order number	Estimated Cost	#
REACH 3 CPP – MAIN PUMP	Rehabilitation of CPP Pump (Unit1) - AR42376 Maximo work order: to be created in July 2022	\$ 180,000	1
	Rehabilitation of CPP Pump (Unit #2) - AR42376 Maximo work order: to be created in July 2022	\$ 180,000	2
REACH 1 PPP – MAIN PUMP	Rehabilitation of PPP Pump Unit (Unit TBD) Maximo work order: to be created in July 2022	\$ 1,320,000	3
	Inspection and Rehabilitation of PPP Motor (Unit TBD) Maximo work order: to be created in July 2022	\$ 240,000	4
REACH 1 PPP – BUILDINGS AND GROUNDS	Installation of crane remote control	\$ 12,000	5
San Felipe Reaches 1 and 3 have 5 total FY24 Renewal Projects with an estimated cost of ~\$1.932M			

Figure 26: FY24 Planned Asset Renewal Work for WSMS

System	MWP Activity Description and Maximo work order number	Estimated Cost	#
WSMS has 0 total FY24 Renewal Projects with an estimated cost of ~\$0M.			
WSMS work orders are created by Raw Water Field Operations & Pipeline Maintenance Unit Field Operations Admin.			

Maximo work orders- will be created in July 2023



Fiscal year 2023-2027

Water utility Enterprise Maintenance Work Plan (MWP)

APPENDIX B: REVIEW OF FISCAL YEAR 2023(FY23) PLANNED ASSET RENEWAL WORK

Program Success

The MWP program success is defined by:

- 40% or better completion rate of the MWP recommended PW.
- Ratio of corrective maintenance to preventative maintenance total cost below 0.8, which has historically exceeded 1.0.

Review

The ratio of corrective maintenance to preventative maintenance is **TBD** for the Water Treatment Plants Maintenance and **TBD** for Raw Water Maintenance. This meets the program success criteria as it is below 0.8.

A total of **TBD** or **~TBD%** of the Asset Renewal Projects FY23 recommended PW items were completed as of June 4, 2022. Only **TBD** staff hours and **TBD** were documented in Maximo, though the work likely required more resources than documented.

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Valley Water

Clean Water • Healthy Environment • Flood Protection

Santa Clara Valley Water District
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Santa Clara Valley Water District

File No.: 23-0065

Agenda Date: 1/10/2023

Item No.: *2.13.

BOARD AGENDA MEMORANDUM

SUBJECT:

Receive an Update on the Pacheco Reservoir Expansion Project, Project No. 91954002 (Santa Clara County, Merced County, District 1).

RECOMMENDATION:

Receive information on the Pacheco Reservoir Expansion Project.

SUMMARY:

The Pacheco Reservoir Expansion Project (PREP) will expand the storage capacity of the existing Pacheco Reservoir from 5,500 acre-feet (AF) to up to 140,000 AF to provide increased emergency water supplies, improved water quality, and ecosystem benefits. Project components include installation of a new dam on the North Fork of Pacheco Creek and appurtenances including outlet works and spillway; installation of a new pipeline between the existing Pacheco Conduit and the new dam; decommissioning of the existing dam with creek restoration; a new pumping plant; new power supply and other appurtenances; and improved site access.

Recent discussions regarding PREP's development of environmental documents, permitting timelines, field investigations, and design process have prompted necessary changes to the project scope and sequence of work. A combination of these factors contributed to the scope changes and the schedule forecast to complete the required project elements prior to construction phase.

In late 2021, the planning phase and 30% design was near completion, and the PREP Draft Environmental Impact Report (EIR) was released for public review. It identified the project preferred alternative as the upstream hardfill dam type with a 140,000 AF capacity, located approximately one mile upstream of the existing North Fork Dam. Upon the release of the PREP Draft EIR, the Department of Water Resources Division of Safety of Dams (DSOD) rejected the hardfill dam concept due to limited performance history and stated the earthfill dam type alternative remained a feasible option.

After receiving DSOD's request to change the dam type to earthfill, staff and consultants completed the corresponding 30% design update in June 2022. Also, the revised alternatives analysis and staff-recommend project technical memoranda were completed in September and November 2022 respectively.

The project's environmental and geotechnical investigations and analysis necessary to support the environmental and design phases were scheduled to be completed in late 2021, but lack of property access to much of the study area caused a substantial delay. In early September 2022, a settlement agreement with the main property owner was finally reached and the field investigation work is now scheduled to be completed in late 2023. This lack of property access also delayed completion of tribal consultation, completion of environmental impact and design analysis for the project's electrical transmission line, and construction access improvements, all of which need to be included in the California Environmental Quality Act (CEQA) and National Environmental Quality Act (NEPA) documents.

Planning Study Report

In late November 2022, the Planning Study Report (PSR) was completed and identified the recommended project as the upstream earthfill dam type with a 140,000 AF capacity located approximately one mile upstream of the existing dam. The PSR is included for reference, as Attachment 1. The PSR will be sent to the Board via Non-Agenda Memorandum and made available on the PREP page on Santa Clara Valley Water District's (Valley Water) website.

The primary objectives for PREP are to increase water supply reliability and system operational flexibility and increase suitable habitat in Pacheco Creek for federally threatened South Central California Coast steelhead. The secondary objectives are to improve water quality, minimize supply interruptions to Valley Water customers, and develop water supplies for environmental water needs to support habitat management in the Sacramento-San Joaquin Delta watershed.

The new dam and reservoir would be constructed on Pacheco Creek and would inundate approximately 1,367 acres of surface area at full pool. Water will be collected in the new reservoir during the winter months from runoff from the local watershed area, and diversion of Central Valley Project (CVP) supplies from San Luis Reservoir via the Pacheco Conduit, as available. Land for the project would need to be acquired from private landowners, the local water district (Pacheco Pass Water District) and the State, and easements would need to be secured from private landowners, the State and federal governments for project improvements. Mitigation land would need to be acquired and managed to compensate for PREP's environmental impacts. At this time, it is premature to provide a range of mitigation cost due to the extent and variety of environmental impacts associated with a project of this size and complexity until negotiation terms are somewhat established.

The estimated construction costs for the recommended project including land acquisitions and other non-construction-contract costs (i.e., project management, construction management, regulatory compliance and monitoring), but excluding mitigation costs, are approximately \$2.3 billion.

Environmental Documents

Currently, both the PREP Draft EIR and the San Luis Low Point Improvement Project (SLLPIP) Draft Environmental Impact Study/Environmental Impact Report (EIS/EIR) identify the same project. To eliminate regulatory confusion and avoid having two CEQA documents covering impacts on the same project, as well to satisfy NEPA compliance for the Water Infrastructure Finance and Innovation Act (WIFIA) financing through the Environmental Protection Agency (EPA), allow for Reclamation water

supply and real estate agreements, and continue to allow other federal permits and approval for PREP, it is proposed for PREP to prepare a combined EIS/EIR rather than to prepare a separate EIS. The EPA has been identified as the federal lead agency for PREP. With SLLPIP, it is proposed the EIS/EIR be reduced to only an EIS by the United States Bureau of Reclamation (Reclamation), while Valley Water would not certify the SLLPIP EIR. This is because if Reclamation does award funding for SLLPIP, the Board shall not take part in any premature discretionary approvals until the PREP EIR is certified and project approved by the Board, and that Reclamation funding only cover planning and design activities, and not construction during this period. Once the Board has taken action on PREP's EIR, construction funding can be accepted from Reclamation.

Next Steps

Due to the change in the proposed project to an earthfill dam type, and the need to complete impact analysis and mitigation on the electrical transmission line and construction access roads, as well as complete tribal consultation, it is proposed to re-circulate the Draft PREP EIR to address these revisions while combining it with the PREP Draft EIS. This joint document will be a Recirculated Draft EIR/Draft EIS (RDEIR/DEIS) to be released for public comment in mid-2025, then completed as the Final PREP EIR/EIS in mid-2026.

The planning phase is scheduled to be completed in January 2023. The environmental and design phases are scheduled to be complete in mid-2027, along with permit acquisitions. This will be followed by a 7.5-year construction phase with the close-out phase scheduled to be completed in mid-2035.

Staff and consultants are analyzing ways to reduce the proposed PREP schedule, such as:

- refining EPA and other agency review schedules for the EIS, Endangered Species Act (ESA) requirements and permitting;
- completing early tribal consultation;
- and completing early electric transmission line and construction access environmental and design activities with Pacific Gas & Electric (PGE), California Public Utility Commission (CPUC), and Caltrans.

In early 2024, the PREP schedule will be re-evaluated. This would be during the 60% design, and any revisions to the schedule will be made at that time. Note, it is still uncertain as to what schedule impact may or may not develop after EPA provides Valley Water with an EIS review schedule.

State and Federal Funding

In late 2021, staff and consultants completed the PREP Draft EIR and 30% design milestone before the January 2022 deadline for Proposition 1 Water Storage Investment Program (WISP) funding from the California Water Commission (CWC). The CWC determined at their December 15, 2021 meeting that PREP is still feasible and the project remains eligible for up to \$496 million in conditional grant funding. On March 16, 2022, the CWC increased the funding amount to \$504 million to account for inflation. Within the next few months, the CWC will amend their funding agreement to focus on incorporating public ecosystem benefits and adaptive management requirements from the Department of Fish and Wildlife (DFW), Department of Water Resources (DWR), and State Water Board, which will affect the environmental documents and permits.

In late 2020, staff and consultants completed the SLLPIP Feasibility Report and Reclamation recirculated the Draft EIS/EIR as required by the Water Infrastructure Improvements for the Nation (WIIN) Act to be eligible to receive funds up to 25% of project costs. In June 2022, Reclamation completed their review of the Design, Estimating, and Construction (DEC) Report for PREP, prepared by Valley Water, which is another step in the funding process. Reclamation was impressed by the DEC Report as it received a “no findings” recommendation, which means the review conducted by Reclamation produced no review comments. This was the first time Reclamation issued such a recommendation for a DEC Review. To date, staff have been working with Reclamation to update the Feasibility Report that is scheduled to be complete by summer 2023. In all, there are various reviews that still need to take place over the next several years before receiving Congressional approval.

In April 2022, Valley Water submitted a Water Infrastructure Finance and Innovation Act (WIFIA) federal loan application to the Environmental Protection Agency (EPA) in the amount of \$1.2 billion. This accounts for 49% of the current \$2.5 billion current project cost. Staff anticipates the agreements to obtain WIFIA loans will be executed in early 2023.

Partnerships

Since 2017, Valley Water has partnered with the Pacheco Pass Water District and San Benito County Water District to provide future project funding. To date these two districts have agreed to provide needed land for improvements, as well as contribute towards capital, operations, and maintenance costs.

In 2021, Valley Water enlisted two separate consultants to assist with development of partnership leads, partnership opportunities, negotiations, and further analysis. Staff continues modeling of different operations to provide storage and exchange benefits to potential partners.

Water Supply Master Plan

A presentation on the progress of PREP and its role in the Water Supply Master Plan will be forthcoming in a supplemental memorandum to be distributed on January 6, 2023.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item. However, the Environmental Justice Impacts of the Project will be assessed and addressed in future Project board actions related to the Project execution.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: PREP Planning Study Report

*Supplemental Agenda Memo

*Supplemental Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:

Christopher Hakes, 408-630-3796

FINAL

PLANNING STUDY REPORT

Pacheco Reservoir Expansion Project

November 2022



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PACHECO RESERVOIR EXPANSION PROJECT

PLANNING STUDY REPORT

PROJECT NO. 91954002

I have reviewed and concur with the alternatives analysis and recommendation presented in this Planning Study Report for the Pacheco Reservoir Expansion Project and recommend proceeding with design to implement the project as recommended.

DocuSigned by:


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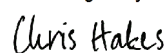
Ryan McCarter, PE
Assistant Officer
Dam Safety and Capital Delivery Division

12/6/2022

Date

I have reviewed and approve with the alternatives analysis and recommendation presented in this Planning Study Report for the Pacheco Reservoir Expansion Project and approve proceeding with design to implement the project as recommended.

DocuSigned by:



EBED997C7E74466...

Christopher Hakes, PE
Deputy Operating Officer
Dam Safety and Capital Delivery Division

12/7/2022

Date

NOVEMBER 2022

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PACHECO RESERVOIR EXPANSION PROJECT

PLANNING STUDY REPORT

PROJECT NO. 91954002

Prepared By:
Robert Green, PE, GE (AECOM)
Mary Paasch, PE, PMP; Adam Witt, PhD, PE; Kevin Werbylo, PE; Paul Uncapher; Tori Thomas
(Stantec)

The Planning Study Report has been prepared by the undersigned, who hereby certifies that he is a Registered Civil/Geotechnical Engineer in the State of California.



Reviewed by:
John Chesterton (Mott MacDonald)

Under the Direction of:

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NOVEMBER 2022

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Final



Planning Study Report

Pacheco Reservoir Expansion Project

November 2022

Prepared by:



Prepared for:



Valley Water Project Number: 91954002

Quality Information			
Prepared By	Checked By	Verified By	Approved By
Neil Stewart, Tori Thomas, and Kevin Werbylo	Mary Paasch	Paul Uncapher	Mary Paasch

Revision History					
Revision	Revision Date	Details	Authorized	Name	Position
0	October 17, 2022	Preliminary Draft	Yes	Neil Stewart Kevin Werbylo Tori Thomas	Water Resource Engineer Water Resource Engineer Water Resource Engineer- in-Training
1	November 3, 2022	Final	Yes	Neil Stewart Kevin Werbylo Tori Thomas	Water Resource Engineer Water Resource Engineer Water Resource Engineer- in-Training

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Acronyms and Abbreviations

BGP	Biogeographic Population Group
cfs	cubic feet per second
CVP	Central Valley Project
CVPIA	Central Valley Project Improvement Act
CWC	California Water Commission
DSOD	California Department of Water Resources, Division of Safety of Dams
EIR	Environmental Impact Report
IL4	Incremental Level 4
kV	kilovolt
M&I	municipal and industrial
NED	National Economic Development
NMFS	National Marine Fisheries Service
PPWD	Pacheco Pass Water District
Project	Pacheco Reservoir Expansion Project
Reclamation	U.S. Department of Interior, Bureau of Reclamation
Recovery Plan	South-Central California Steelhead Recovery Plan
RWSP	Refuge Supply Water Program
SBCWD	San Benito County Water District
SCCC	South Central California Coast
SLLPIP	San Luis Low Point Improvement Project
SR 152	State Route 152
TM	Technical Memorandum
TRB	Technical Review Board
Valley Water	Santa Clara Valley Water District
WIFIA	Water Infrastructure Finance and Innovation Act
WSIP	Water Storage Investment Program

Executive Summary

Introduction

The Santa Clara Valley Water District (Valley Water), in partnership with San Benito County Water District (SBCWD) and Pacheco Pass Water District, is proposing the Pacheco Reservoir Expansion Project (Project) in the southeastern portion of Santa Clara County, California. The Project includes construction and operation of a new dam and expanded reservoir, conveyance facilities, and related miscellaneous infrastructure (e.g., access roads and electrical transmission lines), and decommissioning of the existing North Fork Dam and restoring portions of North Fork Pacheco Creek.

Water would be collected in the expanded reservoir during the winter months from local watershed area runoff and Central Valley Project (CVP) supplies from San Luis Reservoir via the Pacheco Conduit, as available. The proposed facilities and expanded reservoir would be operated by Valley Water to increase water supply reliability and system operational flexibility, help meet municipal and industrial (M&I) and agricultural water demands during drought periods and emergencies, increase suitable habitat for South Central California Coast (SCCC) steelhead in Pacheco Creek, and improve water quality and minimize water supply interruptions related to San Luis Reservoir operations. During below normal years, water supplies would also be supplied to the Central Valley Project Improvement Act (CVPIA) Refuge Water Supply Program (RWSP) in support of wetlands and wildlife habitat development and management.

Location

The existing Pacheco Reservoir is located in unincorporated Santa Clara County, approximately 17 miles northeast of the City of Gilroy and 0.4 miles north of State Route 152 (SR 152), as shown in Figure ES-1. Pacheco Reservoir is situated on the North Fork of Pacheco Creek. The headwaters of Pacheco Creek are in the Diablo Range, northeast of the City of Hollister. Downstream of Pacheco Reservoir, Pacheco Creek continues to flow west until it reaches San Felipe Lake, draining approximately 168 square miles in Santa Clara and San Benito Counties. San Felipe Lake is drained by Miller Canal, which joins the Pajaro River and flows southwest until it drains into Monterey Bay.

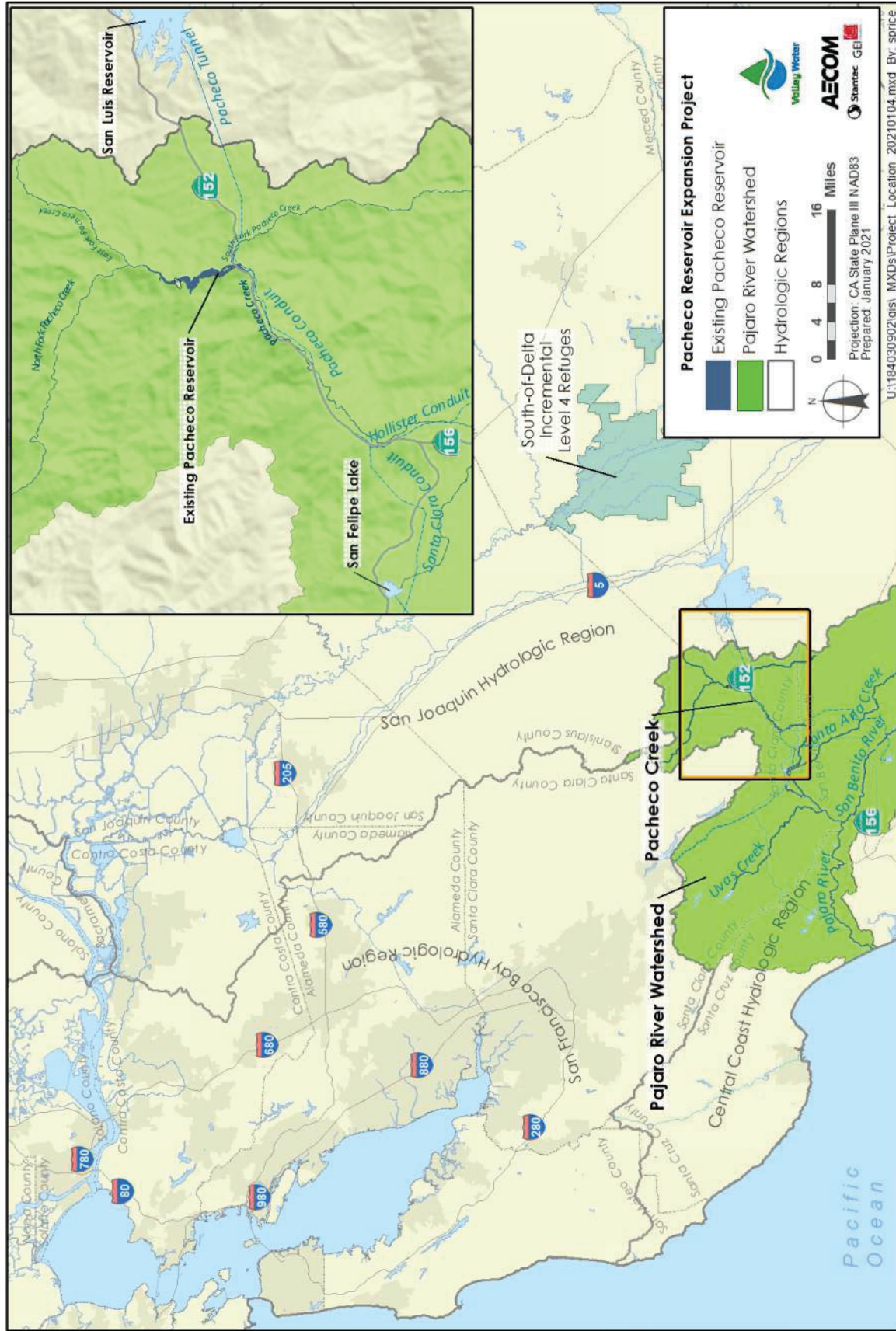


Figure ES-1. Pacheco Reservoir Expansion Project Location

Objectives

Primary objectives consider the basic needs the Project intends to satisfy. The primary and secondary Project objectives are to:

- Primary Objectives
 - Increase water supply reliability and system operational flexibility to help meet M&I and agricultural water demands in Santa Clara and San Benito Counties during drought periods and emergencies, or to address shortages due to regulatory and environmental restrictions.
 - Increase suitable habitat in Pacheco Creek for federally threatened SCCC steelhead through improved water temperature and flow conditions.
- Secondary Objectives
 - Improve water quality and minimize supply interruptions, when water is needed, for Santa Clara and San Benito Counties, to increase operational flexibility for south-of-Delta contractors dependent on San Luis Reservoir.
 - Develop water supplies for environmental water needs at Incremental Level 4 (IL4) wildlife refuges to support habitat management in the Delta watershed.

Alternatives Development and Evaluation

Alternatives were formulated and evaluated to allow for the direct comparison of the physical benefits, tradeoffs and costs of the various dam site, dam type, and reservoir capacity combinations. To support the evaluation of the alternatives, four major criteria categories were developed, with two or more detailed criterion developed for each major criteria category. Each alternative evaluation criterion was assessed either quantitatively or qualitatively and specific metrics were used to assign a score. As a result of this process, the alternative with the highest weighted score was an earthfill dam at an upstream dam site with a 140,000 acre-foot reservoir. This was selected as the Staff Recommended Alternative.

Staff Recommended Alternative

Under the Staff Recommended Alternative, Valley Water proposes to construct a new earthfill dam and other associated facilities as presented in Figure ES-2. The new earthfill dam would be located 2.2 miles upstream from the confluence of North Fork Pacheco Creek and South Fork Pacheco Creek. Valley Water would operate these facilities and the expanded 140,000-acre-foot reservoir to increase emergency storage/emergency water supply, improve water supply reliability, increase SCCC steelhead habitat suitability, increase IL4 refuge water supplies, and reduce impaired water quality deliveries from San Luis Reservoir.

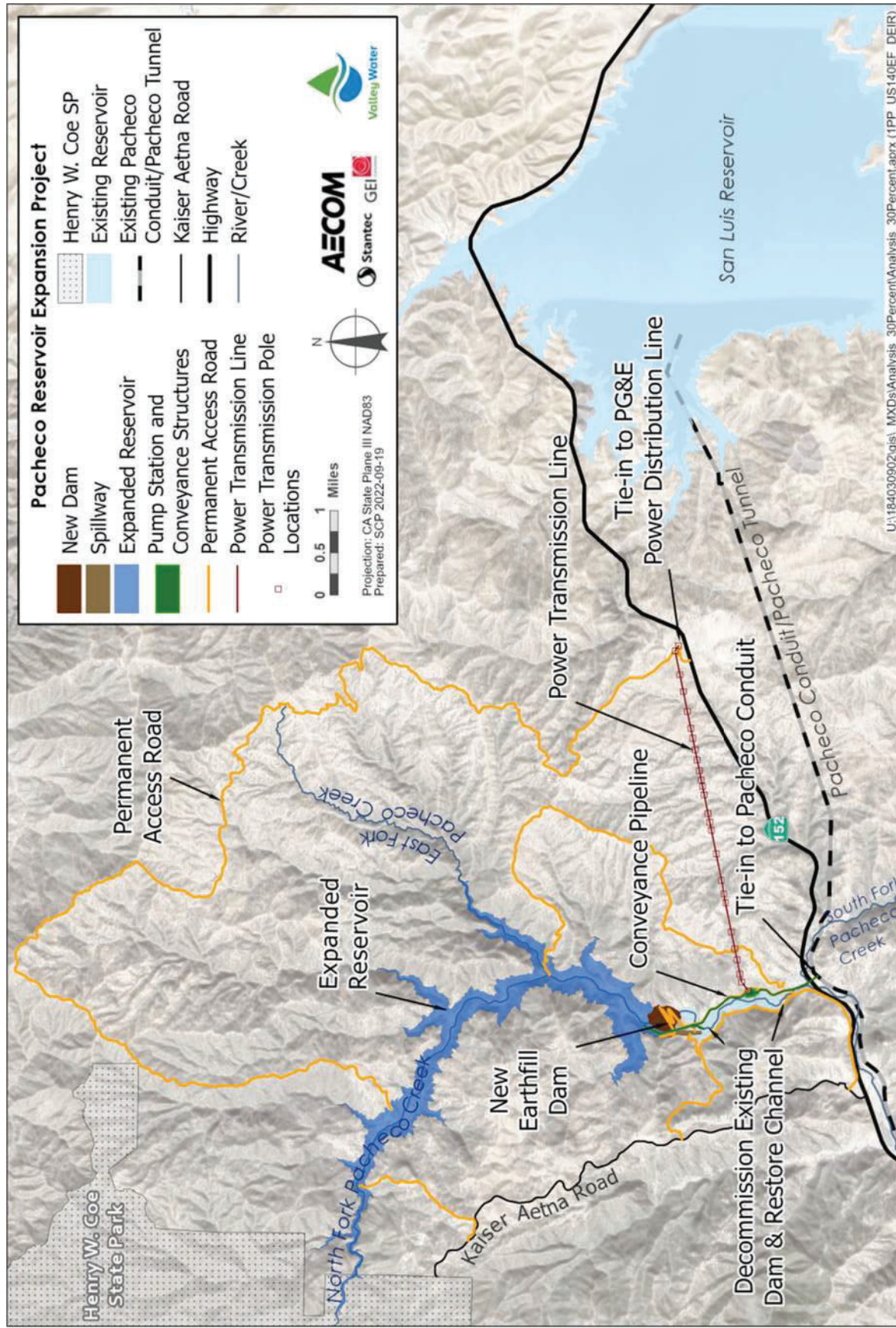


Figure ES-2. Permanent Facilities and Expanded Reservoir for Staff Recommended Alternative

The facilities of the Staff Recommended Alternative would include a new dam and appurtenant facilities¹, new water conveyance to and from the Pacheco Conduit, utility modifications, vehicular access improvements, and other minor improvements. A new earthfill dam with spillway and inlet/outlet works facility would be constructed at a site 2.2 miles upstream from the confluence of North Fork Pacheco Creek and South Fork Pacheco Creek. The Staff Recommended Alternative would include a pipeline and pump station to allow for the bi-directional conveyance of water between the expanded reservoir and Pacheco Conduit. To provide power to the dam and water conveyance facilities, a new 70 kilovolt (kV)/4.16 kV electrical substation and 4.1 miles of new, single overhead 70 kV transmission line would be constructed. A combination of new permanent and temporary roads and improvements to existing access routes would be required to allow primary and auxiliary access to the new dam and facilities, nearby properties of existing landowners, and construction areas. Primary vehicular access to the dam site and appurtenant facilities during construction would be provided by a new temporary overcrossing bridge located west of the existing SR 152 and Kaiser-Aetna Road intersection.

Construction of the Staff Recommended Alternative is estimated to require 7.2 years. The temporary overcrossing bridge located west of SR 152 and Kaiser-Aetna Road, and permanent and temporary access roads would be completed early in the construction period to facilitate access for construction crews and equipment to the dam site. In year two of construction, the existing Pacheco Reservoir would be drained, and the existing North Fork Dam and appurtenant facilities would be decommissioned. Following decommissioning of the existing dam, flows in both North Fork Pacheco Creek and Pacheco Creek would follow a natural hydrograph until the new dam is completed. Construction of the earthfill dam with spillway and inlet/outlet works facility, conveyance facilities, utilities, and other improvements would occur concurrently until completion.

Under the Staff Recommended Alternative, Valley Water would operate the expanded reservoir to optimize Valley Water's and SBCWD's available water supplies, meet M&I demands during drought periods and emergencies, increase suitable habitat for SCCC steelhead in Pacheco Creek, improve M&I water quality, and increase refuge water supplies. Valley Water and SBCWD would be allocated 90 percent and 10 percent, respectively, of the operating storage capacity of the reservoir. Except during emergencies, reservoir operations would prioritize releases to North Fork Pacheco Creek, and the expanded reservoir would release flows into North Fork Pacheco Creek from a multi-level inlet/outlet structure based on a Variable Flow Schedule. Mean monthly baseflows and pulse flow targets would vary based on a Pacheco Reservoir hydrologic water year type. Instream flows would support the maintenance of suitable habitat for SCCC steelhead. When needed, water supply withdrawals would be made out of the expanded reservoir into Pacheco Conduit for delivery to Valley Water and SBCWD. In below normal water years, Valley Water and SBCWD would provide 1,800 acre-feet and 200 acre-feet, respectively, of their CVP contract allocation to the CVPIA RWSP for use as IL4 refuge water supply.

Ability to Meet Project Objectives

The Staff Recommended Alternative would address both of the primary Project objectives and both of the secondary Project objectives. Table ES-1 illustrates the ability of the Staff Recommended Alternative to meet Project objectives by quantifying net benefits (i.e., Staff

¹ Supplementary or ancillary features of a dam such as inlet/outlet structures, spillways, tunnels, etc.

Recommended Alternative in comparison to existing and future baseline conditions²). The Staff Recommended Alternative's ability to meet Project objectives is summarized below:

- Emergency Response: Emergency Storage/Emergency Water Supplies** Since SWP and CVP water supplies comprise approximately 45 percent of Valley Water's water supply portfolio, a Delta levee failure event could substantially impact Valley Water's ability to meet M&I water supply needs within its service area. The Staff Recommended Alternative would provide Valley Water and SBCWD with a dedicated local emergency water supply and would avoid undesirable results caused by long-term reliance on groundwater during emergencies. In an emergency, the Staff Recommended Alternative could deliver—either directly or by exchange—water to Valley Water and SBCWD.
- Water Supply: Long-Term Water Supply Reliability.** The Staff Recommended Alternative would improve M&I water-supply reliability and increase available supplies under existing and future conditions for Valley Water and SBCWD. The Staff Recommended Alternative would improve M&I water supplies through an increased ability to fully utilize CVP allocations, development of local water supplies from the Pacheco Creek watershed, and improved system flexibility.
- Ecosystem Improvement – Pacheco Creek: SCCC Steelhead Habitat Suitability.** The Pajaro River watershed has experienced more than a 90 percent decline in SCCC steelhead adult run size (i.e., number of adults per run) (NMFS 2013). Without serious intervention, a majority (possibly all) of SCCC steelhead populations are likely to be extinct within the next 50 years (Moyle et al. 2008). The Staff Recommended Alternative would provide substantive beneficial improvements to SCCC steelhead habitat conditions in Pacheco Creek through improved flow and temperature conditions. As shown in Table ES-1, the Steelhead Cohort Score, an index of Pacheco Creek's ability to support SCCC steelhead through all life stage based on the 14-month period in which a cohort is expected to remain in the creek (i.e., from adult migration through juvenile outmigration), would substantially increase under the Staff Recommended Alternative in comparison to baseline conditions in all water year types. In addition, the Staff Recommended Alternative would provide for pulse flows for adult steelhead attraction.
- Ecosystem Improvement – San Joaquin River Watershed: IL4 Refuge Deliveries.** The Staff Recommended Alternative would allow Valley Water and SBCWD to provide a firm, 2,000 acre-feet supply of water in below normal water years to RWSP, for use in the IL4 Refuge Water Supply Pool—which is managed by Reclamation and USFWS. The increased supply would provide habitat and food for migratory birds of the Pacific Flyway, resident bird species, and many wildlife species.

² The exiting condition baseline represents conditions in 2017 without implementation of the Staff Recommended Alternative, and reflects land use, water demands, and institutional and regulatory conditions in 2017 and incorporates historical climate conditions. The future condition baseline represents conditions in 2030 without implementation of the Staff Recommended Alternative, and reflects projected land use, water demands, and institutional and regulatory conditions in 2030 and incorporates projected climate conditions (i.e., includes climate change projections).

Table ES-1. Ability of the Staff Recommended Alternative to Address Project Objectives and Summary of the Net Benefits

Benefit	Objective Addressed	Indicators	Existing Conditions (2017) ⁹	Future Conditions (2030) ⁹
Emergency Response	Primary Objective: Increase water supply reliability and system operational flexibility to help meet M&I and agricultural water demands in Santa Clara and San Benito Counties during drought periods and emergencies, or to address shortages due to regulatory and environmental restrictions	Net increase in regional surface storage (Pacheco Reservoir and Valley Water's surface reservoirs) and groundwater storage (North County Santa Clara Subbasin) ^{1, 2, 9}	117,480 AF	107,160 AF
Water Supply		Net increase in baseline supplies available to Valley Water and SBCWD; average all years and critical years only ^{3, 7, 8}	5,130 AF/ 8,830 AF	3,600 AF/ 8,350 AF
Ecosystem Improvement – Pacheco Creek	Primary Objective: Increase suitable habitat in Pacheco Creek for federally threatened SCCC steelhead through improved water temperature and flow conditions	Percent increase in Steelhead Cohort Score ^{4, 9}	157%	146%
		Provides adult attraction pulse flows for SCCC steelhead	Yes	
		Length of new stream channel habitat ⁵	1.3 miles	
Ecosystem Improvement – San Joaquin River Watershed	Secondary Objective: Develop water supplies for environmental water needs at IL4 wildlife refuges to support habitat management in the Sacramento-San Joaquin Delta watershed	Net increase in Incremental Level 4 water deliveries to San Joaquin River watershed refuges in below normal years ^{6, 7, 9}	2,000 AF	2,000 AF
M&I Water Quality	Secondary Objective: Improve water quality and minimize supply interruptions, when water is needed, for Santa Clara and San Benito Counties, to increase operational flexibility for south-of-Delta contractors dependent on San Luis Reservoir	Number of months of avoided impaired water quality deliveries from San Luis Reservoir over 82-year simulation period ^{8, 9}	96 months out of 102 months (94% reduction)	63 months out of 65 months (97% reduction)

Notes:

¹ Values were derived from CalSim II and Valley Water's WEAP model.² Under existing conditions, water stored in Pacheco Reservoir would not be available for emergency response due to lack of connection to the Valley Water or SBCWD water systems. Under the Staff Recommended Alternative, an expanded Pacheco Reservoir would be connected to Valley Water and SBCWD water systems via the Pacheco Conduit.³ Values were derived from Valley Water's WEAP model.⁴ Values were derived from Pacheco Creek Steelhead Habitat Suitability Model. The Steelhead Cohort Score provides an index of the ability of Pacheco Creek to support South-Central California Coast steelhead through all life stages.⁵ Reflects length of historic North Fork Pacheco Creek stream channel that is currently inundated by the existing Pacheco Reservoir and would be restored between the spillway of the new dam and the existing North Fork Dam that would be decommissioned.⁶ Values were derived from CalSim II and reflect refuge deliveries in the San Joaquin River watershed. Value reflects total quantity of water Valley Water, and SBCWD for the Staff Recommended Alternative, would transfer of their current CVP contract allocation, directly or through exchanges, to the Refuge Water Supply Program.⁷ Water year types based on the Sacramento Valley water year hydrologic classification.⁸ Values were derived from CalSim II and Valley Water's WEAP model.⁹ Existing conditions (2017) reflect the level of water supply demand and regulatory requirements in 2017, patterns of land use in 2017, and the water-related facilities assumed to be in place in 2017. Future conditions (2030) reflect the projected level of water supply demand and regulatory requirements in 2030, projected climate conditions centered around 2030, projected patterns of land use in 2030, and the additional water-related facilities assumed to be in place by 2030.

Key:

AF = acre-feet

M&I = municipal and industrial

SBCWD = San Benito County Water District

SCCC = South Central Coastal California

Valley Water = Santa Clara Valley Water District

WEAP = Water Evaluation and Planning

Costs

The total cost of the Staff Recommended Alternative, excluding escalation, is an estimated \$1,996.4 million (April 2022 dollars). The total cost of the Staff Recommended Alternative, inclusive of escalation for construction and non-contract costs, is an estimated \$2,358.4 million (April 2022 dollars).

Chapter 1. Introduction

1.1 Background and Location

The Santa Clara Valley Water District (Valley Water), in partnership with San Benito County Water District (SBCWD) and Pacheco Pass Water District (PPWD), is proposing the Pacheco Reservoir Expansion Project (Project) in the southeastern portion of Santa Clara County, California. The Project includes construction and operation of a new dam and expanded reservoir, conveyance facilities, and related miscellaneous infrastructure (e.g., access roads, electrical transmission lines), and decommissioning of the existing North Fork Dam and restoring portions of North Fork Pacheco Creek. The new dam and expanded reservoir would be located on North Fork Pacheco Creek upstream from the existing North Fork Dam and would inundate the upstream portion of the existing Pacheco Reservoir.

Water would be collected in the expanded reservoir during the winter months from local watershed area runoff and, as available, through Central Valley Project (CVP) supplies from San Luis Reservoir via the Pacheco Conduit. The proposed facilities and expanded reservoir would be operated by Valley Water to increase water supply reliability and system operational flexibility, help meet municipal and industrial (M&I) and agricultural water demands during drought periods and emergencies, increase suitable habitat for South Central California Coast (SCCC) steelhead in Pacheco Creek, and improve water quality and minimize water supply interruptions related to San Luis Reservoir operations. During below normal years, water supplies would also be supplied to the Central Valley Project Improvement Act (CVPIA) Refuge Water Supply Program (RWSP) in support of wetlands and wildlife habitat development and management.

The existing North Fork Dam is a 100-foot-tall earthen embankment dam on North Fork Pacheco Creek that impounds Pacheco Reservoir. The existing Pacheco Reservoir and North Fork Dam were constructed in 1939 by PPWD to provide irrigation and domestic water supply. These facilities are owned and operated by PPWD and are located in unincorporated Santa Clara County, approximately 17 miles northeast of the City of Gilroy and 0.4 miles north of State Route 152 (SR 152), as shown in Figure 1-1. Pacheco Reservoir is situated on the North Fork of Pacheco Creek. The headwaters of Pacheco Creek are in the Diablo Range, northeast of the City of Hollister. Downstream of Pacheco Reservoir, Pacheco Creek continues to flow west until it reaches San Felipe Lake, draining approximately 168 square miles in Santa Clara and San Benito Counties. San Felipe Lake is drained by Miller Canal, which joins the Pajaro River and flows southwest until it drains into Monterey Bay.

The San Luis Low Point Improvement Project (SLLPIP) feasibility studies were initiated in 2000 to determine how to improve water quality coming from San Luis Reservoir during periods when warm temperatures and declining water levels cause algae blooms near the San Felipe Division water supply intake. Pacheco Reservoir expansion has been considered a viable alternative for improving water quality conditions, as it would enable Valley Water to move high-quality water out of San Luis Reservoir and into Pacheco Reservoir before or after algae blooms—increasing water supply reliability and avoiding supply interruptions. The SLLPIP 2019 Draft Feasibility Report included the Pacheco Reservoir Expansion Alternative Plan and identified this plan as the preliminary National Economic Development (NED) Plan, as it was the alternative that would achieve the highest net NED benefits while protecting the environment and was found to be technically, environmentally, economically, and financially feasible (Reclamation 2019).

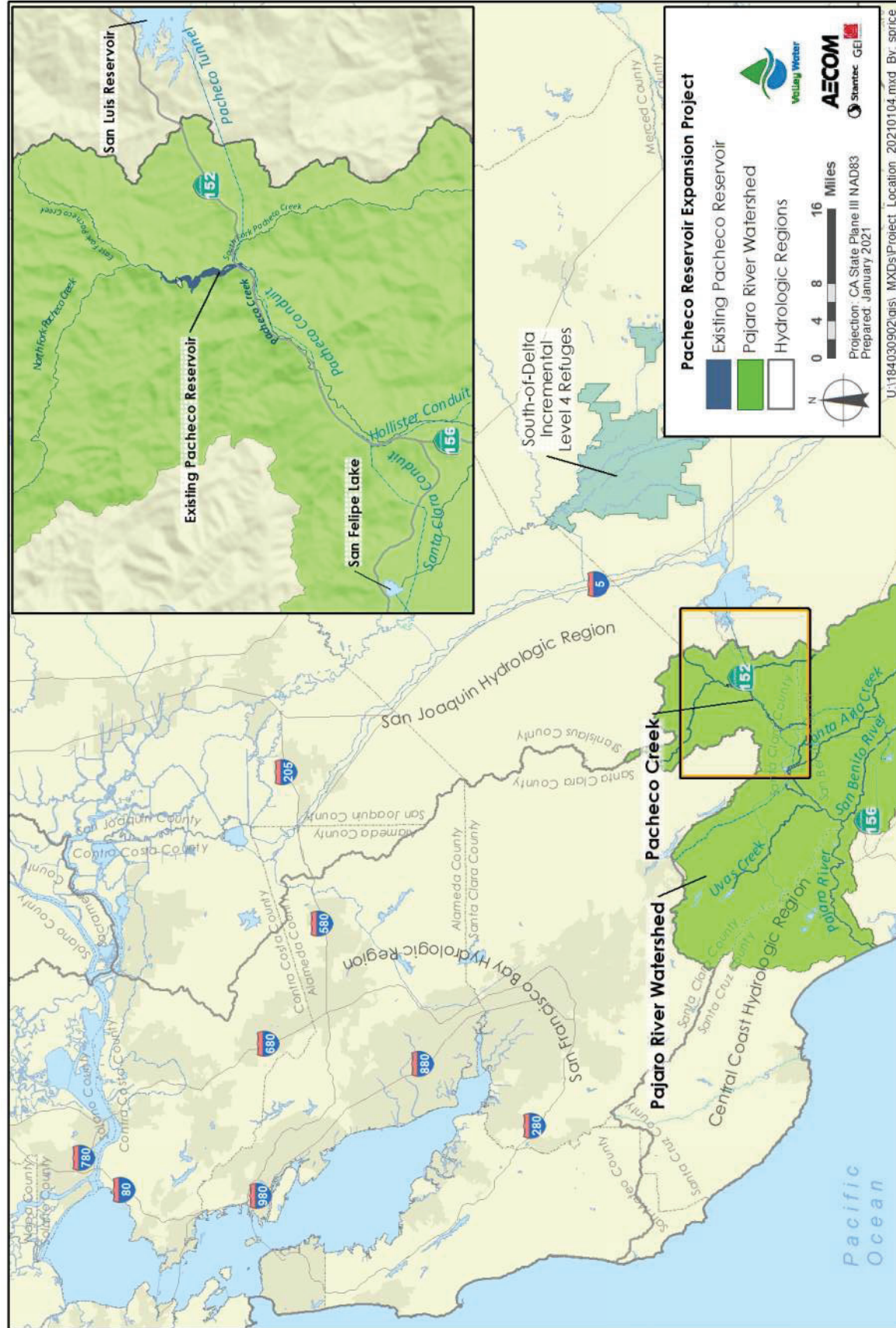


Figure 1-1. Pacheco Reservoir Expansion Project Location

Proposition 1, passed by California voters in 2014, dedicated \$2.7 billion for investments in water storage projects in California. The California Water Commission (CWC) is administering the Water Storage Investment Program (WSIP) to fund the public benefits (e.g., emergency response, ecosystem enhancement, flood control, water quality) associated with water storage projects. The CWC selected the Project as the top-ranked of eight selected projects based on the public benefits the respective projects would provide. Valley Water has secured up to \$496.7 million in WSIP funding for public benefits associated with ecosystem enhancement and emergency response for the Project. In December of 2022, the CWC reviewed and approved the Final Pacheco Reservoir Expansion Project WSIP Feasibility Documentation (Valley Water 2021d), and found that the Project is feasible and will advance the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Sacramento-San Joaquin Delta.

The U.S. Environmental Protection Agency's Water Infrastructure Finance and Innovation Act (WIFIA) Program accelerates investment in our nation's water infrastructure by providing long-term, low-cost supplemental loans for regionally and nationally significant projects. Through the U.S. Environmental Protection Agency's competitive selection process, the Project was selected and formally invited to apply for a WIFIA loan for up to \$1.2 billion; this is one of the largest funding awards in the WIFIA program's history. Valley Water is pursuing incremental loans for the Project through the WIFIA. Valley Water submitted an initial loan application in April of 2022.

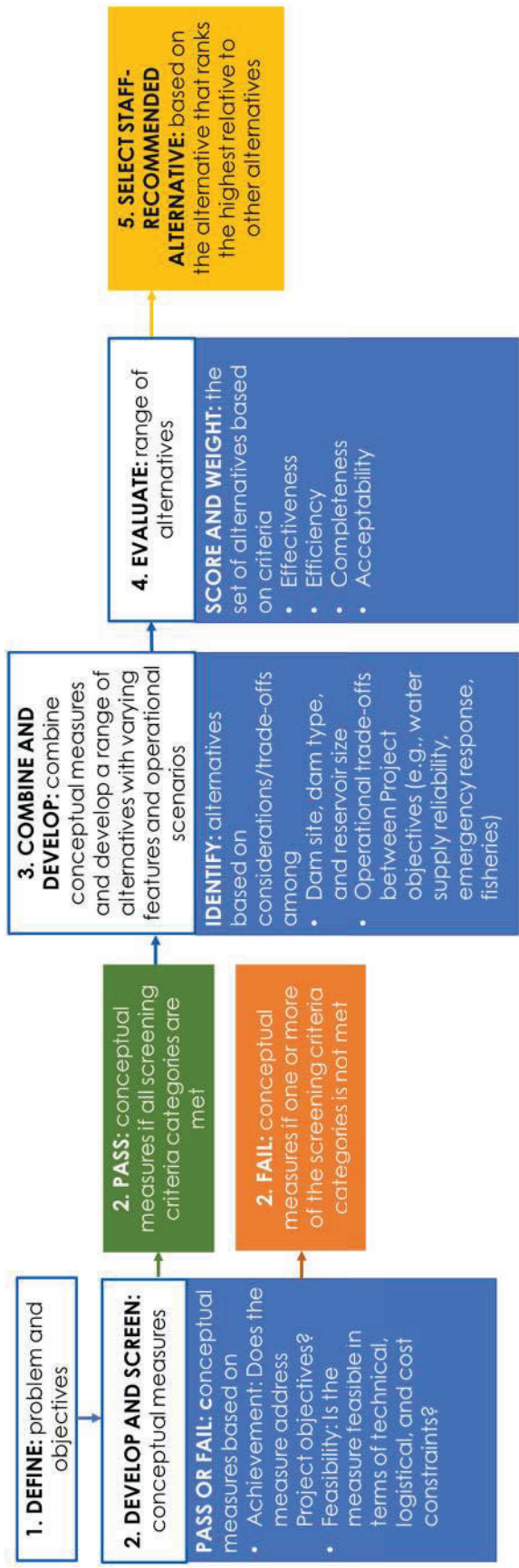
1.2 Valley Water Planning Process

The alternatives formulation and evaluation methodology for the Project includes the following sequential processes:

1. **Define Problems and Objectives:** Problems with the existing system were clearly defined. The objectives indicate how each defined problem was targeted for improvement. These two activities are described in the *Problem Definition Report* (Valley Water 2021b) and *Project Objectives Technical Memorandum* (TM) (Valley Water 2020).
2. **Develop and Screen Conceptual Measures:** Based on the defined problems and objectives, a set of all potential conceptual measures that could address the problems and achieve the Project objectives were developed. These conceptual measures were either retained for further consideration or deleted, based on screening criteria. This process and its results are summarized in the *Conceptual Measures Assessment TM* (Valley Water 2021c).
3. **Combine Conceptual Measures and Develop Alternatives:** Retained conceptual measures were combined to develop a range of alternatives that address the objectives. This process is summarized in the *Revised Final Project Alternatives Assessment TM* (Valley Water 2022a).
4. **Define Evaluation Criteria for Alternatives:** Alternative evaluation criteria were developed and defined based on four major categories: effectiveness, efficiency, completeness, and acceptability. This process is summarized in the *Revised Final Project Alternatives Assessment TM* (Valley Water 2022a).
5. **Apply Evaluation Criteria to Alternatives:** Defined evaluation criteria were used to evaluate and rank the alternatives. This process and its results are summarized in the *Revised Final Project Alternatives Assessment TM* (Valley Water 2022a).

6. **Recommend Alternative:** A Staff-Recommended Alternative was identified based on how well the alternative meets the evaluation criteria. The Staff Recommended Alternative is summarized in the *Staff Recommended Alternative/Alternatives Formulation Report* (Valley Water 2022b).

Figure 1-2 highlights the alternatives formulation and evaluation methodology to support selection of the Staff-Recommended Alternative.



Note: In consideration of the California Department of Water Resources, Division of Safety of Dams letter received in November 2021 that identified concerns related to the viability/acceptability of the hardfill dam and refined modeling and analyses developed for the Draft Environmental Impact Report released in November 2021, a re-evaluation of the alternatives was conducted in 2022 based on this updated information.

Figure 1-2. Alternatives Formulation and Evaluation Process

1.3 Stakeholder Engagement

Concurrent with the Project's planning process, Valley Water engaged with various potential funding partners, regulatory agencies, tribes, and other stakeholders and industry experts on a wide range of alternatives development and Project implementation considerations. These considerations included Project facility needs and requirements, construction period and long-term reservoir operations, Project benefits and funding, and means to avoid and/or reduce Project-related environmental impacts. Valley Water continues to engage with a broad range of Project stakeholders, including those listed in Table 1-1.

Table 1-1. Entities Engaged with During Alternatives Development Process

Type	Entity
Federal Agencies	National Marine Fisheries Service/NOAA Fisheries U.S. Army Corps of Engineers U.S. Environmental Protection Agency U.S. Fish and Wildlife Service U.S. Department of Interior, Bureau of Reclamation
State Agencies	California Department of Fish and Wildlife California Department of Transportation California Department of Water Resources (including Division of Safety of Dams) California Water Commission California State Parks State Water Resources Control Board Regional Water Quality Control Board, Central Coast
Regional/Local Agencies	Pacheco Pass Water District Power and Water Resources Pooling Authority San Benito County Water District Santa Clara County Santa Clara Valley Habitat Agency
Tribal¹	Amah Mutsun Tribal Band Indian Canyon Mutsun Band of Costanoan Ohlone Indian Tribe
Other Entities	Pacific Gas and Electric Private Landowners

Notes:

¹ As part of the AB 52 tribal consultation process, Valley Water contacted ten (10) tribes identified by the Native American Heritage Commission. Three tribes requested consultation under AB 52; these tribes are listed by name.

Key:

AB = Assembly Bill

NOAA = National Oceanic and Atmospheric Administration

Input from two key stakeholder groups most influential during the Project alternatives development and evaluation process included: 1) the California Department of Water Resources, Division of Safety of Dams (DSOD) and the Project Technical Review Board (TRB), and 2) the WSIP funding agencies (i.e., CWC, California Department of Fish and Wildlife), regulatory agencies (e.g., National Marine Fisheries Service (NMFS), United States Fish and Wildlife Service, State Water Resources Control Board), and other Project stakeholders (e.g., U.S. Department of Interior, Bureau of Reclamation (Reclamation), Santa Clara Valley Habitat Agency). In 2019, Valley Water initiated coordination with DSOD due to their role in reviewing and approving the designs of the dam and appurtenant structures. In 2019, Valley Water also established the TRB of five recognized industry leaders and experts in dam siting, design, and

construction to evaluate and provide feedback on the dam alternatives. The second stakeholder group (i.e., WSIP funding partners, regulatory agencies, and other Project stakeholders) was engaged via a series of 17 workshops between 2019 and 2021. A broad range of topics were addressed during workshops including SCCC steelhead production in Pacheco Creek, analytical tools to assess beneficial and adverse impacts of reservoir operations, and other topics. Many workshops focused on long-term reservoir operations and resulted in the development of a reservoir release schedule based on water year type that would benefit SCCC steelhead and other aquatic and riparian species in Pacheco Creek. Valley water will continue to engage with these key Project stakeholder groups moving forward.

1.4 Document Organization

This Planning Study Report is organized as follows:

- **Chapter 1 Introduction** Provides background information on the Project.
- **Chapter 2 Purpose and Project Objectives** Defines the objectives and purpose of the Project
- **Chapter 3 Alternatives Development and Evaluation** Describes the alternatives evaluated and the evaluation methodology and results used to identify the Staff Recommended Alternative.
- **Chapter 4 Staff Recommended Alternative** Documents the facilities, construction, construction schedule, operations and maintenance, benefits, and costs of the Staff Recommended Alternative.

Chapter 2. Purpose and Project Objectives

2.1 Objectives

Primary objectives consider the basic needs the Project intends to satisfy. The primary objectives are considered to have equal priority. Secondary planning objectives are considered to the extent possible through pursuit of the primary planning objectives.

The primary and secondary Project objectives are to:

- Primary Objectives
 - Increase water supply reliability and system operational flexibility to help meet M&I and agricultural water demands in Santa Clara and San Benito Counties during drought periods and emergencies, or to address shortages due to regulatory and environmental restrictions.
 - Increase suitable habitat in Pacheco Creek for federally threatened SCCC steelhead through improved water temperature and flow conditions.
- Secondary Objectives
 - Improve water quality and minimize supply interruptions, when water is needed, for Santa Clara and San Benito Counties, to increase operational flexibility for south-of-Delta contractors dependent on San Luis Reservoir.
 - Develop water supplies for environmental water needs at Incremental Level 4 (IL4) wildlife refuges to support habitat management in the Delta watershed

2.2 Project Purpose

Following is a description of identified major water resources problems or deficiencies. These problems or deficiencies identify the purpose for the expansion of Pacheco Reservoir.

2.2.1 Decreasing Water Supply Reliability and System Flexibility

Despite significant physical improvements in water resources systems and system management over the past few decades, California still faces unreliable water supplies due to uncertainty surrounding future climate change, seismic events, and hydrologic conditions. In response to these challenges, Bay Area water agencies have diversified their respective water supply portfolios (DWR 2019; DWR 2014). Valley Water's diversified water supply portfolio includes imported and local surface supplies and groundwater, conservation, water-banking operations, and water recycling. This portfolio provides flexibility in responding to droughts, but Valley Water customers still receive more than 45 percent of their supply from Delta exports under CVP and SWP contracts. During dry years, Valley Water and SBCWD may have water allocations much less than their contract amounts and during wet years CVP and SWP allocations often are greater than expected. Unfortunately, Valley Water and SBCWD are unable to take advantage of a portion of higher wet year allocations in some years due to insufficient local storage capacity. The anticipated effects of climate change could contribute to reduced water supply space in existing reservoirs due to increased needs for additional flood management space, more extreme heat and drought events, and saltwater intrusion due to sea-level rise.

The state's water operations, including the reliability of SWP and CVP water supplies, rely on a fragile Delta levee system that faces increasing risks from floods, earthquakes, and climate change. A Delta levee-failure event could substantially impact Valley Water's ability to meet M&I water supply needs within its service area. Multiple levee failures, or a failure when Delta inflows are low, could cause saltwater intrusion as far inland as the SWP and CVP pumping facilities in the south Delta. This could result in a long-term disruption of SWP and CVP exports to south-of-Delta water contractors. Since SWP and CVP water supplies comprise approximately 45 percent of Valley Water's water supply portfolio, a Delta levee failure event could substantially impact Valley Water's ability to meet M&I water supply needs within its service area. A Delta levee failure would also substantially impact the SBCWD's M&I customers, as SBCWD's water supply portfolio includes approximately 42 percent from CVP water supplies.

As strain continues to build up on Bay Area faults, increasing the annual risk of seismic activity, aging levees are increasingly vulnerable to earthquake-induced failure. Numerous earthquake faults running through or near the Delta also pose a threat to levee stability and therefore, the reliability of Valley Water's SWP and CVP water supplies and the SBCWD's CVP water supplies. Valley Water's Climate Change Action Plan identifies the need to support state efforts to develop emergency preparedness plans to respond to large Delta levee failure events that threaten imported water supplies (Valley Water 2021a).

Multiple challenges are presented when maintaining and ensuring groundwater sustainability, including increasing uncertainty about the future availability of imported water, particularly with climate variability and competing demands from overdrafted basins elsewhere. During the 2012 to 2016 drought, locally observed groundwater levels dropped due to extreme dry conditions (Valley Water 2019). Lack of imported water during dry years, groundwater overdraft, and drought presents risks to long-term water supply reliability. Groundwater overdraft presents further threats to groundwater supply reliability, such as land subsidence and sea-water intrusion. Future climate change impacts to hydrologic conditions may place new challenges and constraints on managing the region's groundwater resources.

2.2.2 Insufficient Habitat for SCCC Steelhead

The Pajaro River watershed is considered severely degraded, and it has experienced more than a 90 percent decline in SCCC steelhead adult run size (i.e., number of adults per run) (NMFS 2013). Without serious intervention, a majority (possibly all) of SCCC steelhead populations are likely to be extinct within the next 50 years (Moyle et al. 2008). In the early to mid-1960's, the Pajaro River watershed supported up to 2,000 spawning adults (McEwan and Jackson 1996), only to have the population plummet to less than 500 adults by 1996 (NMFS. 2005). Over the years, the three watersheds most likely supporting the largest runs of steelhead (Pajaro, Salinas, and Carmel) have experienced more than 90 percent declines in adult run size (NMFS 2013).

NMFS developed the South-Central California Steelhead Recovery Plan (Recovery Plan) in 2013 for the SCCC steelhead. The Recovery Plan describes the importance of the Interior Coast Range Biogeographic Population Group (BGP), which includes the Pajaro River and its tributaries. The Recovery Plan states that the SCCC steelhead require the recovery of a minimum number of viable populations within each BGP in order to conserve natural diversity, spatial distribution, and abundance. The Interior Coast Range BGP consists mostly of long alluvial valleys, historically moderate-to-low migration reliability (based on unmanaged flow regimes prior to European settlement), and many intermittent streams. Because the mainstems cross alluvial valleys, steelhead adults and smolts often encounter problems migrating, particularly in dry years. As a result, the number of viable populations in this BGP have

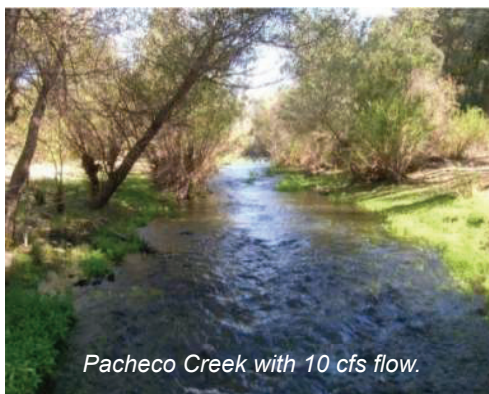
decreased over the years. In the Pajaro River watershed, there are only two consistent populations – Corralitos Creek near the estuary, and Uvas Creek. Llagas Creek and Pacheco Creek only have sporadic steelhead activity due to the intermittent nature of the streams. Therefore, the Pajaro River steelhead are at a higher risk of extirpation because of the limited number of populations. Improving conditions in Pacheco Creek to support SCCC steelhead is extremely important to the establishment of a functionally independent SCCC population in the Pajaro River watershed.

The SCCC steelhead population is severely impacted by insufficient flow, unsuitable water temperatures, and climate change. These steelhead have adapted to live in flashy streams along the California and Oregon coastlines, which provides a high-risk, high-reward strategy for survival because the fish are exposed to extended dry periods with limited to no channel flows. This increases the risk of single-year population extirpation (local eradication). Pacheco Creek is subject to significant streambed percolation into the aquifers, with stream reaches that tend to go dry in many years.

Insufficient flows in Pacheco Creek and its tributaries, particularly South Fork Pacheco Creek and Cedar Creek, impact both adult and juvenile steelhead survival by impeding fish passage, stranding redds (spawning nests) or juveniles, and impairing habitat by reducing riparian vegetation cover—which exacerbates increased water temperatures. Dry tributaries to Pacheco Creek negatively impact juvenile habitat and juveniles have become dependent on North Fork Pacheco Reservoir releases designed to match the timing of agricultural use downstream. Low stream flows and high water temperatures severely impact steelhead fry and juvenile survival in many years during late spring before Pacheco Reservoir releases begin. Low flows result in dry creek beds and shallow riffles which impede fish movement throughout Pacheco Creek, and its tributaries as well as during the outmigration period.



Pacheco Creek in the dry season.



Pacheco Creek with 10 cfs flow.

Field studies indicate that, under current conditions (low flows and high water temperature), only the 10 miles of Pacheco Creek downstream from the existing confluence of North Fork and South Fork Pacheco Creeks may provide suitable habitat for steelhead egg incubation and fry rearing in some years (Smith pers. Com 2017). Therefore, having consistent and continuous flow at a suitable temperature is essential to the survival of SCCC steelhead in Pacheco Creek. Pacheco Creek is noted to have warmer water temperatures because of factors including low flows, restricted connection to the aquifer, and limited riparian cover. Water temperatures in Pacheco Creek are likely suitable immediately downstream from North Fork Dam during the wet, cooler months of January through April when upstream and downstream migration, spawning, and egg incubation occur. Several creek miles downstream from the dam, water temperatures become increasingly warmer and more variable in late summer due to diurnal heating and cooling and without enough flow, these temperatures can be lethal.

2.2.3 Degraded Quality of Drinking Water

When water levels are low at San Luis Reservoir—a main component of the CVP San Felipe Division—water quality declines and can interrupt the supply of healthy, clean drinking water for Santa Clara and San Benito Counties. San Luis Reservoir, located approximately 11.5 miles east of Pacheco Reservoir, is owned and jointly operated by Reclamation and California Department of Water Resources to provide seasonal storage for SWP and CVP. A portion of deliveries from San Luis Reservoir flow west—through the Upper and Lower Pacheco Intakes, Pacheco Tunnel, Pacheco Pumping Plant, and Pacheco Conduit—to the San Felipe Division of the CVP, which includes Valley Water and SBCWD.



Valley Water and SBCWD Intake Within San Luis Reservoir

High temperatures, combined with declining water levels, foster growth of an algae layer extending as much as 35 feet below San Luis Reservoir's surface. As the water levels decline to the point that the algae are in the vicinity of the Upper Pacheco Intake, that intake is no longer used. Typically, this occurs when water levels reach an elevation of 369 feet above mean sea level (msl), or at 300,000 acre-feet capacity in the reservoir. If water levels fall below 369 feet above msl, Valley Water blends water from San Luis Reservoir with local supply sources to minimize water quality issues for M&I customers. San Luis Reservoir is the only delivery route for Valley Water's CVP supplies; therefore, Valley Water cannot receive its normal CVP supplies for M&I purposes during low-point events (Reclamation and Valley Water 2019).



Algae Growth Within San Luis Reservoir

2.2.4 Insufficient Water Supply for Refuges

Pursuant to the CVPIA RWSP, IL4 water supplies are deliveries meant to support wetlands and wildlife habitat development and management. Historically, these deliveries to wildlife refuges have been less than 50 percent of demand. Reclamation is required to provide full Level 2 water supplies annually, while Level 4 water supply is considered the total amount of water identified for optimum wetlands and wildlife habitat development and management. IL4 water supplies are the difference between the defined Level 2 and full Level 4 water supplies. The CVPIA requires that Reclamation provide full Level 2 supplies annually, with allowable reductions of up to 25 percent during some years. However, the CVPIA stipulates that IL4 water supplies are to be acquired in cooperation and cost-sharing with the State of California through voluntary measures, such as purchase, lease, donation, conservation, and conjunctive use.

Each year, the RWSP strives to provide as much IL4 water as possible. However, full IL4 deliveries have been achieved only during wet years and only to refuges without conveyance constraints. From 2002 to 2014, average annual IL4 refuge water supply deliveries were less than 50 percent of total IL4 demands (Reclamation 2016). This deficit is due in large part to state and federal budget shortages, conveyance constraints at certain refuges that prevent the transmission of surface water deliveries, inconsistency in the timing of water deliveries, decreased water supply availability due to in-stream flow requirements and the Delta export restrictions, and increases in the cost of water made available annually from willing sellers on the open market (CVJV 2006).

Chapter 3. Alternatives Development

This chapter describes Valley Water's alternatives development process that was outlined in Section 1.2.

3.1 Conceptual Measures and Screening Criteria

Once the Project objectives were developed and the Project purposes were identified to address problems and deficiencies, the next major step in formulating alternatives was to identify and evaluate potential conceptual measures. A conceptual measure is any operational modification or construction change that could address one or more of the Project objectives consistent with Valley Water's Quality and Environmental Management System, the following categories were used to evaluate the conceptual measures during the screening process.

1. Achievement: Ability to address the respective primary or secondary Project objectives independently
2. Feasibility: Practicability in terms of technical, logistical, and cost constraints

Over 50 conceptual measures were developed and evaluated to address the primary and secondary objectives. The conceptual measures for each of the primary and secondary objectives were categorized by project type. Each conceptual measure was evaluated, receiving either a pass or fail, for two categories: 1) achievement (i.e., ability to address the respective primary or secondary Project objectives independently) and 2) feasibility (i.e., practicability in terms of technical, logistical, and cost constraints). Conceptual measures retained for potential incorporation into alternatives received a pass for both achievement and feasibility categories.

All conceptual measures that addressed the primary objectives and received a pass for all screening categories were retained for inclusion into initial action alternatives. Conceptual measures that addressed the secondary objectives, received a pass for all screening categories, and were not being pursued under an independent study or project were retained for inclusion into initial action alternatives. These retained conceptual measures were combined and a set of initial action alternatives was formulated.

3.2 Alternatives Evaluation

3.2.1 Initial Alternatives Evaluation

Initial alternatives were formulated to allow for the direct comparison of the physical benefits, tradeoffs, and costs of the various dam site, dam type, and reservoir capacity combinations. Considered were an upstream and downstream dam site location, hardfill and earthfill dam type, and a larger (140,000 acre-feet) and smaller (96,000 acre-feet) reservoir capacity. All initial alternatives had common operational priorities (e.g., fixed reservoir release schedules, no partner participation in operations) because coordination among the WSIP funding partners, regulatory agencies, and other stakeholders was ongoing and because physical benefits (e.g., M&I water supply quantities, amount of suitable habitat for SCCC steelhead) did not vary considerably based on dam site location or dam type. Ultimately, five alternatives were evaluated based on criteria related to effectiveness, efficiency, completeness, and acceptability by regulatory agencies and other stakeholders. The highest-ranking alternative was a reservoir expansion of 140,000 acre-feet with a hardfill dam at the upstream location. Although uncertainty related to DSOD acceptability of constructing a hardfill dam was recognized during

this initial evaluation and ranking process, the upstream, hardfill dam alternative was the highest-ranking alternative due to the substantial cost savings, improved constructability, and minimized construction-related environmental impacts when compared to the other alternatives.

3.2.2 Alternatives Refinement

Following the initial alternatives evaluation and ranking and in consideration of stakeholder input, the initial alternatives were refined for inclusion in the Draft Environmental Impact Report (EIR). Refinements to the initial alternatives included updated designs for additional facilities (e.g., property owner access roads, power transmission lines, SR 152 access improvements), construction methods (e.g., water handling during construction at new dam site, water sources during construction), and operational analyses (e.g., variable Pacheco Creek flow targets informed by agency coordination, level of SBCWD participation). Based on coordination with California Department of Transportation, options for access improvements at SR 152 and Kaiser-Aetna Road were developed and incorporated into the alternatives, ranging from a permanent interchange/overpass option to a temporary at-grade interchange with a lane widening. Based on coordination with WSIP funding agencies, regulatory agencies and other stakeholders, a variable Pacheco Creek flow release schedule was developed to consider hydrologic conditions (e.g., based on water year type) and incorporate pulse flows for adult steelhead attraction. In addition, 10 percent participation by SBCWD was incorporated into selected alternatives. As a result of these refinements, alternatives evaluated in the Draft EIR included 1) either an upstream or downstream dam site location, 2) either a hardfill or earthfill dam type, 3) either a larger (140,000 acre-feet) or a smaller (96,000 acre-feet) reservoir capacity, 4) either a fixed flow release schedule or a variable (by water year type) flow release schedule and 5) either no participation by SBCWD or 10 percent participation by SBCWD.

3.2.3 Revised Alternatives Evaluation

After continued coordination and engagement between Valley Water, the Project's TRB, and DSOD, and after the TRB strongly supported the continued advancement of the initial highest-ranking Project alternative with the hardfill dam type, the DSOD transmitted a letter raising concerns with the viability/acceptability of the hardfill dam. This, in combination with refined modeling and analyses in the Draft EIR, resulted in the need to update the alternatives evaluation based on new information.

3.2.3.1 Description of Revised Alternatives

Similar to the initial alternatives evaluation, the alternatives in the revised evaluation considered an upstream and downstream dam site location, hardfill and earthfill dam types, and a larger (140,000 acre-feet) and smaller (96,000 acre-feet) reservoir capacity. Furthermore, each alternative had the same operational priorities. As the physical benefits (e.g., M&I water supply quantities, amount of suitable habitat for SCCC steelhead) would not vary considerably based on dam site location or dam type, all of the alternatives listed in Table 3-1 had common operational priorities consistent with those presented for the Proposed Project in the Draft EIR (Valley Water 2021). For the revised alternatives evaluation, all alternatives incorporated Pacheco Creek flow targets that were variable across water year types and assumed 10 percent participation by SBCWD. A summary of the combination of facilities and operations of the revised alternatives is shown in Table 3-1.

Table 3-1. Summary of Combination of Facility and Operations of Revised Alternatives

Revised Alternative ¹	Facilities			Operations	
	Dam Site	Expanded Reservoir Capacity (TAF)	Dam Type	Pacheco Creek Flow Target	San Benito County Water District Participation
1a	Downstream	140	Earthfill	Variable flow targets ²	10%
1b	Downstream	140	Hardfill	Variable flow targets ²	10%
5a	Upstream	140	Earthfill	Variable flow targets ²	10%
5b	Upstream	140	Hardfill	Variable flow targets ²	10%
6	Upstream	96	Earthfill	Variable flow targets ²	10%

Notes:

¹ Numbering based upon facilities incorporated into alternatives evaluated during Alternatives Analysis Workshop on May 12, 2020. As the physical benefits would not vary considerably based on dam site location or dam type, the revised alternatives evaluated incorporated common operational priorities.

² Releases to North Fork Pacheco Creek from the expanded reservoir vary depending on water year type and reflect input received from regulatory agencies and Water Storage Investment Program funding agencies (Valley Water 2021b, Valley Water 2021c)

Key:

% = percent

TAF = thousand acre-feet

3.2.3.2 Revised Alternatives Evaluation Methodology and Results

Specific Project objectives were used to guide the alternatives evaluation. To support the evaluation of the alternatives, four major criteria categories were developed, with two or more detailed criterion developed for each major criteria category, as shown in Table 3-2. Each alternative evaluation criterion was assessed either quantitatively or qualitatively and specific metrics were used to assign a score. Evaluation criteria that were assessed using quantitative metrics were assigned a score on a scale of 0 to 10. Evaluation criteria that were assessed using qualitative metrics were assigned *very high*, *high*, *medium*, *low*, or *very low* and a corresponding numerical score. All corresponding numerical scores assigned are whole integers.

Table 3-2. Criteria for Each Major Alternatives Evaluation Criteria Category

Criteria Category	Criterion
Effectiveness: the extent to which an alternative alleviates problems and addresses the Project objectives.	Improve water supply reliability
	Increase emergency response water supplies
	Improve SCCC steelhead habitat suitability
	Ability to address secondary Project objectives
Cost Efficiency: The extent to which an alternative addresses the Project objectives at the least cost, based on capital and operations and maintenance costs.	Benefit/Cost ratio
	Capital cost
Completeness: The extent to which an alternative has the necessary components to be implemented while also accounting for constructability and maintainability.	Constructability
	Maintainability
Acceptability: The viability of the alternative with respect to environmental impacts and regulatory and public/stakeholder acceptance.	Regulatory acceptability
	Environmental impacts
	Public/stakeholder acceptability

Key:

SCCC = South-Central California Coast

A summary of the weighting factor and scoring results from both the quantitative and qualitative criterion for each of the action alternatives is provided in Table 3-3. The higher the weighted score, the greater the importance of the given criterion. The alternative with the highest weighted score is Alternative 5a, which includes an earthfill dam at the upstream dam site with a 140,000-acre-foot reservoir.

Table 3-3. Summary of Weighting Factor and Scoring Results for Each of the Criterion

Criterion		Weighting Factor	Alternatives Score									
			Alternative 1a		Alternative 1b		Alternative 5a		Alternative 5b		Alternative 6	
			Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score	Score	Weighted Score
Effectiveness	Improve Long-Term Water Supply Reliability	14	10	140	10	140	10	140	10	140	8	112
	Increase Emergency Response Water Supplies	17	10	170	10	170	10	170	10	170	7	119
	Improve SCCC Steelhead Habitat Suitability	9	10	90	10	90	10	90	10	90	10	90
	Ability to Address Secondary Project Objectives	1	9	9	9	9	9	9	9	9	9	9
Cost	Benefit/Cost Ratio	15	8	120	10	150	9	135	10	150	9	135
	Capital Cost	12	3	36	7	84	7	84	9	108	10	120
Completeness	Constructability	11	4	44	8	88	6	66	10	110	7	77
	Maintainability	4	2	8	9	36	6	24	10	40	7	28
Acceptability	Regulatory Acceptability	13	8	104	2	26	10	130	2	26	10	130
	Environmental Impacts	3	8	10	10	30	8	24	8	24	8	24
	Public/Stakeholder Acceptability	6	8	48	8	48	6	36	6	36	8	48
Total				793	Total	871	Total	908	Total	903	Total	892

Key:

SCCC = South Central California Coast

3.3 Staff Recommended Alternative and Next Steps

Chapter 4 provides a description of the Staff Recommended Alternative. Facility components and construction program components for the Staff Recommended Alternative are based on the 30 percent designs for the upstream, earthfill dam that provides for an expanded reservoir of 140,000 acre-feet and have been refined since the revised alternatives evaluation. The operations of the Staff Recommended Alternative are consistent with those presented for the Proposed Project in the Draft EIR (Valley Water 2021).

Chapter 4. Staff Recommended Alternative

4.1 Overview

The Staff Recommended Alternative includes a new earthfill dam and other associated facilities as presented in Figure 4-1. Valley Water would operate these facilities and the expanded 140,000-acre-foot reservoir to increase emergency storage/emergency water supply, improve water supply reliability, increase SCCC steelhead habitat suitability, increase IL 4 refuge water supplies, and reduce impaired water quality deliveries from San Luis Reservoir. Major facilities of the Staff Recommended Alternative include:

- a new earthfill dam, spillway, and inlet/outlet works at the upstream dam site;
- an expanded reservoir with a total active storage capacity of 140,000 acre-feet;
- new water conveyance facilities (pipelines, tunnel, and pump station) connecting the expanded reservoir to the Pacheco Conduit;
- decommissioning the existing North Fork dam and restoring segments of the North Fork Pacheco Creek channel;
- utility modifications including a new electrical substation and power transmission lines; and
- new permanent access roads and temporary vehicular access improvements on SR 152 and Kaiser-Aetna Road (i.e., temporary overcrossing bridge).

Figure 4-2 presents the facilities at or near the earthfill dam site. The new earthfill dam would be located 2.2 miles upstream from the confluence of North Fork Pacheco Creek and South Fork Pacheco Creek. At full pool, the surface area of the expanded reservoir would be approximately 1,367 acres and the water surface elevation would be 741 feet above msl. Facilities included as part of the Staff Recommended Alternative, construction efforts required to construct these facilities, and operations and maintenance of the Staff Recommended Alternative are summarized below.

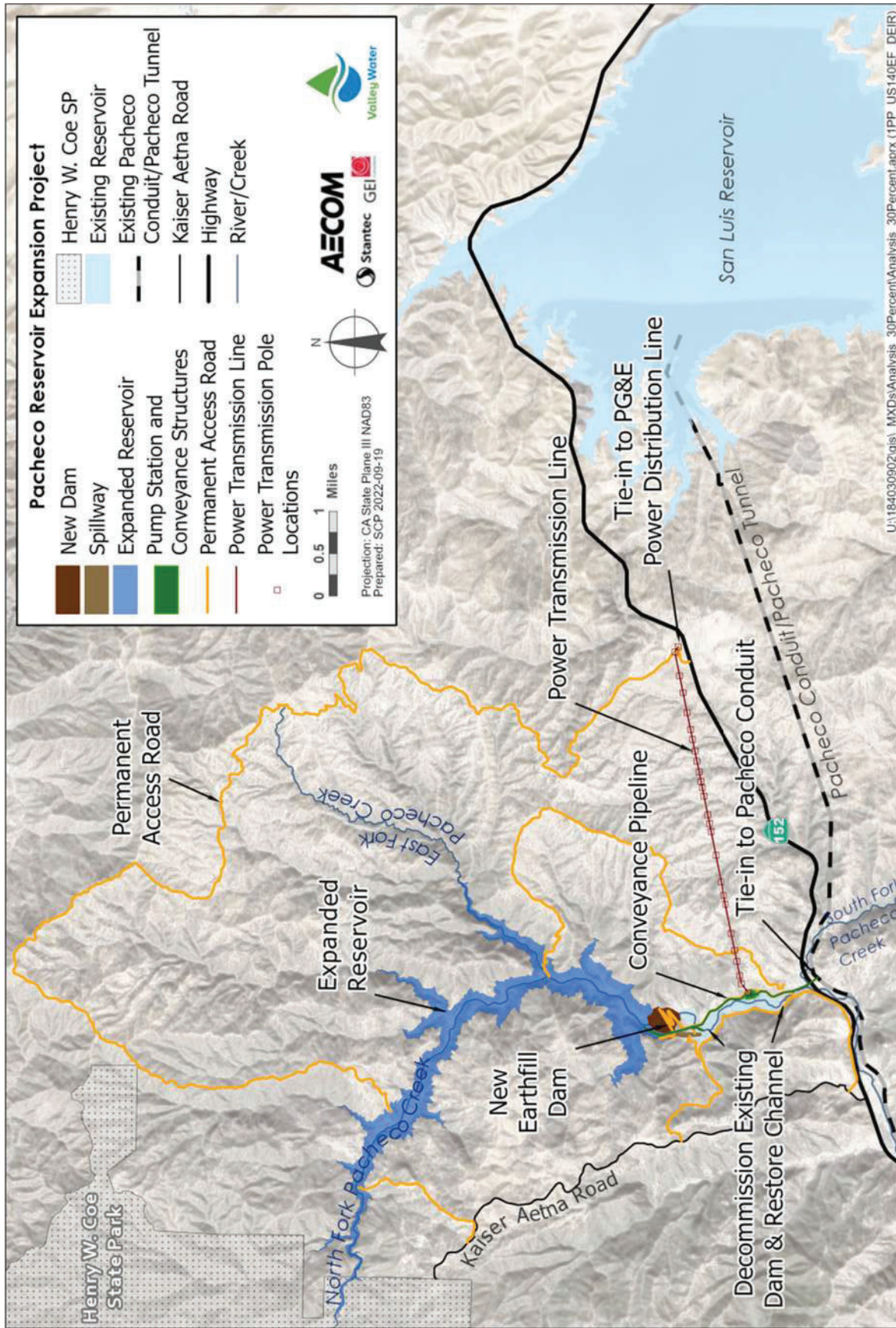
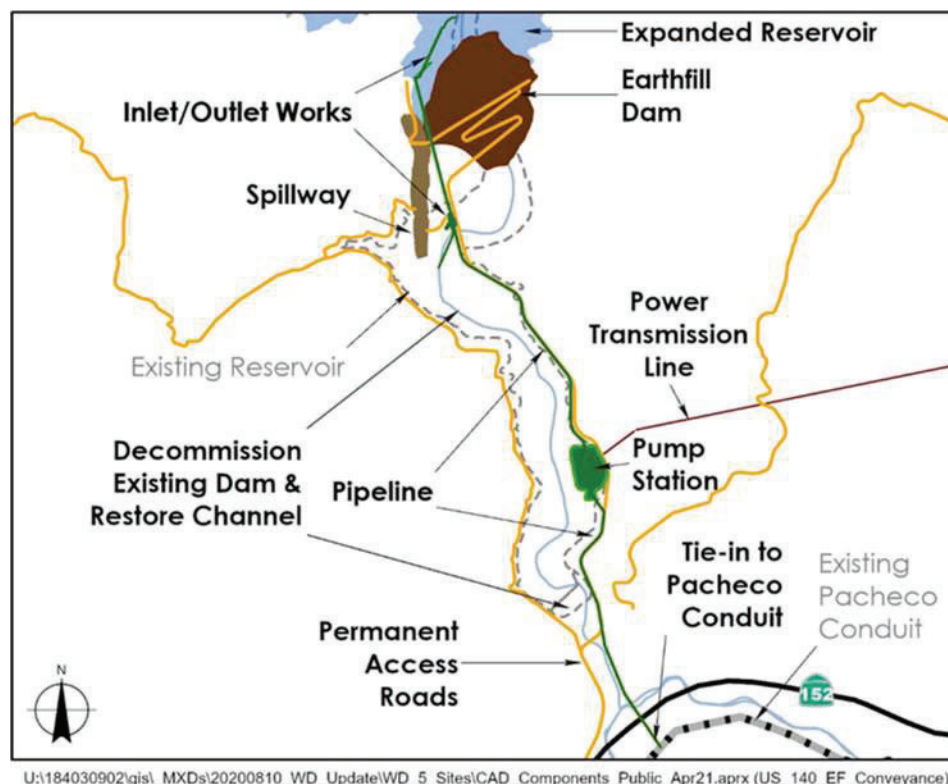


Figure 4-1. Permanent Facilities and Expanded Reservoir for Staff Recommended Alternative



Note: Not to scale

Figure 4-2. Schematic of Permanent Facilities at or Near the Dam Site of the Staff Recommended Alternative

4.2 Facilities

The Staff Recommended Alternative facilities would include a new dam and appurtenant facilities³, new water conveyance to and from the Pacheco Conduit, utility modifications, vehicular access improvements, and other minor improvements. A new earthfill dam with spillway and inlet/outlet works would be constructed 1.8 miles upstream from the existing North Fork Dam. The height of the earthfill dam would be approximately 315 feet and the width of the dam at the crest would be approximately 1,900 feet. The new dam would require approximately 11.5 million cubic yards of earthfill. At full pool, the surface area of the expanded reservoir would be approximately 1,367 acres with 35.2 miles of shoreline. The inlet/outlet works would consist of three adits⁴ on an intake shaft built separate of the body of the dam; a bypass intake and pipeline; an outlet conduit installed under the east abutment of the dam; and an outlet/bifurcation structure. The inlet/outlet works would convey up to 490 cubic feet per second (cfs) to/from Pacheco Conduit and simultaneously release up to 100 cfs to North Fork Pacheco Creek and allow for 2,680 cfs emergency releases. The existing North Fork Dam and appurtenant facilities would be decommissioned and approximately 1.3 miles of North Fork Pacheco Creek would be restored to provide spawning and rearing habitat for SCCC steelhead.

The Staff Recommended Alternative would include a pipeline and pump station to allow for the bi-directional conveyance of water between the expanded reservoir and Pacheco Conduit. The conveyance pipeline would be 8,700 feet long and 114-inch-internal-diameter with a capacity of

³ Supplementary or ancillary features of a dam such as inlet/outlet structures, spillways, tunnels, etc.

⁴ For earthfill dams, these are the welded steel pipes within tunnels with openings to intake water from the reservoir (also for release of water from Pacheco Conduit into expanded reservoir).

490 cfs. To tie-in the new pipeline into the existing Pacheco Conduit, approximately 1,000 feet of the existing Pacheco Conduit would be removed and replaced. To provide power to the dam and water conveyance facilities, a new 70 kilovolt (kV)/4.16 kV electrical substation and 4.1 miles of new, single overhead 70 kV transmission line would be constructed.

A combination of new permanent and temporary roads and improvements to existing access routes would be required to allow primary and auxiliary access to the new dam and facilities, nearby properties of existing landowners, and construction areas. Permanent access roads would include a 1.6-mile frontage road, 6.6 miles of dam and auxiliary access roads, and 29.9 miles of property owner access roads. In addition, 3.0 miles of temporary construction roads would be required during construction. Primary vehicular access to the dam site and appurtenant facilities during construction would be provided by temporary overcrossing bridge located west of the existing SR 152 and Kaiser-Aetna Road intersection that would connect to a new permanent frontage road accessed from Kaiser-Aetna Road.

4.3 Construction

Construction of the Staff Recommended Alternative would be initiated in mid-2027, with an estimated duration of 7.2 years. The temporary overcrossing bridge located west of SR 152 and Kaiser-Aetna Road, and permanent and temporary access roads would be completed early in the construction period to facilitate access for construction crews and equipment to the dam site. In year two of construction, the existing Pacheco Reservoir would be drained, and the existing North Fork Dam and ancillary facilities would be decommissioned. Following decommissioning of the existing dam, flows would follow a natural hydrograph until the new dam is completed. Construction of the earthfill dam with spillway and inlet/outlet works, conveyance facilities, utilities, and other improvements would occur concurrently until completion.

The Staff Recommended Alternative would include 11 construction staging areas totaling 55.6 acres, 5 on-site material borrow areas totaling 176.8 acres, and 5 disposal areas totaling 168.1 acres, as shown in Figure 4-3. To allow for material mixing on site during construction the Staff Recommended Alternative would include the development of a concrete batch plant, located in one of the identified staging areas. A mix of equipment would be on-site during construction to support earthmoving, grading, tunneling, concrete mixing, paving, vegetation clearing, aerial transportation (e.g., helicopters for power transmission lines), and similar activities. During the peak of construction, the construction labor force would consist of multiple crews plus construction management personnel (up to 625 workers per day).

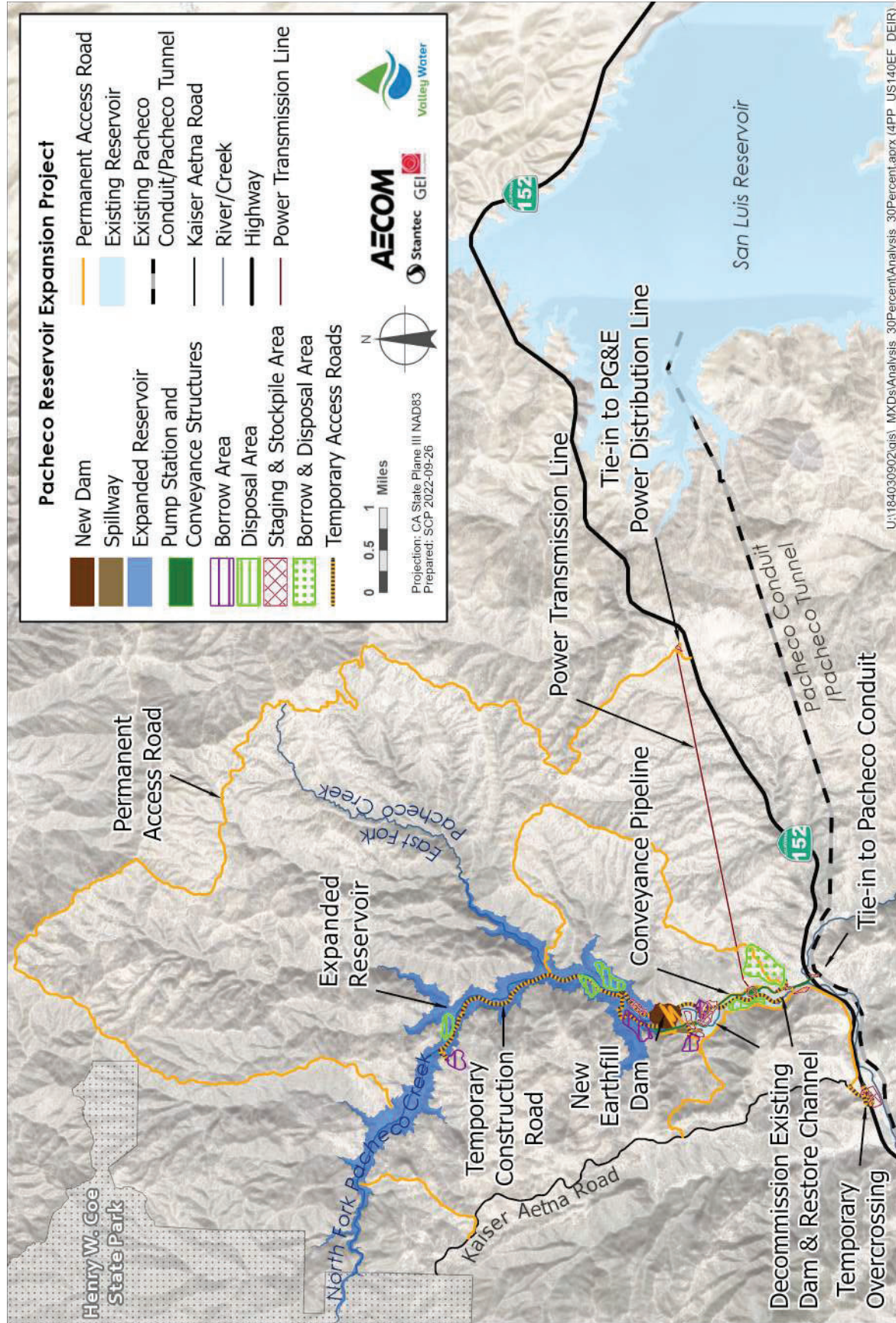


Figure 4-3. Temporary Roads and Borrow, Disposal, Staging, and Stockpiling Areas for the Staff Recommended Alternative

4.4 Operation and Maintenance

Under the Staff Recommended Alternative, Valley Water would operate the expanded reservoir to optimize Valley Water's and SBCWD's available water supplies, meet M&I demands during drought periods and emergencies, increase suitable habitat for SCCC steelhead in Pacheco Creek, improve M&I water quality, and increase refuge water supplies. Valley Water and SBCWD would be allocated 90 percent and 10 percent, respectively, of the operating storage capacity of the reservoir. Inflow operations would prioritize capturing and storing local inflow and, when available, pumping Valley Water CVP water supplies and SBCWD CVP water supplies into the expanded reservoir from Pacheco Conduit. Outflow operations would prioritize releases to North Fork Pacheco Creek and, when needed, pumping water supply withdrawals out of the expanded reservoir into Pacheco Conduit for delivery to Valley Water and SBCWD. In below normal water years, Valley Water and SBCWD would provide 1,800 acre-feet and 200 acre-feet, respectively, of their CVP contract allocation to the CVPIA RWSP for use as IL4 refuge water supply.

Under the Staff Recommended Alternative, the expanded reservoir would release flows into North Fork Pacheco Creek from a multi-level inlet/outlet structure based on a Variable Flow Schedule, as shown in Table 4-1. Instream flows would support the maintenance of suitable habitat for SCCC steelhead. Mean monthly baseflows and pulse flow targets would vary based on a Pacheco Reservoir hydrologic water year type. Baseflows would be released continuously in all months, adult attraction pulse flows would be made in January, February, and March, and smolt (i.e., juvenile steelhead) outmigration pulse flows would be made in April and May. To conserve water for releases during summer and drier years, the scheduled pulse flow would not be released from the new dam if during that month a spill event occurred in excess of the scheduled pulse flow, or if the pulse flow target magnitude and duration were exceeded at U.S. Geological Survey streamgage 11153000 in Pacheco Creek. In certain years, summer baseflows would be reduced in June through October to promote sycamore alluvial woodland deeper root growth, promote a reduction in willow growth, and reduce non-native aquatic predatory species and plant species. Water supplies developed during these years would be released in subsequent years as a high magnitude short duration environmental pulse flow to support geomorphic processes and other ecological purposes.

A 35,000-acre-foot habitat storage reserve would be maintained to provide suitable flows and water temperatures for SCCC steelhead in the North Fork and mainstem Pacheco Creek during multi-year droughts. Once the expanded reservoir drops below 35,000 acre-feet, the reserve would be managed independent of water supply to provide releases according to the Variable Flow Schedule unless an emergency declaration is made for health and safety purposes.

Valley Water would rely on instrumentation at the expanded reservoir and in Pacheco Creek to support essential monitoring efforts to implement and verify the Variable Flow Schedule. Valley Water would develop and implement adaptive management plans for three public benefits in cooperation with appropriate regulatory agencies to be consistent with WSIP and regulatory requirements: ecosystem improvement in Pacheco Creek, ecosystem improvement in the San Joaquin watershed, and emergency response.

The expanded reservoir and associated facilities would be unstaffed and operated/monitored via telemetry remotely. Valley Water would perform maintenance activities for all proposed facilities except for power transmission lines. Maintenance activities would generally include facility and equipment inspections, preventive maintenance, and repairs. Power and Water Resources Pooling Authority, Western Area Power Administration, or Pacific Gas and Electric Company would perform maintenance activities on power transmission lines.

Table 4-1. Average Monthly Flow Targets in Pacheco Creek Under the Staff Recommended Alternative (Variable Flow Schedule)

Month	Baseflow					Pulse Flow									
	Continuous Releases from New Dam Outlet (cfs)					Pulse Flow Target Magnitude at New Dam Outlet ^{1,4} (cfs)					Pulse Flow Duration ^{1,4} (days)				
PRII Water Year	W	AN	BN	D	C	W	AN	BN	D	C	W	AN	BN	D	C
January	8	8	8	8	8	30	30	35	35	0	5	5	5	5	0
February	8	8	8	8	8	30	30	45	45	30	5	5	5	5	5
March	8	8	8	8	8	30	30	50	45	35	8	8	8	8	8
April	8	8	8	8	8	25	25	25	25	25	14 ²	14 ²	14 ²	14 ²	14 ²
May	10	10	10	10	8	25	25	25	25	25	7	7	7	7	7
June	11	11	11	10	8 ³	--	--	--	--	--	--	--	--	--	--
July	13	13	13	10	8 ³	--	--	--	--	--	--	--	--	--	--
August	13	13	13	10	8 ³	--	--	--	--	--	--	--	--	--	--
September	13	13	13	10	8 ³	--	--	--	--	--	--	--	--	--	--
October	13	13	13	10	8 ³	--	--	--	--	--	--	--	--	--	--
November	11	11	11	9	8	--	--	--	--	--	--	--	--	--	--
December	9	9	9	9	8	--	--	--	--	--	--	--	--	--	--

Notes:

¹ The scheduled pulse flow would not be released in a given month if the target pulse flow magnitude and duration were exceeded at USGS streamgage 11153000 in Pacheco Creek.

² 14-day total duration reflects two separate 7-day duration pulses.

³ Baseflow releases may be reduced to induce dryback in drought periods (may occur in Critical inflow years).

⁴ Pulse flows during January, February, and March would support adult SCCC Steelhead attraction. Pulse flows during April and May would support SCCC Steelhead smolt outmigration.

Key:

-- = Not applicable

AN = Above Normal

BN = Below Normal

C = Critical

cfs = cubic feet per second

D = Dry

PRII = Pacheco Reservoir Inflow Index

SCCC = South-Central California Coast

USGS = U.S. Geological Survey

W = Wet

4.5 Ability to Meet Project Objectives

The Staff Recommended Alternative would address both of the primary Project objectives and both of the secondary Project objectives. Table 4-2 illustrates the ability of the Staff Recommended Alternative to meet Project objectives by quantifying net benefits (i.e., Staff Recommended Alternative in comparison to existing and future baseline conditions⁵). The Staff Recommended Alternative's ability to meet Project objectives is summarized below:

⁵ The exiting condition baseline represents conditions in 2017 without implementation of the Staff Recommended Alternative or Alternatives A through D, and reflects land use, water demands, and institutional and regulatory conditions in 2017 and incorporates historical climate conditions. The future condition baseline represents conditions in 2030 without implementation of the Staff

- **Emergency Response: Emergency Storage/Emergency Water Supplies** Since SWP and CVP water supplies comprise approximately 45 percent of Valley Water's water supply portfolio, a Delta levee failure event could substantially impact Valley Water's ability to meet M&I water supply needs within its service area. The Staff Recommended Alternative would provide Valley Water and SBCWD with a dedicated local emergency water supply and would avoid undesirable results caused by long-term reliance on groundwater during emergencies. In an emergency, the Staff Recommended Alternative could deliver—either directly or by exchange—water to Valley Water and SBCWD.
- **Water Supply: Long-Term Water Supply Reliability.** The Staff Recommended Alternative would improve M&I water-supply reliability and increase available supplies under existing and future conditions for Valley Water and SBCWD. The Staff Recommended Alternative would improve M&I water supplies through an increased ability to fully utilize CVP allocations, development of local water supplies from the Pacheco Creek watershed, and improved system flexibility.
- **Ecosystem Improvement – Pacheco Creek: SCCC Steelhead Habitat Suitability.** The Pajaro River watershed has experienced more than a 90 percent decline in SCCC steelhead adult run size (i.e., number of adults per run) (NMFS 2013). Without serious intervention, a majority (possibly all) of SCCC steelhead populations are likely to be extinct within the next 50 years (Moyle et al. 2008). The Staff Recommended Alternative would provide substantive beneficial improvements to SCCC steelhead habitat conditions in Pacheco Creek through improved flow and temperature conditions. As shown in Table 4-2, the Steelhead Cohort Score, an index of Pacheco Creek's ability to support SCCC steelhead through all life stage based on the 14-month period in which a cohort is expected to remain in the creek (i.e., from adult migration through juvenile outmigration), would substantially increase under the Staff Recommended Alternative in comparison to baseline conditions in all water year types. In addition, the Staff Recommended Alternative would provide for pulse flows for adult steelhead attraction.
- **Ecosystem Improvement – San Joaquin River Watershed: IL4 Refuge Deliveries.** The Staff Recommended Alternative would allow Valley Water and SBCWD to provide a firm, 2,000 acre-feet supply of water in below normal water years to RWSP, for use in the IL4 Refuge Water Supply Pool—which is managed by Reclamation and USFWS. The increased supply would provide habitat and food for migratory birds of the Pacific Flyway, resident bird species, and many wildlife species.

Recommended Alternative or Alternatives A through D, and reflects projected land use, water demands, and institutional and regulatory conditions in 2030 and incorporates projected climate conditions (i.e., includes climate change projections).

Table 4-2. Ability of the Staff Recommended Alternative to Address Project Objectives and Summary of the Net Benefits

Benefit	Objective Addressed	Indicators	Existing Conditions (2017) ¹⁰	Future Conditions (2030) ¹⁰
Emergency Response	Primary Objective: Increase water supply reliability and system operational flexibility to help meet M&I and agricultural water demands in Santa Clara and San Benito Counties during drought periods and emergencies, or to address shortages due to regulatory and environmental restrictions	Net increase in regional surface storage (Pacheco Reservoir and Valley Water's surface reservoirs) and groundwater storage (North County Santa Clara Subbasin) ^{1, 2, 9}	117,480 AF	107,160 AF
Water Supply		Net increase in baseline supplies available to Valley Water and SBCWD; average all years and critical years only ^{3, 7, 8}	5,130 AF/ 8,830 AF	3,600 AF/ 8,350 AF
Ecosystem Improvement – Pacheco Creek	Primary Objective: Increase suitable habitat in Pacheco Creek for federally threatened SCCC steelhead through improved water temperature and flow conditions	Percent increase in Steelhead Cohort Score ^{4, 9}	157%	146%
		Provides adult attraction pulse flows for SCCC steelhead	Yes	
		Length of new stream channel habitat ⁵	1.3 miles	
Ecosystem Improvement – San Joaquin River Watershed	Secondary Objective: Develop water supplies for environmental water needs at IL4 wildlife refuges to support habitat management in the Delta watershed	Net increase in Incremental Level 4 water deliveries to San Joaquin River watershed refuges in below normal years ^{6, 7, 9}	2,000 AF	2,000 AF
M&I Water Quality	Secondary Objective: Improve water quality and minimize supply interruptions, when water is needed, for Santa Clara and San Benito Counties, to increase operational flexibility for south-of-Delta contractors dependent on San Luis Reservoir	Number of months of avoided impaired water quality deliveries from San Luis Reservoir over 82-year simulation period ^{8, 9}	96 months out of 102 months (94% reduction)	63 months out of 65 months (97% reduction)

Notes:

¹ Values were derived from CalSim II and Valley Water's WEAP model.² Under existing conditions, water stored in Pacheco Reservoir would not be available for emergency response due to lack of connection to the Valley Water or SBCWD water systems. Under the Staff Recommended Alternative, an expanded Pacheco Reservoir would be connected to Valley Water and SBCWD water systems via the Pacheco Conduit.³ Values were derived from Valley Water's WEAP model.⁴ Values were derived from Pacheco Creek Steelhead Habitat Suitability Model. The Steelhead Cohort Score provides an index of the ability of Pacheco Creek to support South-Central California Coast steelhead through all life stages.⁵ Reflects length of historic North Fork Pacheco Creek stream channel that is currently inundated by the existing Pacheco Reservoir and would be restored between the spillway of the new dam and the existing North Fork Dam that would be decommissioned.⁶ Values were derived from CalSim II and reflect refuge deliveries in the San Joaquin River watershed. Value reflects total quantity of water Valley Water, and SBCWD for the Staff Recommended Alternative, would transfer of their current CVP contract allocation, directly or through exchanges, to the Refuge Water Supply Program.⁷ Water year types based on the Sacramento Valley water year hydrologic classification.⁸ Values were derived from CalSim II and Valley Water's WEAP model.¹⁰ Existing conditions (2017) reflect the level of water supply demand and regulatory requirements in 2017, patterns of land use in 2017, and the water-related facilities assumed to be in place in 2017. Future conditions (2030) reflect the projected level of water supply demand and regulatory requirements in 2030, projected climate conditions centered around 2030, projected patterns of land use in 2030, and the additional water-related facilities assumed to be in place by 2030.

Table 4-2. Ability of the Staff Recommended Alternative to Address Project Objectives and Summary of the Net Benefits (contd.)

Key:

AF = acre-feet

Delta = Sacramento-San Joaquin Delta

M&I = municipal and industrial

SBCWD = San Benito County Water District

SCCC = South Central Coastal California

Valley Water = Santa Clara Valley Water District

4.6 Costs

Table 4-3 presents costs for the Staff Recommended Alternative. The total cost of the Staff Recommended Alternative, excluding escalation, is \$1,996.4 million (April 2022 dollars). The total cost of the Staff Recommended Alternative, inclusive of escalation for construction and non-contract costs, is \$2,358.4 million (April 2022 dollars).

Table 4-3. Summary of Staff Recommended Alternative Costs

Item ¹	Total Cost ^{2, 3} (\$ millions)
Construction Costs	
Field Costs	
1: Decommission Existing Dam	\$6.5
2: Temporary Works	\$41.3
3: Earthfill Dam	\$312.3
4: Inlet/Outlet Works	\$99.2
5: Spillway	\$88.1
6: Pump Station	\$88.9
7: Conveyance	\$81.0
8: Electrical	\$50.7
9: Roads and Bridges	\$72.4
10: Channel Restoration	\$16.3
11: Construction Allowances	\$0.3
12: Startup/Commission/Owner Training	\$5.7
<i>Subtotal (Direct Construction Cost)</i>	<i>\$862.6</i>
Construction and Materials Testing	\$17.3
Mobilization	\$44.0
General Contractor Markups	\$390.6
Design & Estimating Contingencies	\$236.6
<i>Subtotal (Contract Cost)</i>	<i>\$1,551.0</i>
Construction Contingencies	\$232.7
<i>Subtotal (Field Costs without Escalation)</i>	<i>\$1,783.7</i>
Escalation ⁴	\$299.5
<i>Subtotal (Field Costs with Escalation)</i>	<i>\$2,083.2</i>
Non-Contract Costs⁵	
Project Management, Construction Management & Regulatory Compliance and Monitoring During Construction Phase ⁶	\$200.9
Land Acquisition	\$11.8
<i>Subtotal (Non-Contract Costs without Escalation)</i>	<i>\$212.7</i>
Escalation ⁴	\$62.4
<i>Subtotal (Non-Contract Costs with Escalation)</i>	<i>\$275.2</i>
Total Costs (Construction Costs + Non-Contract Costs without Escalation)	\$1,996.4
Total Costs (Construction Costs + Non-Contract Costs with Escalation)	\$2,358.4

Table 4-3. Summary of Staff Recommended Alternative Costs (cont.)

Notes:

- ¹ Facility and construction program components for the Staff Recommended Alternative are based on the 30 percent designs for the upstream, earthfill dam that provides for an expanded reservoir of 140,000 acre-feet.
- ² Dollar values for direct construction costs, contract costs, construction management & engineering services during construction costs, and land acquisition costs are expressed in April 2022 price levels.
- ³ All numbers are rounded for display purposes, and therefore line items may not sum to totals.
- ⁴ Escalation value accounts for inflation as well as related contingency. Inflation value estimated by Santa Clara Valley Water District's Financial Planning and Management Services Division.
- ⁵ As requirements for mitigation are under development through environmental compliance (e.g., California Environmental Compliance Act) and permitting efforts (e.g., Endangered Species Act, Clean Water Act), costs for implementation of required mitigation are not included.
- ⁶ Reflects future non-contract costs associated with construction phase activities associated with project management; construction management/inspection; and regulatory compliance and monitoring.

Chapter 5. References

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- _____. 2021a. Climate Change Action Plan. July.
- _____. 2021b. Problem Definition Report: Pacheco Reservoir Expansion Project. March.
- _____. 2021c. Conceptual Measures Assessment Technical Memorandum: Pacheco Reservoir Expansion Project. June.
- _____. 2021d. Pacheco Reservoir Expansion Project Water Storage Investment Program Supplemental Feasibility Documentation. November.
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Santa Clara Valley Water District

File No.: 23-0055

Agenda Date: 1/10/2023

Item No.: *2.13.

SUPPLEMENTAL BOARD AGENDA MEMORANDUM

SUBJECT:

Receive an Update on the Pacheco Reservoir Expansion Project, Project No. 91954002 (Santa Clara County, Merced County, District 1).

REASON FOR SUPPLEMENTAL MEMORANDUM:

This report conveys additional information received after the initial report was released, consistent with Executive Limitations Policy EL-7-10-5.

RECOMMENDATION:

Receive information on the Pacheco Reservoir Expansion Project.

SUMMARY:

The latest information on the Pacheco Reservoir Expansion Project contained in attachments was not available at the time of the 10-day posting.

Attachments added: PowerPoint

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item. However, the Environmental Justice Impacts of the Project will be assessed and addressed in future Project board actions related to the Project execution.

FINANCIAL IMPACT:

No change from original memo.

CEQA:

No change from original memo.

ATTACHMENTS:

*Supplemental Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:
Chris Hakes, 408-630-3796



Pacheco Reservoir Expansion Project: Status Update

Capital Improvement Program Workshop (January 10, 2023)



Water Supply Master Plan Strategy

2

valleywater.org



1 Secure
existing supplies
and
infrastructure



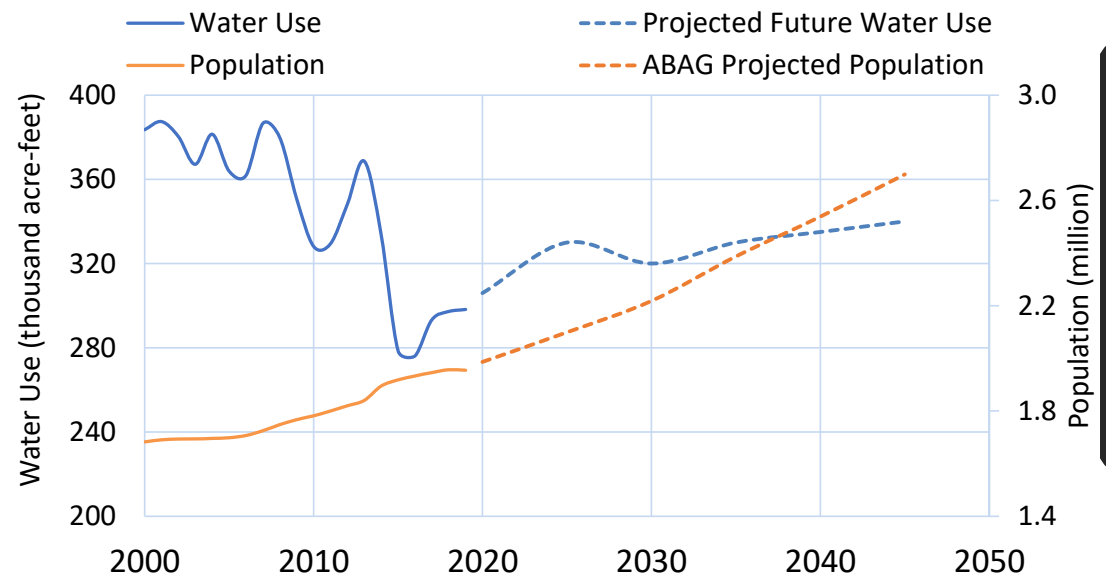
2 Expand
water conservation
and reuse



3 Optimize
the use of
existing system

Level of Service Goal

Meet 100 percent of annual water demand during non-drought years and at least 80 percent of demand in drought years
(**Board Policy E.2-2.1**)



Existing Storage

- Local groundwater basins
- Local reservoirs
- Semitropic groundwater bank

Water Supply Master Plan Recommendations

- Diversify existing storage
 - Capture wet year water
 - Operational flexibility
 - Water in dry years
- Risk management
 - Large project uncertainty
 - Pursue variety of projects

New Storage Options

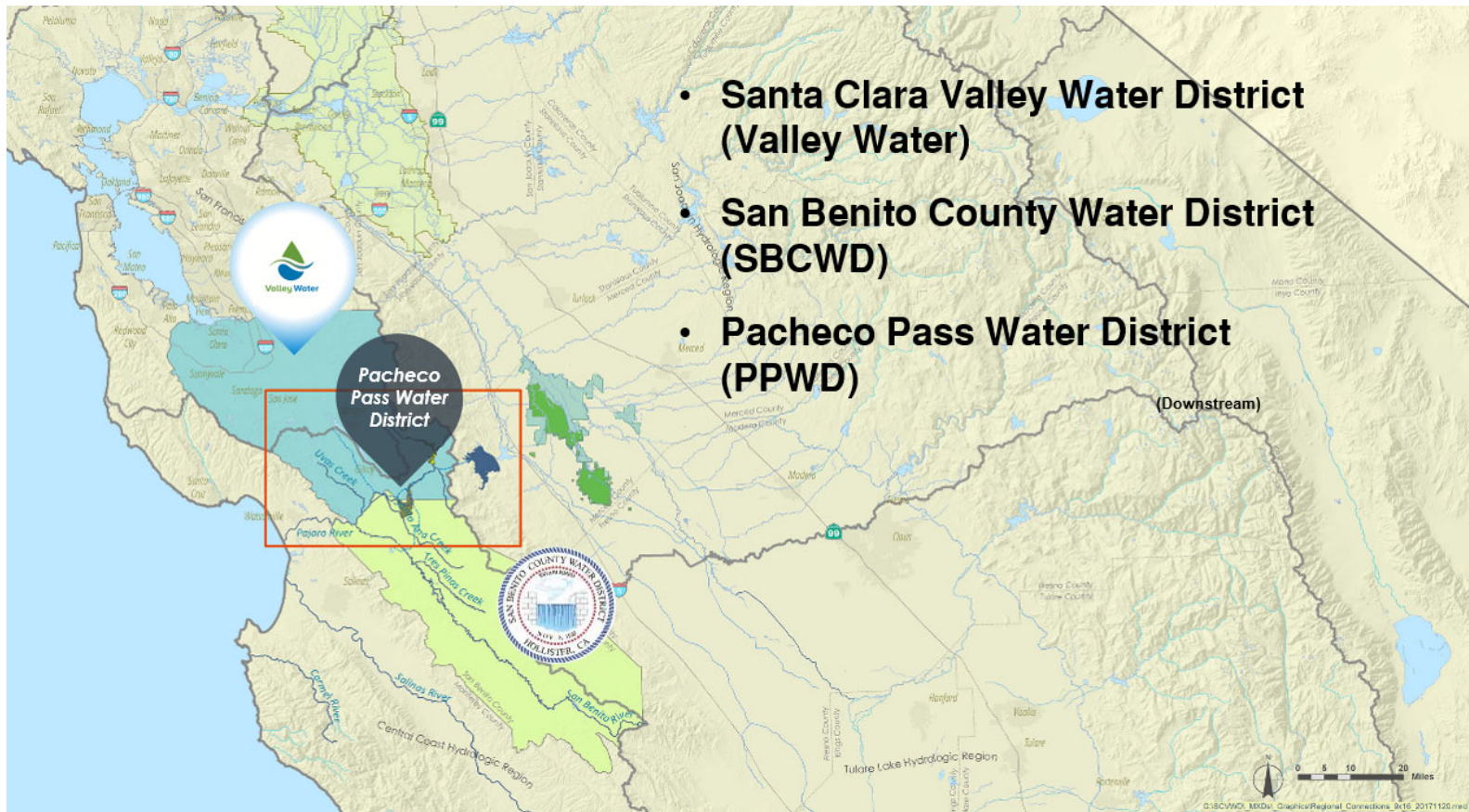
Storage Project	Valley Water Share (Thousand Acre-Feet)	Share of Capital Cost (\$)
New Groundwater Bank	200	160 Million
Los Vaqueros Expansion	50	240 Million
Pacheco Reservoir	55 - 91	1.1 – 1.7 Billion
B.F. Sisk Dam Raise	TBD	TBD
Sites Reservoir	TBD	TBD

Pacheco - One Diversification Option

- In county
- Controlled by Valley Water
- Greater operational flexibility
- Dependent on existing infrastructure requiring investment
- Similar benefits to other storage projects

Project Partners

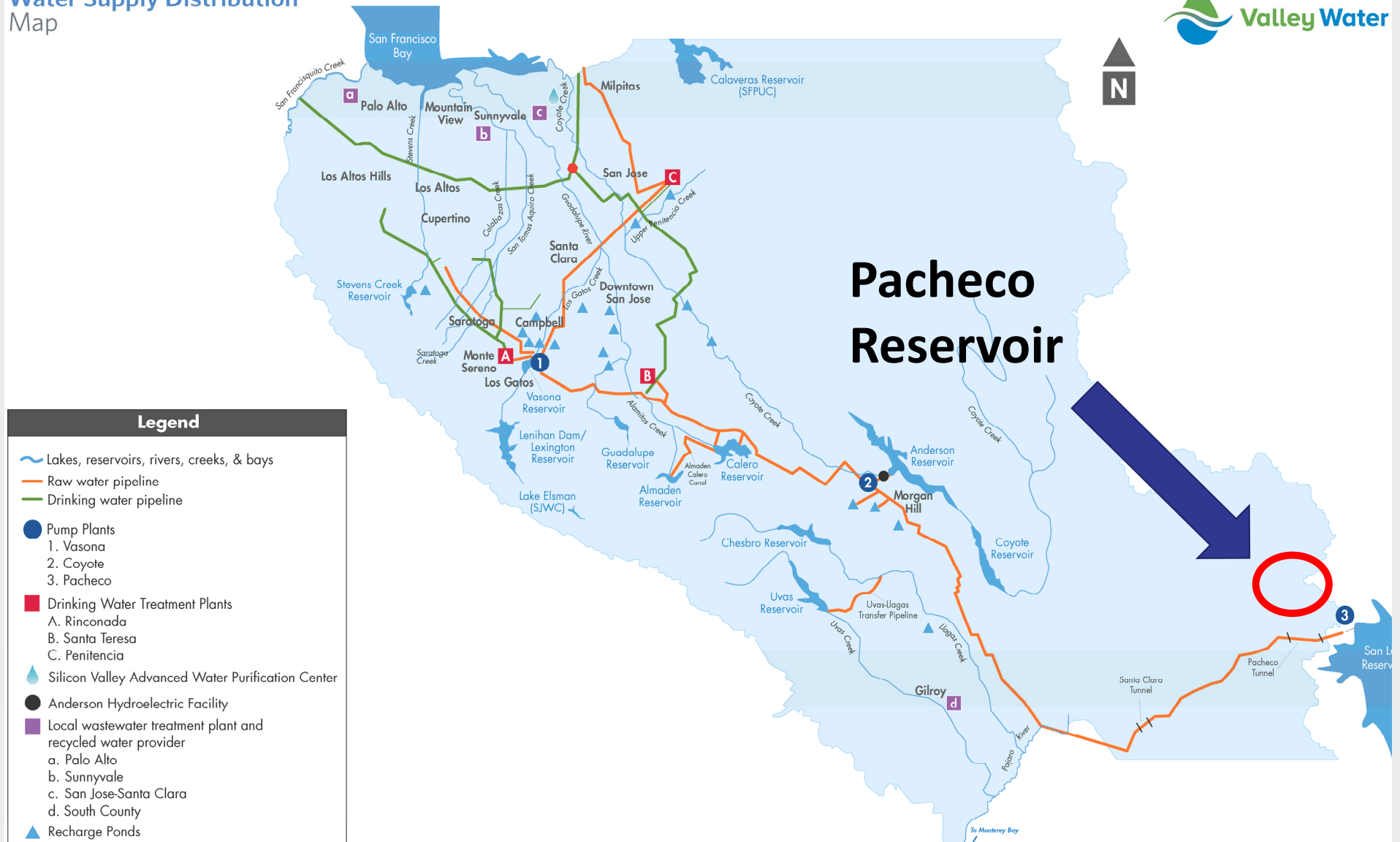
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valleywater.org

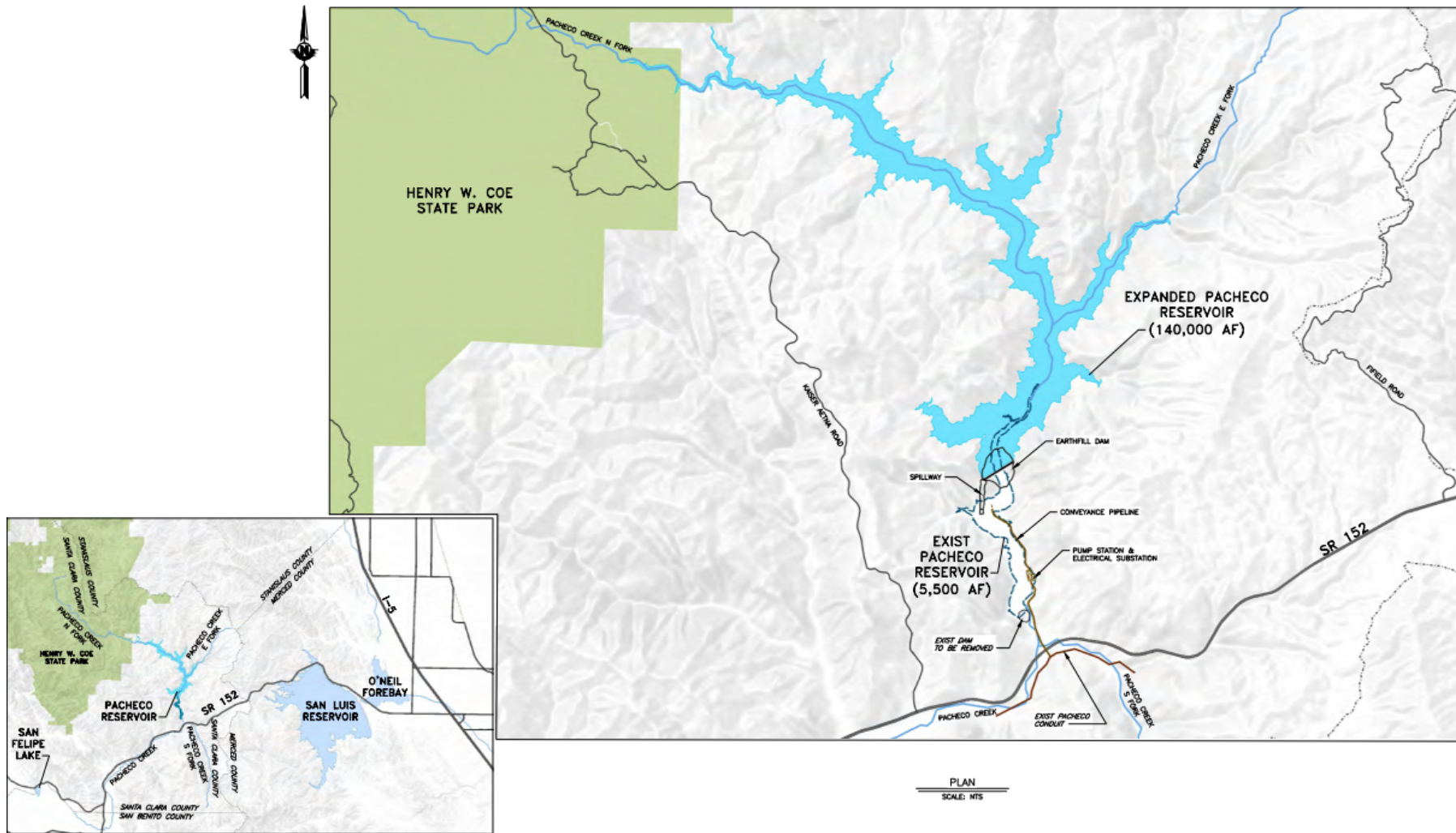


Water Supply Distribution Map



Project Overview Map

10



Existing North Fork Dam and Pacheco Reservoir

Dam

- 100-foot-tall earthen embankment dam
- 0.4 miles upstream of North Fork Creek and South Fork Creek confluence
- Construction completed in 1939

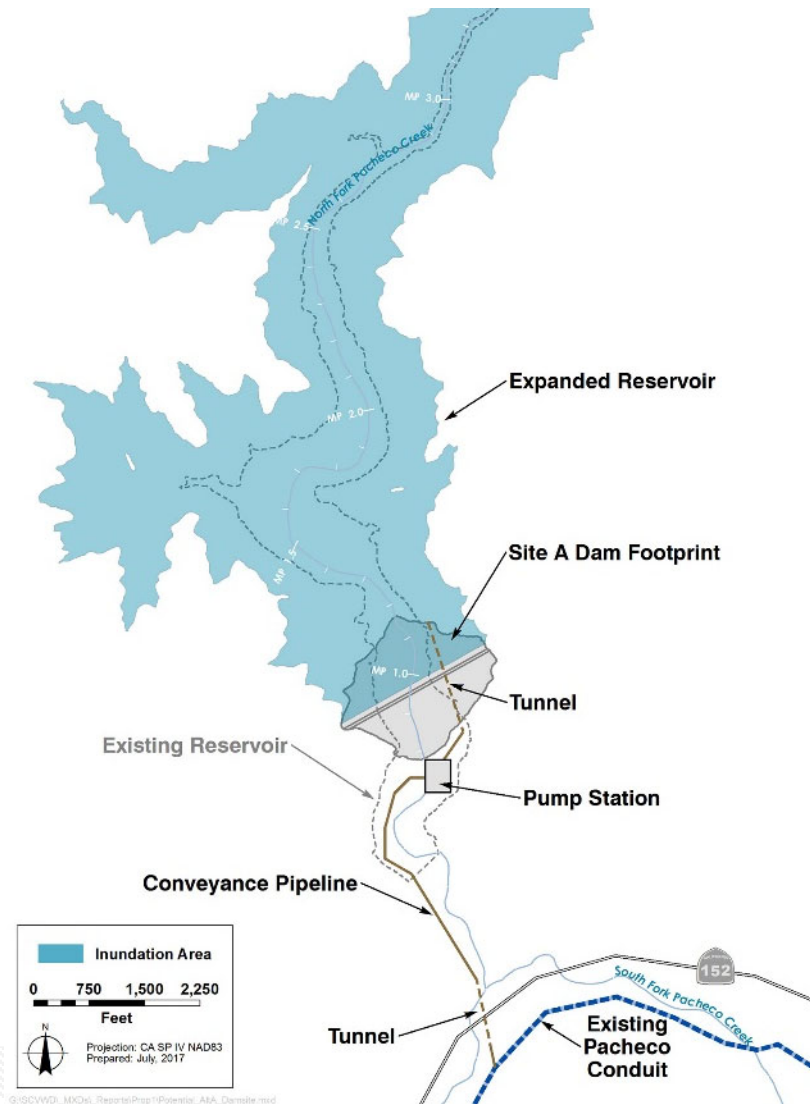
Reservoir

- Current capacity: 5,500 acre-feet
- Operated for groundwater recharge along Pacheco Creek by Pacheco Pass Water District



Project Components

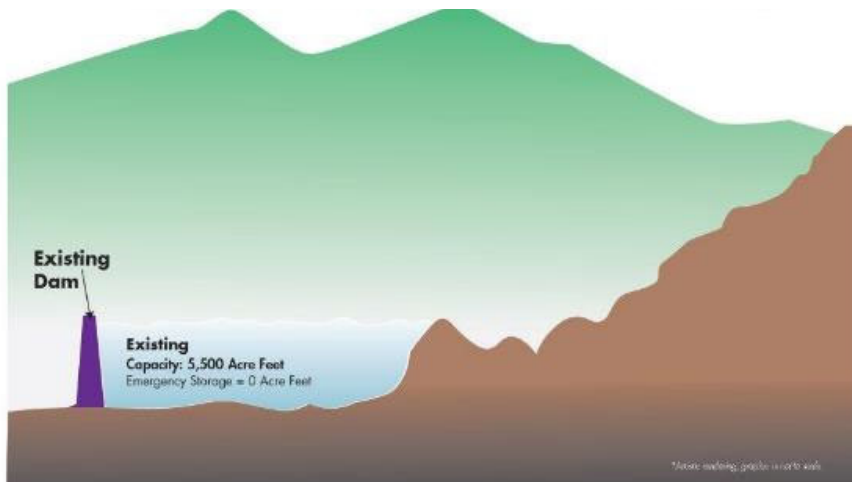
- **Dam** – approximately 300 feet high, one location under consideration
- **Reservoir** – up to 140 thousand acre-feet (TAF)
- **Spillway** – capable of passing the Maximum Probable Flood
- **Intake/Outlet Works** – large diameter pipe, smaller outlet pipe to Pacheco Creek
- **Pump Station & Conveyance Pipeline** – to transfer water to and from Pacheco Conduit
- **Roadways** – access to and from SR 152



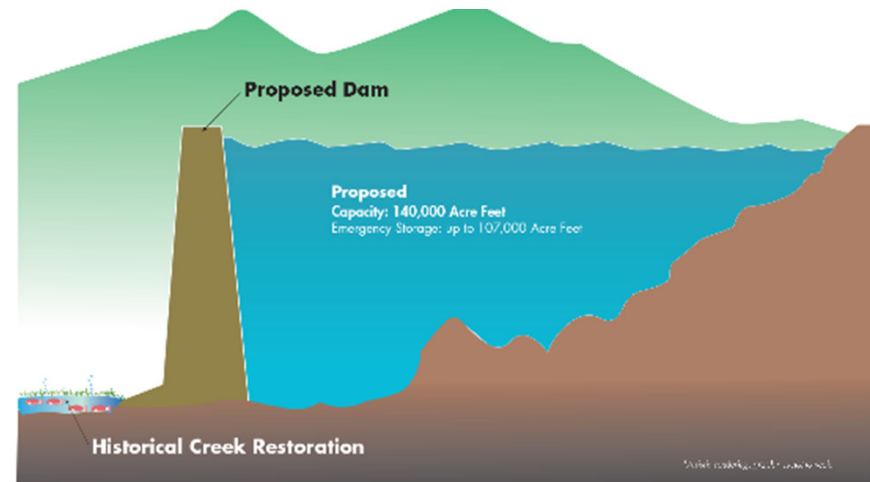
Existing & Proposed Dam Storage Capacity

13

Existing – 5,500 AF



Expanded – 140,000 AF



Project Benefits

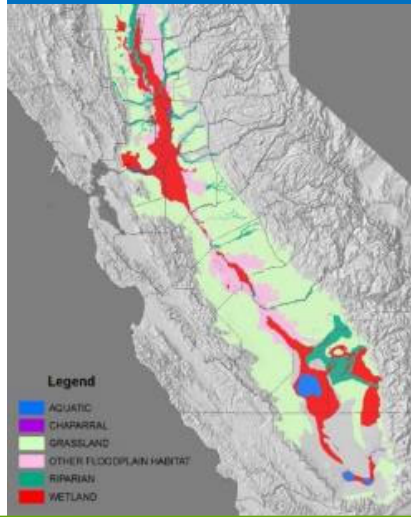
14

ENVIRONMENTAL

Enhance habitat for federally threatened steelhead



Enhance water supply in below- normal years to wildlife refuges in the Delta



Increase water supply reliability and emergency water supply



Resolve the water quality problem in supply sourced from San Luis Reservoir



Reduce flooding along Pacheco Creek and to disadvantaged communities



Project Funding

15

WSIP Grant - \$504,141,383

CA Water Commission –
Dec. 15, 2021, found Project
feasible and remains eligible for
funding

Early Funding Agreement
extension has been approved

Low Cost Federal WIFIA Loan - up to \$1.4B

Board approved Master Agreement
Dec. 13, 2022

Initial loan available for planning and
design costs only

Construction loan subject to Board
approval of CEQA and Project Plans
and Specs

WIIN Act Grant through Reclamation

DEC Review of 30% Design and
Cost Estimate - no official
comments

Needs Reclamation / Department
of Interior Approval for funding

VW & Partners

Valley Water rate payers

Potential partners

Planning Phase - Complete

16

2020

- ✓ Phase 1 Geotechnical Exploration – June

2021

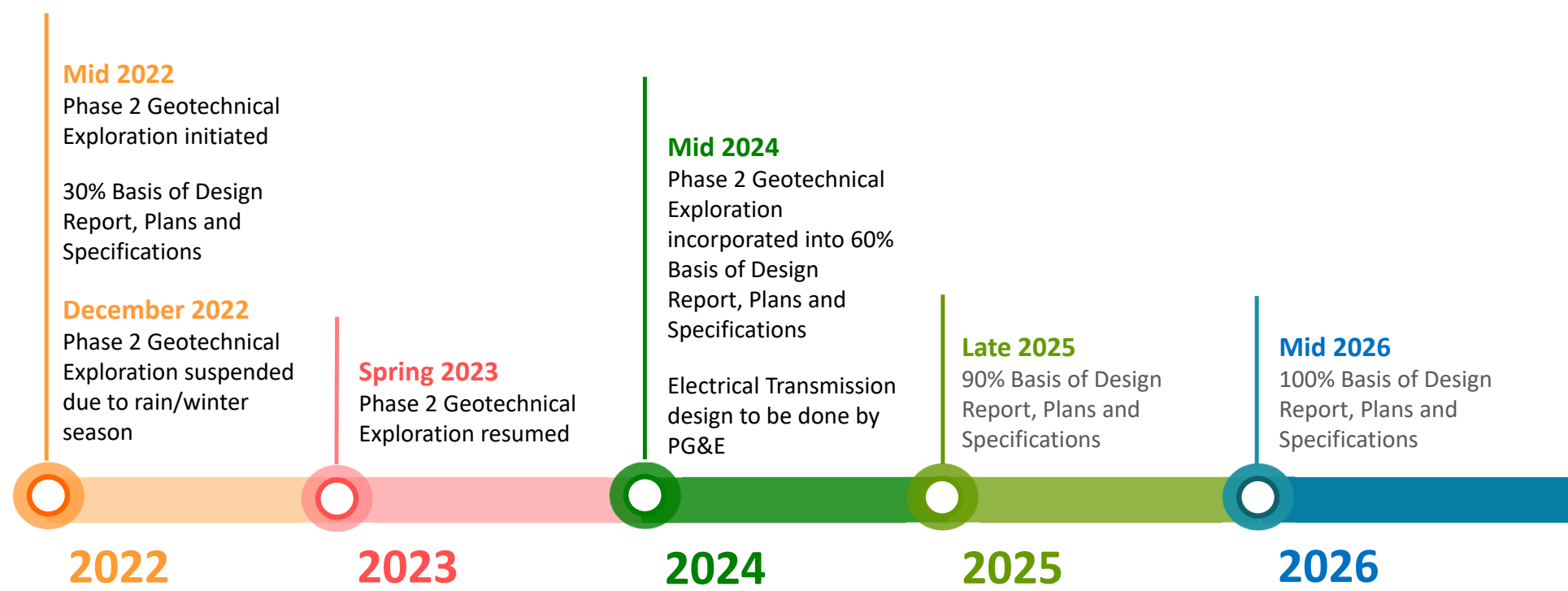
- ✓ Problem Definition Report– March

2022

- ✓ Revised Alternatives Analysis - September
 - Based on DSOD Hardfill Dam Concerns and Other Updated Information
 - Updated Recommended Alternative from U/S Hardfill to U/S Earthfill
- ✓ Staff Recommend Alternative/Alternatives Formulation Report – November
- ✓ Planning Study Report – November

Current Design Timeline

17



Current Environmental Timeline

Draft Environmental Impact report (EIR)

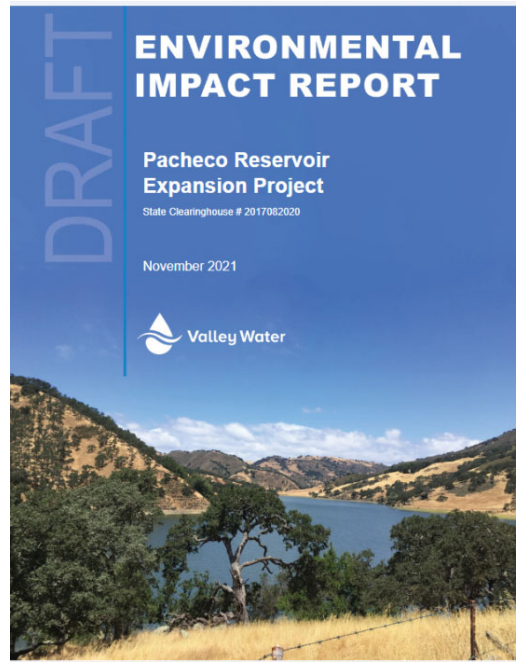
- Preferred alternative – US Hardfill Dam
- Released to Public – November 17, 2021
- Public Meeting & Scoping Meeting – January 13, 2022
 - Comments Received – February 15, 2022

Recirculated Draft EIR

- Recirculate Mid 2025
- Combined EIR/EIS
- Preferred alternative – US Earthfill Dam
- Extension of electrical transmission line & SR 152 overcrossing Tribal consultation

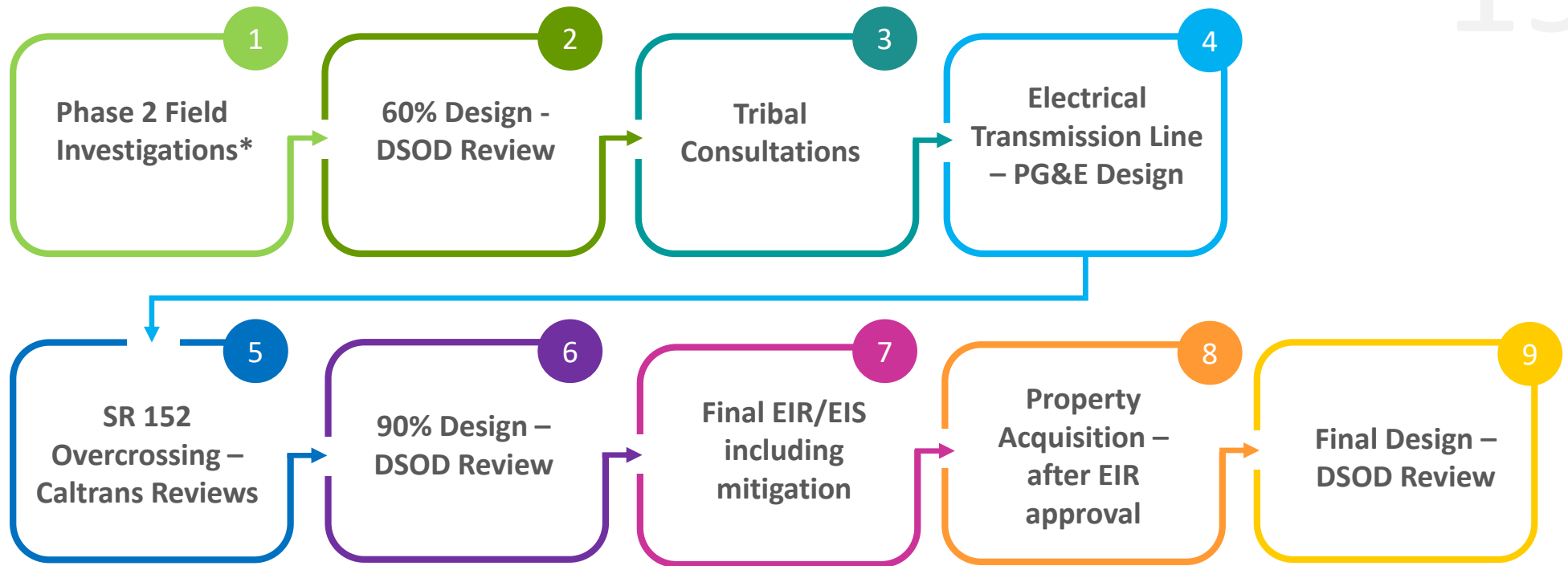
Final EIR / EIS

- Mid 2026



Project Risks – Critical/Near Critical Path Activities

19



*Biological Studies – 3 Seasonal Surveys; Cultural Studies – Pedestrian Survey and Excavations; Geological/Geotechnical Studies

Planning Study Report

20

Recommended Project Facilities

- 140 TAF U/S Earthfill Dam
- Spillway & Inlet/Outlet Works
- Conveyance Facilities (pipelines, tunnel, pump station)
- Decommission Existing Dam & Creek Restoration
- Electrical Transmission Line & Substation
- Permanent & Temporary Access Roads

Estimated Construction

- Cost: \$2.3B
- Time: 7.5 years

Operational Dependencies – Transmission Facility Projects

21

Project No.	Project Name	Cost*
95084002	10-Year Pipeline Rehabilitation (FY18-FY27)	140,053
92304001	Almaden Valley Pipeline Replacement Project	110,599
95044001	Distribution System Master Plan Implementation	8,957
26764001	IRP2 Additional Line Valves (A3)	16,551
95044002	SCADA Master Plan Implementation	6,470
92764009	Small Capital Improvements, Raw Water Transmission	12,948
94764006	Small Capital Improvements, Treated Water Transmission	1,200
94084007	Treated Water Isolation Valves	8,502
92264001	Vasona Pump Station Upgrade	22,268

*2023-2027 Five-Year Capital Improvement Program (cost in thousands)

Total 327,548

Operational Dependencies – Treatment Facility Projects

22

Project No.	Project Name	Cost*
93234044	PWTP Residuals Management	43,044
93294051s	RWTP Residuals Remediation	80,423
93294057	RWTP Reliability Improvement	461,739
93764004	Small Capital Improvements, Water Treatment	54,733
93284013	STWTP Filter Media Replacement Project	14,333
93084004	Water Treatment Plant Electrical Improvement Project	11,626
93044001	WTP Master Plan Implementation	9,457

* 2023-2027 Five-Year Capital Improvement Program (cost in thousands)

Total 675,355

Water Supply Distribution Map



QUESTIONS





Valley Water

Clean Water • Healthy Environment • Flood Protection

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Santa Clara Valley Water District

File No.: 23-0066

Agenda Date: 1/10/2023

Item No.: *2.14.

BOARD AGENDA MEMORANDUM

SUBJECT:

Work Study Session on the Capital Improvement Program's Preliminary Fiscal Year 2024-2028 Five-Year Plan; Preliminary Fiscal Year 2023-24 Groundwater Production Charges; and Proposed Adjustments and Modifications to the Safe, Clean Water and Natural Flood Protection Program.

RECOMMENDATION:

- A. Review and approve the Capital Improvement Program's (CIP) Preliminary Fiscal Year 2024-2028 (FY 24-28) Five-Year Plan list of projects for the Watershed Stream Stewardship Fund (Fund 12) and the Water Utility Enterprise Fund (Fund 61);
- B. Review and approve the CIP Evaluation Team's recommendation to include the RWTP Ammonia Storage & Metering Facility Upgrade Project, a Fund 61 project, in the CIP's Draft FY 24-28 Five-Year Plan;
- C. Review proposed adjustments and modifications to the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) Fund (Fund 26);
- D. Set the time and place for a public hearing to consider modifications to the Safe, Clean Water Program (Fund 26) Projects; and
- E. Discuss and provide direction on the preliminary FY 2023-24 (FY 24) Groundwater Production Charge analysis.

SUMMARY:

This Work Study Session combines, for Board review, the CIP's Preliminary FY 24-28 Five-Year Plan list of projects with their estimated costs and proposed funding (Attachment 1), and the preliminary FY 24 groundwater production charge analysis.

As a result of project cost increases that have occurred since the Board adopted the CIP's FY 2023-27 (FY 23-27) Five-Year Plan, as detailed in the Project Plan Updates (Attachment 2), staff has prepared funding scenarios for Fund 12 and Fund 26 projects in order to ensure the financial health of both funds. The scenarios for Fund 26 trigger the Safe, Clean Water Program's Change Control Process, which includes conducting a public hearing when key performance indicators (KPIs) for an impacted project are modified. Due to proposed revised KPIs and proposed funding allocations impacting KPIs for five separate projects in the Safe, Clean Water Program, staff recommends the Board set the time and place for a public hearing to consider those modifications, as detailed in the Proposed Adjustments and Modifications to the Safe, Clean Water Program (Attachment 4) and the Draft Public Hearing Notice Attachment (Attachment 7).

In concert with the review of the CIP's Preliminary FY 24-28 Five-Year Plan, staff is seeking Board input on the preliminary analysis to incorporate into the development of the groundwater production charge recommendation. The groundwater production charge analysis includes a water demand projection, a discussion of key capital project funding, and several scenarios for Board consideration.

Capital Improvement Program (CIP) Background

Each year, the CIP team prepares its rolling five-year plan, which is presented for Board consideration and approval. The CIP's Five-Year Plan describes the Santa Clara Valley Water District (Valley Water) capital investments by type of improvement and provides information on planned capital projects and Valley Water's intended source(s) of funding. The CIP process, wherein capital project plans are updated to reflect changes to scope, schedule or planned expenditures, works in concert with the biennial budget process by which funding is appropriated to the projects. All changes to scope, schedule or planned expenditures from the Board adopted FY 23-27 CIP are included in Attachment 2, Project Plan Updates.

Board's CIP Committee

The Board established a CIP Committee and its purpose is to review and discuss in greater detail the various processes and information used to prepare an annual update to the CIP's Five-Year Plan. In 2022, the CIP Committee was comprised of Director Nai Hsueh (Committee Chair), Director Linda LeZotte (Committee Vice Chair), and Director Tony Estremera.

The CIP Committee met monthly in 2022, to review and discuss information related to capital projects, the development of the CIP and to provide feedback to staff and recommendations to the full Board, as required.

CIP Committee Review of the Draft Preliminary FY 2024-28 (FY 24-28) CIP Five-Year Plan

On December 12, 2022, the CIP Committee reviewed the CIP's Draft Preliminary FY 24-28 Five-Year Plan. The Committee focused its review on the funding scenarios which were developed by staff to support the overall financial health of Funds 12, 26, and 61 (see below for scenario descriptions).

In reviewing the Draft Preliminary CIP's project plan updates (Attachment 2) and corresponding financial analysis, the CIP Committee moved to support the CIP's Draft Preliminary FY 24-28 Five-Year Plan incorporating staff's recommended scenarios for Funds 12 and 26 and the preliminary groundwater charge analysis for Fund 61.

Review and Approval Process for FY 24-28 CIP

Receiving Board direction regarding the preliminary list of projects (Attachment 1) for Funds 12 and 61 will allow staff to proceed with preparing the CIP's Draft FY 24-28 Five Year Plan. In order to consider the recommended scenario for Fund 26, the Board must set the time and place for a public hearing in compliance with California Government Code section 6066, as set forth in the Safe, Clean Water Program's Change Control Process. After the public hearing is closed, the Board will provide direction regarding the preliminary list of projects for Fund 26, after which staff will finalize the CIP's Draft FY 24-28 Five-Year Plan.

The Draft FY 24-28 Five-Year Plan is scheduled to be presented to the Board at its February 28, 2023, meeting, at which time staff will recommend Board review and authorization to release the CIP's Draft FY 24-28 Five-Year Plan for a 60-day public review period. After public review and responses to comments are completed, a Resolution to Adopt the CIP's Final FY 24-28 Five-Year Plan will be presented to the Board in May 2023 for approval in conjunction with the FY 2024-25 biennial budget.

Update to Watershed Stream Stewardship Fund and Safe Clean Water Fund Financial Projections: Funding Scenarios for Consideration

The CIP Evaluation Team (Team) reviewed the fund models after inputting the project plan updates (Attachment 2). Based on the impact these changes had on the financial health of Funds 12 and 26 and taking into consideration feedback received from the CIP Committee and the Board, the Team identified several scenarios for Board consideration.

In developing the scenarios, the Team reviewed the Funding Filters for Prioritization Matrix (Attachment 3), a tool approved by the Board on September 27, 2022, to help inform the development of recommendations for Board consideration.

Staff has included financial models that reflect updates to the Watershed Stream Stewardship Fund 12 and the Safe Clean Water Fund 26, for two scenarios: Baseline and Staff Recommended Alternative.

For the Watershed Stream Stewardship Fund 12, the baseline scenario indicates one year when minimum reserve requirements are not met within the FY 2023-24 through FY 2032-33 projection. To resolve this challenge, an alternative scenario was analyzed, prepared, and presented to the CIP Committee at the December 12, 2022, meeting.

Staff Recommended Alternative for Fund 12

- Baseline (Includes all project plan updates to Board adopted CIP FY 23-27 Five Year Plan)
- Place Palo Alto Flood Basin Tide Gates Replacement Project on-hold indefinitely (around \$75M total project cost [TPC])

The adjustment to the Palo Alto Flood Basin Tide Gates Replacement Project would result in projected reserve balances for Fund 12 that are above policy minimum throughout the forecast timeframe.

For the Safe Clean Water Fund 26, infrastructure construction project costs have increased significantly. The project with a major cost escalation is the Project E1: Coyote Creek Flood Protection Project, with an approximately \$162 million increase. These increased costs are impacting the Safe, Clean Water fund's health, which is reflected by a steady and unsustainable decline in reserve balances, with minimum reserve requirements not being met over a multi-year period within the FY 23-24 through FY 2035-36 projection as reflected in the baseline scenario (Fund 26 projection period is 15 years, which began in FY 2021-22).

To resolve this challenge, an alternative scenario was analyzed, prepared, and presented to the CIP Committee at the December 12, 2022, meeting. While the CIP Committee agreed to support staff's recommended scenario, following that meeting, staff performed additional analysis and is presenting a modified recommended scenario for the full Board's consideration.

Staff's Recommended Alternative for Fund 26

Financial Model includes:

- Baseline (includes all project plan updates to Board adopted CIP FY 23-27 Five-Year Plan)
- Assumed higher FY24 Tax Growth (5% vs. 2%) to keep pace with inflation due to a potentially higher Consumer Price Index (CPI) increase
- Higher NRCS Funding (to match Upper Llagas Creek Flood Protection Project - Phase 2B construction costs)

Safe, Clean Water Program proposed adjustments and modifications:

Priority D

- Fish Habitat and Passage Improvement Project (D4 Creek/Lake Separation Projects) - Select Almaden Lake Improvement Project to meet D4 key performance indicator (KPI) #1 (Planning/Design only); and select the Ogier Ponds Project to meet D4 KPI #2 (construction) and modify the KPI #2 to partially fund the construction of one creek/lake separation project (~\$5M) (Modify KPI).
- Restoration of Natural Creek Functions Project (D6.3) - Not implement the KPI #3 of the placeholder project (not implement the project).

Priority E

- Sunnyvale East and Sunnyvale West Channels Flood Protection Project (E2) - Place construction of the Sunnyvale East Channel on-hold and reallocate the construction funding to Fund 26 reserves (Modify funding allocation). Continue with construction of Sunnyvale West Channel.
- Upper Penitencia Creek Flood Protection Project (E4) - Place construction of the project on-hold and reallocate the construction funding to Fund 26 reserves (Modify funding allocation).

The primary difference between the original staff recommended scenario for Fund 26, as presented to the CIP Committee, and the modified staff recommended scenario presented above, is that through reduction of the partial funding allocation for the Ogier Ponds Project, Valley Water can proceed with the construction of the Sunnyvale West Channel. In turn, the reduced allocation for the Ogier Ponds Project will be funded under Fund 12 and is included in the financial model.

In addition to the capital project modifications necessitated by the Coyote Creek Flood Protection Project cost increases, Valley Water staff has identified the need to modify the Project D3: Sediment Reuse to Support Shoreline Restoration due to changed circumstances. The project key performance indicator (KPI) #1 is to maintain partnership agreements to reuse sediment to improve the success of salt pond and tidal marsh restoration projects and activities. Valley Water has been delivering

sediment to Salt Pond A8 pursuant to an agreement with U.S. Fish and Wildlife Service (USFWS). Valley Water is pausing delivering sediment to Pond A8 for approximately two years as USFWS renews necessary permits. Staff is recommending that the Board modify KPI #1 to expand sediment reuse beyond the South Bay Salt Pond Restoration Project. Staff is also recommending adjusting the project's name, description and benefits in alignment with the proposed modification.

In the interest of efficient use of public funds, staff has combined the proposed modification to D3: Sediment Reuse to Support Shoreline Restoration with the proposed modifications to D4: Fish Habitat and Passage Improvement, D6: Restoration of Natural Creek Functions, E2: Sunnyvale East and Sunnyvale West Channels Flood Protection, and E4: Upper Penitencia Creek Flood Protection.

The staff recommended alternative would result in projected reserve balances from FY 23-24 through FY 2035-36 that are near or above Valley Water's policy minimum. Additional adjustment(s) would be necessary to ensure reserves are above policy minimum throughout the entire forecast timeframe.

Summary of Groundwater Production Charge Analysis

Staff has prepared the preliminary FY 2023-24 groundwater production charge analysis, which includes several scenarios for Board review. Staff is seeking Board input on the preliminary analysis to incorporate into the development of the groundwater production charge recommendation.

The groundwater production charge reflects the benefit of Valley Water activities to protect and augment groundwater supplies and is applied to water extracted from the groundwater basin in Zones W-2, W-5, W-7, and W-8. Zone W-2 encompasses the Santa Clara groundwater subbasin north of Metcalf Road or the North County. Zone W-5 overlays the Llagas subbasin from northern Morgan Hill south to the Pajaro River. Zone W-7 overlays the Coyote Valley south of Metcalf Road to northern Morgan Hill, and W-8 encompasses the area below Uvas and Chesbro Reservoirs.

The groundwater production charge recommendation will be detailed in the 52nd Annual Report on the Protection and Augmentation of Water Supplies that is planned to be filed with the Clerk of the Board on February 24, 2023. The public hearing on groundwater production charges is scheduled to open on April 11, 2023. It is anticipated that the Board would set the FY 2023-24 groundwater production charges by May 9, 2023, that would become effective on July 1, 2023.

The FY 2023-24 groundwater production charge and surface water charge setting process will be conducted consistent with the District Act, and Board resolutions 99-21 and 12-10. (Attachments 6 and 7).

Water Use Assumptions

District managed water use for FY 2021-22 is estimated to be approximately 220,800 acre-feet (AF), roughly 11,500 AF lower than budgeted due to drought conditions and the Board's call for 15% mandatory conservation compared to 2019. In response to the ongoing drought, water use is budgeted for FY 2022-23 at a multi-decade low of 192,100 AF. In FY 2023-24 and beyond, water usage has been adjusted based on trends from the last drought (2014-2017) returning to "normal" water use by FY 2025-26. Water usage is projected to be 205,000 AF for FY 2023-24.

Staff are carefully monitoring monthly water use actuals and working closely with the water retailers during the drought and will continue to do so during the upcoming rate setting process, modifying the water usage forecast as necessary.

Groundwater Production Charge Projection Scenarios

Staff has prepared a preliminary baseline groundwater production charge projection scenario for Board review, with several additional scenarios including an extended drought scenario and scenarios reflecting a range of assumptions for the Pacheco Reservoir Expansion Project and the Purified Water Program. Staff can model additional scenarios for the Board as needed.

For the baseline scenario, the increase in the North County Zone W-2 Municipal and Industrial (M&I) groundwater production charge is 15.0% for FY 2023-24. In the South County, for FY2023-24 baseline scenario, increases in the M&I groundwater production charge projections are 6.0% for Zone W-5; 12.9% for Zone W-7; and 8.0% for Zone W-8.

The overall impact of the preliminary analysis baseline scenario for FY 2023-24 to the average household would be an estimated increase of \$8.91 per month in North County, \$1.06 per month in South County Zone W-5, \$2.59 per month in South County in Zone W-7, and \$1.02 per month in South County in Zone W-8.

Staff assumes the continuation of the Contract Treated Water Surcharge at \$115/AF to maintain alignment with the cost that retailers would incur to pump water from their wells.

Staff has prepared the following scenarios for Board consideration:

Scenario 1) Baseline with Return to Prior Projection Water Use by FY26:

This scenario includes the following projects and assumptions:

- Conservation: 15% achieved by FY 2022-23, returning to prior projections by FY 2025-26
- Anderson Reservoir leveraging WIFIA loan (up to 49% of TPC)
- Pacheco Reservoir Expansion Project (PREP) with \$504 Proposition 1 grants, WIFIA loan (up to 49% of TPC) and Partnership Participation at 35% of TPC
- Purified Water Expansion operational by FY28, assumes 100% debt financed by P3 entity
- Los Vaqueros (Transfer Bethany Pipeline) with up to 50 kAF storage
- Delta Conveyance SWP portion at 3.23%
- Ongoing, additional emergency water supply purchases in FY2023-24 and FY 2024-25 (\$28.3M total)
- Leverage existing Supplemental Water and Rate Stabilization reserves (around \$50M total from FY 2023-24 and FY 2024-25)

- Master Plan Project Placeholder - Assumes \$333M in anticipated costs from FY 24 to FY 33 for new pipelines, pipeline rehabilitations, treatment plant upgrades and SCADA implementation projects.
- Agricultural rates remain set at 10% of lowest groundwater benefit zone M&I rate

Scenario 2) Baseline with Extended Drought:

Water use remains at a low of 192kAF in FY 2023-24 and FY 2024-25, combined with \$20M/year in Emergency Water Purchases.

Scenario 3) Baseline with 0% Partnership Participation Funding for Pacheco Reservoir Expansion Project:

Includes the same projects and assumptions as Scenario 1.

Scenario 4) Baseline excluding Pacheco Reservoir Expansion Project:

Includes the same projects and assumptions as Scenario 1; excludes Pacheco Reservoir Expansion Project.

Scenario 5) Baseline with \$100M Reduction in Total Project Costs for the Purified Water Program:

Includes the same projects and assumptions as Scenario 1, but with a \$100M reduction in total project costs (TPC) for the Purified Water Project.

Scenario 6) Baseline with \$100M Reduction in Total Project Costs combined with \$183M in Potential Grant Funding for the Purified Water Program:

Includes the same projects and assumptions as Scenario 1, with a \$100M reduction in total project costs (TPC) for the Purified Water Project and inclusion of \$183M grant funding for the project.

Staff can model additional scenarios for the Board as needed.

Other Assumptions

All scenarios assume the continued practice of relying on the State Water Project (SWP) Tax to pay for 100% of the SWP contractual obligations. Pursuant to Water Code Section 11652, Valley Water, whenever necessary, is required to levy on all property in its jurisdiction not exempt from taxation, a tax sufficient to provide for all payments under its SWP contract with the California Department of Water Resources (DWR). All scenarios assume holding the SWP Tax flat for FY 2023-24, setting it at \$27M. The SWP Tax for the average household in Santa Clara would remain at about \$41 per year.

A Drought Reserve was established in FY 2015-16 to help minimize future rate impacts and complements the Supplemental Water Supply Reserve. The reserve (\$10M) was used fully in FY 2022-23 due to the ongoing drought. The staff analysis assumes that future reserve levels build back up over subsequent years beginning in FY 2025-26.

The Baseline scenario assumes Water Utility operations cost of \$269.9M in FY 2023-24 versus the FY 2022-23 adopted budget of \$264.7M.

The preliminary analysis does not include unfunded capital projects or additional unfunded operations cost needs identified by staff.

Summary of Groundwater Production Charge Analysis Issues

Staff is seeking Board direction on the following issues to be incorporated into the Report on Protection and Augmentation of Water Supplies (PAWS) scheduled to be filed with the Clerk of the Board on February 24, 2023:

- Rate Impact Minimization Strategies
- Project Prioritization Strategies

Summary of Proposed Changes to the CIP

One new project is being recommended for inclusion in the Draft Preliminary FY 2024-28 CIP.

93C40417 RWTP Ammonia Storage & Metering Facility Upgrade: The existing ammonia storage and metering facility (ASMF) at Rinconada Water Treatment Plant (RWTP) includes a single ammonia storage tank and four metering pumps and associated instrumentation and control equipment. It was installed in the mid-1990's as part of the Toxic Gas Ordinance Compliance Project (TGO), and the existing ammonia storage tank has a nominal capacity of 6,700 gallons for aqua ammonia (19% concentration). However, the condition of the existing tank lining is unknown and will be replaced with two (2) tanks for reliability and safety since it is a critical system for the Plant. The four existing metering pumps will be replaced with new ones, and three new feed lines will be installed from the existing ASMF to the new Raw Water (RW) influent pipelines (north and south) and to the new chlorine contact basin (CCB), respectively. The existing feed points to the clearwells and the BW supply line will be removed. The estimated project cost is \$6.20M and the project duration is expected to last five years.

Three (3) projects in the FY 2023-27 CIP are anticipated to be completed and/or closed out by June 2023, as listed below:

- Cross Valley Pipeline Extension (under ADSRP)
- Coyote Warehouse
- ERP System Implementation

Since the Board adopted CIP's FY 2023-27 Five-Year Plan, staff has provided project plan updates for more than 40 projects. These updates have been reviewed and discussed by the CIP Committee in November and December of 2022 and are included for the Board's review in Attachment 2.

With the incorporation of the project plan updates reflected in Attachment 2, the proposed FY 2024-28 Preliminary CIP is \$1.344B higher than the previous 5-year CIP, with a total value of \$9.632B. The majority of this cost increase is the result of the following project cost increases:

- Pacheco Reservoir Expansion Project: Increased due to inflation by \$319.043M
- Anderson Dam Seismic Retrofit Project (all projects combined): Increased by \$183.131M
- RWTP Reliability Improvement Project: Increased by \$166.104M
- Purified Water Project (PWP): Increased by \$465.777M
- Coyote Creek Flood Protection Project: Increased by \$161.890M

To review the key factors impacting the health of Funds 12, 26 and 61, staff will include a brief presentation providing additional detail for five (5) significant project plan updates (listed below). As noted above, these projects, along with the Pacheco Reservoir Expansion Project (to be presented separately immediately preceding this agenda item), have had the greatest impact on water rates and the health of each fund and warrant the Board's review. Each of these brief presentations will be presented by the respective capital project Deputy Operating Officer/Assistant Operating Officer and will be included in a PowerPoint presentation in a Supplemental Agenda Memo that will be available on January 6, 2023.

- Anderson Dam Seismic Retrofit Project
- Rinconada Water Treatment Plant Reliability Improvement Project
- Purified Water Project
- Palo Alto Flood Basin Tide Gate Structure Replacement Project
- Coyote Creek Flood Protection Project (Safe, Clean Water Program)

The proposed changes to the CIP are summarized by Fund and will be presented in the PowerPoint presentation in a Supplemental Agenda Memo that will be available on January 6, 2023. The proposed changes are reflected in the Preliminary FY 24-28 CIP (Attachment 1).

To ensure consistency with Valley Water's various planning efforts, CIP staff will continue to coordinate with the staff leading development of the Water Supply Master Plan and Watersheds and Water Utility Operations and Maintenance Plans. If necessary, these plans will be updated to align with CIP's FY 24-28 Five Year Plan, as adopted by the Board.

ENVIRONMENTAL JUSTICE IMPACT:

While individual capital projects may have environmental justice impacts and conduct outreach and engagement to impacted communities, which will be reported to the Board accordingly, the FY 2024-28 Preliminary CIP and the FY 2023-24 Groundwater Production Preliminary Analysis Work Study Session has no environmental justice impact.

The CIP's Preliminary FY 2024-28 Five-Year Plan is a projection of Valley Water's capital funding for planned capital projects. Its purpose is to document planned capital projects to help integrate Valley Water work with the larger community by aligning Valley Water planning with other local agency planning efforts. The Preliminary CIP documents any changes to capital projects' planned funding and expenditures and is updated and brought to the Board of Directors for approval each year in January.

Each February, upon the Board's direction, to ensure meaningful engagement of all Santa Clara County communities in the decision-making process, staff provides a copy of the CIP's Draft FY 2024-28 Five-Year Plan to Valley Water partner agencies and publishes a public notification for a review before the Board of Directors adopts the Resolution to Adopt the CIP in May.

The CIP is thus produced each year in collaboration with government, academic, private, non-

governmental and non-profit organizations, as well as diverse and disadvantaged communities, and as such, adheres to the Board's General Principles and Ends Policies, which are integral in ensuring that Valley Water meets its mission.

FINANCIAL IMPACT:

While there is no direct financial impact associated with the recommended action to approve the CIP's Preliminary FY 24-28 Five-Year Plan, the Five-Year Plan presents a funding plan that shows the intended source of funds for each project. Valley Water's FY 2023-24 proposed biennial budget will include the approved projects in the first year of the CIP's FY 24-28 Five-Year Plan.

Furthermore, this preliminary analysis of the groundwater production charges does not have any immediate financial impact, however, the adopted groundwater production charges will affect the future finances of the Water Utility Enterprise.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: CIP Preliminary FY 2024-28 Five-Year Plan

Attachment 2: Project Plan Updates

Attachment 3: Funding Filters for Prioritization Matrix

Attachment 4: Proposed Adjustments and Modifications

Attachment 5: Resolution No. 99-21

Attachment 6: Resolution No. 12-10

Attachment 7: Draft Public Hearing Notice

*Supplemental Agenda Memo

*Supplemental Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:

Melanie Richardson, 408-630-2035

Darin Taylor, 408-630-3068

Water Supply Projects

Revenue Sources: Groundwater Charges

FY 2024 5-Year CIP Data

PRELIMINARY CIP

FY 2024 5-Year CIP Data			A	B	A + B						Zone	Zone	Zone	Zone
Project Category	Number	Project Name	Actual/ Appropriated thru FY23*	Remaining Cost to Completion	FY24 Plnd Expnd	FY24-38 Project Value	Change from FY23	Project Phase (FY24)	Funded By	Zone W-2 %	Zone W-5 %	Zone W-7 %	Zone W-8 %	
Values last updated: 12-23-22 (All values are in thousands)														
Water Supply - Storage														
B	91854001	Almaden Dam Improvements	14,515	46,806	314	61,321	(3,393)	Design	W-2	100%				
A	91864005s	Anderson Dam Seismic Retrofit (C1)	386,299	1,032,967	171,326	1,419,266	183,131	Design	W-2/W-5/W-7	81.9%	7.9%	10.3%	0.0%	
	91864005	Anderson Dam Seismic Retrofit (C1)	252,562	818,714	26,749	1,071,276	52,201	Design	W-2/W-5/W-7	81.9%	7.9%	10.3%	0.0%	
	91864006	Anderson Dam Tunnel	102,110	97,078	60,008	199,188	37,835	Construction	W-2/W-5/W-7	81.9%	7.9%	10.3%	0.0%	
	91864007	Coyote Creek Flood Management Measures	19,250	95,889	63,371	115,139	86,982	Construction	W-2/W-5/W-7	81.9%	7.9%	10.3%	0.0%	
	91864008	Coyote Creek Chillers	599	8,665	8,654	9,264	2,987	Construction	W-2/W-5/W-7	81.9%	7.9%	10.3%	0.0%	
	91864009	Coyote Percolation Dam Replacement	4,055	12,621	12,544	16,676	2,808	Construction	W-2/W-5/W-7	81.9%	7.9%	10.3%	0.0%	
	91864010	Cross Valley Pipeline Extension	7,723	-	-	7,723	318	Construction	W-2/W-5/W-7	81.9%	7.9%	10.3%	0.0%	
A	91084020s	Calero and Guadalupe Dams Seismic Retrofits	32,727	230,703	712	263,429	9,337	Plng/Des	W-2	100.0%				
	91084020	Calero and Guadalupe Dams Seismic Retrofits - Planni	10,787	3,282	105	14,068	468	Planning	W-2	100.0%				
	91874004	Calero Dam Seismic Retrofit - Design & Constuct	11,212	152,733	84	163,945	5,030	Design	W-2	100.0%				
	91894002	Guadalupe Dam Seismic Retrofit - Design & Construct	10,728	74,688	523	85,416	3,839	Design	W-2	100.0%				
B	91234002	Coyote Pumping Plant ASD Replacement	13,662	14,268	13,079	27,930	590	Planning	W-2	100.0%				
E	91234011	Coyote Warehouse	9,844	-	-	9,844	-	Closeout	W-2/W-5/W-7/W-8	76.9%	17.8%	5.0%	0.4%	
A	91084019	Dam Seismic Stability Evaluation	22,779	9,082	418	31,861	919	Planning	W-2/W-5/W-7/W-8	42.9%	55.9%	0.0%	1.2%	
E	91954002	Pacheco Reservoir Expansion Project (A1)	102,626	2,678,069	42,008	2,780,695	319,043	Plng/Des	W-2/W-5/W-7/W-8	83.7%	10.2%	6.1%	0.1%	
B	91214010s	Small Capital Improvements, San Felipe Reach 1-3	6,181	74,224	6,525	80,405	(2,014)	Continuing	W-2/W-5/W-7	81.9%	7.9%	10.3%	0.0%	
Subtotal:			588,633	4,086,119	234,382	4,674,752	507,614							

Water Supply Projects

Revenue Sources: Groundwater Charges

FY 2024 5-Year CIP Data

PRELIMINARY CIP

			A	B	A + B					Zone	Zone	Zone	Zone
Project Category	Number	Project Name	Actual/ Appropriated thru FY23*	Remaining Cost to Completion	FY24 Plnd Expnd	FY24-38 Project Value	Change from FY23	Project Phase (FY24)	Funded By	W-2 %	W-5 %	W-7 %	W-8 %
Values last updated: 12-23-22 (All values are in thousands)													
Water Supply - Transmission													
B	95084002	10-Year Pipeline Rehabilitation (FY18-FY27)	104,781	50,159	27,291	154,940	14,887	Plng/Des/Const	W-2/W-5/W-7/W-8	96.3%	2.9%	0.8%	0.1%
B	92304001	Almaden Valley Pipeline Replacement Project	1,126	112,202	2,139	113,328	2,729	Planning	W-2	100.0%			
B	95044001	Distribution System Master Plan Implementation	5,970	2,812	1,933	8,782	(175)	Planning	W-2/W-5/W-7/W-8	84.6%	11.8%	3.3%	0.3%
C	92C40357	FAHCE Implementation	-	145,108	-	145,108	-	Planning	W-2/W-5/W-7	94.0%	2.6%	3.4%	0.0%
C	26764001	IRP2 Additional Line Valves (A3)	3,813	13,024	3,559	16,837	286	Design	SCW	100.0%			
E	92144001	Pacheco/Santa Clara Conduit Right of Way Acquisition	4,480	1,649	1,433	6,129	78	Design/Const	W-2/W-5/W-7	81.9%	7.9%	10.3%	0.0%
E	95044002	SCADA Master Plan Implementation	4,983	1,485	726	6,468	(2)	Design/Const	W-2/W-5/W-7/W-8	84.6%	11.8%	3.3%	0.3%
B	92764009	Small Capital Improvements, Raw Water Transmission	1,010	14,207	800	15,217	2,269	Continuing	W-2/W-5/W7/W-8	83.7%	10.2%	6.1%	0.1%
B	94764006	Small Capital Improvements, Treated Water Transmission	297	567	27	864	(336)	Continuing	W-2	100.0%			
B	94084007	Treated Water Isolation Valves	1,271	7,513	609	8,784	282	Design	W-2	100.0%			
B	92264001	Vasona Pump Station Upgrade	2,207	29,166	210	31,373	9,105	Planning	W-2	100.0%			
Subtotal:			129,938	377,892	38,727	507,830	29,123						

Water Supply Projects

Revenue Sources: Groundwater Charges

FY 2024 5-Year CIP Data

PRELIMINARY CIP

FY 2024 5-Year CIP Data			A	B	A + B					Zone	Zone	Zone	Zone
Project Category	Number	Project Name	Actual/	Remaining	FY24 Plnd	FY24-38	Change	Project Phase	Funded	W-2	W-5	W-7	W-8
			Appropriated thru FY23*	Cost to Completion	Expnd	Project Value	from FY23	(FY24)	By	%	%	%	%
Values last updated: 12-23-22 (All values are in thousands)													
Water Supply - Treatment													
B	93234044	PWTP Residuals Management	4,133	39,997	1,488	44,130	1,086	Planning	W-2	100.0%			
B	93294051s	RWTP Residuals Remediation	74,052	706	706	74,759	(910)	Construction	W-2	100%			
B	93294057	RWTP Reliability Improvement	266,164	361,679	34,535	627,843	166,104	Construction	W-2	100%			
B	93764004	Small Capital Improvements, Water Treatment	4,509	39,741	2,111	44,250	(10,483)	Continuing	W-2	100%			
B	93284013	STWTP Filter Media Replacement Project	14,924	5,101	5,101	20,025	5,692	Construction	W-2	100%			
B	93084004	Water Treatment Plant Electrical Improvement Project	2,226	16,287	1,150	18,513	6,887	Planning	W-2	100%			
B	93044001	WTP Master Plan Implementation	5,401	3,879	3,060	9,280	(177)	Planning	W-2	100%			
Subtotal:			371,409	467,390	48,151	838,800	159,569						
Water Supply - Recycled Water													
E	91304001s	Expedited Purified Water Program (EPWP)	44,183	1,174,661	48,971	1,218,844	465,778	Planning	W-2	100%			
E	91094001	Land Rights - South County Recycled Water PL	3,807	3,010	3,010	6,817	(141)	Planning	W-5		100%		
E	91094007s	South County Recycled Water Pipeline	58,934	885	858	59,819	(27)	Des/Const	W-5		100%		
Subtotal:			106,924	1,178,556	52,839	1,285,480	465,610						
Water Supply Total:			1,196,904	6,109,957	374,099	7,306,861	1,161,915						

Water Supply Projects

Revenue Sources: Groundwater Charges

FY 2024 5-Year CIP Data

PRELIMINARY CIP

FY 2024 5-Year CIP Data			A	B	A + B									
Project Category	Number	Project Name	Actual/	Remaining							Zone	Zone	Zone	Zone
			Appropriated	Cost to	FY24 Plnd	FY24-38	Change	Project Phase	Funded	W-2	W-5	W-7	W-8	
			thru FY23*	Completion	Expnd	Project Value	from FY23	(FY24)	By	%	%	%	%	
Values last updated: 12-23-22 (All values are in thousands)														

Validated - Future Unfunded Projects

A,B	93C40417	RWTP Ammonia Storage & Metering Facility Upgrade	-	6,171	278	6,171			W-2	100%
Validated - Unfunded Total:			-	6,171	278	6,171				

Legend:

- Black

Gray

Orange

Green

Blue

*
- Black Text: Continuing projects or projects carried forward from the FY23 CIP

- Gray Text: Individual projects considered part of a group or family of projects

- Orange Text: Projects to be completed or cancelled in FY 2023

- Green Text: Projects in the Construction phase

- Blue Text: New projects proposed for the FY 24 CIP

- Column A: Actuals spent through prior year + planned expenditures in current year

Project Driver:

- A. Regulatory requirements

B. Repair or replacement of aging infrastructure

C. District commitment (SCW, FAHCE)

D. Water Utility Master Plan "No Regrets"

E. Board Policy

of WS Projects

3
17
2
-
7
29

Funded by Legend:

- W-2

W-5

W-7

W-8

CSC

SCW

PT

Subvent
- North Zone; revenue is allocated based on % of benefit to the zone

- South Zone; revenue is allocated based on % of benefit to the zone

- South Zone; revenue is allocated based on % of benefit to the zone

- South Zone; revenue is allocated based on % of benefit to the zone

- funded by revenue from Clean Safe Creeks program

- funded by revenue from Safe Clean Water program

- funded by revenue from Property Tax

- funded by State Subventions

FY 2024 - 28 CIP

Flood Protection Projects

Revenue Sources: COP Proceeds, CSC Special Tax,
Property Tax, Subventions

FY 2024 5-Year CIP Data

PRELIMINARY CIP

FY 2024 5-Year CIP Data									
Project Category	Number	Project Name	A	B	FY24 Plnd Expnd	A + B	Change from FY23	Project Phase (FY24)	Funded By
			Actual/ Appropriated thru FY23*	Remaining Cost to Completion		FY24-38 Project Value			
Values last updated: 12-23-22 (All values are in thousands)									
Lower Peninsula Watershed									
B	10394001	Palo Alto Flood Basin Tide Gate Structure Improvements	7,094	76,197	3,687	83,291	43,957	Plan/Des	PT
C	10244001s	Permanente Creek, SF Bay to Foothill Expressway	115,224	502	481	115,726	2,602	Const/Closeout	PT/CSC
C	10284007s	San Francisquito Creek, SF Bay thru Searsville Dam (E5)	64,807	52,299	15,888	117,106	(2,349)	Des/Const	PT/CSC/SCW
Subtotal:			187,125	128,998	20,056	316,123	44,210		
West Valley Watershed									
C	26074002	Sunnyvale East and West Channels (E2)	28,920	41,412	13,933	70,332	(51)	Design	CSC
Subtotal:			28,920	41,412	13,933	70,332	(51)		
Guadalupe Watershed									
B	30154019	Guadalupe River Tasman Dr - I-880	5,613	97,448	1,568	103,061	3,891	Planning	PT
C	26154001s	Guadalupe River–Upper, I-280 to Blossom Hill Road (E8)	114,715	61,902	345	176,617	1,596	Des/Const	CSC/SCW
Subtotal:			120,328	159,350	1,913	279,678	5,487		

FY 2024 - 28 CIP

Flood Protection Projects

Revenue Sources: COP Proceeds, CSC Special Tax,
Property Tax, Subventions

FY 2024 5-Year CIP Data

PRELIMINARY CIP

FY 2024 5-Year CIP Data			A	B	A + B				
Project Category	Number	Project Name	Actual/ Appropriated thru FY23*	Remaining Cost to Completion	FY24 Plnd Expnd	FY24-38 Project Value	Change from FY23	Project Phase (FY24)	Funded By
Values last updated: 12-23-22 (All values are in thousands)									
Coyote Watershed									
C	26174041s	Berryessa Creek, Calaveras Boulevard to Interstate 680	41,799	12,612	12,612	54,411	382	Des/Const	CSC
E	40174004s	Berryessa Ck, Lower Penitencia Ck to Calaveras Blvd	134,458	35,080	345	169,538	(39,893)	Des/Const	PT
C	26174043	Coyote Creek, Montague Expressway to Tully Road (E1)	23,031	201,688	3,803	224,719	161,890	Plng/Des	CSC
E	40334005	Lower Penitencia Ck Improvements, Berryessa to Coyote Cks.	34,868	246	78	35,114	(11)	Des/Const	PT
E	40264007s	Lower Silver Creek, I-680 to Cunningham (Reach 4-6)	99,583	-	-	99,583	(1,967)	Closeout	Subvent
C	40324003s	Upper Penitencia Creek, Coyote Creek to Dorel Drive	18,969	16,434	1,892	35,403	2,580	Planning	PT/SCW
Subtotal:			352,708	266,060	18,730	618,768	122,981		
Uvas/Llagas Watershed									
B	50284010	Llagas Creek–Lower, Capacity Restoration, Buena Vista Road to Pajaro River	4,660	8,221	993	12,881	(834)	Design	Subvent
C	26174051s	Llagas Creek–Upper, Buena Vista Avenue to Llagas Road (E6)	218,245	121,114	41,994	339,359	7,576	Construction	CSC/SCW
Subtotal:			222,905	129,335	42,987	352,240	6,742		
Multiple Watershed									
C	00044026s	San Francisco Bay Shoreline (E7)	126,370	52,463	22,229	178,833	(794)	Construction	PT
	00044026	San Francisco Bay Shoreline	98,510	18,699	18,476	117,209	727	Des/Const	PT
	26444001	San Francisco Bay Shoreline - EIA 11 Design & Partial Construction (E7)	17,516	-	-	17,516	-	Des/Const	PT
	26444002	San Francisco Bay Shoreline - EIAs 1-4	7,405	22,442	2,708	29,847	(1,011)	Planning	PT
	26444004	San Francisco Bay Shoreline - EIAs 5-10	2,090	11,322	1,045	13,412	(510)	Planning	PT
B	62084001	Watersheds Asset Rehabilitation Program	57,014	119,900	8,387	176,914	2,902	Plng/Des/Const	PT
Subtotal:			183,384	172,363	30,616	355,747	2,108		
Flood Protection Total:			1,095,370	897,518	128,235	1,992,888	169,637		

FY 2024 - 28 CIP

Flood Protection Projects

Revenue Sources: COP Proceeds, CSC Special Tax,
Property Tax, Subventions

FY 2024 5-Year CIP Data

PRELIMINARY CIP

FY 2024 5-Year CIP Data			A	B	A + B				
Project Category	Number	Project Name	Actual/	Remaining					
			Appropriated	Cost to	FY24 Plnd	FY24-38	Change	Project Phase	Funded
			thru FY23*	Completion	Expnd	Project	from FY23	(FY24)	By
			Values last updated: 12-23-22 (All values are in thousands)						

Validated - Future Unfunded Projects

401340XX	South Babb Flood Protection - Long Term	-	21,585	679	21,585			PT
Validated - Unfunded Total:		0	21,585	679	21,585			

Legend:

- Black - Black Text: Continuing projects or projects carried forward from the FY23 CIP
- Gray - Gray Text: Individual projects considered part of a group or family of projects
- Orange - Orange Text: Projects to be completed or cancelled in FY 2023
- Green - Green Text: Projects in the Construction phase
- Blue - Blue Text: New projects proposed for the FY 24 CIP
- * - Column A: Actuals spent through prior year + planned expenditures in current year

Project Driver:

- A. Regulatory requirements
- B. Repair or replacement of aging infrastructure
- C. District commitment (SCW, FAHCE)
- D. Water Utility Master Plan "No Regrets"
- E. Board Policy

of FP Projects

-
4
9
-
3
16

Funded by Legend:

- W-2 - North Zone; revenue is allocated based on % of benefit to the zone
- W-5 - South Zone; revenue is allocated based on % of benefit to the zone
- W-7 - South Zone; revenue is allocated based on % of benefit to the zone
- W-8 - South Zone; revenue is allocated based on % of benefit to the zone
- CSC - funded by revenue from Clean Safe Creeks program
- SCW - funded by revenue from Safe Clean Water program
- PT - funded by revenue from Property Tax
- Subvent - funded by State Subventions

FY 2024 - 28 CIP

Water Resources Stewardship Projects

Revenue Sources: Groundwater Charges,
Property Tax, Subventions

PRELIMINARY CIP

FY 2024 5-Year CIP Data

FY 2024 5-Year CIP Data			A	B	A + B						
Project Category	Number	Project Name	Actual/	Remaining		FY24-38				Zone	Zone
			Appropriated	Cost to	FY24 Plnd	Project	Change	Project Phase	Funded	W-2	W-5
			thru FY23*	Completion	Expnd	Value	from FY23	(FY24)	By	%	%
Values last updated: 12-23-22 (All values are in thousands)											

Mitigation (All Mitigation projects are required per CEQA or other Regulation and therefore do not receive a score)

None

Subtotal:

-

Environmental Enhancement & Stewardship

Lower Peninsula Watershed

C	00294001s	Stevens Creek Fish Passage Enhancement	850	18,585	-	19,435	551	FY25	W-2 (90%)/PT(10%)	100%
C	26164001	Hale Creek Enhancement Pilot Study (D6.1)	12,346	43	10	12,389	3,425	Closeout	CSC/SCW	

Guadalupe Watershed

C	26044001	Almaden Lake Improvements (D4.2)	9,935	53,215	2,719	63,150	5,419	Design	CSC/SCW	
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Coyote Watershed

E	00C40400s	Watershed Habitat Enhancement Design & Construction	-	66,734	-	66,734	491	FY25	TBD	
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Multiple Watersheds (Lower Peninsula, Guadalupe, Coyote, Uvas/Llagas)

C	20444001s	Calabazas/San Tomas Aquino Creek-Marsh Connection	9,326	6,718	1,394	16,044	3,315	Planning	PT/SCW	
C	26044002	SCW Fish Passage Improvements (D4.3; Evelyn, Singleton)	5,334	38	16	5,372	(952)	Const/Closeout	SCW	
C	26044004	Bolsa Road Fish Passage Improvement (D6.2)	3,141	6,041	5,896	9,182	2,662	Construction	SCW	
C	26C40370	SCW Implementation: Fish Passage Improvements (D4)	-	7,613	666	7,613	800	Planning	SCW	
C	26C40419	SCW Implementation: Restoration of Natural Creek Functions (D6.3)	-	6,096	-	6,096	(275)	Planning	SCW	
C	26044003	Ogier Ponds Separation from Coyote Creek (D4.1)	2,459	3,803	1,534	6,262	16	Planning	SCW	

Subtotal:

43,391

168,886

12,235

212,277

15,452

Feasibility Studies

None

Subtotal:

Water Resources Stewardship Total:

43,391

168,886

12,235

212,277

11,716

FY 2024 - 28 CIP

Water Resources Stewardship Projects

Revenue Sources: Groundwater Charges,
Property Tax, Subventions

PRELIMINARY CIP

FY 2024 5-Year CIP Data

Project Category	Number	Project Name	Actual/	Remaining	FY24-38				Zone	Zone	
			Appropriated	Cost to	FY24 Plnd	Project	Change	Project Phase	Funded	W-2	W-5
			thru FY23*	Completion	Expnd	Value	from FY23	(FY24)	By	%	%
Values last updated: 12-23-22 (All values are in thousands)											

Validated - Future Unfunded Projects

None

- - - -

Validated - Unfunded Total:

- - - -

NOTES:

- 1) Implementation of the Mitigation projects is considered non-discretionary since they are needed to meet California Environmental Quality Act (CEQA) or regulatory commitments. Therefore, a priority score is not required.
- 2) Environmental Enhancement projects are implemented at the discretion of the Board. Projects may go through a ranking process to compete for CSC funds or the board may direct that other available revenue be used to implement the proposed projects.

Legend:

- Black - Black Text: Continuing projects or projects carried forward from the FY23 CIP
- Orange** - **Orange Text: Projects to be completed or cancelled in FY 2023**
- Green** - **Green Text: Projects in the Construction phase**
- Blue** - **Blue Text: New projects proposed for the FY 24 CIP**
- * - Column A: Actuals spent through prior year + planned expenditures in current year

Project Driver:

- A. Regulatory requirements
- B. Repair or replacement of aging infrastructure
- C. District commitment (SCW, FAHCE)
- D. Water Utility Master Plan "No Regrets"
- E. Board Policy

of WRS Projects

-

-

9

-

1

10

Funded by Legend:

- W-2 - North Zone; revenue is allocated based on % of benefit to the zone
- W-5 - South Zone; revenue is allocated based on % of benefit to the zone
- W-7 - South Zone; revenue is allocated based on % of benefit to the zone
- W-8 - South Zone; revenue is allocated based on % of benefit to the zone
- CSC - funded by revenue from Clean Safe Creeks program
- SCW - funded by revenue from Safe Clean Water program
- PT - funded by revenue from Property Tax
- Subvent - funded by State Subventions

FY 2024 - 28 CIP

Buildings and Grounds Projects

Revenue Source: Groundwater Charges,
Property Tax

PRELIMINARY CIP

FY 2024 5-Year CIP Data

FY 2024 5-Year CIP Data			A	B	A + B							
Project Category	Number	Project Name	Actual/	Remaining		FY24-38		Project		WUE %	WSS %	SCW %
			Appropriated thru FY23*	Cost to Completion	FY24 Plnd Expnd	Project Value	Change from FY23	Phase (FY24)	Funded By			
Values last updated: 12-23-22 (All values are in thousands)												
B	60204016	Facility Management, Small Capital Improvements	4,492	32,000	4,000	36,492	(3,508)	Continuing	PT/W-2/W-5	60%	40%	0%
E	60204032	Headquarters Operations Building	720	15,691	1,986	16,411	1,283	Continuing	PT/W-2/W-5	60%	40%	0%
B	60204022	Security Upgrades and Enhancements	314	16,890	314	17,204	634	Planning	PT/W-2/W-5	60%	40%	0%
Buildings & Grounds Total:			5,526	64,581	6,300	70,107	(1,592)					

Validated - Future Unfunded Projects

None

Validated - Unfunded Total:

- - - -

Legend:

- Black - Black Text: Continuing projects or projects carried forward from the FY23 CIP
- Orange - Orange Text: Projects to be completed or cancelled in FY 2023
- Green - Green Text: Projects in the Construction phase
- Blue - Blue Text: New projects proposed for the FY 24 CIP
- * - Column A: Actuals spent through prior year + planned expenditures in current year

Project Driver:

- A. Regulatory requirements
- B. Repair or replacement of aging infrastructure
- C. District commitment (SCW, FAHCE)
- D. Water Utility Master Plan "No Regrets"
- E. Board Policy

of B&G Projects

0
2
0
0
1

3

Funded by Legend:

- W-2 - North Zone; revenue is allocated based on % of benefit to the zone
- W-5 - South Zone; revenue is allocated based on % of benefit to the zone
- W-7 - South Zone; revenue is allocated based on % of benefit to the zone
- W-8 - South Zone; revenue is allocated based on % of benefit to the zone
- WUE - funded by revenue from Water Utility Enterprise Fund
- WSS - funded by revenue from Watershed and Stream Stewardship Fund
- CSC - funded by revenue from Clean Safe Creeks program
- SCW - funded by revenue from Safe Clean Water program
- PT - funded by revenue from Property Tax
- Subvent - funded by State Subventions

FY 2024 - 28 CIP

Information Technology Projects

Revenue Source: Groundwater Charges,
Property Tax

PRELIMINARY CIP

FY 2024 5-Year CIP Data			A	B	A + B							
Project Category	Number	Project Name	Actual/	Remaining		FY24-38						
			Appropriated	Cost to	FY24 Plnd	Project	Change	Project Phase	Funded	WUE	WSS	SCW
			thru FY23*	Completion	Expnd	Value	from FY23	(FY24)	By	%	%	%
Values last updated: 12-23-22 (All values are in thousands)												

FY 2023 - 2027 CIP

E	73274009	Data Consolidation	857	437	392	1,294	22	Construction	PT/W-2/W-5	65%	35%	0%
B, E	73274001	IT Disaster Recovery	2,601	45	45	2,646	41	Construction	PT/W-2/W-5	65%	35%	0%
B	73274002	ERP System Implementation	17,566	-	-	17,566	(55)	Closeout	PT/W-2/W-5	65%	35%	0%
B	73274012	Telephone System Voiceover IP	1,248	-	-	1,248	-	Closeout	PT/W-2/W-5	65%	35%	0%
B	73274008	Software Upgrades & Enhancements	5,634	8,778	1,322	14,412	424	Des/Const	PT/W-2/W-5	65%	35%	0%
B	95274003	WTP-WQL Network Equipment	3,487	9,537	587	13,024	1,769	Construction	PT/W-2/W-5	100%	0%	0%
Information Technology Total:			31,393	18,797	2,346	50,190	2,201					

Validated - Future Unfunded Projects

None	-	-	-	-
Validated - Unfunded Total:	-	-	-	-

Legend:

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- Orange - Orange Text: Projects to be completed or cancelled in FY 2023
- Green - Green Text: Projects in the Construction phase
- Blue - Blue Text: New projects proposed for the FY 24 CIP
- * - Column A: Actuals spent through prior year + planned expenditures in current year

Project Driver:

- A. Regulatory requirements
- B. Repair or replacement of aging infrastructure
- C. District commitment (SCW, FAHCE)
- D. Water Utility Master Plan "No Regrets"
- E. Board Policy

of IT Projects

A. Regulatory requirements	0
B. Repair or replacement of aging infrastructure	4
C. District commitment (SCW, FAHCE)	0
D. Water Utility Master Plan "No Regrets"	0
E. Board Policy	2
	6

Information Technology Projects

Revenue Source: Groundwater Charges,
Property Tax

PRELIMINARY CIP

FY 2024 5-Year CIP Data

Project Category	Number	Project Name	Actual/	Remaining		FY24-38						
			Appropriated	Cost to	FY24 Plnd	Project	Change	Project Phase	Funded	WUE	WSS	SCW
			thru FY23*	Completion	Expnd	Value	from FY23	(FY24)	By	%	%	%
Values last updated: 12-23-22 (All values are in thousands)												

Funded by Legend:

- W-2 - North Zone; revenue is allocated based on % of benefit to the zone
- W-5 - South Zone; revenue is allocated based on % of benefit to the zone
- W-7 - South Zone; revenue is allocated based on % of benefit to the zone
- W-8 - South Zone; revenue is allocated based on % of benefit to the zone
- WUE - funded by revenue from Water Utility Enterprise Fund
- WSS - funded by revenue from Watershed and Stream Stewardship Fund
- CSC - funded by revenue from Clean Safe Creeks program
- SCW - funded by revenue from Safe Clean Water program
- PT - funded by revenue from Property Tax
- Subvent - funded by State Subventions

CIP GRAND TOTAL:	2,372,584	7,259,739	523,214	9,632,323	1,343,878
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PROJECT DRIVER TOTALS:	A	B	C	D	E
	3	27	20	-	14

**Summary of Capital Project Plan Updates from
Board Adopted Fiscal Year 2023-27 CIP as presented to the CIP Committee on
November 14, 2022 with subsequent new, revised and administrative updates
noted**

Below is a detailed summary of all project plan updates from the Board adopted Fiscal Year (FY) 2023-27 by type of improvement. Updates to capital project plans are considered to be significant if total project costs (TPC) increase or decrease (inflated) more than \$1 million, project completion is extended beyond one year, or if there are any changes to project scope. These updates were presented to the CIP Committee on November 14, 2022. All of the project plan updates included in this attachment are reflected in the FY2024-28 Preliminary CIP.

WATER SUPPLY

Storage Facility:

1. **91854001 Almaden Dam Improvements Project**

**SCOPE AND SCHEDULE (PHASE ONLY) – TPC changes due to inflation:
Scope/Phase schedule advanced and extended/Inflated TPC decreased by
\$3.392M**

The uninflated TPC remains the same; however, inflated TPC decreased by \$3.392M. The decrease in the inflated TPC is a result of the construction phase schedule for the dam improvements being advanced because there is a need to resume work on canal improvements ahead of the work on the dam improvements. Separate environmental and design documents will be prepared for canal improvements and for dam improvements. The Planning phase has therefore been extended by five years; however project completion schedule remains the same. The revised inflated TPC is \$61.3M.

2. **91864005 Anderson Dam Seismic Retrofit Project (ADSRP)**

**SCOPE, SCHEDULE (PHASE ONLY), AND COST: Scope/Schedule – Phase
Only/Inflated TPC increased by \$52.216M**

The uninflated costs decreased by approximately \$4.793M; the inflated costs increased by \$52.216M. The ADSRP project, previously included the five sub-projects (listed below) comprising the Anderson Dam Federal Energy Regulatory Compliance Project (FOCP). Subsequently, all the FOCP projects have been assigned an individual project number, however, the project plans for each did not previously factor past costs. As part of the project plan update process for the CIP's FY 2024-28 Five-Year Plan, the past costs for each sub-project were removed from ADSRP but were off-set by cost increases resulting from Division of Safety of Dams fees, right of ways costs, and design costs requested by FERC, DSOC, and the Board of Consultants. The revised inflated TPC is \$1.071B.

**91864005 Anderson Dam Seismic Retrofit Project (ADSRP) (REVISED after
11/14/22):** Project expenditures have been reduced in FY24 and added to FY32

to reflect a shift in the construction contract expenditure forecast. The inflated TPC remains at \$1.071B. Based upon this revision and combined with the project plan update presented to the CIP Committee on November 14, 2022 (referenced above), the change from the Board adopted FY2023-27 CIP is a TPC increase of \$52.201M (inflated).

The updates to the FOCF Sub-Projects are listed below:

a. **91864006 Anderson Dam Tunnel Project (ADTP)**

SCHEDULE (COMPLETION DATE) AND COST: Project schedule added to project plan/Inflated TPC increased by \$34.824M

The uninflated TPC has increased by \$29.304M; the inflated TPC increased by \$34.824M. The project plan for the ADTP has been updated to include past costs previously embedded in ADSRP (a total of \$85.643M) and a project schedule with a completion date in FY 26. ADTP project costs increased due to the addition of right-of-way costs associated with Holiday Lake Estates, increase to construction costs, and the addition of costs for project close-out, along with additional funds for consultant agreements amendments, construction contract costs, and additional funds for Valley Water project labor and services & supplies. The revised inflated TPC is \$196.177M.

91864006 Anderson Dam Tunnel Project (ADTP) (REVISED after

11/14/22): Project expenditures have been reduced in FY24 and increased in FY25 due to the shift in construction contract planned expenditures and an increase in Valley Water labor resources during the construction phase. As a result of these latest changes, the TPC increased by \$2.985M (inflated). Based upon this revision and combined with the project plan update presented to the CIP Committee on November 14, 2022 (referenced above), the change from the Board adopted FY2023-27 CIP is a TPC increase of \$37.835M (inflated).

b. **91864007 Coyote Creek Flood Management Measures Project (CCFMMP)**

SCHEDULE (COMPLETION DATE) AND COST: Project schedule extended by four years/ Inflated TPC increased by \$66.702M

The uninflated TPC has increased by \$59.847M; the inflated TPC increased by \$66.702M. The start of construction is being pushed out due to delays in design completion and securing the right-of-way necessary to construct the project and the completion date is being extended to include the three-year plant establishment period. The project cost increase is primarily in the construction phase, due to several factors, including inadequate planning cost estimates, inflation, supply chain issues, as well as a tight schedule and site access constraints. The project plan for the CCFMMP has been updated to include past costs previously embedded in ADSRP (a total of \$9.714M). The revised inflated TPC is \$94.860M.

91864007 Coyote Creek Flood Management Measures Project (CCFMMP) (REVISED after 11/14/22): Project expenditures have been reduced in FY23 and increased in FY24 and FY25 to reflect additional cost estimates for the construction contract, contract contingency and construction management services, as well as the encampment abatement costs (which were not previously accounted for in the initial project plan). As a result of these latest changes, the TPC increased by \$20.280M (inflated). Based upon this revision and combined with the project plan update presented to the CIP Committee on November 14, 2022 (referenced above), the change from the Board adopted FY2023-27 CIP is a TPC increase of \$86.982M (inflated).

c. 91864008 Coyote Creek Stream Augmentation Fish Protection Measures Project (SAFPMP)

SCHEDULE (COMPLETION DATE) AND COST: Project schedule extended by 1 year and 4 months/ Inflated TPC increased by \$2.987M
The uninflated TPC has increased by \$2.196M; the inflated TPC increased by \$2.987M. Due to supply chain related delays with Valley Water furnished equipment, the design phase has been extended and the start of construction postponed to FY 2024. However, the design work is substantially complete and will only include bid support when the construction contract is re-advertised. The construction end date has been extended by approximately one year and five months and project close-out has been extended by one year and four months. The project costs increased due to design costs related to re-bid the project, delay of long lead items and construction contract costs based on bids received when the Chillers was initially advertised for construction. The revised inflated TPC is \$9.264M.

d. 91864009 Coyote Percolation Dam Replacement Project (CPDRP)
SCHEDULE (COMPLETION DATE) AND COST: Project schedule extended by 6 months/ Inflated TPC increased by \$2.808M

The uninflated TPC increased \$2.159M; the inflated TPC increased by \$2.808M. The Project completion date has been extended six months. The planned expenditures for this project have been revised to reflect additional required funding due to higher than anticipated labor costs for in-house design and construction staff. The Construction Phase schedule has been revised to capture an additional six months required to complete the as-built documents. The revised inflated TPC is \$16.676M.

e. 91864010 Cross Valley Pipeline Extension Project (CVPEP)
SCHEDULE (COMPLETION DATE) AND COST: Project schedule extended by 3 months/ Inflated TPC increased by \$318K

The uninflated TPC increased by \$318K; the inflated TPC increased by \$318K. The Project completion date has been extended three months due

to several delays such as delivery of Valley Water Furnished Material as a result of the COVID-19 pandemic, receipt of the permit for the outfall work, as well as contractor delays in the pipeline installation. The Project cost increased due to additional right of way costs to extend lease agreement for construction staging areas, design costs related to the delay of procurement of long-lead items, and costs for construction management services. The revised inflated TPC is \$7.723M.

3. **91084020s Calero and Guadalupe Dams Seismic Retrofits (Planning Only, 91084020 and Design/Construction Placeholders 91874004 and 91894002)**
SCHEDULE (COMPLETION DATE) – TPC Changes due to inflation: Schedule extended by four years/Inflated TPC increased by \$8.391M

For the Calero and Guadalupe Planning Only Project (91084020), the uninflated TPC remains the same; however, inflated TPC increased by \$468.3K. Valley Water operational requirements will not allow Calero Dam and Anderson Dam to be out of service at the same time. To accommodate this requirement, the schedule for Calero and Guadalupe Dams Seismic Retrofit Project (Planning only) is being extended by four years to align with the Anderson Dam Seismic Retrofit Project schedule. As a result, the Guadalupe Dam Design/Construction Placeholder Project (91894002) dollars were also moved out to align with this schedule update. The revised inflated TPC for all three projects combined is \$262.483M.

91894002 Guadalupe Dam Seismic Retrofit – Design & Construction (REVISED after 11/14/22): Project expenditures have been reduced for FY25 through FY27 and added to FY28 through FY31 to reflect the revised construction phase schedule. The Guadalupe Dam Seismic Retrofit schedule is now tied to the completion of the FAHCE EIR certification as well as the completion of the Anderson Dam Seismic Retrofit project EIR. To accommodate the uncertainties of the completion dates of these two EIRs, the construction start for Guadalupe Dam Seismic Retrofit has been delayed by three years (FY25 planned start date shifted to FY28). As a result of these latest changes, the TPC increased by \$946K (inflated). Based upon this revision and combined with the project plan update presented to the CIP Committee on November 14, 2022 (referenced above), the change from the Board adopted FY2023-27 CIP for all three projects combined is a TPC increase of \$9.337M.

4. **91084019 Dam Seismic Safety Evaluation**
SCHEDULE (COMPLETION DATE) – TPC Changes due to inflation: Schedule extended by 4 years/ TPC increased by \$919K

The uninflated TPC remains the same; the inflated TPC increased by \$919K. The overall Project schedule completion date has been extended four years. A consultant contract for the comprehensive Dam Safety Evaluations for Vasona, Rinconada, and Coyote Percolation dams (DSE2) was previously slated to

commence in FY25, upon the completion of DSE1 (for Coyote, Chesbro, and Uvas dams). Based on the anticipated findings for DSE1 and required additional remediation work at Coyote Dam, Valley Water will be deferring the start of the consultant agreement for DSE2 to FY29. The revised inflated TPC is \$31.862M.

5. **91954002 Pacheco Reservoir Expansion Project:**

SCOPE AND SCHEDULE (COMPLETION DATE) – TPC changes due to inflation: Scope change/ Schedule extended by 3 years/Inflated TPC increased by \$319.043M

The uninflated TPC remains the same; inflated TPC increased \$319.043M. The Project changes are to the scope and schedule. The overall Project schedule completion date has been extended by three years in order to address: lack of property access to perform work for the environmental and design phases; time to prepare a combined Environmental Impact Report (EIR)/Environmental Impact Statement (EIS) document; and time to complete revisions to the dam type, perform agency reviews, complete tribal consultation, and acquire permits. The Project's planned expenditures have been revised to reflect additional resource hours to complete the Planning, Environmental, Design, and Right-of-Way for Project support. Changes to the phased costs, as well as the need to re-evaluate the proposed fiscal year phased budgets based upon updated forecasts are the contributing factors affecting the change in project expenditures. The revised inflated TPC is \$2.781B.

6. **91214010s Small Capital Improvements, San Felipe Reach 1-3**

SMALL CAPITAL FORECAST REVISIONS: TPC decreased by \$7.556M

Small Capital project forecasts are revised each year. Asset rehabilitation projects are added, removed, and rescheduled based on asset condition and project need. In addition, project costs are updated each year based on market conditions. These revisions to both schedule and costs cause several minor changes in expected expenditures over the forecasted period.

91214010s Small Capital Improvements, San Felipe Reach 1-3 (REVISED after 11/14/22): The Small Capital project cost forecasts were revised during the first pass budget cycle. Based upon this revision and combined with the project plan update presented to the CIP Committee on November 14, 2022 (referenced above), the change from the Board adopted FY2023-27 CIP for San Felipe Reaches 1-3 Small Capital projects combined, is a TPC decrease of \$2.014M.

Transmission Facilities:

7. **95084002 10-Year Pipeline Rehabilitation Project**

SCOPE AND COST: Scope change/Inflated TPC increased by \$14.887M

The uninflated TPC increased \$12.836M; the inflated TPC increased \$14.887M. There were changes to project scope in Central and Parallel East Pipelines, Almaden Valley Pipeline, and Snell Pipeline. There were changes to Project cost

in the Central and Parallel East Pipelines, Santa Clara Conduit Rehabilitation, Almaden Valley Pipeline, Snell Pipeline, West Pipeline, Electromagnetic Inspection and Acoustic Fiber Optic Monitoring System, and Pipeline Maintenance Program and Program Environmental Impact Report. The revised inflated TPC is \$154.939M.

8. **92304001 Almaden Valley Pipeline Replacement**

SCOPE, SCHEDULE (PHASE ONLY) AND COST: Scope change/Construction phase extended 1 year/Inflated TPC increased by \$2.731M

The uninflated TPC increased by \$674K; the inflated TPC has increased by \$2.731M. The Planning Phase has been waived. The overall Project schedule remains the same, however, the Construction Phase was extended by 1 year to accommodate new information provided by the Programmatic Environmental Impact Report (EIR). Each new fiscal year, the CIP adds the upcoming FY planned expenditures from the original Project Plan. The 21-year total Project Plan was initiated in FY 21, and the CIP only provides for a 15-year projection. This CMM update adds FY 37 into the 15-year projection. There were also cost increases to planning and environmental phases due to new data that was provided during the Programmatic EIR. The revised inflated TPC is \$113.328M. *(Note: The planned expenditures for years FY 2038-FY41 are not included in the TPC but are included in the funding models as a placeholder.)*

9. **92144001 Pacheco/Santa Clara Conduit ROW Acquisition**

SCHEDULE (COMPLETION DATE) – TPC changes due to inflation: Schedule extended by 1 year/ Inflated TPC increased by \$78K

There was no change to the uninflated TPC; the inflated TPC increased by \$78K. The Project schedule has been extended by one year due to delays in acquiring National Environmental Policy Act (NEPA) clearance and finalizing subsequent permitting required for construction, as the site is located on United States Bureau of Reclamation property. While the planned expenditures for the Environmental Phase and Construction Phase have increased slightly, because easements are not required for access on this project, the planned expenditures for Right-of-Way Acquisition have decreased, therefore resulting in no change to the overall TPC. The revised inflated TPC is \$6.129M.

10. **95044002 SCADA Implementation Project**

SCHEDULE (PHASE ONLY) – TPC changes due to inflation: Planning Phase Schedule extended by 1 year/Inflated TPC decreased by \$2K

There was no change to the uninflated TPC; the inflated TPC decreased by \$2K. The overall project schedule has been extended by one year due to the actual timeline for project consultant negotiations and board adoption of the agreements. Overall project cost remains the same, but year-to-year planned expenditures have been re-balanced to accommodate this schedule change. Additionally,

project scope remains the same but since this project will only develop a program of SCADA projects up to 10% design, design phase and construction phase have been revised. The revised inflated TPC is \$6.468M.

11. **92264001 Vasona Pump Station Upgrade**

COST ONLY: Inflated TPC increased by \$7.190M

The uninflated TPC increased by \$6.404M; the inflated TPC increased \$7.190M. The proposed changes are primarily due to progression of the Project and clarification of the scope. As the Project transitioned from planning to design, the alternatives, scope, and equipment selection became more clearly defined. With this, construction costs were adjusted to reflect equipment and labor prices received from vendors and current market prices. Project Scope includes increasing pumping capacity such that the Project team needs to submit an Initial Study/ Mitigated Negative Declaration as part of Design Phase for environmental compliance. The revised inflated TPC is \$29.457M.

92264001 Vasona Pump Station Upgrade Project (REVISED after 11/14/22):

Project expenditures have been reduced for FY23 and FY24 and added to FY25 through FY25 to reflect the revised design and construction phase schedules. The Project no longer qualifies for CEQA Categorical Exemption due to the scope including an increase of pumping capacity at the pump station. Therefore, a new environmental document, an Initial Study/Mitigated Negative Declaration (IS/MND), needed to be drafted, delaying the CEQA approval process. In addition, (as observed in lessons learned from the District's first Progressive Design-Build Project, the Coyote Pumping Plant Adjustable Speed Drive (CPP ASD) Replacement Project) a Progressive Design-Build Project, it can potentially take more than a year to compete the Request for Proposals (RFP) process and finalize the Design-Build Agreement (DBA). Based upon this revision and combined with the project plan update presented to the CIP Committee on November 14, 2022 (referenced above), the change from the Board adopted FY2023-27 CIP is a TPC increase of \$9.105M (inflated).

12. **92764009 Small Capital Improvements, Raw Water**

SMALL CAPITAL FORECAST REVISIONS: TPC decreased by \$2.976M

Small Capital project forecasts are revised each year. Asset rehabilitation projects are added, removed, and rescheduled based on asset condition and project need. In addition, project costs are updated each year based on market conditions. These revisions to both schedule and costs cause several minor changes in expected expenditures over the forecasted period.

92764009 Small Capital Improvements, Raw Water (REVISED after 11/14/22):

The Small Capital project cost forecasts were revised during the first pass budget cycle. Based upon this revision and combined with the project plan update

presented to the CIP Committee on November 14, 2022 (referenced above), the change from the Board adopted FY2023-27 CIP is a TPC increase of \$2.269M (inflated).

13. **94764006 Small Capital Improvements, Treated Water**

SMALL CAPITAL FORECAST REVISIONS: TPC decreased by \$164K

Small Capital project forecasts are revised each year. Asset rehabilitation projects are added, removed, and rescheduled based on asset condition and project need. In addition, project costs are updated each year based on market conditions. These revisions to both schedule and costs cause several minor changes in expected expenditures over the forecasted period.

92764006 Small Capital Improvements, Treated Water (REVISED after

11/14/22): The Small Capital project cost forecasts were revised during the first pass budget cycle. Based upon this revision and combined with the project plan update presented to the CIP Committee on November 14, 2022 (referenced above), the change from the Board adopted FY2023-27 CIP is a TPC decrease of \$336K (inflated).

14. **92C40357 FAHCE Implementation**

PLACEHOLDER PROJECT ADMINISTRATIVE UPDATES: Schedule Only

Since the two creeks FAHCE EIR is still being finalized and agency permitting will also be required, the FAHCE implementation project planned expenditures were moved to begin in FY27. The overall TPC remain unchanged.

Treatment Facility:

15. **93294051 RWTP FRP Residuals Management Project**

SCHEDULE (COMPLETION DATE) AND COST: Schedule extended by 1 year/TPC decreased by \$924K

The uninflated TPC has decreased by \$924K. The Project schedule has been extended by one year for close-out activities. The remaining balance in Project reserves will be returned to fund reserves at closeout. The revised inflated TPC is \$32.917M.

16. **93294057 RWTP Reliability Improvement Project**

SCOPE, SCHEDULE (COMPLETION DATE) AND COST: Scope change/Construction and Closeout Schedules extended by 3 years/Inflated TPC increased by \$192.881M

The uninflated TPC has increased by \$176.619M; the inflated TPC increased by \$192.881M. The schedule completion date has been extended by three years. The project's cost increase and schedule extension are due to reassessment of construction costs for Phases 3-6 of the project, particularly with regard to current

volatile market conditions and inflation escalation rates, which are projected to fall at around 15 percent over the next few years. The revised inflated TPC is \$654.620M.

93294057 RWTP Reliability Improvement Project (REVISED after 11/14/22):

Project expenditures have been reduced for FY23 through FY26 and FY30, then added to FY27 through FY29 to reflect the revised construction phase duration which has been shortened from 78 months to 67 months. Based upon this revision and combined with the project plan update presented to the CIP Committee on November 14, 2022 (referenced above), the change from the Board adopted FY2023-27 CIP is a TPC increase of \$166.104M (inflated).

17. 93284013 STWTP Filter Media Replacement Project

COST ONLY: Inflated TPC increased by \$5.692M

The uninflated TPC increased by \$5.671M; the inflated TPC increased \$5.692M. The Design Phase cost increased due to the additional scope included at the request of the Plant's Operation and Maintenance Division in order to improve the efficiency and performance of operations in the filters. These improvements included the addition of filter surface cleaning, coating of the existing steel flanges, replacement of steel deflectors, concrete crack repair, valve pedestals and design of siphons. The increase in the overall Project expenditures reflects the increased costs of project-specific equipment and material because of the impact of global supply chain issues and extended lead times, and the inclusion of construction contingency. The revised inflated TPC is \$20.025M.

18. 93084004 Water Treatment Plant Electrical Improvement Project

SCOPE, SCHEDULE (COMPLETION DATE) AND COST: Scope change/Schedule extended by 2 years/Inflated TPC increased by \$6.886M

The uninflated TPC increased by \$5.199M; the inflated TPC increased by \$6.886. Scope was changed to include the Santa Teresa Water Treatment Plant's motor control centers (MCC) MCC-DP1 and MCC-DP2, that serve the west filter gallery and east filter gallery, respectively, in the Project's Scope of Work. The Project schedule was extended two years to align construction with the sequencing and shutdown of other concurrent Valley Water projects to minimize impact to water retailers that receive water from the Penitencia and Santa Teresa Water Treatment Plants. Cost increases are due to pump capacity changes as well as increased labor and equipment costs. The revised inflated TPC is \$18.512M.

19. 93764004 Small Capital Improvements, Water Treatment

SMALL CAPITAL FORECAST REVISIONS: TPC decreased by \$12.604M

Small Capital project forecasts are revised each year. Asset rehabilitation projects are added, removed, and rescheduled based on asset condition and project need. In addition, project costs are updated each year based on market conditions. These revisions to both schedule and costs cause several minor changes in expected expenditures over the forecasted period.

93764004 Small Capital Improvements, Water Treatment (REVISED after 11/14/22): The Small Capital project cost forecasts were revised during the first pass budget cycle. Based upon this revision and combined with the project plan update presented to the CIP Committee on November 14, 2022 (referenced above), the change from the Board adopted FY2023-27 CIP is a TPC decrease of \$10.483M (inflated).

Recycled Water Facilities:

20. 91304001 Purified Water Project (PWP)

SCOPE, SCHEDULE (PHASE ONLY), AND COST: Scope change/Planning and Design schedule extended/Inflated TPC increased by \$465.777M

The uninflated TPC increased \$381.718M; the inflated TPC increased by \$465.777M. Since the Board of Directors directed staff in December 2021 to finalize agreements with the City of Palo Alto (CPA) for the Purified Water Project (PWP) and the last change management memo on February 28, 2022, staff has identified several changes to the scope of work. These changes are a result of additional project components required to complete the design and construction of the PWP, and regulatory feedback obtained from San Francisco Regional Water Quality Control Board and the Department of Drinking Water. Due to delays in obtaining the necessary agreements with the CPA, the schedule is now proposed to start with design services in 2024 for 18 months including a 6-month overlap with the construction phase lasting 3.5 years. Total project schedule is 5 years with water delivery in mid-2028.

Planned project expenditures increased due to several factors, including updated contingency percentages due to current market, requirements for federal funding, increase in material costs, increase in design and engineering services and direct costs due to reduced schedule and increase in scope, construction management costs proportionate to construction, and the need for an independent engineer for the P3 entity. In addition, facility expenditures increased for the construction of the Advanced Water Purification Facility (AWPF) and the pipeline, in part due to increased size of the AWPF from 10-million gallons per day (MGD) to 12 MGD and storage tank construction material. Staff also met with the jurisdictions along the pipeline alignment and added other costs including paving requirements by each jurisdiction, trenchless crossings and additional monitoring wells as required by indirect potable reuse regulations and in consultation with the appropriate regulatory agencies. The revised inflated TPC is \$1.218B. *(Note: The Purified Water Project is planned to be delivered via a Public-Private Partnership or P3, and as such there is a potential impact to Fund 61 through an increased availability payment at the time the facilities become operational in the future. To offset this impact Valley Water is pursuing grants and loans.)*

21. **91094010 South County Recycled Water Pipeline (Short Term 2)**

SCHEDULE (COMPLETION DATE) – TPC Changes due to inflation: Schedule extended by 1 year/ Inflated TPC increased by \$24K

The uninflated TPC did not change; the inflated TPC increased \$24K. The schedule completion date has been extended by one year. The Project schedule is extending to account for delayed construction of residential developments in the City of Gilroy, which consequently affects opportunities to upsize recycled water conveyance routes with our development partners. The revised inflated TPC is \$8.643M.

FLOOD PROTECTION

Lower Peninsula Watershed:

22. **10394001 Palo Alto Flood Basin Tide Gate Structure Replacement**

SCHEDULE (COMPLETION DATE) AND COST: Schedule extended by ~6 years/Inflated TPC increased by \$43.957M

The uninflated TPC has increased by \$35.249M; the inflated TPC increased by \$43.957M. The schedule completion date has been extended by approximately 6 years. The Project schedule has been revised to account for changes in the Environmental Phase, Design Phase, Construction Phase, and Close-Out Phase. Costs have increased due to a design change and a \$33M (uninflated) increase to construction due to testing of excavated soils that were found to exceed thresholds for soil reuse along with increases market conditions. Tribal monitoring and full-time biological monitoring are other reasons for cost increases which were previously not expected but are required per regulatory permit conditions. The revised inflated TPC is \$83.289M.

23. **10244001 Permanente Creek, SF Bay to Foothill Expwy.**

SCHEDULE (COMPLETION DATE) AND COST: Schedule extended by 2 years/Inflated TPC increased by \$2.198M

The uninflated TPC increased by \$2.197M; the inflated TPC increased by \$2.198M. The schedule completion date has been extended by two years. The Design, Construction and Close-Out phases were extended due to negotiations with Google. The cost increases were due to delays, design changes, market conditions, and real estate costs. The revised inflated TPC is \$20.348M.

24. **26284002 San Francisquito Creek (Construction SF Bay to Middlefield Rd.)**

SCHEDULE (COMPLETION DATE) AND COST: Schedule extended by 1 year/Inflated TPC decreased by \$2.153M

The uninflated TPC decreased by \$5.550M; the inflated TPC decreased by \$2.153M. The schedule completion date has been extended by one year. The schedule has been extended by one year to accommodate the U.S. Army Corps of Engineers Continuing Authorities Program Section 205 (CAP 205) process, as well as the updated duration needed for the San Francisquito Creek Joint Powers Authority to apply for and receive state and federal regulatory permits. The

change in the Project's planned expenditures resulted from cost increases associated with the design, right-of-way and construction for the channel widening and of top-of-bank improvements. These cost increases were offset by the cost decrease resulting from the removal of the construction cost for the Newell Road Bridge Replacement Project. Valley Water received confirmation from the City of Palo Alto that the construction costs for the Newell Road Bridge Replacement Project will be included in the City's budget. Therefore, Valley Water removed the cost of construction and the associated unsecured funding source (\$8.941M) reflected in the Project plan. The Project's planned expenditures does include the local-share match for the Newell project planned expenditures as that is our commitment under the Safe, Clean Water and Natural Flood Protection Program. The revised inflated TPC is \$105.018M.

West Valley Watershed:

25. 26074002 Sunnyvale East and West Channels (E2)

SCHEDULE (PHASE ONLY) – TPC Changes due to inflation: Environmental and Design phases extended by 1 year/Inflated TPC decreased by \$51K

The uninflated TPC has remained the same; the inflated TPC has decreased by \$51K. The Project schedule for the Environmental and Design Phases has been extended by 1 year to account for the proposed Google Caribbean Campus Project where Google and Valley Water are to cost share on an enhancement constructed by Google of approximately 1,100 linear feet of the Sunnyvale West Channel. The revised inflated TPC is \$70.332M.

Coyote Watershed:

26. 26174043 Coyote Creek, Montague Expressway to Tully Road (E1)

SCHEDULE (COMPLETION DATE) AND COST: Schedule – Completion date extended by 5 years/Inflated TPC increased by \$161.890M

The uninflated TPC increased by \$132.921M; the inflated TPC increased by \$161.888M. The Design Phase is being extended to account for the time required to complete CEQA & NEPA requirements needed for the project. The Right(s)-of-Way, Construction, and Close-Out Phase are being extended to align with the extension of the Design Phase. Construction (Civil) ends in FY27, but there is a plant establishment period which ends in FY31. The construction costs have increased as the result design refinement from the planning phase and increased material costs as well as increases in market conditions. The revised inflated TPC is \$224.718M.

27. 40C40397 Berryessa Creek Flood Protection Project – Lower Penitencia Creek to Calaveras Blvd. (Phase 3 – Construction)

PLACEHOLDER PROJECT ADMINISTRATIVE UPDATES: Schedule Only

To align with the Safe, Clean Water and Natural Flood Protection Program's Planning and Design Project Schedule for the Phase 3 Project (E3), the Project's planned expenditures were moved to begin in FY36. As a result of the 15-year forecast period for the CIP's Five-Year Plan, the Project Plan only captures the planned expenditures for FY 36-38 and therefore the project appears to have decreased. However, the planned expenditures for FYs 39-41 will be brought into the forecast on an annual basis. The overall TPC will remain unchanged.

Uvas Llagas Watershed:

28. 26174052 Llagas Creek–Upper, Corps Coordination (E6a)

SCOPE AND COST: TPC decreased by \$80M

The uninflated TPC decreased \$80M. The original Project scope included the construction of the Project, Phase 1, Phase 2A, and Phase 2B. Phase 2B is anticipated to receive grant funding from the Natural Resources Conservation Service (NRCS) for an estimated \$80M, so Phase 2B scope will be removed from 26174052 Llagas Creek–Upper, Corps Coordination (E6a) and a new Project number will be assigned. The new Phase 2B project number (26174055) will help facilitate tracking and accounting of eligible NRCS grant funding costs. The removal of the Phase 2B scope will reduce the planned expenditures by an estimated \$80M from the total project cost reflected in project number 26174052. The revised inflated TPC is \$173.072M.

Multiple Watersheds:

29. 62084001 Watersheds Asset Rehabilitation Project (WARP)

SMALL CAPITAL FORECAST REVISIONS: TPC increased by \$2.902M

Small Capital project forecasts are revised each year. Asset rehabilitation projects are added, removed, and rescheduled based on asset condition and project need. In addition, project costs are updated each year based on market conditions. These revisions to both schedule and costs cause several minor changes in expected expenditures over the forecasted period.

WATER RESOURCES STEWARDSHIP

Lower Peninsula Watershed:

30. 26164001 Hale Creek Enhancement Pilot Study

COST ONLY: TPC increased by \$3.425 (TPC Changes due to inflation)

Both the uninflated and inflated TPC increased by \$3.425. The total project cost (TPC) increased as a result of the contract award amount being higher than the Engineer's Estimate. The contract was awarded on May 10, 2022, after the adoption of the FY23 Budget and CIP FY 2023-27 Five-Year Plan. The Project's initial construction cost had been planned for \$4.5M; however, the awarded

contract amount is \$7,337,784. The Board's approval of the award of the contract necessitated a budget adjustment in FY 23, which is reflected in the TPC increase. Further, during right-of-way acquisition of the Project, Valley Water and the property owners went through extensive negotiations, resulting in a construction delay by a year, additional Valley Water labor and 3rd party appraiser fees, and increased easement acquisition costs. The increased costs in the Environmental and Design Phases have been re-appropriated from the construction phase. The revised inflated TPC is \$12.389M.

Coyote Watershed:

31. **00C40400s Watershed Habitat Enhancement Design & Construction**

PLACEHOLDER PROJECT ADMINISTRATIVE UPDATES: Schedule Only

To align with the feasibility study currently underway in project 62044001, the Project's planned expenditures were moved to begin in FY27 (this Project includes two sub-placeholder projects for Metcalf Ponds and Ogier Ponds). The overall TPC remain unchanged.

Guadalupe Watershed:

32. **26044001 Almaden Lake Improvements**

SCHEDULE (PHASE ONLY) – TPC Changes due to inflation: Schedule extended 1 year/Inflated TPC increased by \$5.419M

The uninflated TPC has not changed; inflated TPC increased by \$5.419M. The Project's start of construction has been extended by one year to re-evaluate the scope. It is anticipated that there will be no change to the Total Project Cost. The Project team estimates that the duration of onsite construction will be 30 months starting in FY24 and ending in FY27, followed by a three-year plant establishment period ending in FY30. The revised inflated TPC is \$63.150M.

Multiple Watersheds:

33. **26044003 Ogier Ponds Separation from Coyote Creek Planning & Design Project**

SCOPE, SCHEDULE (COMPLETION DATE), AND COST: Scope change/ Schedule extended 7 months/Inflated TPC increased by \$17K

The uninflated TPC increased by \$99K; the inflated TPC increased by \$17K. The Ogier Ponds project was recently included in the Anderson Dam Seismic Retrofit Project (ADSRP) as a conservation measure. As a result, the project's scope has been extended to include gravel augmentation in Coyote Creek between the model airplane facility at Ogier Ponds and the Anderson Dam. The overall project schedule is being extended by 7 months due to geomorphic investigations and sediment transport modeling. The revised inflated TPC is \$6.262M.

34. **26044004 Bolsa Road Fish Passage Improvements**

SCHEDULE (COMPLETION DATE) AND COST: Schedule extended by 1 year/Inflated TPC increased by \$2.806M

The uninflated TPC increased by \$2.092M; the inflated TPC increased \$2.806M. The Project schedule has been extended by one year. The revised schedule now accounts for two construction seasons, extending into FY24 and its anticipated be complete by FY27 due to delays in bidding and advertisement. The TPC increased as a result of the contract award amount being 26% higher than the Engineer's Estimate. Additional factors contributing to a cost increase include rapidly escalating costs due to supply chain disruptions, raw material cost inflation, and labor shortages. The Project will span two construction seasons and the in-channel work is scheduled for completion in December 2023. The revised inflated TPC is \$9.326M.

26044004 Bolsa Road Fish Passage Improvements (REVISED after 11/14/22):

Project expenditures have been reduced in FY24 and added to FY23 to reflect the revised construction contract encumbrance schedule. There is no change to the overall TPC (uninflated). As a result of these latest changes, the TPC decreased by \$144K (inflated). Based upon this revision and combined with the project plan update presented to the CIP Committee on November 14, 2022 (referenced above), the change from the Board adopted FY2023-27 CIP is a TPC increase of \$2.662M.

35. **20444001 Calabazas/San Tomas Aquino Creek Marsh Connection**

SCOPE, SCHEDULE (COMPLETION DATE), AND COST: Scope change/Schedule extended by 1 year and 5 months/Inflated TPC increased by \$3.317M

The uninflated TPC increased by \$3.132M; the inflated TPC increased by \$3.317M. The scope of project area is being enlarged to include Pond A4, which will be evaluated during Project Planning, Design, and Environmental phases. Adding Pond A4 to the Project scope would allow staff to explore potential future uses of Pond A4, including but not limited to tidal marsh restoration, placement of Stream Maintenance Program dredge material, and/or nature-based treatment of reverse osmosis concentrate generated from water recycling. The schedule extension of one year and five months it to accommodate Planning, Environmental and Design phase schedule changes due to the enlargement of the project area to include Pond A4; Project cost increase is due to the inclusion of Pond A4. The revised inflated TPC is \$15.737M.

36. **26044002 SCW Fish Passage Improvements (D4.3; Evelyn, Singleton)**

SCOPE, SCHEDULE (COMPLETION DATE), AND COST: Scope change/Schedule extended 3 years/Inflated TPC decreased by \$953K

The uninflated TPC decreased by \$955K; the inflated TPC decreased by \$953K. This Project currently accounts for three sub projects, which include Bolsa Road, Evelyn Road, and Singleton Road. The Project scope will remove the Bolsa Road project and add three years of monitoring. Construction was completed in FY22, but three additional years of post-construction monitoring is required before the Project can close-out, which extends the schedule out to FY25. The construction cost has been reduced due to the removal of Bolsa Road project, which has its own project number (26044004 Bolsa Road Fish Passage Project). The revised inflated TPC is \$5.371M.

37. 26C40370 SCW Implementation - Fish Passage Improvements (D4.3)

PLACEHOLDER PROJECT ADMINISTRATIVE UPDATES: Schedule Only

To align with staff availability, the Project's planned expenditures were moved to FY28. The overall TPC remain unchanged.

38. 26C40419 SCW Implementation – Restoration of Natural Creek Functions (D6.3)

PLACEHOLDER PROJECT ADMINISTRATIVE UPDATES: Schedule Only

To align with staff availability, the Project's planned expenditures were moved to FY28. The overall TPC remain unchanged.

INFORMATION TECHNOLOGY

39. 95274003 WTP-WQL Network Equipment

SCHEDULE (COMPLETION DATE) AND COST: Schedule extended 9 years/Inflated TPC increased by \$1.768M

The uninflated TPC increased by \$1.355M; the inflated TPC increased \$1.768M. The overall Project schedule has been extended by nine years. Due to Covid-19 and global supply chain issues, the cost to maintain recurring hardware refreshes to Valley Water's Information Technologies technical infrastructure has increased. The timelines of critical upgrades to support remote work during the early stages of Covid-19 were moved forward which caused other projects to be delayed. Furthermore, due to Valley Water pivoting to a hybrid teleworking workforce, the scope of some networking technologies significantly increased, causing future year hardware refreshes to increase. The revised inflated TPC is \$13.023M.

BUILDINGS AND GROUNDS

40. 60204032 Headquarters Operations Building

**SCHEDULE (COMPLETION DATE) – TPC Changes due to inflation:
Schedule extended 3 years/Inflated TPC increased by \$1.282M**

The uninflated TPC did not change; the inflated TPC increased by \$1.282M due to the Project schedule change. The Project schedule has been extended three

years to align with Valley Water's long-range overall planning. While the overall total Project cost remained unchanged, planned expenditures within specific Phases have been updated. The revised inflated TPC is \$16.410M.

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Board Approved Funding Filters (September 27, 2022 Board Meeting)

Funding Filters for Prioritization:

1. Repair/Replace Existing Infrastructure Projects
2. Public Health and Safety Projects
3. Shovel Ready (Permits and Land Rights Secured) Projects
4. Multi-Benefit Projects
 - a. Environmental Justice Benefit Projects
5. Partially External-Funded (Grants and Partnerships) Projects

Staff Assumptions and Analysis

Key Assumptions:

- 1. All Valley Water Capital Projects are important to delivering our mission**
- 2. Certain projects are mandated (e.g. Anderson Dam Seismic Retrofit Project) and are therefor exempt from the analysis**
- 3. Funding constraints necessitate that we prioritize our projects to ensure the fiscal health of our funds**

FUNDING FILTERS FOR PRIORITIZATION

Water Utility Enterprise Fund (Fund 61)

			SCHEDULE	Project Categories										Notes/Justification	
PROGR.	FUND	PROJ NO. PROJECT NAME	FY to Construction	Results:											
				YES	NO	Repair/Replace Existing Infrastructure	Public Health and Safety	Show Ready (Permits and Land Rights Secured)	Multi-Benefit Project	Multi-Benefit Project: Environmental Justice Benefit	Partially External-Funded (Grants and Partnerships)				
WS-Treatment	61	93294057 RWTP Reliability Improvement	Phases 3-6, FY23	4	2	Y	Y	Y	Y	N	N	Project is repairing and replacing existing treatment plant infrastructure. Project will ensure the Public receives a reliable supply of safe, clean water. Multi-Benefit because the project conducts maintenance on existing infrastructure and provides public health and safety and will increase the plants capacity from 80 to 100MGD (increase of approx. 25%). Project is ready to bid in FY23. Project seeking grant funding.			
WR-Coyote	61	95C40400 Project 1 Design & Construction (e.g. Metcalf Ponds)	FY27	3	3	Y	Y	N	Y	N	N	Name change: Coyote Percolation Dam Fish Passage Phase 2 (per L.Benefit)			
WS-Storage	61	91854001 Almaden Dam Improvements	canal FY26, dam FY30	3	3	Y	Y	N	Y	N	N	Repair/Replace Existing Infrastructure - Improvements at the Almaden Dam include construction of a new intake structure and the modifications to the spillway and the rehabilitation and repair of the 4.5-mile-long Almaden-Calero Canal. Public Health and Safety - A failure of either the intake structure or the spillway could cause a risk to the Dam and place downstream communities in danger. Multi-Benefit Project - The Almaden Dam creates a reservoir with capacity of about 1,586 acre-feet and impounds water in the reservoir for conservation, ground water recharge, flood protection, environmental flows, and recreation. Multi-Benefit Project: Environmental Justice Benefit - The project will provide health and safety benefits to all communities downstream of the dam equally.			
WS-Storage	61	91894002 Guadalupe Dam Seismic Retrofit - Design & Construct	FY25	3	3	Y	Y	N	Y	N	N	Repair/Replace Existing Infrastructure - The project will remediate serious seismic deficiencies in Guadalupe Dam including stabilizing the embankment, replacing the intake structure, replacing the spillway, and building new outlet works. Public Health and Safety - A failure of the dam during an earthquake will cause downstream communities to be flooded with serious life and property damages. Multi-Benefit Project -The Guadalupe Dam creates a reservoir with capacity of about 3,564 acre-feet and impounds water in the reservoir for storing natural watershed runoff, replenishing downstream wells by ground water recharge, and providing recreation and environmental flows, and incidental flood control. Multi-Benefit Project: Environmental Justice Benefit - The project will provide health and safety benefits to all communities downstream of the dam equally.			
WS-Storage	61	91874004 Calero Dam Seismic Retrofit - Design & Construct	FY32	3	3	Y	Y	N	Y	N	N	Repair/Replace Existing Infrastructure - The project will remediate serious seismic deficiencies in Calero Dam including stabilizing the embankment, replacing the intake structure, replacing the spillway, and building new outlet works. Public Health and Safety - A failure of the dam during an earthquake will cause downstream communities to be flooded with serious life and property damages. Multi-Benefit Project - The Calero Dam creates a reservoir with capacity of about 9,934 acre-feet. The District uses Calero Reservoir to store natural watershed runoff, replenish downstream wells by ground water recharge, provide flood control, and provide recreation and environmental flows. Controlled releases from Calero Reservoir also provide raw water for treatment at the District's Riconrada or Santa Teresa water treatment plants. Storage in Calero Reservoir also serves as the emergency backup to the District's imported water supplies. Multi-Benefit Project: Environmental Justice Benefit - The project will provide health and safety benefits to all communities downstream of the dam equally.			
WS-Storage	61	91234002 Coyote Pumping Plant ASD Replacement	FY24	3	3	Y	Y	N	Y	N	N	Project proposes to replace and/or rehabilitate existing ASDs and associated mechanical, electrical, and control equipment at the CPP. Project within the existing footprint of CPP property. Project transitioning from planning into design-build Phase 1 (i.e., design and pre-construction). Multi-Benefit because the project conducts maintenance on existing infrastructure and provides public health and safety.			
WS-Transmission	61	92144001 Pacheco/Santa Clara Conduit Right of Way Acquisition	FY23-FY24	3	3	Y	Y	N	Y	N	N	Land rights needed for maintenance on the existing San Felipe System (Pacheco Conduit and Santa Clara Conduit). Multi-Benefit updated to "Y" access required to maintain our PL is a Public Safety issue.			
WS-Storage	61	91954002 Pacheco Reservoir Expansion Project (A1)	FY28	3	3	N	Y	N	Y	N	Y	Public Health & Safety: The project will boost Pacheco Reservoir's operational capacity from 5,500 acre-feet to up to 140,000 acre-feet, enough to supply up to 1.4 million residents with water for one year in an emergency. The project will also reduce the frequency and severity of water shortages during droughts, protect our drinking water supply and infrastructure, and improve fish habitat. Multi-Benefit Project: Increase suitable habitat in Pacheco Creek for federally threatened steelhead. Develop water supplies for environmental water management that support habitat management and other environmental water needs. Partial External - Funded (Grants & Partnerships): California Water Commission Prop 1 Water Storage Investment Program (WSIP) Grant in amount of \$504 was awarded to Project. Valley Water applied for a Water Infrastructure Finance and Innovation Act (WIFIA) loan, a low-cost federal loan from the EPA. Valley Water is also working with Reclamation to acquire WINNACT funding. Valley Water has partnered with the San Benito County Water District, and the Pacheco Pass Water District, as strategic and long-term investment toward ensuring a more reliable supply of safe, clean drinking water in the face of climate change. Other partnerships are currently being evaluated.			
WS-Recycled Wtr	61	91304001 Purified Water Program (PWP)	FY25	3	3	N	Y	N	Y	N	Y	Project will provide drought resilient water supplies for the county leading up to an additional 12,000 acre-feet per year of local supply by 2028. Project decreases reliance on imported and locally stored water by providing a safe and reliable supply to augment existing groundwater levels and reduce the risk of subsidence from over-pumping. Project will be delivered via Public-Private-Partnership (P3) and financed by both the P3 entity and external funding from the US EPA WIFIA and the USBR Title 16 grant program.			
WS-Transmission	61	92304001 Almaden Valley Pipeline Replacement Project	FY29	2	4	Y	Y	N	N	N	N	Rehabilitate PCCP pipeline segments that are most high risk for failure.			
WS-Transmission	61	94084007 Treated Water Isolation Valves	FY25-26, FY28	2	4	Y	Y	N	N	N	N	Valves to be constructed have been identified as recommended projects under the "Infrastructure Reliability Plan." There are three valves that will be constructed in three phases with their respective pipeline shutdowns.			
WS-Treatment	61	93234044 PWTP Residuals Management Project	FY25	2	4	Y	Y	N	N	N	N	Project proposes to replace and/or rehabilitate existing WTP residual management (i.e. wastewater handling and solids production) facilities. Project within the existing footprint of WTP property. Project transitioning into 30% design phase.			
WS-Treatment	61	93084004 Water Treatment Plant Electrical Improvement Project	FY25	2	4	Y	Y	N	N	N	N	Construction phase is proposed to start in FY25. In early FY23, Asset Management Unit submitted a scope change request to add MCC-DP1 and MCC-DP2 to the scope of work of the project. A feasibility and potential consequence study were conducted to determine the adoption of this change into the project. These delays caused the project schedule to start construction in FY 25. The project conducts maintenance on existing infrastructure, enhances electrical system reliability, and increases electrical system back-up power capacity in responses to electrical power shutoff safety events for improved public health and safety.			

FUNDING FILTERS FOR PRIORITIZATION

Watersheds Stream Stewardship Fund (Fund 12)

			Project Categories										
PROGR.	FUND	PROJ NO.	PROJECT NAME	FY to Construction								Notes/Justification	
Results:					Repair/Replace Existing Infrastructure	Public Health and Safety	Shovel Ready (Permits and Land Rights Secured)	Multi-Benefit Project	Multi-Benefit Project: Environmental Justice Benefit	Partially External Funded (Grants and Partnerships)			
YES					NO								
WR-MultiWS	12	20444001	Calabazas/San Tomas Aquino Creek Marsh Connection		4	2	Y	Y	N	Y	N	Y	Multi-benefit project would restore 1800+ acres of tidal marsh and wetlands habitat, provide resilient flood protection, improve water quality at A8 Ponds and Pond A4 (owned by USFWS and VW, respectively), increase public access, and provide benefits to underserved community of Alviso. Project would also reconstruct and realign the failing lower STA Creek flood protection channel and enable improved operation of Pond A4, reducing O&M costs.
FP-Lower Peninsula	12	10394001	Palo Alto Flood Basin Tide Gate Structure Improvements	FY24	4	2	Y	N	Y	Y	N	Y	Multiple Benefits as follows: 1) Continued recreational use of the tide gate structure & SF Bay Trail. 2) Continued fluvial flood protection provided by the tide gate structure. 3) Continued costal flood protection provided by the tide gate structure. 4) Prevent inundation of Palo Alto Flood Basin habitat which would result if existing tide gate structure were to fail. Working on cost share agreement with City of Mountain View and City of Palo Alto.
FP-Lower Peninsula	12	10244001	Permanente Creek, SF Bay to Foothill Expressway	FY23	3	3	Y	N	Y	Y	N	N	Project retrofits the floodwall footings. Project designed to not require environmental permits and right of way is not an issue. Project will allow VW to complete FEMA LOMR application to remove parcels from existing floodplain maps.
FP-Guadalupe	12	30154019	Guadalupe River Tasman Dr - I-880	FY26	2	4	Y	Y	N	N	N	N	This is a repair of an existing flood risk reduction project that has a reduced level of service. This project affects public health and safety because Valley Water has committed to provide one percent annual chance of exceedence flood protection. Failure to do so would threaten safety and health of the public that relies on the protection this project provides.
FP-Uvas/Llagas	12	50284010	Llagas Creek--Lower, Capacity Restoration, Buena Vista Road to Pajaro River	FY25	4	2	Y	Y	N	Y	Y	N	Repair/Replace Existing Infrastructure: Existing infrastructure, such as existing levees, bridge overcrossings, and storm drain outfalls, etc. Public Health and Safety: The portion of completed Project, adjacent to the South County Wastewater Treatment Plant will provide 100-year level of flood protection. Multi-Benefit Project: Flood protection and provides beneficial uses to wildlife while enhancing habitat. Multi-Benefit Project: Environmental Justice Benefit: The Project will benefit south Santa Clara County which includes several disadvantage communities.
FP-Multi	12	62084001	Watersheds Asset Rehabilitation Program (WARP)	ongoing	2	0	Y	Y	N/A	N/A	N/A	N/A	Projects under this Program are maintenance projects to maintain the level of service of the assets. Most of the Projects are implemented within VW's R/W using the Stream Maintenance Program permits. Typically, they are multi-beneficiary such as non-native vegetation removal or concrete removal. Some of the Projects have cost share Agreements with the Cities and other grants.

FUNDING FILTERS FOR PRIORITIZATION

Safe, Clean Water and Natural Flood Protection Program Fund (Fund 26)

			SCHEDULE	Project Categories												
PROGR.	FUND	PROJ NO.	PROJECT NAME	FY to Construction	<div>Repair/Replace Existing Infrastructure</div> <div>Public Health and Safety</div> <div>Shovel Ready (Permits and Land Rights Secured)</div> <div>Multi-Benefit Project</div> <div>Multi-Benefit Project: Environmental Justice Benefit</div> <div>Partially External-Funded (Grants and Partnerships)</div>											Notes/Justification
					Results:											
					YES	NO										
FP-Uvas/Llagas	26	26174055	Llagas Creek--Upper, Corps Coordination (E6b)	N/A, ongoing Phase 2B in FY24	6	0	Y	Y	Y	Y	Y	Y	Repair/Replace Existing Infrastructure: Existing infrastructure, such as existing box culvert & bridge overcrossings, bridge headwalls, etc. Public Health and Safety: The completed Project will provide 100-year level of flood protection. Shovel Ready: Permits have been obtained for all Project Construction Phases: Multi-Benefit Project: Flood protection, reduces erosion resulting in sediment reduction to the Monterey Bay, provides beneficial uses to wildlife while enhancing habitat, supports public open space/recreation opportunities. Multi-Benefit Project: Environmental Justice Benefit: The Project will benefit south Santa Clara County which includes several disadvantage communities. Partially External-Funded: Cost Share Agreements with City of Morgan Hill, NRCS Grant funding pending.			
FP-Lower Peninsula	26	26284002	San Francisquito Creek - Construction, SF Bay to Middlefield Road (E5)	In-channel & TOB FY24, Pope-Chaucer FY25	5	1	Y	Y	N	Y	Y	Y	Project replaces two bridges, retrofits/replaces existing floodwalls, and constructs some new walls. Project will provide flood protection, ecosystem protection/improvement, and recreational benefits to surrounding communities. Project will be funded by federal and state grants, such as FEMA, USACE, CalTrans, and Prop 1 grants.			
FP-Coyote	26	26174043	Coyote Creek, Montague Expressway to Tully Road (E1)	FY24	4	2	N	Y	N	Y	Y	Y	After the 2017 storm and flooding along Coyote Creek, an interim floodwall and berm were constructed in the Rocksprings neighborhood. The Coyote Creek Flood Protection Project will replace the temporary flood measures. There is no existing infrastructure to protect the communities from the expected Anderson Dam outlet flows. Coyote Creek Flood Protection Project provides public health and safety by reducing flood risks along the creek to residences, schools and businesses. The Project also provides protection for the outlet flows of the Stage 2 outlet construction at Anderson Dam. The Project will provide protection to several Disadvantaged Communities in Reaches 6 & 8, and Severely Disadvantage Communities in Reach 8. The Project was part of the NOI for the EPA WIFIA loan and is looking to be submitted as part of the NOI for FEMA's BRIC grant.			
FP-West Valley	26	26074002	Sunnyvale East and West Channels (E2)	FY24	4	2	Y	Y	N	Y	N	Y	Repair/Replace Existing Infrastructure: Existing infrastructure, such as existing box culvert & bridge overcrossings, bridge headwall, etc. Public Health and Safety: The completed Project will provide 100-year level of flood protection. Multi-Benefit Project: Flood protection, reduces erosion resulting in sediment reduction to the SF Bay, supports recreation opportunities. Partially External-Funded: Cost Share Agreements with Google/City of Sunnyvale, and a WIFIA loan pending.			
FP-Guadalupe	26	26154003	Guadalupe Rv--Upper, SPRR-Blossom Hill (Rch 7-12) (E8)	FY26	5	1	Y	Y	N	Y	Y	Y	Several bridges will be replaced; project has benefits for aquatic habitat, added riparian habitat, and recreational improvements for city trails; will reduce flood risk within disadvantaged communities; project will be partially funding by US Army Corps of Engineers.			
FP-Coyote	26	26324001	Upper Penitencia Ck, Coyote Ck-Dorel Dr, Corps (E4)	FY26	4	2	Y	Y	N	Y	Y	N	Waiting for VW Upper Management Direction Regarding Design phase.			
WS-Transmission	26	26764001	IRP2 Additional Line Valves (A3)	FY23-FY27	3	3	Y	Y	Y	N	N	N	Valves to be constructed have been identified as recommended projects under the "Infrastructure Reliability Plan." There are four valves that will be constructed in four phases with their respective pipeline shutdowns. Valve to be constructed on the Snell Pipeline is shovel ready and is scheduled to begin construction in FY23.			
FP-Multi	26	26444002	San Francisco Bay Shoreline - EIAs 1-4	FY26	3	3	N	Y	N	Y	N	Y	Multiple benefits as follows: 1) Coastal flood risk management. 2) Ecosystem restoration. Feasibility study cost share agreement with USACE as lead agency and Valley Water and Coastal Conservancy as non-federal sponsors. Waiting for CORP to give further implemenation guidance			
WR-MultiWS	26	26C40370	SCW Implementation: Fish Passage Improvements (D4)	FY28	1	5	Y	N	N	N	N	N	Use \$6.7M by FY2026 for fish passage improvements (likely to be Moffett Fish Ladder fix)			
WR-Guadalupe	26	26044001	Almaden Lake Improvements (D4.2)	FY25	1	5	N	N	N	Y	N	N	Multiple benefits are: 1) Improve creek water quality and reduce creek water temperatures by removing the artificial connection between Alamilos Creek and the lake. 2) Reduce production of methylmercury, and mercury in target fish in Almaden Lake to meet applicable water quality objectives. 3) Improve anadromous fish passage and riverine habitat. 4) Reduce non-native fish predation.			

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Proposed Adjustments and Modifications to Safe, Clean Water and Natural Flood Protection Program

Summary

Infrastructure construction projects in the renewed Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) are experiencing significant cost increases. Among the projects with a major cost escalation is Project E1: Coyote Creek Flood Protection, with an approximately \$162 million increase. These increased costs are impacting the Safe, Clean Water fund's financial health, resulting in staff's recommendation that the Valley Water Board of Directors provide direction on balancing the overall fund and delivering the voter-approved Safe, Clean Water Program. Furthermore, Valley Water staff has identified the need to modify Project D3: Sediment Reuse to Support Shoreline Restoration due to changed circumstances.

Therefore, staff is recommending modifying projects D3: Sediment Reuse to Support Shoreline Restoration, D4: Fish Habitat and Passage Improvement, D6: Restoration of Natural Creek Functions, E2: Sunnyvale East and Sunnyvale West Channels Flood Protection, and E4: Upper Penitencia Creek Flood Protection.

Background

On November 3, 2020, Santa Clara County voters overwhelmingly approved Measure S, a renewal of Valley Water's Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program). Voters first approved a community-focused program to address our waterways and water supply in 2000 as the Clean, Safe Creeks and Natural Flood Protection Plan, then again in 2012 as the Safe, Clean Water and Natural Flood Protection Program.

The Safe, Clean Water Program addresses the following six community priorities:

Priority A: Ensure a Safe, Reliable Water Supply

Priority B: Reduce Toxins, Hazards, and Contaminants in our Waterways

Priority C: Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters

Priority D: Restore Wildlife Habitat and Provide Open Space

Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways

Priority F: Support Public Health and Public Safety for Our Community

Each of these priorities has specific operational and capital projects, which have key performance indicators (KPIs) to keep them on track in meeting the overall Safe, Clean

Water Program priorities. KPIs are considered the measurement for the delivery of each project and represent Valley Water's commitment to the voters.

To ensure transparency, accountability and fiscal responsibility, the renewed Safe, Clean Water Program will continue to be monitored by an independent monitoring committee (IMC), an external citizen oversight committee. The Safe, Clean Water Program also requires that staff develop 5-year implementation plans, a change control process, and conduct independent audits every five years.

As changes may be required throughout the implementation of the Safe, Clean Water Program, staff has developed a change control process, which outlines the differences between adjustments and modifications to the Program and identifies the different processes for implementing both. In summary, "adjustments" are project changes that do not impact KPIs, such as updates to text, financial allocation or schedule, and can be approved by the Valley Water Board during a public board meeting. Any changes to KPIs are considered "modifications." Modifications to KPIs or decisions to not implement a project require a public hearing, which must be publicly noticed.

Proposed Adjustments and Modifications to the Program

Project D3: Sediment Reuse to Support Shoreline Restoration

The Sediment Reuse to Support Shoreline Restoration project under the renewed Safe, Clean Water Program is a countywide project. This project has continued from the 2012 Safe, Clean Water and Natural Program (2012 Program) but with an expanded scope.

Under the 2012 Program, the project purpose was to "reuse local sediment from streams flowing into San Francisco Bay to create and rehabilitate habitat in the South Bay Salt Ponds Restoration." Titled "D8: South Bay Salt Ponds Restoration Partnership," the project description stated that "In partnership with the U.S. Fish and Wildlife Services (FWS), clean sediment is applied to appropriate locations to improve the success of the South Bay Salt Ponds Restoration effort." The Project KPI included "Establish agreement with FWS to reuse sediment at locations to improve the success of Salt Pond restoration activities."

Under the renewed Safe, Clean Water Program that voters approved in 2020, the project's purpose and scope are expanded in terms of sediment source and its use. Regarding the sediment source, the current project description states, "reuse local sediment through Valley Water's Stream Maintenance Program, capital projects and other local sources to create and restore tidal marsh habitat." Regarding usage, the project description states that "Sediment may be reused to support the South Bay Salt Pond Restoration project or other environmental enhancement and restoration projects."

As in the years past, in FY2021-22 under the renewed Safe, Clean Water Program, Valley Water delivered sediment for Pond A8 at Alviso for South Bay Salt Pond Restoration. This was done under the current agreement with USFWS, which remains in effect until December 2023.

However, Valley Water has paused delivering sediment to Pond A8 following USFWS direction in July 2022 that it needs to renew permits, which could take approximately two years. Meanwhile, the expansion in the use of sediment to projects beyond the South Bay Salt Pond Restoration Project under the renewed Safe, Clean Water Program creates new opportunities for the sediment to be reused for Valley Water environmental enhancement and restoration projects not requiring a partnership agreement.

In the coming years, sediment may be used for enhancement and restoration projects, such as at Pond A4, Ogier Ponds, or similar projects. However, sediment reuse at these projects would require conducting CEQA analysis and compliance, and determining the Quality Assurance Test Procedure, which would take some years. Once CEQA is completed, Valley Water could continue the reuse of sediment placement for restoration.

Therefore, to better align the renewed Safe, Clean Water Program with these changing conditions, staff is recommending a modification to KPI #1, along with text adjustments to the project name and benefits, to accurately capture the current project purpose of supporting restoration projects beyond Shoreline Restoration efforts.

Proposed Text Adjustments:

Section: Project name
SEDIMENT REUSE TO SUPPORT ~~SHORELINE~~ RESTORATION
PROJECTS

Section: Description

This project reuses local sediment removed through Valley Water's Stream Maintenance Program, capital projects and other local sources to create and restore tidal marsh, riparian, or wetland habitats. Sediment may be reused to support the South Bay Salt Pond Restoration project or other environmental enhancement and restoration projects. Valley Water removes sediment from streams to maintain their capacity to carry floodwaters. To secure environmentally appropriate reuse sites, partnership agreements may be required. ~~this project continues the existing partnership with the U.S. Fish and Wildlife Service (FWS) and explores partnerships with others.~~ This project also funds site improvements necessary to facilitate sediment delivery to the reuse sites.

Beneficial reuse of sediment has become a key component in tidal marsh, riparian or wetland restoration around the Bay bay and throughout the county. As sea levels rise, natural sedimentation and vegetation rates cannot keep up and tidal zones are in danger of being submerged, erasing environmental gains from restoration work. By delivering clean sediment from local creeks that would have naturally flowed into the San Francisco or Monterey Bays, this project accelerates natural marsh-building processes and helps to keep up with sea-level rise. Activities necessary for sediment

reuse may include testing, transport, cover material, and site improvements required for access.

Section: Benefits

- Accelerates progress of important tidal wetland restoration projects, **including tidal marsh, wetland, and riparian habitat**
- Reduces disposal costs for sediment that has been removed from local channels
- Reduces disposal of clean fill into local landfills
- Addresses climate change

Proposed modification to the KPI:

KPI #1: ~~Maintain partnership agreements to reuse sediment to improve the success of salt pond and tidal marsh restoration projects and activities.~~ **Reuse sediment meeting applicable screening criteria at available Valley Water or partnership project sites to support restoration.**

Project D4: Fish Habitat and Passage Improvement

This project helps restore and maintain healthy fish populations, especially steelhead, by improving fish passage and habitat. Sites may include Alamitos Creek at Almaden Lake and County of Santa Clara-owned Ogier Ponds, where humanmade creek alterations disrupt fish migration. Project D4, which includes coordinating and partnering with other external parties, incorporates studies of streams throughout the county to determine what and where habitat improvements will most benefit steelhead. These studies can be used by regional partners to implement complementary habitat enhancements.

The Project has five (KPIs) including KPI #1 to “Complete planning and design for one (1) creek/lake separation” and KPI #2 to “Construct one (1) creek/lake separation project in partnership with local agencies.”

The KPIs do not identify specific projects. Pursuant to the renewed Safe, Clean Water Program, Valley Water continues to proceed with planning and design to separate the Ogier Ponds complex from Coyote Creek and deliver KPI #1. This effort was initiated under the 2012 Program.

In 2021, the Board chose the Almaden Lake Improvement Project, which would separate Alamitos Creek from Almaden Lake and return it to naturally flow into the Guadalupe River, to be constructed under KPI #2. However, since then, the Almaden Lake Improvement Project construction cost estimates have nearly tripled, making project construction unfeasible.

Meanwhile, Ogier Ponds are now part of the Anderson Dam Seismic Retrofit Project (ADSRP) as a mitigation measure to help offset some of the project impacts. Therefore,

staff is recommending that the Board select the Ogier Ponds project to be constructed under KPI #2, while the Almaden Lake Improvement Project would continue planning and design to deliver KPI #1. Since as part of ADSRP Ogier Ponds project construction is funded by more sources than the Safe, Clean Water Fund (Fund 26), staff is recommending that the Board modify KPI #2 to partially fund the construction of a creek/lake separation project.

Proposed modification to the KPI:

KPI #2: **Partially fund the construction of** Construct one (1) creek/lake separation project in partnership with local agencies.

Project D6: Restoration of Natural Creek Functions

This project is to develop, compile and use local hydrologic and geomorphic data to identify, design and construct projects to restore and improve natural functions and stability of stream channels. Geomorphically appropriate channels will be more resilient to damage from more intense rainfall patterns caused by climate change.

The project has three KPIs, requiring Valley Water to construct three geomorphic-designed projects. Valley Water is on track to complete the construction of two projects, Hale Creek Enhancement Pilot Project and Bolsa Road Fish Passage Project, in Fiscal Year 2024. However, Valley Water is yet to identify the third project required under KPI #3.

As result of construction cost escalations, staff is recommending not implementing KPI #3 and reallocating the placeholder project funding to the Program's Operating and Capital (Fund 26 Reserves), thus supporting the fund's financial health.

Proposed modification (NOT IMPLEMENT KPI - KPI #3):

NOT IMPLEMENT KPI #3: Identify, plan, design, and construct a third geomorphic-designed project to restore stability and stream function by preventing incision and promoting sediment balance throughout the watershed.

Project E2: Sunnyvale East and Sunnyvale West Channels Flood Protection

This project is to upgrade approximately 6.4 miles of the existing Sunnyvale East Channel to provide 1% flood protection (100-year event) to 1,618 parcels and approximately three (3) miles of the existing West Channel to provide 1% flood protection for 47 acres of highly valuable industrial lands, including the Onizuka Air Force Base. This project has only one KPI:

1. Provide 1% (100-year) flood protection for 1,618 properties and 47 acres (11 parcels) of industrial land, while improving stream water quality and working with other agencies to incorporate recreational opportunities.

This project is solely locally funded and under the current schedule, construction is planned to begin in FY24 and be completed in FY26.

As result of construction cost escalations, staff is recommending modifying the project funding allocation to construct Sunnyvale West Channel, putting Sunnyvale East Channel construction on hold, and reallocating Sunnyvale East Channel construction-related planned expenditures to the Fund 26 Reserves. This modification will support the fund's financial health. However, it will impact Valley Water's ability to construct the project and deliver the KPI, thus triggering the requirement for a public hearing per the Program's Change Control Process. Should additional funding become available within the Fund 26 Reserves or through partnership and/or grant funding, the Board may reallocate the construction funding to the project through a direction provided during a regular board meeting.

Proposed modification to project funding:

Project E2: Sunnyvale East and Sunnyvale West Channels Flood Protection Financial Summary (\$ Thousand)		
15-Year Allocation	Total Budget Expended (FY22)	Modified 15-Year Allocation
\$49,268	\$1,290	\$23,075

Project E4: Upper Penitencia Creek Flood Protection

This project continues a partnership with the U.S. Army Corps of Engineers (USACE), to plan, design and construct improvements along 4.2 miles of Upper Penitencia Creek from the confluence with Coyote Creek to Dorel Drive. Part of the project will protect the area around the Bay Area Rapid Transit's (BART) Berryessa station near King Road, which would otherwise be subject to flooding. In addition to providing flood protection, this multi-objective project will provide ecological restoration and recreation benefits while preserving the water supply. The project has two (2) KPIs:

1. Preferred project with federal and local funding: Construct a flood protection project to provide 1% (100-year) flood protection to 8,000 parcels.
2. With local funding only: Construct a 1% (100-year) flood protection project from Coyote Creek confluence to Capital Avenue to provide 1% (100-year) flood protection to 1,250 parcels, including the new Berryessa BART station.

As of FY22, there was no federal funding from USACE for the project and Valley Water focused on the local funding only KPI. Valley Water completed the Planning Study in FY22, and Design is scheduled to begin in FY23.

As result of construction cost escalations, staff is recommending modifying the project funding allocation to reallocate construction-related planned expenditures to the Fund 26 Reserves. This will support the fund's health. However, it will impact Valley Water's ability to construct the project and deliver the KPIs. Should additional funding become

available within the Fund 26 Reserves or through partnership and/or grant funding, the Board may reallocate the construction funding to the project through a direction provided during a regular board meeting.

E4: Upper Penitencia Creek Flood Protection Project Financial Summary (\$ Thousand)		
15-Year Allocation	Total Budget Expended (FY22)	Modified 15-Year Allocation
\$23,592	\$679	\$1,534

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 20-64

**PROVIDING FOR THE CONTINUATION AND LEVY OF A SPECIAL TAX TO PAY
THE COST OF THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION
PROGRAM IN THE COMBINED FLOOD CONTROL ZONE OF THE SANTA CLARA VALLEY
WATER DISTRICT SUBJECT, NEVERTHELESS, TO SPECIFIED LIMITS AND CONDITIONS**

WHEREAS, the Santa Clara Valley Water District (Valley Water) policy is to ensure current and future water supplies and provide healthy, clean, and reliable water in Santa Clara County; and

WHEREAS, Valley Water policy is to protect Santa Clara County creeks, reservoirs, Monterey Bay, and San Francisco Bay from toxins, pollutants, and contaminants; and

WHEREAS, Valley Water policy is to provide for flood water and storm water flood protection to residents, businesses, visitors, public highways, and the watercourses flowing within the District; and

WHEREAS, Valley Water policy is to protect our water supply, pipelines, and local dams from earthquakes and natural disasters; and

WHEREAS, Valley Water maintains a flood protection system of levees, channels, drains, detention basins, and other improvements upon which the lives and property of Valley Water residents depend, which said improvements must be kept in a safe and effective condition; and

WHEREAS, the Valley Water policy is to protect, enhance, and restore healthy Santa Clara County creeks, watersheds, and bay lands ecosystems; and

WHEREAS, in 2000, voters passed the 15-year Clean, Safe Creeks and Natural Flood Protection Plan; and

WHEREAS, the Valley Water policy is to engage in partnerships with the community to provide open spaces, trails, and parks along Santa Clara County creeks and watersheds; and

WHEREAS, in November 2012, voters passed the Safe, Clean Water and Natural Flood Protection Program which replaced the Clean, Safe Creeks and Natural Flood Protection Plan in its entirety when it became effective on July 1, 2013; and

WHEREAS, the Safe, Clean Water and Natural Flood Protection Program was originally scheduled to sunset on June 30, 2028; and

WHEREAS, in order to protect Santa Clara County water supplies, creeks, watersheds, and bay lands and ensure residents have an ample supply of clean water in the future, Valley Water will need a dedicated source of revenue in the future and beyond 2028 to maintain the programs established in the Safe, Clean Water and Natural Flood Protection Program; and

WHEREAS, the California State Legislature has authorized Valley Water to levy a special tax on each parcel of property within Valley Water or any zone or zones thereof upon approval by a two-thirds vote of the electorate of Valley Water or zones therein; and

Providing for the Continuation and Levy of a Special Tax to Pay the Cost of the Safe, Clean Water and Natural Flood Protection Program in the Combined Flood Control Zone of the Santa Clara Valley Water District Subject, Nevertheless, to Specified Limits and Conditions

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WHEREAS, the purpose of the special tax is to supplement other available but limited revenues to keep said improvements in a safe and effective condition; to enable Valley Water to respond to emergencies; to perform maintenance and repair; to acquire, restore, and preserve habitat; to provide opportunities and access to recreation; to conduct environmental education; to protect and improve water quality; and to construct, operate, and maintain flood protection and storm drainage facilities; to support public health and public safety through efforts authorized by the District Act; and to fund the cost of financing such activities; and

WHEREAS, State California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4), states that government funding mechanisms are not projects subject to the requirements of CEQA.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Santa Clara Valley Water District as follows:

FIRST: The Board hereby finds that since (a) the management of creeks, watersheds, and bay lands are necessary to ensure safe, clean water and to protect, enhance and restore healthy ecosystems, (b) the construction and management of flood protection services are made necessary by stormwater runoff, and (c) the lands from which runoff derives are benefitted by provision of means of disposition which alleviates or ends the damage to other lands affected thereby, by direct protection of loss of property, and other indirect means which include improved aesthetics and quality of life, the basis on which to levy the special tax is at fixed and uniform rates per area and county or city designated land use of each parcel, taxed as such parcel is shown on the latest tax rolls.

SECOND: Pursuant to the authority of Section 3 of the District Act, a Combined Zone consisting of the aggregate metes and bounds descriptions of Zones One, Two, Three, Four, and Five is presently existing as generally depicted in Attachment 1.

THIRD: A special Valley Water Election for November 3, 2020 will be called within said District, on the proposition of levy of a special tax.

FOURTH: Subject to approval by two-thirds of the electors of Valley Water voting at such election and pursuant to the authority vested in the Board, there is hereby established a special tax as authorized by this resolution, the proceeds of which shall be used solely for the purpose of supporting the priorities of the Safe, Clean Water and Natural Flood Protection Program. The priorities are summarized in Attachment 2. The Safe, Clean Water and Natural Flood Protection Program Report (hereafter "Report") generally describes the priorities. This tax shall be instituted with the following provisions:

- A. The Chief Executive Officer (CEO) or designee of Valley Water is directed to cause a written Report to be prepared for each fiscal year for which a special tax is to be levied and to file and record the same, all as required by governing law. Said Report shall include the proposed special tax rates for the upcoming fiscal year at any rate up to the maximum rate approved by the voters. Valley Water's Board of Directors shall consider formal acceptance of this Report at a public meeting and shall thereafter make a final determination of special taxes with a confirming resolution. A special fund shall be established into which proceeds from the tax shall be deposited. Proceeds from the tax may be used only for the Safe, Clean Water and Natural Flood Protection Program.

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- B. The CEO, or designee of Valley Water may cause the special tax to be corrected in the same manner as assessor's or assessee's errors may be corrected but based only upon any or all of the following:
1. Changes or corrections in ownership of a parcel;
 2. Changes or corrections of address of an owner of a parcel;
 3. Subdivision of an existing parcel;
 4. Changes or corrections in the use of all or part of a parcel;
 5. Changes or corrections in the computation of the area of a parcel;
 6. As to railroad, gas, water, telephone, cable television, electric utility right of way, electric line right of way, or other utility right of way properties.

Changes and corrections are not valid unless and until approved by the Board.

- C. The Clerk of the Board shall immediately file certified copies of the final determination of special taxes and confirming resolution with the Auditor-Controller of the County of Santa Clara and shall immediately record with the County Recorder of said County a certified copy of the resolution confirming the special tax.
- D. The special tax for each parcel set forth in the final determination by the Board shall appear as a separate item on the tax bill and shall be levied and collected at the same time and in the same manner as the general tax levy for county purposes. Upon recording of the resolution confirming the special tax such special tax shall be a lien upon the real property affected thereby.
- E. Failure to meet the time limits set forth in this resolution for whatever reason shall not invalidate any special tax levied hereunder.
- F. No special tax for the Safe, Clean Water and Natural Flood Protection Program shall be imposed upon a federal or state or local governmental agency. Where real property owned by a federal, state, or local agency is leased to a private person or private entity, the private interest so created shall be separately assessed as a possessory interest and the special tax for the Safe, Clean Water and Natural Flood Protection Program shall be levied on all holders of such possessory interests. With said exceptions, a Safe, Clean Water and Natural Flood Protection Program special tax is levied on each parcel of real property in the five Flood Control Zones of Valley Water subject to this resolution for the purposes stated in the Report and in this resolution. Except for the minimum special tax as hereinafter indicated, the special tax for each parcel of real property in each such zone is computed by determining its area (in acres or fractions thereof) and land use category (as hereinafter defined) and then multiplying the area by the special tax rate applicable to land in such land use category. A minimum special tax may be levied on each parcel of real property having a land area up to 0.25 acre for Groups A, B, and C, up to 10 acres for Groups D and E Urban and, for Group E Rural, the minimum special tax shall be that as calculated for the E Urban category.

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G. Land use categories for each parcel of land in Valley Water are defined and established as follows:

Group A: Land used for commercial or industrial purposes.

Group B: Land used for institutional purposes such as churches and schools or multiple dwellings in excess of four units, including apartment complexes, mobile home parks, recreational vehicle parks, condominiums, and townhouses.

Group C: (1) Land used for single-family residences and multiple-family units up to four units and (2) the first 0.25 acre of a parcel of land used for single-family residential purposes.

Group D: (1) Disturbed agricultural land, including irrigated land, orchards, dairies, field crops, golf courses, and similar uses and (2) the portion of the land, if any, in excess of 0.25 acre of a parcel used for single-family residential purposes.

Group E: Vacant undisturbed land (1) in urban areas and (2) in rural areas including dry farmed land, grazing and pasture land, forest and brush land, salt ponds, and small parcels used exclusively as well sites for commercial purposes.

Group F: Parcels used exclusively as well sites for residential uses are exempt from the special tax.

H. The special tax amounts applicable to parcels in the various land uses shall be as prescribed by the Board of Directors in each fiscal year (July 1 through June 30) beginning with fiscal year 2021-2022 as set forth in Attachment 3, which is incorporated herein by reference, and as required by law; provided, that the annual basic special tax unit (single-family residential parcel of 1/4 acre or less) shall not exceed a maximum limit of \$67.67 annually (averaging \$0.006 per square foot annually), as adjusted by the compounded percentage increases of the San Francisco-Oakland-San Jose Consumer Price Index (CPI-U) for all Urban Consumers (or an equivalent index published by a government agency) in the year or years after April 30, 2021; provided, however, that appropriate amounts may be increased in any year by up to the percentage increase of the San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers in the preceding year or two percent (2%) whichever is greater; provided further, however, that in any period, not exceeding three years, immediately following a year in which the Governor of the State of California or the President of the United States has declared an area of said zones to be a disaster area by reason of flooding or other natural disaster, then to the extent of the cost of repair of Valley Water facilities damaged by such flooding or other natural disaster, the maximum tax rate shall be the percentage increase in CPI-U plus 4.5 percent; and provided, that special taxes for the Safe, Clean Water and Natural Flood Protection Program shall be levied annually until ended by voters.

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- I. In the event that the county or city designated land use for a parcel is different than the actual land use, the CEO of Valley Water may, pursuant to written policies and procedures, cause the special tax to be adjusted based upon any or all of the following:
1. The parcel owner shall provide Valley Water a claim letter stating that the present actual land use is different than the county or city designated land use, including an estimate of the portion of the parcel that is different than the designated land use. Such claim is subject to investigation by Valley Water as to the accuracy of the claim. Parcel owner shall furnish information deemed necessary by Valley Water to confirm the actual uses and areas in question which may include, but not be limited to, a survey by a licensed surveyor.
 2. The parcel owner shall request Valley Water to inspect the parcel and reevaluate the parcel tax.
 3. The parcel owner shall notify Valley Water after a substantial change in the actual land use occurs, including a new estimate of the portion of the parcel that is different than the designated land use.
 4. Valley Water may inspect and verify the actual land use for these parcels on a regular basis and will notify the appropriate parcel owners when it is determined that the actual land use has matched a county or city designated land use. Valley Water shall then correct the special tax rates for these parcels accordingly.
- J. Pursuant to state law, Valley Water may provide an exemption from the special tax for low income owner-occupied residential properties for taxpayer-owners who are 65 years of age or older, the following shall apply:
- Residential parcels where the total annual household income does not exceed 75 percent of the latest available figure for state median income at the time the annual tax is set, and such parcel is owned and occupied by at least one person who is aged 65 years or older is qualified to apply for an exemption from the applicable special tax.
- K. The Safe, Clean Water and Natural Flood Protection Program shall follow 15-year financial planning cycles. This will allow Valley Water to align its budget each year with the projects' key performance indicators as well as long-term financial planning efforts, such as the Capital Improvement Program. Prior to the development of each 15-year financial plan, Valley Water will conduct outreach to engage the community and key stakeholders, including the Safe, Clean Water and Natural Flood Protection Program's independent monitoring committee (IMC) and Valley Water advisory committees, to help ensure that the Safe, Clean Water and Natural Flood Protection Program's priorities remain aligned with the priorities of the residents of Santa Clara County.
- L. After a period of no longer than fifteen (15) years, the Board of Directors shall evaluate the need for the Safe, Clean Water and Natural Flood Protection Program, and make an affirmative determination of whether the special tax should be reduced or repealed, or is needed to build additional Projects to achieve related programmatic benefits in accordance with the priorities of the Safe, Clean Water and Natural Flood Protection Program. Should the Board of Directors determine that no additional Projects are needed, the Safe, Clean Water and Natural Flood Protection Program special tax will be

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- reduced accordingly, to reflect a transition from funding new Projects to funding operation, maintenance and replacement of Projects that were constructed with Safe, Clean Water and Natural Flood Protection Program funds. This evaluation process shall include the Valley Water advisory committees and the Program's IMC, which will be charged with making recommendations to the Board of Directors on the determination of whether the special tax should be reduced, repealed, or maintained. Following the first fifteen-year determination of continued need for the special tax, the determination shall be made every fifteen (15) years thereafter.
- M. As projects under the Program are completed, the Board of Directors shall identify and prioritize new projects for inclusion in the Program. These new projects may be identified and proposed for Board approval at a public meeting through the Board's review and approval of the Program's five-year implementation plans, the first of which will be produced by the CEO or designee of Valley Water in year one of the Program and every five years thereafter; or, as directed by the Board.
- N. The Board of Directors may direct that proposed projects in the Safe, Clean Water and Natural Flood Protection Program be modified or not implemented depending upon a number of factors, including federal and state funding limitations and the analysis and results of CEQA environmental review and permitting by state and federal regulatory agencies. The Board of Directors must hold a formal, public hearing on the matter, which will be noticed by publication and notification to interested parties, before adoption of any such decision to modify or not implement a project.
- O. The Chief Financial Officer or designee of Valley Water shall file a fiscal year report with the Board of Directors no later than January 1 of each year for the prior fiscal year. The annual report shall contain both of the following: (a) the amount of funds collected and expended; and (b) the status of any project required or authorized to be funded under this resolution.
- P. An external, independent monitoring committee (IMC) shall be appointed by the Valley Water Board of Directors to conduct an annual review of Valley Water's fiscal year report and provide an annual report from the IMC to the Board of Directors regarding implementation of the intended results of the Program. The IMC shall also review each proposed five-year implementation plan prior to its submittal for Board approval. Through review of both the annual reports and five-year implementation plans, the IMC may make recommendations to the Valley Water Board of Directors regarding reasonably necessary measures to meet the priorities of the Safe, Clean Water and Natural Flood Protection Program. Every fifteen years, the IMC will review, and recommend to the Board and general public, whether the special tax should be reduced or repealed, or is needed to build additional Projects to achieve related programmatic benefits in accordance with the priorities of the Safe, Clean Water and Natural Flood Protection Program as described in Paragraph L of this resolution.
- Q. While the Safe, Clean Water and Natural Flood Protection Program is in effect, the Board of Directors shall conduct independent professional audits of the Program to provide for accountability and transparency at least every five years.
- R. Grants and partnerships offered through the Safe, Clean Water and Natural Flood Protection Program, where aligned with the District Act and permitted by law, may

Providing for the Continuation and Levy of a Special Tax to Pay the Cost of the Safe, Clean Water and Natural Flood Protection Program in the Combined Flood Control Zone of the Santa Clara Valley Water District Subject, Nevertheless, to Specified Limits and Conditions

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extend to state and local governmental organizations; organized community groups with an established structure; nonprofit organizations as defined by Internal Revenue Code subsections (c) or (d); schools, community colleges, or universities (public or nonprofit; non-profit organizations as defined under Internal Revenue Code section 501(c); religious or apostolic associations as defined under Internal Revenue Code section 501(d); for-profit organizations; and persons.

- S. Pursuant to the State California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4), adoption of this resolution for continuation of the parcel tax and as a government funding mechanism, is not a project subject to the requirements of CEQA. Prior to commencement of any project included in the Safe, Clean Water and Natural Flood Protection Program, any necessary environmental review required by CEQA shall be completed.
- T. Upon entering into effect, the Safe, Clean Water and Natural Flood Protection Program parcel tax authorized by this resolution and placed on the ballot by RESOLUTION NO. 20-63, shall repeal and replace the Safe, Clean Water and Natural Flood Protection Program parcel tax approved by the voters in 2012. On the date that the parcel tax authorized by this resolution and RESOLUTION NO. 20-63 goes into effect, the updated Safe, Clean Water and Natural Flood Protection Program (the priorities of which are summarized in Attachment 2) will replace in its entirety the previously approved Safe, Clean Water and Natural Flood Protection Program. Any tax payments already made by voters and collected for use by Valley Water for the prior Safe, Clean Water and Natural Flood Protection Program will be used to achieve priorities identified in this updated Safe, Clean Water and Natural Flood Protection Program. Funding for capital projects currently identified in the prior Safe, Clean Water and Natural Flood Protection Program, will continue under this updated Safe, Clean Water and Natural Flood Protection Program to meet previous commitments. All other projects and programs identified in the prior Safe, Clean Water and Natural Flood Protection Program will be replaced by comparable projects or programs with similar or expanded obligations under the updated Safe, Clean Water and Natural Flood Protection Program. Commitments for incomplete non-capital projects or programs carried forward from the 2012 Safe, Clean Water and Natural Flood Protection Program, shall continue at no less than the current levels (funding or key performance indicators) as identified in the comparable replacement projects or programs under the updated Safe, Clean Water and Natural Flood Protection Program, until such time as they are completed. Changes to funding levels or key performance indicators may only be made by the Board as set forth under Paragraphs K and L or through Board decisions via a Board-approved Change Control Process.

Resolution

APPENDIX D

Providing for the Continuation and Levy of a Special Tax to Pay the Cost of the Safe, Clean Water and Natural Flood Protection Program in the Combined Flood Control Zone of the Santa Clara Valley Water District Subject, Nevertheless, to Specified Limits and Conditions
Resolution No. 20-64

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on July 21, 2020:

AYES:	Directors	Santos, Estremera, Keegan, Kremen, LeZotte, Varela, Hsueh
NOES:	Directors	None.
ABSENT:	Directors	None.
ABSTAIN:	Directors	None.

SANTA CLARA VALLEY WATER DISTRICT



NAI HSUEH
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC



Clerk, Board of Directors

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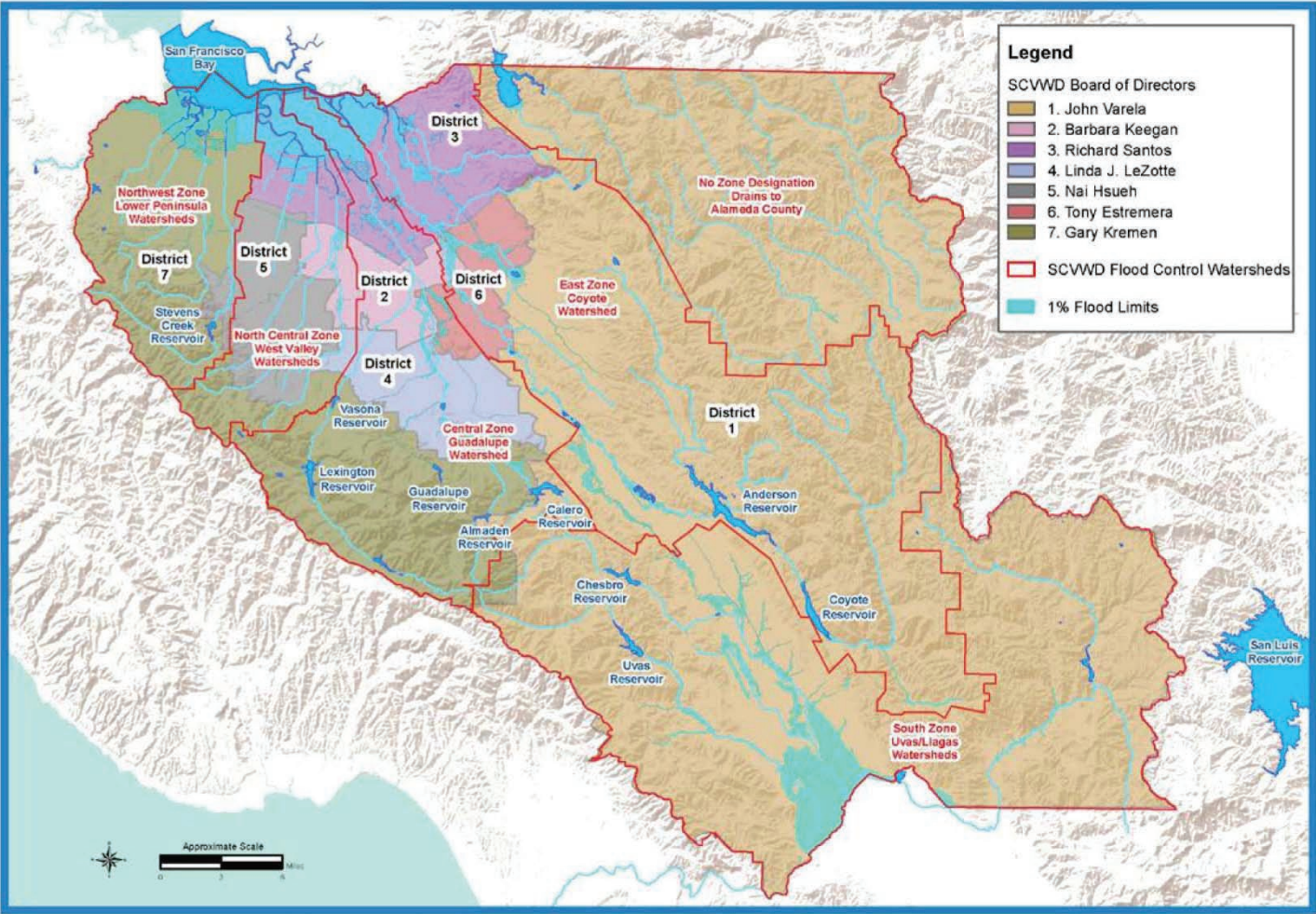
ATTACHMENT 1 COVERSHEET

SCVWD FLOOD CONTROL ZONES AND BOARD DISTRICTS IN SANTA CLARA COUNTY

No. of Pages: 1

Additional Items: None.

SCVWD Flood Control Zones and Board Districts in Santa Clara County



GIS themes are for illustration and general analysis purposes only and are not accurate to surveying or engineering standards. Information is not guaranteed to be accurate, current, or complete and use of this information is your responsibility.

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Providing for the Continuation and Levy of a Special Tax to Pay the Cost of the Safe, Clean Water and Natural Flood Protection Program in the Combined Flood Control Zone of the Santa Clara Valley Water District Subject, Nevertheless, to Specified Limits and Conditions

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ATTACHMENT 2 COVERSHEET

SUMMARY OF KEY PERFORMANCE INDICATORS FOR THE FIRST 15 YEARS OF PROGRAM

No. of Pages: 5

Additional Items: None.

Summary of Key Performance Indicators for the First 15 Years of Program

Project	Key Performance Indicator
Priority A: Ensure a Safe, Reliable Water Supply	
A1 Pacheco Reservoir Expansion	1. Provide a portion of funds, up to \$10 million, to help construct the Pacheco Reservoir Expansion Project.
A2 Water Conservation Rebates and Programs	1. Award up to \$1 million per year toward specified water conservation program activities, including rebates, technical assistance and public education within the first seven (7) years of the Program.
A3 Pipeline Reliability	1. Install four (4) new line valves on treated water distribution pipelines.

Project	Key Performance Indicator
Priority B: Reduce Toxins, Hazards, and Contaminants in Our Waterways	
B1 Impaired Water Bodies Improvement	<ol style="list-style-type: none"> 1. Investigate, develop and implement actions to reduce methylmercury in fish and other organisms in the Guadalupe River Watershed. 2. Prepare and update a plan for the prioritization of surface water quality improvement activities, such as addressing trash and other pollutants. 3. Implement at least two (2) priority surface water quality improvement activities identified in the plan per 5-year implementation period.
B2 Inter-Agency Urban Runoff Program	<ol style="list-style-type: none"> 1. Address trash in creeks by maintaining trash capture devices or other litter control programs. 2. Maintain Valley Water's municipal stormwater compliance program and partner with cities to address surface water quality improvements, including participation in at least three (3) countywide, regional or statewide stormwater program committees to help guide regulatory development, compliance, and monitoring. 3. Support at least one (1) stormwater quality improvement activity per 5-year implementation period in Santa Clara County, including providing up to \$1.5 million over 15 years to support implementation of green stormwater infrastructure consistent with Santa Clara Basin and South County Stormwater Resource Plans.
B3 Hazardous Materials Management and Response	<ol style="list-style-type: none"> 1. Respond to 100% of hazardous materials reports requiring urgent on-site inspection in two (2) hours or less.
B4 Support Volunteer Cleanup Efforts	<ol style="list-style-type: none"> 1. Fund Valley Water's creek stewardship program to support volunteer cleanup activities such as annual National River Cleanup Day, California Coastal Cleanup Day, the Great American Litter Pick Up; and the Adopt-A-Creek Program.

Project	Key Performance Indicator
Priority C: Protect Our Water Supply and Dams from Earthquakes and Other Natural Disasters	
C1 Anderson Dam Seismic Retrofit	1. Provide portion of funds, up to \$54.1 million, to help restore full operating reservoir capacity of 90,373 acre-feet.

Project	Key Performance Indicator
Priority D: Restore Wildlife Habitat and Provide Open Space	
D1 Management of Riparian Planting and Invasive Plant Removal	<ol style="list-style-type: none"> 1. Maintain a minimum of 300 acres of riparian planting projects annually to meet regulatory requirements and conditions. 2. Maintain a minimum of 200 acres of invasive plant management projects annually to meet regulatory requirements and conditions. 3. Remove 25 acres of <i>Arundo donax</i> throughout the county over a 15-year period.
D2 Revitalize Riparian, Upland and Wetland Habitat	<ol style="list-style-type: none"> 1. Revitalize at least 21 acres over a 15-year period through native plant revegetation and/or removal of invasive exotic species. 2. Develop an Early Detection and Rapid Response Program Manual. 3. Identify and treat at least 100 occurrences of emergent invasive species over a 15-year period, as identified through the Early Detection and Rapid Response Program. 4. Develop at least eight (8) information sheets for Early Detection of Invasive Plant Species.
D3 Sediment Reuse to Support Shoreline Restoration	<ol style="list-style-type: none"> 1. Maintain partnership agreements to reuse sediment to improve the success of salt pond and tidal marsh restoration projects and activities. 2. Provide up to \$4 million per 15-year period to support activities necessary for sediment reuse.
D4 Fish Habitat and Passage Improvement	<ol style="list-style-type: none"> 1. Complete planning and design for one (1) creek/lake separation. 2. Construct one (1) creek/lake separation project in partnership with local agencies. 3. Use \$8 million for fish passage improvements by June 30, 2028. 4. Update study of all major steelhead streams in the county to identify priority locations for fish migration barrier removal and installation of large woody debris and gravel as appropriate. 5. Complete five (5) habitat enhancement projects based on studies that identify high priority locations for large wood, boulders, gravel, and/or other habitat enhancement features.
D5 Ecological Data Collection and Analysis	<ol style="list-style-type: none"> 1. Reassess and track stream ecological conditions and habitats in each of the county's five (5) watersheds every 15 years. 2. Provide up to \$500,000 per 15-year period toward the development and updates of five (5) watershed plans that include identifying priority habitat enhancement opportunities in Santa Clara County.
D6 Restoration of Natural Creek Functions	<ol style="list-style-type: none"> 1. Construct the Hale Creek Enhancement Pilot Project, which includes restoration and stabilization of a 650-foot section of concrete-lined channel on Hale Creek, between Marilyn Drive and North Sunshine Drive on the border of Mountain View and Los Altos. 2. Construct the Bolsa Road Fish Passage Project along 1,700 linear feet of Uvas-Carnadero Creek in unincorporated Santa Clara County, which includes geomorphic design features that will restore stability and stream function. 3. Identify, plan, design, and construct a third geomorphic-designed project to restore stability and stream function by preventing incision and promoting sediment balance throughout the watershed.

Priority D: Restore Wildlife Habitat and Provide Open Space cont...	
D7 Partnerships for the Conservation of Habitat Lands	1. Provide up to \$8 million per 15-year period for the acquisition or enhancement of property for the conservation of habitat lands.

Project	Key Performance Indicator
Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways	
E1 Coyote Creek Flood Protection, Montague Expressway to Tully Road – San Jose	1. Construct flood protection improvements along Coyote Creek between Montague Expressway and Tully Road to provide protection from floods up to the level that occurred on February 21, 2017, approximately a 5% (20-year) flood event.
E2 Sunnyvale East and Sunnyvale West Channels Flood Protection, San Francisco Bay to Inverness Way and Almanor Avenue – Sunnyvale	1. Provide 1% (100-year) flood protection for 1,618 properties and 47 acres (11 parcels) of industrial land, while improving stream water quality and working with other agencies to incorporate recreational opportunities.
E3 Lower Berryessa Flood Protection, including Tularcitos and Upper Calera Creeks (Phase 3) – Milpitas	1. With local funding only: Complete the design phase of the 1% (100-year) flood protection project to protect an estimated 1,420 parcels.
E4 Upper Penitencia Creek Flood Protection, Coyote Creek to Dorel Drive – San Jose	1. Preferred project with federal and local funding: Construct a flood protection project to provide 1% (100-year) flood protection to 8,000 parcels. 2. With local funding only: Construct a 1% (100-year) flood protection project from Coyote Creek confluence to Capital Avenue to provide 1% (100-year) flood protection to 1,250 parcels, including the new Berryessa BART station.
E5 San Francisquito Creek Flood Protection, San Francisco Bay to Upstream of Highway 101 – Palo Alto	1. Preferred project with federal, state and local funding: Protect more than 3,000 parcels by providing 1% (100-year) flood protection. 2. With state and local funding only: Protect approximately 3,000 parcels by providing 1% (100-year) flood protection downstream of Highway 101, and approximately 1.4% (70-year) protection upstream of Highway 101.

Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways cont...	
E6 Upper Llagas Creek Flood Protection, Buena Vista Avenue to Llagas Road – Morgan Hill, San Martin, Gilroy	<ol style="list-style-type: none"> 1. Preferred project with federal and local funding: Plan, design and construct flood protection improvements along 13.9 miles of Upper Llagas Creek from Buena Vista Avenue to Llagas Road to provide flood protection to 1,100 homes, 500 businesses, and 1,300 agricultural acres, while improving stream habitat. 2. With local funding only: Construct flood protection improvements along Llagas Creek from Buena Vista Avenue to Highway 101 in San Martin (Reaches 4 and 5 (portion)), Monterey Road to Watsonville Road in Morgan Hill (Reach 7a), approximately W. Dunne Avenue to W. Main Avenue (portion of Reach 8), and onsite compensatory mitigation at Lake Silveira.
E7 San Francisco Bay Shoreline Protection – Milpitas, Mountain View, Palo Alto, San Jose, Santa Clara, and Sunnyvale	<ol style="list-style-type: none"> 1. Provide portion of the local share of funding for planning, design and construction phases for the Santa Clara County shoreline area, EIAs 1-4. 2. Provide portion of the local share of funding for planning and design phases for the Santa Clara County shoreline area, EIAs 5-9.
E8 Upper Guadalupe Flood Protection, Highway 280 to Blossom Hill Road – San Jose	<ol style="list-style-type: none"> 1. Preferred project with federal and local funding: Construct a flood protection project to provide 1% (100-year) flood protection to 6,280 homes, 320 businesses and 10 schools and institutions. 2. With local funding only: Construct flood protection improvements along 4,100 feet of Guadalupe River between the Southern Pacific Railroad (SPRR) crossing, downstream of Willow Street, to the Union Pacific Railroad (UPRR) crossing, downstream of Padres Drive, and provide gravel augmentation along approximately 800 linear feet of the Upper Guadalupe River in San Jose, from approximately the Union Pacific Railroad Bridge to West Virginia Street Bridge to improve aquatic habitat for migrating steelhead and channel stability.

Project	Key Performance Indicator
Priority F: Support Public Health and Public Safety for Our Community	
F1 Vegetation Control and Sediment Removal for Capacity	<ol style="list-style-type: none"> 1. Maintain completed flood protection projects for flow conveyance.
F2 Emergency Response Planning and Preparedness	<ol style="list-style-type: none"> 1. Coordinate with local municipalities to merge Valley Water-endorsed flood emergency processes with their own emergency response plans and processes. 2. Complete five (5) flood management plans/procedures per 5-year period, selected by risk priorities. 3. Train Valley Water staff and partner municipalities annually on disaster procedures via drills and exercises before testing the plans and procedures. 4. Test flood management plans/procedures annually to ensure effectiveness.
F3 Flood Risk Assessment Studies	<ol style="list-style-type: none"> 1. Complete engineering studies on three (3) creek reaches to address 1% (100-year) flood risk. 2. Annually, update floodplain maps on a minimum of three (3) creek reaches in accordance with new FEMA standards.

Priority F: Support Public Health and Public Safety for Our Community cont...	
F4 Vegetation Management for Access and Fire Safety	1. Provide vegetation management for access and fire risk reduction on an average of 495 acres per year, totaling 7,425 acres along levee, property lines and maintenance roads over a 15-year period.
F5 Good Neighbor Program: Encampment Cleanup	1. Perform 300 annual cleanups to reduce the amount of trash and pollutants entering the streams. 2. Provide up to \$500,000 per year in cost-share with other agencies for services related to encampment cleanups, including services supporting staff safety, discouraging re-encampments along waterways or addressing the homelessness crisis with the goal of reducing the need for encampment cleanups.
F6 Good Neighbor Program: Graffiti and Litter Removal and Public Art	1. Cleanup identified trash and graffiti hotspots at approximately 80 sites four (4) times per year. 2. Respond to requests on litter or graffiti cleanup within five (5) working days. 3. Provide up to \$1.5 million over 15 years to implement public art projects on Valley Water property and infrastructure.
F7 Emergency Response Upgrades	1. Maintain existing capabilities for flood forecasting and warning. 2. Improve flood forecast accuracy and emergency response time working with the National Weather Service and through research and development.
F8 Sustainable Creek Infrastructure for Continued Public Safety	1. Provide up to \$7.5 million in the first 15-year period to plan, design and construct projects identified through Watersheds asset management plans.
F9 Grants and Partnerships for Safe, Clean Water, Flood Protection and Environmental Stewardship	1. Provide a grant and partnership cycle each year for projects related to safe, clean drinking water, flood protection and environmental stewardship. 2. Provide annual funding for bottle filling stations to increase drinking water accessibility, with priority for installations in economically disadvantaged communities and locations that serve school-age children and students. 3. Provide annual mini-grant funding opportunity for projects related to safe, clean drinking water, flood protection and environmental stewardship. 4. Provide up to \$3 million per 15-year period for partnerships with small municipalities (defined as under 50,000 people in the most recent census available), or special districts with boundaries substantially within the footprint of small cities, for projects aligned with the District Act and related to safe, clean drinking water, flood protection and environmental stewardship.

Providing for the Continuation and Levy of a Special Tax to Pay the Cost of the Safe, Clean Water and Natural Flood Protection Program in the Combined Flood Control Zone of the Santa Clara Valley Water District Subject, Nevertheless, to Specified Limits and Conditions

Resolution No. 20-64

ATTACHMENT 3 COVERSHEET

FIGURE 1 ACTUAL FY 2019–20 AND ACTUAL FY 2020–21 SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION SPECIAL TAX RATES

No. of Pages: 1

Additional Items: None.

FIGURE 1
Actual FY 2019–20 and Actual FY 2020–21
Safe, Clean Water and Natural Flood Protection Special Tax Rates

Land Use Categories	Actual FY '19-20	Actual FY '20-21
A - Commercial, Industrial		
Rate (\$/Acre)	\$541.60	\$541.60
Minimum Assessment ⁽¹⁾	\$135.39	\$135.39
B - Apartment, Schools, Churches, Condominiums & Townhouse		
Rate (\$/Acre)	\$406.20	\$406.20
Minimum Assessment ⁽¹⁾	\$101.55	\$101.55
Condominiums & Townhouses (\$/unit)	\$32.95	\$32.95
C - Single Family Residential, Small Multiples (2-4 units) ⁽²⁾		
Minimum Assessment ⁽¹⁾	\$67.67 (Averaging \$0.006 per square foot)	\$67.67 (Averaging \$0.006 per square foot)
D - Utilized Agriculture⁽²⁾		
Rate (\$/Acre)	\$3.47	\$3.47
Minimum Assessment ⁽¹⁾	\$34.70	\$34.70
E - Urban - Nonutilized Agricultural, Grazing Land, Salt Ponds, Well Site in Urban Areas		
Rate (\$/Acre)	\$1.02	\$1.02
Minimum Assessment ⁽¹⁾	\$10.23	\$10.23
E - Rural - Nonutilized Agricultural, Grazing Land, Well Sites in Rural Areas		
Rate (\$/Acre)	\$0.14	\$0.14
Minimum Assessment ⁽¹⁾	\$10.23	\$10.23
⁽¹⁾ The minimum assessments shown for Categories A, B, and C apply to parcels 1/4 acre or less in size. Category C parcels larger than 1/4 acre pay the minimum assessment for the first 1/4 acre and the remaining acreage is assessed at the Category D rate. For Category D, the minimum assessment applies to parcels less than 10 acres. The minimum assessment for Group E parcels is the amount charged for 10 acres of urban undeveloped land; the minimum assessment is the same for both the Urban Category and the Rural Category parcels, however the Rural Category applies to parcels of 80 acres or less.		
⁽²⁾ Residential land in excess of 1/4 acre is assessed at the "D" rate.		

RESOLUTION NO. 99- 21

ADOPTING "WATER UTILITY TAXING AND PRICING POLICY" AND
RESCINDING RESOLUTION NO. 96-82

WHEREAS, the Santa Clara Valley Water District (District) adopted a District mission, goals and objectives on February 19, 1985, in order to conduct a sound water management program that serves the community; and

WHEREAS, the District Act authorizes the District to enter into water sales contracts and to levy and collect taxes and assessments on property within the District and in the respective zones of the District and sets forth requirements for groundwater charges and rates between agricultural and nonagricultural water; and

WHEREAS, several Board resolutions, as identified in Exhibit "A," are related to the management of water resources and the implementation of this water taxing and pricing policy; and

WHEREAS, several changes which affect revenue sources and benefit distribution have occurred since adoption of Resolution No. 96-82. These changes include: (1) passage of Resolution Nos. 98-44 and 98-45 setting agricultural charges for groundwater and surface water at 10 percent of the nonagricultural charges; (2) revisions to the policy governing sale of noncontract water in 1998; (3) pending completion of an agreement to act as the wholesaler to deliver recycled water in South County.

BE IT RESOLVED, by the Board of Directors of the District as follows:

1. **The policy of the District in the areas of taxation and water pricing for water utility revenues shall be and is hereby adopted:**

Policy Statement

The intent of this water utility taxing and pricing policy is to provide revenue for the management of water resources and operation of the water utility enterprise. This policy establishes a framework for establishing a system of water charges as permitted by the District Act to meet revenue requirements and to allocate costs amongst the beneficiaries. The general approach is to charge the recipients of the various benefits for the benefits received from the District's comprehensive water utility program.

The consumptive and nonconsumptive benefits provided by District water supply facilities and operations are listed and described below:

- Provision of a water supply and effective management of water resources available to the community from a variety of sources of supply, transmission, and water treatment facilities operated by the District.
- Protection of water quality through the purification and treatment of water and the protection of water supplies.
- Stewardship of watersheds and riparian corridor.
- Administration of related programs and projects such as recycled water and water conservation administered solely by the District or in partnership with another organization.

Resolution Adopting "Water Utility Taxing and Pricing Policy" and Rescinding Resolution No. 96-82

- Ancillary flood protection.
- Recreation, such as fishing, boating, picnicking, hiking, and other related recreation activities.
- Support for the economic well being of the community.
- Protection of the community infrastructure from subsidence.

2. Policy Implementation

The following water taxing and pricing concepts and framework shall be implemented in order to provide for revenue in order to continue providing direct and ancillary benefits to the customers of the District and the community of Santa Clara County.

Water Taxing and Pricing Concepts

- ***Water Pooling:*** Water is considered to be a single commodity irrespective of the water's source or cost. It is a single commodity whether it is from water provided locally, imported, or recycled, and all users benefit from the availability of multiple sources of water.
- ***Water Facilities Cost Pooling:*** All water supply facilities contribute to the common benefit of effective water resources management. In general, the water charges and property taxes are based on the common benefits of the capital and operations outlays, rather than reference to named facilities, with the exception of the liability for bonded indebtedness which is applied to each zone of benefit.
- ***Water Resources Management:*** Water supplies are managed, through taxing and pricing, to obtain the effective utilization of the water resources of the District to the advantage of the present and future populations of the County. This concept provides for development of taxing and pricing structures that will achieve the effective use of available resources and conserve supplies for potential drought conditions.
- ***Revenue Pooling:*** For the most part, water utility revenues are collected in a common fund and not designated for a specific cost. Such revenues are available for the general capital and operating outlays of the water utility enterprise. Some revenues such as certain property taxes are specifically designated for debt service and the fixed costs of the State Water Project, and are not available to the common fund. Water charges are established to provide the revenues that are required in the common fund for general capital and operating outlays and that are over and above revenues from ad valorem taxes, interest, and miscellaneous sources. This provides flexibility in managing continuing operations and funding capital outlays.

Water Taxing and Pricing Framework

The following procedures are intended as a general framework to guide staff in the development of a water rate structure implementing this policy:

- ***Zones of Benefit:*** Zones of benefit are to be identified and established in accordance with the District Act. Groundwater charges and property taxes are levied for the benefits received by the water users and property owners benefitting from that zone. For each zone, a basic

Resolution Adopting "Water Utility Taxing and Pricing Policy" and Rescinding Resolution No. 96-82

water user charge is determined for current groundwater and raw surface water users to be applied to the quantities of water used or consumed.

- **Basic Water Charge Zones:** The objective of establishing various water charge zones is to recover costs for the benefits resulting from conservation, import, and recharge of water which occur only within that zone. Water charges are levied for water producing operations, such as groundwater pumping and raw surface water diversion. In addition, users may be subject to specific charges that meet special needs of a group of users, such as water master charges for surface water deliveries, a capital charge for equipment or facilities, and power costs for pumping.
- **Treated Water Surcharge:** A treated water surcharge shall be added to the basic water charge for the price of treated surface water delivered by the District. The charge is to be established at an amount that would promote the effective use of available water resources. The charge may differ between treatment plants to better manage regional variations in groundwater conditions.
- **Costs for Specific Benefits:** Whenever costs associated with specific benefits are clearly and easily measurable, those costs shall be charged to the beneficiaries, in accordance with their specific zones of benefit. Where there is a question as to the identity of the beneficiary or the method of measuring the benefit, the allocation of costs should remain flexible and be determined in accordance with accepted practices and sound judgements based on the four water pricing concepts. The District recognizes and supports the State Legislature's limitation imposed on the District that rates for agricultural water shall not exceed one-fourth of the rate for all water other than agricultural water. In order to encourage the continuance of agricultural use of land in the County, to encourage the preservation of open space, to defer intensification of users and to further support the limitation imposed by the State Legislature, it is the District's policy that rates for agricultural water shall not exceed one-tenth the rate for all water other than agricultural water.

Both water charges and property taxes are used to recover costs incurred for the benefit of current water users. The costs for future supply sources can be recovered using current revenues or through project specific long-term financing.

- **Balancing Costs:** The District recognizes that there may be imbalances between revenues and costs within a zone of benefit from year to year. The District will strive to achieve balance over the long-term in accordance with the District Act and to properly charge recipients for the benefits received.
- **Incentives:** Incentives in the form of subsidies may be provided in order to reduce the price of specific sources of water in order to optimize use of available or future water resources.
- **Recycled Water:** From time to time, the District may enter into agreements to provide wholesale delivery or other services related to recycled water. The District will strive to recover the costs of these facilities consistent with the pooling concepts outlined above, while adhering to the specifics of any agreement.

Resolution Adopting "Water Utility Taxing and Pricing Policy" and Rescinding Resolution No. 96-82

3. Executive and Staff Limitations

District staff are authorized to develop a water rate structure which meets the objectives set forth herein, in accordance with the District Act, and using the concepts set forth above. The District's rate structure is implemented only by resolutions approved by the Board of Directors.

Staff is authorized to recommend water charges for consideration by the Board in accordance with the District Act. Water charges, if any, shall be recommended by staff each year be at fixed and uniform rates for agricultural water and for all water other than agricultural water, respectively, except that each such rate for agricultural water shall be one-tenth of the rate for all water other than agricultural water. The Board has determined that agricultural use of lands is of value to the County and the state, and that agricultural lands provide an open space benefit. The Board's limiting staff to a recommendation of agricultural water rates below the maximum allowed by the District Act will benefit water users Countywide, and is necessary to carry out the policies of the State Legislature and the District Board of Directors.

Staff is authorized to prepare, for the Board's consideration, resolutions for the collection of property taxes as needed and authorized under applicable laws.

4. Previous Policy Rescinded

The "Water Taxing and Pricing Policy," adopted by Resolution No. 96-82, is hereby rescinded.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District on
March 16, 1999 by the following vote:


AYES: Directors Gross, Zlotnick, Judge, Kamei, Sanchez, Estremera, Wilson

NOES: Directors None

ABSENT: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By:


Chair/Board of Directors

ATTEST: LAUREN L. KELLER


Clerk/Board of Directors

RESOLUTION NO. 12- 10

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SANTA CLARA VALLEY WATER DISTRICT ADOPTING PROCEDURES
FOR THE IMPOSITION OF SURFACE WATER CHARGES

WHEREAS, pursuant to Section 4 of the District Act, the purposes of the District Act are to authorize the District to provide comprehensive water management for all beneficial uses within Santa Clara County; and

WHEREAS, Section 5(5) of the District Act authorizes District to do any and every lawful act necessary to be done that sufficient water may be available for beneficial uses within Santa Clara County; and

WHEREAS, Section 5(12) authorizes the District to make contracts and do all acts necessary for the full exercise of all powers vested in the District; and

WHEREAS, Proposition 218, adopted on November 6, 1996, added Articles XIIIC and XIID to the California Constitution which impose certain procedural and substantive requirements with respect to the imposition of certain new or increased fees and charges; and

WHEREAS, whether legally required or not, the District Board believes it to be in the best interest of the community to align its practices with respect to the imposition of surface water charges to mirror the majority protest requirements of Article XIII D, section 6 applicable to charges for water services to the extent possible; and

WHEREAS, the District Board believes it to be in the best interest of the community to record its decisions regarding implementation of the provisions relating to imposition of surface water charges and to provide the community with a guide to those decisions and how they have been made; and

NOW, THEREFORE, the Board of Directors of Santa Clara Valley Water District does hereby resolve as follows:

SECTION 1. Statement of Legislative Intent. It is the Board of Directors' intent in adopting this resolution, to adopt the notice, hearing, and majority protest procedure proceedings that are consistent, and in conformance with, Articles XIIIC and XIID of the California Constitution and with the Proposition 218 Omnibus Implementation Act and the provisions of other statutes authorizing imposition of surface water charges. To the extent that these requirements are legally required to supercede the requirements set forth in the District Act, these provisions are intended to prevail.

SECTION 2. Definitions.

- A. Record Owner.** The District will provide the required notice to the Record Owner. "Record Owner" means the record owner of the property on which the surface water use-facility is present, and the tenant(s) who are District surface water permittees liable for the payment of the surface water charge.

A Resolution of the Board of Directors of the Santa Clara Valley Water District Adopting
Procedures for the Imposition of Surface Water Charges

- B. Charge Zone.** "Charge Zone" means the District zone (i.e. Zone W-2 or Zone W-5) that a surface water user's turnout is located, which is applicable in identifying the proposed surface water charge. Surface water users that receive surface water outside of either Zone W-2 or Zone W-5 are deemed to be located in the zone to which the surface water user's turnout is most nearly located.

SECTION 3. Surface Water Charge Proceeding. The following procedures will be used:

- A. Those Subject to the charge.** The Record Owners of the existing surface use-facilities.
- B. Amount of Charge.** A formula or schedule of charges by which the customer can easily calculate the potential surface water charge will be included in the notice. The surface water charge is comprised of a basic user charge and a surface water master charge. The surface water charge must comply with the following substantive requirements:
1. Revenues derived from the surface water charge will not be used for any purpose other than that for which the charge is imposed.
 2. Revenues derived from the surface water charge will not exceed the direct and indirect costs required to provide the service.
 3. The amount of the surface water charge must not exceed the proportional cost of the service attributable to the property.
 4. No charge may be imposed for a service unless the service is actually used by, or immediately available to the property owner (or, if applicable, the tenant).
 5. No charge can be imposed for general governmental services where the service is available to the public at large in substantially the same manner as it is to property owners.
- C. Notice.** The following guidelines apply to giving notice of the surface water charge.
1. Record Owner(s) of each parcel subject to the surface water charge, meaning any parcel with a surface water use-facility, will be determined from the last equalized property tax roll. If the property tax roll indicates more than one owner, each owner will be sent the notice. District surface water permittees liable for the payment of the surface water charge will also be provided with the notice.
 2. The notice must be sent at least forty-five (45) days prior to the date set for the public hearing on the surface water charge.
 3. Failure of any person to receive the notice will not invalidate the proceedings.

A Resolution of the Board of Directors of the Santa Clara Valley Water District Adopting
Procedures for the Imposition of Surface Water Charges

D. Surface Water Charge Protest. The following guidelines apply to the surface water charge protest procedure:

1. The notice will be mailed to all affected Record Owners at least forty-five (45) days prior to the date of the public hearing on the proposed surface water charge.
2. Written protests must be forwarded to the Clerk of the Board by mail or in person, sealed in an envelope which conceals the contents, with the property address or APN written on the outside of the envelope. To be counted, protests must be received no later than the date for return of protests stated on the notice, or the close of the public hearing, whichever is later.
3. A protest must be signed under penalty of perjury. For properties with more than one Record Owner, a protest from any one surface water user-facility will count as a protest for the property. No more than one protest will be counted for any given property.
4. Only protests with original signatures will be accepted. Photocopied signatures will not be accepted. Protests will not be accepted via e-mail. Protests must be submitted in sealed envelopes identifying the property on which the surface water user-facility is located, and include the legibly printed name of the signator. Protests not submitted as required by this Resolution will not be counted.
5. This proceeding is not an election.
6. Written Protests must remain sealed until the tabulation of protests commences at the conclusion of the public hearing. A written protest may be submitted or changed by the person who submitted the protest prior to the conclusion of the public testimony on the proposed charge at the public hearing.
7. Prior to the public hearing, neither the protest nor the envelope in which it is submitted will be treated as a public record, pursuant to the Government Code section 6254(c) and any other applicable law, in order to prevent potential unwarranted invasions of the submitter's privacy and to protect the integrity of the protest process.

E. Tabulating Protests. The following guidelines apply to tabulating protests:

1. It will be the responsibility of the Clerk of the Board to determine the validity of all protests. The Clerk will accept as valid all protests except those in the following categories:
 - a. A photocopy which does not contain an original signature;
 - b. An unsigned protest;
 - c. A protest without a legible printed name;
 - d. A protest which appears to be tampered with or otherwise invalid based upon its appearance or method of delivery or other circumstances;

A Resolution of the Board of Directors of the Santa Clara Valley Water District Adopting
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- e. A protest submitted to the District via e-mail;
- f. A protest submitted in an envelope that does not have the address or APN written on the outside of the envelope;
- g. A protest signed by someone other than the Record Owner for the APN.

The Clerk's decision, after consultation with the District Counsel, that a protest is invalid is final.

- 2. An impartial person, designated by the governing board, who does not have a vested interest in the outcome of the proposed charge will tabulate the written protests submitted, and not withdrawn. The impartial person may be a member of the Clerk of the Board Office.
- 3. A Record Owner who has submitted a protest may withdraw that protest at any time up until the conclusion of the final public hearing on the surface water charge.
- 4. A property owner's failure to receive notice of the surface water charge will not invalidate the proceedings conducted under this procedure.

F. Public Hearing.

- 1. At the public hearing, the District Board will hear and consider all public testimony regarding the proposed surface water charge and accept written protests until the close of the public hearing, which hearing may be continued from time to time.
- 2. The District Board may impose reasonable time limits on both the length of the entire hearing and the length of each speaker's testimony.
- 3. At the conclusion of the hearing, the Clerk of the Board, or other neutral person designated to do the tabulation will complete tabulation of the protests from Record Owners, including those received during public hearing.
- 4. If it is not possible to tabulate the protests on the same day as the public hearing, or if additional time is necessary for public testimony, the District Board may continue the public hearing to a later date to receive additional testimony, information or to finish tabulating the protests; or may close the public hearing and continue the item to a future meeting to finish tabulating the protests.
- 5. If according to the final tabulation of the protests from Record Owners, the number of protests submitted against the proposed surface water charge (or increase of the surface water charge) within a Charge Zone exceeds 50% plus one of either: (i) the identified number of parcels within that Charge Zone, or (ii) the identified number of owners and tenants who are subject to the surface water charge within that Charge Zone, then a "majority protest" exists and the District Board of Directors will not impose the surface water charge within that Charge Zone.

A Resolution of the Board of Directors of the Santa Clara Valley Water District Adopting
Procedures for the Imposition of Surface Water Charges

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the
following vote on February 14, 2012.

AYES: Directors T. Estremera, D. Gage, J. Judge, P. Kwok, R. Santos, B. Schmidt,
L. LeZotte

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT

By:



LINDA J. LEZOTTE

Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC



Clerk/Board of Directors

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Safe, Clean Water and Natural Flood Protection Program Modifications - Countywide



What: Public Hearing on Proposed Modifications to the Safe, Clean Water and Natural Flood Protection Program

Who: Santa Clara Valley Water District (Valley Water)

When: Tuesday, January 24, 2023, at 1:00 p.m.

Where: Valley Water Headquarters Building Boardroom
5700 Almaden Expressway, San Jose, CA
and by Zoom Teleconference at: <https://valleywater.zoom.us/j/84454515597>

Valley Water invites you to a public hearing regarding proposed modifications to the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program).

Infrastructure construction projects in the Safe, Clean Water Program are experiencing significant cost increases. Among the projects with a major cost escalation is Project E1: Coyote Creek Flood Protection Project, with an approximately \$162 million increase. These increased costs are impacting the Safe, Clean Water fund's financial health, resulting in staff's recommendation that the Valley Water Board of Directors provide direction on balancing the overall fund and delivering the voter-approved Safe, Clean Water Program. Furthermore, Valley Water staff has identified the need to modify Project D3: Sediment Reuse to Support Shoreline Restoration due to changed circumstances.

Therefore, staff is recommending modifying projects D3: Sediment Reuse to Support Shoreline Restoration, D4: Fish Habitat and Passage Improvement, D6: Restoration of Natural Creek Functions, E2: Sunnyvale East and Sunnyvale West Channels Flood Protection, and E4: Upper Penitencia Creek Flood Protection.

Priority D: Restore Wildlife Habitat

D3: Sediment Reuse to Support Shoreline Restoration (MODIFY KPI)

The project key performance indicator (KPI) #1 is to maintain partnership agreements to reuse sediment to improve the success of salt pond and tidal marsh restoration projects and activities. Valley Water has been delivering sediment to Salt Pond A8 via an agreement with U.S. Fish and Wildlife Service (USFWS). Valley Water is pausing delivering sediment to Pond A8 for approximately two years as USFWS renews necessary permits. To support continued sediment reuse for restoration purposes, staff is recommending that the Board modify KPI #1 to expand sediment reuse beyond the South Bay Salt Pond Restoration Project. Staff is also recommending adjusting the project's name, description and benefits in alignment with the proposed modification. The proposed modified KPI #1 is as follows:

D3 – KPI #1: Reuse sediment meeting applicable screening criteria at available Valley Water or partnership project sites to support restoration.

D4: Fish Habitat and Passage Improvement (MODIFY KPI)

KPI #1 is to plan and design one creek/lake separation project and KPI #2 is to construct a creek/lake separation project. As the KPIs do not identify specific projects, the Board selects which projects should meet the KPIs. In 2021, the Board chose the Almaden Lake Project to be constructed under KPI #2; however, since then, the estimated project costs have nearly tripled, making the project's construction unfeasible. Therefore, staff is recommending that the Board select the Ogier Ponds project to be constructed under KPI #2. As Valley Water is also funding the Ogier Ponds project as part of the required mitigation for the Anderson Dam Seismic Retrofit Project, staff is recommending that the Board modify KPI #2 to partially fund the construction of a creek/lake separation project.

D4 – KPI #2: Partially fund the construction of one (1) creek/lake separation project in partnership with local agencies.

D6: Restoration of Natural Creek Functions (NOT IMPLEMENT KPI - KPI # 3 placeholder project)

Staff is recommending not implementing KPI #3 and reallocating the placeholder project funding to the Safe, Clean Water Program's Operating and Capital (Fund 26 Reserves), thus supporting the fund's financial health. The project commits Valley Water to construct three geomorphic-designed projects. Valley Water is on track to complete the construction of the first two projects in fiscal year 2023-24. The third project is yet to be identified.

NOT IMPLEMENT D6 – KPI #3: Identify, plan, design, and construct a third geomorphic-designed project to restore stability and stream function by preventing incision and promoting sediment balance throughout the watershed.

Priority E: Provide Flood Protection to Homes, Businesses, Schools, Streets, and Highways

E2: Sunnyvale East and Sunnyvale West Channels Flood Protection (MODIFY FUNDING)

Staff is recommending modifying the project funding allocation to construct Sunnyvale West Channel, putting Sunnyvale East Channel construction on hold, and reallocating Sunnyvale East Channel-construction-related planned expenditures to the Fund 26 Reserves. This will support the fund's financial health; however, it will impact Valley Water's ability to construct the project and deliver the KPI. Should additional funding become available within the Fund 26 Reserves or through partnership and/or grant funding, the Board may reallocate the construction funding to the project through a direction provided during a regular board meeting.

MODIFY FUNDING

Project E2: Sunnyvale East and Sunnyvale West Channels Flood Protection Financial Summary (\$ Thousand)		
15-Year Allocation	Total Budget Expended (FY22)	Modified 15-Year Allocation
\$49,268	\$1,290	\$23,075

E4: Upper Penitencia Creek Flood Protection Project (MODIFY FUNDING)

Staff is recommending modifying the funding allocation for the Upper Penitencia Flood Protection project and reallocating construction-related planned expenditures to the Fund 26 Reserves. This will support the fund's financial health; however, it will impact Valley Water's ability to construct the project and deliver the project KPIs. Should additional funding become available within the Fund 26 Reserves or

through partnership and/or grant funding, the Board may reallocate the construction funding to the project through a direction provided during a regular board meeting.

MODIFY FUNDING

E4: Upper Penitencia Creek Flood Protection Project Financial Summary (\$ Thousand)		
15-Year Allocation	Total Budget Expended (FY22)	Modified 15-Year Allocation
\$23,592	\$679	\$1,534

This meeting is being held in accordance with the Brown Act. The 1:00 p.m., January 24, 2023, public hearing will be held during a Board Meeting and is accessible for public in-person participation at the time, date, and location shown above, or by public virtual participation at the Zoom link above.

Document(s) associated with this hearing are available for public inspection prior to the meeting in the Clerk of the Board's Office or online at www.valleywater.org, and will be available at the meeting.

For more information, contact Meenakshi Ganjoo, Program Administrator, at 408-630-2295.

Important Notices:

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board meetings to please contact the Clerk of the Board's office at (408) 630-2711, at least 3 business days before the scheduled Valley Water Board meeting to ensure that Valley Water may assist you. Reasonable efforts will be made to accommodate persons with disabilities.

重要通知：

Valley Water 遵守美國殘疾人法案 (ADA)，要求需要特殊便利才能訪問和/或參加 Valley Water 委員會會議的個人請致電 (408) 630-2711 聯繫委員會辦公室的書記員，網址為在預定的 Valley Water 委員會會議召開前至少 3 個工作日，以確保 Valley Water 可以為您提供幫助。將做出合理的努力以容納殘疾人。

Thông báo quan trọng:

Valley Water, để tuân thủ Đạo luật Người Mỹ Khuyết tật (ADA), yêu cầu những cá nhân cần điều chỉnh đặc biệt để tiếp cận và/hoặc tham gia các cuộc họp của Hội đồng Valley Water vui lòng liên hệ với Văn phòng Thư ký của Hội đồng theo số (408) 630-2711, tại ít nhất 3 ngày làm việc trước cuộc họp đã lên lịch của Hội đồng Valley Water để đảm bảo rằng Valley Water có thể hỗ trợ bạn. Những nỗ lực hợp lý sẽ được thực hiện để hỗ trợ người khuyết tật.

Aviso Importantes:

Valley Water, en cumplimiento de la Ley de Estadounidenses con Discapacidades (ADA), solicita a las personas que requieren adaptaciones especiales para acceder y/o participar en las reuniones de la Junta de Valley Water que se comuniquen con la oficina del Secretario de la Junta al (408) 630-2711, al menos 3 días hábiles antes de la reunión programada de la Junta de Valley Water para asegurarse de que Valley Water pueda ayudarlo. Se harán esfuerzos razonables para acomodar a las personas con discapacidades.



Santa Clara Valley Water District

File No.: 23-0063

Agenda Date: 1/10/2023

Item No.: *2.14.

SUPPLEMENTAL BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Work Study Session on the Capital Improvement Program's Preliminary Fiscal Year 2024-2028 Five-Year Plan; Preliminary Fiscal Year 2023-24 Groundwater Production Charges; and Proposed Adjustments and Modifications to the Safe, Clean Water and Natural Flood Protection Program.

REASON FOR SUPPLEMENTAL MEMORANDUM:

This memo conveys additional information made available after the initial memo was released, consistent with Executive Limitations Policy EL-7.10.5.

RECOMMENDATION:

- A. Review and approve the Capital Improvement Program's (CIP) Preliminary Fiscal Year 2024-2028 (FY 24-28) Five-Year Plan list of projects for the Watershed Stream Stewardship Fund (Fund 12) and the Water Utility Enterprise Fund (Fund 61);
- B. Review and approve the CIP Evaluation Team's recommendation to include the RWTP Ammonia Storage & Metering Facility Upgrade Project, a Fund 61 project, in the CIP Preliminary FY 24-28 Five-Year Plan;
- C. Review proposed adjustments and modifications to the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) Fund (Fund 26);
- D. Set the time and place for a public hearing to consider modifications to the Safe, Clean Water Program (Fund 26) Projects; and
- E. Discuss and provide direction on the Preliminary FY 2023-24 (FY 24) Groundwater Production Charge analysis.

SUMMARY:

This Work Study Session combines, for Board review, the CIP Preliminary FY 24-28 Five-Year Plan list of projects with their estimated costs and proposed funding, and the Preliminary FY 24 groundwater production charge analysis.

The PowerPoint was not previously available and is now included with this Supplemental Agenda Memorandum as Attachment 1.

ENVIRONMENTAL JUSTICE IMPACT:

While individual capital projects may have environmental justice impacts and conduct outreach and engagement to impacted communities, which will be reported to the Board accordingly, the CIP Preliminary FY 24-28 Five-Year Plan and the Preliminary FY 24 Groundwater Production Charge Analysis Work Study Session have no environmental justice impact.

FINANCIAL IMPACT:

No change from original Memo.

CEQA:

No change from original Memo.

ATTACHMENTS:

Supplemental Attachment 1: PowerPoint

UNCLASSIFIED MANAGER:

Melanie Richardson, 408-630-2035
Darin Taylor, 408-630-3068



Valley Water

Clean Water • Healthy Environment • Flood Protection



Capital Improvement Program's Preliminary FY 2024-28 Five-Year Plan and FY 2023-24 Groundwater Production Charges

Presented by

Darin Taylor, Chief Financial Officer (Groundwater Charges)

Jessica Collins, Business Planning and Analysis Unit Manager (Preliminary CIP)



BOARD ACTIONS TODAY

- A. Review and approve the Capital Improvement Program's (CIP) Preliminary Fiscal Year 2024-2028 (FY 24-28) Five-Year Plan list of projects for the Watershed Stream Stewardship Fund (Fund 12) and the Water Utility Enterprise Fund (Fund 61);
- B. Review and approve the CIP Evaluation Team's recommendation to include the RWTP Ammonia Storage & Metering Facility Upgrade Project, a Fund 61 project, in the CIP's Draft FY 24-28 Five-Year Plan;
- C. Review proposed adjustments and modifications to the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) Fund (Fund 26);
- D. Set the time and place for a public hearing for modifications to the Safe, Clean Water Program (Fund 26) Projects; and
- E. Discuss and provide direction on the preliminary FY 2023-24 (FY 24) Groundwater Production Charge analysis.

CIP's Preliminary FY 24-28 Five-Year Plan and Groundwater Charges

4

PRESENTATION OUTLINE

1. Annual CIP Process

- a. CIP 5-Year Plan Development – Roles and Responsibilities
- b. Annual Process Overview

2. CIP Preliminary FY 24-28 Five-Year Plan

- a. Significant Updates from Prior Fiscal Year
 - i. Fund Impacts with Key Factors
 - ii. Presentation of five (5) Key Factor Project Plan Updates
 - iii. Overview of Project Plan Updates
 - iv. CIP Evaluation Team Recommendations
- b. Project Categories and Summary of Project Costs

3. Preliminary Financial Forecast Overview and Funding Scenario Review for Funds 12 and 26

4. FY 24 Groundwater Production Charge Analysis

5. Next Steps

CIP's Five-Year Plan Development – Roles and Responsibilities

5

CIP DEVELOPMENT TEAM:

- Leads Project Plan Updates and Change Management Memo processes
- Conducts CIP Evaluation Team Review Meeting
- Prepares Preliminary, Draft and Final CIP 5-Year Plans
- Prepares and presents CIP Committee and Board items
- Supports CIP Committee's Review of Annual Work Plan
- Conducts Annual CIP Process Trainings



Capital Project Managers and Deputies:

- Updates project plans to reflect changes to scope, schedule and cost (July-October or as required or if directed by the Board)
- Proposes new projects for validation and consideration for addition to list of unfunded projects for inclusion in the funded CIP (September)

CIP Evaluation Team (Capital Deputies, Chiefs, ACEO and CEO):

- Reviews Initially Validated Projects and Significant Project Plan Updates, consider feedback received from CIP Committee and Board, and propose funded and unfunded project list for Preliminary CIP

CIP Committee:

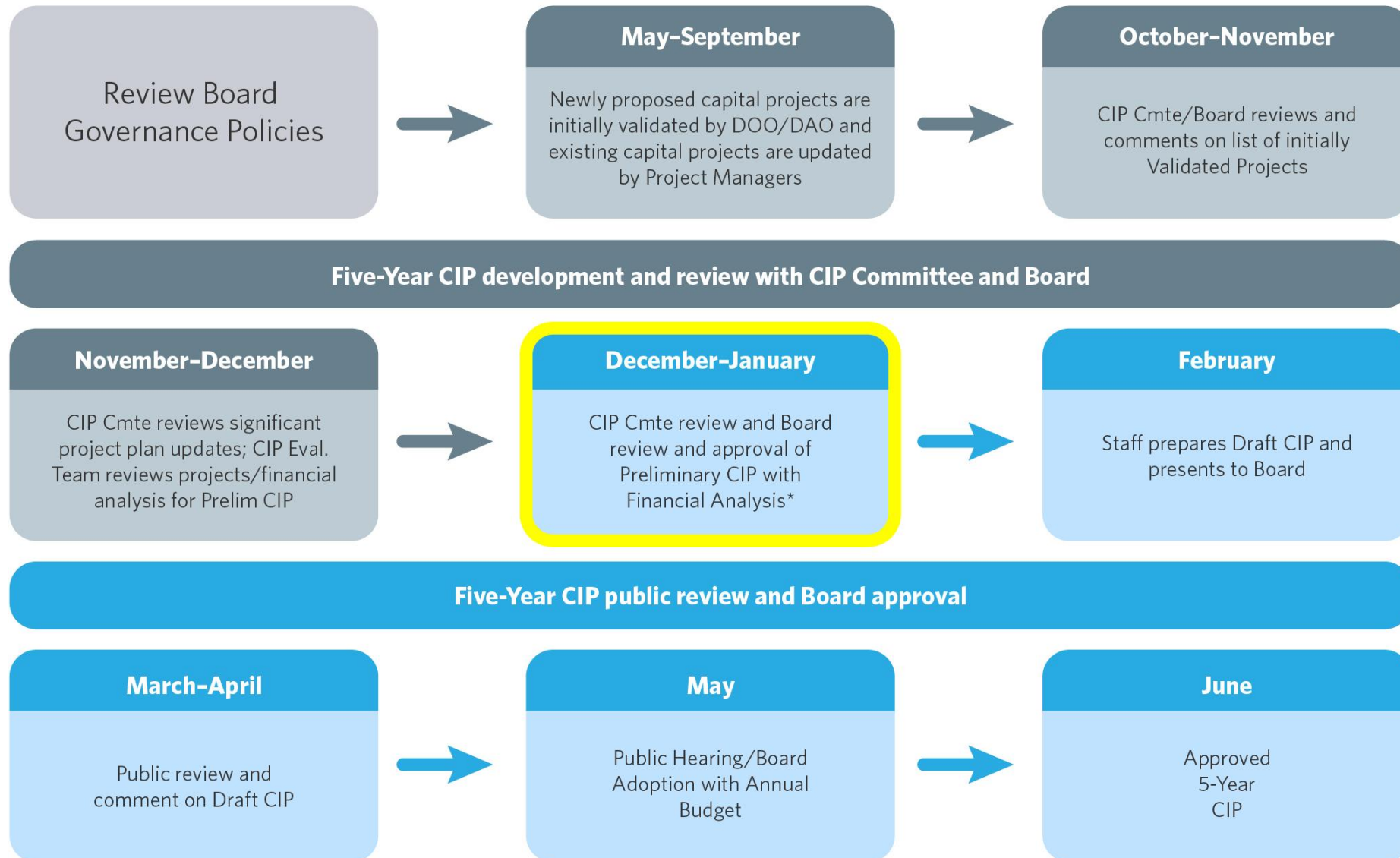
- Reviews Initially Validated and Unfunded Projects (October)
- Reviews Significant Project Plan Updates (November)
- Reviews Preliminary CIP (December)

Board of Directors:

- Reviews Initially Validated and Unfunded Projects (November)
- Reviews and Approves Preliminary CIP – key decision point for developing 5-Year Plan (January)
- Reviews and Approves Draft FY 2024-28 CIP for public review period (February)
- Adopts Resolution Approving the FY 2024-28 CIP (May)

Annual CIP Process Overview

6



Significant Updates from Board Adopted FY23-27 Five-Year Plan

7

FUND IMPACTS

Water Utility Enterprise Fund (**Fund 61**) increased by **\$1.159B**

- **Key Factors:**

- Pacheco Reservoir Expansion Project: Increased due to inflation by \$319.043M
- Anderson Dam Seismic Retrofit Project (all projects combined): Increased by \$183.131M
- RWTP Reliability Improvement Project: Increased by \$166.104M
- Purified Water Project (PWP): Increased by \$465.778M



Significant Updates from Board Adopted FY23-27 Five-Year Plan

8

FUND IMPACTS

Watersheds Stream Stewardship Fund (**Fund 12**) **increased** by **\$6.325M**

- **Key Factors:**

- Upper Berryessa Flood Protection Project , Phase 3 (construction funding placeholder): Schedule shifted moving the majority of construction planned expenditure outside of the 15-year forecast
- Palo Alto Flood Basin Tide Gate Structure Replacement Project: Increased by \$43.957M

Safe, Clean Water and Natural Flood Protection Program Fund (**Fund 26**) **increased** by **\$182.425M**

- **Key Factor:**

- Coyote Creek Flood Protection Project: Increased by \$161.890M

Information Technology Fund (**Fund 73**) **increased** by **\$432K**; and General Fund (**Fund 11**) **decreased** by **\$1.592M**

Significant Updates from Board Adopted FY23-27 Five-Year Plan

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KEY FACTORS TO THE FUND IMPACTS

Presentation of five (5) Project Plan Updates

- Anderson Dam Seismic Retrofit Project
- Rinconada Water Treatment Plant Reliability Improvement Project
- Purified Water Project
- Palo Alto Flood Basin Tide Gate Structure Replacement Project
- Coyote Creek Flood Protection Project (Safe, Clean Water)





Anderson Dam Seismic Retrofit

Presented by
Christopher Hakes, Deputy Operating Officer of Dam Safety & Capital Delivery

Anderson Dam Federal Energy Regulatory Commission Order Compliance Projects (FOCP)

Anderson Dam Tunnel

Coyote Creek
Flood
Management
Measures

Coyote Percolation
Dam Replacement

Cross Valley
Pipeline Extension

Coyote Creek
Stream
Augmentation Fish
Protection
Measure

ADSRP

- Seismic retrofit of dam embankment
- Construction of new higher capacity outlet tunnel and outlet works
- Replacement of concrete spillway and raising wall height 9-feet to safely discharge large storm flows
- Increase dam crest height 7-feet

Cost Increase by Project

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	Increase (inflated)
Anderson Dam Seismic Retrofit Project (ADSRP)	
Increase to project cost due to inflation increase.	\$52.201M
Anderson Dam Tunnel Project (ADTP)	
Increase to project cost comprised of right-of-way, construction, and close-out costs. Increase to construction cost primarily due to consultant amendments and construction contract costs not included in current plan.	\$37.835M
Coyote Creek Flood Management Measures Project (CCFMMP)	
Increase to project cost comprised primarily of right-of-way (including encampment abatement) and construction costs. Construction increase a result of several factors including inadequate planning cost estimates, COVID related work conditions, supply chain issues, and tight schedule.	\$86.982M
Coyote Creek Stream Augmentation Fish Project Measure – Chillers Plant Project (Chillers)	
Increase to project cost primarily in construction phase, and a result of result of bids exceeding Engineer's Estimate when project initially advertised for construction.	\$2.987M
Coyote Percolation Dam Replacement Project (CPDRP)	
Increase to project cost due to higher than anticipated labor costs for in-house design and construction management staff.	\$2.808M
Cross Valley Pipeline Extension Project (CVPEP)	
Increase to project cost due to right-of-way, design costs related to delay of procurement of long lead items, and costs for construction management services.	\$318K
Total	\$183.131M



RWTP Reliability Improvement Project

Presented by
Emmanuel Aryee, Deputy Operating Officer of Water Utility Capital

RWPT Reliability Improvement Project - Background

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Original Project comprised of Phase 1-6

Objectives

- Increase plant reliability to meet peak summer demands, update technology and infrastructure, and implement process improvements

Construction contract awarded on May 26, 2015

- Delays in construction led to bifurcation of the project into two packages (Board Approved Construction Contract Amendment March 10, 2020 – Package 1 (Phases 1-2)

Package 1: (Phases 1 – 2) Completed January 12, 2021

- Raw Water, Ozone Contactor Basins, Flash Mix Facility, Flocculation/Sedimentation Basins, Washwater Recovery Facilities, Electrical Control Building, Underground Piping, Guard Houses

Package 2: (Phases 3 – 6 Future)

- Liquid Oxygen Building, Ozone Generation Building, Filters, Chemical Facilities, Demolition of Existing Clarifiers and Filters, Chlorine Contact Basins

Phases 1 and 2 (Completed)



Phases 3 thru 6 (Future)



- Total Project Cost increased from \$461.7M (FY 2023-27 CIP), by \$166.1M to \$627.8M (inflated)
- Factors include Design and Operational Changes, Shutdowns from Active Plant Operations, Inflation, Materials, Labor, Soft Costs (insurance, bonding, contractor overhead)
- Competitive bidding climate, multiple large water/wastewater projects underway in Bay Area



Purified Water Project

Presented by
Kirsten Struve, Assistant Operating Officer of Water Supply

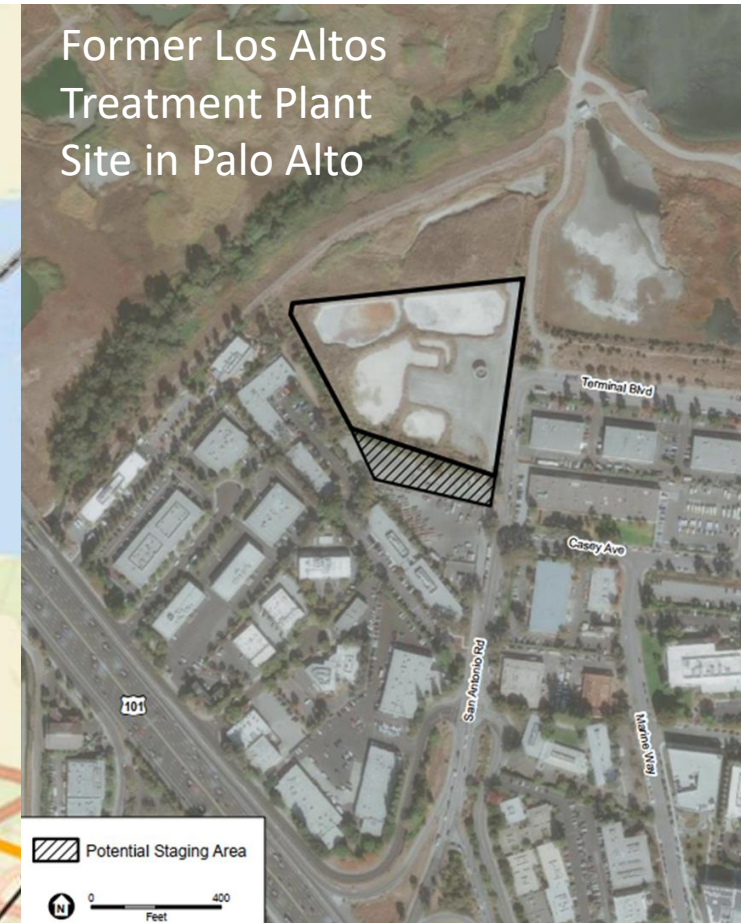
Purified Water Project

18

TOTAL PROJECT COST INCREASED BY \$465.778M (INFLATED)

Primary contributing factors:

- **Scope:** Additional project components required for the design and construction and addressing regulatory feedback.
- **Schedule:** Design starting in 2024 (1.5 yrs.) with overlapping Construction in 2025 through mid-2028 (3.5 yrs.)
- **Cost:** Maximize purified water production to 12 MGD, storage tank material, market volatility, updated contingency costs, BABA requirements, increased material costs, increased design and engineering services, CM costs, and addition of independent engineer for P3 entity.



Purified Water Project

SCOPE UPDATES

19

Description of Capital Costs (inflated)	Mark Up %	Cost (\$M)
AWPF, incl. Pump Stations Construction Cost ¹		\$ 404.162
Pipelines Construction Cost ²		\$ 404.961
Total Construction Cost (Sep 2022 Dollars)		\$ 809.123
Owner's Reserve for Change Orders	15%	\$ 121.000
Design Cost	8%	\$ 65.000
Engineering Services During Construction Cost	5%	\$ 40.000
Construction Management	10%	\$ 81.000
Independent Engineer (Allowance)		\$ 10.000
Valley Water Staff / Consultant Costs (includes prior years \$27.7M)		\$ 92.206
Total Capital Cost Estimate		\$ 1,218.329



Palo Alto Flood Basin Tide Gate Structure Replacement Project

Presented by
Bhavani Yerrapotu, Deputy Operating Officer of Watersheds Design and Construction

Palo Alto Flood Basin Tide Gate Structure Replacement Project

21

TOTAL PROJECT COST INCREASED BY \$43.957M (INFLATED)

SCHEDULE EXTENDED BY 6 YEARS (incl. 5-yr plant establishment maintenance)

Primary contributing factors:

- Onsite soil not suited for reuse
- Higher than estimated cost for dewatering during construction
- Inflation & market conditions
- Environmental mitigation
- Full-time biological monitoring
- Tribal monitoring



Palo Alto Flood Basin Tide Gate Structure Replacement Project

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PROJECT STATUS

Project may be put on hold while we:

- Work with USACE to reassess Shoreline Phase II and the Palo Alto Flood Basin.
- Coordinate to have the new tide gate structure designed and constructed as part of the USACE Shoreline Phase II Project.
 - Ensure compatible alignment and elevations.



Palo Alto Flood Basin Tide Gate Structure Replacement Project

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PROJECT STATUS

Project may be put on hold while we:

- Continue annual inspections of existing structure to maintain public safety.
 - Main concern is of hydraulic seepage and not structural integrity.
 - Previous hydraulic seepage was repaired in 2012 & has not reoccurred.
 - If hydraulic seepage reoccurs, it can be repaired.
- Report back to the Board in one-year after coordination with USACE.





Coyote Creek Flood Protection Project (CCFPP)

Presented by
Bhavani Yerrapotu, Deputy Operating Officer of Watersheds Design and Construction



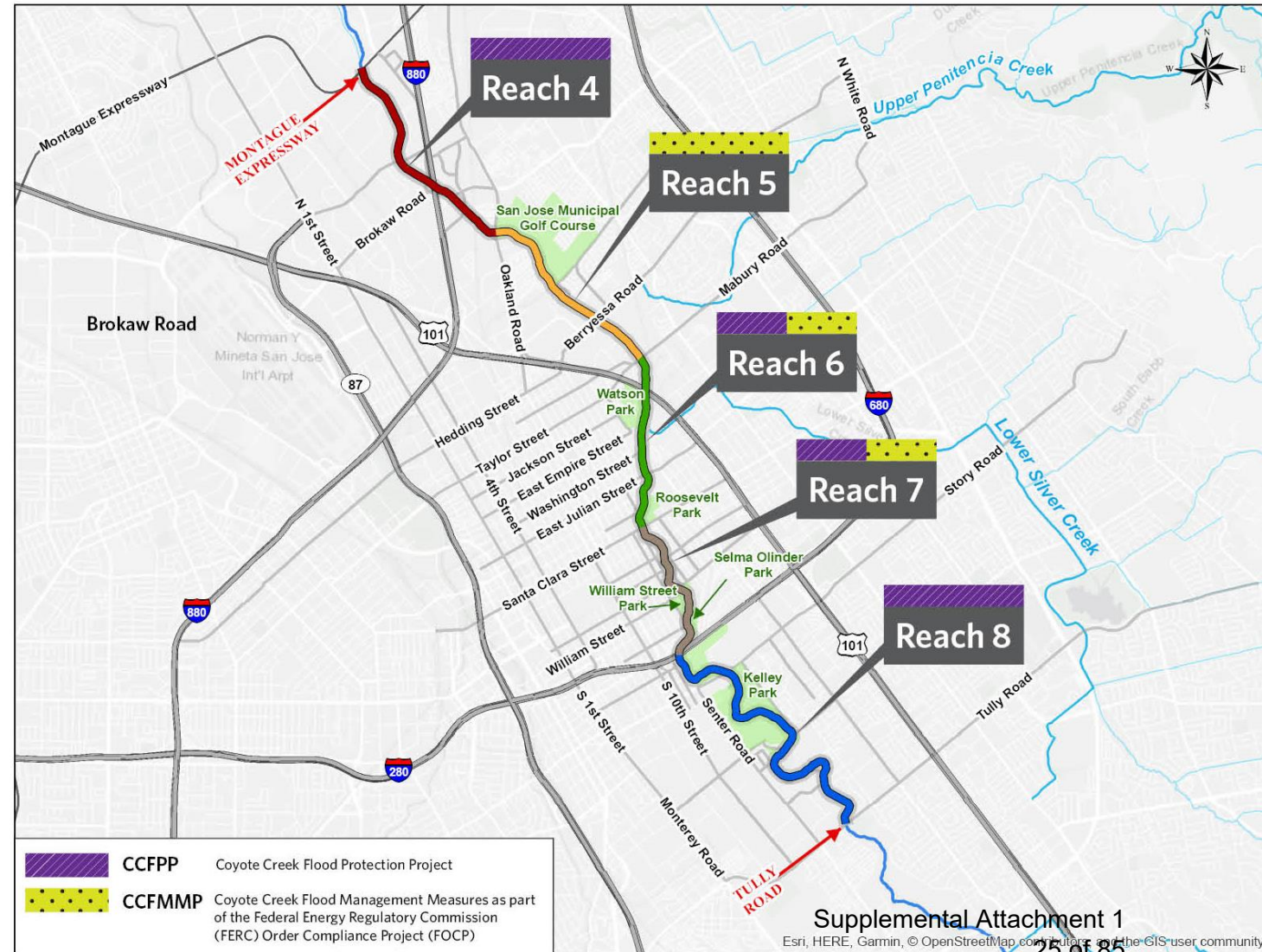
Coyote Creek Flood Protection Project

25

TOTAL PROJECT COST INCREASED BY \$161.89M (INFLATED)
SCHEDULE EXTENDED BY 5 YEARS

Primary contributing factors:

- CEQA and NEPA requirements
- Construction cost increases due to accelerated schedule and new design elements from community feedback
- Inadequate construction cost estimate during planning
- Right-of-way acquisitions and coordination with City of San Jose for use of chartered park land
- Unhoused encampment abatement coordination with City of San Jose
- Construction management services
- 3-year vegetation maintenance period



Overview

- **12 Projects** had changes to **Schedule and Cost**
- **8 Projects** had changes to **Scope, Schedule and Cost**
- **8 Projects** had changes to **Schedule – TPC changes due to inflation**
- **3 Projects** had changes to **Cost Only**
- **2 Projects** had changes to **Scope and Cost**
- **2 Projects** had changes to **Scope and Schedule– TPC changes due to inflation**
- **5 Projects** had changes due to **Small Capital Forecast Revisions**
- **5 Placeholder Projects** had changes due to **Administrative Updates**

CIP Evaluation Team Recommendations: Initially Validated and Unfunded Project List

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Project Name	Total Project Cost (In \$ thousands)	Remaining Cost (FY24 to completion) (In \$ thousands)	Phase	CIP Evaluation Team Recommendations
FY24 Validated Projects (as of 09/30/2022, Validation due date)				
South Babb Flood Protection Project (Long Term project)	\$21.60M	\$21.60M	N/A	Recommended to MOVE to the unfunded list. Cost estimates will be further refined by staff.
Proposed Changes to the Unfunded Project List for FY24-28 CIP				
Long-Term Purified Water Program Elements	\$206.14M	\$206.14M	N/A	Recommended to REMOVE from the unfunded list - for Phase 2 Purified Water Program. Staff to re-evaluate the cost estimates and coordinate further with the City of San Jose to develop the project.
RWTP Ammonia Storage & Metering Facility Upgrade	\$6.2M	\$6.2M	N/A	Recommended to MOVE into the FY2024-28 CIP as a stand alone project. Upon completion of the RWTP Reliability Project Design Phase, staff will determine the timeline and implementation of the project.
Total:	\$233.94	\$233.94	N/A	

CIP Evaluation Team Recommendations:

Projects Recommended for Inclusion in FY 2024-28 Five-Year Plan

As a result of the CIP Evaluation Team's recommendations, the following project is recommended for inclusion in the FY 2024-28 Preliminary CIP:

93C40417 RWTP Ammonia Storage & Metering Facility Upgrade: The existing ammonia storage and metering facility (ASMF) at Rinconada Water Treatment Plant (RWTP) includes a single ammonia storage tank and four metering pumps and associated instrumentation and control equipment. It was installed in the mid-1990's as part of the Toxic Gas Ordinance Compliance Project (TGO), and the existing ammonia storage tank has a nominal capacity of 6,700 gallons for aqua ammonia (19% concentration). However, the condition of the existing tank lining is unknown and will be replaced with two (2) tanks for reliability and safety since it is a critical system for the Plant. The four existing metering pumps will be replaced with new ones, and three new feed lines will be installed from the existing ASMF to the new Raw Water (RW) influent pipelines (north and south) and to the new chlorine contact basin (CCB), respectively. The existing feed points to the clearwells and the BW supply line will be removed. The estimated project cost is \$6.20M and the project duration is expected to last five years.

CIP Evaluation Team Recommendations:

Newly Validated Project Recommended for Addition to Unfunded List

During the CIP Evaluation Team's review on November 15, 2022, a newly validated project was submitted (see project summary below) and the team recommended that it be added to the Unfunded List for the FY 2024-28 Preliminary CIP.

South Babb Flood Protection Project (Long Term): Recent modeling indicates that there is significant spilling from culverts along South Babb Creek. These spills contribute to flooding of nearby areas, particularly between South Babb Creek, Lower Silver Creek, and Story Road. The recommended project improves the culverts at Lochner Drive, White Road, and Farrington Drive on South Babb Creek. While this will not eliminate all the spilling from South Babb Creek during the 100-year event, the majority of spills would be eliminated. In the hydraulic feasibility and preliminary constraints analysis report, a design was proposed where the Lochner Drive, White Road, and Farrington Drive culverts would be converted to voided slab bridges with a trapezoidal concrete channel underneath. A planning study would be required to evaluate other alternatives that would meet the same goal of reducing flooding risk to the area between South Babb Creek, Lower Silver Creek, and Story Road. Total project cost estimate = \$21.6 million and estimated project duration (all phases combined) = 5-6 years

CIP Evaluation Team Recommendations:

Projects Recommended for removal from the Unfunded List

As a result of the CIP Evaluation Team's recommendations, the following project is recommended for removal from the Unfunded project List:

Long-Term Purified Water Elements: This unfunded project was created as a “placeholder” to categorize future planned funding for a Phase 2 to the Purified Water Project. Staff recommends removing this project from the Unfunded list to allow time to facilitate coordination with the City of San Jose to develop a project and develop an updated cost estimate.

Projects Planned for Closure in FY 2023

TO BE REMOVED FROM THE FY 2024-28 Five-Year Plan

• Cross Valley Pipeline Extension (under ADSRP)	\$7.72 M
• Coyote Warehouse	\$9.84 M
• ERP System Implementation	<u>\$17.57 M</u>
TOTAL	\$35.13 M

CIP's Preliminary FY24-28 Five-Year Plan

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PROJECT CATEGORIES



Water Supply

28 projects



Water Resources Stewardship

10 projects



Flood Protection

16 projects



Buildings and Grounds

3 projects



Information Technology

4 projects

* Projects that fall into multiple categories are only counted once

CIP's Preliminary FY24-28 Five-Year Plan

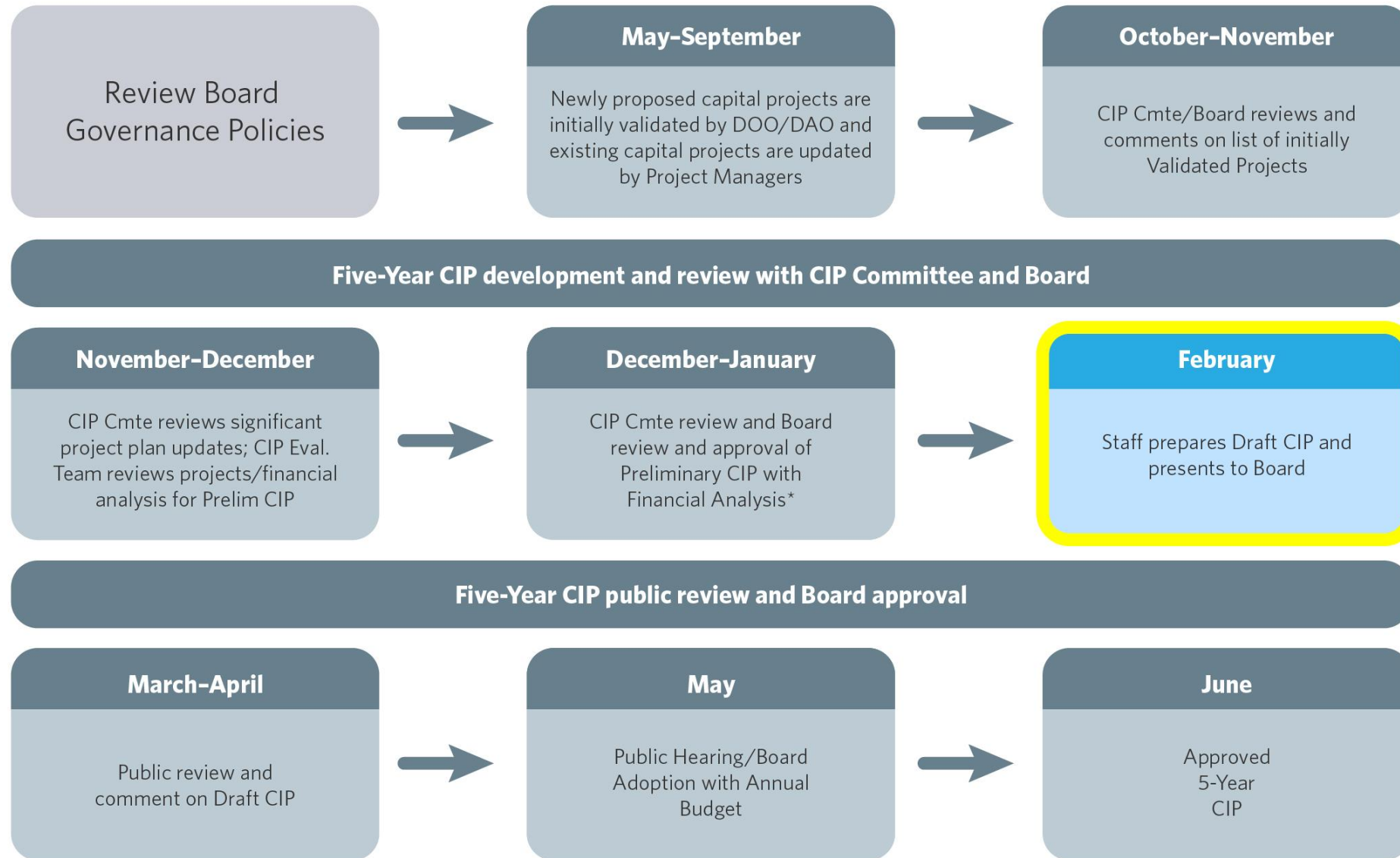
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SUMMARY OF PROJECT COSTS BY IMPROVEMENT TYPE

	Appropriated / Actuals through FY-23	Remaining Cost to Completion	Total Project Costs
Water Supply	\$1,197 M	\$6,109 M	\$7,306 M
Flood Protection	\$1,095 M	\$898 M	\$1,993 M
Stewardship	\$43 M	\$169 M	\$212 M
Buildings/Grounds	\$5 M	\$65 M	\$70 M
Information Technology	\$31 M	\$19 M	\$50 M
TOTAL CIP	\$2,373 M	\$7,259 M	\$9,632 M

Annual Process Overview

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Preliminary Financial Forecast Overview and Funding Scenarios Discussion for Fund 12 and Fund 26

Presented by

Darin Taylor, Chief Financial Officer (Groundwater Charges)

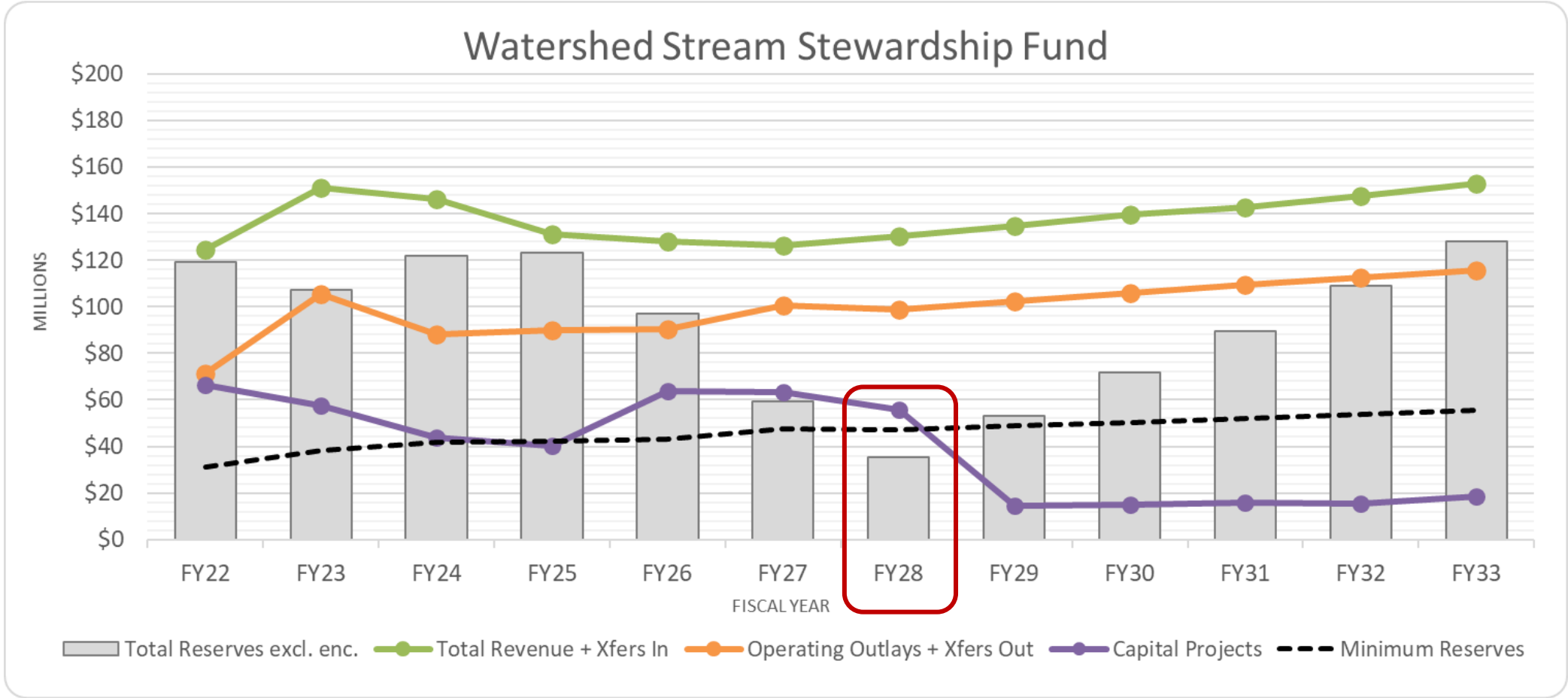
Jessica Collins, Business Planning and Analysis Unit Manager (Preliminary CIP/Safe, Clean Water Program)

Watershed Stream Stewardship Fund (Fund 12) Funding Scenario

Watershed and Stream Stewardship (WSS) Fund - Baseline

RESERVES DROP BELOW MINIMUM LEVELS DURING 10-YEAR FORECAST

PROJECTION



O&M
maintenance
placeholder

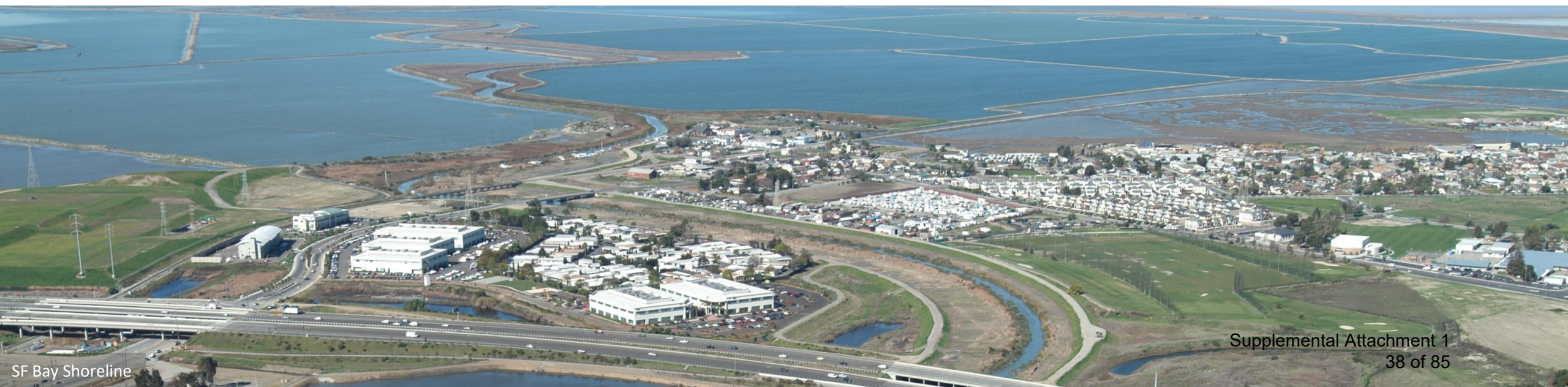
- \$2M/yr. FY 24 to FY 26
- \$5M/yr. FY 27 to FY 33

CIP Evaluation Team Recommendations: Fund 12 Scenarios for Board Consideration

38

Based upon Board and CIP Committee feedback and additional analysis, staff recommends the following scenario:

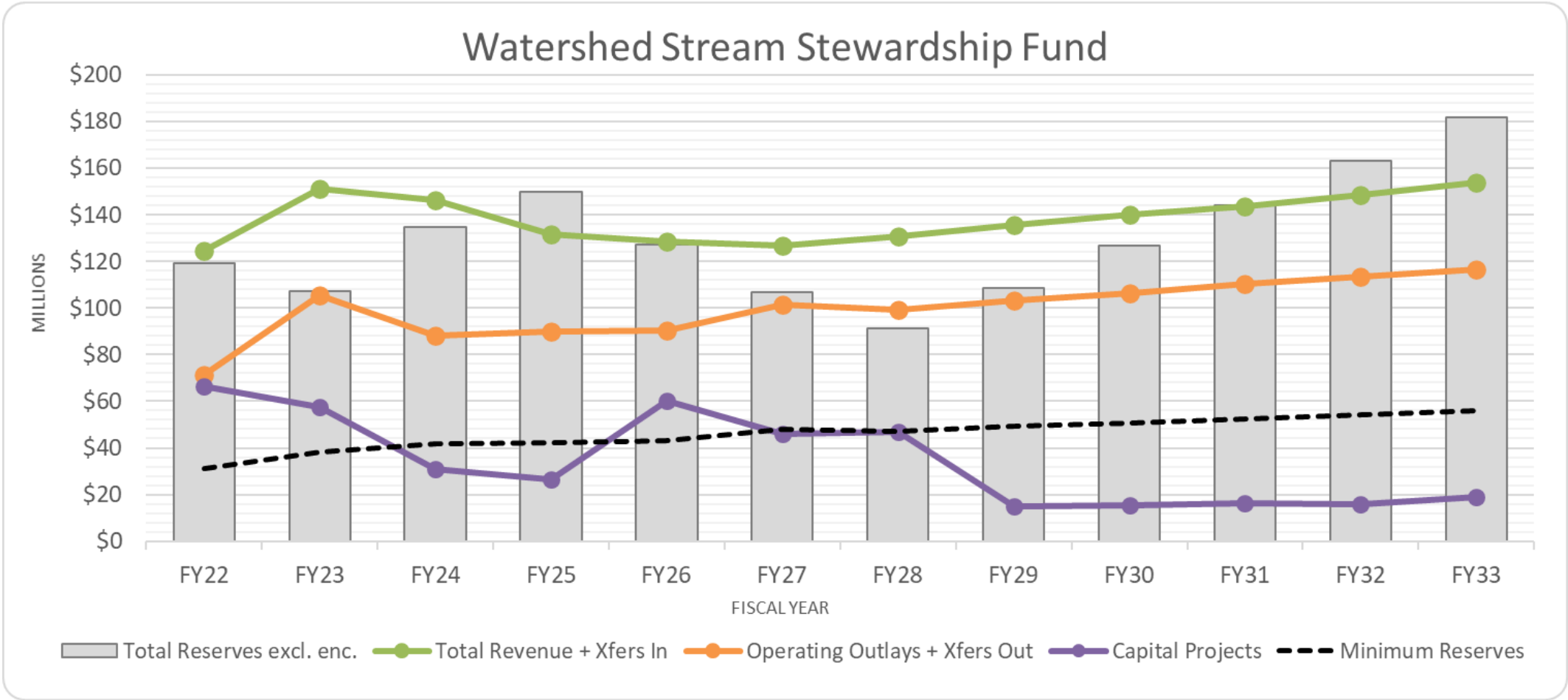
- Staff and CIP Committee Recommended Scenario
 - Baseline (includes all project plan updates to Board adopted CIP FY 2023-27 Five-Year Plan);
 - Palo Alto Flood Basin Tide Gates Replacement Project – On-hold (~\$75M).
 - Project may be incorporated into Shoreline Project; Imminent catastrophic structural failure unlikely.



Watershed and Stream Stewardship (WSS) Fund – Staff Rec. Alternative

RESERVES MAINTAINED ABOVE MINIMUM LEVELS DURING 10-YEAR FORECAST

PROJECTION



Revised Assumptions

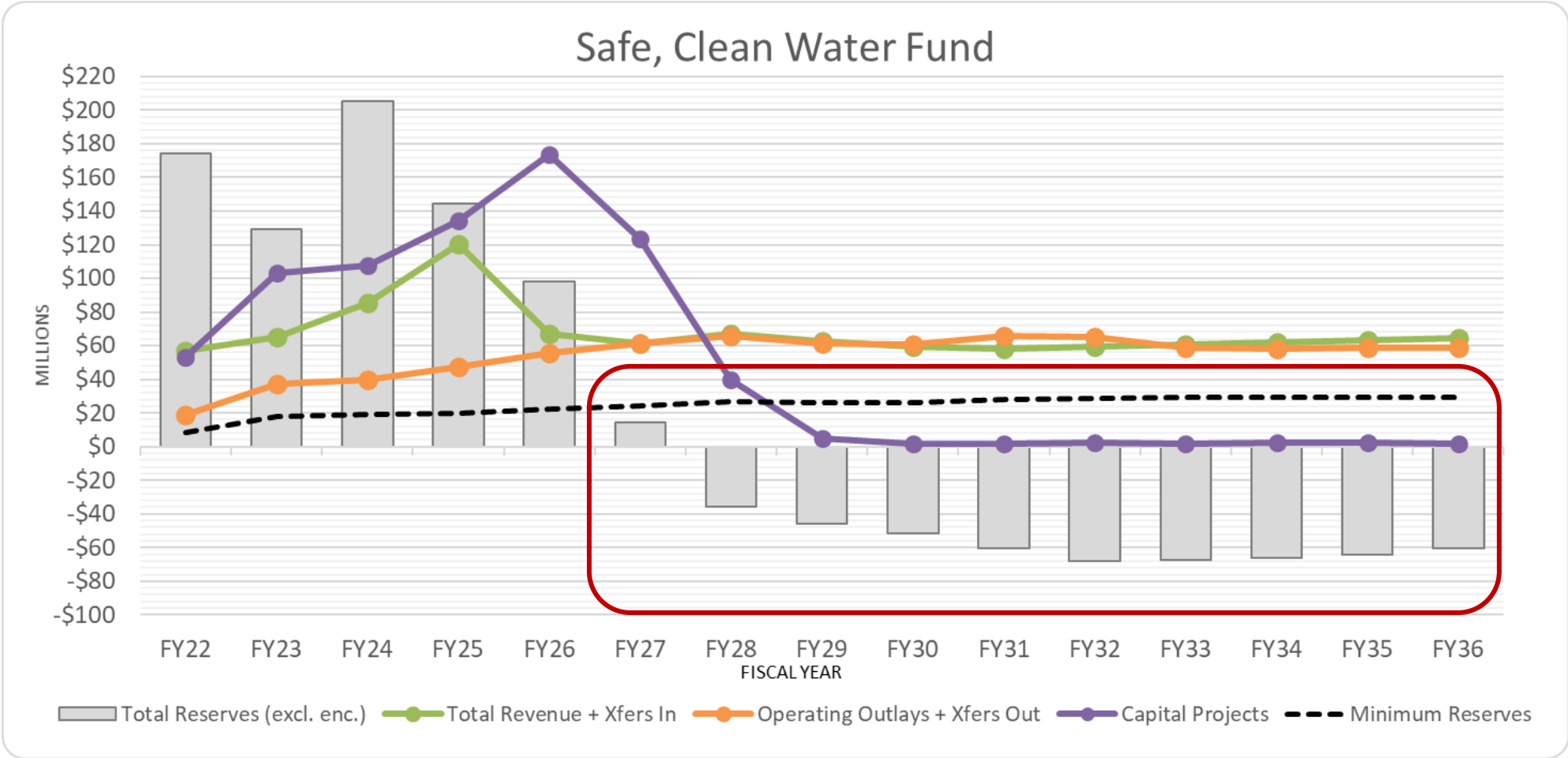
- Palo Alto Flood Basin project on hold

Safe, Clean Water and Natural Flood Protection Program Fund (Fund 26) Funding Scenario

Safe, Clean Water (SCW) Fund - Baseline

RESERVES BELOW MINIMUM LEVELS FOR FIRST 15 YEARS OF MEASURE S PLAN

PROJECTION



- Reflects \$146M in WIFIA loan funding
- Assumes \$89M NRCS Reimbursements for Upper Llagas Creek to fully construct Phase 2
- Assumes receipt of San Francisquito Creek outside funding sources, including \$30M from grants and partnerships through the SFCJPA

CIP Evaluation Team Recommendations: Fund 26 Scenario for Board Consideration

42

Based upon Board and CIP Committee feedback and additional analysis, staff recommends the following scenario:

Financial Model to include:

- Baseline (includes all project plan updates to Board adopted CIP FY 2023-27 Five-Year Plan)
- Assumed higher FY24 Special Parcel Tax Growth (5% vs. 2%) due to potentially higher CPI to keep pace with inflation

Safe, Clean Water Program changes:

Priority D

- Fish Habitat and Passage Improvement Project (D4 Creek/Lake Separation Projects) - Select Almaden Lake Improvement Project to meet D4 Key Performance Indicator (KPI) #1 (Planning/Design only); and select the Ogier Ponds Project to meet D4 KPI #2 (construction) and modify the KPI #2 to partially fund construction of one creek/lake separation project (~\$5M) (Modify KPI).
- Restoration of Natural Creek Functions Project (D6.3) - Not implement the KPI #3 of the placeholder project (not implement project).

Priority E

- Sunnyvale East and West Channels Flood Protection Project (E2)– Place construction of the Sunnyvale East Channel on-hold and reallocate the construction funding to Fund 26 reserves (Modify funding allocation).
- Upper Penitencia Creek Flood Protection Project (E4) – Place construction of the Project on-hold and reallocate the construction funding to Fund 26 reserves (Modify funding allocation).

Pros vs. Cons of Fund 26 Scenario

Staff Recommended Scenario	Pros	Cons
<p>Safe, Clean Water Changes:</p> <ul style="list-style-type: none">• Modify KPI D4.2 to <u>partially fund</u> construction of a creek/lake separation project (~\$5M) (Public hearing to modify KPI)• Not implement D6.3 placeholder project, the third geomorphic-designed project under Project D6 (Public hearing to not implement project); and• Reallocate construction funding for Sunnyvale East Channel and the Upper Penitencia Project and place construction on-hold until funding can be identified (Public hearing to modify funding allocations)	<p>Project D4 continues to meets the objectives of the creek/lake separation KPIs.</p> <p>Minimizes risk to the communities along Coyote Creek by moving forward with the planned construction schedule for the Coyote Creek Flood Protection Project to align with completion of the high-level outlet for the Anderson Dam Seismic Retrofit Project.</p> <p>Allows VW to proceed with construction on the Sunnyvale West Channel, benefitting the community along the channel by providing fluvial protection. Allows time for Google to formalize a request to do a project along Sunnyvale East, similar to what was done along Sunnyvale West.</p>	<p>Defers construction of Sunnyvale East Channel (from FY24 start date to TBD), which results in prolonged risk of flooding to the communities along Sunnyvale East Channel. Additional challenge is deferring the project halts negotiations for Temporary Construction Easements and discussions with Twin Creek Park (Santa Clara County) development.</p> <p>Defers construction of Upper Penitencia Creek Flood Protection Project (from FY26 start date to TBD), which results in prolonged risk of flooding to the communities along Upper Penitencia Creek.</p>

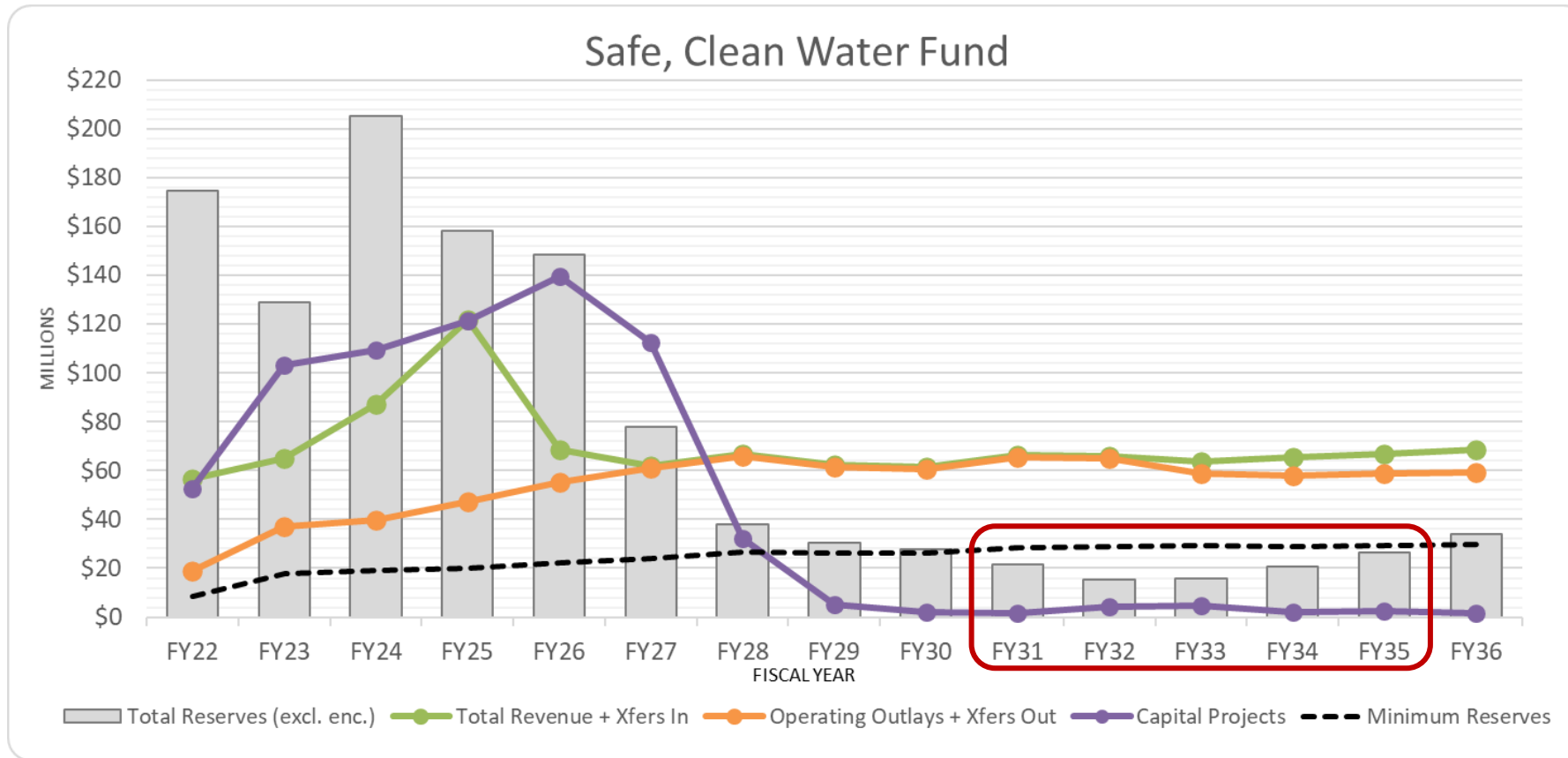
Note: The scenario also includes Baseline, Assumed Higher Special Parcel Tax Rate/NRCS Funding.

Safe, Clean Water (SCW) Fund – Staff Recommended Alternative

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RESERVES ARE NEAR OR ABOVE MINIMUM LEVELS FOR FIRST 15 YEARS
OF MEASURE S PLAN

PROJECTION



Revised Assumptions

- Adjusted Special Parcel Tax Revenue (potential higher increase of 5% over usual 2%)
- Construct Sunnyvale West Flood Protection
- Place on hold pending funding availability:
 - Upper Penitencia Creek Flood Protection
 - Sunnyvale East Flood Protection
- Do Not Implement:
 - D6.3 Placeholder Project
- Modify:
 - Fund planning & design for D4.1 Almaden Lake
 - Partially fund construction for D4.2; select Ogier Pond

Fund 26: Change Control Process

	Adjustments (publicly noticed meetings)	Modifications (formal public hearing required)
Text	Edits to text for correction of grammatical errors, information/data updates, and overall readability.	Changes to a project’s key performance indicators (KPIs).
Schedule	Adjustments to project schedules provided in the original 2020 voter-approved Program.	Non-implementation of a project.
Funding	Budget adjustments and increases to project funding allocations that do not impact any project deliverables in the Program.	Increases to project funding allocations that will impact any project’s KPIs in the Program.

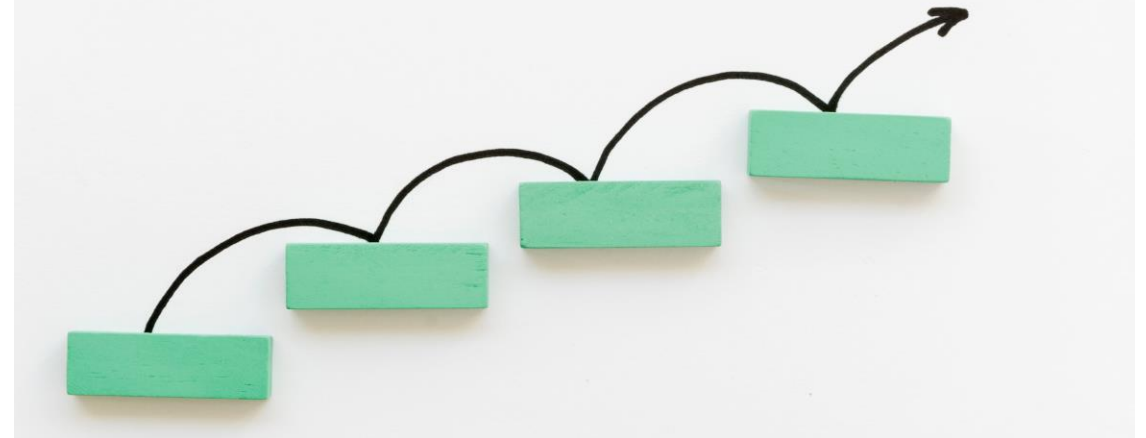
Immediate Action

46

- Approve the Funding Scenario for Fund 12 and approve FY 24-28 Preliminary CIP list of projects for Fund 12
- Review proposed adjustments and modifications to the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) Fund (Fund 26)
- Set the time and place for a public hearing for modifications to the Safe, Clean Water Program (Fund 26) Projects (Regular Board Meeting on January 24, 2023)

Next Steps

- Hold the public hearing to receive community feedback regarding the funding scenario
- Upon close of the public hearing adopt a resolution to modify the Safe, Clean Water Program based upon the Board decision
- Review and approve CIP's FY 24-28 Preliminary Five-Year Plan list of projects for Fund 26.



Preliminary FY 2023-24 Groundwater Production Charge Analysis

- 1. Responses to the Board from December 13, 2022 meeting**
- 2. Impact of Ongoing Drought, Inflation & Recession on Preliminary Analysis**
- 3. Water Usage & Water Utility Cost Projections**
- 4. Baseline Scenario Assumptions & Alternative Scenarios**
- 5. Preliminary Groundwater Charge Forecast (Baseline & Alt. Scenarios)**
- 6. Other Information**
- 7. Schedule & Summary**

Follow up on question from Board re: Water Utility WIFIA loans

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QUESTIONS FROM BOARD ON DECEMBER 13, 2022:

Can a substitute package of projects for the same total project cost (TPC) be completed faster than the Pacheco Reservoir Expansion Project with the WIFIA loan?

A. Could a substitute package of projects for same TPC be put together?

Answer: No, only a fraction (25%) of TPC is potentially possible based on Draft FY 24-28 CIP

B. Could a package of Water Utility projects be completed faster than currently scheduled if paired with the WIFIA loan instead of the Pacheco Reservoir Expansion Project?

Answer: No, most potential substitute projects are already on fastest schedule

Follow up on question from Board re: Water Utility WIFIA loans

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Pacheco Reservoir Expansion Project

Total Project Cost (TPC): \$2,780M with FY 28 to FY 35 construction

WIFIA Substitute Project Analysis:

Not a
substitution
candidate

1. **Purified Water Program: TPC \$1,218M with FY 25 to FY 28 construction via P3**

- Staff will submit WIFIA Letter of Interest when project specifics are known
- P3 Partner would submit loan application and secure loan with EPA

2. **Rinconada WTP Reliability Improvement: TPC \$362M for Phases 3 - 6 with FY 24 to FY 29 construction)**

- Cannot speed up versus current schedule (July 2023 advertisement for phases 3 to 6)

3. **Calero Dam Seismic Retrofit: TPC \$164M with FY 32 to FY 35 construction**

- Cannot speed up versus current schedule (must complete Anderson first)

4. **Almaden Valley Pipeline Replacement: TPC \$113M with FY 29 to FY 41 Construction**

- Too early to know if schedule can be faster (currently in planning/pre-design)

5. **Guadalupe Dam Seismic Retrofit: TPC \$85M with FY 28 to FY 31 construction**

- Cannot speed up versus current schedule (due to likely permitting challenges)

6. **10-Year Pipeline Rehabilitation: TPC \$155M (\$50M for remaining work thru FY 27)**

- Project is well underway

TPC = \$705M
Versus
\$2,780M for
Pacheco

Not a
substitution
candidate

Follow up on question from Board re: Water Utility WIFIA loans

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RINCONADA WTP RELIABILITY IMPROVEMENT NOT A GOOD CANDIDATE FOR WIFIA

Timing Challenge

- WIFIA loan must be in place prior to contract advertisement in July 2023 (only 6 months away)
 - Federal compliance requirements cannot be included in advertised construction plans and specs unless Board & EPA have approved WIFIA loan
- A new WIFIA loan package would likely take 1 year to apply, negotiate and approve
- Substitution request in lieu of Pacheco is subject to EPA review (no guarantee of EPA approval & no guarantee of meeting short time frame)

Compliance Challenge

- Meeting federal and environmental loan requirements could cause delays and cost increases
 - Examples include National Environmental Policy Act (NEPA), American Iron and Steel, Davis Bacon, among others, which are currently not requirements

Ongoing drought has significant impact on preliminary analysis

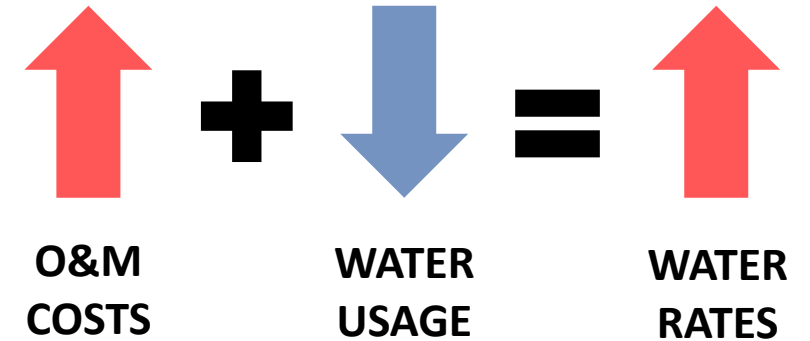
52

DROUGHT PUTTING PRESSURE ON NEAR-TERM (FY24 & FY25) WATER RATES:

Ongoing Drought Puts Pressure on Water Rates:

O&M Costs up

- Emergency Water Purchases projected to be \$28.3M in FY24 & FY25
- Emergency Conservation activities projected to be \$7.0M in FY24 & FY25



Water Usage down: Mandatory 15% call for conservation compared to 2019 (on track to achieve in FY23)

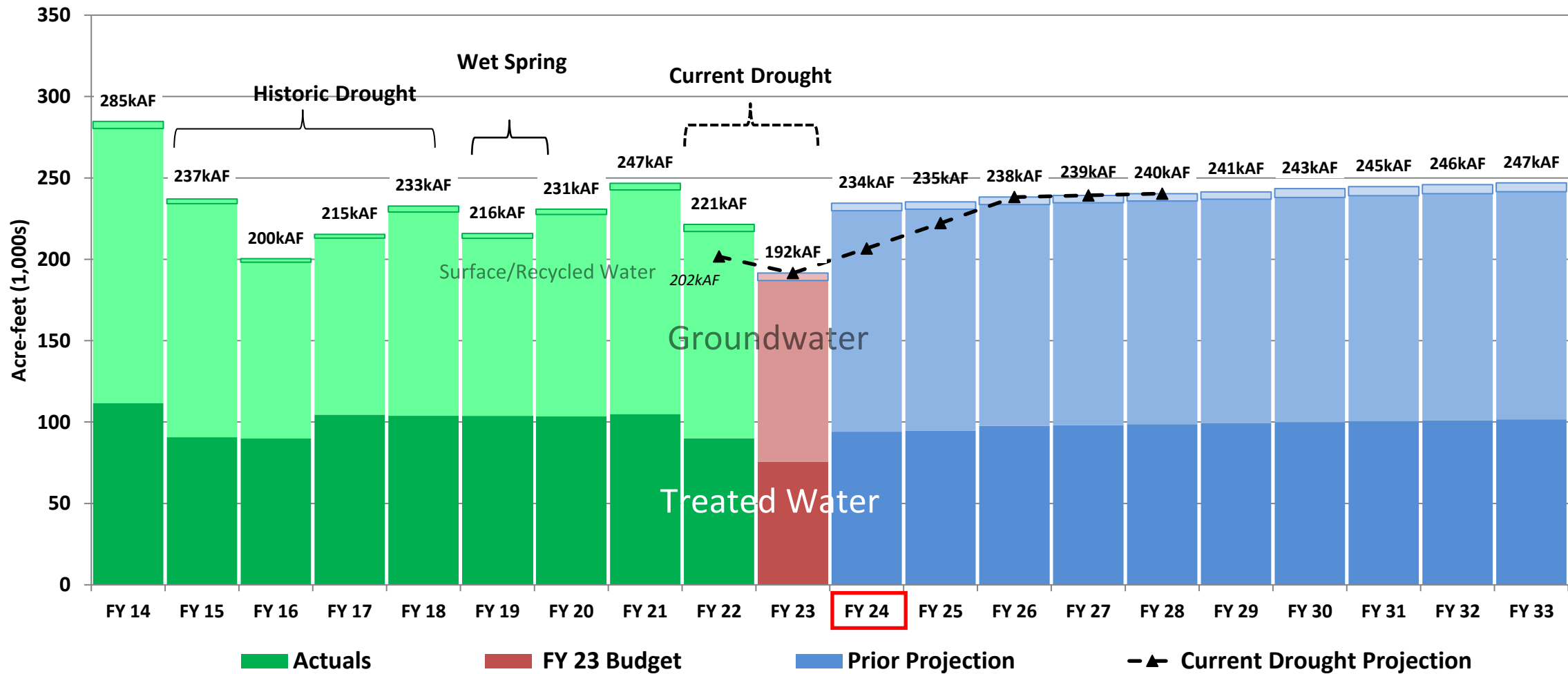
- Results in lower revenue to pay for highly fixed cost structure

Continued Measures to Soften Water Rate Impact:

- Draw down Rate Stabilization & Supplemental Water reserves in FY 24 & FY 25
- Suspension of certain position backfills, sharing certain positions between multiple divisions, careful scrutiny of draft biennial budget to offset inflation impact

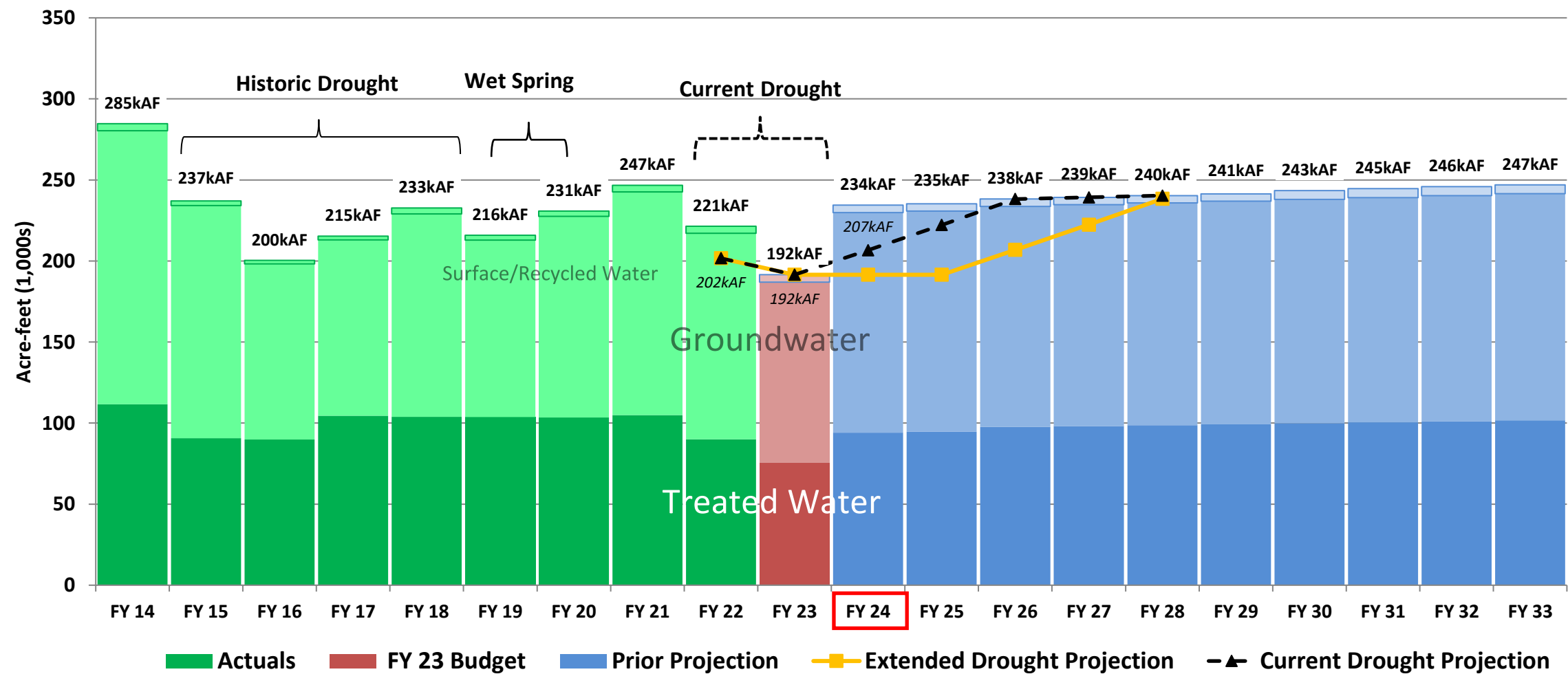
Water Usage (District Managed)

Water Usage (District Managed)



Water Usage (District Managed) – Extended Drought Scenario

Water Usage (District Managed)



Impacts of Inflation & Potential Recession

TO THE WATER UTILITY

55

Water Utility Revenue

Water Charge Revenue: Likely immaterial impact to water usage from inflation trends or recession

- Note: several water retailers report no improvement in customer delinquencies

State Water Project Tax: No impact expected unless Teeter Plan suspended (unlikely)

Operations & Maintenance, Capital and Debt Financing

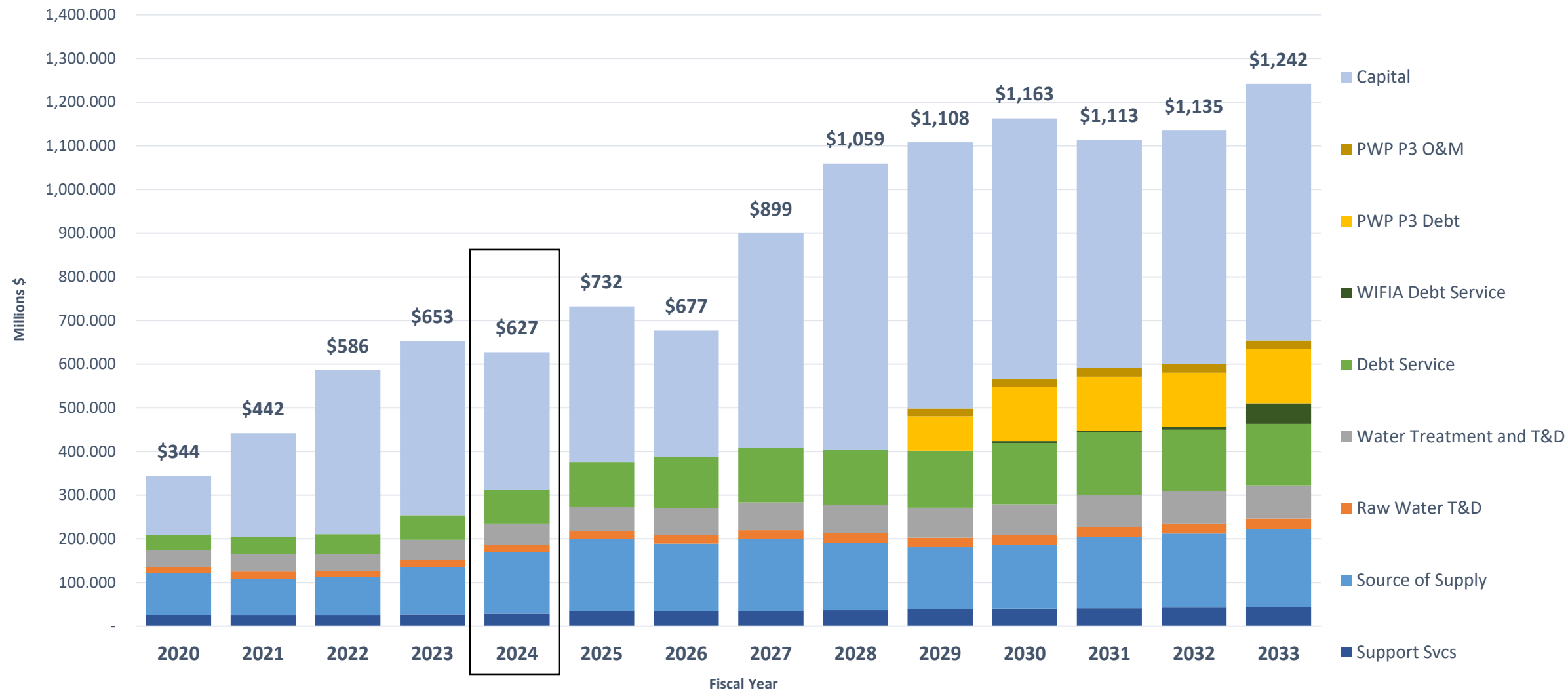
Significant cost increases, but recession may ease inflation

Draft FY2024-28 CIP is significantly higher than Adopted FY2023-27 CIP

Rising interest rates mean more costly debt issuances, partially offset by higher investment earnings

Bottom Line: Cost increases will drive additional upward pressure on water rates

Preliminary Cost Projection



Infrastructure Repair and Water Supply Investments Drive Medium-Term and Long-Term Water Rates

57

Key drivers of medium-term rate projection (FY 26 thru FY 30)

RWTP Reliability Improvement

(\$166M TPC increase to \$628M)

- Extend service life of plant for next 50 years and expand plant capacity

Purified Water Program

(\$466M TPC increase to \$1.218B)

- Provide incremental drought proof water supply

Infrastructure Repair and Water Supply Investments Drive Medium-Term and Long-Term Water Rates

58

Key drivers of medium-term (FY 26 thru FY 30) & long-term rate projection (Beyond FY 30)

Anderson Dam Seismic Retrofit *all projects combined* (\$183.1M TPC increase to \$1.419B)

- Address public health and safety concerns and relieve operations restrictions
- Medium-term rate impact partially mitigated by WIFIA loan repayment terms

Key drivers of long-term rate projection (Beyond FY 30)

Pacheco Reservoir Expansion (\$319M TPC increase to \$2.780B)

- Add water storage to help face extended droughts
- Medium-term rate impact mitigated by grant funding and WIFIA loan repayment terms

Rate setting strategy for FY 2023-24

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FY 24 BASELINE CASE ASSUMPTIONS:

Drought Related

- Emergency Water Supply Purchases anticipated in FY24 (\$19.1M) and FY25 (\$9.2M)
- Slight increase in District-managed water usage – projected at 205 kAF (vs. 192 kAF in FY23)

Secure Existing Supplies and Infrastructure

- Baseline Projects*
- Anderson Dam Seismic Retrofit with WIFIA loan (up to 49% of TPC)
- Master Plan Projects Placeholder**: Assumes \$333M from FY26-FY33
- SWP Tax pays for 100% of SWP costs (excludes SWP portion of Delta Conveyance)
- Delta Conveyance SWP portion continues at 3.23%

Expand Conservation and Reuse

- Purified Water Expansion via P3 with operations beginning in FY28, assumes 100% debt financing through P3 entity

Optimize the System

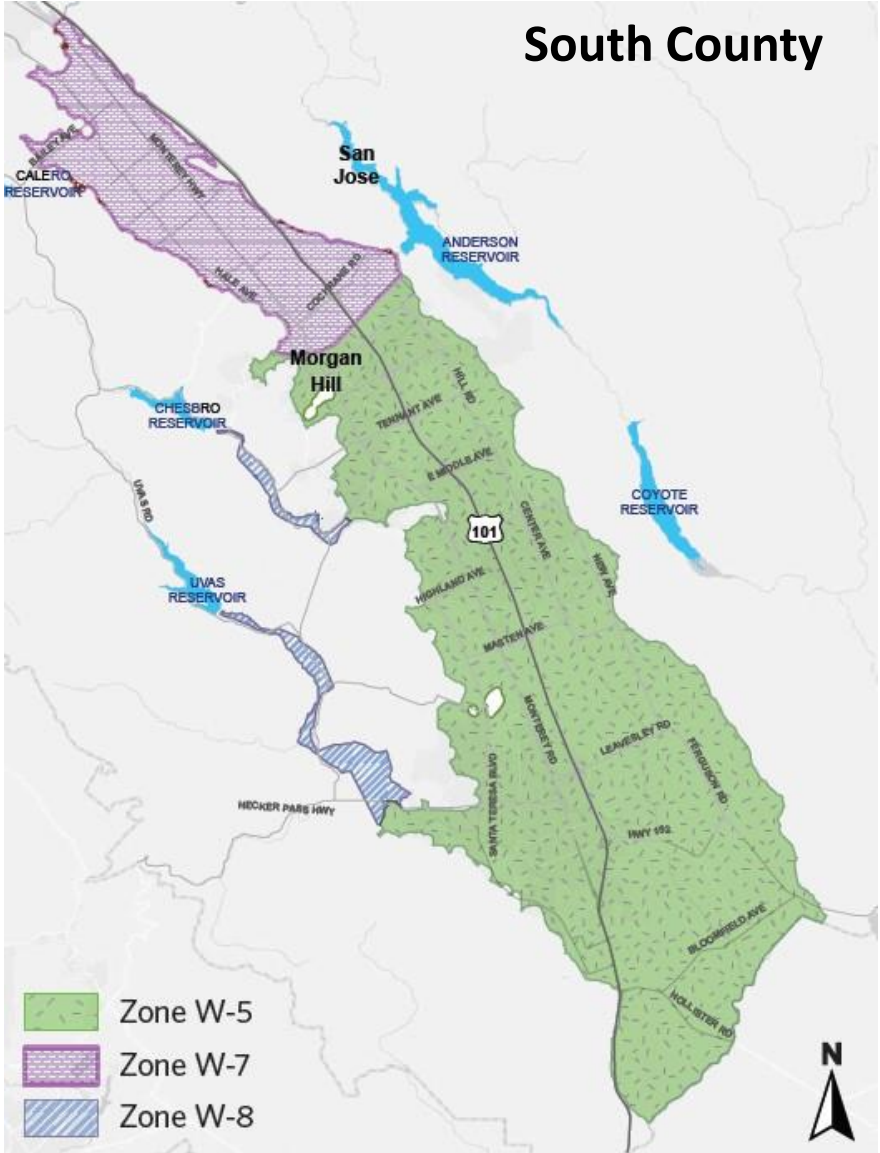
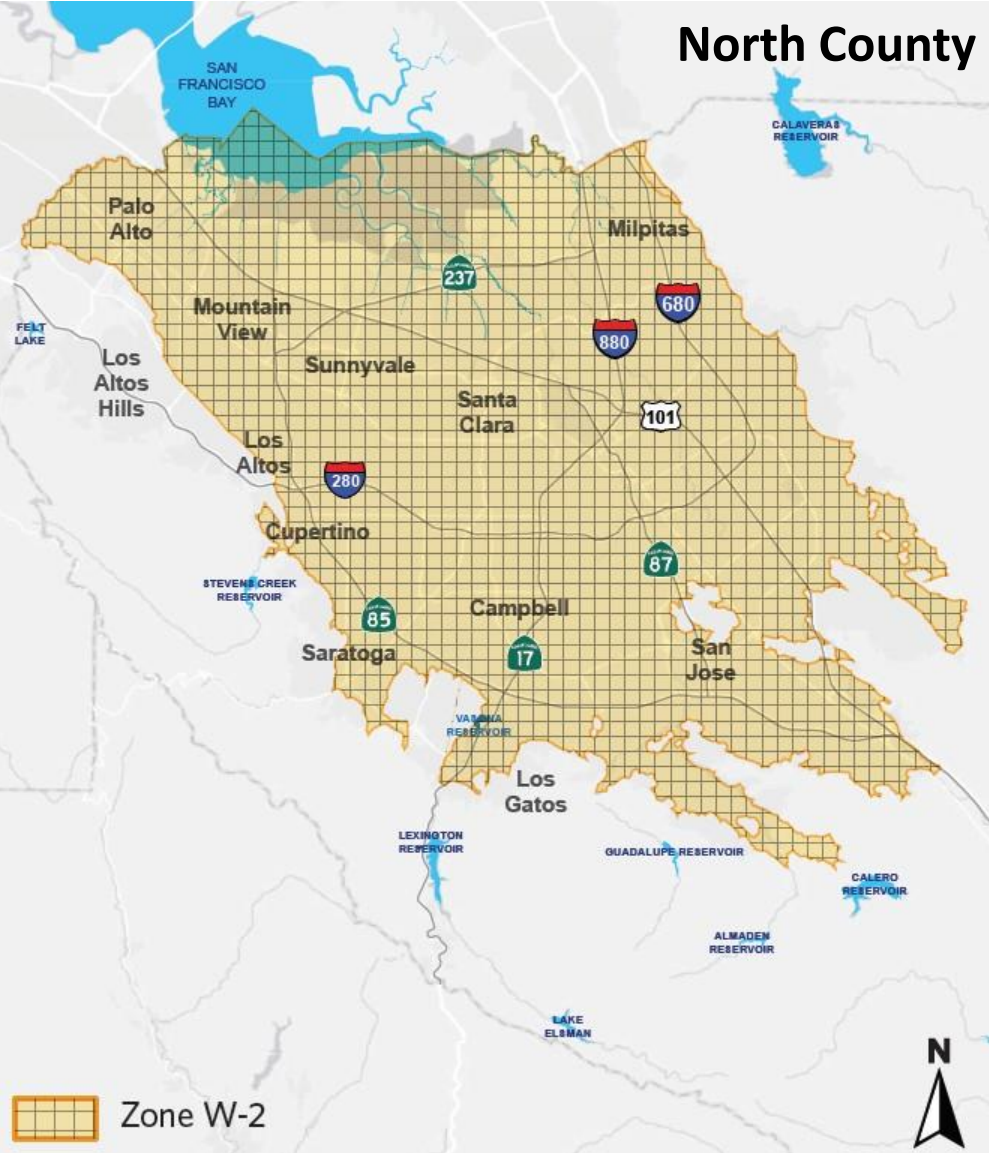
- Pacheco Reservoir Expansion Project (PREP) with \$504M Proposition 1 grants, WIFIA loan (up to 49% of TPC) and Partnership Participation at 35% of TPC
- Los Vaqueros (Transfer Bethany Pipeline) with up to 50 KAF Storage

* Includes but not limited to dam seismic retrofits, Rinconada WTP reliability improvement, 10-year pipeline rehabilitation program

** Master Plan Project Placeholder includes anticipated costs for new pipelines, pipeline rehabilitations, treatment plant upgrades & SCADA implementation projects

TPC: Total Project Cost

Groundwater Benefit Zones



Preliminary Groundwater Charge Increase Projection

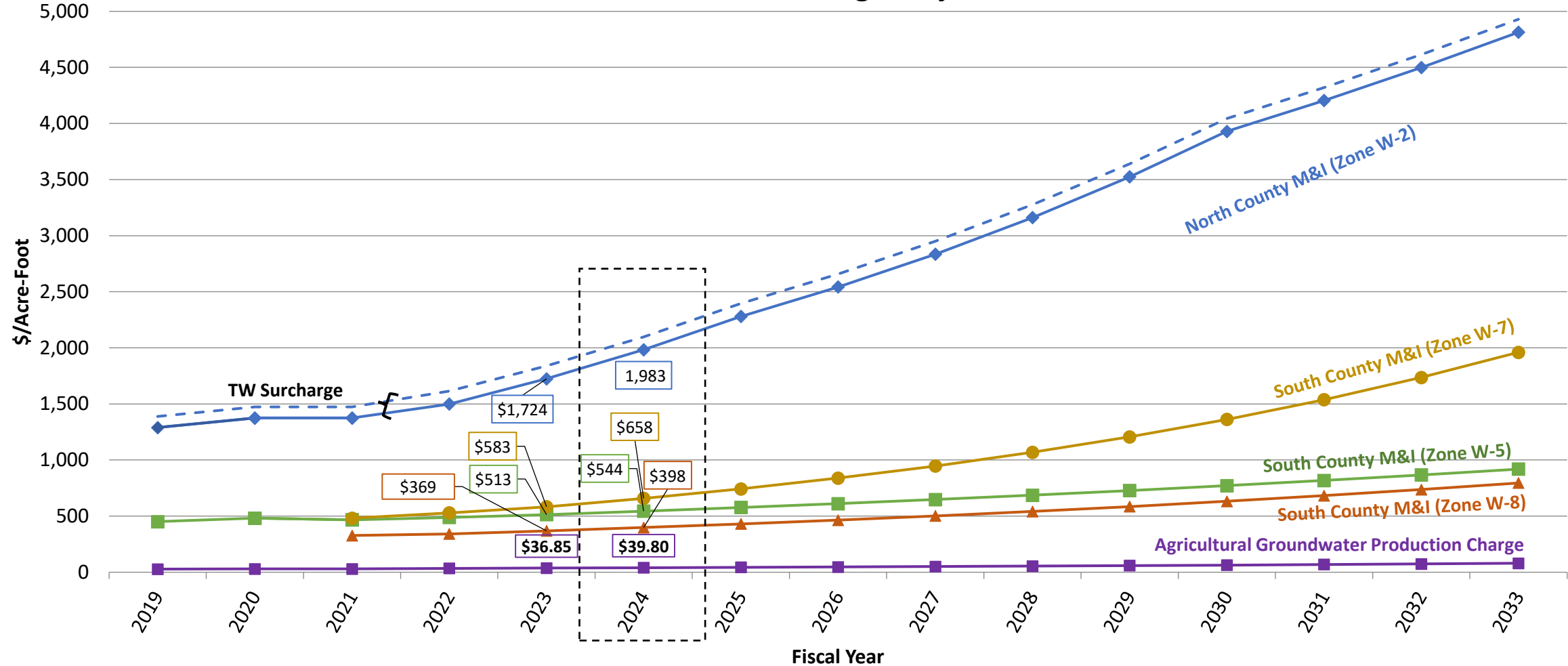
Baseline Scenario

M&I Groundwater Charge Year to Year Growth %

Baseline Scenario 1	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
North County Zone W-2	15%	15%	11.5%	11.5%	11.5%	11.5%	11.5%	7.0%	7.0%	7.0%
Prior Year	15%	15%	9.1%	9.1%	9.1%	9.1%	9.1%	5.0%	5.0%	
South County Zone W-5	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Prior Year	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%	
South County Zone W-7	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%
Prior Year	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	
South County Zone W-8	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Prior Year	8%	8%	8%	8%	8%	8%	8%	8%	8%	

Preliminary Groundwater Production Charge Projection

M&I Groundwater Charge Projection



Rate setting strategy for FY 2023-24 – additional scenarios

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ADDITIONAL FY 24 SCENARIOS:

- Scenario 2** Baseline with Extended Drought: Water use projection remains about 192kAF in FY24 and FY25 combined with \$20M/year in Emergency Water Purchases
- Scenario 3** Baseline with 0% Partnership Participation Funding for Pacheco Reservoir Expansion
- Scenario 4** Baseline excluding Pacheco Reservoir Expansion Project
- Scenario 5** Baseline with \$100M Reduction in Total Project Costs for the Purified Water Program
- Scenario 6** Baseline with \$183M Potential Grant Funding for PWP combined with \$100M Reduction in Total Project Costs for the Purified Water Program

All scenarios assume annual water use growth of ~ 0.5% based on Urban Water Management Plan.

Financial modeling for Scenarios 2 – 6 includes the same projects and assumptions as Baseline Scenario 1 unless noted otherwise.

Preliminary Groundwater Charge Increase Scenarios

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M&I Groundwater Charge Year to Year Growth %

North County Zone W-2	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline Scenario #1	15.0%	15.0%	11.5%	11.5%	11.5%	11.5%	11.5%	7.0%	7.0%	7.0%
Scenario #2 – Baseline with Extended Drought	24.5%	22.0%	9.4%	9.4%	9.4%	9.4%	9.4%	5.0%	5.0%	5.0%
Scenario #3 – Baseline with 0% PREP Partnership Funding	15.0%	15.0%	12.0%	12.0%	12.0%	12.0%	12.0%	7.0%	7.0%	7.0%
Scenario #4 – Baseline excluding Pacheco	15.0%	15.0%	11.5%	11.3%	11.3%	11.3%	11.3%	5.5%	5.5%	5.5%
Scenario #5 – Baseline with \$100M lower PWP TPC	15.0%	15.0%	11.5%	11.0%	11.0%	11.0%	11.0%	6.8%	6.8%	6.8%
Scenario #6 – Scenario #5 + \$183M PWP Grant Funding	15.0%	15.0%	9.9%	9.9%	9.9%	9.9%	9.9%	6.3%	6.3%	6.3%

Preliminary Monthly Impact to Average Household Scenarios

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M&I Groundwater Charge – Monthly impact to Average Household

North County Zone W-2	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline Scenario #1	\$8.91	\$10.24	\$9.03	\$10.07	\$11.23	\$12.52	\$13.96	\$9.47	\$10.14	\$10.85
Scenario #2 – Baseline with Extended Drought	\$14.55	\$16.26	\$8.48	\$9.27	\$10.15	\$11.10	\$12.14	\$7.07	\$7.42	\$7.79
Scenario #3 – Baseline with 0% PREP Partnership Funding	\$8.91	\$10.24	\$9.42	\$10.55	\$11.82	\$13.24	\$14.83	\$9.69	\$10.36	\$11.09
Scenario #4 – Baseline excluding Pacheco	\$8.91	\$10.24	\$9.03	\$9.89	\$11.01	\$12.26	\$13.64	\$7.39	\$7.80	\$8.22
Scenario #5 – Baseline with \$100M lower PWP TPC	\$8.91	\$10.24	\$9.03	\$9.63	\$10.69	\$11.87	\$13.17	\$9.04	\$9.65	\$10.31
Scenario #6 – Scenario #5 + \$183M PWP Grant Funding	\$8.91	\$10.24	\$7.77	\$8.54	\$9.39	\$10.32	\$11.34	\$7.93	\$8.43	\$8.96

Note: Does not include any increase that a retailer would layer on top

Preliminary Groundwater Charge Increase Scenarios

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M&I Groundwater Charge Year to Year Growth %

South County Zone W-5	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline Scenario #1										
Scenario #2 – Baseline with Extended Drought										
Scenario #3 – Baseline with 0% PREP Partnership Funding	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Scenario #5 – Baseline with \$100M lower PWP TPC										
Scenario #6 – Scenario #5 + \$183M PWP Grant Funding										
Scenario #4 – Baseline excluding Pacheco	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%	4.9%

Preliminary Monthly Impact to Average Household Scenarios

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M&I Groundwater Charge – Monthly impact to Average Household

South County Zone W-5	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline Scenario #1										
Scenario #2 – Baseline with Extended Drought										
Scenario #3 – Baseline with 0% PREP Partnership Funding	\$1.06	\$1.12	\$1.19	\$1.26	\$1.34	\$1.42	\$1.50	\$1.59	\$1.69	\$1.79
Scenario #5 – Baseline with \$100M lower PWP TPC										
Scenario #6 – Scenario #5 + \$183M PWP Grant Funding										
Scenario #4 – Baseline excluding Pacheco	\$0.87	\$0.91	\$0.95	\$1.00	\$1.05	\$1.10	\$1.15	\$1.21	\$1.27	\$1.33

Note: Does not include any increase that a retailer would layer on top

Preliminary Groundwater Charge Increase Scenarios

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M&I Groundwater Charge Year to Year Growth %

South County Zone W-7	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline Scenario #1										
Scenario #2 – Baseline with Extended Drought										
Scenario #3 – Baseline with 0% PREP Partnership Funding	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%
Scenario #5 – Baseline with \$100M lower PWP TPC										
Scenario #6 – Scenario #5 + \$183M PWP Grant Funding										
Scenario #4 – Baseline excluding Pacheco	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%

Preliminary Monthly Impact to Average Household Scenarios

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M&I Groundwater Charge – Monthly Impact To Average Household

South County Zone W-7	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline Scenario #1										
Scenario #2 – Baseline with Extended Drought										
Scenario #3 – Baseline with 0% PREP Partnership Funding	\$2.59	\$2.92	\$3.30	\$3.72	\$4.20	\$4.75	\$5.36	\$6.05	\$6.83	\$7.71
Scenario #5 – Baseline with \$100M lower PWP TPC										
Scenario #6 – Scenario #5 + \$183M PWP Grant Funding										
Scenario #4 – Baseline excluding Pacheco	\$2.05	\$2.25	\$2.48	\$2.74	\$3.02	\$3.33	\$3.66	\$4.04	\$4.45	\$4.90

Note: Does not include any increase that a retailer would layer on top

Preliminary Groundwater Charge Increase Scenarios

M&I Groundwater Charge Year To Year Growth %

South County Zone W-8	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline and all Scenarios	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%

M&I Groundwater Charge – Monthly Impact To Average Household

South County Zone W-8	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline and all Scenarios	\$1.02	\$1.10	\$1.18	\$1.28	\$1.38	\$1.49	\$1.61	\$1.74	\$1.88	\$2.03

Note: Does not include any increase that a retailer would layer on top

Agricultural Groundwater Charge Increase & Prior Direction

District Act limits Agricultural Water Charges to 25% of M&I Water charges

- Board Pricing Policy (Resolution 99-21) further limits Agricultural Water Charges to 10% of M&I Water Charges

Board Direction in FY 22

- Maintain full Open Space Credit, keeping Ag rates set at 10% of lowest M&I charge
 - Rationale: passage of Safe, Clean Water Measure S helped relieve future financial pressure

Agricultural Groundwater Charge Year To Year Growth %

Agricultural Rate	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline and all Scenarios	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%

M&I Groundwater Charge – Monthly Impact To Average User*

Agricultural Rate	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Baseline and all Scenarios	\$0.49	\$0.53	\$0.57	\$0.62	\$0.67	\$0.72	\$0.78	\$0.84	\$0.91	\$0.98

* Assumes 2 acre-feet of water usage per acre per year

Other Charges, Taxes, Reserves Information

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	FY 2023	FY 2024	FY 2025
<u>Other Charges</u>	<u>Budget</u>	<u>Projection</u>	<u>Projection</u>
Contract TW Surcharge (\$/AF)	\$115.00	\$115.00	\$115.00
Non-contract TW Surcharge (\$/AF)	\$200.00	\$200.00	\$200.00
Surface Water Master Charge (\$/AF)	\$47.10	\$54.20	\$62.40
Agricultural Groundwater Charge (\$/AF)	\$36.85	\$39.80	\$42.98
<u>SWP Tax</u>			
Revenue	\$27M	\$27M	\$28M
Cost per average household	\$41/Yr.	\$41/Yr.	\$42/Yr.
<u>Reserves</u>			
Supplemental Water Reserve	\$5.3M	\$2.7M	\$2.7M
Drought Reserve	\$0M	\$0M	\$0M
Rate Stabilization Reserve	\$41.0M	\$6.0M	\$27.5M *
Operating and Capital Reserve	\$38.0M	\$57.7M	\$63.8M

* FY 25 Rate Stabilization Reserve balance assumes full replenishment to target offset by \$15M draw down for debt service coverage purposes.

2023 Schedule

73

Jan 9	Ag Water Advisory Committee
Jan 10	Board Meeting: Preliminary Groundwater Charge Analysis
Jan 18	Water Retailers Meeting: Preliminary Groundwater Charge Analysis
Jan 23	Water Commission Meeting: Prelim Groundwater Charge Analysis
Feb 7	Board Meeting: Set time & place of Public Hearing
Feb 24	Mail notice of public hearing and file PAWS report
Mar 7	Board Meeting: Budget development update
Mar 15	Water Retailers Meeting: FY 24 Groundwater Charge Recommendation
Apr 3	Ag Water Advisory Committee
Apr TBD	Water Commission Meeting
Apr 11	Open Public Hearing
Apr TBD	Continue Public Hearing in South County
Apr 25	Conclude Public Hearing
Apr 26-27	Board Meeting: Budget work study session
May 9	Adopt budget & groundwater production and other water charges

Key Drivers for Water Rate Projection:

- Near Term (FY 24 & FY 25): Driven by Drought
 - Emergency water purchases to ensure water supply for Silicon Valley
- Medium Term (FY 26 – FY 30): Driven by Rinconada, Purified Water Program & partially Anderson Dam Seismic Retrofit
- Long Term (Beyond FY 30): Pacheco Reservoir Expansion & partially Anderson Dam Seismic Retrofit

Valley Water is leveraging all available tools to minimize rate impacts now

- Continue to reassess drought status & recovery for future year rate impacts

Seeking Board direction to be incorporated into Report on Protection and Augmentation of Water Supplies (PAWS) scheduled for February 24, 2023



BOARD ACTIONS TODAY

- A. Review and approve the Capital Improvement Program's (CIP) Preliminary Fiscal Year 2024-2028 (FY 24-28) Five-Year Plan list of projects for the Watershed Stream Stewardship Fund (Fund 12) and the Water Utility Enterprise Fund (Fund 61);
- B. Review and approve the CIP Evaluation Team's recommendation to include the RWTP Ammonia Storage & Metering Facility Upgrade Project, a Fund 61 project, in the CIP's Draft FY 24-28 Five-Year Plan;
- C. Review proposed adjustments and modifications to the Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) Fund (Fund 26);
- D. Set the time and place for a public hearing for modifications to the Safe, Clean Water Program (Fund 26) Projects; and
- E. Discuss and provide direction on the preliminary FY 2023-24 (FY 24) Groundwater Production Charge analysis.



Valley Water

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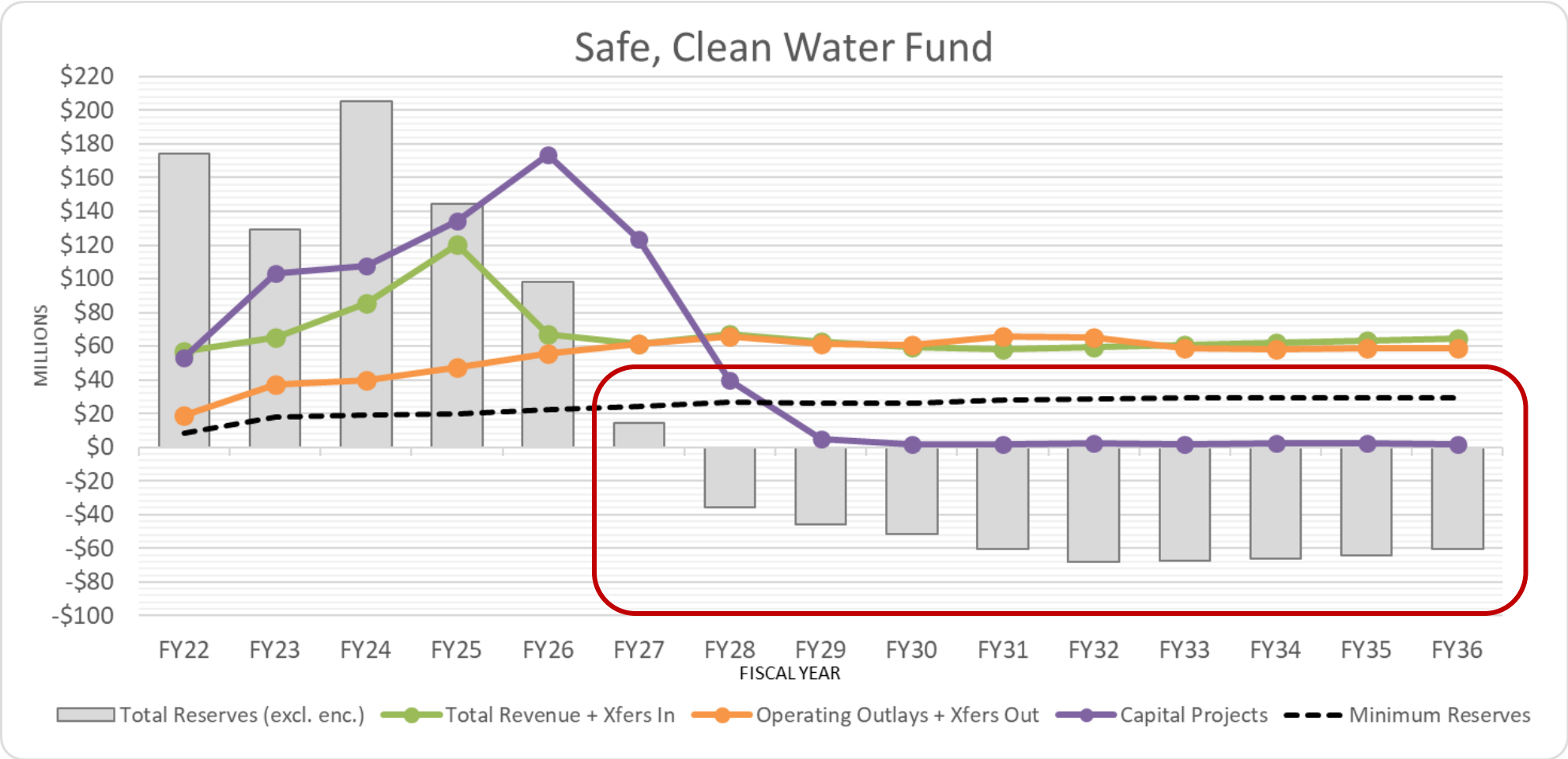
INFORMATION ONLY
(Presented if Requested)
Alternative Fund 26 Scenarios

**Safe, Clean Water and Natural
Flood Protection Program Fund (Fund 26)
Funding Scenarios
(as presented to the CLP Committee on
12/12/22)**

Safe, Clean Water (SCW) Fund - Baseline

RESERVES BELOW MINIMUM LEVELS FOR FIRST 15 YEARS OF MEASURE S PLAN

PROJECTION



- Reflects \$146M in WIFIA funding
- Assumes \$89M NRCS Reimbursements for Upper Llagas Creek to fully construct Phase 2
- Assumes receipt of San Francisquito Creek outside funding sources, including \$30M from grants and partnerships through the SFCJPA

CIP Evaluation Team Recommendations: Fund 26 Scenarios for Board Consideration

80

Based upon Board and CIP Committee feedback and additional analysis, financial modeling has been prepared for two scenarios (A and B):

A. Staff Recommended Scenario

- i. Baseline (includes all project plan updates from Board adopted CIP FY 2023-27 Five-Year Plan);
- ii. Assumed higher FY24 Special Parcel Tax Growth (5% vs. 2%) to keep pace with inflation;
- iii. Higher NRCS Funding (to match project costs);
- iv. Place the Upper Penitencia Creek Flood Protection and Sunnyvale East/West Flood Protection Projects On-Hold and modify the project by reallocating the construction funding to Fund 26 reserves (Modify funding allocation);
- v. Not implement the D6.3 placeholder project (not implement project);
- vi. Select Almaden Lake Creek/Lake Separation Project to meet D4 KPI #1 (Planning/Design only); and
- vii. Select Ogier Ponds Creek Lake Separation Project to meet D4 KPI #2 and modify the KPI to partially fund construction of Ogier Ponds as the D4.2 Creek/Lake Separation Project (+\$25M) (Modify Key Performance Indicator (KPI)).

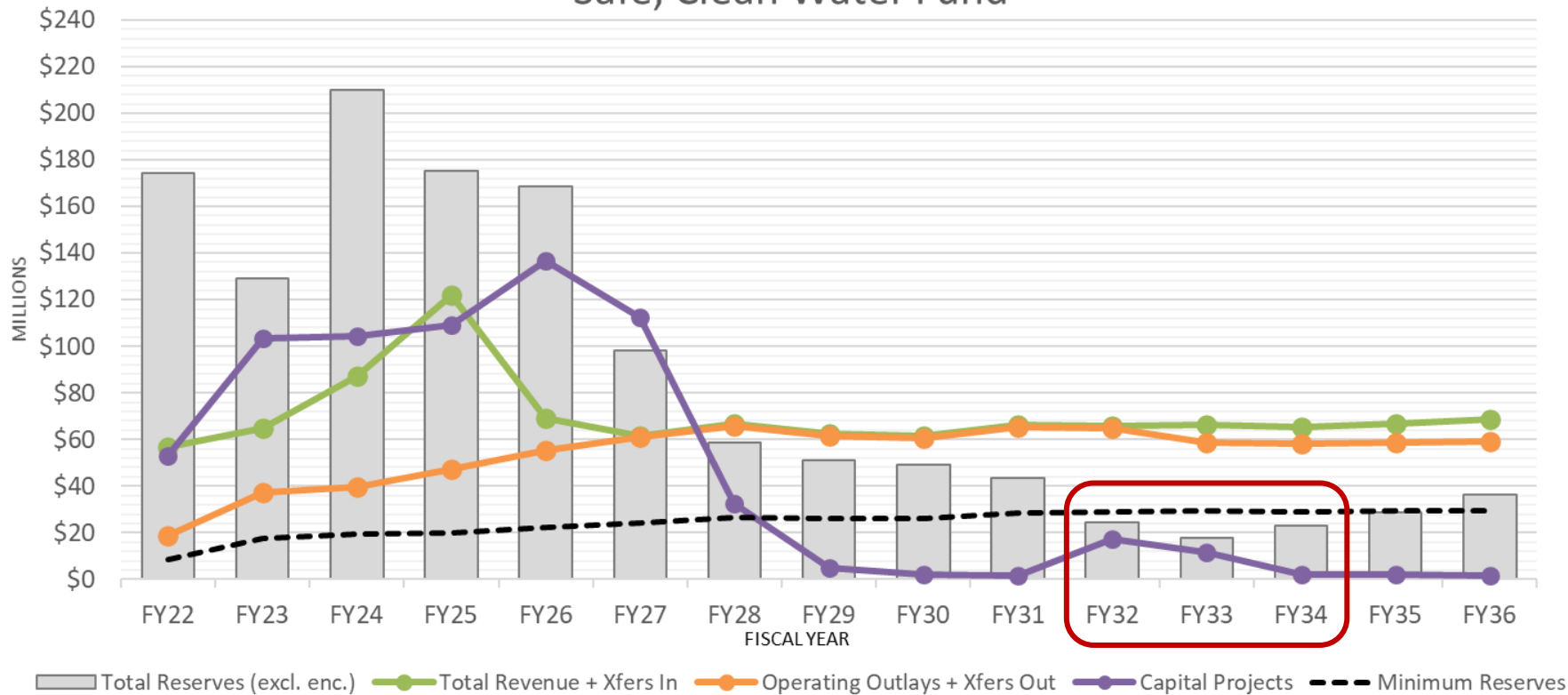
Safe, Clean Water (SCW) Fund – Alternative A

81

RESERVES ARE NEAR OR ABOVE MINIMUM LEVELS FOR FIRST 15 YEARS OF MEASURE S PLAN

PROJECTION

Safe, Clean Water Fund



Revised Assumptions

- Adjusted Special Parcel Tax Revenue (potential higher increase of 5% over usual 2%)
- Place on hold pending funding availability:
 - Upper Penitencia Creek Flood Protection
 - Sunnyvale East/West Flood Protection
- Do Not Implement:
 - D6.3 Placeholder Project
- Modify:
 - Fund planning & design for D4.1 Almaden Lake
 - Partially fund construction for D4.2; select Ogier Pond

CIP Evaluation Team Recommendations: Fund 26 Scenarios for Board Consideration

82

Based upon Board and CIP Committee feedback and additional analysis, financial modeling will include the following scenarios:

B. Alternative Scenario for Consideration

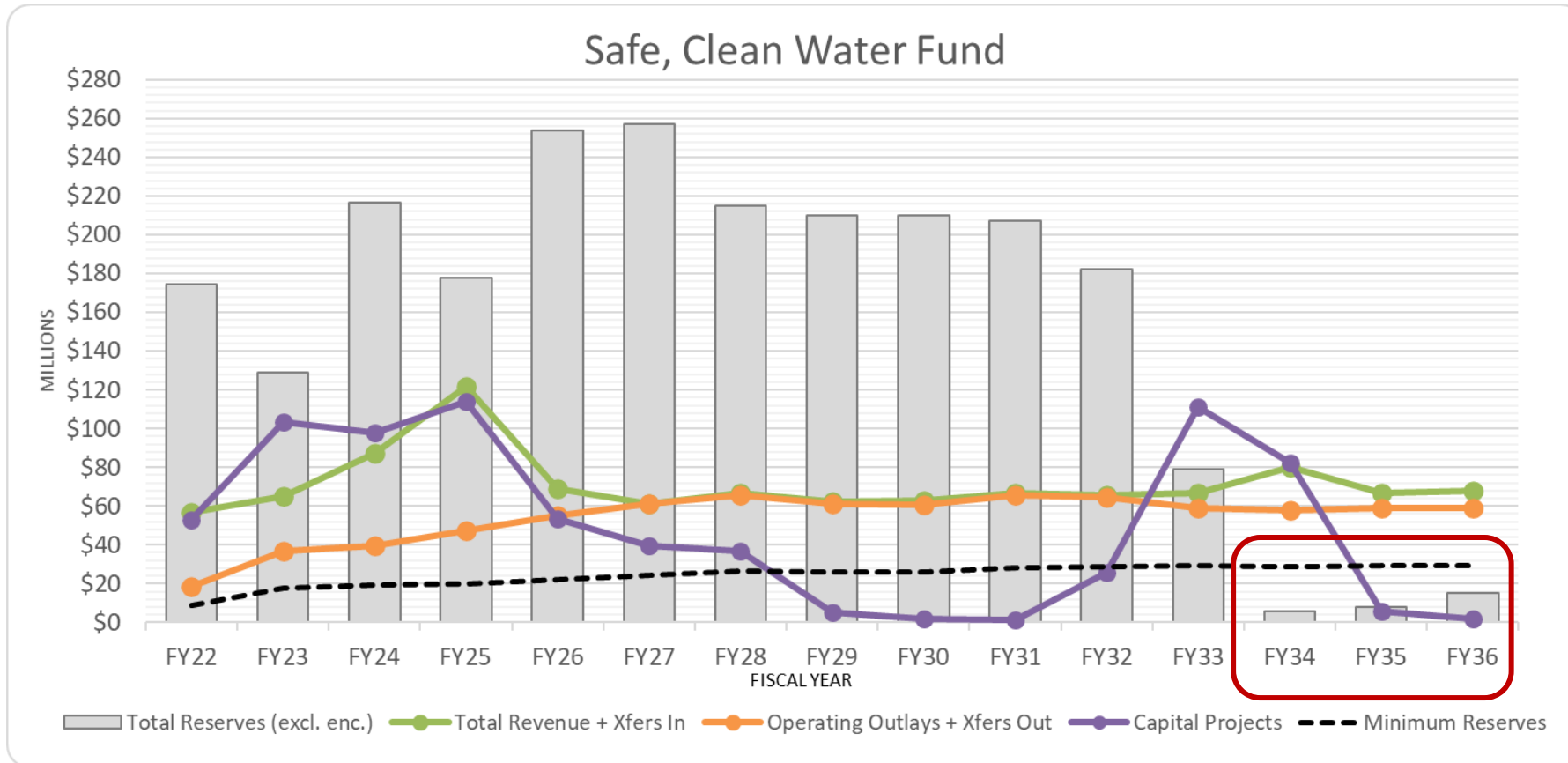
- i. Baseline (includes all project plan updates from Board adopted CIP FY 2023-27 Five-Year Plan);
- ii. Assumed higher FY24 Special Parcel Tax Growth (5% vs. 2%) to keep pace with inflation;
- iii. Higher NRCS Funding (to match project costs);
- iv. Adjust the construction schedule for the Coyote Creek Flood Protection Project (E1) to begin construction in FY33, following construction of the Anderson Dam Seismic Retrofit Project (Schedule Adjustment);
- v. Select Almaden Lake Creek/Lake Separation Project to meet D4 KPI #1 (Planning/Design only); and
- vi. Select Ogier Ponds Creek Lake Separation Project to meet D4 KPI #2 and modify the KPI to partially fund construction of Ogier Ponds as the D4.2 Creek/Lake Separation Project (+\$25M) (Modify KPI).

Safe, Clean Water (SCW) Fund – Alternative B

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RESERVES ARE NEAR OR ABOVE MINIMUM LEVELS FOR FIRST 15 YEARS OF MEASURE S PLAN

PROJECTION



Revised Assumptions

- **Adjusted Special Parcel Tax Revenue (potential higher increase of 5% over usual 2%)**
- **Schedule Adjustment:**
 - Coyote Creek Flood Protection project construction shifted to begin in FY33
- **Modify:**
 - Fund planning & design for D4.1 Almaden Lake
 - Partially fund construction for D4.2; select Ogier Pond

Pros vs. Cons of Fund 26 Scenarios

	Pros	Cons
Scenario A: <ul style="list-style-type: none"> • Reallocate construction funding for Sunnyvale E/W and Upper Penitencia and place projects on-hold until funding can be identified (Public hearing to modify project to reallocate funding); and • Not implement D6.3 placeholder project, the third geomorphic-designed project under Project D6 (Public hearing to not implement project) 	<p>Minimizes risk to the communities along Coyote Creek by moving forward with the planned construction schedule for the Coyote Creek Flood Protection Project to align with completion of the high-level outlet for the Anderson Dam Seismic Retrofit Project.</p> <p>Google has approached VW regarding desire to do a project along Sunnyvale E similar to what was done along Sunnyvale W. Therefore, pro of deferring the Sunnyvale East/West Flood Protection Project is that it allows time for Google to formalize this work in this area with VW.</p>	<p>Defers construction of Sunnyvale East/West Channels Flood Protection Project (from FY24 start date to TBD), which results in prolonged risk of flooding to the communities along Sunnyvale East/West Channels. Additional challenge is deferring the project halts negotiations for Temporary Construction Easements and discussions with Twin Creek Park (Santa Clara County) development.</p> <p>Defers construction of Upper Penitencia Creek Flood Protection Project (from FY26 start date to TBD), which results in prolonged risk of flooding to the communities along Upper Penitencia Creek.</p>
Scenario B: <ul style="list-style-type: none"> • Adjust the construction schedule for the Coyote Creek Flood Protection Project (E1) to begin construction in FY33, following construction of the Anderson Dam Seismic Retrofit Project (Schedule Adjustment) 	<p>Minimizes risk to the communities along Sunnyvale East/West Channels and Upper Penitencia Creek by moving forward with the planned construction schedules.</p>	<p>Increased risk of flooding to communities along Coyote Creek during the 4-year period between the time the high-level outlet for Anderson Dam is constructed and the time the project is complete, and flows are reduced.</p>

Note: Both scenarios include Baseline, assumed higher Special Parcel Tax Rate/NRCS Funding, Modify KPI D4.2 to select the Ogier Ponds Creek/Lake Separation Project to partially fund construction, allocating \$25M (instead of Almaden Lake Project).



Valley Water

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Santa Clara Valley Water District

File No.: 22-1340

Agenda Date: 1/10/2023

Item No.: 3.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Set Time and Place of a Public Hearing for the Santa Clara Valley Water District Board of Directors to Determine the Necessity for Directors to be Compensated for up to 15 Days per Calendar Month and to Consider Directors' Compensation for Calendar Year 2023.

RECOMMENDATION:

- A. Set a time and place for a public hearing at 1:00 p.m., on February 14, 2023 at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California, for the Board of Directors to:
 - i. Consider evidence and determine if there is an operational need for Directors to be compensated for up to 15 days per calendar month; and
 - ii. Consider Directors' compensation for calendar year 2023, pursuant to Chapter 2, Division 10 of the California Water Code; and
- B. Direct the Clerk of the Board to publish notice of public hearing in a newspaper of general circulation within Santa Clara County.

SUMMARY:

This item is presented to the Board pursuant to Santa Clara Valley Water District Act (District Act) Section 33(c), Government Code Section 53232.1, and California Water Code Sections 20200-20207.

AB 1889 (Caballero) enacted by the Governor on September 5, 2018, and taking effect on January 1, 2019, amends the District Act by adding Section 33(c), authorizing the Board, until December 31, 2023, to annually adopt a written policy describing, based on a finding supported by substantial evidence, why more than 10 meetings per month, but not more than 15 meetings per month, are necessary for the effective operation of the District. The determination of whether a Director's activities on any specific day are compensable shall be made pursuant to Section 53232.1 of the Government Code.

California Water Code Section 20202 authorizes the Board to annually consider, through the public hearing and ordinance adoption process, compensation increases at a rate not to exceed an amount equal to five percent (5%) annually.

Any Board approved change in the Directors' number of compensated meetings per month and meeting compensation rate will become effective beginning 60 days after date of ordinance adoption, pursuant to California Water Code Section 20204.

The Board's last compensation adjustment was on April 14, 2022. In accordance with the regulatory process, the Board held a public hearing on February 8, 2022, for the public to comment on the Directors' meeting compensation amount; and at their February 8, 2022, meeting, the Board adopted Ordinance 22-01 enacting a compensation increase of five percent (5%), effective April 14, 2022.

As stated in the Notice of Public Hearing (Attachment 1), the Board could consider the following monthly meeting limit and compensation options at the February 14, 2023, public hearing:

MONTHLY MEETING LIMIT

1. Determine that there is an operational need to compensate Directors for up to 15 days per calendar month, and set the meeting day limit accordingly, effective April 14, 2023, for calendar year 2023; OR
2. Determine that there is **NO** operational need to compensate Directors for more than the current 10 days per calendar month, and therefore, make no change in the current limit.

MEETING COMPENSATION - Effective April 14, 2023

1. Keep the Directors' compensation at the current amount of \$348.45 per day, up to 10 or 15 days per calendar month, as previously determined;
2. Reduce the Directors' compensation to a specified amount below the current \$348.45 rate per day, up to 10 or 15 days per calendar month, as previously determined, effective April 14, 2023; or
3. Approve an increase up to 5% in Directors' compensation in accordance with the California Water Code Sections 20200-20207, for up to 10 or 15 days per calendar month, as previously determined, effective April 14, 2023.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item.

FINANCIAL IMPACT:

Funds are budgeted in the Fiscal Year 2023 Clerk of the Board budget for advertising of the Board compensation public hearing.

Since contingency budgeting is not performed, funding for any Board-approved increase in compensation may need to be transferred from reserves pursuant to a budget adjustment.

CEQA:

The recommended action is not considered a project under CEQA because it does not have a potential for resulting in either a direct or reasonably foreseeable indirect physical change to the

environment.

ATTACHMENTS:

Attachment 1: Public Hearing Notice

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711

Topic: Santa Clara Valley Water District Board of Directors to Determine Necessity for Directors to be Compensated for up to 15 Days per Calendar Month and Consideration of Directors' Per Meeting Compensation Amount for Calendar Year 2023.

Who: Santa Clara Valley Water District.

What: Public Hearing for the Board of Directors to Determine Necessity for Directors to be Compensated for up to 15 Days per Calendar Month and consider Directors per meeting compensation amount for calendar year 2023.

When: February 14, 2023, 1:00 p.m.

Where: Santa Clara Valley Water District Board Chambers
5700 Almaden Expressway, San Jose, CA, and
<https://valleywater.zoom.us/j/84454515597>

The Santa Clara Valley Water District (Valley Water) invites you to a Public Hearing for the Board of Directors to Determine Necessity for Directors to be Compensated for up to 15 Days per Calendar Month and Consider Directors Per Meeting Compensation Amount for Calendar Year 2023.

At the time and place fixed for the public hearing, the Board of Directors will receive comments relevant to, and make a determination of, the necessity for Directors to be compensated for up to 15 days per calendar month for performance of official duties and set the Board compensation for calendar year 2023. After considering all information presented, the Board will consider the following options:

MONTHLY MEETING LIMIT

1. Determine that there is an operational need to compensate Directors for up to 15 days per calendar month, and set the meeting day limit accordingly, for calendar year 2023; or
2. Determine that there is **NO** operational need to compensate Directors for more than 10 days per calendar month, per California Water Code.

MEETING COMPENSATION

1. Keep the Directors' compensation at the current amount of \$348.45 per day;
2. Reduce the Directors' compensation to a specified amount below the current \$348.45 rate per day, effective April 14, 2023; or

3. Approve an increase up to 5% in Directors' compensation in accordance with the California Water Code Sections 20200-20207, effective April 14, 2023.

This meeting is being held in accordance with the Brown Act. The 1:00 p.m., February 14, 2023, public hearing will be held during a Board Meeting and is accessible for public in-person participation at the time, date, and location shown above, or by public virtual participation at the Zoom link above. Document(s) associated with this hearing are available for public inspection prior to the meeting in the Clerk of the Board's Office or online at www.valleywater.org, and will be available at the meeting.

For more information, contact Clerk of the Board at 408-630-2557.

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board meetings to please contact the Clerk of the Board's office at (408) 630-2711, at least 3 business days before the scheduled Valley Water Board meeting to ensure that Valley Water may assist you. Reasonable efforts will be made to accommodate persons with disabilities.

重要通知：

Valley Water 遵守美國殘疾人法案 (ADA)，要求需要特殊便利才能訪問和/或參加 Valley Water 委員會會議的個人請致電 (408) 630-2711 聯繫委員會辦公室的書記員，網址為在預定的 Valley Water 委員會會議召開前至少 3 個工作日，以確保 Valley Water 可以為您提供幫助。將做出合理的努力以容納殘疾人。

Thông báo quan trọng:

Valley Water, để tuân thủ Đạo luật Người Mỹ Khuyết tật (ADA), yêu cầu những cá nhân cần điều chỉnh đặc biệt để tiếp cận và/hoặc tham gia các cuộc họp của Hội đồng Valley Water vui lòng liên hệ với Văn phòng Thư ký của Hội đồng theo số (408) 630-2711, tại ít nhất 3 ngày làm việc trước cuộc họp đã lên lịch của Hội đồng Valley Water để đảm bảo rằng Valley Water có thể hỗ trợ bạn. Những nỗ lực hợp lý sẽ được thực hiện để hỗ trợ người khuyết tật.

Aviso Importantes:

Valley Water, en cumplimiento de la Ley de Estadounidenses con Discapacidades (ADA), solicita a las personas que requieren adaptaciones especiales para acceder y/o participar en las reuniones de la Junta de Valley Water que se comuniquen con la oficina del Secretario de la Junta al (408) 630-2711, al menos 3 días hábiles antes de la reunión programada de la Junta de Valley Water para asegurarse de que Valley Water pueda ayudarlo. Se harán esfuerzos razonables para acomodar a las personas con discapacidades.



Santa Clara Valley Water District

File No.: 23-0043

Agenda Date: 1/10/2023

Item No.: *3.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Accept the CEO Bulletin for the Weeks of December 9, 2022 - January 5, 2023.

RECOMMENDATION:

Accept the CEO Bulletin.

SUMMARY:

The CEO Bulletin is a weekly communication for the CEO, to the Board of Directors, assuring compliance with Executive Limitations Policy EL-7: The BAOs inform and support the Board in its work. Further, a BAO shall: 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 report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

CEO Bulletins are produced and distributed to the Board weekly as informational items, and then placed on the bimonthly, regular Board meeting agendas to allow opportunity for Board discussion on any of the matters contained therein.

ENVIRONMENTAL JUSTICE IMPACT:

There is no Environmental Justice impact associated with this item.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: 122222 CEO Bulletin

Attachment 2: 010523 CEO Bulletin

UNCLASSIFIED MANAGER:

Rick Callender, 408-630-2017

CEO BULLETIN



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

Weeks of December 9 – December 22, 2022

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>	Delta Conveyance Project Draft Environmental Impact Statement Now Available
<u>2</u>	Safe, Clean Water Mini-Grant Closeout: Ani & Cat, LLC's FY 2021 A2 Water Conservation in Our Neighborhoods Project
<u>3</u>	Valley Water and the U.S. Army Corps of Engineers public meeting for the Upper Guadalupe River Flood Protection Project
<u>4</u>	<u>Hsueh</u> Pacheco Reservoir Expansion Project Work Study Session Update R-22-0011
<u>5</u>	<u>Beall & Eisenberg</u> Pacheco Reservoir Expansion Project Information I-22-0006

1. Delta Conveyance Project Draft Environmental Impact Statement Now Available

On December 19, 2022, the U.S. Army Corps of Engineers (USACE) released a Draft Environmental Impact Statement (DEIS) for the proposed Delta Conveyance Project (DCP). The USACE is the federal lead agency under the National Environmental Policy Act (NEPA) for the DCP. The DEIS is available on the USACE website and electronically on disc at local libraries throughout the Delta. Written public comments must be submitted on or before February 14, 2023. The USACE is also holding three virtual public meetings to receive oral comments on January 10, January 12, and January 18, 2023. Valley Water is reviewing the DEIS and will provide comments if warranted.

For more information or to download a copy of the DEIS, visit:
<https://www.spk.usace.army.mil/Missions/Regulatory/Delta-Conveyance/>.

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

2. Safe, Clean Water Mini-Grant Closeout: Ani & Cat, LLC's FY 2021 A2 Water Conservation in Our Neighborhoods Project

In Fiscal Year 2021, Valley Water awarded Ani & Cat, LLC (Grantee) a \$5,000 Safe, Clean Water Program A2 Mini-Grant for their Water Conservation in Our Neighborhoods Project (Project). The Grantee completed the Project on August 31, 2022 and submitted the final invoice items on October 12, 2022, allowing for grant closeout.

The Grantee is a San Jose-based digital media company that creates video reels, motion graphics, animations, and b-roll for clients and targeted audiences. The Grantee utilized funding to produce two educational videos on water conservation for elementary through high school students within Santa Clara County. The first video, Water Conservation in Our Neighborhoods, includes tips on reducing water waste by making small changes to our everyday routine. The second video, Drip and Drop Save Water, is an informative, animated video that focuses on the storytelling of two water droplets taking steps to conserve water.

The Grantee created and shared an electronic educational toolkit, which included the two water conversation videos, digital stickers, social media trivia graphics, and worksheets. The electronic educational toolkit was shared through the Grantee's social media platforms (Twitter, Facebook, Reddit and Vimeo) and encouraged teachers to utilize the educational kits in their classrooms. In addition, the Grantee requested for the educational toolkit to be promoted on newsletters and social media platforms by the County of Santa Clara Board of Supervisors, and the mayors and councilmembers of San Jose, Campbell, Santa Clara and Palo Alto. The Grantee distributed a limited number of hard copy educational toolkits to Cupertino Union School District students.

Key Outcomes:

- Two Water Conservation Videos:
 - "Drip and Drop Save Water" for elementary school students (<https://vimeo.com/738071247>).
 - "Water Conservation in Our Neighborhoods" for middle and high school students (<https://vimeo.com/738070791>).
- Created an educational tool kit:
 - Two water conversation videos, eight shareable water conservation trivia assets and three digital stickers for social media use
 - Four educational worksheets
- Distributed 36 digital educational tool kits to the County of Santa Clara Board of Supervisors, and the mayors and councilmembers of San Jose, Campbell, Santa Clara and Palo Alto.
- Distributed a limited number of hard copy educational toolkits to 60 Cupertino Union School District students.

For further information, please contact Donald Rocha at (408) 630-2338.

3. Valley Water and the U.S. Army Corps of Engineers public meeting for the Upper Guadalupe River Flood Protection Project

On December 8, 2022, Valley Water and the U.S. Army Corps of Engineers (USACE) held a public meeting to present the recommended plan of flood protection work along the Upper Guadalupe River.

Valley Water and the USACE utilized a hybrid model, holding the meeting in-person at the Carpenter's Local 405 Hall in San Jose and through Zoom. Fourteen community members participated, with six attending virtually, including Olivia Rodriguez from Congressman Ro Khanna's office and Celeste Walker from Assemblymember Ash Kalra's office.

Valley Water Board of Directors Tony Estremera and Barbara Keegan provided opening remarks. Director Jim Beall also participated in the in-person meeting and was acknowledged by staff before the project presentation began. USACE shared that the project is currently in the study stage and highlighted that the project's public comment period on the draft document will conclude on December 16, 2022.

USACE and Valley Water have completed three reaches as of January 2022 that included Reaches 6, 10B and 12 and are now beginning to develop plans for Reaches 7 and 8.

A link to the recording of the public meeting is available on the project website and Valley Water's YouTube channel.

For further information, please contact Donald Rocha at (408) 630-2338.

4. Hsueh Pacheco Reservoir Expansion Project Work Study Session Update R-22-0011

Valley Water's Water Supply Division is working with the Pacheco Project Delivery Unit to provide a Pacheco Reservoir Expansion Project Status Update at the January 10, 2022 Board Work Study session that will outline the expanded Pacheco Reservoir's potential role in Valley Water's Water Supply Master Plan and water supply distribution system. An updated PowerPoint presentation will be posted via supplemental Board Agenda Memorandum on January 6, 2023.

For further information, please contact Christopher Hakes at (408) 630-3796.

5. Beall & Eisenberg Pacheco Reservoir Expansion Project Information 1-22-0006

During a briefing on December 9, 2022, Valley Water Directors Beall and Eisenberg requested the following information regarding the Pacheco Reservoir Expansion Project:

1. Information about when the Pacheco Project planning/design started (Beall):

Valley Water began studying Pacheco Reservoir expansion in 1991 to more efficiently use both contracted and supplemental imported water supplies and to provide increased reliability during dry water years. The Reconnaissance Level Evaluation of Alternative Dam and Reservoir Sites (Wahler Associates 1993) evaluated 13 potential reservoir sites in Santa Clara County and developed four potential alternatives for an expanded reservoir on North Fork Pacheco Creek, near the existing North Fork Dam. Preliminary layouts were developed for these four alternatives and site evaluations were conducted to characterize environmental and land-use issues, seismicity, geology, potential for construction materials, site limitations, and preliminary Project costs. The evaluation concluded

that further detailed environmental analyses and feasibility-level investigations were required to select a specific reservoir site.

Proposition 1, passed by California voters in 2014, dedicated \$2.7 billion for investments in water storage projects in California. The California Water Commission (CWC) administers the WSIP to fund the public benefits (e.g., emergency response, ecosystem enhancement, flood control, water quality) associated with water storage projects. In consideration of the WSIP funding process, Valley Water developed a proposal for a multi-purpose/multi-objective expansion of Pacheco Reservoir and in August 2017 submitted a WSIP application to the CWC for the Project (Valley Water 2017). SBCWD and Pacheco Pass Water District (PPWD) joined Valley Water as key project partners for the WSIP application. In July 2018, the CWC approved the maximum conditional funding amount for the expansion of Pacheco Reservoir, which considered the Project's ability to provide ecosystem improvements (habitat improvements in Pacheco Creek for SCCC steelhead and increased refuge water supplies) and emergency response public benefits. As a result, that same month Valley Water incorporated the Pacheco Reservoir Expansion Project into our 5-year rolling Capital Improvement Plan (CIP) as a Capital Project and began an accelerated combined, planning, design and environmental process.

2. How many staff are currently working on the Pacheco project (Beall/ Eisenberg):

There are currently six Valley Water staff working full time on the project who are also supported by two external consultant teams (a project management consultant and a planning, design, and environmental consultant) with agreements totaling approximately \$125 million.

3. A breakdown of the historical costs and future expenditures planned for Pacheco by major cost category (e.g. labor, consulting services, legal, etc.) (Beall/ Eisenberg):

Total expenditures currently included in the Fiscal Year (FY) 2023-27 Five-Year CIP is \$2.206B (uninflated), broken down as follows:

- Actual Expenditures through FY22 Total \$54.3M:
Labor \$10M, Consultants \$41M, License & Permits \$1.9M, Legal \$698K, Misc. \$747K
- Future Expenditures (FY2023-35) Total \$2,152M:
Labor \$48M, Consultants \$279M, License & Permits \$7M, Legal \$1M, Misc. \$1.8M, construction \$1,814.7M

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

CEO BULLETIN



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

Weeks of December 23 – January 5, 2022

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>	Environmental Protection Agency (EPA) Grant Award for Calabazas/San Tomas Aquino Creek-Marsh Connection Project
<u>2</u>	Planned 1-Week Rinconada Water Treatment Plant Shutdown from January 19 to January 25, 2023
<u>3</u>	Safe, Clean Water Mini-Grant Closeout: Green Foothills Foundation, DBA Green Foothills' Community Advocates Leadership Academy Project
<u>4</u>	Safe, Clean Water Mini-Grant Closeout: Keep Coyote Creek Beautiful's Russo/McEntee Academy Mural Project
<u>5</u>	<u>Beall</u> For the 1/10/23 CIP Work study session, identify projects that can be completed faster to save constructions funds. R-22-0009
<u>6</u>	<u>Beall</u> Investigate state fund matching opportunities for CIP projects. R-22-0010

1. Environmental Protection Agency (EPA) Grant Award for Calabazas/San Tomas Aquino Creek-Marsh Connection Project

On December 12, 2022, Valley Water was notified that the Calabazas/San Tomas Aquino Creek-Marsh Connection Project has been selected for funding under the San Francisco Bay Water Quality Improvement Fund (SFBWQIF) program, administered by the U.S. Environmental Protection Agency (EPA). The Project, a partnership between Valley Water, the South Bay Salt Ponds Restoration Project, and the U.S. Fish and Wildlife Service, will reconnect San Thomas Aquino and Calabazas Creeks with the salt ponds complex while restoring tidal action to the ponds.

Project objectives include:

- Restoration and enhancement of tidal marsh, brackish/freshwater marsh, and riverine habitat;
- Resilient flood protection provided by creating a tidal marsh that can accrete sediment in response to sea-level rise;
- Reduced maintenance needs for Calabazas and San Tomas Creeks; and
- Improved and socially equitable public access to the shoreline of South San Francisco Bay.

A Feasibility Study for the Project was completed in May 2021. In 2022, the Project's geographic scope was expanded to include 320-acre Pond A4, owned, operated, and maintained by Valley Water. The addition of Pond A4 provides increased opportunity for tidal marsh restoration and nature-based treatment of reverse osmosis concentrate produced during water recycling and purification. To offset the cost of adding Pond A4 to the Project, Valley Water prepared and submitted a grant application in the amount of \$3.8 million to the SFBWQIF program on September 19, 2022.

The intended purpose of the grant funds is to support the preparation of California Environmental Quality Act/National Environmental Policy Act documents and design plans for the Project, including Pond A4. The precise amount of grant funding is expected to be close to the \$3.8 million requested and will be specified in the grant agreement, which will be presented to the Valley Water Board of Directors for approval at a future date.

For further information, please contact Lisa Bankosh at (408) 630-2618 or John Bourgeois at (408) 630-2990.

2. Planned 1-Week Rinconada Water Treatment Plant Shutdown from January 19 to January 25, 2023

On January 19, 2023, the Rinconada Water Treatment Plant (RWTP) will be shut down for one (1) week to conduct the first phase of biennial electrical testing. Valley Water will also take this opportunity to perform Supervisory Control and Data Acquisition (SCADA) software updates and other essential maintenance activities. Performing maintenance and testing activities on a regular basis is essential to ensure the drinking water treatment plant's critical systems are safe, reliable and remain in good working order.

During this shutdown, all West Pipeline (WPL) turnouts normally fed by RWTP, except for the City of Mountain View, are expected to be impacted. Barring any unforeseen circumstances, the RWTP is scheduled to return to service on the morning of January 25, 2023.

The above stated shutdown schedule has also been communicated and coordinated with all WPL retailers. The retailers impacted by this shutdown will use their groundwater and/or alternate supplies to meet demand. During this period customers may notice a change in water characteristics and pressure.

For further information, please contact Sam Bogale at (408) 630-3505.

3. Safe, Clean Water Mini-Grant Closeout: Green Foothills Foundation, DBA Green Foothills' Community Advocates Leadership Academy Project

In Fiscal Year 2021, Valley Water awarded Green Foothills Foundation, DBA Green Foothills (Grantee) a \$5,000 Safe, Clean Water Program D3 Mini-Grant for their Community Advocates Leadership Academy Project (Project). The Grantee completed the Project on November 30, 2021 and submitted the final invoice items on August 10, 2022, allowing for grant closeout.

Green Foothills Foundation, DBA Green Foothills is a 501(c)(3) nonprofit whose mission is to protect open space and natural resources in San Mateo County and Santa Clara County for the benefit of advocacy, education, and grassroots action. The Grantee achieves this mission through engaging in local land use issues, educating decision makers and community leaders, and partnering with and mobilizing community members.

The Grantee's Community Advocates Leadership Academy is an eight-month civic training program for local community leaders to advance initiatives for inclusive environmental conservation and justice campaigns. The Grantee developed strategies to recruit a diverse group of 22 participants from San Mateo County and Santa Clara County. Grant funding went towards the project cost of the activities specifically for the 16 participants who reside in Santa Clara County or work for an organization that serves Santa Clara County. The academy included a virtual orientation, and six virtual classes with guest speakers covering the following topics: Preparing for a Campaign, Goal-Setting and Community Expertise, Power Mapping and Coalition Building, Grassroots and Grassroots Engagement, Theory of Change and Messaging, and Finalizing Campaign Plan & Looking Back on Leadership Journey. The academy concluded with a collaborative capstone presentation and an in-person graduation. Participant experience was assessed through in-session surveys to adjust the curriculum for the next cohort academy and to ensure the Project fulfills the Grantee's mission.

Key Outcomes:

- Achieved diversity goal among the 22 participants of the 2021 cohort:
 - More than 50% of participants identified as Black, Indigenous, and People of Color (BIPOC)
 - More than 70% of participants identified as women, transgender, nonbinary, or gender nonconforming
 - Even distribution across all adult age ranges and all household income levels of less than \$25,000 to more than \$150,000
- Engaged 22 participants, of which 19 graduated, and 16 were from Santa Clara County.
- Hosted six virtual classes to provide valuable perspectives on equitable, inclusive environmental activism.
- Conducted survey of the 19 graduates, which found that more than 50% of participants prioritized advocacy for (1) protecting vulnerable communities from pollution and (2) water resource protection and stewardship.
- Conducted a post-academy evaluation which found on average that 84% of graduates were satisfied with the structure of the workshops and reported acquiring new skills and knowledge for future campaigns and leadership work, increase in peer learning, and an overall sense of belonging, confidence and excitement fostered during the academy.

For further information, please contact Donald Rocha at (408) 630-2338.

4. Safe, Clean Water Mini-Grant Closeout: Keep Coyote Creek Beautiful's Russo/McEntee Academy Mural Project

In Fiscal Year 2022, Valley Water awarded Keep Coyote Creek Beautiful (Grantee) a \$5,000 Safe, Clean Water Program F9 Mini-Grant for their Russo/McEntee Academy Mural Project (Project). Grantee completed the Project on August 12, 2022, and submitted the final invoice items on September 23, 2022, allowing for grant closeout.

The Grantee is a non-profit organization that works with community groups, public agencies, and students to reclaim, restore, and beautify the 64-miles along Coyote Creek that runs through Santa Clara County. The mini-grant provided funding for a collaborative mural designed by local artist/muralist Paul J. Gonzalez and installation at Russo/McEntee Academy, a Transitional Kindergarten to 5th grade elementary school in San Jose, CA. The mural artwork, developed from community input, captures the abundant and diverse wildlife of nearby Coyote Creek to educate students, teachers, and visitors about the natural wonders of their local creek. The Grantee held a paint day and litter cleanup event in which the school community painted the mural and removed litter from the school grounds. The completed mural scene deters graffiti and fits naturally with the school's vision: "to provide a rigorous and innovative learning climate that promotes the growth of environmentally literate students capable of stewarding our planet."

Key Outcomes:

- Installed a mural spanning 80 feet wide and 8 to 20 feet high along the various five walls of the entry-facing buildings at the elementary school.
- Had eight participants and removed ten pounds of trash during the paint and cleanup event.
- Received 334 interactions with social media users via (8) Facebook posts, (7) Instagram posts, (2) LinkedIn posts and (1) Twitter post.
- Received 53 survey responses from the students, in which 50% of respondents reported that they could identify more than one neighboring creek, and 25% of respondents said that they appreciated the school's features incorporated in the mural, like the garden and recycling bins.
- Published a blog with photos to share the successful completion of the project: <https://www.keepcoyotecreekbeautiful.org/post/rm-mural>.

For further information, please contact Donald Rocha at (408) 630-2338.

5. **Beall**

For the 1/10/23 CIP Work study session, identify projects that can be completed faster to save constructions funds.

R-22-0009

Valley Water's Water Supply Division is working with the Pacheco Project Delivery Unit to provide a Pacheco Reservoir Expansion Project Status Update at the January 10, 2022 Board Work Study session that will outline the expanded Pacheco Reservoir's potential role in Valley Water's Water Supply Master Plan and water supply distribution system. An updated PowerPoint presentation will be posted via supplemental Board Agenda Memorandum on January 6, 2023.

For further information, please contact Christopher Hakes at (408) 630-3796.

6. **Beall**

Investigate state fund matching opportunities for CIP projects.

R-22-0010

In the Board meeting on December 13, 2022, during the discussion of the agenda item regarding the authorization to pursue federal Water Infrastructure Finance and Innovation Act (WIFIA) loans, Director Beall requested a list of state matching funds that could be available for capital projects. The item was assigned to the Office of Government Relations and expanded to include federal and regional funds to comprehensively respond to questions regarding possible grants to support capital projects. The response is published in the Non-Agenda dated January 6, 2023.

For further information, please contact Rachael Gibson at (408) 630-2884.



Santa Clara Valley Water District

File No.: 22-1341

Agenda Date: 1/10/2023

Item No.: *4.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Adopt a Resolution Setting the Time and Place of Regular Meetings of the Santa Clara Valley Water District Board of Directors.

RECOMMENDATION:

- A. Consider the schedule for the regular meetings of the Board, currently held on the second and fourth Tuesday of each month, beginning at 1:00 p.m. respectively, or as designated by the Clerk of the Board to accommodate closed session subject matter;
- B. Discuss and identify, if necessary, 2023 Board meeting recess dates; and
- C. If a new regular Board meeting schedule is approved, adopt the Resolution SETTING TIME AND PLACE OF MEETINGS OF THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY WATER DISTRICT AND RESCINDING RESOLUTION NO. 22-10.

SUMMARY:

At the February 8, 2022, regular meeting, the Board adopted Resolution No. 22-10 (Attachment 1), setting its regular meeting schedule to the second and fourth Tuesdays of each month, at 1:00 p.m., with closed session meetings beginning at a time designated by the Clerk of the Board to accommodate discussion of identified subject matter.

This item allows the Board to discuss the current regular meeting schedule. If the Board wishes to change the regular meeting schedule, it can provide direction to staff on the new schedule's effective date and adopt the new resolution setting time and place of meetings of the Board of Directors.

This item also allows the Board to discuss if a 2023 recess period is necessary and identify dates that Board meetings would not be scheduled. Having this discussion and selecting dates at the beginning of the year will allow the Board and staff to plan agenda item presentations accordingly.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Resolution 22-10

Attachment 2: Draft Resolution

*Attachment 3: Handout 4.1-A Beall/Keegan Memo

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 22-10

**SETTING TIME AND PLACE OF MEETINGS OF THE BOARD OF DIRECTORS OF THE
SANTA CLARA VALLEY WATER DISTRICT AND RESCINDING RESOLUTION NO. 17-55**

BE IT RESOLVED, by the Board of Directors of Santa Clara Valley Water District (Valley Water), as follows:

Effective March 8, 2022, regular meetings of the Valley Water Board of Directors shall be held on the 2nd and 4th Tuesday of each month, commencing at 1:00 p.m.

All regular meetings shall be held in the chambers of said Board, 5700 Almaden Expressway (Headquarters Building), San Jose, California 95118, or at such other place as the Board may direct; provided that, a notice of such other meeting place shall be conspicuously posted at least 72 hours prior to such meeting at the location where Board agendas are posted.

When required, closed session meetings of the Valley Water Board of Directors shall be held on regularly scheduled meeting dates, beginning at a time designated by the Clerk of the Board to accommodate discussion of identified subject matter.

Special meetings of the Board must be called and held as provided by pertinent general law.

Regular and special meetings of the Board may be adjourned to a time and place certain as specified in the announced action of the Board.

Resolution No. 17-55 of this Board is hereby rescinded.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on February 8, 2022:

AYES: Directors LeZotte, Estremera, Hsueh, Keegan, Santos, Varela, Kremen

NOES: Directors None

ABSENT: Directors None

ABSTAIN: Directors None

SANTA CLARA VALLEY WATER DISTRICT



GARY KREMEN
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC



Clerk, Board of Directors

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**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 23-

**SETTING TIME AND PLACE OF MEETINGS OF
THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY WATER DISTRICT
AND RESCINDING RESOLUTION NO. 22-10**

BE IT RESOLVED, BY THE Board of Directors of Santa Clara Valley Water District, as follows:

Effective _____, 2023, regular meetings of the Board of Directors of Santa Clara Valley Water District shall be held on the _____ and _____ of each month, commencing on at _____.

All regular meetings shall be held in the chambers of said Board, 5700 Almaden Expressway (Headquarters Building), San Jose, California 95118, or at such other place as the Board may direct; provided that, a notice of such other meeting place shall be conspicuously posted at least 72 hours prior to such meeting at the location where Board agendas are posted.

When required, Closed Session meetings of the Board of Directors of Santa Clara Valley Water District shall be held on regularly scheduled meeting dates, at a time designated by the Clerk of the Board to accommodate discussion of identified subject matter.

Special meetings of the Board must be called and held as provided by pertinent general law.

Regular and special meetings of the Board may be adjourned to a time and place certain as specified in the announced action of the Board.

Resolution No. 22-10 of this Board is hereby rescinded.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on _____.

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

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MEMORANDUM

FC 14 (01-02-07)

TO: Board of Directors

FROM: Directors Barbara Keegan,
District 2 and Jim Beall,
District 4

SUBJECT: January 10, 2023, Board Agenda Item 4.1 -
Adopt a Resolution Setting the Time and
Place of Regular Meetings of the Santa Clara
Valley Water District Board of Directors.

DATE: January 6, 2023

We would like to recommend the following modifications to the Board's current meeting schedule.

1. Set one meeting per month as a daytime meeting commencing at 1 pm for regular session, and one meeting as an evening meeting commencing at 6 pm. This would allow for greater participation by members of the public who are unable to participate in daytime meetings.
2. Take a mid-year recess consistent with the practices of other public agencies such as local cities, the County of Santa Clara and the California legislature. The recommendation is to have a recess in Board and Board Committee meetings for the month of July. The recess would allow staff and the Board the opportunity to take time off and prepare for the following fiscal year. This recommendation would not preclude individual Board members from meeting with constituents or staff or participating in other relevant activities during the month of July.
3. Cancel the December 26, 2023, Board meeting.



Santa Clara Valley Water District

File No.: 22-1476

Agenda Date: 1/10/2023

Item No.: 4.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Consider the December 5, 2022, Board Policy and Planning Committee Recommendation to Add a Task to the Committee's 2023 Work Plan to Perform an Identified Process to Incorporate a Board Code of Conduct into the Board Governance Policies.

RECOMMENDATION:

- A. Consider recommendations resulting from the December 5, 2022, Board Policy and Planning Committee meeting to add a task to the Committee's 2023 Work Plan to perform an identified process to incorporate a Board Code of Conduct into the Board Governance Policies;
- B. Approve recommended update to the Board Policy and Planning Committee's 2023 Work Plan; and/or
- C. Provide feedback and recommendations to staff as necessary.

SUMMARY:

In response to previous requests from Directors and the public during Board and Committee meetings (see public comment references below), the Board Policy and Planning Committee (Committee), at their December 5, 2022, meeting discussed the need for a Board Code of Conduct in the Board Governance Policies and identified a proposed process that could be used to create such a policy. Below is the proposed process to aid in developing a new Board Code of Conduct policy.

Proposed Process

A. Data Collection

- 1. Collect relevant information from existing Board Governance Policies that could fit appropriately in a new Board Code of Conduct Governance Policy.
- 2. Collect relevant information from other agencies that already have Code of Conduct procedures/policies for elected officials. (See Attachment 1 for samples.)
- 3. Collect comments already received from the public on previous code of conduct-related agenda items.
- 4. Request independent third-party interviews of individual directors to identify information that they feel would be necessary to include in a Board Code of Conduct Governance Policy. (Funds will need to be allocated for this work).

B. Data Compiling and Board Check In

- 1. Compile data listed in the data collection steps above, analyze, and compile it into an

organized and categorized list.

2. Present the synthesized list to the Board for review to ensure Committee's process is covering all possible Board Code of Conduct areas and meeting the Board's expectations.
3. Request the Board approve resources for an external third party to collect data and synthesize for Committee review.

C. Review Data and Board Input

1. Committee review compiled information and input received from the Board and develop a proposed new Board Code of Conduct Governance Policy.
2. Propose a new Board Code of Conduct Governance Policy to the Board for review and approval.

Public Input

The full Board received the attached (Attachment 2) applicable public comment from the Sierra Club (Handout 4.2-A, November 8, 2022, Board meeting), and the Board Policy and Planning Committee received comments from Trish Mulvey (Handout 4.2-C, April 5, 2022, Committee meeting, and Handout 4.2-A, November 7, 2022, Committee Meeting)

This item allows the Board to consider the Committee's request to add an item to their 2023 Work Plan to perform a process, as outlined, to incorporate a Board Code of Conduct into the Board Governance Policies and to provide input on the proposed process.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item.

FINANCIAL IMPACT:

If approved, funds will be required for an outside consultant to perform Director interviews, collect information, analyze data, and prepare a document for Committee and Board consideration. Funds are available in the Clerk of the Board Fiscal Year 2023 budget to cover these services.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Sample Codes of Conduct
Attachment 2: Prior Public Comments

UNCLASSIFIED MANAGER:

Michele King, 408-630-2711



(Approved by the ACWA Board of Directors on 7/31/2015)

2.1.10 Code of Conduct

2.1.10.1 Introduction

The Board is committed to ensuring that Board members carry out their duties with integrity and respect, and to honorably represent its agency members and the public they serve. The following Code of Conduct establishes ethical standards for Board members' performance of the duties of office. (Code of Conduct originally adopted by the Board on November 22, 2013, as required pursuant to Article 4, Section 11 of the Bylaws, as amended May 9, 2012.)

2.1.10.2 Code of Conduct

Board members agree to abide by the following:

1. Board members will treat all persons and transactions in a fair and respectful manner when participating in the Association's activities.
2. Board members will act in accordance with all applicable laws of the United States and the State of California in the performance of their official duties. Not doing so may constitute serious misconduct for the purpose of discipline under this Code of Conduct.
3. Board members will refrain from abusive conduct, and verbal attacks upon the character or motives of other Board members or member agencies, the Association and its staff, or the public. Board members will refrain from actions or behaviors that may be considered unlawful harassment or discrimination, as such behavior may constitute serious misconduct for the purpose of discipline under this Code of Conduct.
4. Board members will abide by the processes and rules of order as established by the Association Bylaws and this Code of Conduct.
5. When acting in their capacity as a Board member, Board members will accurately and honestly represent the official policies and positions of the Association and support and advocate such policies and measures (e.g., local, state, and federal) that serve the best interests of the Association, opposing those of a contrary nature.
6. The Board exercises authority only collectively as a Board. Individual Board members will not state that a matter is the Association's policy unless the matter has been previously approved by the Board.

7. Board members will not participate in or attempt to influence a Board decision that could have a reasonably-foreseeable impact on their personal or financial interest.
8. Board members will refrain from accepting gifts, favors, or promises of future benefits that might compromise their independent judgment or action as a Board member or give the appearance of being compromised in carrying out their duties as a Board member.
9. Board members will keep confidential Association information that has been provided to them in confidence. Board members will not disclose confidential information without proper authorization from the Board as a whole or use such information to advance their personal, or private, financial interests. Disclosure or misuse of confidential Association information may constitute serious misconduct for the purpose of discipline under this Code of Conduct.
10. Consistent with Article 3, Section 2(B) and Article 6, Section 2(A) of the Bylaws, individual Board members will refrain from (or the appearance of) directing the day-to-day operations of the Association's staff, except as may be authorized by the Executive Director to facilitate the performance of their duties as a Board member.
11. In accordance with the Bylaws, the Board may discipline or remove any Board member, including one who violates the rules of the Association or commits a violation determined to be serious misconduct pursuant to this Code of Conduct.

Psychological Safety Summary

Meeting Date: March 25, 2022	Item No.: VII.A.5.
Board Action Required: TBD	Chairperson: N/A
Fiscal/Budgetary Impact: NO	Prepared By: Dave Eggerton

BACKGROUND

On February 3, 2022, the Board held a workshop with organizational development expert Dr. Mitch Rosenberg on promoting a psychologically safe environment for the Board and staff in their work together for the benefit of the Association and its members. Dr. Rosenberg's notes from the workshop are attached this report. As discussed at the workshop, Dr. Rosenberg recommended the Board distill the central themes captured in the comments of Board members to create 3 – 7 guiding principles in support of creating a psychologically safe environment for ACWA. Based on the attached notes from the workshop, the following draft "Principles of Engagement" are provided for the Board to discuss, change as desired, and adopt for the organization.

DRAFT PRINCIPLES OF ENGAGEMENT

The following principles will guide the manner by which the Board of Directors and staff of ACWA work together for the benefit of the Association and its members:

- Create an environment that welcomes the voice of each and every person to ask questions, raise concerns and share ideas;
- Actively listen to other views and perspectives to collectively broaden our understanding; and
- Dedicate the time and space to build interpersonal relationships and gain trust.

Attachment: Dr. Rosenberg's Summary Notes

RESOLUTION NO. 03-22-03

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY
REGARDING DECORUM DURING BOARD OF
DIRECTORS' MEETINGS AND ESTABLISHING
RULES OF CONDUCT FOR DIRECTORS AND ALTERNATE DIRECTORS**

WHEREAS, the Board of Directors of the Los Vaqueros Reservoir Joint Powers Authority (the "Authority") desires to adopt a policy to ensure that its meetings are conducted in an orderly manner and to ensure that the Directors and Alternate Directors treat each other in a professional manner,

NOW, THEREFORE, BE IT RESOLVED that the Authority's Board of Directors hereby approves and adopts the following policy regarding decorum during Board of Directors' meetings and establishing rules of conduct for Directors, Alternate Directors and the public.

1. Rules of Decorum for Board of Directors' Meetings.

(a) Decorum. Meetings of the Authority's Board of Directors (the "Board"), which shall include all regular and special Board meetings, in open and closed sessions, and all Authority standing committee meetings, must be conducted in an orderly manner to ensure that the public has an opportunity to be heard and that the Board's deliberative process is not disrupted. The Board's Chair or Vice Chair, or, in their absence, another member so designated by the Board (any of which, as applicable, shall be referred to as the "Presiding Officer"), is responsible for maintaining the order and decorum of meetings.

(b) Rules of Decorum. While any meeting of the Board is in session the following rules of decorum must be observed:

(i) Persons Addressing the Board. Each person who addresses the Board must do so in an orderly manner and must not make personal, impertinent, slanderous, or profane remarks to any member of the Board, staff, or general public. Any person who makes such remarks, or who utters loud, threatening, personal, or abusive language, or who engages in any other disorderly conduct that disrupts, disturbs, or otherwise impedes the orderly conduct of any Board meeting will, at the discretion of the Presiding Officer or a majority of the Board, be barred from further audience before the Board during that meeting.

(ii) Members of the Audience. No person in the audience at a Board meeting may engage in disorderly or boisterous conduct, including the utterance of loud, threatening, or abusive language, whistling or other acts that disturb, disrupt, or otherwise impede the orderly conduct of the Board meeting. Persons in the audience shall not interrupt ongoing discussions by the Board, Authority staff or other persons recognized and given the floor by the Presiding Officer, and shall avoid talking, making noises or other utterances while others are speaking. Any person who behaves in this manner may, at the discretion of the Presiding Officer or a majority of the Board be barred from further audience before the Board during that meeting.

(c) Addressing the Board. No person may address the Board without first being recognized by the Presiding Officer. The following procedures must be observed by persons addressing the Board:

(i) Each person shall follow the direction provided by the Presiding Officer and state the person's name and the organization, if any, the person represents.

(ii) Any subject that is deemed by the Presiding Officer to not be within the subject matter jurisdiction of the Board or the Authority may be precluded. Authority legal counsel shall have the authority to halt any comments determined to be outside the subject matter jurisdiction of the Board or Authority.

(iii) With regard to items that are listed on the agenda, the remarks of the speaker must be confined to the subject that is being discussed at the time such remarks are made. Members of the public are encouraged to hold any comments on specific agenda items until after the Board has concluded its initial discussion of the specific agenda item, and as otherwise directed by the Presiding Officer.

(iv) The remarks of each person shall generally be limited to three minutes, provided that time limit may be adjusted by the Presiding Officer in the Presiding Officer's discretion. Where a group of persons wishes to address the Board on the same subject, the group should endeavor to select one spokesperson to address the Board in order to expedite matters and avoid repetitious presentations. Speakers may not lend any portion of their speaking time to other persons or borrow additional time from other persons. Public comments shall be allowed during the "Public Comment" period and on any Action Items or Discussion Items, as directed by the Presiding Officer.

(v) All remarks to the Board must be addressed to the Presiding Officer and not to any single member of the Board unless in response to a question from that Director or Alternate Director.

(d) Rules of Decorum among Directors and Alternate Directors. The following rules apply to all Directors and Alternate Directors at meetings:

(i) By Directors and Alternate Directors. While the Board is in session, Directors and Alternate Directors must preserve order and decorum, and a Director or Alternate Director must not, by conversation or otherwise, delay or interrupt the proceedings of the Board, nor disturb any Director or Alternate Director while speaking, nor refuse to obey the orders of the Board or the Presiding Officer, except as otherwise provided in this section.

(ii) Getting the Floor—Improper References to be Avoided. Every Director or Alternate Director desiring to speak must address the Presiding Officer and, upon recognition by the Presiding Officer, must confine all remarks to the question under debate. Authority legal counsel shall have the authority to halt any comments that in counsel's opinion may constitute violations of the Brown Act.

(iii) Interruptions. Once recognized, a Director or Alternate Director must not be interrupted when speaking unless it is to call that Director or Alternate Director to order, or as otherwise provided in this section (d). If a Director or Alternate Director is called to order while speaking, that Director or Alternate Director must cease speaking until the question of order is determined and, if in order, the Director or Alternate Director will be permitted to proceed.

(iv) Appeals. Any ruling of the Presiding Officer may be appealed at the request of a Director by way of a motion to appeal the decision of the chair, which can be passed by a majority vote of the Board.

(e) Enforcement of Decorum. The rules of decorum set forth above will be enforced in the following manner:

(i) Warning; Removal. The Presiding Officer may request that a person who is breaching the rules of decorum be orderly and silent. After receiving a warning from the Presiding Officer, if a person persists in disturbing the meeting, the Presiding Officer may order that person to leave the Board meeting or may call for a recess of the meeting to allow the meeting room to be cleared and for the readmittance of only those individuals not responsible for the disturbance. If the person responsible for the disturbance does not leave, then the Presiding Officer may request assistance from a law enforcement officer to remove the person from the meeting.

(ii) Motion to Enforce. If the Presiding Officer fails to enforce the rules set forth above, any Director may move to require such enforcement, and an affirmative vote of a majority of the Board will require that action. If the Presiding Officer fails to carry out the will of a majority of the Board, the majority may designate another Director to act as Presiding Officer for the limited purpose of enforcing any rule of this section that it wishes enforced.

2. Board of Directors – Norms of Conduct and Communication.

(a) Personal Conduct. The work of the Authority is a team effort. All Directors and, as applicable, Alternate Directors should work together in the collaborative process, assisting each other and Authority management, staff and consultants in conducting the affairs of the Authority in the best interests of the Authority and its members. Directors and Alternate Directors shall thoroughly prepare themselves to discuss agenda items at Board meetings. Directors and Alternate Directors shall at all times conduct themselves with courtesy to each other, to staff and to members of the public present at Board meetings. Directors and Alternate Directors shall defer to the Presiding Officer for the conduct of Board meetings but shall be free to question and discuss items on the agenda. All comments should be brief and confined to the matter being discussed by the Board. Directors and Alternate Directors should function as a part of the whole, with issues brought to the attention of the Board as a whole, rather than to individual Directors or Alternate Directors selectively. Directors and Alternate Directors are responsible for monitoring the Authority's progress in attaining its goals and objectives, while pursuing its mission.

(b) Compliance with Laws and Regulations. All Directors and Alternate Directors shall comply with all applicable laws and regulations applicable to their service as members of the Board, including, without limitation, the Political Reform Act and Fair Political Practices Commission regulations, Government Code Section 1090 and the Brown Act, including with respect to the confidentiality of closed session discussions and documents.

(c) Communication of Views and Positions. The Board of Directors is committed to providing excellence in leadership of the Authority. In order to ensure appropriate behavior between and among Directors and Alternate Directors, the following rules shall be observed:

(i) The dignity, style, values and opinions of each Director and Alternate Director shall be respected. Open and full discussion of all issues affecting the Authority shall take place. Responsiveness and attentive listening in communication are encouraged.

(ii) The needs of the Authority and its members should be the priority of the Board of Directors and Directors and Alternate Directors shall strive for fairness and honesty in all of their dealings with others.

(iii) Directors and Alternate Directors should emphasize the positive, avoid double talk, hidden agendas, gossip, backbiting and other negative forms of interaction. Directors and Alternate Directors should treat each other with respect, avoid personal attacks and avoid the use of profanity or other slurs directed at other Directors and Alternate Directors.

(iv) Directors and Alternate Directors should focus on issues and not personalities. The presentation of the opinions of others should be encouraged. Cliques and voting blocks based on personalities rather than issues should be avoided.

(v) Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions without being disagreeable. Once the Board of Directors takes action, Directors and Alternate Directors should commit to support such action and not create barriers to the implementation of the action.

(d) Board Discipline. In the exercise of its discretion to enforce the foregoing provisions of this Section 2, the Board of Directors, by the affirmative vote of a majority of its members, may censure any Director or Alternate Director for period of time deemed appropriate by the Board for any violation of this Section 2. The maximum penalty that may be imposed upon the censured director during the period of such censure shall be the following:

(i) The removal of the censured Director or Alternate Director from service on all Board committees, unless subsequently authorized by the Board of Directors.

(ii) The removal of the censured Director or Alternate Director from any office held by that Director or Alternate Director.

PASSED AND ADOPTED by the Board of Directors of the Los Vaqueros Reservoir
Joint Powers Authority this 9th day of March, 2022 by the following vote:

AYES: Ramirez Holmes (Chair), Hansen (Vice Chair), Sethy, Borba, Coleman, Wehr, Ritchie, LeZotte

NOES:

ABSTAIN:

ABSENT:

Angela Ramirez Holmes
Angela Ramirez Holmes (Mar 16, 2022 19:48 PDT)

Angela Ramirez Holmes, Chair

Attest:

Ellen Wehr
Ellen Wehr (Mar 17, 2022 09:48 PDT)

Ellen Wehr, Secretary



City of Alameda
City Council Handbook & Code of Conduct

Mayor Marilyn Ezzy Ashcraft
Vice Mayor John Knox White
Council Member Jim Oddie
Council Member Tony Daysog
Council Member Malia Vella

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Policy Purpose

The City Council has adopted a Code of Ethics and Conduct for its members, as well as the City's boards and commissions, to ensure the integrity of local government and its effected, and fair operation.

A. ETHICS

The residents and businesses of Alameda are entitled to have fair, ethical, and accountable local government which has earned the public's full confidence for integrity. In keeping with the City of Alameda Commitment to Excellence (see Appendix A), the effective function of democratic government therefore requires:

- public officials, both elected and appointed, comply with both the letter and spirit of the laws and policies affecting the operations of government;
- public officials be independent, impartial and fair in their judgment and actions;
- public office be used for the public good, not for personal gain; and
- public deliberations and processes be conducted openly, unless legally confidential, in an atmosphere of respect and civility.

The Ethics section of the City's Code of Ethics and Conduct provides guidance on questions of right and wrong.

1. Act in the Public Interest. Recognizing that stewardship of the public interest must be their primary concern, members will work for the common good of the people of Alameda and not for any private or personal interest, and they will assure fair and equal treatment of all persons, claims and transactions coming before the City Council, boards and/or commissions.
2. Comply with both the spirit and the letter of the Law and City Policy. Members shall comply with the laws of the nation, the State of California and the City of Alameda in the performance of their public duties. These laws include, but are not limited to: the United States and California constitutions; the Alameda City Charter; laws pertaining to conflicts of interest, election campaigns, financial disclosures, employer responsibilities, and open processes of government; and City ordinances and policies.
3. Conduct of Members. The professional and personal conduct of members must be above reproach and avoid even the appearance of impropriety. Members shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of Council, boards and commissions, the staff, and/or public.
4. Respect for Process. Members shall perform their duties in accordance with the processes and rules of order established by the City Council and board and commissions governing the deliberation of public policy issues, meaningful involvement of the public, and implementation of policy decisions of the City Council by City staff.

5. Conduct of Public Meetings. Members shall prepare themselves for public issues; listen courteously and attentively to all public discussions before the body; and focus on the business at hand. They shall refrain from interrupting other speakers; making personal comments not germane to the business of the body; or otherwise interfering with the orderly conduct of meetings.
6. Decisions Based on Merit. Members shall base their decisions on the merits and substance of the matter at hand, rather than on unrelated considerations.
7. Communication. Members shall publicly disclose substantive information that is relevant to a matter under consideration by the Council or boards and commissions, which they may have received from sources outside of the public decision-making process.
8. Conflict of Interest. In order to assure their independence and impartiality on behalf of the common good, members shall not use their official positions to influence government decisions in which they have a material financial interest, or where they have an organizational responsibility or personal relationship which may give the appearance of a conflict of interest. In accordance with the law, members shall disclose investments, interests in real property, sources of income, and gifts; and they shall abstain from participating in deliberations and decision-making where conflicts may exist.
9. Gifts and Favors. Members shall not take any special advantage of services or opportunities for personal gain, by virtue of their public office that are not available to the public in general. They shall refrain from accepting any gifts, favors or promises of future benefits which might compromise their independence of judgment or action or give the appearance of being compromised.
10. Confidential Information. Members shall respect the confidentiality of information concerning the property, personnel, and/or affairs of the City. They shall neither disclose confidential information without proper legal authorization, nor use such information to advance their personal, financial, and/or other private interests.
11. Use of Public Resources. Members shall not use public resources not available to the public in general, such as City staff time, equipment, supplies or facilities, for private gain or personal purposes.
12. Representation of Private Interests. Members of Council shall not appear on behalf of the private interests of third parties before the Council or any board, commission, or proceeding of the City, nor shall members of boards and commissions appear before their own bodies or before the Council on behalf of the private interests of third parties on matters related to the areas of service of their bodies.
13. Advocacy. Members shall represent the official policies or positions of the City Council, board or commission to the best of their ability when designated as delegates for this purpose. When presenting their individual opinions and positions, members shall explicitly state they do not represent their body or the City of Alameda, nor will they allow the inference that they do.

Councilmembers and board and commission members have the right to endorse candidates for all Council seats or other elected offices. It is inappropriate to mention or display endorsements during Council meetings, board/commission meetings, or other official City meetings.

14. Policy Role of Members. Members shall respect and adhere to the council-manager structure of City's government as outlined by the Alameda City Charter. In this structure, the City Council determines the policies of the City with the advice, information, and analysis provided by the public, boards and commissions, and City staff. Except as provided by the City Charter, members therefore shall not interfere with the administrative functions of the City or the professional duties of City staff; nor shall they impair the ability of staff to implement Council policy decisions.
15. Independence of boards and commissions. Because of the value of the independent advice of boards and commissions to the public decision-making process, members of Council shall refrain from using their position to influence the deliberations or outcomes of board and commission proceedings.
16. Positive Work Place Environment. Members shall support the maintenance of a positive and constructive work place environment for City employees and for residents and businesses dealing with the City. Members shall recognize their special role in dealings with City employees to in no way create the perception of inappropriate direction to staff.

B. CONDUCT

The Conduct section of the City's Code of Ethics and Conduct is designed to describe the manner in which Councilmembers and board and commission members should treat one another, City staff, constituents, and others they come into contact with in representing the City of Alameda.

The constant and consistent theme through all of the conduct guidelines is "respect." Councilmembers experience huge workloads and tremendous stress in making decisions that could impact thousands of lives. Despite these pressures, elected and appointed officials are called upon to exhibit appropriate behavior at all times. Demonstrating respect for each individual through words and actions is the touchstone that can help guide Councilmembers and board and commission members to do the right thing in even the most difficult situations.

1. Elected and Appointed Officials' Conduct with One Another

Elected and appointed bodies are composed of individuals with a wide variety of backgrounds, personalities, values, opinions, and goals. Despite this diversity, all have chosen public service as a way to enhance the community. In all cases, this common goal should be acknowledged even though individuals may "agree to disagree" on contentious issues.

1(a). In Public Meetings

Use formal titles

Elected and appointed officials should refer to one another formally during public meetings, such as Mayor, Vice Mayor, Chair, Commissioner or Councilmember followed by the individual's last name.

Practice civility and decorum in discussions and debate

Difficult questions, tough challenges to a particular point of view, and criticism of ideas and information are legitimate elements of a free democracy in action. This does not allow, however, public officials to make belligerent, personal, impertinent, slanderous, threatening, abusive, or disparaging comments. No shouting or physical actions that could be construed as threatening will be tolerated.

Honor the role of the chair in maintaining order

It is the responsibility of the chair to keep the comments of members on track during public meetings. Members should honor efforts by the chair to focus discussion on current agenda items. If there is disagreement about the agenda or the chair's actions, those objections should be voiced politely and with reason.

Avoid personal comments that could offend other members

If a member is personally offended by the remarks of another member, the offended member should make notes of the actual words used and call for a "point of personal privilege" that challenges the other member to justify or apologize for the language used. The chair will maintain control of this discussion.

Demonstrate effective problem-solving approaches

Members have a public stage to show how individuals with disparate points of view can find common ground and seek a compromise that benefits the community as a whole.

Outside of official board or commission meetings, individual board and commission members are not authorized to represent the City or their board or commission unless specifically designated by the Council or the board or commission to do so for a particular purpose. In private settings, board and commission members may communicate at any time and on any subject with individual members of the City Council, and may express to them individual viewpoints and opinions. In public, however, all members shall represent the official policies or positions of their board or commission, with the following exception. During a Council public hearing on any item addressed by the board or commission, any member may speak under standard time limits, but shall indicate whether their testimony represents an official position (majority opinion) or a minority opinion of the board/commission to which they belong. The chair shall represent the majority view of the board or commission, but may report on any minority views as well, including his or her own. When an official board or commission position differs from staff's recommendation on a particular policy issue, then at the Council's discretion additional time may be provided to the chair of the board or commission (or his/her designee) to explain the position of the board/commission or to rebut statements made by staff or the public. If new information is brought to light during a public hearing which was not shared previously with the board or commission, the Council may allow the board or commission chair to respond. If the Council deems the new information sufficient to warrant additional study, then by majority vote Council may remand the issue back to the board or commission for further study prior to taking other action itself.

Individual opinions and positions may be expressed by board and commission members regarding items that have not come before the particular board/commission to which they belong. When presenting their individual opinions and positions, members shall explicitly state they do not represent their body or the City of Alameda, nor will they allow the inference that they do.

Although a board or commission may disagree with the final decision the Council makes, the board or commission shall not act in any manner contrary to the established policy adopted by the Council.

1(b). In Private Encounters

Continue respectful behavior in private

The same level of respect and consideration of differing points of view that is deemed appropriate for public discussions should be maintained in private conversations.

Be aware of the insecurity of written notes, voicemail messages, and email

Technology allows words written or said without much forethought to be distributed wide and far. Would you feel comfortable to have this note shared with others? How would you feel if this voicemail message were played on a speaker phone in a full office? What would happen if this email message were forwarded to others? Written notes, voicemail messages and email should be treated as potentially "public" communication.

Even private conversations can have a public presence

Elected and appointed officials are always on display – their actions, mannerisms, and language are monitored by people around them that they may not know. Lunch table conversations will be eavesdropped upon, parking lot debates will be watched, and casual comments between individuals before and after public meetings noted.

In private, board and commission members may communicate at any time and on any subject with the City Council, and may express to Council individual viewpoints and opinions.

2. Elected and Appointed Officials' Conduct with City Staff

Governance of a City relies on the cooperative efforts of elected officials, who set policy, appointed officials who advise the elected, and City staff who implements and administers the Council's policies. Therefore, every effort should be made to be cooperative and show mutual respect for the contributions made by each individual for the good of the community.

Treat all staff as professionals

Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. Poor behavior towards staff is not acceptable.

Member questions/inquiries to City staff

1. General. Council and board/commission communications with City staff should be limited to normal City business hours unless the circumstances warrant otherwise.

2. Routine Requests for Information and Inquiries. Members may contact staff directly for information made readily available to the general public on a regular basis (e.g., “What are the library’s hours of operation?” or “How does one reserve a tee time at the golf course?”). Under these circumstances staff shall treat the member no differently than they would the general public, and the member shall not use their elected status to secure preferential treatment. The City Manager does not need to be advised of such contacts.
3. Non-Routine Requests for Readily Available Information. Members may also contact staff directly for easily retrievable information not routinely requested by the general public so long as it does not require staff to discuss the issue or express an opinion (e.g., “How many traffic lights are there in the City?” or “Under what circumstances does the City lower its flags to half-mast?”).
4. Non-Routine Requests Requiring Special Effort. Any member request or inquiry that requires staff to compile information that is not readily available or easily retrievable and/or that requests staff to express an opinion (legal or otherwise) must be directed to the City Manager, or to the City Attorney, as appropriate (e.g., “How many Study Issues completed over the past five years have required 500 or more hours of staff time?”, or “What is the logic behind the City’s sign ordinances affecting businesses?”). The City Manager (or City Attorney as appropriate) shall be responsible for distributing such requests to his/her staff for follow-up. Responses to such requests shall be copied to all Councilmembers (if originating from a Councilmember), relevant board or commission members (if originating from a board or commission member), the City Manager, the City Attorney as appropriate and affected department directors.
5. Meeting Requests. Any member request for a meeting with staff must be directed to the City Manager or City Attorney, as appropriate.

Do not disrupt City staff from their jobs

Elected and appointed officials should not disrupt City staff while they are in meetings, on the phone, or engrossed in performing their job functions in order to have their individual needs met. Do not attend City staff meetings unless requested by staff – even if the elected or appointed official does not say anything, his or her presence implies support, shows partiality, may intimidate staff, and hampers staff’s ability to do their job objectively.

Never publicly criticize an individual employee

Elected and appointed officials should never express concerns about the performance of a City employee in public, to the employee directly, or to the employee’s manager. Comments about staff performance should only be made to the City Manager, or City Attorney as appropriate, through private correspondence or conversation.

Do not get involved in administrative functions

Elected and appointed officials must not attempt to influence City staff on the making of appointments, awarding of contracts, selecting of consultants, processing of development applications, or granting of City licenses and permits.

Check with City staff on correspondence before taking action

Before sending correspondence, Councilmembers should check with City staff to see if an official City response has already been sent or is in progress.

Limit requests for staff support

Routine secretarial support will be provided to all Councilmembers. The Council Executive Assistant opens all mail for Councilmembers, unless a Councilmember requests other arrangements. Mail addressed to the Mayor is reviewed first by the City Manager who notes suggested action and/or follow-up items.

Requests for additional staff support – even in high priority or emergency situations – should be made to the City Manager, and/or City Attorney as appropriate, who are responsible for allocating City resources in order to maintain a professional, well-run City government.

Do not solicit political support from staff

Elected and appointed officials should not solicit any type of political support (financial contributions, display of posters or lawn signs, name on support list, etc.) from City staff. City staff may, as private residents with constitutional rights, support political candidates but all such activities must be done away from the workplace.

3. Elected and Appointed Officials' Conduct with the Public

3(a). In Public Meetings

Making the public feel welcome is an important part of the democratic process. No signs of partiality, prejudice or disrespect should be evident on the part of individual members toward an individual participating in a public forum. Every effort should be made to be fair and impartial in listening to public testimony.

Be welcoming to speakers and treat them with care and gentleness. While questions of clarification may be asked, the official's primary role during public testimony is to listen.

"I give many public presentations so standing up in front of a group and using a microphone is not new to me. But I found that speaking in front of Council was an entirely different experience. I was incredibly nervous and my voice was shaking. I think the reason was because the issue was so personal to me. The Council was going to take a vote that would affect my family's daily life and my home. I was feeling a lot of emotion. The way that Council treats people during public hearings can do a lot to make them relax or to push their emotions to a higher level of intensity."

Be fair and equitable in allocating public hearing time to individual speakers.

The chair will determine and announce limits on speakers at the start of the public hearing process. Questions should not be asked for the express purpose of allowing one speaker to evade the time limit imposed on all others (e.g., "Was there something else you wanted to say?").

No speaker will be turned away unless he or she exhibits inappropriate behavior. Each speaker may only speak once during any particular agenda item unless the chair requests additional clarification later in the process. After the close of the public hearing, no more public testimony will be accepted unless the chair reopens the public hearing for a limited and specific purpose.

Give the appearance of active listening

It is disconcerting to speakers to have members not look at them when they are speaking. It is fine to look down at documents or to make notes, but reading for a long period of time or gazing around the room gives the appearance of disinterest. Be aware of facial expressions, especially those that could be interpreted as "smirking," disbelief, anger, or boredom.

Maintain an open mind

Members of the public deserve an opportunity to influence the thinking of elected and appointed officials. To express an opinion or pass judgment prior to the close of a public hearing casts doubt on a member's ability to conduct a fair review of the issue. This is particularly important when officials are serving in a quasi-judicial capacity.

Ask for clarification, but avoid debate and argument with the public

If speakers become flustered or defensive by questions, it is the responsibility of the chair to attempt to calm and focus the speaker and to maintain the order and decorum of the meeting. Questions by members to the public testifying should seek to clarify or expand information. It is never appropriate to belligerently challenge or belittle the speaker. Members' personal opinions or inclinations about upcoming votes should not be revealed until after the public hearing is closed.

No personal attacks of any kind, under any circumstance

Members should be aware that their body language and tone of voice, as well as the words they use, can appear to be intimidating or aggressive.

Follow parliamentary procedure in conducting public meetings

The City Clerk serves as advisory parliamentarian for the City and is available to answer questions or interpret situations according to parliamentary procedures. The chair, subject to the appeal of the full Council or board/commission makes final rulings on parliamentary procedure.

3(b). In Unofficial Settings

Make no promises on behalf of the Council, board/commission or City

Members will frequently be asked to explain a Council or board/commission action or to give their opinion about an issue as they meet and talk with constituents in the community. It is appropriate to give a brief overview of City policy and to refer to City staff for further information. It is inappropriate to overtly or implicitly promise Council or board/commission action, or to promise City staff will do something specific (fix a pothole, remove a library book, plant new flowers in the median, etc.).

Make no personal comments about other members

It is acceptable to publicly disagree about an issue, but it is unacceptable to make derogatory comments about other members, their opinions, and actions.

Remember that despite its operational capacity, Alameda is a small town at heart
Members are constantly being observed by the community every day that they serve in office. Their behaviors and comments serve as models for proper deportment in the City of Alameda. Honesty and

respect for the dignity of each individual should be reflected in every word and action taken by members, 24 hours a day, seven days a week. It is a serious and continuous responsibility.

4. Council Conduct with Other Public Agencies

Be clear about representing the City or personal interests

When representing the City, the Councilmember must support and advocate the official City position on an issue, not a personal viewpoint. Outside of official board or commission meetings, board and commission members are not authorized to represent the City or their board or commission unless specifically designated by the Council or the board or commission to do so for a particular purpose.

When representing another organization whose position is different from the City, the Councilmember should withdraw from voting on the issue if it significantly impacts or is detrimental to the City's interest. Councilmembers should be clear about which organizations they represent and inform the Mayor and Council of their involvement.

Correspondence also should be equally clear about representation

City letterhead may be used when the Councilmember is representing the City and the City's official position. A copy of official correspondence should be given to the Council Executive Assistant to be filed in the Council Office as part of the permanent public record.

City letterhead should not be used for non-City business nor for correspondence representing a dissenting point of view from an official Council position.

5. Council Conduct with Boards and Commissions

The City has established several boards and commissions as a means of gathering more community input. Residents who serve on boards and commissions are likely to become more involved in government and serve as advisors to the City Council. They are a valuable resource to the City's leadership and should be treated with appreciation and respect.

If attending a board or commission meeting, be careful to only express personal opinions

Councilmembers may attend any board or commission meeting, which are always open to any member of the public. However, they should be sensitive to the way their participation - especially if it is on behalf of an individual, business, or developer - could be viewed as unfairly affecting the process. Any public comments by a Councilmember at a board or commission meeting should be clearly made as individual opinion and not a representation of the feelings of the entire City Council.

Limit contact with board and commission members to questions of clarification

It is inappropriate for a Councilmember to contact a board or commission member to lobby on behalf of an individual, business, or developer, and vice versa. It is acceptable for Councilmembers to contact board or commission members in order to clarify a position taken by the board or commission.

Remember that boards and commissions serve the community, not individual Councilmembers

The City Council appoints individuals to serve on boards and commissions, and it is the responsibility of boards and commissions to follow policy established by the Council. But board and commission

members do not report to individual Councilmembers, nor should Councilmembers feel they have the power or right to threaten board and commission members with removal if they disagree about an issue. Appointment and re-appointment to a board or commission should be based on such criteria as expertise, ability to work with staff and the public, and commitment to fulfilling official duties. A board or commission appointment should not be used as a political "reward."

Be respectful of diverse opinions

A primary role of boards and commissions is to represent many points of view in the community and to provide the Council with advice based on a full spectrum of concerns and perspectives. Councilmembers may have a closer working relationship with some individuals serving on boards and commissions, but must be fair and respectful of all residents serving on boards and commissions.

Keep political support away from public forums

Board and commission members may offer political support to a Councilmember, but not in a public forum while conducting official duties. Conversely, Councilmembers may support board and commission members who are running for office, but not in an official forum in their capacity as a Councilmember.

6. Agenda Setting

The agenda is the official guide for Council meetings. Prepared by staff, the agenda includes current legislative and policy issues that Council reviews and, on which the Council may take action. By law and subject to very limited exceptions, the Council cannot take action on items or issues which are not listed on the agenda.

The City Manager, City Clerk, and City Attorney may meet with the Mayor, and other members of the Council as necessary, to collaborate on the setting of the agenda. Unless otherwise specifically directed by the Council, the City Manager, City Clerk, and City Attorney shall have final authority to set the agenda for their respective area of administrative responsibility.

7. Conduct with the Media

Board and commission members are not authorized to represent the City outside of official board/commission meetings unless specifically authorized to do so.

Councilmembers are frequently contacted by the media for background and quotes.

The best advice for dealing with the media is to never go "off the record"

Most members of the media represent the highest levels of journalistic integrity and ethics, and can be trusted to keep their word. But one bad experience can be catastrophic. Words that are not said cannot be quoted.

The Mayor is the official spokesperson for the City on City positions.

The Mayor is the designated representative of the Council to present and speak on an official City position. If an individual Councilmember is contacted by the media, the Councilmember should be clear about whether their comments represent the official City position or a personal viewpoint.

Choose words carefully and cautiously

Comments taken out of context can cause problems. Be especially cautious about humor, sardonic asides, sarcasm, or word play. It is never appropriate to use personal slurs or swear words when talking with the media.

C. SANCTIONS

Model of Excellence

City Councilmembers, board and commission members, and Council appointees who do not sign the Model of Excellence (see Appendix A) shall be ineligible for intergovernmental assignments or Council subcommittees.

Ethics Training for Local Officials

City Councilmembers, board and commission members, and Council appointees who are out of compliance with State- or City-mandated requirements for ethics training shall not represent the City on intergovernmental assignments or Council sub-committees, and may be subject to sanctions.

Public Disruption

Members of the public who do not follow proper conduct after a warning in a public hearing may be barred from further testimony at that meeting and/or removed from the Council Chambers.

Inappropriate Staff Behavior

Councilmembers should refer to the City Manager, or City Attorney as appropriate, any City staff who do not follow proper conduct in their dealings with Councilmembers, other City staff, or the public. These employees may be disciplined in accordance with standard City procedures for such actions. (Please refer to the section on Council Conduct with City Staff for more details on interaction with Staff.)

Councilmembers Behavior and Conduct – Compliance and Enforcement

The Code of Ethics and Conduct expresses standards of ethical conduct expected for members of the City Council, boards and commissions. Members themselves have the primary responsibility to assure that ethical standards are understood and met, and that the public can continue to have full confidence in the integrity of government. The chairs of boards and commissions and the Mayor and Councilmembers have the additional responsibility to intervene when actions of members that appear to be in violation of the Code of Ethics and Conduct are brought to their attention.

Councilmembers should point out to the offending Councilmember infractions of the Code of Ethics and Conduct. If the offenses continue, then the matter should be referred to the Mayor in private. If the Mayor is the individual whose actions are being challenged, then the matter should be referred to the Vice Mayor.

It is the responsibility of the Mayor to initiate action if a Councilmember's behavior may warrant sanction. If no action is taken by the Mayor, the alleged violation(s) can be brought up with the full Council in a public meeting.

Board and Commission Members Behavior and Conduct

Counseling, verbal reprimands, and written warnings may be administered by the Mayor to board and commission members failing to comply with City policy. These lower levels of sanctions shall be kept private to the degree allowed by law. Copies of all written reprimands administered by the Mayor shall be distributed in memo format to the chair of the respective board or commission, the city clerk, the city attorney, the city manager, and the City Council. Written reprimands administered by the Mayor shall not be included in packets for public meetings and shall not be publicized except as required under the Public Records Act.

The City Council may impose sanctions on board and commission members whose conduct does not comply with the City's policies, up to and including removal from office. Any form of discipline imposed by Council shall be determined by a majority vote of at least a quorum of the Council at a noticed public meeting and such action shall be preceded by a Report to Council with supporting documentation. The Report to Council shall be distributed in accordance with normal procedures, including hard copies to numerous public facilities and posting online. Any Report to Council addressing alleged misconduct by a board or commission member shall be routed through the Office of the City Attorney for review of whether any information is exempt from disclosure (subject to redaction) based on privacy interests authorized under the Public Records Act.

When deemed warranted, the Mayor or majority of Council may call for an investigation of board or commission member conduct. Should the City Manager or City Attorney believe an investigation is warranted, they shall confer with the Council. The Council may ask the City Manager and/or the City Attorney to investigate the allegation and report the findings.

The results of any such investigation shall be provided to the full Council in the form of a Report to Council, and shall be placed on the agenda of a noticed public meeting as "Information Only". Any such report shall be made public and distributed in accordance with normal procedures (i.e., hard copies to numerous public locations and posted online). Any report to Council addressing the investigation of board and commission members shall be routed through the Office of the City Attorney for review of whether any information is exempt from disclosure (subject to redaction) based on privacy interests authorized under the Public Records Act.

It shall be the Council's responsibility to determine the next appropriate action. Any such action taken by Council (with the exception of "take no further action") shall be conducted at a noticed public hearing. These actions include, but are not limited to: discussing and counseling the individual on the violations; placing the matter on a future public hearing agenda to consider sanctions; forming a Council ad hoc subcommittee to review the allegation, the investigation, and its findings, as well as to recommend sanction options for Council consideration.

D. PRINCIPLES OF PROPER CONDUCT

Proper conduct IS ...

- Keeping promises
- Being dependable
- Building a solid reputation
- Participating and being available

- Demonstrating patience
- Showing empathy
- Holding onto ethical principles under stress
- Listening attentively
- Studying thoroughly
- Keeping integrity intact
- Overcoming discouragement
- Going above and beyond, time and time again
- Modeling a professional manner

Proper conduct IS NOT ...

- Showing antagonism or hostility
- Deliberately lying or misleading
- Speaking recklessly
- Spreading rumors
- Stirring up bad feelings, divisiveness
- Acting in a self-righteous manner

It all comes down to respect

Respect for one another as individuals ... respect for the validity of different opinions ... respect for the democratic process ... respect for the community that we serve.

E. CHECKLIST FOR MONITORING CONDUCT

- Will my decision/statement/action violate the trust, rights or good will of others?
- What are my interior motives and the spirit behind my actions?
- If I have to justify my conduct in public tomorrow, will I do so with pride or shame?
- How would my conduct be evaluated by people whose integrity and character I respect?
- Even if my conduct is not illegal or unethical, is it done at someone else's painful expense? Will it destroy their trust in me? Will it harm their reputation?
- Is my conduct fair? Just? Morally right?
- If I were on the receiving end of my conduct, would I approve and agree, or would I take offense?
- Does my conduct give others reason to trust or distrust me?
- Am I willing to take an ethical stand when it is called for? Am I willing to make my ethical beliefs public in a way that makes it clear what I stand for?
- Do I exhibit the same conduct in my private life as I do in my public life?
- Can I take legitimate pride in the way I conduct myself and the example I set?
- Do I listen and understand the views of others?
- Do I question and confront different points of view in a constructive manner?
- Do I work to resolve differences and come to mutual agreement?
- Do I support others and show respect for their ideas?
- Will my conduct cause public embarrassment to someone else?

F. GLOSSARY OF TERMS

attitude The manner in which one shows one's dispositions, opinions, and feelings

behavior	External appearance or action; manner of behaving; carriage of oneself
civility	Politeness, consideration, courtesy
conduct	The way one acts; personal behavior
courtesy	Politeness connected with kindness
decorum	Suitable; proper; good taste in behavior
manners	A way of acting; a style, method, or form; the way in which thing are done
point of order	An interruption of a meeting to question whether rules or bylaws are being broken, such as the speaker has strayed from the motion currently under consideration
point of personal privilege	A challenge to a speaker to defend or apologize for comments that a fellow member considers offensive
propriety	Conforming to acceptable standards of behavior
protocol	The courtesies that are established as proper and correct
respect	The act of noticing with attention; holding in esteem; courteous regard

G. IMPLEMENTATION

As an expression of the standards of conduct for members expected by the City, the Alameda Code of Ethics and Conduct is intended to be self-enforcing. It therefore becomes most effective when members are thoroughly familiar with it and embrace its provisions. For this reason, this document shall be included in the regular orientations for candidates for City Council, applicants to board and commissions, and newly elected and appointed officials. Members entering office shall sign a statement affirming they read and understood the City of Alameda Code of Ethics and Conduct.

MODEL OF EXCELLENCE

Alameda City Council, Boards and Commissions

MEMBER STATEMENT

As a member of the Alameda City Council or of an Alameda board or commission, I agree to uphold the Code of Ethics and Conduct for Elected and Appointed Officials and conduct myself by the following model of excellence. I will:

- Recognize the worth of individual members and appreciate their individual talents, perspectives and contributions;
- Help create an atmosphere of respect and civility where individual members, City staff and the public are free to express their ideas and work to their full potential;
- Conduct my personal and public affairs with honesty, integrity, fairness and respect for others;
- Respect the dignity and privacy of individuals and organizations;
- Keep the common good as my highest purpose and focus on achieving constructive solutions for the public benefit;
- Avoid and discourage conduct which is divisive or harmful to the best interests of Alameda; and
- Treat all people with whom I come in contact in the way I wish to be treated.

I affirm that I have read and understood the City of Alameda Code of Ethics and Conduct for Elected and Appointed Officials.

Signature

Date

CITY OF OCEANSIDE

CODE OF ETHICS AND CONDUCT

FOR

ELECTED AND APPOINTED OFFICIALS

Policy Purpose

The Oceanside City Council adopts this Code of Ethics and Conduct to assure that all elected and appointed officials, while exercising their office, conduct themselves in a manner that will instill public confidence and trust in the fair operation and integrity of Oceanside's City government. This policy shall apply to all elected positions, including the Mayor, Councilmembers, City Clerk and City Treasurer, whether elected or appointed to serve in that capacity, Council Aides and all persons appointed by the City Council to the City's Boards, Committees and Commissions.

A. ETHICS

The citizens and businesses of Oceanside are entitled to have fair, ethical and accountable local government. To this end, the public shall have full confidence that their elected and appointed officials:

- Comply with both the letter and spirit of the laws and policies affecting the operations of government;
- Are independent, impartial and fair in their judgment and actions;
- Use their public office for the public good, not for personal gain; and
- Conduct public deliberations and processes openly, unless required by law to be confidential, in an atmosphere of respect and civility.

Therefore, members of the City Council, City Treasurer, City Clerk, Council Aides, and members of all Boards, Committees and Commissions shall conduct themselves in accordance with the following ethical standards:

1. **Act in the Public Interest.** Recognizing that stewardship of the public interest shall be their primary concern, members will work for the common good of the people of Oceanside and not for any private or personal interest, and they will assure fair and equal treatment of all persons, claims and transactions coming before them.
2. **Comply with both the spirit and the letter of the Law and City Policy.** Members shall comply with the laws of the nation, the State of California and the City of Oceanside in the performance of their public duties.
3. **Conduct of Members.** The professional and personal conduct of members while exercising their office shall be above reproach and avoid even the appearance of impropriety. Members shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of Council, Boards, Committees and Commissions, the staff or public.
4. **Respect for Process.** Members shall perform their duties in accordance with the processes and rules of order established by the City and the City Council.
5. **Conduct at Public Meetings.** Members shall prepare themselves for public issues; listen courteously and attentively to all public discussions before the body; and focus on the business at hand.
6. **Decisions Based on Merit.** Members shall base their decisions on the merits and substance of the matter at hand, rather than on unrelated considerations. When making adjudicative decisions (those decisions where the member is called upon to determine and apply facts peculiar to an individual case), members shall maintain an open mind until the conclusion of the hearing on the matter and shall base their decisions on the facts presented at the hearing and the law.
7. **Communication.** For adjudicative matters pending before the body, written communication provided to the City Council shall be retained in accordance with the City's document retention schedule and shall be open to inspection and/or copying in accordance with the California Public Records Act.

8. **Conflict of Interest.** In order to assure their independence and impartiality on behalf of the common good and compliance with conflict of interest laws, members shall use their best efforts to refrain from creating an appearance of impropriety in their actions and decisions. Members shall not use their official positions to influence government decisions in which they have (a) a material financial interest as set forth in the Political Reform Act and applicable regulations promulgated by the Fair Political Practices Commission, or (b) actual bias that would result in the denial of procedural due process.

In accordance with the City's Municipal Code Section 2.1.32., "if a council member has reason to believe he or she has a conflict of interest with respect to a governmental decision, he or she may give the full facts of the matter to the city attorney and request advice thereon. The request for advice should be submitted to the city attorney sufficiently in advance of the meeting to allow the city attorney a reasonable opportunity to analyze the facts stated and the applicable law and to seek appropriate assistance from the fair political practices commission. Any response by the city attorney shall be in writing, if time permits, and delivered to each council member before the meeting in question. Oral responses shall be stated on the public record. If a determination whether it is reasonably foreseeable that a financial interest would be affected by a governmental decision depends on the advice of an appraiser or similar professional, except an attorney, the city attorney may retain such professional at city expense. Nothing in this section shall be deemed to preclude the member or the city attorney from seeking assistance or advice on a conflict of interest matter from the fair political practices commission."

In accordance with the law, members shall disclose investments, interests in real property, sources of income, and gifts; and if they have an impermissible conflict of interest regarding a particular decision, shall not, once the conflict is ascertained, participate in the decision and shall not discuss or comment on the matter in any way to any person including other members unless otherwise permitted by law.

9. **Gifts and Favors.** Members shall not take any special advantage of services or opportunities for personal gain, by virtue of their public office that is not available to the public in general. They shall refrain from accepting any gifts, favors or promises of future benefits which might compromise their independence of judgment or action or give the appearance of being compromised. Disqualification of a member from participating in a government decision based on the acceptance of a gift shall be determined in accordance with legal requirements of the Political Reform Act, applicable regulations and case law.
10. **Confidential Information.** Members shall maintain the confidentiality of all written materials and verbal information provided to members which is confidential or privileged. Members shall neither disclose confidential information without proper legal authorization, nor use such information to advance their personal, financial or other private interests.
11. **Use of Public Resources.** Members shall not use public resources which are not available to the public in general (e.g., City staff time, equipment, supplies or facilities) for private gain or for personal purposes not otherwise authorized by law.
12. **Representation of Private Interests.** In keeping with their role as stewards of the public interest, members of Council shall not appear on behalf of the private interests of third parties before the

Council or any Board, Committee, Commission or proceeding of the City, nor shall members of Boards, Committees and Commissions appear before their own bodies or before the Council on behalf of the private interests of third parties on matters related to the areas of service of their bodies.

13. **Advocacy.** Members shall represent the official policies or positions of the City Council, Board, Committee or Commission to the best of their ability when designated as delegates for this purpose. When presenting their individual opinions and positions, members shall explicitly state they do not represent their body or the City of Oceanside, nor will they allow the inference that they do. Councilmembers, Council Aides and Board, Committee and Commission members have the right to endorse candidates for all Council seats or other elected offices. It is inappropriate to mention or display endorsements during Council meetings, or Board, Committee and Commission meetings, or other official City meetings.
14. **Policy Role of Members.** Members shall respect and adhere to the council-manager structure of Oceanside City government as outlined in the City Charter. In this structure, the City Council determines the policies of the City with the advice, information and analysis provided by City staff, Boards, Committees and Commissions, and the public. Except as provided by the City Code and applicable council policies, members shall not interfere with the administrative functions of the City or the professional duties of City staff; nor shall they impair the ability of staff to implement Council policy decisions.
15. **Independence of Boards, Committees and Commissions.** Because of the value of the independent advice of Boards, Committees and Commissions to the public decision-making process, members of Council shall refrain from using their position to unduly influence the deliberations or outcomes of Board, Committee and Commission proceedings.
16. **Positive Work Place Environment.** Members shall support the maintenance of a positive and constructive work place environment for City employees and for citizens and businesses dealing with the City. Members shall recognize their special role in dealings with City employees to in no way create the perception of inappropriate direction to staff.

B. CONDUCT GUIDELINES

The Conduct Guidelines are designed to describe the manner in which elected and appointed officials shall treat one another, City staff, constituents, and others they come into contact with while representing the City of Oceanside.

1. Elected and Appointed Officials' Conduct with Each Other in Public Meetings

Elected and appointed officials are individuals with a wide variety of backgrounds, personalities, values, opinions, and goals. Despite this diversity, all have chosen to serve in public office in order to preserve and protect the present and the future of the community. In all cases, this common goal shall be acknowledged even though individuals may not agree on every issue.

(a) Honor the role of the chair in maintaining order

It is the responsibility of the chair to keep the comments of members on track during public meetings. Members shall honor efforts by the chair to focus discussion on current agenda items. If there is disagreement about the agenda or the chair's actions, those objections shall be voiced politely and with reason, following procedures outlined in parliamentary procedure.

(b) Practice civility and decorum in discussions and debate

Difficult questions, tough challenges to a particular point of view, and criticism of ideas and information are legitimate elements of debate by a free democracy in action. Free debate does not require nor justify, however, public officials to make belligerent, personal, impertinent, slanderous, threatening, abusive, or disparaging comments.

(c) Avoid personal comments that could offend other members

If a member is personally offended by the remarks of another member, the offended member shall make notes of the actual words used and call for a "point of personal privilege" that challenges the other member to justify or apologize for the language used. The chair will maintain control of this discussion.

(d) Demonstrate effective problem-solving approaches

Members have a public stage and have the responsibility to show how individuals with disparate points of view can find common ground and seek a compromise that benefits the community as a whole.

2. Elected and Appointed Officials' Conduct with the Public in Public Meetings

Making the public feel welcome is an important part of the democratic process. No signs of partiality, prejudice or disrespect shall be evident on the part of individual members toward an individual participating in a public forum. Every effort shall be made to be fair and impartial in listening to public testimony.

(a) Be welcoming to speakers and treat them with care and gentleness.

While questions of clarification may be asked, the official's primary role during public testimony is to listen.

(b) Be fair and equitable in allocating public hearing time to individual speakers.

The chair will determine limits on speakers at the start of the public hearing process, if different than standard time limits.

(c) Practice active listening

It is disconcerting to speakers to have members not look at them when they are speaking. It is fine to look down at documents or to make notes, but reading for a long period of time or gazing around the room gives the appearance of disinterest. Members shall try to be conscious of facial expressions, and avoid those that could be interpreted as "smirking," disbelief, anger or boredom.

(d) Maintain an open mind

Members of the public deserve an opportunity to influence the thinking of elected and appointed officials.

(e) Ask for clarification, but avoid debate and argument with the public

Only the chair – not individual members – can interrupt a speaker during a presentation. However, a member can ask the chair for a point of order if the speaker is off the topic or exhibiting behavior or language the member finds disturbing.

(f) Use of Electronic Devices during Public Hearing Time

While the Council is in session, to satisfy due process requirements, Council Members shall give their sole attention to the proceedings and shall refrain from using electronic devices such as computers, cell phones, pagers, PDAs and other electronic devices for the purpose of sending or receiving external communication unless an emergency or extraordinary circumstance exists.

3. Elected and Appointed Officials' Conduct with City Staff

Governance of a City relies on the cooperative efforts of elected officials, who set policy, appointed members of Boards and Commissions who advise the elected, and City staff who implement and administer the Council's policies. Therefore, every effort shall be made to be cooperative and show mutual respect for the contributions made by each individual for the good of the community.

(a) Treat all staff as professionals

Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. Poor behavior towards staff is not acceptable.

(b) Do not disrupt City staff from their jobs

Elected and appointed officials shall not disrupt City staff while they are in meetings, on the phone, or engrossed in performing their job functions in order to have their individual needs met. Attendance by elected officials at any meeting attended by City staff shall be in accordance with City Council Policy 100-20.

(c) Never publicly criticize an individual employee

Elected and appointed officials shall never express concerns about the performance of a City employee under the supervision of the City Manager or City Attorney in public, to the employee directly, or to the

employee's manager. Comments about staff performance shall only be made to the City Manager or City Attorney, as applicable, through private correspondence or conversation. Appointed members of Boards and Commissions shall make their comments regarding staff to the City Manager or the Mayor.

(d) Do not get involved in administrative functions

Elected and appointed officials acting in their individual capacity shall not attempt to influence City staff on the making of appointments, awarding of contracts, selecting of consultants, processing of development applications, or granting of City licenses and permits.

(e) Do not solicit political support from staff

Elected and appointed officials shall not solicit any type of political support (financial contributions, display of posters or lawn signs, name on support list, etc.) from City staff. City staff may, as private citizens with constitutional rights, support political candidates but all such activities shall be done away from the workplace.

(f) No Attorney-Client Relationship

The City Attorney represents the City and not elected or appointed officials acting in their individual capacity. Members shall not seek to establish an attorney-client relationship with the City Attorney, or members of the City Attorney's staff.

4. Council Conduct with Boards, Committees and Commissions

The City has established several Boards, Committees and Commissions as a means of gathering more community input. Citizens who serve on Boards, Committees and Commissions become more involved in government and serve as advisors to the City Council. They are a valuable resource to the City's leadership and shall be treated with appreciation and respect.

(a) If attending a Board, Committee or Commission meeting, be careful to only express personal opinions

Subject to the limitations of the Brown Act, Councilmembers may attend any Board, Committee or Commission meeting, which are always open to any member of the public. However, they shall be sensitive to the way their participation – especially if it is on behalf of an individual, business or developer – could be viewed as unfairly affecting the process. Any public comments by a Councilmember at a Board, Committee or Commission meeting shall be clearly made as individual opinion and not a representation of the feelings of the entire City Council.

(b) Limit contact with Board, Committee and Commission members to questions of clarification

It is inappropriate for a Councilmember to contact a Board, Committee or Commission member to lobby on behalf of an individual, business, or developer, and vice versa. It is acceptable for Councilmembers to contact Board, Committee or Commission members in order to clarify a position taken by the Board, Committee or Commission.

(c) Respect that Boards, Committees and Commissions serve the community, not individual Councilmembers

The Mayor, subject to City Council confirmation, appoints individuals to serve on Boards, Committees and Commissions, and it is the responsibility of members of Boards, Committees and Commissions to follow applicable bylaws as well as City law and policy established by the Council. Board, Committee and Commission members do not report to individual Councilmembers, nor shall Councilmembers threaten Board, Committee and Commission members with removal over political disputes. Appointment and re-appointment to a Board, Committee or Commission shall be based on such criteria as expertise, ability to work with staff and the public, and commitment to fulfilling official duties.

(d) Be respectful of diverse opinions

A primary role of Boards, Committees and Commissions is to represent many points of view in the community and to provide the Council with advice based on a full spectrum of concerns and perspectives. Councilmembers may have a closer working relationship with some individuals serving on Boards, Committees and Commissions, but shall be fair and respectful of all citizens serving on Boards, Committees and Commissions.

(e) Keep political support away from public forums

Board, Committee and Commission members may offer political support to a Councilmember, but not in a public forum while conducting official duties. Conversely, Councilmembers may support Board, Committee and Commission members who are running for office, but not in an official forum in their capacity as a Councilmember.

5. Conduct with the Media

Council Members are frequently contacted by the media for background and quotes. Advisory Body members are not authorized to represent the City outside of official Advisory Body meetings unless specifically authorized to do so by the City Council. Media inquiries should be responded to within reasonable timeframes. Official City responses will be given by the Mayor or Council designee (i.e. Deputy Mayor in Mayor's absence), the City Manager or his/her designee, or City Attorney, as applicable.

6. Social Media Use

When using social media, City officials must clearly disclose that they are expressing their own personal opinion and not an official position of the City or, if applicable, the body on which they serve. Where appropriate, posting a disclaimer to this effect is advised. City officials must also use caution when communicating on social media in that it does not become a conduit to communicate with their fellow council/commission members in violation of the Brown Act.

7. Outside Employment

No official shall engage in or accept private employment or render services for private interests when such employment or service is incompatible with the proper discharge of their official duties in violation of

Government Code section 1099 and applicable case law, or would tend to impair their independence of judgment or action in the performance of their official duties.

8. Post-City Employment

Former City Officials shall not engage in direct communication with the City for the purpose of lobbying the City if the former City Official served as a City Official within the previous 12 months, and the former City Official is receiving compensation from a private business to engage in the direct communication with the City.

C. SANCTIONS

Upon a finding by a majority of the City Council that any public official violated any provision of the Prohibited Conduct section of this chapter, the City Council may impose any of the following sanctions:

1. Elected Officials.

- a) Public censure.

2. Council Aides

- a) Public censure.

3. Appointed Officials of Boards, Commissions and Committees.

- a) Referral to the Board, Commission or Committee of which the appointed official is a member for public censure;
- b) Public censure by the Mayor and City Council; or
- c) Removal from office by a majority of the Mayor and City Council

4. Whistle Blower Protections

To the extent not otherwise prohibited by State law, City officials and employees shall not use or threaten to use any official authority or influence to discourage, restrain or interfere with or to effect a reprisal against any person, including, but not limited to, a City official or employee, for the purpose or with the intent of preventing such person from acting in good faith to report or otherwise bring to the attention of the City or other appropriate agency, office or department, any information that, if true, would constitute a gross waste of City funds, a gross abuse of authority, a specified and substantial danger to public health or safety due to any act or omission of an City official or employee, or the use of a City office or position or of City resources for personal gain.

D. IMPLEMENTATION

The Code of Ethics and Conduct is intended to be self-enforcing and is an expression of the standards of conduct for members expected by the City. It therefore becomes most effective when members are thoroughly familiar with it and embrace its provisions.

For this reason, this document shall be included in the regular orientations for candidates for City Council, City Treasurer, City Clerk, Council Aides, members of Board, Committee and Commissions, and newly elected and appointed officials. **Members entering office shall sign a statement (below) acknowledging they have read and understand the Code of Ethics and Conduct.** In addition, the Code of Ethics and Conduct shall be periodically reviewed by the City Council and updated as necessary.

I affirm that I have read and understand the City of Oceanside Code of Ethics and Conduct for Elected and Appointed Officials.

Name: _____

Signature: _____

Date: _____

Code of Ethics & Values

Santa Clara's Code of Ethics & Values, adopted by the City Council in March of 2000 and modified by Council in August of 2001, is designed to provide clear, positive statements of ethical behavior reflecting the core values of the community. The Code includes practical strategies for addressing ethical questions and a useful framework for decision-making and handling the day-to-day operations of the municipality.

The current Code of Ethics & Values was developed in 1999 by a Committee composed of three elected officials, nine City commissioners, two community members, the City Manager and the City Attorney. A previous Code was adopted in the 1960s and periodically updated, but the Committee took a fresh approach by working with the [Markkula Center for Applied Ethics](#) at Santa Clara University to create a new Code of Ethics & Values for the City that would better reflect the issues and concerns of today's complex and diverse society.

ETHICAL STANDARDS FOR CONTRACTORS SEEKING TO ENTER INTO AN AGREEMENT WITH THE CITY OF SANTA CLARA, CALIFORNIA

Goals of the Code of Ethics & Values

- To make Santa Clara a better community, built on mutual respect and trust
- To promote and maintain the highest standards of personal and professional conduct among all involved in City government elected officials, City staff, volunteers, and members of the City's boards, commissions and committees

The Code of Ethics & Values is a touchstone for members of boards, commissions and committees in fulfilling their roles and responsibilities.

Preamble

The proper operation of democratic government requires that decision-makers be independent, impartial, and accountable to the people they serve. The City of Santa Clara has adopted this Code of Ethics & Values to promote and maintain the highest standards of personal and professional conduct in the City's government. All elected and appointed officials, City employees, volunteers, and others who participate in the city's government are required to subscribe to this Code, understand how it applies to their specific responsibilities, and practice its eight core values in their work. Because we seek public confidence in the City's services and public trust of its decision-makers, our decisions and our work must meet the most demanding ethical standards and demonstrate the highest levels of achievement in following this code.

1. As a Representative of the City of Santa Clara, I will be ethical.

In practice, this value looks like:

- a. I am trustworthy, acting with the utmost integrity and moral courage.
- b. I am truthful, do what I say I will do, and am dependable.

- c. I make impartial decisions, free of bribes, unlawful gifts, narrow political interests, and financial and other personal interests that impair my independence of judgment or action.
- d. I am fair, distributing benefits and burdens according to consistent and equitable criteria.
- e. I extend equal opportunities and due process to all parties in matters under consideration. If I engage in unilateral meetings and discussions, I do so without making voting decisions.
- f. I show respect for persons, confidences, and information designated as "confidential."
- g. I use my title(s) only when conducting official City business, for information purposes, or as an indication of background and expertise, carefully considering whether I am exceeding or appearing to exceed my authority.

2. As a Representative of the City of Santa Clara, I will be professional.

In practice, this value looks like:

- a. I apply my knowledge and expertise to my assigned activities and to the interpersonal relationships that are part of my job in a consistent, confident, competent, and productive manner.
- b. I approach my job and work-related relationships with a positive attitude.
- c. I keep my professional knowledge and skills current and growing.

3. As a Representative of the City of Santa Clara, I will be service-oriented.

In practice, this value looks like:

- a. I provide friendly, receptive, courteous service to everyone.
- b. I am attuned to, and care about, the needs and issues of citizens, public officials, and city workers.
- c. In my interactions with constituents, I am interested, engaged, and responsive.

4. As a Representative of the City of Santa Clara, I will be fiscally responsible.

In practice, this value looks like:

- a. I make decisions after prudent consideration of their financial impact, taking into account the long-term financial needs of the City, especially its financial stability.
- b. I demonstrate concern for the proper use of City assets (e.g., personnel, time, property, equipment, funds) and follow established procedures.
- c. I make good financial decisions that seek to preserve programs and services for City residents.

5. As a Representative of the City of Santa Clara, I will be organized.

In practice, this value looks like:

- a. I act in an efficient manner, making decisions and recommendations based upon research and facts, taking into consideration short and long term goals.
- b. I follow through in a responsible way, keeping others informed, and responding in a timely fashion.
- c. I am respectful of established City processes and guidelines.

6. As a Representative of the City of Santa Clara, I will be communicative.

In practice, this value looks like:

- a. I convey the City's care for and commitment to its citizens.
- b. I communicate in various ways that I am approachable, open-minded and willing to participate in dialog.
- c. I engage in effective two-way communication, by listening carefully, asking questions, and determining an appropriate response which adds value to conversations.

7. As a Representative of the City of Santa Clara, I will be collaborative.

In practice, this value looks like:

- a. I act in a cooperative manner with groups and other individuals, working together in a spirit of tolerance and understanding.
- b. I work towards consensus building and gain value from diverse opinions.
- c. I accomplish the goals and responsibilities of my individual position, while respecting my role as a member of a team.
- d. I consider the broader regional and State-wide implications of the City's decisions and issues.

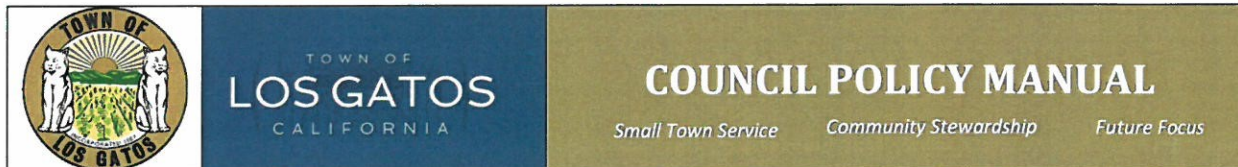
8. As a Representative of the City of Santa Clara, I will be progressive.

In practice, this value looks like:

- a. I exhibit a proactive, innovative approach to setting goals and conducting the City's business.
- b. I display a style that maintains consistent standards, but is also sensitive to the need for compromise, "thinking outside the box," and improving existing paradigms when necessary.
- c. I promote intelligent and thoughtful innovation in order to forward the City's policy agenda and City services.

Last Updated:

03-22-2019



TITLE: Town Council Code of Conduct

POLICY NUMBER: 2-04

EFFECTIVE DATE: 5/3/2004

PAGES: 8

ENABLING ACTIONS: 2004-059; 2006-111

REVISED DATES: 12/17/2012; 3/3/2015; 12/17/2019

APPROVED:

I. Preamble

The legal responsibilities of the Los Gatos Town Council are set forth by applicable state and federal laws. In addition, the Town Council has adopted regulations, including this Code of Conduct Policy, that hold Council Members to standards of conduct above and beyond what is required by law. This Policy is written with the assumption that Council Members, through training, are aware of their legal and ethical responsibilities as elected officials.

II. Form of Government

The Town of Los Gatos operates under a Council-Manager form of government as prescribed by Town Code, Section 2.30.305. Accordingly, members of the Council are elected at-large, provide legislative direction, set Town policy, and ultimately answer to the public. The Town Manager serves as the Town's chief administrative officer and is responsible for directing the day-to-day operations of the Town and implementing policy direction.

III. Town Council Roles and Responsibilities

The role of the Town Council is to act as a legislative and quasi-judicial body. Through its legislative and policy authority, the Council is responsible for assessing and achieving the community's desire for its present and future and for establishing policy direction to achieve its desired outcomes. All members of the Town Council, including those who serve as Mayor and Vice Mayor, have equal votes.

Members of the Town Council fulfill their role and responsibilities through the relationships they have with each other and the public. Town Council Members should approach their work, each other, and the public in a manner that reflects ethical behavior, honesty and integrity. The commitment of Town Council Members to their work is characterized by open constructive communication, innovation, and creative problem solving.

TITLE: Town Council Code of Conduct	PAGE: 2 of 8	POLICY NUMBER: 2-04
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IV. Mayoral and Vice Mayoral Selection Process

Per Town Municipal Code, Section 2.20.035, the selection of the Mayor and Vice Mayor occurs annually at a special meeting in December by majority vote of the Town Council. The Mayor and Vice Mayor serve at the pleasure of the Town Council and may be replaced by a majority vote of the Council.

V. Mayoral and Vice Mayoral Roles, Responsibilities, Relationships

The following outlines some of the key roles, responsibilities, and relationships as they relate to the positions of Mayor and Vice Mayor:

Mayor

- A. The Mayor is the presiding officer of the Town Council. In this capacity, the Mayor is responsible for developing Council agendas in cooperation with the Town Manager and leading Council meetings.
- B. The Mayor recommends various standing committee appointments to the Council for approval.¹ This will be done at a Council meeting in December of each year. When making committee recommendations, the Mayor should attempt to balance shared responsibilities and opportunities among Council Members. The Mayor may also appoint citizens to committees not established by Town ordinance or resolution as s/he deems appropriate.
- C. The title of Mayor carries with it the responsibility of communicating with the Town Council, Town Manager, and members of the public. In this capacity, the Mayor serves as the Town “spokesperson” representing the Council in official and ceremonial occasions.
- D. As the official Town spokesperson, the Mayor performs special duties consistent with the Mayoral office, including, but not limited to: signing of documents on behalf of the Town, issuing proclamations, serving as the official voting delegate for various municipal advocacy groups, and delivering the State of the Town Address at his or her discretion.² The Town Council will determine any additional authority or duties that the Mayor shall perform.
- E. Special duties consistent with the Mayoral office may be delegated to the Vice Mayor or any other member of the Town Council.
- F. In the event that one or more members of a Town Board, Commission, or Committee acts in a manner contrary to approved Board/Commission policies and procedures, the Mayor may counsel those members about the rules set forth in the Town Commissioner Handbook.³

¹ Council Agenda Format and Rules Policy

² Council Commendation and Proclamation Policy

³ Resolution 1999-167

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Vice Mayor

- A. In the Mayor's absence, the Vice Mayor shall perform the formal duties of the Mayor.⁴
- B. When the Vice Mayor performs the duties of the Mayor in his/her absence, the Vice Mayor also carries the responsibility of communicating with the Town Manager, Town Council, and members of the public.

VI. Council Conduct in Public Meetings

To ensure the highest standards of respect and integrity during public meetings, Council Members should:

- A. *Use formal titles.* The Council should refer to one another formally during Council meetings such as Mayor, Vice Mayor or Council Member or Mr., Mrs., or Ms., followed by the individual's last name.
- B. *Practice civility and decorum in discussions and debate.* Difficult questions, tough challenges to a particular point of view, and criticism of ideas and information are legitimate elements of free democracy in action. During public discussions, Council Members should be respectful of others and diverse opinions and allow for the debate of issues.
- C. *Honor the role of the presiding officer in maintaining order and equity.* Respect the Mayor/Chair's efforts to focus discussion on current agenda items.
- D. *Council decisions should be reserved until all applicable information has been presented.*
- E. *Conduct during public hearings.* During public testimony, Council Members should refrain from engaging the speaker in dialogue. For purposes of clarification, Council Members may ask the speaker questions. Council comment and discussion should commence upon the conclusion of all public testimony

VII. Legal Requirements

The Town Council operates under a series of laws that regulate its operations as well as the conduct of its members. The Town Attorney serves as the Town's legal officer and is available to advise the Council on these matters.

A. Training

Biannual training in the following areas shall be provided by staff to Council Members:

- 1. The Ralph M. Brown Act
- 2. Town / CA State Law on Conflict of Interest (AB 1234)
- 3. Government Section 1090
- 4. Incompatible Offices
- 5. The Fair Political Practices Commission Forms
- 6. Bias
- 7. Town / CA State Law on Harassment (SB 1343)

⁴ Council Agenda Format and Rules Policy

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B. Procurement

Unless authorized by the Town Council, Council Members shall not become involved in administrative processes for acquiring goods and services.

C. Land Use Applications

The merits of an application shall only be evaluated on information included in the public record. Council Members shall disclose ex parte communication and any information obtained outside of the public record that may influence his/her decision on a matter pending before the Town Council. Council disclosure shall occur after the Public Hearing section of the agenda, and before Council deliberations.

D. Code of Conduct Policy

Newly elected Council Members are strongly encouraged to sign a statement affirming they have read and understand the Town of Los Gatos Council Code of Conduct Policy.

E. Non-Profit Organizations

Council Members may not sit on boards of directors of non-profit organizations which receive funding or in-kind contributions from the Town, unless the role serves a legitimate Town purpose, such as the League of California Cities, and the participation is approved by the full Council.

VIII. Council Participation in Boards, Commissions and Committees, and Reporting Requirements

There are several committees that Town Council Members have been appointed to or have an interest in, including but not limited to: Town Council standing and ad hoc committees, Town boards and commissions, regional boards and commissions, and community-generated committees.

Primary Council representatives should update the Council about board, commission, and committee activities. When serving as the primary Council representative on any board, commission, or committee, Council Members should periodically provide updated reports to the Council during the "Council Matters" opportunity on the Council meeting agenda.

Recommended actions by Council Committees should be reported to the Council. When serving on a Council Committee, whether standing or ad hoc, all work undertaken by the Committee must be directed by the Council, and all recommended actions of a Council Committee shall be reported to the Council.

IX. Council Relationship with Town Staff

The Town Council has adopted a Council-Manager form of government. The Town Manager's powers and duties are outlined in the Town Code, Section 2.30.295.

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Council Conduct and Communication with Town Staff

To enhance its working relationship with staff, Council should be mindful of the support and resources needed to accomplish Council goals. When communicating and working with staff, Council should follow these guidelines:

- A. *Council Members should treat staff as professionals.* Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. As with Council colleagues, practice civility and decorum in all interactions with Town staff.
- B. *Council Members should direct questions about policy, budget, or professional opinion to the Town Manager, Town Attorney or Department Directors.* Council Members can direct questions and inquiries to any staff for information that is readily available to the general public or easily retrievable by staff.
- C. *The Town Manager and staff are responsible for implementing Town policy and/or Council action.* The processing of Council policy and decisions takes place with the Town Manager and staff. Council should not direct policy/program administrative functions and implementation; rather it should provide policy guidance to the Town Manager.
- D. *Council Members should attempt to communicate questions, corrections, and/or clarifications about reports requiring official action to staff prior to Council meetings.* Early feedback will enable staff to address Council questions and incorporate minor corrections or changes to a Council report, resulting in a more efficient Council meeting discussion; however, this does not preclude Council Members from asking questions at Council Meetings.
- E. *Council Members should not direct the Town Manager to initiate any action, change a course of action, or prepare any report without the approval of Council.* The Town Manager's responsibility is to advise on resources available and required for a particular course of action as it relates to the direction of the majority of the Council.
- F. *Council Members should not attend department staff meetings unless requested by the Town Manager.*
- G. *All Council Members should have the same information with which to make decisions.* Information requested by one Council Member will be shared with all members of the Council.
- H. *Concerns related to the behavior or work of a Town employee should be directed to the Town Manager.* Council Members should not reprimand employees.
- I. *Per California Government Code, Sections 3201-3209, Council Members should not solicit financial contributions from Town staff or use promises or threats regarding future employment.* Although Town staff may, as private citizens with constitutional rights, support political candidates, such activities cannot take place during work hours, at the workplace, or in uniform.

X. Council Communication with the Public and other Council Members

The Public has a reasonable expectation that it may engage its Council Members on matters of community concern. In response, Council Members may express a preliminary opinion on issues or projects raised. Any such preliminary statement shall not constitute a prejudgment or create a presumption of bias on any issue or a project. In addition, Council Members may from

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time to time express opinions regarding broad policy matters which may be in conflict with currently adopted Council policies. Such statements are permissible if clearly characterized as personal opinion or policy change objectives.

XI. Enforcement

A. Purpose

The Council Code of Conduct Policy establishes guiding principles for appropriate conduct and behavior and sets forth the expectations of Council Members. The purpose of the policy language is to establish a process and procedure that:

1. Allows the public, Town Council, and Town employees to report Code of Conduct policy violations or other misconduct.
2. Provides guidelines to evaluate Code of Conduct policy violations or other misconduct and implement appropriate disciplinary action when necessary.

B. Procedures

1. Reporting of Complaints

The following section outlines the process for reporting Council Member Code of Conduct Policy violations or other misconduct:

- a. Complaints made by members of the public, the Town Manager, and Town Attorney should be reported to the Mayor. If a complaint involves the Mayor, it should be reported to the Vice Mayor.
- b. Complaints made by Council Members should be reported to the Town Manager or Town Attorney to adhere to Brown Act requirements.
- c. Complaints made by Town employees should be reported to the Town Manager, who will direct them to the Mayor or Vice Mayor.

2. Evaluation of Complaints Alleging Violations

Upon report of a written complaint, the Town Manager and Town Attorney will join the Mayor or Vice Mayor as an evaluation committee to determine the validity of the complaint and, if appropriate, an initial course of action as discussed below. If the Town Manager or Town Attorney is the complainant, the longest serving uninvolved Council Member will replace the Town Manager or Town Attorney on the evaluation committee.

Within seventy-two (72) hours of receipt of the complaint by the Mayor or Vice Mayor, the Council Member in question shall be notified of the reported complaint by the Mayor or his/her designee. The notification shall include a copy of the written complaint and supporting documentation, if any, the identity of the complainant and nature of the complaint.

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3. Unsubstantiated or Minor Violations

If the majority of the Committee agrees that the reported violation is without substance, no further action will be taken. If the reported violation is deemed valid but minor in nature, the Mayor or Vice Mayor shall counsel and, if appropriate, admonish the Council Member privately to resolve the matter. Admonishment is considered to be a reproof or warning directed to a Council Member about a particular type of behavior that violates Town policy.

4. Allegations of Major Violations

If the reported violation is considered to be serious in nature, the matter shall be referred to outside legal counsel selected by the Committee for the purpose of conducting an initial interview with the subject Council Member. The outside counsel shall report his/her initial findings back to the Committee.

If the Committee then determines that an investigation is warranted, the Committee shall direct the outside legal counsel to conduct an investigation. The investigation process would include, but is not limited to, the ascertainment of facts relevant to the complaint through interviews and the examination of any documented materials.

5. Report of Findings

At the conclusion of the investigation, outside legal counsel shall report back to the Committee in writing. The report shall either (1) recommend that the Council Member be exonerated based on a finding that the investigation did not reveal evidence of a serious violation of the Code of Conduct, or (2) recommend disciplinary proceedings based on findings that one or more provisions of the Code of Conduct or other Town policies have been violated. In the latter event, the report shall specify the provisions violated along with the facts and evidence supporting each finding.

The Committee shall review the report and its recommendations. If the consensus of the Committee is to accept the report and recommendations, the Committee shall implement the recommendations. Where the recommendation is exoneration, no further action shall be taken. Where the recommendation is to initiate disciplinary proceedings, the matter shall be referred to the Council. Where there is no consensus of the Committee regarding the recommendations, the matter shall be referred to the Council.

The subject Council Member shall be notified in writing of the Committee's decision within 72 hours. Where the decision is to refer the matter to the Council, a copy of the full report, including documents relied on by the investigator shall be provided with the notification, and a copy of both shall be provided to the whole Council.

6. Proceedings

Investigative findings and recommended proceedings and disciplinary action that are brought forward to Council as a result of a significant policy violation shall be considered at a public hearing. The public hearing should be set far enough in advance to allow the Council Member in question reasonably sufficient time to prepare a response.

Investigative findings shall be presented to the Town Council at a public hearing. The rules of evidence do not apply to the public hearing. It shall not be conducted as an adversarial proceeding.

C. Disciplinary Action

1. Considerations in Determining Disciplinary Action

Disciplinary action may be imposed by Council upon Council Members who have violated the Council Code of Conduct Policy. Disciplinary action or sanctions are considered when a serious violation of Town policy has occurred by a Council Member. In determining the type of sanction imposed, the following factors may be considered:

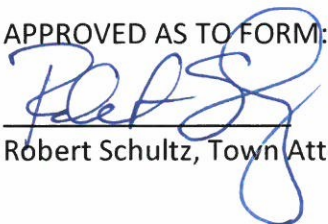
- a. Nature of the violation
- b. Prior violations by the same individual
- c. Other factors which bear upon the seriousness of the violation

2. Types of Sanctions

At the discretion of the Council, sanctions may be imposed for violating the Code of Conduct or engaging in other misconduct. These actions may be applied individually or in combination. They include, but are not limited to:

- a. *Public Admonishment* – A reproof or warning directed to a Council Member about a particular type of behavior that violates Town policy.
- b. *Revocation of Special Privileges* – A revocation of a Council Member's Council Committee assignments, including standing and ad hoc committees, regional boards and commissions, and community-generated board/committee appointments. Other revocations may include temporary suspension of official travel, conference participation, and ceremonial titles.
- c. *Censure* – A formal statement or resolution by the Council officially reprimanding a Council Member.

APPROVED AS TO FORM:


Robert Schultz, Town Attorney

RESOLUTION NO. 03-22-03

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY
REGARDING DECORUM DURING BOARD OF
DIRECTORS' MEETINGS AND ESTABLISHING
RULES OF CONDUCT FOR DIRECTORS AND ALTERNATE DIRECTORS**

WHEREAS, the Board of Directors of the Los Vaqueros Reservoir Joint Powers Authority (the "Authority") desires to adopt a policy to ensure that its meetings are conducted in an orderly manner and to ensure that the Directors and Alternate Directors treat each other in a professional manner,

NOW, THEREFORE, BE IT RESOLVED that the Authority's Board of Directors hereby approves and adopts the following policy regarding decorum during Board of Directors' meetings and establishing rules of conduct for Directors, Alternate Directors and the public.

1. Rules of Decorum for Board of Directors' Meetings.

(a) Decorum. Meetings of the Authority's Board of Directors (the "Board"), which shall include all regular and special Board meetings, in open and closed sessions, and all Authority standing committee meetings, must be conducted in an orderly manner to ensure that the public has an opportunity to be heard and that the Board's deliberative process is not disrupted. The Board's Chair or Vice Chair, or, in their absence, another member so designated by the Board (any of which, as applicable, shall be referred to as the "Presiding Officer"), is responsible for maintaining the order and decorum of meetings.

(b) Rules of Decorum. While any meeting of the Board is in session the following rules of decorum must be observed:

(i) Persons Addressing the Board. Each person who addresses the Board must do so in an orderly manner and must not make personal, impertinent, slanderous, or profane remarks to any member of the Board, staff, or general public. Any person who makes such remarks, or who utters loud, threatening, personal, or abusive language, or who engages in any other disorderly conduct that disrupts, disturbs, or otherwise impedes the orderly conduct of any Board meeting will, at the discretion of the Presiding Officer or a majority of the Board, be barred from further audience before the Board during that meeting.

(ii) Members of the Audience. No person in the audience at a Board meeting may engage in disorderly or boisterous conduct, including the utterance of loud, threatening, or abusive language, whistling or other acts that disturb, disrupt, or otherwise impede the orderly conduct of the Board meeting. Persons in the audience shall not interrupt ongoing discussions by the Board, Authority staff or other persons recognized and given the floor by the Presiding Officer, and shall avoid talking, making noises or other utterances while others are speaking. Any person who behaves in this manner may, at the discretion of the Presiding Officer or a majority of the Board be barred from further audience before the Board during that meeting.

(c) Addressing the Board. No person may address the Board without first being recognized by the Presiding Officer. The following procedures must be observed by persons addressing the Board:

(i) Each person shall follow the direction provided by the Presiding Officer and state the person's name and the organization, if any, the person represents.

(ii) Any subject that is deemed by the Presiding Officer to not be within the subject matter jurisdiction of the Board or the Authority may be precluded. Authority legal counsel shall have the authority to halt any comments determined to be outside the subject matter jurisdiction of the Board or Authority.

(iii) With regard to items that are listed on the agenda, the remarks of the speaker must be confined to the subject that is being discussed at the time such remarks are made. Members of the public are encouraged to hold any comments on specific agenda items until after the Board has concluded its initial discussion of the specific agenda item, and as otherwise directed by the Presiding Officer.

(iv) The remarks of each person shall generally be limited to three minutes, provided that time limit may be adjusted by the Presiding Officer in the Presiding Officer's discretion. Where a group of persons wishes to address the Board on the same subject, the group should endeavor to select one spokesperson to address the Board in order to expedite matters and avoid repetitious presentations. Speakers may not lend any portion of their speaking time to other persons or borrow additional time from other persons. Public comments shall be allowed during the "Public Comment" period and on any Action Items or Discussion Items, as directed by the Presiding Officer.

(v) All remarks to the Board must be addressed to the Presiding Officer and not to any single member of the Board unless in response to a question from that Director or Alternate Director.

(d) Rules of Decorum among Directors and Alternate Directors. The following rules apply to all Directors and Alternate Directors at meetings:

(i) By Directors and Alternate Directors. While the Board is in session, Directors and Alternate Directors must preserve order and decorum, and a Director or Alternate Director must not, by conversation or otherwise, delay or interrupt the proceedings of the Board, nor disturb any Director or Alternate Director while speaking, nor refuse to obey the orders of the Board or the Presiding Officer, except as otherwise provided in this section.

(ii) Getting the Floor—Improper References to be Avoided. Every Director or Alternate Director desiring to speak must address the Presiding Officer and, upon recognition by the Presiding Officer, must confine all remarks to the question under debate. Authority legal counsel shall have the authority to halt any comments that in counsel's opinion may constitute violations of the Brown Act.

(iii) Interruptions. Once recognized, a Director or Alternate Director must not be interrupted when speaking unless it is to call that Director or Alternate Director to order, or as otherwise provided in this section (d). If a Director or Alternate Director is called to order while speaking, that Director or Alternate Director must cease speaking until the question of order is determined and, if in order, the Director or Alternate Director will be permitted to proceed.

(iv) Appeals. Any ruling of the Presiding Officer may be appealed at the request of a Director by way of a motion to appeal the decision of the chair, which can be passed by a majority vote of the Board.

(e) Enforcement of Decorum. The rules of decorum set forth above will be enforced in the following manner:

(i) Warning; Removal. The Presiding Officer may request that a person who is breaching the rules of decorum be orderly and silent. After receiving a warning from the Presiding Officer, if a person persists in disturbing the meeting, the Presiding Officer may order that person to leave the Board meeting or may call for a recess of the meeting to allow the meeting room to be cleared and for the readmittance of only those individuals not responsible for the disturbance. If the person responsible for the disturbance does not leave, then the Presiding Officer may request assistance from a law enforcement officer to remove the person from the meeting.

(ii) Motion to Enforce. If the Presiding Officer fails to enforce the rules set forth above, any Director may move to require such enforcement, and an affirmative vote of a majority of the Board will require that action. If the Presiding Officer fails to carry out the will of a majority of the Board, the majority may designate another Director to act as Presiding Officer for the limited purpose of enforcing any rule of this section that it wishes enforced.

2. Board of Directors – Norms of Conduct and Communication.

(a) Personal Conduct. The work of the Authority is a team effort. All Directors and, as applicable, Alternate Directors should work together in the collaborative process, assisting each other and Authority management, staff and consultants in conducting the affairs of the Authority in the best interests of the Authority and its members. Directors and Alternate Directors shall thoroughly prepare themselves to discuss agenda items at Board meetings. Directors and Alternate Directors shall at all times conduct themselves with courtesy to each other, to staff and to members of the public present at Board meetings. Directors and Alternate Directors shall defer to the Presiding Officer for the conduct of Board meetings but shall be free to question and discuss items on the agenda. All comments should be brief and confined to the matter being discussed by the Board. Directors and Alternate Directors should function as a part of the whole, with issues brought to the attention of the Board as a whole, rather than to individual Directors or Alternate Directors selectively. Directors and Alternate Directors are responsible for monitoring the Authority's progress in attaining its goals and objectives, while pursuing its mission.

(b) Compliance with Laws and Regulations. All Directors and Alternate Directors shall comply with all applicable laws and regulations applicable to their service as members of the Board, including, without limitation, the Political Reform Act and Fair Political Practices Commission regulations, Government Code Section 1090 and the Brown Act, including with respect to the confidentiality of closed session discussions and documents.

(c) Communication of Views and Positions. The Board of Directors is committed to providing excellence in leadership of the Authority. In order to ensure appropriate behavior between and among Directors and Alternate Directors, the following rules shall be observed:

(i) The dignity, style, values and opinions of each Director and Alternate Director shall be respected. Open and full discussion of all issues affecting the Authority shall take place. Responsiveness and attentive listening in communication are encouraged.

(ii) The needs of the Authority and its members should be the priority of the Board of Directors and Directors and Alternate Directors shall strive for fairness and honesty in all of their dealings with others.

(iii) Directors and Alternate Directors should emphasize the positive, avoid double talk, hidden agendas, gossip, backbiting and other negative forms of interaction. Directors and Alternate Directors should treat each other with respect, avoid personal attacks and avoid the use of profanity or other slurs directed at other Directors and Alternate Directors.

(iv) Directors and Alternate Directors should focus on issues and not personalities. The presentation of the opinions of others should be encouraged. Cliques and voting blocks based on personalities rather than issues should be avoided.

(v) Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions without being disagreeable. Once the Board of Directors takes action, Directors and Alternate Directors should commit to support such action and not create barriers to the implementation of the action.

(d) Board Discipline. In the exercise of its discretion to enforce the foregoing provisions of this Section 2, the Board of Directors, by the affirmative vote of a majority of its members, may censure any Director or Alternate Director for period of time deemed appropriate by the Board for any violation of this Section 2. The maximum penalty that may be imposed upon the censured director during the period of such censure shall be the following:

(i) The removal of the censured Director or Alternate Director from service on all Board committees, unless subsequently authorized by the Board of Directors.

(ii) The removal of the censured Director or Alternate Director from any office held by that Director or Alternate Director.

PASSED AND ADOPTED by the Board of Directors of the Los Vaqueros Reservoir
Joint Powers Authority this 9th day of March, 2022 by the following vote:

AYES: Ramirez Holmes (Chair), Hansen (Vice Chair), Sethy, Borba, Coleman, Wehr, Ritchie, LeZotte

NOES:

ABSTAIN:

ABSENT:

Angela Ramirez Holmes
Angela Ramirez Holmes (Mar 16, 2022 19:48 PDT)

Angela Ramirez Holmes, Chair

Attest:

Ellen Wehr
Ellen Wehr (Mar 17, 2022 09:48 PDT)

Ellen Wehr, Secretary

City of Saratoga Code of Ethics and Values

Preamble

The proper operation of democratic government requires that decision-makers be independent, impartial, and accountable to the people they serve. The City of Saratoga has adopted this Code of Ethics & Values to promote and maintain the highest standards of personal and professional conduct in the City's government. All elected and appointed officials, City employees, volunteers, and others who participate in the city's government are required to subscribe to this Code, understand how it applies to their specific responsibilities, and practice its nine core values in their work.

Because we seek public confidence in the City's services and public trust of its decision-makers, our decisions and our work must meet the most demanding ethical standards and demonstrate the highest levels of achievement in following this code.

1. As a Representative of the City of Saratoga, I will be ethical.

In practice, this value looks like:

- a. I am trustworthy, acting with the utmost integrity and moral courage.
- b. I am truthful, do what I say I will do, and am dependable.
- c. I make impartial decisions, free of bribes, unlawful gifts, narrow political interests, and financial and other personal interests that impair my independence of judgment or action.
- d. I am fair, distributing benefits and burdens according to consistent and equitable criteria.
- e. I extend equal opportunities and due process to all parties in matters under consideration. If I engage in unilateral meetings and discussions, I do so without making voting decisions.
- f. I show respect for persons, confidences, and information designated as "confidential."
- g. I use my title(s) only when conducting official City business, for information purposes, or as an indication of background and expertise, carefully considering whether I am exceeding or appearing to exceed my authority.

2. As a Representative of the City of Saratoga, I will be professional.

In practice, this value looks like:

- a. I apply my knowledge and expertise to my assigned activities and to the interpersonal relationships that are part of my job in a consistent, confident, competent, and productive manner.
- b. I approach my job and work-related relationships with a positive attitude.
- c. I keep my professional knowledge and skills current and growing.

3. As a Representative of the City of Saratoga, I will be service-oriented.

In practice, this value looks like:

- a. I provide friendly, receptive, courteous service to everyone.
- b. I am attuned to, and care about, the needs and issues of citizens, public officials, and city workers.
- c. In my interactions with constituents, I am interested, engaged, and responsive.

4. As a Representative of the City of Saratoga, I will be fiscally responsible.

In practice, this value looks like:

- a. I make decisions after prudent consideration of their financial impact, taking into account the long-term financial needs of the City, especially its financial stability.
- b. I demonstrate concern for the proper use of City assets (e.g., personnel, time, property, equipment, funds) and follow established procedures.
- c. I make good financial decisions that seek to preserve programs and services for City residents.

5. As a Representative of the City of Saratoga, I will be respectful.

In practice, this value looks like:

- a. I will listen carefully to the views of others and refrain from interrupting others during discussions of City business.
- b. I will be succinct and direct in expressing my views.
- c. I will not debate with staff or members of the public in public meetings.
- d. I will avoid using acronyms and will explain their meaning when they must be used.

6. As a Representative of the City of Saratoga, I will be organized.

In practice, this value looks like:

- a. I act in an efficient manner, making decisions and recommendations based upon research and facts, taking into consideration short and long term goals.
- b. I follow through in a responsible way, keeping others informed, and responding in a timely fashion.
- c. I am respectful of established City processes and guidelines.
- d. I recognize that I am part of a team and will shoulder my share of responsibilities in representing the City.
- e. I will attend all meetings of committees to which I am assigned and meetings with colleagues in nearby jurisdictions or will work to find another to attend in my place.

7. As a Representative of the City of Saratoga, I will be communicative.

In practice, this value looks like:

- a. I convey the City's care for and commitment to its citizens.
- b. I communicate in various ways that I am approachable, open-minded and willing to participate in dialog.
- c. I engage in effective two-way communication, by listening carefully, asking

questions, and determining an appropriate response which adds value to conversations.

8. As a Representative of the City of Saratoga, I will be collaborative.

In practice, this value looks like:

- a. I act in a cooperative manner with groups and other individuals, working together in a spirit of tolerance and understanding.
- b. I work towards consensus building and gain value from diverse opinions.
- c. I accomplish the goals and responsibilities of my individual position, while respecting my role as a member of a team.
- d. I consider the broader regional and State-wide implications of the City's decisions and issues.
- e. I act in a constructive manner when expressing concern about or disagreeing with the statements of others.

9. As a Representative of the City of Saratoga, I will be progressive.

In practice, this value looks like:

- a. I exhibit a proactive, innovative approach to setting goals and conducting the City's business.
- b. I display a style that maintains consistent standards, but is also sensitive to the need for compromise, "thinking outside the box," and improving existing paradigms when necessary.
- c. I promote intelligent and thoughtful innovation in order to forward the City's policy agenda and City services.



SAN MATEO, SANTA CLARA & SAN BENITO COUNTIES

November 7, 2022

To: Valley Water Board of Directors

Sent via e-mail: board@valleywater.org and clerkoftheboard@valleywater.org

Re: Investigation Report concerning Santa Clara Valley Water District Director Gary Kremen

In March 2022, the Valley Water Board of Directors initiated an investigation to determine “[w]hether Director Kremen ... violated any Valley Board Governance Policies with respect to interaction with Valley Water staff ... [or] with respect to his treatment of members of the public at Valley Water meetings.” The Sierra Club together with Restore the Delta had filed a complaint highlighting “disrespectful treatment from Director Gary Kremen towards environmental advocates.”

On October 25, 2022 Valley Water released an Executive Summary of the investigation of complaints about Director Kremen’s actions as a Director on Valley Water’s board. The report concluded that, in six situations with staff, Director Kremen violated Governance Policy 6.3.1 which states that “Board members shall refrain from abusive conduct, personal charges, or verbal assaults upon the character or motives of ... staff and the public.” The report also concluded that Director Kremen violated Governance Policy 6.3 which states that “Board members may not attempt to exercise individual authority over the organization.” **There must be consequences for these violations. We encourage the Board to consider appropriate sanctions against Director Kremen.**

However, the report did not find “that Kremen made any ‘personal charge(s)’ or ‘verbal assault(s)’ upon any Sierra Club member’s ‘character or motives’” (per GP-6.3.1). This determination was justified because “Kremen’s comments about the Sierra Club were not aimed at any particular Sierra Club members, but at the organization as a whole” and “were not made in direct response to the comments made by any of the members at the meeting.” Furthermore, the report did not find “that Kremen’s conduct was ‘abusive’ (i.e., extremely offensive or cruel) as understood in [the] report” (per GP-6.3.1).

Nonetheless, the report stated the following regarding disrespectful and disparaging comments by Director Kremen aimed at the Sierra Club and other environmental organizations during board meetings:

- Kremen’s comment stating the Sierra Club is “well known for its...white privilege position” left investigators “troubled by the use of a racially charged statement from the dais,” and investigators “acknowledge[d] that Kremen’s statements may have been rude, counterproductive, unprofessional, and inconsistent with GP-7, the District’s Values Statement, or GP-11, the Inclusion, Equal Employment Opportunity, Discrimination/Harassment Prevention, and Diversity policy.”
- Kremen’s comment stating “This kind of shameful conduct that appears over and over again by a couple of small members of the Sierra Club: ‘Oh I don’t want X so people can have 10 times the price of water especially disadvantaged communities’ [– i]t’s shameful to me this lack of social justice and putting plants over people” in response to comments on CEQA compliance, “may have been rude, counterproductive, unprofessional, and inconsistent with GP-7, the

District's Values Statement, or GP-11, the Inclusion, Equal Employment Opportunity, Discrimination/Harassment Prevention, and Diversity policy."

Director Kremen responded to San Jose Spotlight's request for comment as follows:

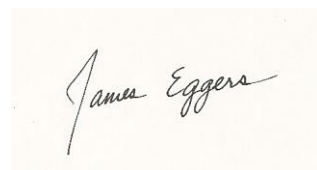
"As a fighter for the interests of taxpayers and water ratepayers, it is within my duties to not only question whether the mission, policies and procedures of the district are being fulfilled but to insist that the direction of the board be followed[.]" "In a few instances, my defense of taxpayers, ratepayers and constituents was too ardent, and I apologize. To that end, I appreciate any constructive criticism I can take from this report to be a better advocate for the people I serve."

Director Kremen has not apologized to the Sierra Club for his inappropriate comments. Therefore, environmental advocates continue to be wary about participating in Board meetings to avoid inappropriate disparaging and offensive comments from Director Kremen.

The Sierra Club complaint requested that the Ordinance of Santa Clara Valley Water District Specifying Rules of Decorum in the Participation of Board and Committee Meetings "be equally applicable to the Board as to participating members of the public." The purpose of the Ordinance includes "enhancing civility and decorum" and avoiding "an atmosphere in Meetings that: is uncivil, threatening, and disrespectful; stifles public participation and debate; threatens the quality of decision making; or otherwise undermines the democratic process."

In response to the investigation report, we urge Valley Water to update the Decorum Ordinance, revisit Governance Policies as appropriate to encourage more civil interaction with the public, and institute annual training for the Board of Directors on appropriate demeanor and interaction with staff and the public.

Sincerely,

A handwritten signature in cursive script that reads "James Eggers". The signature is written in dark ink on a light-colored, slightly textured background.

James Eggers
Executive Director
Sierra Club Loma Prieta Chapter

Cc: Charles Schafer
Chapter Chair
Sierra Club Loma Prieta Chapter

Katja Irvin
Water Committee Co-Chair
Sierra Club Loma Prieta Chapter

Michele King

Subject: FW: BPPC proposed decourm ordinance discussion 4/5/22

From: Trish Mulvey <mulvey@ix.netcom.com>

Sent: Monday, April 04, 2022 8:01 PM

To: Clerk of the Board <clerkoftheboard@valleywater.org>; Michele King <MKing@valleywater.org>

Subject: BPPC proposed decourm ordinance discussion 4/5/22

Please provide a copy of this note to the committee members and appropriate staff re agenda item 4.2, decorum ordinance, on April 5, 2022

Thanks for holding this special BPPC meeting prior to Board consideration of the proposed decorum ordinance.

The purpose of this note is to request that the BPPC also determine and initiate the best approach to implement Director LeZotte's suggestion that the Valley Water Board of Directors also needs decorum guidelines for interactions with each other, with staff, and with the public at Board and Committee meetings. My assumption is that such guidelines are probably best documented in Board Policy rather than in the proposed ordinance.

Thanks for considering this suggestion.

Trish Mulvey

(650) 326-0252 or mulvey@ix.netcom.com

cc: interested parties

Agenda Item 4.2
Committee Work Plan
November 7, 2022

TO: Board Policy & Planning Committee
CC: Michele King and Interested Parties
FR: Trish Mulvey
ON: November 4, 2022
RE: Governance Policies of the Board

In crafting Board Governance Policy updates that might be appropriate based on the recent RPLG investigation and what could be called “lessons learned,” I hope this Committee will consider the following questions:

- Should “rude, counterproductive or unprofessional” behavior be proscribed?
- Should arrogant behavior be proscribed?
- Should an expectation about behaving in the “spirit” of Board Governance Policy be stated?
- When considering harassment, in addition to “sexual,” should “gender” be specified?

Additionally, would this Committee recommend that the “Board Ethics and Conduct Ad Hoc Committee” be listed on the Valley Water list of Board Committees and public notice be provided when that Ad Hoc Committee meets? My hope is that opportunity for public comment prior to Committee closed sessions can be provided. In my view, the Brown Act has appropriate provisions for allowing closed sessions as well urgent meeting scheduling and noticing while still offering “sunshine and transparency” around dealing with sensitive ethics and conduct issues.

Thanks for considering these inquiries.

Michele King

Subject: FW: Sierra Club Loma Prieta Chapter comment letter regarding the Investigation Report concerning Santa Clara Valley Water District Director Gary Kremen
Attachments: Sierra Club comment on Kremen investigation Executive Summary 11.7.22.pdf

From: Barbara Kelsey <barbara.kelsey@sierraclub.org>
Sent: Monday, November 7, 2022 5:43 PM
To: Clerk of the Board <clerkoftheboard@valleywater.org>; Board of Directors <board@valleywater.org>
Cc: James Eggers <james.eggers@sierraclub.org>; Charles Schafer <c_g_schafer@yahoo.com>; Katja <katja.irvin@sbcglobal.net>; Gladwyn d'Souza <goodsouza@mac.com>; Mike Ferreira <MichaelJFerreira@gmail.com>
Subject: Sierra Club Loma Prieta Chapter comment letter regarding the Investigation Report concerning Santa Clara Valley Water District Director Gary Kremen

*** This email originated from outside of Valley Water. Do not click links or open attachments unless you recognize the sender and know the content is safe. ***

November 7, 2022

To: Valley Water Board of Directors

In March 2022, the Valley Water Board of Directors initiated an investigation to determine “[w]hether Director Kremen ... violated any Valley Board Governance Policies with respect to interaction with Valley Water staff ... [or] with respect to his treatment of members of the public at Valley Water meetings.” The Sierra Club together with Restore the Delta had filed a complaint highlighting “disrespectful treatment from Director Gary Kremen towards environmental advocates.”

On October 25, 2022 Valley Water released an Executive Summary of the investigation of complaints about Director Kremen’s actions as a Director on Valley Water’s board. The report concluded that, in six situations with staff, Director Kremen violated Governance Policy 6.3.1 which states that “Board members shall refrain from abusive conduct, personal charges, or verbal assaults upon the character or motives of ... staff and the public.” The report also concluded that Director Kremen violated Governance Policy 6.3 which states that “Board members may not attempt to exercise individual authority over the organization.” There must be consequences for these violations. We encourage the Board to consider appropriate sanctions against Director Kremen.

Please find our full comment letter attached.

Sincerely,

James Eggers
Executive Director
Sierra Club Loma Prieta Chapter

Cc: Charles Schafer
Chapter Chair
Sierra Club Loma Prieta Chapter

Katja Irvin

Water Committee Co-Chair
Sierra Club Loma Prieta Chapter

Sent by:

Barbara Kelsey

she/her/hers

Chapter Coordinator

Sierra Club, Loma Prieta Chapter

3921 E. Bayshore Rd, Suite 204

Palo Alto, CA 94303

barbara.kelsey@sierraclub.org

We are still working remotely
most of the time, so email is
the best contact method.



Santa Clara Valley Water District

File No.: 23-0046

Agenda Date: 1/10/2023
Item No.: *4.3.

BOARD AGENDA MEMORANDUM

SUBJECT:

Board Committee Reports.

ATTACHMENTS:

*Handout 4.7-A: 121222 CIP Meeting Summary

File No.: 23-0046

Agenda Date: 1/10/2023
Item No.: *4.3.



MEMORANDUM

FC 14 (02-08-19)

TO: Board of Directors

FROM: Director Nai Hsueh
CIP Committee Chair

SUBJECT: Capital Improvement Program Committee
(CIP) December 12, 2022 Meeting Summary

DATE: January 10, 2023

This memorandum summarizes the Capital Improvement Program Committee (CIP) meeting held on December 12, 2022, where discussions occurred on the following items. Committee members in attendance were District 6 Director Tony Estremera, and District 5 Director Nai Hsueh, Chairperson presiding, constituting a quorum of the Committee. District 4 Director Jim Beall attended without participating in the discussion.

1. Approval of Minutes.

The Committee considered the minutes of the November 14, 2022, Capital Improvement Program Committee meeting and accepted the minutes as presented.

2. Review Capital Project Monitoring – Construction Report.

The Committee received information about projects in the construction phase and noted that the Anderson Dam Tunnel Project was about 75 feet into the tunnel; that a media event might happen in two days after this meeting; that staff would bring an aerial shot of the project at a future Committee meeting; and that the 10-year Pipeline Inspection projects that were ending and the upcoming 10-year project renewals were included in the Fund 61 analysis.

The Committee noted the information without taking formal action.

3. Receive Information on Change Orders to Anderson Dam Tunnel Project Construction Contract.

The Committee was informed that Contract Change Order No. 10 was due to an additional Piezometer, Low-Level Outlet Tunnel (LLOT) Transition Zone Ground Support, diversion outlet structure portal conditions, and partnering sessions for cooperative communication with Flatiron West, Inc.

The Committee noted the information without taking formal action.

4. Receive Information on Upcoming Consultant Agreement Amendments for Capital Projects.

The Committee received information about four consultant agreement amendments for three capital projects and took a motion.

Motion: Approve for Board approval four consultant agreement amendments for capital projects as follows:

- A. Amendment No. 9 to Agreement A3676A with URS Corporation for Design Services for Anderson Dam Seismic Retrofit Project, Project No. 91864005 and Engineering Support During Construction for Anderson Dam Tunnel Project, Project No. 91864006 (Time Extension, Scope Change, Cost Increase);

- B. Amendment No. 1 to Agreement A4418A with COWI North America, Inc. for Construction Management Services for Anderson Dam Tunnel Project No. 91864006 (Scope Change, Cost Increase);
- C. Amendment No. 3 to Agreement A3941A with GEI Consultants, Inc. for Design Services for the Guadalupe Dam Seismic Retrofit Project No. 91894002 (Time Extension)
- D. Amendment No. 1 to Agreement A4632A with CDM Smith, Inc. for Project Management Services for the Purified Water Project No. 91304001 (Administrative Updates)

Motion to

Approve: T. Estremera

Seconded: N. Hsueh

5. Review the Capital Improvement Program's Draft Preliminary Fiscal Year 2024-2028 Five-Year Plan.

The Committee received a presentation on the annual CIP process, summary of capital project plan updates processed through the summer and fall, fund impacts, and financial models, in preparation for the January 10, 2023 Board workshop.

The Committee received information that the consultant contract amendments included in this agenda as Item 4.3 were already included in the original presentation of work plans, and the timing on when the funds would be expended is what is being augmented on the Anderson Dam Seismic, Anderson Dam Tunnel, Guadalupe Dam Seismic, RWTP Reliability, Vasona Pump Station Upgrade, and Coyote Creek projects; that the baseline scenario for Fund 61 that included Purified Water Expansion was for a Phase 1 placeholder; that the Long-term Purified Water Program, Phase 2, was recommended to be removed until an actual project had been identified; that Fund 61 scenarios A through D included assumptions such as the 35% partnership goal, or non-inclusion on the CIP, and effect of drought scenario on the Pacheco Reservoir Expansion Program and the anticipated grants or price uncertainty brought on by market competition for the Purified Water Program; that on the Palo Alto Basin Tide Gates Project, staff would conduct annual inspection and hold the \$14M indefinitely for about two years; that on staff recommendation for Fund 26, a placeholder geomorphic project on the Safe Clean Water KPI would be put on hold; and that Ogier Ponds Creek Lake Separation Project would be considered over Almaden Lake/Creek Separation Project to meet Anderson Dam Seismic Retrofit Project mitigation and Safe Clean Water KPI requirements.

The Committee requested that in the same January workshop, staff would include operations, infrastructure, and human resource components when presenting Pacheco Reservoir project information for the sake of new Board members attending; that in presenting the recommendation for a Fund 26 scenario, staff would bring up where Valley Water would receive credits for the Ogier Ponds Creek Lake Separation Project as well as the already available funding sources for this project; and took a motion.

Motion: Approve CIP Evaluation Team recommendations to present to the full Board the following fund financial models:

- A. On Fund 61, financial modeling would show baseline for all project plan updates from Board adopted CIP FY23-27 five-year plan; and baseline with extended drought scenario, with a range of assumptions for the Pacheco Reservoir Expansion Project and the Purified Water Program;

- B. On Fund 12, financial modeling would show baseline that includes all project plan updates from Board adopted FY23-27 five-year plan; Palo Alto Flood Basin Tide Gates Replacement Project would be on hold indefinitely; and that SF Bay Shoreline Phase 1 would shift \$14M from FY24-26.
- C. On Fund 26, financial modeling would show baseline that includes all project plan updates from Board adopted FY23-27 five-year plan; a higher FY24 tax growth (5%); a higher NRCS funding; Upper Penitencia Creek Flood Protection Project and Sunnyvale East/West Channels Flood Protection Projects on hold and place funding on reserve; not implement a 3rd geomorphic D6.3 project; Almaden Lake/Creek Separation Project to remain on planning and design only; and proceed with Ogier Ponds Creek/Lake Separation Project.

Motion to

Approve: T. Estremera

Seconded: N. Hsueh

6. Review 2022 Capital Improvement Program Committee Work Plan.

Chairperson Hsueh acknowledged that 2022 work plan had been completed and that this Committee would be completed in 2023 with three members.

Board member comments and suggestions can be forwarded to Eva Sans, Assistant Deputy Clerk II, by email to esans@valleywater.org or phone at (408) 630-2306.

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Santa Clara Valley Water District

File No.: 22-1311

Agenda Date: 1/10/2023

Item No.: 5.2.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☒ No ☐
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Approve the Design-Build Agreement for the Coyote Pumping Plant Adjustable Speed Drive Replacement Project, Project No. 91234002, Contract No. C0675, Planet Bid File No. VW0073, with Kiewit Infrastructure West Co. for Phase 1 (Design and Pre-construction Services) for a Not-to-Exceed Fee of \$4,314,077, (Morgan Hill, District 1).

RECOMMENDATION:

Approve the Design-Build Agreement for the Coyote Pumping Plant Adjustable Speed Drive Replacement Project, Project No. 91234002, Contract No. C0675, Planet Bid File No. VW0073, with Kiewit Infrastructure West Co. for Phase 1 (design and pre-construction services) for a not-to-exceed fee of \$4,314,077.

SUMMARY:

The objective of the Coyote Pumping Plant Adjustable Speed Drive Replacement Project (Project) is to replace six adjustable speed drives (ASD) and associated mechanical, electrical, and control equipment at the Coyote Pumping Plant. Completion of this Project will modernize and extend the useful life of major equipment and allow for its reliable and efficient operation.

Staff recommends the approval of the Design-Build Agreement for the design-build entity (DBE), Kiewit Infrastructure West Co. (Kiewit), to proceed with the Phase 1 services which include design and preconstruction.

Project Background and Previous Board Actions

The Santa Clara Valley Water District (Valley Water) operates and maintains the Coyote Pumping Plant, which is owned by the United States Bureau of Reclamation (USBR) and is a part of the USBR's San Felipe Division of the Central Valley Project. The Coyote Pumping Plant increases the pressure in pipelines conveying raw water from (i) San Luis Reservoir to Valley Water's raw water distribution system and on to Anderson Reservoir and (ii) from Anderson Reservoir to the raw water distribution system. Completion of this Project will modernize and extend the useful life of major equipment and allow for its reliable and efficient operation.

On March 12, 2019, the Valley Water Board of Directors (Board) approved implementing the design-

build project delivery method and also approved a Consultant Agreement with Brown and Caldwell Inc., Agreement No. A4237A, for planning and preliminary design services for the Project, for a not-to-exceed fee of \$906,705.

On October 12, 2021, the Board received an update on the RFQ for the Project and approved staff's recommendation to proceed with a single proposer, as supported by the Capital Improvement Program Committee during their September 20, 2021 meeting.

On November 8, 2022, the Board adopted a Resolution Setting Time and Date of Public Hearing on the Engineer's Report and CEQA Exemption Determination for the Project, to occur on November 22, 2022, at 1:00 p.m.

On November 22, 2022, the Board conducted a Public Hearing on the Engineer's Report and CEQA Exemption Determination for the Project, approved the CEQA Exemption Determination for the Project, adopted a Resolution approving the Engineer's Report for the Project, and approved the Project.

Design-Build Entity Selection Process

On November 8, 2021, staff published a Request for Proposals (RFP) to the shortlisted Proposer by posting it on PlanetBids. An in-person site visit was held at the Coyote Pumping Plant for the Proposer on December 2, 2021. Furthermore, a Confidential Individual Meeting was held with the Proposer on December 15, 2021, to give the Proposer and Valley Water an opportunity to discuss the commercial terms of the draft Design-Build Agreement; and the Proposer an opportunity to provide insight to their respective technical and delivery approaches to ensure compliance with the Project objectives.

An Evaluation Committee (EC), consisting of three staff and one external subject-matter expert, reviewed and evaluated the proposal submitted by the Proposer in accordance with the evaluation criteria in the RFP. Following review of the proposal, the EC recommended that staff proceed with agreement negotiations with the Proposer, Kiewit.

Negotiations with Kiewit have been completed successfully and staff recommends Board approval of the Design-Build Agreement with Kiewit for Phase 1 design and preconstruction services for the Coyote Pumping Plant Adjustable Speed Drive Replacement Project, for a not-to-exceed fee of \$4,314,077.

Design-Build Agreement and Scope of Services

The Design-Build Agreement provides the terms of service to complete the design and construct the Project. The single DBE will be responsible and accountable for all services. This agreement is for the implementation of Phase 1.

The terms include the following:

- a. Design-Build Entity (DBE): Kiewit Infrastructure West Co., the single entity responsible and accountable for all design-build services.
- b. Compensation:

- Phase 1: Not-to-Exceed \$4,314,077
- Early Work Packages/Phase 2: Guaranteed Price, by Amendment.
- c. Design to Budget: DBE and Valley Water to design and construct Project to budget. Budget to be informed by advancement in design.
- d. DBE's Basis of Design Report (BOD):
 - Updates to Valley Water's BOD to incorporate findings of field investigations, current conditions, and DBE recommended and Valley Water accepted changes to the Project; and
 - Governs all design work on the Project, upon acceptance by Valley Water.
- e. DBE's Limit of Liability: 200% of contract price excluding defense and indemnification, Civil Code Section 1688 (willful misconduct, fraud, willful injury or violation), governmental fines, insurance claims, and liquidated damage claims.
- f. Off-Ramp / Termination for Convenience: Options for Valley Water to end DBEs services and use a different delivery process to complete Project, if an Amendment to Design-Build Agreement for a guaranteed price is not reached are listed in Section 5.4.

The Design-Build Agreement will allow the DBE to perform 60%, 90%, final design and preconstruction services (i.e., validation of design, cost model development, and evaluation of early work packages).

The scope of services to perform 60%, 90%, final design and preconstruction services includes project management, review of reference documents, field investigations, design development, prepare design and construction documents, cost model and scheduling, guaranteed price proposal, and supplemental services. The supplemental services task includes a budget for the DBE to perform additional services, upon written authorization from Valley Water, to support design and preconstruction services for the Project.

The Agreement includes the following required tasks:

- Task 1 - Phase 1 Project Management
- Task 2 - Reference Document Review
- Task 3 - Field Investigations and Permitting Support
- Task 4 - Design Development and Documents
- Task 5 - Cost Modeling and Scheduling
- Task 6 - Guaranteed Price Proposal
- Task 7 - Supplemental Phase 1 Services

Releasing certain information in the Design-Build Agreement, including the Exhibit 2 - Owner's Basis of Design Report, Exhibit 3C - Owner's Project Criteria, and Exhibit 8 - Construction Documents (i.e., 30% drawings and specifications) that are considered by Valley Water as including highly sensitive, confidential information pertaining to existing information technology systems, to the public, may increase the potential for an attack on Valley Water's information technology system. To protect Valley Water's information technology system, the DBE and Design-Build Team members Stantec Consulting Services, Inc., Tesco Controls, Inc., and Cupertino Electric, Inc. each submitted to Valley Water a completed Non-Disclosure Agreement (NDA) to access these documents.

The Design-Build Agreement Exhibit 2 - Owner's Basis of Design Report, Exhibit 3C - Owner's Project Criteria, and Exhibit 8 - Construction Documents were provided by separate communication to the Board for their review prior to taking the recommended action to approve the Design-Build Agreement.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice Impacts associated with this item. No direct or indirect impacts on communities' living environments were identified in connection to the execution of this Project.

FINANCIAL IMPACT:

The Coyote Pumping Plant ASD Replacement Project, Project No. 91234002, is included in the Capital Improvement Program (CIP) Fiscal Year (FY) 2023-27 Five-Year Plan and in the FY 2022-23 Adopted Budget. There are adequate funds in the project's FY 2022-23 Adopted Budget to encumber the initial planned expenditures for the Design-Build Agreement this fiscal year. The design-build Phase 1 services total not-to-exceed fee for the Design-Build Agreement, is \$4,314,077, which does not change the overall Total Project Cost reflected in the CIP. Funds to cover the remaining design-build services in subsequent fiscal years will be recommended by staff during the biennial budget process or through budget adjustment(s). The Project is funded through the Water Utility Enterprise Fund (Fund 61), with 100% of the costs allocated to Zone W-2 (North County). Long term forecasts for Fund 61 include placeholder capital projects costs for implementation of the developed plan. Those forecasts will be revised as the plan is developed and the funding will be requested in future CIPs and budgets.

CEQA:

This project is exempt under the California Environmental Quality Act (CEQA) Guidelines Sections 15301 and 15304. Section 15301 exempts operation or repair of existing public structures involving negligible or no expansion beyond existing use. Section 15304 consists of minor alterations in the condition of the land, which do not involve removal of healthy mature and scenic trees.

ATTACHMENTS:

Attachment A: Gov. Code § 84308, DB Agmt Kiewit
Attachment 1: Design-Build Agreement

UNCLASSIFIED MANAGER:

Emmanuel Aryee, 408-630-3074

Attachment A - Gov. Code § 84308

Approve the Design-Build Agreement for the Coyote Pumping Plant Adjustable Speed Drive Replacement Project, Project No. 91234002, Contract No. C0675, Planet Bid File No. VW0073, with Kiewit Infrastructure West Co. for Phase 1 (Design and Pre-construction Services) for a Not-to-Exceed Fee of \$4,314,077, (Morgan Hill, District 1)

List of Parties and Their Agents/Representatives Known to Staff

<u>Organization Name</u>	<u>Name</u>	<u>Role</u>	<u>Location</u>
Kiewit Infrastructure West Co.	Scott, Eric M.	Consultant – Senior Vice President	Fairfield, CA

List of Participants and Their Agents/Representatives Known to Staff

<u>Organization Name</u>	<u>Name</u>	<u>Role</u>	<u>Location</u>
Kiewit Infrastructure West Co.	Cordero, James	Startup/Acceptance Test Lead	Fairfield, CA
	Jardin, Jesse	Design Build Project Manager/Preconstruction & Construction Manager	Fairfield, CA
	Liu, John	Lead Engineer	Fairfield, CA
	Patel, Vima	Project Executive	Fairfield, CA
	Reab, Adam	Lead Engineer	Fairfield, CA
Stantec	Atkinson, Phil	Subconsultant - Sr. Principal	Rocklin, CA
	Gronlund, Nathan	Subconsultant - Sr. Principal	Rocklin, CA
	Smith, Mark	Subconsultant - Sr. Principal	Rocklin, CA
Tesco Controls	Cottengim, A.J.	Subconsultant - PLC Programming Application Engineer	Sacramento, CA
	Tran, Hoan	Subconsultant - SCADA Programming Application Engineer	Sacramento, CA
	Wessinger, Wess	Subconsultant – Field Service Engineer	Sacramento, CA
Cupertino Electric	Gray, Chauncey	Subconsultant - Project Manager	San Jose, CA



CAPITAL PROGRAM SERVICES
5750 ALMADEN EXPRESSWAY
SAN JOSE, CA 95118-3686
TELEPHONE (408) 265-2600
FACSIMILE (408) 979-5631
www.valleywater.org
scvwdplanroom@valleywater.org

DESIGN-BUILD AGREEMENT
FOR THE
**COYOTE PUMPING PLANT ASDs
REPLACEMENT PROJECT**

Project No. 91234002

Contract No. C0675

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DESIGN-BUILD AGREEMENT

Between Owner and Design-Builder

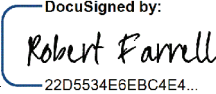
THIS AGREEMENT ("Agreement") is made as of _____ ("Effective Date") between Santa Clara Valley Water District ("Owner"), a special district created by the California legislature, located at 5750 Almaden Expressway, San Jose, CA 95118 and Kiewit Infrastructure West Co. ("Design-Builder"), a stock corporation located at 4650 Business Center Drive, Fairfield, CA, 94534 for design, construction, testing, and commissioning ("Work") of the Coyote Pumping Plant ASDs Replacement Project ("Project") in accordance with the Contract Documents.

By executing this Agreement, each of the Signatories represents that he or she has the authority to bind the Party on whose behalf his or her execution is made.

Owner:
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

Design-Builder:
Kiewit Infrastructure West Co.

By: _____
(Signature)

By:  _____
(Signature)

Name: _____

Name: Robert Farrell
Robert R. Farrell
Senior Vice President

Telephone No.: (808) 347-0298

Email: robert.farrell@kiewit.com

CA License No.: 433176

THE PARTIES AGREE TO THE FOLLOWING TERMS AND CONDITIONS

KEY BUSINESS TERMS SHEET

Project Manager:

Senior Engineer
Water Utility Capital Division
Santa Clara Valley Water District

Katrina Jessop P.E.

Direct Phone: (408) 630-2288
Cell Phone: (408) 915-6732
Email: kjessop@valleywater.org

Program Manager:

Deputy Operating Officer
Water Utility Capital Division
Santa Clara Valley Water District

Emmanuel Aryee, P.E.

Direct Phone: (408) 630-3074

Email: earyee@valleywater.org

Design-Builder’s Representative:

Kiewit Infrastructure West Co.

Jesse Jardin

Direct Phone: (408) 910-0461
Cell Phone: (408) 910-0461
Email: jesse.jardin@kiewit.com

Engineer of Record:

Stantec Consulting Services, Inc.

Mark Smith P.E.

Direct Phone: (916) 335-2628
Cell Phone: (916) 773-8100
Email: mark.smith@stantec.com

Other Personnel:

See Key Firms and Personnel in
Exhibit 6B

Compensation:

Phase 1 Not-to-Exceed Price	\$4,314,077
Phase 2 Direct Cost of the Work	\$_____
Phase 2 Design-Builder Fee	20%
Phase 2 Design-Builder Subcontractor Fee	20%
Phase 2 DB Team Member 1 Fee (Cupertino Electric, Inc.)	18%
Phase 2 DB Team Member 2 Fee (TESCO)	18%
Phase 2 Payment & Performance Bond	\$_____
Phase 2 Insurance	\$_____
Phase 2 Construction Contingency percentage	_____%
PROJECT GMP OR LUMP SUM	\$_____

Schedule:

Phase 1 Notice to Proceed Date	_____
Phase 1 Completion Date	_____
Phase 2 Notice to Proceed Date	_____
Substantial Completion Date	_____
Final Completion Date	December 2024

Liquidated Damages:

Substantial Completion Date	\$2,500/calendar day
Final Completion Date	\$1,500/calendar day

TABLE OF EXHIBITS

All Exhibits set forth below are incorporated into the Agreement whether attached or included in the Project Repository (Owner's Project SharePoint Site). Some exhibits will be developed over the course of Phase 1 Work and will be incorporated into the exhibits as completed.

Exhibit 1	Supplemental Conditions	Attached
Exhibit 2	Owner's Basis of Design Report	Attached
Exhibit 3	Scope of Work	
Exhibit 3A	Phase 1	Attached
Exhibit 3B	Phase 2	By Amendment
Exhibit 3C	Owner's Project Criteria	Attached
Exhibit 3D	Index of Reference Documents	Attached
Exhibit 4	Permits and Approvals	Attached
Exhibit 5	Compensation	
Exhibit 5A	Design-Builder's Phase 1 Price Proposal	Attached
Exhibit 5B	Design-Builder's Hourly Billable Rates	Attached
Exhibit 5C	Schedule of Values	By Amendment
Exhibit 6	Personnel	
Exhibit 6A	Staffing Plan	Attached
Exhibit 6B	Key Firms and Personnel	Attached
Exhibit 7	Schedule and Site Logistics Plan	
Exhibit 7A-1	Project Baseline Schedule-Phase 1	Phase 1 Deliverable
Exhibit 7A-2	Project Baseline Schedule-Phase 2	Phase 1 Deliverable
Exhibit 7B	Site Logistics Plan	By Amendment
Exhibit 8	Construction Documents	Phase 1 Deliverable
Exhibit 8A	30% Drawings	Attached
Exhibit 8B	30% Specifications	Attached
Exhibit 9	Insurance and Bonding	
Exhibit 9A	Design-Builder's Insurance Requirements	Attached
Exhibit 9B	Payment Bond Form	Attached
Exhibit 9C	Performance Bond Form	Attached
Exhibit 10	Relevant Portions of the Design-Builder's Proposal	Attached
Exhibit 11	Invoicing Guidelines	Attached
Exhibit 12	Project Labor Agreement Forms	Attached
Exhibit 12A	Design-Builder's Proposal Project Labor Agreement Forms	Owner's Project SharePoint Site

Exhibit 13	Select Provisions of 2021 Amended and Restated Agreement with United States Department of Interior, Bureau of Reclamation	Attached
Exhibit 14	Electronic Design	Phase 1 Deliverable

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DESIGN-BUILD AGREEMENT

This Design-Build Agreement (“**Agreement**”) is executed as of _____ (“**Effective Date**”) by and between the “**Owner**” and “**Design-Builder**” for design and construction of the “**Project**.” The Owner and Design-Builder may collectively be referred to as “**the Parties**.”

Owner:

Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

Design-Builder:

Kiewit Infrastructure West, Co.
4650 Business Center Drive
Fairfield, CA 94534

Project:

C0675 – Coyote Pumping Plant ASDs Replacement Project

The Owner and Design-Builder agree as set forth below:

1. GENERAL

1.1 Definitions. All defined terms will be capitalized throughout the Agreement. The definitions for this Agreement appear in alphabetical order in Section 1 of the “**Supplemental Conditions**” to the Agreement and may also be set forth in quotations the first time the term is used for convenience.

1.2 Project Description. The Project involves design, construction, testing, and commissioning services for: (1) replacement of existing Slip Power Recover (SPR) Adjustable Speed Drives (ASDs) with Pulse Width Modulated (PWM)-output ASDs; (2) rehabilitation 2,000 hp pump motors to extend useful and modify motors to be usable with PWM-output ASDs; (3) replacement of existing switchyard 4.16kV distribution equipment with a consolidated switchgear lineup with walk-in enclosure; (4) replacement of existing 4.16kV to 480V auxiliary transformers; (5) replacement of existing vibration monitoring equipment and the provision of improved monitoring and protection of pumps; (6) replacement of existing obsolete Programmable Logic Controller (PLC) and Remote Terminal Unit (RTU) hardware and pump control panels with modern control systems equipment typical of Valley Water facilities; (7) modernization of PLC programming and SCADA interface for the pumping plant to allow straightforward control of pump speed via the SCADA system and to eliminate interlock requiring pumps to stop running before changing the position of valves 5 and 7; and (8) replacement of existing Hydraulic Valve Operating System (HVOS) and hydraulically operated pump discharge valves with electric motorized discharge valves. The Scope of Work is defined further in **Exhibit 3**.

- 1.3 Project Delivery.** The Project will be delivered using a progressive design-build delivery method.

2. THE DESIGN-BUILD TEAM AND RELATIONSHIP OF THE PARTIES

- 2.1 Design-Build Team.** The Design-Builder is ultimately responsible to the Owner for design and construction of the Project. All “**Design Services**” will be performed by the Engineer of Record and/or other design consultants (collectively, “**Design Professionals**”), with assistance from “**Design-Build Subcontractors**” performing design-assist services. The “**Design-Build Team**” includes all team members providing services to the Design-Builder, and is comprised of, at a minimum, the general contractor, the Design Professionals and Design-Build Subcontractors. The Owner will be a third-party beneficiary to all design service agreements and/or design-build subcontracts. The Design-Build Team is currently comprised of the entities identified in **Exhibit 6B**.
- 2.2 Licensing.** Design-Builder must be a California state licensed general contractor with an Engineering “A” license. Consultants must all possess the appropriate California state design licenses for their particular discipline. Subcontractors must all possess the appropriate California state specialty license for their particular trade. Nothing in this Agreement will require a Design-Build Team member, or any of their respective Consultants or Subcontractors, to perform any portion of the Work outside of their respective licenses or contrary to Applicable Law.
- 2.3 Good Faith.** The Design-Builder will perform all Work under this Agreement in compliance with each of the following requirements: (i) use its best skill and judgment in furthering the interests of the Owner and the Project; (ii) furnish effective and efficient design, construction administration and supervision; (iii) furnish at all times an adequate supply of skilled labor and materials; and (iv) perform the Work consistent with **Exhibit 3C** (Owner’s Project Criteria), good engineering practices, and the best interests of the Project.
- 2.4 Standard of Care.** The Design-Builder warrants that the Design-Build Team possesses all design and construction licenses and expertise required for this Project under Section 2.2 and will use the same degree of care and skill customarily used by California state licensed professionals performing similar services for pumping plant ASDs replacement projects in the state of California. Nothing in this Section 2.4 will in any way limit the Design-Builder’s obligations to meet all Performance Requirements.
- 2.5 Collaboration.** Owner and Design-Builder commit at all times to cooperate fully with each other and proceed on the basis of mutual support for a successful project. Design-Builder and its Design Professionals, Subcontractors, suppliers, and equipment vendors will perform their respective portions of the Work using collaborative tools and methods. The Design-Build Team will actively participate and collaborate with Owner to achieve best value, optimal design, increased labor efficiency, and elimination of waste and re-work. The Design-Builder will collaborate with Owner to develop the design within the budget for the Project,

and to ensure that the design satisfies all Owner's Project Criteria. Design-Builder and Owner shall consider participating in partnering sessions if mutually approved.

- 2.6 Communications.** All communications from the Design-Builder shall be directed to the Owner's Project Manager. Copies of all communications shall also be directed to other recipients as directed by the Owner during the course of the Project.
- 2.7 Relationship of the Parties.** The Design-Builder's relationship with the Owner is that of an independent contractor whose involvement in the Project is to act, by itself or through the Design-Build Team, solely in the capacity of a California licensed design professional and general contractor and not as an agent, fiduciary, partner, member of, subsidiary of, or otherwise affiliated with the Owner.
- 2.8 Responsibility.** Design-Builder acknowledges and agrees that it is solely responsible to Owner for the sufficiency, quality, adequacy and completeness of the Work, and that Design-Builder is responsible for any acts, errors, or omissions of the Design-Builder's principals, employees, agents, and/or any other parties either directly or indirectly in privity of contract with Design-Builder including, but not limited to, the Engineer of Record and other Design Professionals, Subcontractors, suppliers, equipment vendors, and their agents and employees, and other persons performing any portion of the Work on behalf of Design-Builder.

3. CONTRACT DOCUMENTS

- 3.1 Contract Documents.** The "**Contract Documents**" consist of this Agreement, the Supplemental Conditions, and all other Exhibits attached to this Agreement, all subsequent modifications through amendments and change orders executed by Owner and Design-Builder or subject to Section 9.8, and the Construction Documents to be developed by the Design-Builder.
- 3.2 Interpretation and Intent.** The intent of the Contract Documents is to include all items necessary for proper completion of all Work within the "**Contract Time**" and within the "**Contract Price**." The Contract Documents are intended to be complementary and what is required by any one of them is as binding as if called for by all of them.
- 3.3 Inconsistencies.** In the event of inconsistencies between requirements contained in different components of the Contract Documents, the order of precedence of the Contract Documents shall be as follows to resolve the conflicts, listed in order of most important document first:
- 3.3.1** Amendments of the Design-Build Agreement and Supplemental Conditions included in **Exhibit 1** to this Agreement;

- 3.3.2** Change orders executed by Owner and Design-Builder or subject to Section 9.8;
- 3.3.3** This Design-Build Agreement and Supplemental Conditions executed between Owner and Design-Builder, not including Exhibits;
- 3.3.4** The Scope of Work set forth in **Exhibit 3** to the Agreement;
- 3.3.5** The Compensation Terms set forth in **Exhibit 5** to the Agreement;
- 3.3.6** Design-Builder Insurance Requirements included in **Exhibit 9A** to the Agreement;
- 3.3.7** Payment Bond and Performance Bond included in **Exhibits 9B** and **9C** to the Agreement;
- 3.3.8** The Owner's Project Criteria, as amended, and included in **Exhibit 3** to the Agreement;
- 3.3.9** Design-Builder's Basis of Design Report: document to be developed by the Design-Builder during Phase 1 as accepted by Owner;
- 3.3.10** Grant Funding Requirements to the Agreement **[Not Used]**;
- 3.3.11** All other Exhibits to the Design-Build Agreement not listed above;
- 3.3.12** Construction Documents developed by Design-Builder as accepted by Owner;
- 3.3.13** The Electronic Design developed by the Design-Builder as accepted by Owner;
- 3.3.14** Request for Proposal, and all exhibits, unless separately listed in this Section;
- 3.3.15** Relevant Portions of the Proposal, as accepted by the Owner following the conclusion of negotiations and included as **Exhibit 10**;
- 3.3.16** All other Contract Documents not listed above.

4. OWNER'S OBLIGATIONS

- 4.1 Information and Documents.** The Owner will make the Reference Documents related to the Project available to the Design-Builder, including but not limited to any surveys, geotechnical information and other information that describe the Project Site. The Reference Documents are provided for information only and will not be included as part of the Contract Documents. Design-Builder shall perform its own independent site investigations in accordance with the requirements of the Agreement and Contract Appendices.

- 4.2 Owner's Basis of Design Report.** The "Owner's Basis of Design Report," included in Exhibit 2 to this Agreement, was developed by the Owner to provide an understanding of the baseline design requirements for the Project. The Owner's Basis of Design Report, along with other information provided during the Request for Proposal process, provides a basis for the Design-Builder's initial Project Baseline Schedule, and initial design work. The Design-Builder is expected to expand on, elaborate, and enhance the Owner's Basis of Design Report in collaboration with Owner during Phase 1 to create the Design-Builder's Basis of Design Report to guide the remainder of the Work.
- 4.3 Site Access and Ownership of Facilities.** The Owner will own the Facilities, and control easements on which certain Facilities are to be built. Owner will provide Design-Builder with access to the Project site and easements for the purpose of fulfilling its obligations under this Agreement.
- 4.4 Governmental Approvals.** The Owner has obtained or will be responsible for obtaining the following permits and approvals for the Project designated as Owner's responsibility in **Exhibit 4** of the Agreement. Owner will also obtain all necessary rights of way, easements and property access agreements for the project facilities shown in the Environmental Impact Report. Design-Builder shall be responsible for those permits, licenses, or approvals set forth in Section 5.12, and for all other permits not specifically identified as Owner responsibility in this Section 4.4.
- 4.5 Stop Payment Notice.** The Owner will comply with all stop payment notices submitted in compliance with applicable laws.
- 4.6 Separate Contracts.** The Owner reserves the right to perform construction, maintenance, and operations related to the Project with the Owner's own forces, and to award contracts in connection with the Project that are not part of the Design-Builder's responsibilities under this Agreement. The Design-Builder will coordinate its Work with Owner, as reasonably necessary to allow for any other separate contracts to be performed and to minimize interference. Design-Builder shall perform all Work in such a manner as to avoid any interruption of Owner's existing operations.
- 4.7 Timeliness.** In order to avoid any impacts to the Contract Time, information or services under the Owner's control, including reviews and approvals, will be furnished within the timeframes set forth in the Contract Documents.

5. DESIGN-BUILDER'S OBLIGATIONS

- 5.1 Progressive Design-Build Services.** Design-Builder will provide progressive design-build services over two phases of the Project. Phase 1 will include all preconstruction and design services up to completion of the 100% Design as defined in the Scope of Phase 1 services. Phase 2 will proceed upon both parties agreeing on a Guaranteed Price ("GP") for all required construction work. This Section will set forth the Design-Builder's general obligations under the

Agreement, which are described in further detail in the Scope of Work included in **Exhibit 3**.

5.2 Phase 1 Services. Phase 1 services will include preconstruction services during which the Design-Builder will work collaboratively with Owner to validate existing design concepts, propose alternatives, gather additional information, develop a Project cost model, evaluate design and construction phasing alternatives and potential early works packages, develop the Design-Builder's Basis of Design Report, submit preliminary and final sets of construction documents, including schedules and open book cost estimates for the Project for review and comment, all as described in more detail in the Scope of Work detailed in **Exhibit 3**.

5.2.1 Design Services. With regard to design services, the Design-Builder will, consistent with applicable state licensing laws, provide through qualified, licensed design professionals employed by Design-Builder, or procured from qualified, independent licensed Design Professionals, the necessary design services, including architectural, engineering and other design professional services, which services shall be performed in accordance with the standard of care described in Section 2.4, for the preparation of the required drawings, specifications and other design submittals to permit Design-Builder to complete the Work consistent with the Design-Builder's Basis of Design Report, the Owner's Project Criteria, and all requirements in the Contract Documents.

5.2.2 Design Submissions. Design-Builder and Owner shall, consistent with any applicable provision of the Contract Documents, agree upon any interim design submissions that Owner may wish to review, which interim design submissions may include design criteria, drawings, diagrams and specifications setting forth the Project requirements. Interim design submissions shall be consistent with the Owner's Basis of Design Report and the Design-Builder's Basis of Design Report, and the Owner's Project Criteria, as they may have been augmented or revised through the design process. Requirements for Design Submissions are set forth in more detail in the Scope of Work included in **Exhibit 3**.

5.2.3 Construction Price Submissions. Design-Builder shall submit construction price updates regularly over the course of Phase 1, every six weeks, with the first submission being made no later than 90 days after issuance of the Notice to Proceed for Phase 2. The construction price updates shall be in the form of a Guaranteed Price ("GP") for all construction work on the Project and shall be binding on the Design-Builder if accepted by the Owner. The Owner has discretion to accept the Guaranteed Price, reject it, or to negotiate the terms. If the parties do not come to agreement on the Guaranteed Price, Design-Builder shall submit the next construction price update six weeks later. It is the Owner's expectation that the construction price updates should indicate a reduction in price over time, because as the design becomes more developed less contingencies should be required for the

Construction Services. Design-Builder is encouraged to submit GPs for discrete early work packages, in addition to an overall GP for all Construction Services. GPs for early work packages could address specific scopes of work.

5.2.4 Construction Documents. Design-Builder shall submit to Owner Construction Documents reflecting the completed 100% design and setting forth in detail drawings and specifications describing the requirements for construction of the Work. The Construction Documents shall be consistent with the Design-Builder's Basis of Design Report and the Owner's Project Criteria, as well as approved interim design submissions, as such submissions may have been modified in a design review meeting and recorded in the meeting minutes. The parties shall have a design review meeting to discuss, and Owner shall review and approve, the Construction Documents in accordance with the procedures set forth in the Scope of Work in **Exhibit 3**. Owner's approval shall not limit in any way the Design-Builder's obligations to ensure the adequacy of the design as described further in Section 5.2.5.

5.2.5 Responsibility for Design. The Design-Builder acknowledges and agrees that it is solely responsible to the Owner for the sufficiency, quality, adequacy and completeness of the design work provided for the Project. Design-Builder is responsible for any acts, errors, or omissions of the Design-Builder, its Design Professionals, its Subcontractors, employees, agents, and/or any other parties either directly or indirectly in privity of contract with Design-Builder including, but not limited to, the Design-Build Team identified in **Exhibit 6B**, second tier-subcontractors, and vendors who are performing any portion of the Work. No act or omission by Owner, including, without limitation, review or approval of any or all of the design work, reduces the Design-Builder's obligations and Performance Requirements under this Agreement.

The Design-Builder's design must result in Facilities that meet the minimum requirements as set forth in the Owner's Basis of Design Report, and any Owner-agreed to modifications thereto, and must be completed in accordance with the Design-Builder's Basis of Design Report and the Owner's Project Criteria, and all other design requirements included in the Agreement. Design-Builder shall be entitled to control the means and methods of performing the Work.

5.2.6 Design to Budget. The Design-Builder will provide all design work with a commitment to assist the Owner in its efforts to meet the budget for the Project and schedules. The Design-Builder acknowledges and agrees that the Parties' intent is a design that will allow the Project to be completed within the Project Budget stipulated by the Owner for the Project. The Design-Builder will collaborate with the Owner and participate in the Owner's decision-making process by providing an initial cost model to develop a baseline project estimate, provide continual

project price estimate updates throughout Phase 1 that address trends, quantities and other features of the project, maintain an ongoing cost adjustment process as design progresses, quantify risks, evaluate lifecycle costs, maintain a decision log, provide information, schemes, and recommendations regarding construction materials, methods, systems, phasing, and costs in an efficient manner that will provide a completed Project meeting all Performance Requirements. In the event that cost estimates submitted in accordance with Section 5.2.3 are not within the budget for the Project, the Design-Builder must initiate a dialogue with the Owner within 7 days of the completed cost estimate to either adjust the budget for the Project or modify Project scope in an effort to bring the Project within the budget. All costs related to the design efforts in this Section 5.2.6, including modifications to Project designs developed by the Design-Builder, are included within the Design-Builder's Phase 1 Lump Sum except that Design-Builder may request a Change Order for any Owner Elected Changes pursuant to Section 9 of the Agreement.

5.3 Guaranteed Price Amendment. The Guaranteed Price Amendment will document the agreed upon Guaranteed Price for all construction work on the Project and will include additional terms and conditions that will govern Phase 2 work. Once the Owner accepts a proposed Guaranteed Price submitted by the Design-Builder, Design-Builder shall submit a proposed Guaranteed Price Amendment comprised of the following documents: (1) a form of amendment including the Guaranteed Price for completion of all Construction Services required to complete the Project; (2) the proposed design, at whatever phase of completion it exists in at that time, (3) Phase 2 resource loaded project schedule; (4) "open book" cost model detailing Design Builder's labor, materials, equipment, and subcontractor costs, and Fees . The cost model shall include all material and subcontractor price quote documentation; (5) all documents required prior to commencement of Phase 2 Work, including a number of forms and plans (Site Specific Safety Plan, Traffic Control Plan, Quality Control Plan, various mitigation plans) to be identified by Owner and developed by Design-Builder during the course of Phase 1; and (6) other information requested by Owner reasonably necessary to evaluate the proposed Guaranteed Price Amendment. Design-Builder is required to account for applicable changes in the law that occur during Phase 1 into its proposed Guaranteed Price Amendment, and project schedule.

Owner shall review the information submitted in order to determine if the Guaranteed Price Amendment provides Owner with the best value for completing Phase 2 of the project. If Owner finds the Guaranteed Price Amendment to be acceptable, Owner will authorize the execution of a Guaranteed Price Amendment to the Agreement and issue a Notice to Proceed with Guaranteed Price services.

In lieu of a Guaranteed Price Amendment, Owner and Design-Builder may agree to draft an Amended and Restated Design-Build Agreement to document all terms and conditions applicable to Phase 2 of the Project.

5.4 Contractual Off-Ramp; Termination for Convenience. In the event that a Guaranteed Price Amendment has not been accepted by Owner through the process set forth in Section 5.3, Owner reserves the right to invoke the contractual off-ramp and terminate this Agreement for convenience, in accordance with Section 16.3. Owner may, in its sole discretion, select any of the following off-ramp options described below.

5.4.1 Negotiate revisions to any of the documents submitted, including the Guaranteed Price, specific components of the Guaranteed Price, revisions to the proposed design, or revisions to the Project Baseline Schedule.

5.4.2 Reject the proposed Guaranteed Price Amendment, require the Design-Builder to complete the design with the Engineer of Record to 100% Construction Documents suitable for bidding, and stamp the Construction Documents, which Owner may use to bid out a construction contract to a separate contractor for construction of the Project, and terminate this Agreement with Design-Builder for convenience pursuant to Section 16.3. Owner has the right to require the Design-Builder to assign any subcontract to Owner.

5.4.3 Reject the proposed Guaranteed Price Amendment, require the Design-Builder to facilitate the completion of the design by the Design-Builder's Engineer of Record and/or design consultants to 100% Construction Documents suitable for bidding and stamp the Construction Documents, and terminate this Agreement with Design-Builder for convenience pursuant to Section 16.3. Under this option, Design-Builder agrees to assign any subcontract to Owner upon request from Owner, and to contractually require its Engineer of Record and/or design consultants to negotiate and execute a separate professional services agreement with Owner for the completion of the 100% Construction Documents.

5.4.4 Reject the proposed Guaranteed Price Amendment, terminate the Agreement with Design-Builder for convenience in accordance with Section 16.3, and take possession of all design documents that are less than 100% complete and related work product developed by Design-Builder and contract directly with the design entity for completion of the design documents. Under this option, the Owner will grant Design-Builder a release and hold harmless for any design errors or omissions contained in any unfinished design work or unfinished work product.

5.5 Phase 2 Services. Upon the issuance of a Notice to Proceed with Phase 2 services, Design-Builder will perform all Construction Services required for completion of all components of the Project. Design-Builder will provide all labor, materials, equipment, tools and appurtenances necessary to complete the construction work described in, or reasonably inferable from, the Contract Documents. Design-Builder will complete all required start-up, commissioning and performance testing services upon completion of construction. Phase 2 Services will also include each of the following.

- 5.5.1** Unless otherwise provided in the Contract Documents to be the responsibility of Owner or a separate contractor, Design-Builder shall provide through itself or members of the Design-Build Team the necessary supervision, labor, inspection, testing, start-up, training, asset management program, material, equipment, machinery, temporary utilities and other temporary facilities to permit Design-Builder to complete construction of the Project consistent with the Contract Documents.
- 5.5.2** Design-Builder shall perform all construction activities in a manner that conforms to the requirements of the Owner's Project Criteria and the 100% Construction Documents, as these documents may have been amended during the course of Work under the Agreement. Design-Builder shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.
- 5.5.3** Design-Builder shall employ only Subcontractors who are duly licensed and qualified to perform the Work consistent with the Contract Documents and as set forth in Section 2.2, Licensing. Owner may reasonably object in writing to Design-Builder's selection of any Subcontractor within 14 days provided that Owner pays all reasonable verified costs to replace said Subcontractor.
- 5.5.4** Design-Builder assumes responsibility to Owner for the proper performance of the Work of Subcontractors and any acts and omissions in connection with such performance.
- 5.5.5** Design-Builder shall coordinate the activities of all Subcontractors. If Owner performs other work on the Project or at the Site with separate contractors under Owner's control, Design-Builder agrees to reasonably cooperate with the Owner in efforts to coordinate its activities with those of such separate contractors as set forth in Section 4.6 so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption.
- 5.5.6** Design-Builder shall meet all mitigation requirements set forth in the environmental document, NPDES permit Environmental Impact Report for the Project and all other applicable storm water pollution prevention requirements.

5.5.7 Design-Builder shall keep the Project Site reasonably free from debris, trash and construction waste to permit Design-Builder to perform its Construction Services efficiently and safely. Design-Builder shall perform the Work in a manner so as to minimize interfering with the use of properties adjacent to the Project Site. As a pre-condition to achieving Substantial Completion of the Work, or a portion of the Work, and Final Completion, Design-Builder shall remove all debris, trash, construction waste, materials, equipment, machinery and tools arising from the Work or applicable portions thereof to permit Owner to occupy the Project or a portion of the Project for its intended use. Upon Substantial Completion of the Work, Design-Builder shall return the disturbed portions of the Project Site to their pre-existing condition or better, as documented in an inspection report of the Project Site (including, but not limited to video) to be performed by Design-Builder.

5.5.8 Design-Builder shall employ only suppliers who are qualified to perform the Work consistent with the Contract Documents. Owner may reasonably object to Design-Builder's selection of any supplier within 14 days, provided that Owner pays all reasonable costs to replace said supplier.

5.5.9 Design-Builder agrees to comply with all requirements of Public Contract Code 2600 et seq., including use of a skilled and trained workforce to complete the Project, and submission of all applicable reports.

5.6 Site Investigations. Design-Builder is responsible for determining the existing conditions on the Project Site, including, without limitation, geotechnical conditions and hazardous materials, as well as the location and condition of existing structures and facilities.

By executing this Agreement, the Design-Builder represents that it has visited the Project Site, and has reviewed and analyzed all Owner's Basis of Design Report made available by Owner. During Phase 1, the Design-Builder must conduct further investigations, as it deems necessary, to determine the existing conditions of the Project Site, including geotechnical conditions, as well as the locations and conditions of existing structures and facilities. Notwithstanding the foregoing, Design-Builder is not required to conduct testing that would require removal of walls or excavation of buried structures. Design-Builder must also complete the Design-Builder's Geotechnical Interpretive Report ("GIR"), which shall serve as the Parties' understanding of the site conditions for construction during Phase 2 of the Project. The GIR will be developed in coordination with the Owner, and both Design-Builder and Owner must approve the GIR before commencement of construction work during Phase 2. Any geotechnical conditions discovered during the course of the construction work which deviate from those indicated in, or reasonably inferable from, the approved GIR may qualify as a differing site condition under Section 18.14 of the Supplemental Conditions.

- 5.7 Test and Inspections.** The Design-Builder will pay for all testing and inspection including the special inspections, structural, mechanical, chemical, air and water pollution tests, tests for hazardous materials, and other laboratory and environmental tests, inspections and reports required by law or the Contract Documents. Owner reserves the right to conduct its own additional tests at Owner's expense, and Design-Builder shall allow access to all Work and Project documents for such additional tests.
- 5.8 Compliance with All Applicable Laws.** The Design-Builder and the Owner agree to comply with all Federal, State, Municipal and local laws, ordinances, rules, regulations, building codes and standards, orders, notices and requirements applicable to proper design and construction of this Project.
- 5.9 Staffing Plan and Key Personnel.** The Design-Builder agrees that it will staff this Project in accordance with the staffing plan included in **Exhibit 6**. The Staffing Plan will include a staff-level organizational chart indicating hierarchy and reporting responsibilities, as well as all Key Personnel.
- 5.9.1 Key Personnel.** The Design-Builder will identify all "**Key Personnel**" in **Exhibit 6B** and will not remove any of its Key Personnel from this Project without the express written consent of the Owner, except for death, disability or departure of person from employment. The Owner will be able to request the removal of any person employed by the Design-Builder whom it believes is incompetent, improper or a hindrance to the design-build process. If any Design-Builder personnel become unavailable to work on the Project, or if the Owner requests that an employee be removed, the Design-Builder will propose a replacement person within 10 business days for approval by the Owner. The recommended replacement person will have similar or better qualifications and experience and must be approved in writing by the Owner. Additional Staffing and Key Personnel requirements are set forth in the Scope of Work in **Exhibit 3**.
- 5.10 Safety.** The Design-Builder is the "Controlling Employer" as defined by Cal/OSHA and will be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work and in accordance with the Design-Builder's Health and Safety Program. The Design-Builder shall comply with all statutory safety requirements.
- 5.11 Project Baseline Schedule.** Within 90 days from issuance of the Notice to Proceed for the Project, the Design-Builder must submit the initial Project Baseline Schedule, for review and approval by Owner which will be attached as **Exhibit 7A-1**. This initial Project Baseline Schedule is based on the Project configuration agreed to by the Owner at the completion of Design-Builder's alternatives analysis. During Phase 1 this initial Project Baseline Schedule will be regularly updated in conjunction with Section 8.2 of this Agreement (at least monthly) and refined as project development and design proceeds. The updates to the initial Project Baseline Schedule will coordinate and integrate the progress

of Design Services with milestone dates for design development and Construction Documents, procurement of long lead items and Subcontracts, and construction of major components of the Project. The initial Project Baseline Schedule, and all subsequent versions, shall include all major components of the Work and the Owner's occupancy requirements projecting milestones for each of the following (each a "Milestone Date"):

- a. Preparation of the Design-BUILDER's Basis of Design Report
- b. Submission of proposed Guaranteed Price Amendment, with all required elements
- c. Request for Issuance of the Notice to Proceed with Phase 2
- d. Completion of all Phase 1 Work
- e. Completion of 100% Construction Documents
- f. "Substantial Completion"
- g. "Final Completion" of the Project

The Project Baseline Schedule must be prepared using software as acceptable to the Owner. The schedule must be broken down by activity and duration highlighting the critical path.

The schedule submitted by the Design-BUILDER and agreed to by the Owner as part of the Guaranteed Price Amendment shall be referred to as the Project Baseline Schedule, and shall not be adjusted during Phase 2 except through Change Order under Section 9 for permitted delays as defined in Section 8. The Project owns all float in the Project Baseline Schedule and monthly updates. Therefore, there will not be any adjustments to the Contract Time until all Project float is exhausted, and the critical path is impacted.

5.12 Governmental Approvals. The Design-BUILDER will be responsible for obtaining all permits and approvals which it can in its own right obtain and which are required for the Project, except for those expressly identified as Owner responsibility in **Exhibit 4**. The Design-BUILDER may also be required to reasonably assist the Owner in obtaining permits and approvals that are the Owner's responsibility, including the preparation of permits application materials, coordination with the regulatory agencies, and other required assistance.

5.12.1 Delays In Permit Issuance, and Additional Permit Costs. If a permitting or approval entity delays the issuance of the required permit or approval or fails to issue any required permit or approval, and the Design-BUILDER has taken all reasonable steps to obtain the required permit or governmental approval, Design-BUILDER shall assume no responsibility for any associated delays or impacts, and may request a time extension pursuant to Section 8.4 of the Agreement. Design-BUILDER has the burden

to establish the reasonableness of its efforts to timely obtain the permit or governmental approval described herein to the satisfaction of the District. The Design-Builder is responsible for the imposition of terms and conditions that are more costly than assumed for the issuance of any permit, license, or governmental approval that is the responsibility of the Design-Builder.”

5.13 Taxes and Fees. The Design-Builder will pay all sales, consumer, use, gross receipts, and other similar taxes legally enacted at the time of commencement of the Work.

5.14 Consultants and Laboratories. The Design-Builder will make recommendations to the Owner regarding selecting, retaining and coordinating any additional professional services, special consultants and testing laboratories required for the Project.

5.15 Construction Administration. Should the Owner elect to contract with Design-Builder for Phase 2, the following terms and conditions will apply:

5.15.1 Preliminary Notices. Within 5 business day’s receipt, Design-Builder will forward to the Owner all 20-Day Preliminary Notices (Civil Code sections 9300, 9500 and 9560) served on it by any person or entity entitled to assert a payment bond or stop payment notice claim. Design-Builder will maintain a written record of all 20-Day Preliminary Notices received by it including the manner of receipt, date of receipt, and name and address of person or entity serving the 20-Day Preliminary Notice. This written record will be turned over to the Owner at Project Close-out.

5.15.2 Supervision. The Design-Builder will supervise and direct the Work using its best skill and judgment. The Design-Builder will provide a qualified superintendent at the Project site to properly supervise all of Design-Builder’s employees, Subcontractors and their agents and employees, and other persons performing construction work and to ensure that the construction work is carried out in strict accordance with the Contract Documents. Design-Builder’s superintendent may not be changed without Owner’s written consent.

5.15.2.1 The Design-Builder’s superintendent is Garrett Barnes.
Design-Builder’s backup Superintendent is Chauncey Gray.

5.15.3 Discipline. The Design-Builder will enforce strict discipline and good order at all times among Design-Builder’s employees, Design Professionals and Subcontractors and will not employ or contract with any unfit or unskilled person(s) or entities on this Project. The Design-Builder and its Design-Professionals and Subcontractors will comply with all Owner policies, standards, and procedures throughout the duration of this Project.

5.15.4 Before starting each portion of the construction work, the Design-Builder will: (i) review and compare the various Contract Documents relative to that portion of the construction work, as well as the information furnished by the Owner, Design Professionals and Subcontractors that may affect proper installation of the work; (ii) field measure existing conditions related to that portion of the work; and (iii) observe any conditions at the site directly affecting that portion of the work. In the event Design-Builder becomes aware of or has knowledge of any issues related to this Section 5.15.4, it shall report such issues in writing to the Owner. Design-Builder shall be liable for its failure to provide written notice of any issue in this Section of which it is aware or has knowledge. Design-Builder shall not assume the risk of or be liable or responsible for issues of which it is not aware, has no knowledge, and could not reasonably have discovered by conducting the tasks identified above in this Section.

5.15.5 Field Measurements. The Design-Builder will take field measurements to ensure proper matching and fitting of new construction with existing conditions at the Project site.

5.15.6 Submittals. The Design-Builder and its Subcontractors shall provide timely submittals of all “**Shop Drawings**,” “**Product Data**,” “**Samples**” and similar submittals (collectively referred to as “**Submittals**”) required by the Contract Documents, to the Engineer of Record for review and approval. After approval by the Engineer of Record, all Submittals will also be provided to the Owner for Owner’s information. All Submittals will be submitted in a sequence that avoids delays in the Project Schedule. Design Builder will not submit any Submittal that is merely a tracing or copy of any of the Construction Documents. Each Submittal will be prepared by the Design Builder and/or its Subcontractors or suppliers and will be submitted according to the Project specifications. No construction work will be performed without approval by the Design-Builder, as required. Regardless of the Submittal process, the Design-Builder remains responsible to the Owner for proper design and construction in compliance with all requirements set forth in this Agreement.

5.15.6.1 Design-Build Subcontractors. All Submittals prepared by Design-Builder and its Subcontractors shall be reviewed and approved by the Design-Builder’s Engineer of Record who will remain responsible to the Design-Builder and Owner for the design.

5.15.7 [Not Used]

5.15.8 Layout and Protection. The Design-Builder is responsible for all layouts and will preserve and protect all line and grade benchmarks. Any additional surveying or layout caused as a result of Design-Builder or any of its Subcontractor’s failure to take the necessary precautions to protect the data will be performed at Design-Builder’s own cost and expense.

5.15.9 Materials and Equipment. All materials and equipment required under the Contract Documents will be new and industrial grade. Once the Construction Documents are approved by Owner, no substitutions will be accepted on this Project unless: (i) the specified materials or equipment have been discontinued; or (ii) the Owner has authorized the substitution through written Change Order. Materials and equipment will be furnished in ample quantities and procured in time to ensure uninterrupted progress of construction. Substitutions that are included in the Work but not approved will be deemed non-conforming Construction Work and subject to correction per Section 13 of this Agreement. All materials and equipment will be properly stored and protected as required by the Contract Documents and any loss or damage due to improper storage or protection will be borne by the Design-Builder.

5.15.9.1 Long Lead Items. The Design-Builder will collaborate with Owner to establish a program to expedite ordering and delivery of materials and equipment requiring long lead time.

5.15.9.2 Shipment and Deliveries. Prior to shipment, delivery and installation of materials and equipment, the Design-Builder will verify the phase of completion of the Project with Owner to determine the availability of facilities for access, delivery, transportation and storage, and to correlate these observations with the requirements of the Contract Documents. All shipments and deliveries will be scheduled and coordinated in accordance with the most current approved site logistics plan and the most current approved Project Schedule.

5.15.9.3 Storage of Materials and Equipment. Storage of equipment and materials will be coordinated through the Design-Builder and the Owner. Design-Builder will maintain, or cause its Subcontractor's to maintain, all storage areas and will keep storage areas clean, safe, and secure. Storage areas shall also provide for proper protection of all stored materials and equipment from all forms of corrosion. Due to limited onsite space and ongoing operations, Design-Builder will likely need to arrange for off-site storage. The risk of loss will remain on the Design-Builder for all materials and equipment stored.

5.15.9.4 Risk of Loss. All construction work stored at the Project site, or work related to the preparation or delivery of materials or equipment to the Project Site, is performed exclusively at the risk of the Design-Builder and will remain at the risk of the Design-Builder until Final Completion of the Project, unless Owner chooses to use designated facilities before Acceptance (See Section 5.15.9.6 Use Before Acceptance).

5.15.9.5 Maintenance. The Design-Builder will provide all maintenance for systems and equipment at its own costs and expense until Final Completion.

5.15.9.6 Use Before Acceptance. The Owner has the right to utilize or to place into service any item of equipment or other usable portion of the Work before Acceptance of the entire Project. The Owner's exercise of said right shall hereinafter be referred to as Use Before Acceptance.

- a. Where Use Before Acceptance is identified in the Construction Documents, it shall be considered part of the Work; no additional compensation or payment shall be made.
- b. Should the Owner desire to initiate Use Before Acceptance for any item of equipment or other usable portion of the Work that has not been identified in the Construction Documents, the Owner's Project Manager shall notify the Contractor in writing, identifying the specific portion or portions of the Work proposed for Use Before Acceptance.
- c. The Design-Builder shall provide written notice within ten (10) business days after a request for Use Before Acceptance by the Owner stating whether the proposed portions of Work are suitable for Use Before Acceptance and if there are any associated costs, constraints, or other impacts.
- d. Until Use Before Acceptance, the Design-Builder is responsible for all care and maintenance of all items or portions of the Work.
- e. Upon Use Before Acceptance, the District accepts responsibility for the protection and maintenance of all such items or portions of the Work described in the written notice or Construction Documents, with the exception of any injury or damage resulting from the Contractor's actions or from negligence or from repairs required under the warranty terms set forth in Section 13 of this Agreement.
- f. If, by reason of the Owner's unidentified Use Before Acceptance, the premium for the Design-Builder's bodily injury and property damage insurance is increased, the Owner shall reimburse the Design-Builder for the additional amount necessarily incurred, allocable to the area and the period of the Owner's use up to the date of Acceptance of the Work.

- g. The Owner's Use Before Acceptance does not constitute Acceptance of the Work, or of any portion of the Work, by the Owner, nor does it relieve the Design-Builder of responsibility for correcting defective and/or deficient Work or Material found at any time before Acceptance of the Work or during the warranty period after the Owner's Acceptance. Notwithstanding any Use Before Acceptance, the Design-Builder retains full responsibility for fulfilling all of the requirements of the Construction Documents.

5.16 Acceptance Testing. Acceptance Testing is the testing conducted following startup and commissioning to verify overall Project performance as demonstrated by meeting the Owner's Performance Requirements standards. Acceptance Testing will also be used to verify performance of certain unit processes and to demonstrate continuous, trouble-free operation as defined in the Owner's Project Criteria. Successful completion of all Acceptance Testing is necessary to achieve Substantial Completion. Design-Builder will be required to coordinate and conduct startup and successfully complete an Acceptance Test all in accordance with Design-Builder's approved Acceptance Test Plan developed in cooperation with Owner. A preliminary draft of the Plan shall be developed during Phase 1. The Plan shall be revised and finalized during Phase 2 in accordance with the detailed schedule developed in cooperation with Owner.

6. SUBCONTRACTORS

- 6.1 Procurement.** Those portions of the Work that the Design-Builder will not self-perform, or that will not be performed by Design Professionals or Subcontractors named in Design-Builder's proposal, will be performed by Subcontractors added during the course of the Work in accordance with Public Contract Code Sections 22166 and 4100, et seq. All subcontracted work shall be performed under written subcontracts or purchase orders.
- 6.2 Written Agreements.** All subcontracts will be in writing and will bind the Subcontractor to the Design-Builder by the terms of the Contract Documents, and Subcontractor will assume toward the Design-Builder all the obligations and responsibilities that the Design-Builder assumes toward the Owner. Each subcontract agreement will preserve and protect the rights of the Owner and Design-Builder under the Contract Documents with respect to the portion of the Work to be performed by the Subcontractor so that subcontracting the Work does not prejudice the Owner's rights. Where appropriate, the Design-Builder will require Subcontractors to enter into similar agreements with its lower-tier subcontractors. The Supplemental Conditions to this Agreement and all necessary Exhibits to this Agreement will be a part of each Subcontract Agreement.
- 6.3 Licensing Requirements.** All Subcontractors will be properly licensed for their respective portion of the Work. Those Subcontractors that are part of the Design-Build Team will be licensed for design and construction of their respective

portion of the Work. All other subcontractors will hold the proper Class C specialty license.

- 6.4 Standard of Care.** All Subcontractors will warrant that they possesses the design and/or construction licenses and expertise required for this Project and will use the same degree of care and skill customarily used by California state licensed professionals and contractors performing similar services for pumping plant ASDs replacement construction in the state of California during the same time frame.
- 6.5 Conflicting Terms.** All terms and conditions set forth in any subcontract agreement must be consistent with the provisions of this Agreement, and this Agreement will take precedence over any terms and provisions in a subcontract. The retention of Subcontractors by Design-Builder will not relieve Design-Builder of its responsibilities hereunder, including but not limited to the quality of the Work or materials provided by it. No Subcontract entered into by Design-Builder will impose any obligation or liability upon Owner to any such Subcontractor or any of its employees. For clarity, to the extent the Contract Documents require the Design-Builder to include specific language in its subcontracts, this provision does not relieve the Design-Builder of that obligation.
- 6.6 Assignment.** Each subcontract agreement will include an assignment provision. The assignment provision will allow for assignment of subcontracts to the Owner upon termination of the Design-Builder for cause provided: (i) Owner accepts assignment by written notification to the Subcontractor and Design-Builder; and (ii) assignment is subject to the rights of the surety, if any, obligated under a bond or bonds relating to this Agreement. The Design-Builder will not be responsible for acts and omissions of the Subcontractors that occur after the effective date of assignment.
- 6.7 Claims and Dispute Resolution.** The Subcontractor will be bound to the same claims and dispute resolution procedures as set forth in Section 17 and Section 18.12 of the Supplemental Conditions.
- 6.8 Insurance.** The Design-Builder may, at its discretion, require its Subcontractors, through written subcontract, to carry appropriate insurance and bonding. Design-Builder's insurance must satisfy all requirements set forth in **Exhibit 9** regardless of any subcontractor coverage.
- 6.9 Indemnity.** The Design-Builder will cause its Subcontractors, through written subcontract, to include the indemnification provisions set forth in Section 11 and to indemnify and defend the Owner and its directors, officers, employees and agents, and their successors and assigns, and Design-Builder from all claims, damages and liability pursuant to the provisions in Section 11.
- 6.9.1 Third Party Beneficiary.** The Owner will be an express third-party beneficiary to all design-build subcontracts. Notwithstanding the

foregoing, Owner will not have any right to direct work performed by any subcontractor or subconsultant of the Design-Builder.

6.9.2 Compensation to Subcontractor. Subcontracts may be awarded on a lump sum or best value basis.

6.9.3 Change Orders. Subcontractors will be entitled to recover for all changes to their respective scope of work approved by Design-Builder regardless of whether one of the conditions set forth in Section 9.1 exist.

6.9.4 Contract Time. Subcontractors will be tied to similar provisions governing Contract Time under Section 8.

7. COMPENSATION

7.1 General. The delivery method for this Project is progressive design-build. Progressive design-build requires the Design-Builder to submit pricing information with its proposal before the full scope of the design and construction work can be known. Accordingly, the compensation terms for the design and preconstruction work during Phase 1 of the Project will be different from the compensation terms for all construction work during Phase 2.

7.2 Phase 1 Compensation. During Phase 1 of the Project, the Design-Builder will complete all design and preconstruction services summarized in Section 5.2 of this Agreement and elaborated in more detail in the Scope of Work in **Exhibit 3**, including but not limited to completion of the 100% Design (as defined in the Phase 1 Scope of Work); obtaining construction pricing information for trade work, materials and equipment; and submitting a proposed Guaranteed Price for all Construction Services, as well as a proposed Guaranteed Price Amendment. Compensation for all Phase 1 Work, including cost of the design and preconstruction Work, fees of Design-Builder and all of its Design Professionals, and design-assist Subcontractors, will be on the basis of a not-to-exceed amount of \$4,314,077 pursuant to the Invoicing Guidelines set forth in **Exhibit 11** to the Agreement. Design-Builder will be paid pursuant to monthly invoices based on actual labor and expense charges up to budgeted task amount within the milestones allocated Phase 1 Work.

7.3 Guaranteed Price Amendment. Prior to commencing any work on Phase 2 of the Project, Design-Builder shall submit a proposed Guaranteed Price, as well as a proposed Guaranteed Price Amendment to Owner, including an open book cost model detailing all Phase 2 costs, and summarizing the proposed terms of compensation during Phase 2. Design-Builder shall provide Owner with all backup reasonably requested by Owner, which may be reviewed by independent cost estimators on Owner's behalf. The process for submission of the Guaranteed Price Amendment is described further in Section 5.3 of this Agreement. The Design-Builder and Owner must both agree to the terms of the Guaranteed Price Amendment, and execute it, before the Design-Builder is authorized to proceed with Phase 2 Work.

7.4 Phase 2 Compensation. During Phase 2 of the Project, the Design-Builder will perform all Construction Services, as summarized in Section 5 of this Agreement. Compensation for all Phase 2 Construction Services and Post-Construction Services shall be included in the Guaranteed Price Amendment, as described in Section 7.5. The agreed upon Guaranteed Price will cover all labor, equipment, materials, profit, overhead, taxes and any other expenses to be incurred by the Design-Builder during Phase 2. Design-Builder will provide all backup and supporting documentation reasonably requested by the Owner to support the Phase 2 Compensation. The Design-Builder consents to allow the Owner to disclose the proposed Phase 2 Compensation and all backup and supporting documentation to independent cost estimators of the Owner's choosing, subject to a non-disclosure agreement executed by the independent cost estimators. The Design-Builder agrees to negotiate in good faith with the Owner to arrive at an agreed upon amount. Once agreed, the Owner may implement the Guaranteed Price as either a Guaranteed Maximum Price with a shared savings provision, or as a Lump Sum applying a Design-Builder's discount.

7.5 Guaranteed Maximum Price Approach. In the event that the District decides to implement the Guaranteed Price for Phase 2 as a Guaranteed Maximum Price ("GMP"), the provisions of this Section shall apply. Design-Builder guarantees that the sum of the following will not exceed the GMP set forth in the Guaranteed Price Amendment, as adjusted by Change Order: (1) Phase 1 not to exceed compensation set forth above in Section 7.2; (2) Direct Cost of the self-performed and subcontracted Work, as defined in below in Section 7.5.1 and in Exhibit 1 Supplemental Conditions; (3) the applicable Fees applied to Direct Cost of the Work; (4) Bonding costs pursuant to Section 7.5.3; (5) insurance premiums pursuant to Section 7.5.4; (6) sales tax pursuant to Section 7.5.5; and (6) Construction Contingency pursuant to Section 7.5.6. See **Exhibit 3A Scope of Work – Phase 1** for additional requirements about how the GMP will be developed.

7.5.1 Direct Cost of the Work. For purposes of establishing the GMP, the Guaranteed Price Amendment will include a line item reflecting the agreed upon "Direct Cost of the Work," as defined in Exhibit 1 Supplemental Conditions, which amount shall be comprised of each of the following: (a) a line item for Phase 2 services to be performed by each member of the Design-Build Team, inclusive of their respective DB Team Member Fee; (b) a line item for construction work to be performed by each additional subcontractor that was not identified as a Design-Build Team member in the Statement of Qualifications and/or in the Design-Builder's Proposal, inclusive of the subcontractor's markup, either based on a subcontract awarded or estimates for each work package to be awarded in conjunction with Phase 2; (c) a line item for all Design-Builder self-performed work during Phase 2, not including overhead or profit; and (d) a negotiated line item amount for the estimated cost of Design-Builder's General Conditions for all Phase 2 Work, as described in Section 7.5.1.1 below. However, for Phase 2 Work Design-Builder will be

paid the actual Direct Cost of the Work for each payment request based on actual verified costs incurred for each pay period.

7.5.1.1 General Conditions. For purposes of establishing the General Conditions component of Direct Cost of the Work under the GMP, the Design-Builder will propose a sum not to exceed for the estimated cost of the General Conditions for all Phase 2 Work. General Conditions shall include all staff and facilities located at the construction site to manage and support Design-Builder's construction work, all professional construction management and administration services required during Phase 2, as well as all equipment and labor rates as applicable. The allowable categories of costs which may be included in the General Conditions are set forth below:

a. **Design-Builder Employee Supervisory and Administrative Personnel Costs**

1. Hourly costs of wages or salaries of all Design-Builder's supervisory and administrative personnel engaged in the performance of Phase 2 Work but only for that portion of their time required for the Phase 2 Work, including but not limited to the Project Manager, Construction Manager, Superintendent(s), and those responsible for managing and implementing Design-Builder's scheduling, cost control, billing, surveying, QA/QC and Health and Safety expenses. Only the Design-Builder's craft labor shall be excluded from this category.
2. Hourly costs of wages or salaries of the Design-Builder's supervisory and administrative personnel engaged off of the Project Site at suppliers, workshops or on the road, to assist in the coordination, production or transportation of material or equipment necessary for the Phase 2 Work, but only for that portion of their time required for the Phase 2 Work.
3. Hourly costs of wages or salaries of the Design-Builder's personnel stationed at the Design-Builder's principal or branch offices and performing Phase 2 Work.
4. The reasonable cost of travel, accommodations and meals for the Design-Builder's personnel necessarily and directly incurred in connection with the performance of the Phase 2 Work.

b. Field Office Costs for Design-Builder Staff Only

1. Design-Builder field office mobilization and demobilization
2. Office trailer rental
3. Office furniture and equipment
4. Office janitorial
5. Office supplies
6. Office computers, software and maintenance
7. Office telephones, telephone and internet services, and all job site communication for the Project
8. Document reproduction services (off-site or custom)
9. Copy machines, fax machines, printers, scanners and paper shredders
10. Postage, courier, and express delivery
11. Accounting and data processing costs
12. Jobsite radios/cellular phones
13. Job travel, including fuel and vehicle
14. Scheduling expenses
15. Job meeting expenses
16. Employee identification system
17. Project redline drawings
18. Record drawings and specifications
19. Project Preconstruction and Progress Photos

c. Temporary Amenities and Utilities (includes hookup, metering, and consumption costs)

1. Drinking water
2. Temporary toilets
3. Temporary water distribution and meters
4. Temporary fire protection
5. Temporary power
6. Temporary and emergency lighting
7. Temporary construction facilities and services
8. Temporary heat and ventilation

d. Site Cleanup

1. Daily site cleanup, dumpsters and garbage disposal
2. Cleanup at Substantial and Final Completion

The Design-Builder will provide all backup and supporting documentation for the General Conditions reasonably requested by the Owner during negotiations for the Guaranteed Price Amendment and during Phase 2. As with all Direct Cost of the Work, Design-Builder will be paid for its General Conditions

costs on the basis of actual verified costs incurred for each pay period.

- 7.5.2 Fees.** Three separate fees will be applied to different components of the Direct Cost of the Work for each payment request, as described in this section. First, the Design-Builder Fee will be applied, by the Design-Builder, to all Work self-performed by the Design-Builder and to Work performed by any members of the Design-Build Team. Second, the Design-Builder Subcontractor Fee will be applied, by the Design-Builder, to all Work competitively procured after the initial award of this Agreement and performed by subcontractors, after the subcontractor's markup is included. Third, the DB Team Member Fees provided by each individual Design-Build Team member will be applied to their respective subcontracts, before the Design-Builder Fee is added. For all three categories of fees, the fee includes all home-office overhead, profit and any other pricing factor that is not represented by direct cost. The subcontractor's markup includes all home-office overhead, profit and any other pricing factor that is not represented by direct cost. Owner reserves the right to require a breakdown of the overhead and profit components of any of the fees and subcontractor's markup, as well as supporting documentation for the overhead. Collectively, the three categories of fee will be referred to as the "Fees."
- 7.5.3 Bond Costs.** Design-Builder will be paid its actual, verified, costs for each payment bond and performance bond, without markup, within 30 days of submission of documentation of these costs after the commencement of Phase 2.
- 7.5.4 Insurance Premiums.** Design-Builder will be paid its actual, verified pass through direct costs for insurance premiums, without markup.
- 7.5.5 Sales Tax.** Design-Builder will be paid its actual, verified direct sales tax costs only, without markup.
- 7.5.6 Construction Contingency.** Design-Builder will be entitled to provide within the GMP a Construction Contingency, in an amount to be approved by Owner and established in the Guaranteed Price Amendment. The Construction Contingency will be available for Design-Builder to cover any cost of the Work unanticipated by Design-Builder on the effective date of the Guaranteed Price Amendment, such as unanticipated field conditions that do not constitute a differing site condition, and re-sequencing the Work for the good of the Project. Use of the Construction Contingency requires Owner's approval, not to be unreasonably withheld. The Construction Contingency is not a separate fund but is tracked as a separate line item within the GMP and will be used as a cost management tool. When used, the Construction Contingency funds will be subtracted from the Construction Contingency line item to one or more Direct Cost of the Work line items in the GMP.

Where the actual costs incurred under a line item of the Direct Cost of the Work are less than the initial line item amount, Owner will add the difference to the Construction Contingency. Owner will not require Design-Builder to use the Construction Contingency to pay for Change Order work. All unspent funds in the Phase 2 Construction Contingency at Final Completion shall be shared 50/50 between Owner and the Design-Builder.

7.5.7 GMP Calculation. The GMP will be established in conjunction with the Guaranteed Price Amendment by calculating prices for each of the following components, as follows:

a. Phase 1 Design and Preconstruction Services (not-to-exceed)	\$4,314,077	
b. Direct Cost of Work	\$ TBD	
1. Direct Cost of Design Builder self-performed Work	\$ TBD	
2. Direct Cost of Subcontracted Work (excluding DB Team member Work)	\$ TBD	
3. Direct Cost of DB Team member, excluding Design-Builder, Work (add separate line for each DB Team member)	\$ TBD	
4. General Conditions	\$ TBD	
c. Fees		
1. Design-Builder Fee	20%	multiply by (2)(a)(c)&(d)
2. Design-Builder Subcontractor Fee	20%	multiply by (2)(b)
3. DB Team Member Fees (Cupertino Electric, Inc.)	18%	multiply by 2(c)
4. DB Team Member Fees (TESCO)	18%	multiply by 2(c)
d. Bond Costs	\$ TBD	
e. Insurance Premium	\$ TBD	

f. Sales Taxes	\$ TBD
g. Construction Contingency	TBD % of (2)
GMP	\$ TBD

- 7.6 Lump Sum Approach.** At the Owner’s discretion, compensation for Phase 2 Construction Services may convert the Guaranteed Price to a Lump Sum, applying the discount percentages for self-performed and subcontracted work established in the Price Proposal Form (see Exhibit 5A Phase 1 Price Proposal).
- 7.7 Design-Builder Allowances.** In developing the Phase 2 Compensation, the Design-Builder may propose including appropriate allowances for defined items of Work that cannot be appropriately quantified and estimated at the time the Phase 2 Compensation is established, only with specific approval of Owner. Each such item of Work will be covered in a separate line item and have a clear description of what is covered by such allowance in the Phase 2 Compensation. Allowance items will be converted to, and included as, typical contract work by Change Order once conditions exist that allow them to be properly quantified and priced. Allowance items that cannot reasonably be quantified and estimated before the allowance work begins will be reconciled based on the actual cost of the allowance Work. If the actual cost of the Work for any item of Work covered by an allowance will be greater than the amount of the allowance, Design-Builder will so notify Owner and if Owner authorizes the allowance Work in a Change Order, the Phase 2 Compensation will be increased by such difference with an additional agreed upon amount for Fee. If the cost of any item to which such an allowance applies is less than the amount of the allowance, Owner may issue a Change Order decreasing the Phase 2 Compensation by the sum of the amount of such difference and the mark-up for Fee on the difference.

8. CONTRACT TIME

- 8.1 Contract Time.** The Design-Builder must achieve Final Completion of the Work using best practical safe speed to complete the Work so that the Project passes all Acceptance Tests and are in operation as soon as reasonably possible, but no later than the Contract Time. Notwithstanding the foregoing, Design-Builder must achieve Substantial Completion by _____, and Final Completion by December 2024. Other milestones may be established by mutual consent with the Project Baseline Schedule in **Exhibit 7A-1 and 7A-2**, and the Guaranteed Price Amendment.
- 8.1.1 Response Times to Design Builder Submittals.** Owner and Design-Builder agree to work together during preparation of submittals to facilitate Owner review and approval of submittals. Unless otherwise provided in the Contract Documents, Owner will respond to Phase 1 submittals by Design-Builder according to the following schedule:

- a. Within 7 calendar days for minor submittals (e.g., geotechnical investigation plan, subsurface utility engineering drawings, site survey plan);
 1. Within 14 calendar days for intermediate submittals (e.g., GIR); and
 2. Within 30 calendar days for major submittals (e.g., 30% design, 60% design). Response times for submittals during Phase 2 will be set forth in the Guaranteed Price Amendment.

8.2 Monthly Project Schedules. The Design-Builder will create monthly updates of the initial Project Baseline Schedule, referred to as “Monthly Project Schedules,” incorporating activities and schedule updates of the Design Professionals and Subcontractors on the Project as necessary to reflect the status of design and construction and projected milestone dates for Substantial Completion and Final Completion. The Design-Builder will provide information in an agreed upon format, and as requested by the Owner, for the scheduling of times and sequences of operations required for its Work in coordination with the work of Owner’s Operations and Maintenance staff and separate contractors.

8.2.1 3 Week Look-Ahead Schedules. The Owner will require the Design-Builder, with the assistance of its Design Professionals and Subcontractors, to create “**3 Week Look-Ahead Schedules**” on a weekly basis, summarizing the performance of upcoming Work and document all Work performed during the prior 3-week period. The Design-Builder will require its Subcontractors and Design Professionals to continuously monitor the Monthly Project Schedule and 3 Week Look-Ahead Schedules to understand the timing, phasing and sequencing of operations of their respective work with other Work being performed at the Project. The 3 Week Look-Ahead Schedules are to be used as a working tool to evaluate the short term schedule and collaborate on methods for labor efficiency. Workflow will be scheduled based on providing information, material and resources as required by the user of the information, material or resources, optimizing the flow of Work through the Project and reducing bottlenecks and activity that will not advance the Project Schedule. The Design-Builder will provide Owner with copies of the 3 Week Look-Ahead Schedules and will meet with Owner to review and coordinate with any work being performed by Owner’s separate contractors. Design-Builder shall request input from the Owner on 3-week look-ahead schedules, as necessary, no less than one week before the 3-week look-ahead schedule submission date.

8.3 Prosecution of the Work. The Design-Builder will commence the Work when notified to do so by the Owner and will diligently prosecute and complete its Work pursuant to the most current Monthly Project Schedule. The Design-Builder will coordinate its Work with the responsibilities and duties of Owner’s Operations

and Maintenance Division in an effort to avoid delays, obstructions, hindrances, or any interference with the commencement, progress or completion of the whole or any part of the Work on the Project, and in accordance with the Contract Time.

8.3.1 Schedule Slippage. The Design-Builder will notify Owner of any slippage through the Monthly Project Schedules and, if applicable, pursuant to section 8.4. If either the Substantial Completion Date, Final Completion Date, or any Milestone Dates are delayed in excess of thirty (30) days, Design-Builder will submit a detailed recovery plan for evaluation and approval by Owner by the submission of the next Monthly Project Schedule. All costs associated with the recovery will be the responsibility of the Design-Builder unless the Design-Builder is entitled to an extension of time under Section 8.4.

8.3.2 Acceleration. If either the Substantial Completion Date, Final Completion Date, or any Milestone Dates are delayed and the delay is excused under Section 8.4, the Owner may direct the Design-Builder and its Subcontractors and Design Professionals to work overtime through a Change Order pursuant to Section 9.2.

8.4 Delays and Time Extensions. If the Design-Builder is delayed, obstructed, hindered or interfered with in the commencement, prosecution or completion of the Work by: (i) any act or omission of the Owner, or Owner's separate contractors, or any material breach of the Agreement by the Owner; (ii) "Owner Elected Changes"; (iii) delay caused by a "Force Majeure Event"; (iv) "Differing Site Conditions"; (v) "Owner's Suspension of the Work,;" or (vi) delays in the issuance of a permit or governmental approval not caused by the Design-Builder, such that the critical path of the most current, approved Project Baseline Schedule is impacted extending the Final Completion Date, the Substantial Completion Dates, or any specific milestone completion dates, then the Design-Builder will be entitled to an extension for the same period of time that the Design-Builder was delayed in accordance with Section 9. To the extent any delay, obstruction, interference or hindrance was caused by the fault, neglect, act or omission of the Design-Builder, its employees, Design Professionals, Subcontractors or suppliers, then the Design Builder will not be entitled to any additional compensation.

Notwithstanding the above, the Design-Builder will not be entitled to an extension of time unless the Design-Builder provides the Owner with notice in writing of potential delay, obstruction, hindrance or interference within five business days of the discovery of the potential delay. Design-Builder shall follow up with all practical speed, but not later than 7 days after the initial notice, to summarize the cause or causes of the delay, and demonstrates that it could not have anticipated or avoided the delay, obstruction, hindrance or interference and has used all available means to minimize the consequences of the delay. The Design-Builder may also be entitled to an adjustment in the Contract Price based on demonstration that the delay, after implementation of all reasonable mitigation, materially adversely affected Design-Builder's cost of completing the Work.

8.5 Liquidated Damages. The Owner and Design-Builder acknowledge and agree that if Design-Builder's action(s) cause unscheduled shutdowns of Facilities and/or the Design Builder fails to achieve Substantial Completion and Final Completion within the time set forth in Section 8.1, the Owner will suffer damages that are both extremely difficult and impracticable to ascertain. Therefore, Owner and Design-Builder agree that liquidated damages, in the amounts shown, shall be enforced on unscheduled shutdowns and failure to achieve any completion dates as follows:

- a. Unscheduled (including in excess of time scheduled) shutdowns of Facilities, during low demand season (November 15 – March 15), in the amount of \$5,000 per day
- b. Unscheduled (including in excess of time scheduled) shutdowns of Facilities, during high demand season (March 16 – November 14), in the amount of \$10,000 per day
- c. Initial submittal of Phase 1 Project Management Documents in the amount of \$300 per day
- d. Substantial Completion in the amount of \$2,500 per day
- e. Final Completion in the amount of \$1,500 per day

Owner and Design-Builder may agree on liquidated damages for failure to meet additional milestones as part of the Guaranteed Price Amendment negotiations.

Payment of liquidated damages represents a reasonable estimate of fair compensation for the losses that reasonably may be anticipated as a result of Design-Builder's delays in completing the work. Owner and Design-Builder acknowledge and agree that this liquidated damages provision will be Owner's sole and exclusive remedy for damages caused by Design-Builder's failure to timely perform the Work, including, without limitation action(s) that result in an unscheduled shutdown of Facilities, delay damages caused by Design-Builder's failure to achieve Substantial Completion and/or Final Completion within the time set forth in Section 8.1, and/or any of the specific milestone completion dates.

Nothing contained in this Section will preclude the Owner from recovery of actual damages caused by reasons other than the Design-Builder's action(s) that result in an unscheduled shutdown of Facilities, failure to timely achieve any Substantial Completion and/or Final Completion milestone dates, and/or any other Milestone Dates, including but not limited to, claims for actual losses incurred due to breach of contract, negligence, defective work, and injury to persons or property or third party claims, and consequential damages not otherwise waived under this Agreement.

9. CHANGES

9.1 Change Orders. A Change Order is a mutually agreed written order adjusting the Design-Builder's Contract Price, Contract Time, or scope of Work. A Change Order may come through an Owner Elected Change, or Design-Builder's request. All changes in the Work will only be authorized by an Owner Elected Change, or Owner executed Change Order. A Change Order signed by the Design-Builder and Owner indicates an agreement to any adjustment in the Contract Time, Contract Price, or scope of Work. A Change Order signed by the Design Builder, also known as an executed Change order, will include terms regarding all Costs of Work plus applicable Fees, and confirm that the adjustments in the Change Order fully and completely resolves any claim by Design-Builder for additional compensation or time arising from or related to the subject of the Change Order. Potential Change Orders will only be considered in conjunction with the following circumstances:

9.1.1 Owner Elected Changes;

9.1.2 Force Majeure Events;

9.1.3 Differing Site Conditions;

9.1.4 Owner's Suspension of the Work as defined in Section 16.2;

9.1.5 Changes in applicable law, provided that the Design-Builder cooperates with Owner in mitigating the adverse impact of any change in the law;

9.1.6 Government approval issues or delays beyond the Design-Builder's control, pursuant to Section 5.12;

9.1.7 Cost or time impacts caused by anyone other than the design-builder, and

9.1.8 Extensions of time pursuant to section 8.4.

9.2 Owner Elected Change. The Owner will initiate a Change Order by providing the Design-Builder with a written summary of the Owner Elected Change. Within 10 business days of receipt of an Owner Elected Change, or such other mutually-agreed upon period for more complex or extensive Owner Elected Changes, the Design-Builder must submit a complete cost proposal for the revised scope to the Owner, as well as any proposed change in Contract Time under Section 8.4. The Owner will review and evaluate the Design-Builder's cost proposal and any proposed change in Contract Time, before presenting the Design-Builder with a proposed Change Order at either its regular weekly meeting or a special meeting.

9.3 Design-Builder Initiated Changes. The Design-Builder must provide the Owner written notice of a proposed change within 5 business days of discovery of the

facts or circumstances giving rise to the proposed change order. The Owner will meet and discuss the proposed change either at its regular weekly meeting or at a special meeting.

9.4 Submission. All claims for additional compensation or extensions in Contract Time will be presented in writing to the Owner for review. The Owner will either discuss the proposed change at its regular weekly meeting or will call a special meeting to meet and review the proposed change. At the conclusion of the meeting an Owner Elected Change may be issued. Consistent with Owner's internal procedures, a change order request will require Owner approval. All Change Orders must be approved by the Owner before the expense is incurred. Additive Change Orders will affect Contract Price and may affect Contract Time, subject to Section 8.4. Deductive Change Orders will affect Contract Price and may affect Contract Time, subject to Section 9.6.

9.4.1 Disputes Related to Change Orders. In the event of a dispute between Owner and Design-Builder regarding the merits or amount of a proposed Change Order, the dispute may be resolved pursuant to Sections 17 and 18.12 of the Supplemental Conditions included as **Exhibit 1** to this Agreement.

9.5 Pricing. Methods used for determining adjustments to the Contract Price include: (i) mutual agreement on a lump sum for all costs and fee; or (ii) construction work performed on a time and material basis plus Fees, as set forth in Section 9.5.1. If the Work is performed on a time and material basis, the Design-Builder will keep and present an itemized accounting for the construction work performed based on daily time tickets executed by the Owner, material and equipment invoices, and other supporting data substantiating the amount of the Change Order. For such time and material Work, costs will be broken down by direct costs for labor, materials, and equipment, plus Fee. The form of cost model, included as Exhibit 3A, establishes the allowable components of direct costs, labor, and materials for time and material change orders.

9.5.1 Fee. Design-Builder's fee on additive and deductive Change Orders will be either the Design-Builder Fee, or the Design-Builder Subcontractor Fee, as applicable pursuant to the terms set forth in Section 7.5.2, in addition to application of the DB Team Member Fee.

9.6 Deductive Changes. The amount of credit for deductive Change Orders resulting in a net decrease to the Phase 2 Contract Price will be the actual net decrease based on the decrease of any Cost of Work pursuant to one of the pricing methods set forth in Section 9.5. When both additions and credits covering related Work or substitutions are involved in a proposed change, the Change Order will be determined on sum of the net increase or decrease.

9.7 Continued Performance. No Work will be allowed to lag pending the adjustment through Change Order but will be promptly executed as directed through Owner Elected Change, even if a dispute arises. Disputes will be resolved in accordance

with Sections 17 and 18.12 of the Supplemental Conditions. Failure of the Design-Builder to provide the Owner with notice of its disputed claim and to submit the written claim within 10 business days of completion of the Work in dispute constitutes an agreement on the part of the Design-Builder that it will not be paid for the claim. No claim will be considered after the Work in question has been performed unless a written Change Order has been executed or timely written notice of claim has been made by the Design-Builder. The Design-Builder will not be entitled to claim or to bring suit for damages, whether for loss of profits or otherwise, on account of an omission of any item or portion of Work covered by the executed Change Order.

- 9.8 Omitted Work.** If the Design-Builder omits Work that is included in the Contract Documents, the Owner will have the right to withhold from payments due or to become due to the Design-Builder in an amount which, in the Owner's opinion, is equal to the value of Work that was omitted until the Work is performed.
- 9.9 Contract Price Reduction.** The Owner may also reduce the Contract Price to reflect back charges or payments withheld pursuant to the Contract Documents upon written notice, and 48 hours opportunity to cure.
- 9.10 Contract Time Impacts and Extended Costs.** The Design-Builder will not reserve a right to assert impact costs, extended job site costs, extended overhead, constructive acceleration and/or actual acceleration beyond what is allowable under Section 8.4 and claimed in a proposed change order under Section 9.3. No claims will be allowed for impact, extended overhead costs, constructive acceleration and/or actual acceleration due to a multiplicity of changes and/or clarifications. Nothing contained in this Section will be construed as restricting the rights and remedies of Design-Builder in violation of Civil Code section 2782 or Public Contract Code section 7102. If this provision is determined to conflict with Public Contract Code section 7102 or Civil Code section 2782, this provision will be reformed to provide the greatest protection to the Owner under the law.
- 9.11 Surety.** All changes, additions or omissions in the Work ordered through an Owner Elected Change, or Change Order are part of the Work and will be performed and furnished in strict accordance with all of the terms and provisions of the executed Change Order and the other Contract Documents. The Design-Builder will keep its surety informed of all modifications to this Agreement. The obligations of Design-Builder's surety are not to be reduced, waived or adversely affected by the issuance of Change Orders even if the Design-Builder fails to inform the surety of the Change Order(s) and the Owner will not be required to obtain consent of the surety to the Design-Builder or any of its Subcontractors.

10. PAYMENT

- 10.1 Phase 1 Progress Payments.** The Owner will make monthly progress payments on all undisputed Work performed during Phase 1 within 30 calendar days of

receipt of a monthly invoice that was properly submitted pursuant to the procedures set forth in this Section and as further established by the Owner. Each invoice will be submitted on the forms provided by the Owner, will include an itemized list of the work performed, and will be based on actual labor and expense charges up to budgeted task amount within the milestones allocated to the Phase 1 Work completed. The invoice must be certified by the Design-Builder and made out to the Owner. Before making payment, the Owner will review the invoice for accuracy of the Work completed to date.

10.2 Phase 2 Progress Payments. In accordance with Public Contract Code section 20104.50, the Owner will make monthly progress payments on all undisputed Work within 30 calendar day's receipt of a monthly invoice that was properly submitted pursuant to the procedures set forth in this Section and as further established by the Owner. Each invoice will be submitted on the forms provided by the Owner and will include a completed schedule of values, conditional waivers and release of claims for all amounts included in the invoice, and all documentation necessary to substantiate that the amounts billed as Cost of Work reflects the actual costs incurred by Design-Builder through the date of the invoice. The invoice must be certified by the Design-Builder and made out to the Owner. Before making payment, the Owner will review the invoice for accuracy of the Work completed to date.

10.2.1 Schedule of Values. The schedule of values will allocate the direct costs among the various trades. The insurance, bond, and Overhead costs will be carried on separate line items. A draft schedule of values must be submitted to Owner by the 20th calendar day of each month in order to be included in the monthly billing cycle.

10.2.2 Evaluation of Invoice. The Owner will review the invoice based on the approved schedule of values, on-site observations and evaluation of the Work, and on the data and documentation substantiating the invoice. Based on that review, Owner will pay all undisputed items. An approval of an invoice is subject to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion of the Work and to specific qualifications expressed by the Owner. Owner is entitled to rely on the accuracy and completeness of the information furnished by the Design-Builder and approval will not be deemed to represent that a detailed examination, audit, or arithmetic verification of the documentation submitted with the Design-Builder's invoice has been made or that exhaustive or continuous on-site inspections have been made to verify that the Work is in accordance with the Contract Documents. A payment by Owner does not represent that Owner has ascertained how or for what purpose the Design-Builder has used money previously paid.

10.2.3 Retention. The Owner will withhold 5% of each progress payment during Phase 2 of the Project. Retention will be withheld until the Project achieves Final Completion unless the Owner, in its sole discretion, agrees

to release the Design-Builder's retention earlier and provided that the Work has been accepted by the Owner. Within sixty (60) days after Final Completion, Owner will release to Design-Builder all retained amounts, less an amount equal to: (a) the reasonable value of all remaining or incomplete items of Work; (b) amounts Owner is entitled to withhold pursuant to Contract; and (c) 150% of any disputed amounts.

10.2.3.1 Substitution of Securities. To the extent required by law, Owner will consider and approve reasonable and appropriate requests under Public Contract Code section 22300 for substitution of securities or establishment of an escrow account for retention. Nothing contained in this Section will prevent Owner from withholding payment when grounds exist for doing so under the Contract Documents.

10.2.4 Change Orders. Applications for payment may include requests for payment on account of changes in the Work that have been properly authorized.

10.2.5 Stored Materials and Equipment. Stored materials and equipment may be included in the invoice provided the materials and equipment are properly stored in accordance with Section 5.15.9.3 and a complete invoice accompanies the invoice. Storage of material purchased in advance will be reimbursed as agreed by Owner and Design-Builder.

10.2.6 Stop Payment Notices and Claims. Upon submission of an invoice, the Design-Builder warrants that all Work included in the invoice has been performed in accordance with the Contract Documents and that title to all Work covered by an invoice will pass to the Owner no later than the time of payment and to the best of the Design-Builder's knowledge, information and belief, will pass to the Owner free and clear of all stop payment notices, claims, security interests or encumbrances. Design-Builder will provide executed conditional waivers and release of claims for all amounts included in the invoice. Unless otherwise required by law, Design-Builder shall be entitled to withhold monies in dispute or monies due to any subcontractor if Design-Builder has a justifiable basis to do so. Waivers must comply with the requirements of California Civil Code section 8132.

10.2.7 Owner Payment to Design Professionals, Subcontractors and Suppliers. The Owner will not have an obligation to pay a Design Professional or Subcontractor for Work performed unless required by law. However, if the Owner receives a stop payment notice, the Owner may use joint checks to the Design-Builder and Subcontractor in order to resolve the payment dispute, after providing the Design-Builder a reasonable opportunity to cure.

10.3 Final Payment. Upon Final Completion of the Work, the Design-Builder will submit a final payment application. All prior progress estimates will be subject to correction in the final invoice. If items remain to be completed at that time, then the Design-Builder in conjunction with Owner will revise the Final Punch List and will include 150% of the estimated cost to complete each remaining item. The Owner may withhold from the final payment 150% of the estimated cost to complete the Work. The amount retained by the Owner for Final Punch List items will be released to the Design-Builder as each item is completed. Upon Final Completion of the Project, final payment of all remaining retention, if unencumbered, will be paid on all undisputed amounts no later than 30 calendar days after either Final Completion of the entire Project or recordation of a Notice of Completion (whichever is later), and in no event later than the time prescribed under Section 7107 of the Public Contract Code.

10.3.1 Contract Price Reduction. Upon Final Completion of the Project, the Owner may reduce the Contract Price to reflect costs charged to the Design-Builder, back charges or payments withheld pursuant to the Contract Documents.

10.3.2 Evidence. Before issuance of final payment, Owner may request satisfactory evidence that: (i) all payrolls, materials bills and other indebtedness connected with the Work have been paid or otherwise satisfied or Design Builder protects Owner from such claims with the issuance of a bond or such other security in Design Builders discretion, which security must be acceptable to Owner in Owner's sole discretion; (ii) insurance required by the Contract Documents will remain in force after final payment and will not be canceled or allowed to expire until at least 30 calendar days prior written notice has been given to the Owner; (iii) the Design-Builder knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (iv) surety, if any, has consented to final payment, (v) Owner has received all close-out documents required by the Contract Documents; and (vi), other data establishing payment or satisfaction of obligations, such as releases and waivers of stop payment notices, claims, security interests or encumbrances arising out of this Agreement have been received.

10.3.3 Payment Not Acceptance of Work. Approval of an invoice (final or otherwise) or partial or entire use or occupancy of the Project by the Owner will not be used as conclusive evidence that the Work was properly performed or constitute acceptance of Work that is not in accordance with the Contract Documents.

10.4 Payments Withheld. In addition to the Design-Builder's 5% retention, the Owner may withhold payments due to the Design-Builder that may be necessary to cover: (i) stop payment notice claims; (ii) defective Work not remedied; (iii) failure of Design-Builder to make undisputed payments to a third party caused by Design-Builder; (v) amounts due to the Owner for claims against Design-Builder;

(vi) failure to provide Owner with timely schedule updates under Section 8.2.1; (vii) disputed amounts in the invoice; and (viii) legally permitted penalties. Owner shall provide Design-Builder with notice of the reason for the withholding within 7 days after receipt of Design-Builder's payment application and when Design-Builder has cured the basis for withholding, the Owner shall pay the amount withheld to Design-Builder.

10.5 Waiver of Claims. Acceptance of final payment by the Design-Builder will constitute a waiver of claims by Design-Builder and its Design Professionals, Subcontractors and suppliers except for those previously made in writing and identified by the Design-Builder as unsettled at the time of final invoice.

11. INDEMNIFICATION

11.1 Indemnification. Design-Builder shall defend, indemnify, and hold harmless the Santa Clara Valley Water District, and its directors, officers, employees and agents, and its successors and assigns (collectively referred to as "Indemnitees") from and against all third party claims, demands, liability, suits, actions, costs or expenses (including reasonable attorneys' fees) for any and all loss or damage, including, but not limited to, personal injury or property damage, arising out of or resulting from allegations of:

- a. The failure or alleged failure by the Design-Builder or any Design-Build Team member to comply with any applicable law, order, citation, rule, regulation, standard, ordinance or statute, including rules and regulations imposed by Cal-OSHA and caused by the act or omission of the Design-Builder or any Design-Build Team member;
- b. The negligent act, omission, misconduct, or fault, or the alleged negligent act, omission, misconduct or fault of the Design-Builder or any Design-Build Team member;
- c. Any and all claims by any governmental or taxing authority claiming unpaid taxes based on gross receipts, purchases or sales, the use of any property or income of the Design-Builder or any Design-Build Team member with respect to any payment for the Work made to or earned by the Design-Builder or the Design-Build Team member under the Contract Documents;
- d. Any and all stop payment notices and/or liens filed in connection with the Work, including all expenses and attorneys' fees incurred by the Owner in discharging any stop payment notice or lien, provided that the Owner is not in default on payments owing to the Design-Builder with respect to such Work;
- e. Failure of the Design-Builder to comply with the Insurance provisions set forth in **Exhibit 9**;
- f. Any release of Hazardous Materials & Substances:

1. Brought onto the Site by the Design-Builder or any Design-Build Team member; or
2. Where the removal or handling involved negligence, willful misconduct, or breach of Contract by the Design-Builder or any Design-Build Team member.

11.2 Indemnification for Infringement of Intellectual Property Rights. The Design-Builder agrees to fully defend, indemnify, and hold harmless the Indemnitees against any demand, claim, cause of action, suit, proceeding, or judgment that design, service, method, or product called for and provided by the Design-Builder or any Design-Build Team member (herein called “deliverables”) that infringes or allegedly infringes any patent, copyright, trademark, service mark, trade dress, utility model, industrial design, mask work, trade secret, or other proprietary right of a third party (collectively “Intellectual Property Right”).

The Design-Builder shall pay any and all costs of such defense and settlement (including interest, fines, penalties, costs of investigation, costs of appeals, and attorney ‘s fees), and will pay any and all costs and damages finally awarded against any of the Indemnitees. The Design-Builder shall have the exclusive right to conduct its legal defense.

In the event that any deliverable furnished hereunder, or called for in any design or services provided under this Agreement, is in any suit, proceeding, or judgment held to constitute an infringement on any third party’s Intellectual Property Right, and its use is enjoined, the Design-Builder shall, at its own expense, accomplish one of the following:

- a. Procure the fully paid-up, irrevocable, and perpetual right for the Owner to continue using the deliverable;
- b. Modify the deliverable; or
- c. Provide for the replacement of the deliverable with an alternative product that is functionally equivalent to the deliverable and compatible with the Owner’s existing infrastructure.

Design-Builder may decide which of the options detailed above to accomplish. If the Design-Builder is unable to provide the Owner with one of the forms of relief described above, the Design-Builder shall also reimburse to the Owner the total paid by the Owner for the deliverable that is held to constitute an infringement.

11.3 Indemnification for Design Defects. To the fullest extent permitted by law, the Design-Builder shall fully defend (with counsel acceptable to the Owner), indemnify, and hold harmless Indemnitees from any and all claims, demands, causes of action, damages, costs, expenses (including legal, expert witness, and consulting fees and costs), losses, or liabilities of whatsoever nature to the extent they arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of the Design-Builder, its employees, any of the Design-Builder’s

Design Professionals or Subcontractors of any tier, or anyone for whom Design-Builder or any of its Design Professionals or Subcontracts may be liable, in relation to any of their design services, including but not limited to errors, omissions, inconsistencies, inaccuracies, or deficiencies, whether or not contained in the Construction Documents furnished by the Design-Builder, and whether or not such errors, omissions, inconsistencies, inaccuracies, or deficiencies were also included in the Owner's Basis of Design Report provided by the Owner. The Design-Builder agrees that, because the Owner's Basis of Design Report is preliminary and conceptual in nature and is subject to review and modification by the Design-Builder, such documents shall not be deemed a "design furnished" by the Owner, any Indemnitees, or any Owner's agents, servants, or independent contractors who are directly responsible to Owner, as the term "design furnished" is used in Civil Code Section 2782, and that this clause is governed by Civil Code Section 2782.8. In addition, Design-Builder shall defend the Owner, with counsel reasonably acceptable to Owner to the extent of Design-Builder's proportionate percentage of fault for the underlying claim.

11.4 Exception. The indemnification provisions in this Section 11 will extend to claims occurring after this Agreement is terminated as well as while it is in force. However, Design-Builder will not be obligated to hold harmless, indemnify or provide a defense to the Indemnitees from claims arising from the sole negligence, willful misconduct, or active negligence of the Indemnitees or Owner's agents, servants, or independent contractors who are directly responsible to Owner. Nothing contained in Section 11 will be construed to impose any obligation in conflict with the provisions of Civil Code section 2782 and/or Insurance Code section 11580.04. In the event of a conflict, the provision conflicting with Civil Code section 2782 and/or Insurance Code section 11580.04 will be modified to limit Design-Builder's obligations to the greatest extent permitted by law. This Section does not apply to the duty to defend claims arising from design defects, which obligation is addressed separately in Section 11.3.

11.5 Duty to Defend. Where a duty to defend is contractually required in this Section 11 (11.1, 11.2 and 11.3), the provisions in this Section 11.5 shall apply and clarify the scope of that duty to defend. Design-Builder will defend all claims defined in Sections 11.1, 11.2, and 11.3 at its own cost, expense and risk and pay and satisfy any judgment or decree that may be rendered against any Indemnitee arising out of a claim, or reimburse Indemnitee(s) for any and all legal expenses incurred by any of them in connection with the claim or in enforcing the indemnity granted in this Section. The duty to defend will apply, and Design-Builder will be required to furnish a defense, regardless of whether the matter has been adjudicated. The Owner shall have the right to approve counsel defending it, which approval will not be unreasonably withheld. Following the resolution of any such dispute, the Owner shall reimburse Design-Builder for the costs incurred by Design-Builder for any Indemnitees' defense, to the extent of the Owner's proportionate responsibility or fault, as determined by a court or arbitrator of competent jurisdiction, or as agreed by settlement or otherwise.

11.6 Consequential Damages. Neither party shall be entitled to recover consequential, incidental or special incidental or special damages under any theory including, without limitation, damages for any breach of the Agreement. However, this limitation of liability does not apply to any of the following:

- a. defense and indemnification obligations;
- b. costs, liabilities or obligations arising from the willful misconduct or fraud, willful injury or violation of the law as defined in California Civil Code section 1668 by the Design-Builder or any of its employees, consultants, subcontractors, or suppliers, or Owner, or anyone working directly or indirectly for whom such parties may be liable;
- c. fines, penalties and other charges assessed by applicable governmental authorities; which are attributable to Design Builder or Owner;
- d. claims covered by insurance required in Section 12 and Exhibit A of this Agreement to the extent there are insurance proceeds available; and
- e. Liquidated damages pursuant to section 8.5.

11.7 Limitation of Liability. Design-Builder's aggregate liability to Owner under this Agreement with respect to damages arising out of the performance or unexcused non-performance of any Work performed on the Project shall not exceed 200% of the Contract Price. This limitation excludes:

- a. defense and indemnification obligations;
- b. costs, liabilities or obligations arising from the willful misconduct or fraud, willful injury or violation of the law as defined in California Civil Code section 1668 by the Design-Builder or any of its employees, consultants, subcontractors, or suppliers, or anyone working directly or indirectly for whom such parties may be liable;
- c. fines, penalties and other charges assessed by applicable governmental authorities; which are attributable to Design Builder;
- d. claims covered by insurance required in Section 12 and Exhibit A of this Agreement to the extent there are insurance proceeds available; and
- e. liquidated damages pursuant to section 8.5.

This limitation of liability shall not affect the Design-Builder's obligation to provide insurance pursuant to Section 12 of this Agreement.

12. INSURANCE AND BONDS

12.1 Design-Builder's Insurance Requirements. The Design-Builder will be required to provide and maintain (including replenishment of limits when

necessary) its own insurance coverage to meet all requirements set forth in **Exhibit 9A** to this Agreement. Santa Clara Valley Water District, and its directors, officers, employees and agents, and its successors and assigns will be a named additional insured under all of Design-Builder's insurance policies except errors and omissions policies and workers' compensation policies. Likewise, the Design-Builder will require all Subcontractors to name the Santa Clara Valley Water District, and its directors, officers, employees and agents, and its successors and assigns as additional insured on all Subcontractor policies except errors and omissions policies and workers' compensation policies. Before commencement of the Work, the Design-Builder will provide certificates of insurance and endorsements per **Exhibit 9A** as evidence of insurance and Owner's, and Owner's additional insured status under those policies.

The Design-Builder shall be prepared to procure and maintain (including by replenishment of limits when necessary) Workers Compensation and Employers' Liability Insurance in the specified amounts.

- 12.2 Performance and Payment Bonds.** The Design-Builder will furnish a payment bond and a performance bond to the Owner, each in the amount equal to 100% of the amount of the Phase 2 GMP or Lump Sum, covering all construction work performed during Phase 2, on the forms provided in **Exhibit 9B and 9C**. The payment and performance bonds will be provided prior to commencement of Phase 2 Work. The performance bond must cover the 3-year Design-Builder Warranty pursuant to Section 13.1 of this Agreement, and an additional 1-year period over any corrective work performed under the Design-Builder Warranty, commencing on the date the final instance of corrected work is accepted, in the amounts stated in **Exhibit 9C**.

The surety supplying the bonds must be an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, authorized to do business as a surety in the State of California and satisfactory to the Owner. Failure to furnish the required payment and performance bonds to the Owner constitutes a default under this Agreement and the Owner will have all of the rights and remedies provided under the Contract Documents and afforded by law. Full compensation for furnishing the payment and performance bonds are included in the Contract Price.

- 12.2.1 Payment of Subcontractors.** Without limiting the responsibilities of Design-Builder and its surety under the terms of this Agreement, the Design-Builder and its surety agree to promptly pay all lawful and undisputed claims of Subcontractors, materialmen, laborers, persons, firms or corporations for labor or services performed or materials, supplies, machinery equipment, rentals, fuels, oils, tools, appliances, insurance and other items furnished, used, or consumed in connection with the prosecution of the construction work including Change Orders, and will indemnify and save harmless the Owner, and Owner from and against all liability loss, damage and expense, including interest, costs and attorneys' fees, which the Owner, and Owner and/or its surety may

sustain by reason of Design-Builder's or its surety's failure to do so. Notwithstanding the foregoing, Design-Builder is not required to indemnify Owner under this Section where Design-Builder's failure to make payments is caused solely by Owner's failure to pay Design-Builder as required by the Agreement.

13. WARRANTY OF THE WORK

13.1 Design-Builder Warranty. The Design-Builder shall provide a 3-year warranty on all furnished labor and materials, commencing on the date of Final Completion of all Work under the Agreement. Design-Builder shall perform all required corrective work and shall be responsible for the cost of all labor, materials, equipment, transport, installation and re-testing required for the corrective work. Moreover, in the event that corrective work is required under the Design Builder Warranty, a 1-year warranty shall apply to the corrected work covering any discrepancies and defects in the corrected work that are discovered after the corrected work is accepted. For clarity, the 1-year warranty on corrective work is additional to the base 3-year warranty. The 1-year warranty on corrective work commences on the date the corrected work is accepted and may extend beyond the base 3-year warranty.

The Design-Builder Warranty shall warrant that:

- a. The Work conforms to the requirements of the Contract Documents;
- b. All design Work furnished under the Agreement conforms to all professional engineering principles generally accepted as standards of the industry in the State of California and complies with the standard of care set forth in Section 2.4, and the minimum requirements set forth in Section 5.2.5;
- c. The construction Work furnished under the Agreement is free from defects in workmanship, and was performed in a workmanlike manner and conforms to the standards of care set forth in Section 2.4, and conforms to the requirements set forth in Section 5.5.2;
- d. Materials and equipment furnished under the Contract Documents are of good quality, new and free from defects in materials and workmanship;
- e. The Facilities shall function up to the standards set forth in the Owner's Project Criteria and all other reliability standards established in the Contract Documents.

Design-Builders' warranty excludes (i) normal wear and tear, (ii) deficiencies caused by Owner's improper operation, maintenance or repair, (iii) unauthorized alteration of the Work, (iv) failure to comply with manufacturers' recommendations, (v) claims due to force majeure events. No other warranties, whether statutory, express or implied (including all warranties of merchantability

and fitness for a particular purpose and all warranties arising from course of dealing or usage of trade) shall apply.

- 13.2 Subcontractor Warranties.** The Design-Builder shall obtain warranties from all Subcontractors and Design-Builder Team members providing design services, labor, equipment, materials, supplies and maintenance equipment that would be given in normal commercial practice; require all such warranties to be executed in writing for the benefit of the Owner and enforce all warranties for the benefit of the Owner, if so directed by the Owner. In no case shall such Subcontractor warranties decrease the warranty provisions specified in the Contract Documents. All such Subcontractor warranties from Design-Builder Team members shall run directly to and be enforceable by the Design-Builder and/or the Owner, any assignee of the Owner, and their respective successors and assigns.

The Design-Builder hereby assigns to the Owner all of the Design-Builder's rights and interest in all warranties that are received by the Design-Builder from any Subcontractor or Design-Builder Team members. All such warranties shall survive Final Completion, acceptance, final payment, and termination of the Agreement if the stated warranty period extends beyond the Final Completion, acceptance, final payment, and termination of the Agreement.

- 13.3 Manufacturers' Warranties.** The Design-Builder and Owner will identify the manufacturer's warranty requirements, including any extended warranties, if needed. The Design-Builder shall obtain manufacturers' warranties for all materials and equipment procured and installed on the Project and assign all such warranties to the Owner prior to Final Completion. Owner and Design-Builder shall agree upon acceptable warranty periods for each item of materials and equipment prior to the procurement of the materials and equipment. Manufacturers' warranties must commence on Final Completion, unless commercially unavailable.

- 13.4 Remedy.** The Design-Builder shall remedy, at its own expense, any failure to conform to the warranty requirements set forth in this Section 13 Warranty of the Work. If the Design-Builder fails to remedy any such failure within a reasonable time after receipt of notice (or immediately in the case of an emergency), the Owner shall have the right in its sole discretion to replace, remove, or otherwise remedy the failure at the Design-Builder's expense.

13.4.1 Notification to Design-Builder. The Owner shall notify the Design-Builder, in writing, within a reasonable time after the discovery of any failure to conform to the warranty requirements set forth in this Section 13, Warranty of the Work.

13.4.2 Warranties Do Not Limit the Design-Builder's Liability. The foregoing warranties are in addition to all rights and remedies available under the Agreement or applicable law, and shall not limit the Design-Builder's

liability or responsibility imposed by the Agreement or applicable law with respect to the Work, including:

- a. Liability for design defects;
- b. Latent construction defects;
- c. Strict liability;
- d. Negligence; and
- e. Fraud.

13.5 Assignment of Warranty. Upon providing written notice to the Design-Builder, any warranty in this Section 13, including all warranties from Subcontractors and Design-Builder Team members that have been assigned to the Design-Builder, shall be immediately assignable by the Owner to any entity, in the Owner's sole discretion.

14. OWNERSHIP OF DOCUMENTS

14.1 Ownership of Construction Documents. The Electronic Design files, the Construction Documents, as well as any technical data or other design-related materials submitted to the Owner by the Design-Builder or any of its Design Professionals or Design-Build Subcontractors for the Project (collectively the "**Design and Construction Documents**"), whether draft or final, are the property of the Owner. The Owner may use and disclose such Design and Construction Documents in any manner and for any purpose necessary during the Owner's normal course of business. The Design-Builder, its Design Professionals and Design-Build Subcontractors will not own or claim a copyright in the Design and Construction Documents and other documents prepared by Design-Builder, its Design Professionals or Design-Build Subcontractors.

14.1.1 Ownership. The master Electronic Design files, the subsidiary models necessary for design and construction of the Project, and any related two-dimensional drawings, calculations, schedules or specifications created for the Project are the property of the Owner. The Parties agree to provide the Owner, as a deliverable before Final Completion, the Electronic Design files that the Owner deems necessary. Notwithstanding the above, design elements that were created by the Design-Builder, before execution of the Agreement, as extensions to commercially available Electronic Design software will remain the property of the respective party that created the extension, regardless of whether it was used in the Electronic Design for this Project.

14.1.2 Licensing. The Design-Builder, its Design Professionals and Design-Build Subcontractors are granted a limited, non-exclusive, license to use and reproduce applicable portions of the Design and Construction Documents and other documents prepared by the Design-Builder for use in the performance of the Design-Builder's Work under this Agreement.

14.1.3 Exception. Nothing contained in Section 14.1 will be construed to limit the Design-Builder, its Design Professionals and Design-Build Subcontractors rights, title and interest to continue to use their respective general design details that each of them uses or has used on multiple projects, or new standard design details that were developed during design of this facility.

14.2 Copies. All copies made under this license will bear the statutory copyright notice, if any, shown on the Design and Construction Documents and any other documents prepared by the Design-Builder, its Design Professionals and Design-Build Subcontractors. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project will not be construed as publication in derogation of the Owner's copyright or other reserved rights and interests.

15. ACCOUNTING RECORDS

15.1 Audit. In accordance with Government Code Section 8546.7, records of both the Owner and the Design-Builder will be subject to examination and audit by the State Auditor General for a period of 3 years after final payment. Design-Builder will make available to the Owner any of the Design-Builder's other documents related to the Work immediately upon request of the Owner as set forth in Section 15.2.

15.2 Records. The Design-Builder will keep full and detailed accounts and exercise controls as may be necessary for proper financial management under this Agreement. In addition to the State Auditor rights above, the Owner will have the right during normal business hours to audit and copy the Design-Builder's documents related to this Project including, but not limited to, records, books, estimates, correspondence, instructions, drawings, receipts and invoices for materials, supplies and equipment, temporary facilities, etc., contracts, purchase orders, vouchers, memorandums, Change Orders and all substantiating documentation, certified payroll, and other data relating to the Cost of Work, the Contract Price in order to evaluate accuracy and completeness of Design-Builder's billing. The Design-Builder will preserve all Project records for a period of at least 3 years after final payment, or for such longer period as may be required by law. The Design-Builder will incorporate Section 15 accounting and auditing provisions into all Design Professional agreements and Subcontracts and require Design Professionals and Subcontractors to keep detailed and accurate accounting records for their portion of the Work for a period of at least 3 years.

16. TERMINATION, SUSPENSION AND ABANDONMENT

16.1 Termination for Fault. The Owner may terminate this Agreement upon not less than 30 calendar days' written notice of the Design-Builder's failure to perform any material obligation under the Agreement. The Design-Builder will have 30 days after receiving reasonably detailed written notice thereof from the

Owner, provided that, if the nature of the breach is such that it will reasonably require more than 30 days to commence curing, the Owner may not terminate so long as Design-Builder (1) promptly, upon receipt of notice to cure, submits a plan to initiate all actions reasonably necessary to correct the default and prevent its reoccurrence, and (2) Owner accepts Design-Builder's plan, and (3) Design-Builder commences and continuously implements the plan to Owner's satisfaction.

The Owner may also terminate this Agreement upon (1) the failure to obtain and maintain any contract security instrument upon 7 days-notice and opportunity to cure, or (2) the insolvency or bankruptcy of the Design-Builder without notice or opportunity to cure. The notice will set forth the reason for termination and the effective date of termination. If the Owner terminates this Agreement for cause, the Design-Builder will not be entitled to any further payments except for work already completed. Unless otherwise limited herein, nothing stated in this paragraph will prevent the Owner from pursuing and recovering any damages allowed by law from Design-Builder arising out of a breach of this Agreement.

If a court of competent jurisdiction deems that termination of the Design-Builder was wrongful or otherwise improper, the termination will be deemed a termination for convenience under Section 16.3.

16.2 Suspension by Owner. If the Project is suspended by the Owner and not due to any fault of the Design-Builder or any of its Design Professionals or Subcontractors, the Design-Builder will be entitled to receive payment for all Work performed as of the effective date of the suspension, plus any documented reasonable direct costs incurred by Design-Builder to implement the suspension. The written notice of suspension will set forth the reason for suspension and the effective date of suspension. If the Project is resumed, and provided that the suspension was not caused or due to any fault or neglect of the Design-Builder or any of its Design Professionals or Subcontractors, then the Design-Builder's compensation will be equitably adjusted through Change Order under Section 9.1.4 and the Contract Time will be equitably adjusted for the additional time required to achieve Final Completion. Suspensions in excess of 90 days in the aggregate constitute a termination for convenience pursuant to Section 16.3, unless otherwise expressly agreed by the Parties. No further notice is required to effectuate such a termination for convenience.

16.3 Termination For Convenience. The Owner may terminate this Agreement, in whole or in part, for convenience upon written notice at any time. The notice will state the extent of the termination and effective date of termination. For Convenience Termination during Phase 1 and through the issuance of a Notice to Proceed for Phase 2, the Design-Builder will be entitled to receive payment for the percentage of Phase 1 work completed, including amounts owed to sub-consultants and subcontractors for work performed, not to exceed the Phase 1 not-to-exceed amount. For Convenience Termination following the issuance of a Notice to Proceed for Phase 2 work, the Design-Builder will be entitled to payment for all Work performed as of the effective date of termination

based on the compensation provisions set forth in Section 7 of this Agreement, including Fees, as well as reasonable demobilization costs, including costs to negotiate termination of subcontracts and Purchase Orders and such other costs so as to prevent Design Builder incurring a loss for work performed on the Project attributable to the termination for convenience. Any dispute over the amount to be paid upon termination will be resolved in accordance with the dispute resolution procedures set forth in Section 17 of the Supplemental Conditions. In the event that the Owner terminates the Design-Build Agreement for convenience during the course of Phase 2 Work, Design-Builder must: (1) assign all subcontracts executed pursuant to the performance of the Design-Build Agreement to Owner promptly upon request; and (2) execute any documents establishing Owner's ownership of completed Work upon request. Design-Builder is entitled to compensation for all authorized payments made to any subcontractor prior to termination, which payments will be credited to Owner under the respective subcontracts, plus Design-Builder's approved costs that are incurred prior to any termination.

17. MISCELLANEOUS PROVISIONS

- 17.1 Governing Law; Jurisdiction.** This Agreement will be governed and construed in accordance with the laws of the State of California without regard to the principles of the conflict of laws. Courts of competent jurisdiction in Santa Clara County have exclusive jurisdiction over any claim or enforcement of a judgment or alternative dispute award arising out of or relating to this Agreement.
- 17.2 No Solicitation of Employees.** Owner will not solicit or employ any of Design-Builder's Project personnel for the duration of the Project.
- 17.3 Assignment.** The Owner and Design-Builder, respectively bind themselves, their partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of the other party with respect to all covenants of this Agreement. Neither Owner nor Design-Builder will assign this Agreement without the written consent of the other, and such consent will not be unreasonably withheld or delayed.
- 17.4 Severability.** The terms and conditions of this Agreement will be interpreted in accordance with their plain meaning, and not strictly for or against either party. Any rule of construction or interpretation to the contrary will be of no force or effect with respect to this Agreement. If a court of competent jurisdiction finds any term or provision of this Agreement to be void or unenforceable for any reason that term or provision will be deemed severed, and the remainder of the Agreement will remain in full force and effect according to its terms and provisions, to the maximum extent permitted by law.
- 17.5 No Third-Party Beneficiaries.** Other than the Owner's status as a third-party beneficiary to agreements between the Design-Builder and its subconsultants and subcontractors (See Section 6.9.1), nothing contained in this Agreement creates a contractual relationship with, or a cause of action in favor of any third

party against, either the Owner or Design-Builder. Owner and Design-Builder acknowledge and agree that the obligations of the Design-Builder are solely for the benefit of the Owner and are not intended in any respect to benefit any other third parties.

17.6 Waiver. No action or failure to act by the Owner or Design-Builder will constitute a waiver of a right or duty afforded them under this Agreement, nor will such action or failure to act constitute approval of or acquiescence in a breach of this Agreement, unless specifically agreed to in writing.

17.7 Time is of the Essence. Time is of the essence with respect to each and every provision of the Agreement and any subsequent Change Orders.

17.8 Notice. Any notice required to be given by this Agreement will be in writing and deemed effective upon personal delivery, or 1 business day after being sent via registered or certified mail return receipt requested or by overnight commercial courier providing next business day delivery and addressed to the following respective parties:

To Owner Representative:

With Copies To:

Project Manager
Santa Clara Valley Water District
5700 Almaden Expressway
San Jose, CA 95118

Design-Builder:

Vimal Patel
Project Executive
4650 Business Center Drive
Fairfield, CA 94534

Jessie Jardin
Project Manager
4650 Business Center Drive
Fairfield, CA 94534

17.9 Counterparts. This Agreement, and all amendments, may be executed in one or more counterparts, each of which when executed and delivered shall be an original, and all of which when executed and delivered shall constitute one Agreement. The counterparts of this Agreement, and all amendments, must be manually executed, but the exchange of copies of this Agreement and of manually executed signature pages by facsimile or by electronic mail as an attachment in portable document format (.pdf) to the addresses provided in this Agreement shall constitute effective delivery of this Agreement as to the Parties and may be used as a fully binding original in lieu of the original Agreement for all purposes.

- 17.10 Modifications.** All modifications to the terms and conditions set forth in this Agreement must be in writing and signed by an authorized representative of both parties.
- 17.11 Section Headings.** The Section headings contained in this Agreement are for reference purposes only and will not in any way affect the meaning or interpretation of this Agreement.
- 17.12 Legal Citations.** Legal citations to statutory requirements are included in the Agreement for convenience and an omission of any statutory requirement will not relieve the Design-Builder or its Design Professionals and Subcontractors from compliance with the law.
- 17.13 Exhibits.** The Supplemental Conditions and Exhibits listed in the Table of Contents are incorporated by reference into the Agreement as though set forth in full.
- 17.14 Entire Agreement.** This Agreement represents the entire integrated agreement between the Owner and Design-Builder and supersedes all prior oral and written negotiations, representations or agreements by the parties with respect to this subject matter.

This Agreement is entered into as of the Effective Date first written above.

SANTA CLARA VALLEY WATER DISTRICT

Kiewit Infrastructure West Co.

DocuSigned by:

Robert Farrell

22D5534E6EBC4E4...

Robert R. Farrell

Senior Vice President

DocuSigned by:

Brian Gardner

6F036EF2A0FF4A2...

(Witness)

(Witness)

Brian Gardner

(Printed Name)

(Printed Name)

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CAPITAL PROGRAM SERVICES
5750 ALMADEN EXPRESSWAY
SAN JOSE, CA 95118-3686
TELEPHONE (408) 265-2600
FACSIMILE (408) 979-5631
www.valleywater.org
scvwdplanroom@valleywater.org

Exhibits to Design-Build Agreement
FOR THE
COYOTE PUMPING PLANT ASDs
REPLACEMENT PROJECT
Project No. 91234002

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Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 1. SUPPLEMENTAL CONDITIONS

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SUPPLEMENTAL CONDITIONS TO DESIGN-BUILD AGREEMENT

1. DEFINITIONS

- 1.1 **“Acceptance”** means the formal written acceptance by the Owner of the completed Project, after completion of all Work in accordance with the Contract Documents and any modifications thereof previously approved, and satisfactory demonstration that the Project has met the Acceptance Test procedures and requirements set forth in the Contract Documents.
- 1.2 **“Acceptance Test or Acceptance Testing”** means a formal test, conducted in accordance with the Design-Builder’s Acceptance Test Plan, intended to demonstrate that the Project can successfully meet all Performance Requirements, including but not limited to, hydraulic and other performance criteria established in the Design-Build Agreement over a range of expected conditions. The Acceptance Test may also include other tests, such as power failure and emergency generation startup, to demonstrate Project functionality.
- 1.3 **“Agreement”** means the Design/Build Agreement between Santa Clara Valley Water District and Design-Builder, dated _____, 2022, including the Supplemental Conditions to the Agreement and all **Exhibits**.
- 1.4 **“Allowance”** is a non-binding, good faith, estimate of all Cost of Work attributable to the Allowance item carried in the Contract Price. An Allowance is necessary in certain circumstances because the item, components and/or systems are anticipated but undefined at the time that the Contract Price is set, and may require further development by the Engineer of Record, Owner, or other Design Professionals.
- 1.5 **“Design-Builder's Basis of Design Report”** is the report that provides an understanding of the baseline design requirements for the Project. The report provided by the Owner in **Exhibit 2**, and referred to as the Owner's Basis of Design Report in the Agreement, will be superseded by the Design-Builder's Basis of Design Report once that document is reviewed and accepted by the Owner. After acceptance, the Design-Builder's Basis of Design Report will govern all design work on the Project. The Design-Builder's Basis of Design Report must be consistent with, and elaborate on, the Base Design Criteria and 30% Design Package provided by the Owner.
- 1.6 **“Certificate of Substantial Completion”** is a certificate prepared by the Owner that establishes the date of Substantial Completion of the Project, or portions of the Project, the responsibilities of the Owner and Design-Builder for security, maintenance, heat, utilities, damage to the construction work and insurance, and that fixes the time within which the Design-Builder will finish all items on the Final Punch List accompanying the certificate. The Certificate of Substantial Completion will be submitted to the Owner and Design-Builder for their written acceptance of responsibilities assigned to them in the certificate.

- 1.7 “Change Order”** is a mutually agreed written order adjusting either the Design-Builders Contract Price and/or Contract Time in accordance with the Contract Documents. All Change Orders will be reviewed by the Owner and, if approved, executed by the Design-Builder and Owner.
- 1.8 “Construction Documents”** means the documents developed by Design-Builder that establish requirements for construction Work during Phase 2 of the Project. The Construction Documents will be informed by, and be consistent with the Base Design Criteria and 30% Design Package, the Design-Builder's Basis of Design Report, and the electronic design files.
- 1.9 “Construction Services”** means all labor, materials, equipment and appurtenances provided by the Design-Builder and its Subcontractors for complete construction of the Project in strict accordance with the Contract Documents.
- 1.10 “Contract Documents”** are set forth in Section 3.1 of the Agreement and include the Agreement inclusive of Exhibits, the Supplemental Conditions to the Agreement, the electronic design files, the Construction Documents and the design submissions to be developed by the Design-Builder, and all subsequent contract modifications issued after execution of the Agreement, such as Change Orders.
- 1.11 “Contract Price”** is set forth in Section 7 of the Agreement and reflects the sum total of all compensation due to the Design-Builder for all Phase 1 and Phase 2 design services and Construction Services under the Agreement. Compensation for Phase 1 will be on a not-to-exceed basis, as set forth in Section 7.2 of the Agreement. Compensation for Phase 2 will be on either a Guaranteed Maximum Price or lump-sum basis.
- 1.12 “Contract Time”** is the time within which the Design-Builder must achieve Substantial Completion, and Final Completion on the Project, as set forth in Section 8.1 of the Agreement.
- 1.13 “Daily Construction Reports”** means the daily log kept by the Design-Builder that describes the weather, each Subcontractor's work on the site, the number of workers per trade, identification of equipment, construction work accomplished, problems encountered, and other similar relevant data such as accidents, service connections or disconnections, construction work stoppage, delays, material and labor shortages, and any applicable orders or requests from governing authorities.
- 1.14 “Design-Builder” or “Design-Build Entity”** means Kiewit Infrastructure West Co.
- 1.15 “Design-Build Subcontractors”** means all Subcontractors that contract directly with the Design-Builder to perform design services and Construction Services related to a specific trade or discipline.

- 1.16 “Design-Build Team”** includes the general contractor, Design Professionals and Design Build Subcontractor members of the Design-Builder performing design services and Construction Services for the Project, as further detailed in **Exhibit 6B**.
- 1.17 “Design Professionals”** means the Engineer of Record, the structural engineer, and any other design consultants who are performing Design Services for the Project on behalf of Design-Builder.
- 1.18 “Design Services”** includes all required design work required to complete the Project, consistent with the Design-Builder's Basis of Design Report.
- 1.19 “Design to Budget”** means the Design-Builder's commitment to design the Project to be completed within the Project Budget stipulated by the Owner for the Project, as further described in Section 5.2.6 of the Agreement.
- 1.20 “Direct Cost of the Work”** means the verifiable costs necessarily incurred by the Design-Builder in the proper performance of the construction Work during Phase 2, including General Conditions, to which the applicable Fees will be applied. The Direct Cost of the Work is summarized in more detail in Section 7.5.1 of the Agreement, and may only include the items set forth in the Project cost model included in **Exhibit 3A** Phase 1 Scope of Work.
- 1.21 “Effective Date”** means the date that the Design-Builder and Owner entered into the Agreement, which is set forth on page 1 of the Agreement.
- 1.22 “Electronic Design Protocol”** means the electronic design protocol developed by the Design-Builder collaboratively with Owner and incorporated into the Agreement as **Exhibit 14**.
- 1.23 “Electronic Design”** is a parametric, computable representation of the Project design developed by the Design Build Team and includes construction details. As used in this Agreement, references to the electronic design include the primary design model or models and all linked, related, affiliated or subsidiary models developed for design, detailing, fabrication, or construction of the Project pursuant to the protocol set forth in **Exhibit 14**. The primary design model and subsequent models developed for design and construction are Contract Documents. Portions of the electronic design prepared by the Subcontractors to illustrate how they will construct, fabricate or install the certain components of the Project are Submittals detailing how they will implement the Contract Documents and therefore, are not Contract Documents.
- 1.24 “Engineer of Record”** is the individual retained by the Design-Builder as the lead Design Professional that is responsible for the design of the Project and the stamping of the Construction Documents. The Engineer of Record for this Project is Mark Smith, P.E., Stantec Consulting Services Inc..
- 1.25 “Facilities”** means all equipment, products, materials, and piping required for the Project, both individually and collectively as a completed system comprising the completed Project.

- 1.26 “Final Completion”** occurs on the date when Design-Builder has achieved Substantial Completion; all Final Punch List items have been completed and accepted by the Owner; all close-out documentation required under the Project specifications has been transmitted to the Owner; and the Owner’s personnel have received the required training sessions regarding operation of the building and mechanical, electrical, controls, and plumbing systems.
- 1.27 “Final Completion Date”** This date will be subject to clarification and negotiation during Phase 1.
- 1.28 “Final Punch List”** is the punch list prepared by the Design-Builder in conjunction with the Owner after completing a Project walk-through upon Substantial Completion.
- 1.29 “Force Majeure Event”** means an Act of God as defined under Public Contract Code section 7105, civil disobedience, labor strike, an act of terror, epidemic, pandemic, or unavoidable casualties beyond the Design-Builder’s control, and not due to any act or omission of the Design-Builder or its Design Professionals and/or Subcontractors, that necessarily extends the Final Completion Date. Delays caused by the COVID-19 pandemic are expressly excluded from the definition of Force Majeure Event, except to the extent that COVID-19 variants cause the Project to shut down for more than 3 days, or materially affect Design-Builder’s ability to perform the work or obtain critical equipment in a way that was not anticipatable as of the date of execution of this Agreement.
- 1.30 “Geotechnical Interpretive Report” or “GIR”** means the final assessment of geotechnical conditions on the Project developed by the Design-Builder, if deemed necessary, in coordination with the Owner, and approved by both the Design-Builder and the Owner. The GIR will be based on information provided in the Design-Builder’s Basis of Design Report, but may be enhanced by additional borings, cone penetration soundings, and investigations and studies deemed necessary by the Design-Builder for a successful Project.
- 1.31 “Guaranteed Price”** means an all-inclusive price proposed by the Design-Builder for all construction work on the Project, which may be accepted by the Owner memorialized in the Guaranteed Price Amendment to the Agreement. At the Owner’s discretion, the Guaranteed Price will be converted either to a Guaranteed Maximum Price with a shared savings provision, or to a Lump Sum with applicable discount. Guaranteed Price may also apply to discrete scopes proposed by the Design-Builder as early work packages.
- 1.32 “Hazardous Materials and Substances”** means any substance, product, waste, or other material of any nature that is or becomes listed, regulated or addressed under one or more of the following Environmental Laws: (1) CERCLA, (2) Hazardous Materials Transportation Act, (3) RCRA, (4) the Clean Water Act, (5) the Toxic Substance Control Act, (6) HSAA, (7) the California Porter-Cologne Water Quality Control Act, (8) the California Hazardous Waste Management Act, (9) the California Safe Drinking Water Act, (10) the California Waste Management Act, and (11) any other Federal or State law or local ordinance concerning hazardous, toxic or dangerous substances, wastes, or materials.

- 1.33 “Key Personnel”** means the Design-Builder’s personnel identified as key to the overall success of the Project, and, at a minimum, including those positions defined as Key Personnel in the Design-Builder’s the Statement of Qualifications and Proposal in the RFQ and RFP. The Design-Builder’s Key Personnel are specifically identified in **Exhibit 6B**.
- 1.34 “Milestone Date”** means the milestone dates listed in Agreement section 5.11 and any other milestone dates agreed by the Parties as part of Phase 1 and Phase 2.
- 1.35 “Monthly Project Schedule”** is defined in Section 8.2 of the Agreement.
- 1.36 “Owner”** means the Santa Clara Valley Water District.
- 1.37 “Owner-Elected Changes”** are changes in the Work directed by the Owner that may impact the Contract Price, Substantial Completion Date and/or Final Completion Date and are not: (i) during Phase 1, reasonably inferable from Exhibit 2, Owner’s Basis of Design Report (ii) during Phase 2, reasonably inferable from the Design-Builder’s Basis of Design Report, or (iii) required as a result of design errors and omissions.
- 1.38 “Owner’s Project Criteria”** include criteria that Design Professionals shall perform design work consistent with in designing the Project, which shall include the Owner’s design-standards and Owner’s current Construction Specifications, Standard Provisions S0020 (03-29-22). Owner’s Project Criteria shall not be deemed Performance Requirements unless specifically identified as a Performance Requirements included in the Design-Builder’s Basis of Design Report.
- 1.39 “Owner’s Suspension of Work”** is when the Owner elects to suspend progress of Work on the Project under Section 16.2 of the Agreement.
- 1.40 “Party” or “Parties”** means the Design-Builder or the Owner in the singular or the Design-Builder and Owner collectively who have executed the Agreement.
- 1.41 “Performance Requirements”** means Criteria that define measurable project performance criteria and operational objectives. These criteria include technical requirements, standard construction specifications, and quality standards.
- 1.42 “Phase”** refers to stages of the progressive design-build process, where Phase 1 consists of preconstruction services and Phase 2 consists of construction services, each as further detailed in **Exhibit 3**.
- 1.43 “Preconstruction Survey”** means the preconstruction survey of the Work site conducted by the Design-Builder during Phase 1, as described in more detail in the Scope of Work.
- 1.44 “Product Data”** includes illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the

Design-Builder's Subcontractors illustrating materials or equipment for some portion of the construction work.

- 1.45 “Project”** means the Coyote Pumping Plant Adjustable Speed Drives (ASDs) Replacement Project.
- 1.46 “Project Budget”** means the total estimated Project cost of \$25 million, which includes Valley Water's total budget for design and construction.
- 1.47 “Project Site”** means those areas where the Design-Builder will be performing Work for the Project, including all areas in the field where construction, engineering or geotechnical work will be formed, as well as field office sites, any property used for storage for material for the Project, staging areas dedicated to the Project, and areas where activities incidental to the Project are being performed by the Design-Builder and its team members but excluding any home office locations of the Design-Builder or team members.
- 1.48 “Project Baseline Schedule”** means the approved critical path schedule prepared by the Design-Builder for performance of all Phase 1 and Phase 2 Work, as developed and agreed upon in conjunction with the Guaranteed Price Amendment. The initial Project Baseline Schedule will be submitted early during Phase 1 and will be revised over the course of Phase 1.
- 1.49 “Punch List”** is a list prepared by the Design-Builder, when Design-Builder considers the Project to be substantially complete, that includes all items of remaining Work that are incomplete or unsatisfactorily finished and a schedule for their completion.
- 1.50 “Reference Documents”** means the planning and geotechnical reports provided to the Design-Builder and which can be accessed at an online location specified by Owner. Reference documents are not part of the Contract Documents.
- 1.51 “Samples”** means physical examples of materials, equipment or workmanship required by the Construction Documents that are used to establish standards by which the construction work will be judged.
- 1.52 “Shop Drawings”** means drawings, diagrams, and other data specially prepared by the Design-Builder and/or its Subcontractors, manufacturers, suppliers or distributors to demonstrate the way in which materials and equipment will perform in accordance with the design illustrated in the Construction Documents. Shop Drawings will be approved by Design-Builder, but Owner will also review.
- 1.53 “Site Logistics Plan”** will provide phasing, establish the areas of the site that will be used for trailers, deliveries, staging, ingress and egress, location of major pieces of equipment, storage containers, stockpiles of materials, clearways used for emergency access, environmental controls, trailers for Design-Builder and Owner, fence line, approach to avoiding damage to existing pipes at the site, etc.
- 1.54 “Skilled and Trained Workforce”** means a workforce that meets all of the requirements of the Public Contract Code at section 2601(d).

- 1.55 “Staffing Plan”** means the plan attached as **Exhibit 6A**.
- 1.56 “Subcontractor”** means all contractors under direct contract with Design-Builder for performance of a portion of the construction work as well as any lower tier-subcontractors. The term subcontractor includes Design-Build Subcontractors.
- 1.57 “Submittals”** includes Shop Drawings, Product Data, Samples and similar documentation required by the Project specifications or other Construction Documents.
- 1.58 “Substantial Completion”** means completion of all Work for the Project, including but not limited to design, construction, startup, commissioning, and Acceptance Testing requirements, in accordance with the Contract Documents, and sufficient for the Owner to occupy and use the Project for its intended purpose; notwithstanding the foregoing, incomplete minor Punch List work that does not affect Owner’s ability to occupy and use the Project for its intended purpose shall not prevent achievement of Substantial Completion. Owner may choose to use designated facilities before Acceptance, pursuant to Section 5.15.9.6 Use Before Acceptance.
- 1.59 “Substantial Completion Date”** refers to Substantial Completion of the Project, including satisfactory completion of the applicable Acceptance Tests, as set forth in Section 5.16 of the Agreement.
- 1.60 “Supplemental Conditions”** means the Supplemental Conditions to the Agreement attached and incorporated as **Exhibit 1**.
- 1.61 “Differing Site Conditions”** means discovery of unknown, unforeseen or differing site conditions, as defined in Public Contract Code section 7104, or any geotechnical conditions that differ from the approved Geotechnical Interpretive Report.
- 1.62 “Work”** means all necessary programming, design, permitting, construction, construction administration, project management and commissioning required to complete the Project, including all labor, materials, equipment, tools, and appurtenances necessary to complete the Construction Services described in, or reasonably inferable from, the Contract Documents.
- 1.63 “30% Design Package”** means the Project design package commissioned by the Owner to establish Project features, design criteria, and requirements. The Owner’s 30% Design Package includes the Owner’s Basis of Design Report, 30% Drawings, and 30% Specifications. For additional information, see Section 1.1.2 of the Owner’s Project Criteria.

2. [RESERVED]

3. WORK RESTRICTIONS

- 3.1 Work Hours and Work Periods.** All construction work will be performed between 8:00 a.m. and 5:00 p.m., Monday through Friday unless further restricted by permit requirements. Design-Builder will provide Owner with written notice for any construction work that will need to be performed after hours. All after hour construction work requires Owner's written approval prior to commencement. Work that removes a pump from service must occur during the low demand season (November 15 – March 15).
- 3.2 Noise.** All construction work will be performed with minimal disruption and noise and in accordance with CEQA mitigation requirements.
- 3.3 Traffic Mitigation Measures.** Design-Builder will comply with all traffic mitigation measures specified for the Project in the BODR, and all relevant project approvals and agreements.
- 3.4 Best Management Practices Action Plan.** Before commencing construction work, the Design-Builder will prepare and submit a best management practices action plan to the Owner that confirms compliance with all requirements included in the environmental document, NPDES permit for the Project and all other applicable storm water pollution prevention requirements, as discussed further in **Exhibit 3A** (Phase 1 Scope of Work).
- 3.5 Staging and Storage.** Material will be stored only in the areas indicated on the Site Logistics Plan. Limited short term staging areas will be designated in the Site Logistics Plan.
- 3.6 Owner's Operations.** In the event the Owner determines that the construction activities impact Owner's operations, upon notice from Owner, Design-Builder will stop all construction activities and will collaborate with Owner to reschedule the activity. See Section 16.2 of the Design-Build Agreement.

4. SOILS INVESTIGATIONS AND HAZARDOUS MATERIALS AND SUBSTANCES

- 4.1 Required Site Examination.** The Design Builder is required to examine the site before submitting its proposal for the Guaranteed Price Amendment per Section 5.6 of the Agreement. Design-Builder may conduct further testing of the site in preparing the GIR as detailed in Section 5.7 of the Agreement.
- 4.2 Hazardous Materials and Substances.** The Design-Builder is responsible for the proper discovery, handling, removal and disposal of the "**Hazardous Materials and Substances**" that were pre-existing at the Project Site before commencement of construction. The Design-Builder will not be considered the generator of any pre-existing Hazardous Materials and Substances on the Project Site and all manifests will be signed in accordance with applicable local, state, and federal requirements. The Design-Builder is also responsible for all Hazardous Materials and Substances that it either requires through the Project

design specifications or that are brought onto the Project Site by its employees and/or Subcontractors.

4.2.1 Unsafe or Hazardous Conditions. If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from any Hazardous Materials and Substances encountered at the Project Site, the Design-Builder will stop any part of the Work that it deems unsafe until corrective measures have been taken. If the Design-Builder fails to take corrective measures, the Owner may do so. Failure on the part of the Owner to stop unsafe practices, or the Owner's efforts to take corrective measures after the Design-Builder fails to do so, does not relieve or diminish the Design-Builder's safety responsibilities.

4.2.2 Verification. Upon discovery of any Hazardous Material and Substances that had not previously been identified in the Design-Builder's Hazardous Material Survey or the Geotechnical Interpretive Report, as discussed further in **Exhibit 3A** (Phase 1 Scope of Work), the Design-Builder will immediately notify the Owner and stop all construction work in the area if necessary. The Owner will retain the services of a licensed laboratory to verify the presence or absence of Hazardous Material and Substances not initially identified in the Geotechnical Interpretive Report. If Hazardous Material and Substance are discovered that was not identified in the Geotechnical Interpretive Report, the Owner will contact its licensed laboratory to verify that the condition has been rendered harmless before construction work recommences in the affected area. The Design-Builder may be entitled to an adjustment in the Contract Time or Contract Price if the Hazardous Materials and Substances are deemed a Differing Site Condition as stated in Sections 8.4 and 9 of the Agreement. If the Hazardous Materials and Substances were pre-existing the Owner will pay for the services of the licensed laboratory. The Design-Builder will reimburse the Owner for the services of the licensed laboratory if the Hazardous Material and Substance was brought on-site by the Design-Builder or any of its Subcontractors or vendors.

5. SAFETY

- 5.1 Signs.** The Design-Builder will erect and maintain, as required by existing conditions and performance of the construction work, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations, and notifying owners and users of adjacent sites and utilities.
- 5.2 Weekly Safety Meetings.** The Design-Builder will hold weekly meetings with its Subcontractors to review Subcontractor compliance with the Design-Builder's Health and Safety Program.
- 5.3 Daily Jobsite Walks.** The Design-Builder will also conduct daily jobsite inspections to verify that the construction work is being performed in a safe and workmanlike manner and in accordance with the Design-Builder's Health and

Safety Program. The Design-Builder will provide written notice to its Subcontractors demanding immediate correction of any known safety violation.

6. QUALITY ASSURANCE AND QUALITY CONTROL

6.1 Design Quality Control Plan. The Design-Builder will prepare and submit to the Owner for approval a Design-Quality Control Plan that describes the procedures and methods the Design-Builder will utilize to control the quality of the design work. The Design Quality Control Plan must be approved before the start of design. The Owner reserves the right to require revisions of the Design Quality Control Plan that are necessary to ensure the specified quality of the design work. The Design Builder will assign appropriate personnel to oversee quality control. No change in the Design Quality Control Plan will be implemented without prior Owner approval.

6.2 Construction Quality Control Plan. The Design-Builder will prepare and submit to the Owner for approval a plan that describes the procedures and methods the Design-Builder will utilize to control the quality of the construction work. The Quality Control Plan must be approved before the start of construction. The Owner reserves the right to require revisions of the Quality Control Plan that are necessary to ensure the specified quality of the construction work. The Design Builder will assign appropriate site personnel to oversee quality control. No change in the Quality Control Plan will be implemented without prior Owner approval. At a minimum the Quality Control Plan will provide information regarding the following:

6.2.1 Quality control supervision and document control.

6.2.2 Identification of personnel for required training and qualification activities.

6.2.3 Procedures for testing and inspections that identify individual inspection or testing points and acceptance criteria, and include provisions for recording results and the responsible inspection/test personnel.

6.2.4 Procedures for identifying what applicable technical and quality requirements will be required of vendors supplying materials, parts and services to ensure compliance with the Contract Documents.

6.2.5 Procedures for receiving, inspecting and accepting materials and equipment. The procedures will include, at a minimum, examination of the physical condition for compliance with the Contract Documents, purchase order and/or subcontract agreement, and identifying and processing any non-conforming goods.

6.2.6 Provisions for identifying and timely remedying non-conforming or defective construction work.

6.2.7 Documentation control to maintain records of the activities included in the Quality Control Plan. All documentation will be submitted to the Owner as

part of the close-out documentation for this Project and therefore must be logically organized and indexed for reference.

6.3 Manufacturer's Field Services. To the extent required, the Design-Builder will engage in a factory-authorized service representative to inspect field-assembled components and equipment installation, including service connections. All manufacturers' field service reports must be in writing and included as part of the records turned over to Owner during close-out.

6.4 Quality Control Reports. The Design-Builder will keep daily Quality Control Reports throughout the duration of the construction process certifying that the relevant area of the construction work has been inspected. The Quality Control Reports will be prepared, signed and dated by the personnel identified as the supervisor in the Quality Control Plan and will include, at a minimum, the following information:

6.4.1 Identification of the material, equipment or component that was inspected and indicate, if applicable, if the Submittals have been reviewed and approved by the Design-Builder.

6.4.2 Indicate that materials and/or equipment comply with the requirements of Section 5.15.9 of the Agreement and are properly stored, if not yet installed.

6.4.3 Indicate that the construction work has been performed in such a manner that that all required preliminary work has been inspected by Quality Control personnel, was properly performed, and that the area is ready to receive subsequent construction work. If the construction work is not acceptable, provide a written description of any re-work required in the area inspected with an explanation of the cause of the re-work (including which Subcontractors are involved), any cost involved in the required work, and the expected completion date of the required re-work.

6.4.4 Results of any off-site testing or quality control work and any required further actions.

6.4.5 Other necessary information including, directions received, quality control problem areas, deviations from the Quality Control Plan, construction deficiencies encountered, Quality Control meetings held, acknowledgement that as-built drawings and electronic design files have been updated (if applicable), corrective direction given by Quality Control personnel, and corrective action taken by the Design-Builder.

6.5 Quality Control Design Reports. The Design-Builder will keep daily Quality Control Design Reports throughout the duration of the construction process certifying that the relevant area of the construction work has been inspected. The Quality Control Design Reports will be prepared, signed and dated by the personnel identified as the supervisor in the Design Quality Control Plan. Quality Control Design Reports should be submitted as part of each design submittal.

6.6 Test and Inspection Logs. The Design-Builder will maintain an on-site inspection log that is accessible by the Owner. The log will document all tests and inspections performed at the Project during construction. In addition, the Design-Builder will prepare a sequentially numbered record of tests and inspections. The record of tests will include the following information:

6.6.1 Request for Inspection.

6.6.2 Date test or inspection was conducted.

6.6.3 Identity of testing agency or special inspector.

6.6.4 Description of the construction work tested or inspected.

6.6.5 Identification of any drawings or applicable details on the Construction Documents or Submittals that were used during testing and inspection.

6.6.6 Date that the test or inspection was concluded and the date that the results were transmitted to Owner.

7. TEMPORARY FACILITIES

7.1 Temporary Electricity. Design-Builder will provide, maintain, and pay for temporary electrical power at the Project Site for construction purposes and trailers. In certain situations, permanent power may be available through Owner, but the Design-Builder must provide all necessary wiring and appurtenances for connection to Owner's system, if allowed. Design-Builder must meter all connections to Owner's system to determine usage rates.

7.2 Temporary Communications. The Design-Builder will provide, maintain, and pay for all applicable communications and data service connections for field offices pursuant to the terms of the Agreement, including all installation and connection charges.

7.3 Temporary Water. The Design-Builder will provide, maintain, and pay for all required potable water required for construction field personnel as well as water required for and in connection with the construction operations such as dust control. Unnecessary waste of water will not be permitted. The Design-Builder must use special hydrant wrenches for opening and closing fire hydrants in lieu of pipe wrenches.

7.4 Temporary Fences. The Design-Builder will provide all necessary temporary fencing and gates required for the Project Site. Temporary fencing will be subject to restrictions in the use permit. The Design-Builder will maintain all fences for active work areas through Final Completion of the Project. Gates are to remain closed and locked during off-hours.

7.5 Temporary Sanitary Facilities. Provide and maintain all required temporary toilets for use of all design and construction personnel and field labor at the Project Site through Final Completion of the Project. Location of temporary sanitary facilities will be approved by Owner prior to delivery. The Design-builder

will provide at least 1 temporary toilet facility for every 20 persons. The Design-Builder will cause all design and construction personnel (including field labor) to use temporary sanitary facilities rather than Owner's sanitary facilities. All temporary sanitary facilities will comply with the Department of Health standards.

- 7.6 Temporary Barriers and Enclosures.** Provide barriers to prevent unauthorized entry to construction areas, to allow for Owner's safe use of the Project Site, and to protect existing facilities and adjacent properties from damage from construction operations.
- 7.7 Water Control.** Design-Builder will grade the Project Site as required by the civil design included in the Construction Document. During construction, the Design-Builder will maintain all trenches and excavated areas free from water accumulation and will provide the necessary barriers to protect the Project Site from ponding, running water and soil erosion. The Design-Builder will provide for increased drainage of storm water and any water that may be applied or discharged on the Project Site during performance of the construction work. All drainage facilities will be adequate to prevent damage to the construction work, Project Site, and adjacent property. Design-Builder will construct dikes, if necessary, to divert any increased runoff from entering adjacent property (except in natural channels), to protect Owner's property and the construction work, and to direct water to drainage channels or conduits. Design-Builder will provide ponding as necessary to prevent downstream flooding. Design-Builder shall be solely liable for any loss or damages resulting from Design-Builder's failure to comply with the provisions of the Regional Water Quality Control Board Construction General Permit. This includes preparation and compliance with a Stormwater Pollution Prevention Plan ("SWPPP"). All activities shall be consistent with the SWPPP."
- 7.8 Pollution Control.** The Design-Builder will provide a plan that meets the requirements of California Storm Best Management Practices (Stormwater Quality Task Force, 1993) to prevent the pollution of drains and watercourses by sanitary wastes, sediment, debris, and other substances and/or soil erosion during construction operations:
- 7.8.1** No sanitary wastes will be permitted to enter any drain or watercourse other than sanitary sewers. No sediment, debris, or other substance will be permitted to enter sanitary sewers without authorization of the receiving sanitary sewer service, and all possible best management practices will be taken to prevent materials from entering into any drain to watercourse.
- 7.8.2** In the event that dewatering of excavations is required, Design-Builder will obtain the necessary permits from local governmental authorities for discharge of the dewatering effluent. The Design-Builder will be responsible for assuring that water quality of the discharge meets the appropriate permit requirements prior to any discharge.

7.9 Erosion Control. As part of the civil design, the Design-Builder will provide an erosion control plan that is consistent with SWPPP to prevent soil erosion at the Project Site and adjacent property resulting from construction operations. Effective measures will be initiated before commencement of clearing, grading, excavation, or other operations that will disturb the natural protection:

7.9.1 Erosion and sedimentation control practices will include installation of silt fences, straw wattle, soil stabilization, re-vegetation, and runoff control to limit increases in sediment in stormwater runoff, including but not limited to, detention basins, straw bales, silt fences, check dams, geo-fabrics, drainage swales, and sand bag dikes.

7.9.2 The construction work will be scheduled to expose areas subject to erosion for the shortest possible time, and natural vegetation will be preserved to the greatest extent practicable. Temporary storage and construction buildings will be located, and construction traffic routed, to minimize erosion. Temporary fast-growing vegetation or other suitable ground cover will be provided as necessary to control runoff.

7.10 Construction Equipment and Aids. Design-Builder will furnish, install, maintain, and operate all construction equipment required by the performance of the construction work. Construction aids include elevators and hoists, cranes, temporary enclosures, swing staging, scaffolding and temporary stairs. When sandblasting, spray painting, spraying of insulation, or other activities inconveniencing or dangerous to property or the health of design or construction personnel or the public are in progress, Design-Builder will enclose the area of activity to contain the dust, over-spray, or other hazard.

7.11 Traffic Control. The Design-Builder will provide a traffic control plan in accordance with the California Department of Transportation Traffic Manual as part of its Site Logistics set forth in **Exhibit 7B**. The Design-Builder will submit its traffic control plan to the appropriate agency or agencies for approval before commencement of the construction work:

7.11.1 Traffic control will include signs, warning lights, reflectors, barriers, and other necessary safety devices and measures, including sufficient flagmen to direct vehicular traffic through the construction areas. No material or equipment will be stored or parked where it will interfere with the free and safe passage of public traffic. Design-Builder will remove all equipment and other obstructions from the public right-of-way at the end of each day's work, and at other times when construction operations are suspended for any reason.

7.11.2 All traffic associated with construction operations, including without limitation delivery and mail trucks, will enter Design-Builder's access gate and road. Design-Builder will provide signs directing construction and delivery traffic to this gate and will take all necessary steps to minimize inconvenience to the Owner and the general public throughout the construction process. No driveways or private roads will be blocked

without notifying the property owner, and access must be restored during all non-working hours.

7.11.3 Safe access must be maintained for pedestrian traffic throughout any public work area at all times.

7.11.4 At least one lane of traffic in each direction on all roads used on the Project must be kept open at all times unless prior approval is provided by the Owner and any affected agency. No roads will be blocked or made inaccessible, due to Design Builder's construction work, without prior written consent of the Owner and the affected agencies in the form of an encroachment permit. Under no circumstances will the Design-Builder block or obstruct fire lanes at any time.

7.12 Removal of Temporary Facilities and Equipment. The Design-Builder will remove all temporary utilities, equipment, facilities, and materials before final inspection of the Project and clean and repair any damage caused by installation or use of temporary work restoring existing facilities to their original conditions.

8. SURVEYING

8.1 Field Engineering. The Design-Builder will employ a California State licensed civil engineer or land surveyor to provide field engineering services to establish benchmarks and line and grade for horizontal and vertical control.

9. DEMOLITION

9.1 Demolition Plan. Prior to commencing any required demolition work, the Design-Builder will submit a plan to the Owner for review and approval. Under no circumstances, can demolition interrupt the Owner's operations. The Design-Builder's plan, at a minimum, will address the following:

9.1.1 Identify areas that will require demolition and provide a schedule for those demolition activities that is coordinated with the Owner's operations and the approved Project Baseline Schedule.

9.1.2 Inventory materials and equipment that will be salvaged during demolition and whether the salvaged materials and equipment will be reused, returned to the Owner, or sold at fair market value on behalf of the Owner.

9.1.3 Document procedures for protecting the adjacent properties, structures and/or building materials, equipment and components that are remaining, as well as protection plans for adjacent property and persons.

9.1.4 Document procedures for proper ventilation, noise, and dust control during demolition operations and clean-up after demolition is completed.

9.1.5 Document procedures for required disruption of any utility service as a result of demolition activities and a record of any utilities that are capped during the process. Any required shut-off or interruption of service must

be approved in writing by the Owner 14 business days in advance, and all necessary water, emergency power, etc., must be in place prior to shut-off or disruption.

9.1.6 Provide for all required temporary sheeting, shoring, bracing or other structural support necessary to ensure stability of adjacent properties and prevent movement, settlement or collapse during demolition operations. All required temporary structural support will be designed by a California licensed structural or civil engineer.

9.1.7 Document procedures that deal with encountering Hazardous Materials and Substances that comply with Section 18.14 of these Supplemental Conditions.

9.1.8 Document procedures for hauling away and disposal of any demolished materials and equipment. The procedures should include, among other things, requirements for refrigerant recovery under Environmental Protection Agency, a list of all required hauling permits, requirements for hauling and disposing of Hazardous Waste, volatile organic compounds or any other substance that is regulated by Health and Safety Code, the Bay Area Air Quality Management District "BAAQMD" or any other governmental agency that regulates the proper hauling and disposal of certain materials and substances.

9.1.9 Document procedures to ensure that removal and replacement of equipment will not void any existing warranties.

9.1.10 Require a survey of existing conditions and video or photographic documentation before commencement of the demolition activity to demonstrate existing conditions of adjacent areas or property.

9.2 Permits and Fees. The Design-Builder will secure all required hauling permits. The Owner will reimburse the Design-Builder at cost, for all permits and dumping fees as part of the Cost of Work.

10. PROTECTION OF WORK AND PROPERTY

10.1 Design-Builder will be responsible for providing a safe place for the performance of the construction work and for the physical conditions and safety of areas affected by the construction work. Design-Builder will take all necessary precautions to provide for the safety and protection of all persons who may come in contact with the construction work and for all property within or adjacent to the Project Site including adequate precautions to protect existing sidewalks, curbs, pavements, utilities, and other adjoining property and structures. Design-Builder will repair any damage caused by its operations at its own expense and will provide protection to prevent damage, injury or loss to:

10.1.1 Employees and other persons at the Project Site.

10.1.2 Equipment, materials, and vehicles stored at the site or off-site if under the care, custody, or control of the Design-Builder or its Design Professionals or Subcontractors.

10.1.3 Existing structures, property and the work of others when carrying out Design-Builder's Work.

10.2 These precautionary measures will apply continuously and not be limited to normal working hours.

10.3 If damage to persons or property occur as a result of the construction work, Design-Builder will be responsible for proper investigation, documentation, including video or photography, to adequately memorialize and make a record of what transpired. The Owner will be entitled to inspect and copy any documentation, video, or photographs.

11. WORKERS AND WORKERS' COMPENSATION

11.1 Design Builder will at all times enforce strict discipline and good order among its employees. Design Builder will not employ on the Project any unfit person or unskilled labor.

11.2 Design Builder and its Subcontractors are required to secure the payment of compensation of its employees in accordance with Labor Code section 3700. Before commencing the Work, the Design Builder, its Design Build Team members, and its Subcontractors will sign and file a certification with the Owner under Labor Code section 1861 stating the following:

I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the any work or services under the Design-Build Agreement or any subcontract or design service agreements.

12. CHANGE IN NAME OR LEGAL ENTITY

12.1 If a change in name or nature of the Design-Builder's legal entity is anticipated, the Design Builder will notify the Owner to ensure that the change will be properly reflected on the Agreement.

13. PROHIBITED INTERESTS

13.1 No public official or representative of the Owner who is authorized in such capacity and on behalf of the Owner to negotiate, supervise, make, accept, approve, or to take part in negotiating, supervising, making, accepting or approving any engineering, inspection, construction or material supply contract or any subcontract in connection with design and construction of the Project, will be or become directly or indirectly interested financially in this Agreement.

14. LAWS AND REGULATIONS

- 14.1** Design Builder will give all notices and comply with all laws, ordinances, rules and regulations bearing on conduct of Work. If Design Builder observes that the Contract Documents are at variance with any laws, ordinances, etc., Design Builder will promptly notify the Owner, in writing, and any necessary changes will be adjusted. If Design Builder performs any Work knowing it to be contrary to such laws, ordinances, rules and regulations, and without notice to the Owner, it will bear all costs associated with any required corrections or repairs.

15. ELECTRONIC DESIGN

- 15.1 Electronic Design Workshop.** The Design Build Team will meet and develop detailed protocols for the use of electronic design on this Project collaboratively with Owner, which will be documented in the Electronic Design Execution Plan that will be incorporated into the Agreement as **Exhibit 14**. Among other things, the protocols developed will:
- 15.1.1** Specify where and how electronic design files will be maintained including the parties with substantive responsibility for controlling the information within specific models or model elements;
 - 15.1.2** Provide minimum hardware and software requirements, including the software (including software revision or build date if applicable) that will be used to develop the electronic design files;
 - 15.1.3** Specify protocols for naming conventions, data structure, version control, roll-back, gate keeping, and archiving;
 - 15.1.4** Establish a common coordinate system and conventions as to units;
 - 15.1.5** Specify what building components or systems will be modeled and the level of detail that will be modeled and incorporate appropriate allowances for differing construction tolerances. Designers are required to design to accurate dimensions in the electronic design files;
 - 15.1.6** Specify when and how information regarding constructability and cost will be derived from the electronic design files and provided to the designers to inform design;
 - 15.1.7** Specify when and how existing site information is incorporated into the Model;
 - 15.1.8** Specify how RFIs, clarifications, Shop Drawing and Submittal information will be reviewed and incorporated into the electronic design files;
 - 15.1.9** Specify when and how clash detection/conflict resolution sessions will occur;

- 15.1.10** Determine what information is more efficiently developed and conveyed using traditional 2D design tools and develop protocols for assuring consistency between the electronic design files and ancillary 2D information;
- 15.1.11** Specify how electronic design files will be updated and function as a Record Model; and
- 15.1.12** Specify what design information, if any, will be developed or maintained outside of the electronic design files.
- 15.1.13** The electronic design workshop will be scheduled by the Electronic Design Administrator early in the design process. Any disagreement regarding protocols will be decided by the Owner. The Electronic Design Administrator described in Section 15.2 below will document the decisions reached in the Electronic Design Execution Plan.

15.2 Electronic Design Administrator. Each Design Build Team Member is responsible for maintaining any individual design or analysis models and providing their modeling information, at appropriate intervals, to the administrator of the Electronic Design ("Electronic Design Administrator"). The Design Builder will select an Electronic Design Administrator who is responsible for receiving modeling information from the Design Build Team and incorporating the information into a master electronic design. Unless otherwise agreed, the Electronic Design Administrator will host and manage the modeling information.

15.3 Status of the Electronic Design. Design Builder will construct the Project in accordance with the electronic design that complies with the Base Design Criteria and 30% Design Package, Design-Builder's Basis of Design Report, and all Specifications and other Contract Documents subject to any subsequent modifications. Elements necessary for a fully functional Project, but not modeled due to their size or level of detail, will be provided by the Design Builder as part of its Construction Work with a level of quality consistent with the Base Design Criteria and 30% Design Package, Design-Builder's Basis of Design Report, and all approved Permitted Drawings and Specifications. It is anticipated that some design information, such as construction details, will not be incorporated into the electronic design, but will be prepared as conventional 2D drawings or CAD files. Subject to the agreed level of modeling, the electronic design provides dimensional information supplemental to the 2D Drawings. Some design information will only be contained in the written Specifications. The electronic design, the 2D Drawings, and the written Specifications are all Contract Documents.

15.4 Submission of Signed and Stamped Drawings. 2D Drawings, calculations and Specifications must be generated, reviewed, sealed, and submitted to reviewing agencies and applicable Governmental Authorities. The Engineer of Record and Consultants and the Design-Build Subcontractors will each be responsible for, and will sign and stamp, the Drawings, Specifications and calculations prepared by them. To the greatest extent possible, the 2D Drawings may be generated from the electronic design.

15.5 Miscellaneous Electronic Design Issues

- 15.5.1** Participation by Design Builder or any Subcontractor or supplier, other than Design-Build Subcontractors, in contributing data or advice for use in the electronic design will not be deemed the provision of Design Services.
- 15.5.2** A person may only rely on the substantive information contained within any data in the electronic design files to the extent appropriate to the level of detail required of the electronic design at the time.
- 15.5.3** Any corrections or repairs to the electronic design files as a result of the failure of the Engineer of Record, Design Builder, or those for whom they are responsible to comply with the provisions of the Electronic Design Execution Plan will be a Cost of the Work without an increase in the Contract Price or Contract Time.

16. PARTNERING

The Owner and Design-Builder will consider participating in regular partnering sessions throughout the course of the Project in order to maintain cooperative communication, to resolve potential sources of conflict before they escalate into disputes, to resolve conflicts at the lowest possible management level, and to increase the prospects of success on the Project. If both parties agree that partnering will be beneficial, Design-Builder and Owner will agree on a partnering facilitator, as well as details of the proposed partnering structure and procedures. The partnering facilitator shall schedule and administer a one or two day "Partnering" workshop at a mutually agreeable workshop site, to be conducted within 30 days of the issuance of the Notice to Proceed for the Project.

The costs involved in providing a facilitator and a workshop site will be borne equally by the Owner and the Design-Builder. The Design-Builder will pay all compensation for the wages and expenses of the facilitator, and the expenses for securing the workshop site. The Owner's share of such costs will be reimbursed to the Design-Builder in a change order written by the Owner. Markups will not be added. All other costs associated with the "Partnering" relationship will be borne separately by the party incurring the costs.

The establishment of a "Partnering" relationship will not change or modify the terms and conditions of the contract and will not relieve either party of the legal requirements of this contract.

17. DISPUTE RESOLUTION

There are multiple levels of dispute resolution applicable to the Work under the Agreement, which must be satisfied in sequence, as follows: (1) Change Order procedures pursuant to Section 9 of the Agreement; (2) Dispute Resolution procedures outlined in this Section 17; and (3) Public Contract Code Claims Procedures summarized in Section 18.12 of these Supplemental Conditions.

As a prerequisite to proceeding with the Dispute Avoidance and Resolution procedures under Section 17.1, Design-Builder must first comply with all Change Order procedures in Section 9 of the Agreement.

17.1 Dispute Avoidance and Resolution. The parties are fully committed to working with each other throughout the Project and agree to communicate regularly with each other at all times so as to avoid or minimize disputes. If disputes do arise, Design-Builder and Owner each commit to resolving such disputes in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the Work.

Design-Builder and Owner will first attempt to resolve disputes or disagreements at the field level through discussions between Design-Builder's Representative and the Owner which will conclude within fourteen (14) days of the date notice of the dispute is submitted to the other party. In no event will such notice be provided more than ten (10) days of the occurrence of the event giving rise to the dispute, unless the Owner and Design-Builder mutually agree otherwise.

If a dispute or disagreement cannot be resolved through field level discussions, senior executives of the Design-Builder and the Owner, upon the request of either party, shall meet as soon as conveniently possible, but in no case later than thirty (30) days after such a request is made, to attempt to resolve such dispute or disagreement. Five (5) days prior to any meetings between the senior executives, the parties will exchange relevant information that will assist the parties in resolving their dispute or disagreement. If the senior executives of the Design-Builder and Owner are unable to resolve a dispute or if a senior executive conference is not held within the time provided herein, either Party may submit the dispute to mediation. Notwithstanding the foregoing, the Design-Builder must proceed with the Public Contract Code Claims Procedures identified in Section 18.12 of these Supplemental Conditions prior to proceeding to mediation and/or filing a construction claim.

17.2 Filing of Public Works Construction Claim, and Civil Actions. In the event the Parties are unable to come to agreement on a disputes addressed under the Dispute Avoidance and Resolution procedures, the Design-Builder may proceed with the claims procedures set forth in Section 18.12 of these Supplemental Conditions.

18. STATUTORY PUBLIC WORKS CONTRACT REQUIREMENTS

The following requirements apply to all public works construction work performed under this Agreement.

18.1 Public Works Registration. Design-Builder or its contractor, and all subcontractors, must be registered with the California Department of Industrial Relations pursuant to Labor Code section 1725.5. This Agreement is subject to monitoring and enforcement by the DIR pursuant to Labor Code section 1771.4. Design-Builder shall furnish the records specified in Labor Code section 1776 directly to the Labor Commissioner on a monthly basis, and in a format

prescribed by the Labor Commissioner. Design-Builder must also post notices at the work site pursuant to Title 8 California Code of Regulations section 16451.

- 18.2 Use of Subcontractors.** Design-Builder shall not subcontract any work to be performed by it under this Agreement without the prior written approval of Owner, which approval will not be unreasonably withheld. Design-Builder shall be solely responsible for reimbursing any subcontractors and Owner shall have no obligation to them. Attention is directed to the requirements of section 4100 to 4113, inclusive of the California Public Contract Code which are applicable to the work covered by this Agreement.
- 18.3 Prohibition Against Contracting with Debarred Subcontractors.** Design-Builder is prohibited from performing work on a public works project with a subcontractor who is ineligible to perform work on the public works project pursuant to section 1777.1 or 1777.7 of the Labor Code.
- 18.4 Prompt Payment to Subcontractors.** Design-Builder shall pay any subcontractors approved by Owner for work that has been satisfactorily performed no later than seven (7) days from the date of Design-Builder's receipt of progress payments by Owner. Within thirty (30) days of receipt of retention by Design-Builder and satisfactory completion of all work required of the subcontractor, Design-Builder shall release any retention payments withheld to the subcontractor. In the event Design-Builder does not make progress payments or release retention to the subcontractors in accordance with the time periods in this Section, Design-Builder will be subject to a charge of two percent (2%) per month on the untimely or improperly withheld payment. Owner may require Design-Builder to provide documentation satisfactory to Owner of Design-Builder's compliance with this requirement as a condition of final payment and release of contract retentions, if any.
- 18.5 Payment Bond for Construction Work.** Pursuant to Civil Code section 9550, Design-Builder shall furnish to Owner a Payment Bond in amount of the Phase 2 GMP or Lump Sum, covering all construction work performed during Phase 2, to provide Owner with security for Design-Builder's full payment to workers and subcontractors for costs of materials, equipment, supplies, and labor furnished in the course of the performance of the work applicable to this Section. A form of payment bond is included in **Exhibit 9B**.
- 18.6 Labor Code Provisions.** In the performance of this Contract, Design-Builder's attention is directed to the following requirements of the Labor Code:
- 18.6.1 Hours of Labor.** Eight hours labor constitutes a legal day's work. Design-Builder shall forfeit, as penalty to Owner, \$25 for each worker employed in the performance of the Agreement by Design-Builder or by any subcontractor under it for each calendar day during which such worker is required or permitted to work more than eight hours in any one day and 40 hours in any one calendar week in violation of the provisions of the California Labor Code and in particular, sections 1810 to 1815, inclusive. Work performed by employees of the Design-Builder in excess of eight hours per day and 40 hours during any one week shall be

permitted upon compensation for all hours worked in excess of eight hours per day at not less than one-and-one-half times the basic rate of pay, as provided in section 1815.

18.6.2 Prevailing Wages. Design-Builder shall comply with California Labor Code sections 1770 to 1780, inclusive. In accordance with section 1775, the Design-Builder shall forfeit as a penalty to Owner an amount as determined by the Labor Commissioner not to exceed \$200 for each calendar day or portion thereof for each worker paid less than stipulated prevailing wage rates for such work or craft in which such worker is employed for any work done under the Agreement by him or by any subcontractor under it in violation of the revisions of the Labor Code and in particular, Labor Code sections 1770 to 1780, inclusive. In addition to said penalty and pursuant to section 1775, the difference between such stipulated prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by Design-Builder. Pursuant to the provisions of section 1773 of the Labor Code, Owner has obtained the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work applicable to the work to be done from the Director of the Department of Industrial Relations. Copies of the prevailing wage rates are on file at Owner and are available for review upon request.

18.6.3 Payroll Records. The Design-Builder's attention is directed to the following provisions of Labor Code section 1776. The Design-Builder shall be responsible for the compliance with these provisions by his subcontractors.

- a. Each contractor and subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work.
- b. The payroll records enumerated under subdivision (a) shall be certified and shall be available for inspection at all reasonable hours at the principal office of the Design-Builder on the following basis:
 1. A certified copy of an employee's payroll record shall be made available for inspection or furnished to such employee or his or her authorized representative on request.
 2. A certified copy of all payroll records enumerated in subdivision (a) shall be made available for inspection or furnished upon request to Owner, the Division of Labor Standards Enforcement and the Division of

Apprenticeship Standards of the Department of Industrial Relations.

3. A certified copy of all payroll records enumerated in subdivision (a) shall be made available upon request to the public for inspection or copies thereof made; provided, however, that a request by the public shall be made through either Owner, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to paragraph (2), the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the Design-Builder, subcontractor and the entity through which the request was made. The public shall not be given access to such records at the principal office of the Design-Builder.
 4. The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the Division.
 5. The Design-Builder shall file a certified copy of the records enumerated in subdivision (a) with the entity that requested such records within ten (10) days after receipt of a written request.
 6. Any copy of records made available for inspection as copies and furnished upon request to the public or Owner, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address and social security number. The name and address of the Design-Builder shall not be marked or obliterated.
- c. The Design-Builder shall inform Owner of the location of records enumerated under subdivision (a), including the street address, city and county, and shall, within five working days, provide a notice of a change of location and address.
 - d. In the event of noncompliance with the requirements of this Section, the Design-Builder shall have ten (10) days in which to comply subsequent to receipt of written notice specifying in what respects such contractor must comply with this Section. Should noncompliance still be evident after such 10-day period, the Design-Builder shall, as a penalty the State or Owner, forfeit Twenty-five Dollars (\$25) for each calendar day, or portion thereof, for each worker, until strict compliance is

effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due. The penalties specified in subdivision (g) of Labor Code section 1776 for noncompliance with the provisions of said section 1776 may be deducted from any monies due or which may become due to the Design-Builder.

- e. The Design-Builder and each subcontractor shall preserve their payroll records for a period of three (3) years from the date of completion of the Contract.

18.6.4 Labor Non-discrimination. Attention is directed to section 1735 of the Labor Code which provides that Design-Builder shall not discriminate against any employee or applicant for employment because of race or color, religion, physical or mental disability, national origin or ancestry, medical condition, marital status or sex of such persons, except as provided in section 12940 of the Government Code. Design-Builder further agrees to include a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

18.6.5 Apprentices. The Design-Builder and all subcontractors shall comply with the requirements of California Labor Code sections 1777.5, 1777.6 and 1777.7 regarding the employment and of apprentices.

18.7 Equal Employment Opportunity. The Santa Clara Valley Water District is an equal opportunity employer and requires its contractors to have and adhere to a policy of equal opportunity and nondiscrimination. In the performance of the Agreement, the Design-Builder will comply with all applicable Federal, State, Local Laws and Regulations, and will not discriminate against any subcontractor, employee, or applicant for employment in the recruitment, hiring, employment, utilization, promotion, classification or reclassification, transfer, recruitment advertising, evaluation, treatment, demotion, layoff, termination, rates of pay or other forms of compensation, and selection for professional development training (including apprenticeship); or against any other person on the basis of sex (which includes pregnancy, childbirth, breastfeeding, and medical conditions related to pregnancy, childbirth, or breastfeeding); race, religion, color, national origin (including language-use restrictions); ancestry, religious creed (including religious dress and grooming practices); political affiliation, disability (mental and physical, including HIV or AIDS); medical condition (cancer and genetic characteristics) and genetic information; marital status, parental status, gender, age (40 and over); pregnancy, military, and veteran status; sexual orientation, gender identity, and gender expression; the exercise of family and medical care leave; the exercise of pregnancy disability leave; or the request, exercise, or need for reasonable accommodation.

The Design-Builder's policy must conform with applicable State and Federal guidelines, including the Federal Equal Opportunity Clause, "Section 60-1.4 of Title 41, Part 60 of the Code of Federal Regulations;" Title VII of the Civil Rights Act of 1964 as amended; the American's with Disabilities Act of 1990; the

Rehabilitation Act of 1973 (Sections 503 and 504); the Age Discrimination Act of 1975 (42 U.S.C. Section 6101 et. seq.); California Fair Employment and Housing Act (Government Code Section 12900 et. seq.); and California Labor Code Sections 1101 and 1102.

The Design-Builder must designate a specific position within its organization to be responsible for investigating allegations of non-compliance with the anti-discrimination and anti-harassment provisions of this Agreement. Design-Builder must conduct a fair, prompt, and thorough investigation of all allegations directed to Design-Builder by the Owner. In cases where such investigation results in a finding of discrimination, harassment, or hostile work environment, Design-Builder must take prompt, effective action against the offender.

- 18.8 Skilled and Trained Labor Force Requirements.** Design-Builder agrees to comply with all requirements related to providing a skilled and trained workforce, pursuant to Public Contract Code section 22164(c), and Public Contract Code sections 2600-2603, including but not limited to the requirement to submit monthly reports to the Owner.
- 18.9 Retention on Progress Payments.** Owner will deduct and hold in retention five percent (5%) from each progress payment to Design-Builder for construction work, or portion thereof. The remainder, less any other deductions taken in accordance with the Agreement, will be paid to Design-Builder as progress payments.
- 18.10 Securities in Lieu of Retention.** Pursuant to Public Contract Code section 22300, Design-Builder may elect, in lieu of having progress payments retained by Owner, to deposit in escrow with Owner, or with a bank acceptable to Owner, securities eligible for investment under Government Code section 16430, bank or savings and loan certificates of deposit, interest bearing demand deposit accounts, standby letters of credit, or any other security mutually agreed to by Design-Builder and Owner. If Design-Builder elects to submit securities in lieu of having progress payments retained by Owner, Design-Builder shall, at the request of any subcontractor performing more than 5% of Design-Builder's total bid, make the same option available to the subcontractor.
- 18.11 Assignment of Claims.** In entering into a public works contract or a subcontract to supply goods, services, or materials, Design-Builder or subcontractor offers and agrees to assign to Owner all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time Owner tenders final payment to Design-Builder, without further acknowledgement by the parties.
- 18.12 Third-Party Claims.** Pursuant to Public Contract Code section 9201, Owner shall have full authority to compromise or otherwise settle any claim relating to the Agreement at any time. Owner shall provide for timely written notification to

Design-Builder of the receipt of any third-party claim, within thirty (30) days. Without limiting Owner's rights and in the Owner's sole discretion, for Third-Party claims that involve Design-Builder, Owner may provide a reasonable opportunity for Design-Builder to seek consent from Design-Builder's relevant insurer(s)' prior to Owner settling the applicable claims.

18.13 Public Contract Code Claims Procedures

18.13.1 Mandatory Prerequisites to Filing a Construction Claim. Prior to filing a construction claim pursuant to Public Contract Code sections 9203 and 20104-20104.6 and this Section, Design-Builder must first complete all Change Order procedures in Section 9 of the Design-Build Agreement, and all Dispute Resolution procedures set forth in Section 17 of these Supplemental Conditions. Any claim submitted prior to satisfaction of the Change Order procedures or the Dispute Resolution Board procedures will be rejected as premature and untimely. A construction claim must be submitted no later than (a) 30 days after the completion of all Dispute Resolution procedures are completed, or (b) 30 days after the occurrence of the event giving rise to the claim.

18.13.2 Claims Procedures. In accordance with the procedures set forth in Public Contract Code sections 9204 and 20104-20104.6, Design-Builder may submit a claim by registered or certified mail with return receipt requested, for one or more of the following: (a) a time extension, including, without limitation, for relief from damages or penalties for delay assessed by the Owner; (b) payment by the Owner of money or damages arising from work done by, or on behalf of, the Design-Builder pursuant to this contract and payment for which is not otherwise expressly provided or to which the Design-Builder is not otherwise entitled; or (c) payment of an amount that is disputed by the Owner.

18.13.3 Support for Claim. The Design-Builder shall furnish reasonable documentation to support the claim, including but not limited to: (1) a clear, concise recital of the basis upon which the claim is asserted, including a designation of the provisions of the Contract Documents upon which the claim is based, (2) a statement as to the amount of time and/or compensation sought pursuant to the claim; (3) whether the Design-Builder's claim arises from an ongoing occurrence, and if so a description of the specific Work activities affected by the claim, (4) a time impact analysis in the event that Design-Builder requests a time extension, (5) full and complete cost records supporting the amount of any claim for additional compensation, and (6) a notarized certification by the Design-Builder as follows: "Under the penalty of law for perjury or falsification and with specific reference to the California False Claims Act, Government Code section 12650 et seq., the undersigned hereby certifies that the information contained herein is a true, accurate and complete statement of all features relating to the claim asserted." Failure by the Design-Builder to provide sufficient

documentation will result in denial of the claim. The Owner reserves the right to request additional documentation, or clarification of the documentation provided.

18.13.4 Response to Claim. Upon receipt of a claim, the Owner will conduct a reasonable review and provide a written statement to the Design-Builder identifying what portion of the claim is disputed and what portion is undisputed within 45 days of receipt of the claim. The Owner and Design-Builder may, by mutual agreement, extend the 45-day time period. For any undisputed portion of a claim, the Owner must make payment within 60 days of its issuance of the written statement.

If the Design-Builder disputes the Owner's written statement, or if the Owner fails to respond, the Design-Builder may demand an informal conference to meet and confer for settlement of the issues in dispute. The Owner will then schedule the meet and confer conference within 30 days of the demand. Within 10 business days following the meet and confer conference, the Owner will provide a written statement identifying the portion of the claim that remain in dispute. Any payment due on an undisputed portion of the claim will be made within 60 days of the meet and confer conference.

After the meet and confer conference, any disputed portion of the claim shall be submitted to non-binding mediation. Alternatively, upon receipt of a claim, the parties may mutually agree to waive, in writing, mediation and proceed directly to the commencement of a civil action or binding arbitration, as applicable. If mediation is unsuccessful, the parts of the claim that remain in dispute shall be subject to applicable procedures set forth below.

Failure of Owner to respond to a claim within the time periods described above shall result in the claim being deemed rejected in its entirety. Additionally, amounts not paid in a timely manner shall bear interest at 7 percent per year.

In the event that the mediation is unsuccessful, Design-Builder must file a government claim pursuant to Government Code section 910 et seq. in order to initiate a civil action.

18.14 Utility Relocation. It is acknowledged that pursuant to the **Exhibit 3** Scope of Work tasks, during Phase 1 Design-Builder will investigate the locations of utilities on the Project Site. Accordingly, during Phase 2, Design-Builder is responsible for all costs and delays incurred as a result of any utility conflicts, except for unknown utilities or utility conflicts that could not have been reasonably identified through the investigation during Phase 1, which may be subject to a Change Order under Section 9 of the Agreement.

18.15 Trenching, Shoring, and Differing Site Conditions

18.15.1 Compliance. Design-Builder will comply with Labor Code sections 6500, 6705, and 6707, and Public Contract Code section 7104 regarding trenching and shoring.

18.15.2 Permit Requirements for Trenches 5'-0" or More in Depth. Design-Builder agrees to comply in full with section 6500 of the Labor Code and to provide the required permits prior to the initiation of any work, method, operation or process that involves: (i) construction of trenches or excavations that are 5'-0" or deeper and into which a person is required to descend; (ii) the construction of any building, structure, falsework, or scaffolding more than 3 stories high or the equivalent height; (iii) the demolition of any building, structure, falsework, or scaffold more than 3 stories high or the equivalent height; or (iv) the underground use of diesel engines in work in mines and tunnels.

18.15.2.1 Detailed Plans for Trenches 5'-0" or More in Depth. In compliance with Labor Code section 6705, the Design-Builder will submit to the Owner's Project Manager, in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping or other provisions to be made for worker protection from the hazard of caving ground during the excavation of any trench or trenches 5'-0" or more in depth. If the plan varies from shoring system standards, the plan will be prepared by a registered civil or structural engineer. The plan will not be less effective than the shoring, bracing, sloping, or other provisions of the Construction Safety Orders, as defined in the California Code of Regulations.

18.15.2.2 Separate Bid Items for Sheet piling, Shoring, etc. To the extent that Design-Builder's Work involves construction of a pipeline, sewer, sewage disposal system, boring and jacking pits, or similar trenches or open excavations, which are 5'-0" or deeper, Design-Builder will comply with all applicable laws, regulations, and codes and its bid and the Contract Price will contain, as a line item, adequate sheet piling, shoring, and bracing, or equivalent method, for the protection of life or limb pursuant to Labor Code section 6707, which will conform to applicable safety orders. Nothing in this Section will be construed to impose tort liability on the Owner or any of its employees.

18.15.3 Excavations Deeper than 4'-0". If Work under this Agreement involves digging trenches or other excavation that extends deeper than 4'-0" below the surface, Design-Builder will promptly, and before the following conditions are disturbed, notify Owner's Project Manager, in writing, in accordance with Public Contract Code section 7104, of any:

18.15.3.1 Material that the Design-Builder believes may be hazardous waste, as defined in section 25117 of the Health and Safety Code, which is required to be removed to a Class I, Class II, or

Class III disposal site in accordance with provisions of existing law.

18.15.3.2 Subsurface or latent physical conditions at the site differing from those indicated.

18.15.3.3 Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in the construction work of the character provided for in the Bid Documents and under this Agreement.

18.15.4 Differing Site Conditions. For Differing Site Conditions, Design-Builder's notice to Owner shall be issued by telephone or in person and followed within 24 hours thereafter by written notice, providing a brief description of why the condition encountered is considered a Differing Site Condition. Promptly upon receipt of Design-Builder's notice, Owner will investigate the site conditions. If, during construction, the Design-Builder encounters an alleged Differing Site Condition, the Design-Builder shall immediately give written notice and may continue work; provided however that the following documents and information shall be submitted on a daily basis:

1. Digital photographs (paper and electronic copy) that detail the Differing Site Conditions;
2. An electronic copy of the pertinent data (e.g., settlement monitoring data, boring logs, dewatering production rates, etc.) for the previous 24 hours;
3. As applicable, sample of soil and groundwater in the alleged Differing Site Condition area;
4. Design-Builder's applicable daily reports for each day that the alleged Differing Site Condition exists; and
5. Detailed daily records (which shall include, but not be limited to, labor and equipment), describing the alleged Differing Site Conditions and the impact the Differing Site Conditions are having on the progress of the construction.

Written notice shall describe the specific conditions encountered and the measures taken to deal with the conditions. The Design-Builder will provide the Owner with written notice within 5 business days discovery of an Differing Site Condition. The Owner, will promptly investigate the conditions, and if they find that the conditions are a Differing Site Condition, and cause a decrease or increase in Design-Builder's Contract Price or Contract Time for any part of the Work, the Owner issue a Change Order under Section 9 of the Agreement. If it is determined that physical conditions at the site are not a Differing Site Condition, or that no

change in terms of the Contract Documents is justified, the Owner will notify Design-Builder in writing, stating reasons the Design-Builder will not be entitled to an adjustment in the Contract Price or Contract Time. Such reasons may include any of the following:

18.15.4.2 Design-Builder knew of the existence of the conditions at the time Design-Builder submitted its proposal; or

18.15.4.3 Design-Builder should have known of the existence of the conditions as a result of having complied with the requirements of Contract Documents; or

18.15.4.4 Design-Builder was required to give written notice of differing site conditions under the Contract Documents and failed to do so within the time required.

The Design-Builder will not be excused from the Contract Time to complete its Work and will proceed with all Work to be performed under the Agreement unless or until it is determined that Design-Builder is entitled to an adjustment under Section 9 of the Agreement. If the Design-Builder disagrees with the decision regarding an alleged Differing Site Condition, Design-Builder may pursue a claim under Section 18.12 of these Supplemental Conditions.

18.16 Design-Builder's License Requirements. Design-Builder and any approved subconsultants (for architectural design, engineering, construction project management services) or subcontractors shall hold such current and valid licenses as required by California Law, including the Department of Industrial Relations (DIR) contractor and subcontractor registration requirements articulated in part by Cal. Labor Code section 1725.5.

18.17 Examination and Audit of Records. Pursuant to Government Code section 8546.7, Design-Builder shall retain all project-related records for a period of 3 years after final payment on this Agreement, which shall be subject to audit or inspection by the Owner or the State Auditor during this period.

18.18 Safety Requirements. The Design-Builder shall promptly and fully comply with and carry out, and shall without separate charge therefore to the Owner, enforce compliance with the safety and first aid requirements prescribed by applicable State and Federal laws and regulations, rules and orders and as may be necessary to ensure that all Construction Work shall be done in a safe manner and that the safety and health of the employees, agents and the people of local communities is safeguarded. Compliance with the provisions of this Section by subcontractors shall be the responsibility of the Design-Builder. All installed, dismantled, and removed material, equipment and facilities, without separate charge therefore to Owner, shall fully conform with all applicable State and Federal safety laws, rules, regulations and orders and it shall be the Design-Builder's responsibility to furnish only such material, equipment and facilities.

The Design-Builder and each Design-Build Team Member will follow the most current safety orders and requirements on Novel Coronavirus COVID-19 issued by the Santa Clara County Public Health Officer when performing work on the Project. The Design-Builder and each Design-Build Team Member will provide a signed certification indicating that it understands the Owner's Notification of Vaccine requirements in compliance with Santa Clara County Public Health. Compliance with this requirement will be at no additional costs to the Owner. See Attachment x for Vaccination Notification Requirements Certification.

18.19 Notice of Third-Party Claims. Pursuant to Public Contract Code section 9201, the Owner will provide Design-Builder with timely notification of the receipt of any third-party claim relating to the Agreement.

18.20 Assignment of Anti-Trust Actions. Pursuant to Public Contract Code section 7103.5 and Government Code sections 4554 and 4553, in entering into a public works contract or subcontract to supply goods, services, or materials pursuant to a public works contract, Design-Builder, its Design Professionals and Subcontractors offer and agree to assign to the Owner all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. section 15) or under the Cartwright Act (chapter 2 (commencing with section 16700) of part 2 of division 7 of the Business and Professions Code), arising from the purchase of goods, services, or materials pursuant to this Agreement or any Subcontract. This assignment will be made and become effective at the time the Owner makes final payment to the Design-Builder, without further acknowledgment by the parties.

18.21 Compliance with All Applicable Laws. Design-Builder shall comply with all the applicable requirements of federal, state and local laws, statutes and ordinances relative to the execution of the Construction Work. In the event Design-Builder fails to comply with these requirements, Owner may stop any Construction Work until such noncompliance is remedied. No part of the time lost due to any such cessation of the Construction Work shall be made the subject of a claim for an extension of time or increase in the compensation.

18.22 Iran Contracting Certification. Design-Builder certifies that it is not on the California Department of General Services (DGS) list of persons determined to be engaged in investment activities in Iran or otherwise in violation of the Iran Contracting Act of 2010 (Public Contract Code Section 2200-2208).

18.23 Notice of Taxable Possessory Interest. In accordance with Revenue and Taxation Code Section 107.6, the Agreement may create a possessory interest subject to personal property taxation for which Design-Builder will be responsible.

19. PROJECT LABOR AGREEMENT COMPLIANCE.

Owner and the Santa Clara and San Benito Counties Building and Construction Trades Council have entered into a Project Labor Agreement (PLA) approved by Owner's Board of Directors on January 11, 2022. A PLA is a multi-union pre-hire agreement that governs wages, benefits, work rules, and other terms and conditions of employment at a

construction site. The PLA is an agency-wide agreement applicable to all Covered Projects (as defined in the PLA) which exceed two million dollars (\$2,000,000).

The DBE must execute Project Labor Agreement, Addendum A – Agreement to be Bound (**Exhibit 12**) and submit in accordance with the deadline stated in the PLA or instruction from the Trades Council.

20. UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION AGREEMENT REQUIREMENTS FOR EQUAL EMPLOYMENT.

This project is located on property owned by the United States of America. Pursuant to an agreement executed on June 7, 1977, titled,

“UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

Central Valley Project, California

CONTRACT BETWEEN THE UNITED STATES AND SANTA CLARA VALLEY WATER DISTRICT FOR WATER SERVICE AND FOR OPERATION AND MAINTENANCE OF CERTAIN WORKS OF THE SAN FELIPE DIVISION, Contract No. 7-07-20-W0023” (“1977 U.S. Contract”),

the care, operation and maintenance of the Coyote Pumping Plant was transferred to Valley Water.

Pursuant to an agreement executed on June 28, 2021, titled,

“UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

Central Valley Project, California

AMENDED AND RESTATED CONTRACT BETWEEN THE UNITED STATES AND SANTA CLARA VALLEY WATER DISTRICT FOR WATER SERVICE, FACILITIES REPAYMENT, AND FOR OPERATION AND MAINTENANCE OF CERTAIN WORKS OF THE SAN FELIPE DIVISION, Contract No. 7-07-20-W0023AB-P” (“2021 U.S. Contract”),

Valley Water has promised to include the provisions of paragraphs (a) through (g) of Section 35 in every contract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon Design-Builder and its subcontractors and vendors. Accordingly, paragraphs (a) through (g) of the 2021 U.S. Contract are hereby incorporated into this Agreement such

that these provisions are binding upon the Design-Builder, and are included in **Exhibit 13**.

21. UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION AGREEMENT REQUIREMENTS FOR CONTAMINATION OR POLLUTION OF FEDERAL PROPERTY.

Pursuant to Section 18 of the 2021 U.S. Contract, Valley Water has promised not to allow contamination or pollution of Federal project lands, Project Waters, or project works of the United States for which Valley Water has the responsibility for care, operation, and maintenance by its employees or agents. In furtherance of that promise, Valley Water hereby incorporates the requirements of Section 18 in the 2021 U.S. Contract into this Agreement such that these provisions are binding upon the Design-Builder and its subcontractors and vendors. All such applicable provisions are set forth in **Exhibit 13**.

22. UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF RECLAMATION AGREEMENT REQUIREMENTS FOR CLEAN AIR AND WATER.

Pursuant to Section 19 of the 2021 U.S. Contract, Valley Water has agreed to perform specific U.S. Contract obligations in compliance with the requirements of the Clean Air Act and Clean Water Act for facilities which Valley Water has the responsibility for care, operation, and maintenance by its employees or agents. In furtherance of that promise, Valley Water hereby incorporates the provisions of Section 19 of the 2021 U.S. Contract into this Agreement such that these provisions are binding upon the Design-Builder and its subcontractors and vendors. All such applicable provisions are set forth in **Exhibit 13**.

23. UNITED STATE DEPARTMENT OF INTERIOR BUREAU OF RECLAMATION AGREEMENT REQUIREMENTS FOR PEST MANAGEMENT.

Pursuant to Section 22 of the 2021 U.S. Contract, Valley Water has agreed to perform specific U.S. Contract obligations in compliance with the specific federal pest management laws, rules, regulations, and requirements for facilities which Valley Water has the responsibility for care, operation, and maintenance by its employees or agents. In furtherance of that promise, Valley Water hereby incorporates the provisions of Section 22 of the 2021 U.S. Contract into this Agreement such that these provisions are binding upon the Design-Builder and its subcontractors and vendors. All such applicable provisions are set forth in **Exhibit 13**.

24. UNITED STATES DEPARTMENT OF INTERIOR BUREAU OF RECLAMATION AGREEMENT DEFINITIONS.

The following terms used in the 2021 U.S. Contract shall have the following meanings for the purpose of this Agreement:

24.1 Pursuant to Section 1(h) of the U.S. Contract, the term “The Contracting Officer” shall mean the duly authorized representative of the Secretary of the Interior.

24.2 The “United States” shall mean the United States of America.

24.3 The term “Contractor” shall mean the Santa Clara Valley Water District.

25. STRICTER STANDARD WILL CONTROL.

In the event of a conflict or inconsistency between the select provisions of the 2021 U.S. Contract provisions set forth in **Exhibit 13**, and any other provision in this Design-Build Agreement entered into by Valley Water and Design-Builder, or subsequent amendments thereto, the stricter standard will control.

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Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 2. Basis of Design Report

CONFIDENTIAL

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**Valley Water
Coyote Pumping Plant ASDs Replacement Project**

EXHIBIT 3. SCOPE OF WORK

Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 3A. PHASE 1 SCOPE OF WORK

PHASE 1 SCOPE OF SERVICES TASKS

The Phase 1 Scope of Services includes the following tasks:

- Task 1: Phase 1 Project Management
- Task 2: Reference Document Review
- Task 3: Field Investigations and Permitting Support
- Task 4: Design Development and Documents
- Task 5: Cost Modeling and Scheduling
- Task 6: Guaranteed Price Proposal
- Task 7: Supplemental Phase 1 Services

Specific tasks and subtasks for Phase 1 are described below.

TASK 1 PHASE 1 PROJECT MANAGEMENT

Design-Builder shall provide all necessary project management, oversight, and coordination throughout Phase 1. Project management shall include the following subtasks.

Subtask 1.1 Project Management and Administration

1. Project Management Documents. As part of Subtask 1.1 and within 15 days of notice-to-proceed, the Design-Builder shall prepare the following documents for review and concurrence by Valley Water. The Design-Builder shall also implement the activities described by the documents, ensure that the Project team is familiar with their contents, and keep the documents up to date throughout Phase 1.
 - a. Project Management Plan (PMP). The PMP shall communicate basic Project requirements and approach to the Project team, including subconsultants.
 - b. Phase 1 Health and Safety Plan. Phase 1 Health and Safety Plan shall identify the Design-Builder's approach and Project team requirements regarding health and safety, including site visits, in-person meeting attendance, and applicable Valley Water procedures for working with electrical equipment.
 - c. Phase 1 Quality Management Plan (QMP). The Phase 1 QMP shall identify a plan to ensure that all deliverables are reviewed for technical accuracy, compliance with Phase 1 Scope of Services and readability before delivery to Valley Water.

2. Project Coordination and Communication. Subtask 1.1 includes general project coordination and communication with the Design-Builder's Project team and with Valley Water regarding issues as they arise, including scheduling, progress of Project activities etc.
3. Project Progress Tracking and Reporting. The Design-Builder shall actively track Project progress, including:
 - a. Developing a Phase 1 Project Schedule. The Phase 1 Project Schedule shall include at a minimum the following requirements:
 - 1) Activities for each subtask and deliverable in the Phase 1 Scope of Services, including, as applicable, time for: developing investigation plans, field work, evaluations, and preparation of deliverables, draft submission dates, Valley Water review periods, and final submission dates.
 - 2) Start and finish dates for each activity.
 - 3) Progress meeting and working meeting dates.
 - 4) Expected duration for GMP negotiations.
 - 5) Major milestones.
 - 6) Critical path analysis.
 - 7) Float.
 - b. Tracking progress against the Phase 1 Project Schedule and completing updates as needed.
 - c. Identifying and resolving potential scope and schedule changes.
 - d. Identifying and tracking project issues / action items using an Action Item Log, and resolving them in a timely manner.
 - e. Tracking Project decisions using a Decision Log to maintain a record of all decisions made during Phase 1.
4. Risk Management. Subtask 1.1 shall include overall Project risk management, including both Phase 1 and Phase 2 risks that become evident as the Project development progresses. The Design-Builder shall prepare and provide updates to a Project Risk Register that includes the following information:
 - a. Risk identification and description
 - b. Estimated percent likelihood that risk may occur
 - c. Potential schedule impact should risk occur
 - d. Potential cost impact should risk occur
 - e. Probability weighted cost associated with each risk item
 - f. Risk management/mitigation strategy

The Design Builder shall update the Risk Register for submittal to Valley Water at major decision or design submittal milestones, or when significant changes to the project risk profile or risk mitigation strategies occur.

5. **Monthly Reporting.** The Design-Builder shall submit monthly reports summarizing Project progress. The monthly progress reports shall include a narrative summarizing the progress of the Project and shall identify any recommended actions by Valley Water or the Design-Builder to mitigate risks or modify the Project approach and scope. Monthly progress reports shall be due by the 15th of each month. Attachments to the monthly progress report shall include:
 - a. Summary of work: identifying activities worked on and/or completed during the last month.
 - b. Project schedule: table of major milestones with originally scheduled completion dates and updated scheduled completion dates, including explanation of any changes to schedule since the last progress report.
 - c. Budget: table showing each of the Phase 1 tasks, with the following information for each task: billing for the current reporting period, the retention for the current period, previous billing, previous retention, billed to date, retention to date, budget limit, budget remaining, percent budget expended, and percent of work complete.
6. **Planned Activities:** summarize planned activities and scheduled meetings/workshops for the next month.
7. **Issues and Concerns:** identify issues and concerns that may affect project schedule or budget and require discussion between the Design-Builder and Valley Water.
8. **Attachments:**
 - a. Updated Project schedule in Gantt chart format.
 - b. Draft invoice and supporting data.
 - c. Updated Action Item Log
 - d. Updated Risk Register (if changed)
 - e. Updated Decision Log

Deliverables:

1. Draft and Final Project Management Plan
2. Draft and Final Phase 1 Health and Safety Plan
3. Draft and Final Phase 1 Quality Management Plan
4. Risk Register (periodic updates included in monthly status reports as risk status changes or new risks are identified)
5. Monthly Progress Reports, including all required attachments

Subtask 1.2 Meetings

The Design-Builder shall schedule, prepare for, and conduct Project kickoff and progress meetings with Valley Water, including key firms and individuals from the Design-Builder's project team, and Valley Water project team members.

Project meetings shall include:

1. Project kickoff meeting: A single kickoff meeting will provide a forum for the Design-Builder's Project team and Valley Water to meet and align on project goals and procedures.
2. Bi-weekly progress meetings: Progress meetings shall be conducted for the duration of Phase 1, and provide a routine forum for reviewing items included in the monthly progress report, discussing ideas, and confirming short-term and long-term Project priorities.

Deliverables:

1. Kickoff meeting draft and final meeting agenda and draft and final meeting notes.
2. Draft and final progress meeting agendas and draft and final meeting notes.

ASSUMPTIONS:

1. Phase 1 duration assumed to be 9 months.
2. Project progress meetings will occur every other week, average 1 hour in duration, and will involve the Design-Builder's Project Manager, the Design Manager, and on average one other member of the Design-Builder's team.

TASK 2 REFERENCE DOCUMENT REVIEW

The Design-Builder shall review and become familiar with Reference Documents provided by Valley Water in preparation for field investigations and design. The Design-Builder shall also consult with Valley Water to develop a better understanding of the Project, Project site, constraints, project requirements, and other information relevant to the Project.

Deliverables:

1. Letter verifying that Design-Builder has reviewed all provided Reference Documents, identifying any follow-up questions for Valley Water, and summarizing any Project risks identified through review of the Reference Documents.

TASK 3 FIELD INVESTIGATIONS AND PERMITTING SUPPORT

Field investigations will be required in order to confirm project and site conditions prior to evaluation of improvement concepts and development of design documents.

Subtask 3.1 Field Investigation Plan

1. Prior to conducting field investigations, the Design-Builder must submit for Valley Water review and approval a Field Investigation Plan, which includes the following information:
 - a. Outline of proposed investigations, including which areas and pieces of equipment will be investigated.
 - b. Valley Water technical staff support needed during field investigation (e.g., operations, maintenance, mechanical, electrical, controls, IT).
 - c. Equipment access and shutdowns needed (e.g., de-energization of an individual pump, control panel, or electrical distribution equipment and opening of covers or doors for interior inspection).
 - d. Planned field inspection methods, testing methods, repair procedures for any destructive testing that will be conducted (e.g., examination of concrete foundations), and lab procedures for any lab testing that will be conducted (e.g., testing of existing transformers/switchgear for hazardous materials).

Deliverables:

1. Field Investigation Plan (draft and final)

Subtask 3.2 Field Investigations (Project Conditions, Survey, and Hazardous Materials)

1. The Design-Builder shall conduct the following field investigations:
 - a. Perform a Preconstruction Survey, including all necessary survey activities and field investigations required to verify exterior and interior topography and features at the facility, to support development of the Design-Builder's design documents.
 - b. Perform follow-up investigations during design development (prior to GMP) as needed to verify conditions and locations.
 - c. Perform underground utility location in the existing switchyard as required to intercept existing underground conduits cables where they are being reconnected and relocate or avoid existing underground utilities where they potentially conflict with the location of new equipment or foundations.
 - d. Perform resistance testing of the existing switchyard ground grid as necessary to determine improvements required to bring the updated switchyard into conformance with IEEE 80-2013 – IEEE Guide for Safety in AC Substation Grounding.

- e. Perform a hazardous materials survey to assess potential hazardous substances associated with equipment and materials to be demolished by the Project, and potential soil contamination in areas where soil disturbance is anticipated. On the recent Coyote Warehouse project, pesticides in soil were identified that required special procedures to address during construction. It is not known if similar conditions exist in areas that will be disturbed by the Project. Summarize findings and any applicable hazardous materials management procedures in a Hazardous Material Survey report.

Deliverables:

1. Summary of Field Investigation findings (draft and final)
2. Hazardous Material Survey Report

Subtask 3.3 Geotechnical Investigations

1. Perform Geotechnical Investigations as required to design foundations for new equipment in the switchyard.

Deliverables:

1. Geotechnical Interpretive Report for geotechnical investigations conducted under this task (if applicable).

ASSUMPTIONS

1. Geotechnical work under this task shall be performed by a geotechnical engineer licensed in the State of California.
2. Assume an allowance of \$30,000 for Geotechnical Investigations and Geotechnical Interpretive Report development (Subtask 3.3).

Subtask 3.4 Permitting Plan

1. The Design-Builder shall develop a draft Project Permitting Plan consistent with Agreement Exhibit 4 and any other permits or approvals identified by the Design-Builder. The draft Project Permitting Plan shall address all permits and approvals including those being obtained by Valley Water. The Design-Builder shall consult with Valley Water regarding the timing for obtaining any other permits or approvals identified by the Design-Builder.
2. The Plan shall include a detailed schedule for obtaining permits and approvals. The schedule shall identify each permit and approval and show discrete activities for draft application development, review of each application by Valley Water, incorporation of Valley Water comments and revising the application, submittal of application to the approving entity, preparing responses to approving entity comments, Valley Water review of responses, resubmittal to the approving entity, and anticipated duration for obtaining final approval.
3. For each identified permit/approval, the Plan shall include the following information:

- a. The name of the permit/approval
 - b. Name and contact information for the approving entity
 - c. Responsibilities (individuals) for developing the permit application and supporting technical information
 - d. A summary of application and supporting technical requirements
 - e. Expected approval dates
 - f. Permit tracking procedures and responsibilities
 - g. Protocols for incorporating permit/approval conditions into design and construction
4. The Design-Builder shall provide the draft Plan to Valley Water for review, and shall revise the Plan to address Valley Water comments.
 5. The Design-Builder shall update the Plan as Project development activities progress if such progression results in the identification of additional permits or changes to the permitting requirements and durations.

Deliverables:

1. Permitting Plan (draft, and periodic updates reflecting Valley Water comments and project progression)

Subtask 3.5 Permitting Support

1. For all permits/approvals listed in Exhibit 4 as Design/Builder responsibility, the Design-Builder shall:
 - a. Periodically meet or otherwise coordinate with Valley Water regarding the strategy for and status of obtaining those permits.
 - b. Develop permit/ approval applications and supporting documentation to meet the requirements of the entities issuing the permits and approvals. Provide Valley Water with a draft of all applications for review and concurrence prior to submittal to the approving entity. Obtain Valley Water signatures and other signatures as needed for the applications.
 - c. Actively monitor the status of permit / approval processing and respond to requests for clarification, additional information, and application revisions by the approving entities.
 - d. Report to Valley Water once the permit or approval has been obtained.
 - e. Develop supporting technical materials for any additional applications identified to be developed by Valley Water. Applications for permits included in draft Exhibit

4 with the RFP have already been developed and submitted by Valley Water, and no additional technical support is anticipated for those permitting efforts.

Deliverables:

1. Permit application documents and supporting materials

ASSUMPTIONS:

1. Efforts to identify additional permits required for the Project, of which includes permits not listed in Exhibit 4, will be conducted by the Design-Builder.
2. Assume local jurisdiction building type permits will be required for the Project. If local permits are not needed, the budget allocated for that work shall be left unused.

TASK 4 DESIGN DEVELOPMENT AND DOCUMENTS

Subtask 4.1 Recommended Project Changes Memorandum

1. After review of Reference Documents, performance of field investigations, and review of the existing Basis of Design Report, provide a memorandum identifying recommended changes to the project as defined in the existing Basis of Design Report and existing 30 percent design documents provided by Valley Water in Exhibit 3C.
2. Describe each proposed change along with the intended benefit to the project (e.g., improvement in cost, schedule, constructability, reliability, maintainability, etc.).
3. At the Design-Builder's option, include for Valley Water consideration any recommended early procurement of long-lead items, and any suggested early works packages that would require early authorization to conduct.

Deliverables:

1. Recommended Project Changes Memorandum (draft and final)

Subtask 4.2 Basis of Design Report Update

1. Provide an updated Design-Builder's Basis of Design Report incorporating any items from the Recommended Project Changes Memorandum that have been accepted by Valley Water, any findings from field investigations, and any project design criteria that need to be updated to reflect current conditions.
2. Conduct a workshop with Valley Water staff to review proposed changes to the Basis of Design Report. Prepare workshop materials and handouts. Take workshop notes, prepare workshop decision log and action log.

Deliverables:

1. Workshop materials and handouts
2. Draft and final workshop notes, decision log, and action log
3. Draft and final Design-Builder's Basis of Design Report

Subtask 4.3 HVAC Technical Memorandum

1. Prepare a technical memorandum presenting options to replace the existing heating, ventilation, and air conditioning system serving the ASD gallery, mechanical room, and communications room. Calculate estimated cooling loads for each of these spaces. Obtain historical runtime and speed data for ASDs to be used in cooling load analysis. Obtain worst-case (maximum) operating conditions for equipment from Valley Water operations.
2. Perform a 30-year lifecycle cost analysis for three potential HVAC replacement options (e.g., liquid-cooled chiller and AHUs to match existing, air cooled chiller with AHUs, packaged DX units, evaporative coolers, etc.). Include capital cost, energy cost, and O&M cost (with breakdown of tasks and intervals) in lifecycle cost analysis.
3. Conduct two workshops with Valley Water staff to facilitate development of the technical memorandum:
 - a. HVAC Options Workshop: present three options for HVAC systems design. Show the proposed system configurations diagrammatically and describe the theory of operation, show physical layouts in plan, and describe required operations and maintenance tasks. Present basis and findings of lifecycle cost analysis.
 - b. HVAC Control Workshop: present proposed architecture for HVAC controls and building automation system (BAS) and its integration with Valley Water's system-wide building automation system.
4. Document the selected HVAC option and HVAC control system architecture in a Technical Memorandum.

Deliverables:

1. Workshop materials and handouts
2. Draft and final workshop notes, decision log, and action log
3. Draft and final Technical Memorandum

Subtask 4.4 Pump Optimization Technical Memorandum

1. Prepare a technical memorandum presenting options for pump optimization systems that monitor process variables (pump speed, suction and discharge pressure, header flow, etc.) and identify possibilities to improve efficiency, save energy, and track pump performance over time. Options could include dedicated pump station analytics software for this purpose or development of PLC and SCADA code to accomplish this.
2. Conduct a workshop with Valley Water staff to facilitate development of the technical memorandum: present options for pump optimization including real world examples of where these approaches have been implemented and the benefits gained.

Deliverables:

1. Workshop materials and handouts
2. Draft and final workshop notes, decision log, and action log

3. Draft and final Technical Memorandum

Subtask 4.5 60 Percent Design

Design-Builders shall develop and submit a 60 Percent Design Submittal to Valley Water for review and comment. The 60 Percent Design Submittal shall include all documents, drawings and specifications required under this task or identified as being submitted along with the 60 Percent Design Submittal under other tasks. At a minimum, the 60 Percent Design Submittal shall include:

1. Narrative description of revisions to the design and construction concepts since the Design Approach/Concept Workshop, including any revisions to design criteria, and rationale for changes.
2. Electrical improvements, including:
 - a. Drawings and specifications for the following:
 - (1) Replacement of existing ASDs and unit substations.
 - (2) The addition of new vertical break switches on incoming busway, including layout drawings demonstrating conformance to the national electrical safety code (NESEC) and California General Order No. 95.
 - (3) The addition of a new central uninterruptible power supply (UPS) for control power.
 - b. Conduit and cable tray routing plans.
 - c. Grounding plans to ensure conformance with IEEE 80-2013 – IEEE Guide for Safety in AC Substation Grounding.
 - d. Recommended motor rehabilitation procedure based on analysis of test data and input from potential motor service shops.
 - e. Vendor supporting information for materials.
3. Control system improvements, including:
 - a. Drawings and specifications for PLC and RTU replacement and modification of pump control panels.
 - b. P&ID drawings showing ASDs and new/modified instruments.
 - c. Network block diagram(s) defining connections to new and existing equipment.
 - d. Vendor supporting information for materials.
4. Mechanical improvements, including:

- a. Drawings and specifications for replacement of existing hydraulic valve operating system with electric motorized valve actuators.
 - b. Drawings and specifications for replacement of cooling water pumps for the 2,000HP main pump motors.
 - c. Vendor supporting information for equipment and materials.
5. HVAC improvements, including:
 - a. Equipment schedules, system diagram(s), and system layout drawing(s) for replacement of existing HVAC system including air handlers, chiller, chilled water pumps, condenser water pumps, and controls.
 - b. HVAC Controls / Building Automation System (BAS) system diagram.
 - c. Calculations for equipment, ductwork, and pipe sizing.
 - d. Vendor supporting information for equipment and materials.
6. Structural improvements, including:
 - a. General foundation, support, and anchorage requirements and notes.
 - b. Preliminary equipment foundation design.
7. Design planning for protection and repair of existing infrastructure during construction.
8. Design planning for constructability of improvements.
9. Summary of status of any applicable permits.
10. Updated Phase 2 cost model based on 60 percent design.
11. Updated Phase 2 schedule based on 60 percent design.
12. Preliminary Design and Construction Phasing Plan, including plans for procurement of any long-lead items, and any suggested early works packages.
 - a. Include required coordination with upstream utility substation and action required by electric utility (WAPA).
 - b. Include required coordination with adjacent chiller plant that receives electrical power from CPP, including any outages required to switch sources.
13. Site Logistics Plan, which defines staging and storage areas, weight limitations for staging and storage areas and plans for complying with those weight limitations, site ingress and egress, access and haul routes, and areas off-limits to the Design-Builder.
14. Best Management Practices Action Plan, which identifies applicable requirements from environmental permits, the NPDES stormwater permit for the Project, and all other

stormwater pollution prevention control requirements, and how those requirements will be complied with during construction.

15. Preliminary Annotated Outline of Startup and Commissioning Plan, which identifies preliminary procedures and requirements for equipment testing, systems testing, startup, and commissioning. The Plan shall be consistent with the Owner's Project Criteria and reflect input from Valley Water.
16. Preliminary Annotated Outline of Acceptance Test Plan, which identifies preliminary procedures and requirements for Acceptance Testing. The Plan shall be consistent with the Owner's Project Criteria and reflect input from Valley Water.
17. Updated Project Risk Register.
18. Preliminary Self-Performance and Subcontracting Plan, identifying work packages planned to be self-performed and subcontracted, the value of each package, whether those packages are being procured competitively or sole sourced, description of approach to procurement for competitive packages, and identity of subcontractor for sole sourced packages. Plan shall identify plans for local and WMBE outreach and subcontracting.
19. All QA/QC Review documentation, including signature pages documenting completed reviews, and if requested by Valley Water, reviewer comments and design team responses.
20. Plans and specifications consistent with a 60 percent design milestone, including at a minimum the items identified in Table 1.
21. The Design-Builder shall be responsible for developing front-end specifications that incorporate elements of the Valley Water Standard Provisions and Special Provisions that are applicable to the progressive design-build delivery method (i.e., omitting requirements that are only applicable to design-bid-build), and which define the roles of the Design-Builder, Engineer of Record, and Valley Water during construction, commissioning and testing, training and O&M, handover to Valley Water, and project closeout phases.

TABLE 1. 60% Drawings and Specifications Minimum Requirements

Drawings	Specifications
General	
Cover Sheet	Preliminary general and front-end specifications (all sections)
List of Drawings	
Site Map (May be combined with List of Drawings) <ul style="list-style-type: none"> • Locate contractor staging areas and access routes. • Identify construction fencing and other access control measures, including plans for preserving Valley Water operations access. 	

Drawings	Specifications
General Legends and Abbreviations	
Demolition	
Demolition Legend and Notes	Preliminary demolition specifications (all sections)
Demolition Plan – Overall	
Demolition Plan – Building Area 1	
Demolition Plan – Building Area 2	
Demolition Plan – Switchyard	
Demolition Detail – Hydraulic Valve Operating System	
Demolition Detail – HVAC	
Structural	
Structural Legend and Abbreviations	Preliminary structural specifications (all sections)
Equipment Foundation Details	
Mechanical	
Mechanical Legend and Abbreviations	Preliminary mechanical specifications (all sections)
Mechanical Systems Upgrade Plan	
Discharge Valve Actuator Replacement Detail	
HVAC	
HVAC Legend and General Notes	Preliminary HVAC specifications (all sections)
HVAC System Diagram	
HVAC Plan – Building Area 1	
HVAC Plan – Building Area 2	
HVAC Details	
Electrical	
Electrical Legend and General Notes	Preliminary electrical specifications (all sections)
Overall One-line Diagram – Demolition	
Overall One-line Diagram – Modification	
4.16kV One-line Diagram	
4.16kV Switchgear Elevation	
480V One-line Diagram	
48VDC One-line Diagram	
Panelboard Schedules	
ASD Schematic	
Electrical Plan – Overall	
Electrical Plan – Building Area 1	
Electrical Plan – Building Area 2	
Electrical Plan – Switchyard	
Electrical Details	

Drawings	Specifications
Instrumentation	
Instrumentation Legend and General Notes	
Typical Control Panel Power Distribution	
Typical Wiring Diagram – Discrete Input	
Typical Wiring Diagram – Discrete Output	
Typical Wiring Diagram – Analog Input	
Typical Wiring Diagram – Analog Output	
P&ID – Pump Station Overview	
P&ID – Typical Pump 1	
P&ID – Typical Pump 2	
P&ID – Tag Tables	
Control System Block Diagram 1	
Control System Block Diagram 2	
Typical Pump Control Panel Elevation	
Instrumentation Details	

22. The Design-Builder shall submit three (3) paper copies of the 60 Percent Design Documents and one electronic copy in Adobe PDF, MS Word, and native CADD formats.
23. The Design-Builder shall facilitate the following workshops identified in Table 2 as part of the 60% submittal to ensure Valley Water staff engagement and input.

TABLE 2. 60% Design Workshops

Workshop	Purpose
Electrical Design Workshop 1	Review proposed configuration and layout for incoming busway from WAPA, vertical break switches, switchgear, transformers, and ASDs, and UPS.
ASD Selection Workshop	Present four or more options for potential adjustable speed drive equipment from different manufacturers. Compare capital cost, operating cost, redundancy/reliability, and required maintenance activities. Show details of the internal components of each potential ASD.
Control Strategy Workshop	Review proposed operating procedures and automation for overall pump station operations, individual valve operations, individual pump startup and shutdown sequences.
PLC/SCADA Design Workshop 1	Review proposed network architecture. Identify which network each proposed piece of equipment will connect to. Identify the physical location of each proposed PLC, network switch, and server. Review proposed instrument and I/O tagging.

Workshop	Purpose
60% Design Workshop	<p>Present overview of 60% design to broad group, including major decisions made, proposed system configurations and layouts, and important outstanding items.</p> <p>Review proposed construction sequencing plan and necessary equipment outages and switchovers.</p>

24. Within two weeks of receipt of Valley Water comments on the 60 percent design package, submit responses to comments to Valley Water.

Deliverables:

1. Workshop materials and handouts
2. Draft and final workshop notes, decision log, and action log
3. 60 Percent Design Package (including Adobe PDF, MS Word, and native CADD formats)
4. 60 Percent Design Package comment responses

Subtask 4.6 90 Percent Design

Design-Build shall develop and submit a 90 Percent Design Submittal to Valley Water for review and comment. The 90 Percent Design Submittal shall include all documents, drawings and specifications required under this task. At a minimum, the 90 Percent Design Submittal shall include:

1. Narrative description of revisions to the design and construction concepts since the 60 percent design, including any revisions to design criteria, and rationale for changes.
2. Updated drawings and specifications further developed from the 60 percent submittal.
3. Structural design of equipment foundations and supports based on the equipment selections and layouts finalized in the 60 percent design, including supporting calculations.
4. Summary of status of any applicable permits.
5. Updated Phase 2 schedule based on 90 percent design.
6. Updated Design and Construction Phasing Plan, including plans for procurement of any long-lead items. Include a brief narrative describing changes to the Plan (if any) from the 60 percent submittal.
7. Updated Site Logistics Plan.
8. Updated Best Management Practices Action Plan.
9. Updated Project Risk Register.
10. Preliminary Draft of Startup and Commissioning Plan.

11. Preliminary Draft of Acceptance Test Plan.
12. All QA/QC Review documentation, including signature pages documenting completed reviews, and if requested by Valley Water, reviewer comments and design team responses.
13. Plans and specifications consistent with a 90 percent design milestone, including at a minimum the items identified in Table 3.

TABLE 3. 90% Drawings and Specifications Minimum Requirements

Drawings	Specifications
<p>All drawings included in 60 percent submittal, and any additional drawings identified by the Design-Builder, advanced to 90 percent completion.</p> <p>Addition of structural drawings based on the equipment selections and layouts finalized in the 60 percent design, including: busway and vertical break switch structure details, cable tray support structure details, and exposed raceway and pipe support details.</p>	<p>All specifications included in 60 percent submittal, and any additional specifications identified by the Design-Builder, advanced to 90 percent completion.</p>

14. The Design-Builder shall submit three (3) paper copies of the 90 Percent Design Documents and one electronic copy in Adobe PDF, MS Word, and native CADD formats.
15. The Design-Builder shall facilitate the following workshops identified in Table 4 as part of the 90% submittal to inform Valley Water staff of design progression and show updates made based on previous review comments.

TABLE 4. 90% Design Workshops

Workshop	Purpose
Electrical Design Workshop 2	Review changes and updates from Electrical Design Workshop #1. Review proposed raceway routing, grounding system. Present proposed pump motor rehabilitation and/or conversion plan.
PLC/SCADA Design Workshop 2	Review changes from PLC/SCADA Design Workshop 1. Review proposed control panel layouts. Review proposed startup and testing plan.
90% Design Workshop	<p>Present overview of 90% design to broad group, including major decisions made, proposed system configurations and layouts, and important outstanding items.</p> <p>Review proposed construction sequencing plan and necessary equipment outages and switchovers.</p>

- 16. Within two weeks of receipt of Valley Water comments on the 90 percent design package, submit responses to comments to Valley Water.

Deliverables:

- 1. Workshop materials and handouts
- 2. Draft and final workshop notes, decision log, and action log
- 3. 90 Percent Design Package (including Adobe PDF, MS Word, and native CADD file formats)
- 4. 90 Percent Design Package comment responses

Subtask 4.7 Final Design

Design-Builder shall develop and submit a Final Design Submittal to Valley Water. The Final Design Submittal shall include all documents, drawings and specifications required under this task, each stamped and signed by the responsible engineer. At a minimum, the Final Design Submittal shall include:

- 1. Narrative description of revisions to the design package since the 90 percent design, and rationale for changes.
- 2. Summary of status of any applicable permits.
- 3. Updated Phase 2 schedule based on final design.
- 4. Updated Design and Construction Phasing Plan, including plans for procurement of any long-lead items. Include a brief narrative describing changes to the Plan (if any) from the 90 percent submittal.
- 5. Updated Site Logistics Plan.
- 6. Updated Best Management Practices Action Plan.
- 7. Updated Project Risk Register.
- 8. All QA/QC Review documentation, including signature pages documenting completed reviews, and if requested by Valley Water, reviewer comments and design team responses.
- 9. Plans and specifications consistent with issuance for construction, including at a minimum the items identified in Table 5.

TABLE 5. Final Drawings and Specifications Minimum Requirements

Drawings	Specifications
All drawings included in 90 percent submittal, and any additional drawings identified by the Design-Builder, advanced to final design completion.	All specifications included in 90 percent submittal, and any additional specifications identified by the Design-Builder, advanced to final design completion.

10. The Design-Builder shall submit one full-sized set of the stamped and signed Final Design Documents and one electronic copy in Adobe PDF, MS Word, and native CADD formats. Wet signatures are not required for the full-size submittal, a printed copy is acceptable.

Deliverables:

1. Final Design Package (stamped and signed)

ASSUMPTIONS:

1. Effort for preparing for and conducting/attending design concept, design submittal review, and other technical meeting(s) is to be included in Task 4.
2. Assume up to 10 technical workshops or meetings will be required, including the workshops identified in Table 2 and Table 4, averaging 3 hours in duration and attended by an average of 4 members of Design-Builder's team.

TASK 5 COST MODELING AND SCHEDULING

Subtask 5.1 Cost Model Development

1. The Design-Builder shall develop a draft cost model for the Project for review and approval by Valley Water. The intent of cost model development and review is to have Valley Water and the Design-Builder agree on the format for presenting cost models that will be used consistently throughout the Project, so that Valley Water can easily track the evolution of estimated costs through the Guaranteed Price Proposal.
2. An example cost model template is included as Exhibit 3A.1 and will be provided to the Design-Builder in Excel format. The example cost model template is provided to indicate the desired types and organization of information included in the cost model. The Design-Builder is not required to use this template, and may use an alternate format that communicates the same information.
3. The cost model shall use an "Open Book" approach such that all costing details are transparent and openly shared with Valley Water. Costs shall be broken down to show labor, equipment and materials for each item. All escalation factors shall be identified. Fees shall be included consistent with the Design-Build Agreement. Contingency shall be included and derived directly from the probability-weighted Risk Register developed for the Project. The draft cost model template shall be submitted to Valley Water for review prior to the design concept meeting, so that a first draft cost model can be developed for the design concept meeting.
4. The Design-Builder shall incorporate and address Valley Water comments on the draft cost model template, and submit a revised cost model template to Valley Water. The Design-Builder shall submit additional revisions as needed to reach agreement with Valley Water on the format of the cost model.

Deliverables:

1. Draft, revised draft and final cost model template in Adobe PDF and spreadsheet (or other native form) formats.

Subtask 5.2 Cost Model Updates

1. The Design-Builder shall use Valley Water-approved cost model template for developing cost model updates and its Guaranteed Price Proposal; however, with Valley Water approval the cost model template may be further refined as greater detail becomes available on the project.
2. The Design-Builder shall conduct continuous cost modeling to assist with design and value engineering decisions, and shall develop and submit Project cost model updates at the following points in time:
 - a. Baseline cost model;
 - b. Design-Builder's Basis of Design Report;
 - c. The 60 percent design submittal;
 - d. The 90 percent design submittal (if 90 percent design completed prior to the Guaranteed Price Amendment); and
 - e. The Guaranteed Price Proposal.
3. Cost models shall be provided in hard copy, Adobe PDF and spreadsheet (or other native form) formats.
4. Design-Builder and Valley Water shall meet and confer about the submissions, with Design-Builder identifying the evolution of the costs. The Design-Builder shall revise the cost models as needed in response to Valley Water's comments.

Deliverables:

1. Baseline cost model within 30 days of notice-to-proceed
2. Cost models to support review of design concepts
3. Cost model with Design-Builder's Basis of Design Report
4. Cost model with 60 percent design submittal
5. Cost model with 90 percent design submittal (if 90 percent design completed prior to the Guaranteed Price Amendment)
6. Cost model with Guaranteed Price Proposal
7. Revised cost models as needed to address Valley Water questions and comments

Subtask 5.3 Phase 2 Schedule Development

1. The Design-Builder shall develop and update estimated schedules for the Phase 2 work. Estimated Phase 2 schedules shall be developed and / or updated to support design concept review, and with each design submittal milestone (Design-Builder's Basis of Design Report, 60 percent design, 90 percent design, Final design). An initial draft Phase 2 schedule shall be submitted within 30 days of Design-Builder notice-to-proceed.
2. As part of its Guaranteed Price Proposal, the Design-Builder shall develop and submit a proposed Project Baseline Schedule (as defined in the Design-Build Agreement) that, subject to negotiations, will set contractual dates for key milestones including Substantial Completion and Final Completion.
3. All Project schedules, developed as part of Phase 1, shall be consistent with the following requirements.
 - a. All schedules shall be prepared using an industry standard scheduling software.
 - b. Schedules shall be submitted as electronic files (native and Adobe PDF format) and shall be updated at the indicated design milestones to show progress and changes.
 - c. Schedules shall include all activities needed to complete the design and construction.

Deliverables:

1. Initial draft Phase 2 schedule within 30 days of Design-Builder NTP.
2. Estimated Phase 2 schedule (including any variations based on design and construction approach as needed) to support design concept review.
3. Estimated and updated Phase 2 schedules with Design-Builder's BODR, 60 percent design, 90 percent design, and Final design.
4. Proposed Phase 2 Project Baseline Schedule included with Guaranteed Price Proposal.

ASSUMPTIONS:

1. Effort for preparing for and conducting/attending cost and schedule development and review meeting(s) is to be included in Task 5.

TASK 6 GUARANTEED PRICE PROPOSAL

The Design-Builder shall conduct all work necessary to develop, revise, and negotiate its Guaranteed Price Proposal in accordance with the requirements of the Design-Build Agreement. Valley Water anticipates submission of the Guaranteed Price Proposal following completion of 60 percent design, and incorporating Valley Water comments on the 60 percent design submittal, although Valley Water may elect to accept or reject a Guaranteed Price Proposal at any point in the process. The Design-Builder shall utilize an "open book" approach

to develop the Guaranteed Price Proposal, providing Valley Water with full access to all the details that make up the final Guaranteed Price Proposal.

The Guaranteed Price Proposal shall include the following items, and any other materials required by the Design-Build Agreement or deemed necessary by the Design-Builder:

1. Design submittal, including:
 - a. Design documents (drawings, specifications, and other milestone submittal documents) consistent with the design progression at the point at which the Design-Builder opts to make a Guaranteed Price Proposal (likely at or around the 60% design milestone, including drawings and specifications necessary to define the design, and incorporating Valley Water comments from the most recent design milestone completed [e.g., submit revised 60% design documents]).
 - b. Owner's Project Criteria, as may have been modified consistent with the Design-Build Agreement.
 - c. A list of assumptions and clarifications made by the Design-Builder in the preparation of the Guaranteed Price Proposal.
 - d. Identification of permits and approvals to be obtained by the Design-Builder during Phase 2, if any.
2. Project Management submittal, including:
 - a. Proposed Phase 2 Project Schedule including an accompanying narrative describing key assumptions in the proposed Project Baseline Schedule upon which the Guaranteed Price (GP) is based, and including dates for Substantial Completion and Final Completion.
 - b. Proposed Phase 2 Health and Safety Plan.
 - c. Proposed Phase 2 Construction Quality Control Plan.
 - d. Revised Self-Performance and Subcontracting Plan, identifying work packages planned to be self-performed and subcontracted, whether those packages are being procured competitively or sole sourced, description of approach to procurement for competitive packages, and identity of subcontractor for sole sourced packages.
 - e. Descriptive summary of all engineering, procurement, materials, construction labor and equipment, and other services necessary to perform the Phase 2 Work as required under this Design-Build Agreement.
 - f. A Phase 2 scope of work for engineering services during construction, describing the work tasks and activities to be provided by the Engineer of Record and other engineering or geotechnical firms during Phase 2.
 - g. A Phase 2 staffing plan describing the construction oversight activities to be completed by the Design-Builder, by the Engineer of Record, by other

engineering or geotechnical firms, and by Valley Water. The intent of this document is to demonstrate a shared understanding of oversight roles and responsibilities during construction, and to minimize duplication of efforts.

3. Pricing submittal, including:

- a. The proposed Cost of the Phase 2 Work as defined in the Design-Build Agreement (including all services required for construction of the Project through Final Completion) using Valley Water-approved cost model.
- b. Supporting documentation for the proposed Cost of the Phase 2 Work at a minimum shall include:
- c. Subcontractor and materials vendor bids and quotations.
 - 1) Details supporting estimates for self-performed construction work (labor, materials and equipment).
 - 2) Expense rates such as mileage charges, per diem for meals and lodging, and personnel vehicle rentals.
 - 3) Unburdened rental rates on construction equipment, trailers, storage and staging space and major tools.
 - 4) Allowances (where appropriate).
 - 5) Labor and expense costs for engineering construction support consistent with the Phase 2 professional services billing rates included in Exhibit E of the Design-Build Agreement.
 - 6) The proposed Contract Price and breakdown consisting of the proposed Cost of the Phase 2 Work (including the Design-Builder's contingency), the Design-Build Fee, the Construction General Conditions Fee, and Pass-Through Costs (if any).
- d. All other proposed Contract Price assumptions and clarifications on terms and conditions used not covered in the preceding items in this section.
- e. A list of work activities, expenses and fees not included in the Contract Price which Valley Water may be expected to pay for.

After delivery of the Guaranteed Price Proposal, the Design-Builder will meet with Valley Water for a technical meeting to present, review, and answer questions about the content of the Guaranteed Price Proposal. The Design-Builder will continue to revise the Guaranteed Price Proposal as needed and conduct additional workshops and meetings as needed to obtain Valley Water agreement. Additional Design-Builder effort to revise and negotiate the Guaranteed Price Proposal after the first submission is not reimbursable.

Deliverables:

1. Guaranteed Price Proposal and revisions

ASSUMPTIONS:

1. Effort for preparing for and conducting/attending Guaranteed Price Proposal meeting(s) is to be included in Task 6.

TASK 7 SUPPLEMENTAL PHASE 1 SERVICES

Valley Water may require, and the Design-Builder will perform, Supplemental Services for Phase 1 services on an as-needed basis. Prior to performing any Supplemental Services, Design-Builder must receive an approved Task Order issued by Valley Water and executed by both Parties. Refer to Exhibit 3A.2 for Task Order Template.

1. Additional Services. The Design-Builder will provide additional quantities of previously identified services as requested by Valley Water. Design-Builder will provide additional services for any quantity of tasks and deliverables beyond those stated in Tasks 1 through 6 as Task 7 Supplemental Phase 1 Services, to include but not limited to:
 - a. Additional meetings
 - b. Additional status/progress reports
 - c. Additional field investigations and environmental evaluations
 - d. Other unanticipated work identified by Valley Water
2. Specific Supplemental Services: Specific examples of possible Supplemental Services include:
 - a. Pest Management – provide engineering and preconstruction services for pest management for this project, as it pertains to compliance with provisions in this Design-Build Agreement for the Coyote pumping Plant ASDs Replacement Project.

Deliverables:

1. To be subsequently determined (effort to be excluded from Proposal submission for Phase 1 Not-to-Exceed Pricing)

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Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 3A.1 Valley Water Approved Cost Estimate Example

INSTRUCTIONS

1	Only RED or yellow cells needs to be filled in on Estimate Summary sheet, all other fields are links or formulas
2	Fill in the costs on the Cost Detail tabs in the white fields only, all other fields are formulas
3	Indirect costs for entire project are on the first Cost Detail tab
4	Provide the following supporting information and back-up with EACH GP Submittal
	<div><div>A. Estimate Summary – see template</div><div>B. Estimate Cost Detail – see template</div><div>C. Estimate Backup<div><div>a. Quantity Takeoffs</div><div>b. General Conditions cost breakdown/details beyond the Estimate Template</div><div>c. Calculations</div><div>d. Drawings/Sketches</div><div>e. Equipment List</div><div>f. Material Vendor quotes</div><div>g. Sub-Contractor quotes</div></div></div><div>D. Basis of Estimate – Listing all the assumptions and exclusions for developing the cost estimate. BOE needs to be broken down in following sub-categories (see attached AACEI BOE guidelines)<div><div>a. Estimate Classification</div><div>b. Estimating methodology</div><div>c. Work breakdown structure</div><div>d. Basis of Design</div><div>e. Basis of Cost</div><div>f. Labor Pricing & Productivity Methodology</div><div>g. Material & Equipment Pricing Methodology</div><div>h. Subcontractor Pricing Methodology</div><div>i. Contingency</div><div>j. Escalation</div><div>k. Assumptions & Clarifications for each CSI division (see log below)</div><div>l. Exclusions</div></div></div><div>E. Construction Schedule</div><div>F. Labor Rate Analysis – past project template available</div><div>G. Equipment Rental Rates</div><div>H. Value Engineering/ Innovations Log</div><div>I. Assumption/Clarifications Log</div><div>J. Risk Analysis (Risk Register)</div><div>K. Comment Log (this will be AFTER first submittal to resolve comments to the estimate)</div></div>

<INSERT Project Title>
<Insert Scope Description
Project No. <insert WS number(s)>
<State the deliverable (i.e., Engineer Est, 30%, 60%, etc.)>

<Insert Date>
Estimate Summary Sheet

DESIGN BUILD SERVICES				AMOUNT		
DIRECT COSTS				Total	Self-Performed by DB Team	Subcontracted
A	Division 2 - Site Work			#REF!	#REF!	#REF!
B	Division 3 - Concrete			#REF!	#REF!	#REF!
C	Buildings			#REF!	#REF!	#REF!
D	Division 4 - Masonry - Non-Building			#REF!	#REF!	#REF!
E.	Division 5 - Metal (Non-Building)			#REF!	#REF!	#REF!
F	Division 6 - Woods and Plastics (Non-Building)			#REF!	#REF!	#REF!
G	Division 7 - Thermal and Moisture Protection (Non-Building)			#REF!	#REF!	#REF!
H	Division 9 - Finishes (Non-Building)			#REF!	#REF!	#REF!
I	Division 10 - Specialties (Non-Building)			#REF!	#REF!	#REF!
J	Division 11 - Equipment (Non-building)			#REF!	#REF!	#REF!
K.	Division 13 - Special Construction			#REF!	#REF!	#REF!
L	Division 14 - Conveying Systems			#REF!	#REF!	#REF!
M	Division 15 - Mechanical			#REF!	#REF!	#REF!
N	Division 16 - Electrical			#REF!	#REF!	#REF!
O	Division 17 - Instrumentation			#REF!	#REF!	#REF!
P	Division 18 - Security			#REF!	#REF!	#REF!
Q	Start-up and Commissioning			#REF!	#REF!	#REF!
R	OTHER			#REF!	#REF!	#REF!
S SUBTOTAL DIRECT COSTS				#REF!	#REF!	#REF!
INDIRECT COSTS				CALCULATED RATE:		
T	General Conditions			#REF!	\$0.00	\$0.00
U	Contingency			#REF!	\$0.00	\$0.00
V SUBTOTAL GENERAL CONDITIONS COSTS				0.00%	\$0.00	\$0.00
W SUBTOTAL DIRECT AND INDIRECT COSTS				#REF!	#REF!	#REF!
X1	Design-Builder Fee on Work Self-Performed by Team (Overhead & Profit)			0.00%	NA	NA
X2	Design-Builder Fee on Subcontracts and POs (Overhead & Profit)			0.00%	NA	NA
X3	Total Design-Builder Fee for all Work (Overhead and Profit)			#REF!		
Y SUBTOTAL DIRECT AND INDIRECT COSTS (INCLUDING FEE)				#REF!		
Z	Insurance				\$0.00	
AA	Bonds				\$0.00	
AB	Rework Contingency				\$0.00	
AC	Sales Tax				\$0.00	
AD	Incentives				\$0.00	
AD SUBTOTAL PASS THROUGH COMMERCIAL COSTS					\$0.00	
				AE. Total GP	#REF!	
				AF. Phase 1 Price	\$0.00	
				AG. Total Prior Change Orders	\$0.00	
				AH. Total Contract Amount	#REF!	

<INSERT Project Title>
<Insert Scope Description
<State the deliverable (i.e., Engineer Est, 30%, 60%, etc.)>
Cost Detail (Including Indirects)
<Insert Date>

ITEM No.	DESCRIPTION	QTY	UNIT	Labor Cost	Permanent Material Cost	ST&S Cost	Subcontractor Cost	Construction Equipment	Other Cost/Unit	Total Cost	NOTES
SUMMARY											
Direct Costs Subtotal				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Project Indirect Costs Subtotal				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL COST				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
DIRECT COSTS DETAIL											
2	Division 2 - Site Work	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Division 2 to include items from the Division 2 series of technical specifications including, but not limited to, mass excavation/fill, rough grading, excavation, backfill, erosion and sediment control, general site preparation, access gate(s), temporary access roads, utilities, etc.
2.1	Site Remediation & Demolition, if needed		LS							\$ -	Demo of existing structures, utilities, concrete, asphalt, landscaping, etc. shall be broken out in multiple line items.
2.2	Site Preparation/Clearing		Acre							\$ -	
2.3	Grading		SY							\$ -	
2.4	Excavation & Backfill		CY							\$ -	
2.5	Deep Foundations		EA							\$ -	Any kind of deep foundation, piles, micro piles, drilled shafts, caissons, etc
2.6	Erosion & Sedmination Control		LS							\$ -	
2.7	Paving		SY							\$ -	Any aggregate and paving activites for new or replacement roads. Temp roads for construction use only should be in the general conditions under temp work
2.8	Landscaping & Architectural Features		LS							\$ -	includes any landscaping, planting, decorative retaining walls, or other architectural features not part of buildings
2.9	Permanent Fencing/ Perimeter Barrier		LF							\$ -	
2.10	Site restoration and Rehabilitation		LS							\$ -	
2.11	Other Division 2 Activities									\$ -	ADD DESCRIPTION IF THIS LINE IS USED
3	Division 3 - Concrete	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Division 3 to include items from the Division 3 series of technical specifications including, but not limited to, foundations, slabs, equipment pads, transformer pads, chemical containment, etc. Each separate pad shall be broken out into individual line items.
3.1	"Slab on grade" Concrete		CY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	horizontal concrete (does not include deep foundation concrete), includes all formwork, blockouts, embeds, palcing of concrete, stripping etc. to build the foundation. DOES NOT include rebar
3.11	NAME Foundation		CY							\$ -	add additional lines for each major foudation. Insert below this line to keep formulas intact
3.12	NAME Foundation		CY							\$ -	
3.13	Misc small foundations, stoops, etc		CY							\$ -	
3.2	Concrete Structures		CY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Any elevated or concrete structure that includes walls etc. Includes all work to to build the structure. DOES NOT include rebar
3.11	NAME Foundation		CY							\$ -	add additional lines for each major foudation. Insert below this line to keep formulas intact
3.12	NAME Foundation		CY							\$ -	
3.3	Rebar		TN							\$ -	All rebar for project
3.4	Other Division 3 Activities									\$ -	ADD DESCRIPTION IF THIS LINE IS USED
4a	Buildings	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	This line is a sum of all lines below it. ***If additional buildings are added, update formulas in this line
4a.1	Building 1- subtotal			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Repeat for each building on site. Scope applicable to specific building only
4a.1.1	Division 4 - Masonry for buildings only									\$ -	includes masonry applicable to specific building only, does not apply to general site or process equipemnt/structures

<INSERT Project Title>

<Insert Scope Description

<State the deliverable (i.e., Engineer Est, 30%, 60%, etc.)>

Cost Detail (Including Indirects)

<Insert Date>

ITEM No.	DESCRIPTION	QTY	UNIT	Labor Cost	Permanent Material Cost	ST&S Cost	Subcontractor Cost	Construction Equipment	Other Cost/Unit	Total Cost	NOTES
4a.1.2	Division 5 - Metals for buildings only									\$ -	includes metals applicable to specific building only (structural steel framing for building, or steel to support maintenance activities such as davit arms or bridge cranes, etc) Does not apply to general site or process equipemnt/structures
4a.1.3	Division 6 - Wood and Plastics									\$ -	
4a.1.4	Division 7 - Thermal and Moisture Protection									\$ -	Roofing, Insulation,
4a.1.5	Division 8 - Doors and Windows									\$ -	
4a.1.6	Division 9 - Finishes									\$ -	
4a.1.7	Division 10 - Specialties									\$ -	
4a.1.8	Division 11 - Equipment									\$ -	
4a.1.9	Division 12 - Furnishings									\$ -	
4a.1.10	Division 13 - Special Construction									\$ -	ADD Description
4a.1.11	Division 15 - Mechanical									\$ -	Mechanical applicable to building only, such as sewer, potable water, etc or such things typically in a building subcontractors scope. Explicilty DOES NOT include any process piping
4a.1.12	Division 15 - Electrical									\$ -	Electrical applicable to building only, such as lighting, communications, house power for outlets etc. Explicitely DOES NOT include any power or controls to process equipment
4a.1.13	Division 21 - Fire Supression									\$ -	all aspects of building specific fire protection/detection/alarm
4a.1.14	Division 23 - HVAC									\$ -	
4a.1.15	Division 27 - Communications									\$ -	
4a.1.16	Division 28 - Electronic Safety and Security									\$ -	
4a.2	Building 2- subtotal			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Repeat for each building on site. Scope applicable to specific building only
4a.2.1	Division 4 - Masonry for buildings only									\$ -	includes masonry applicable to specific building only, does not apply to general site or process equipemnt/structures
4a.2.2	Division 5 - Metals for buildings only									\$ -	includes metals applicable to specific building only (structural steel framing for building, or steel to support maintenance activities such as davit arms or bridge cranes, etc) Does not apply to general site or process equipemnt/structures
4a.2.3	Division 6 - Wood and Plastics									\$ -	
4a.2.4	Division 7 - Thermal and Moisture Protection									\$ -	Roofing, Insulation,
4a.2.5	Division 8 - Doors and Windows									\$ -	
4a.2.6	Division 9 - Finishes									\$ -	
4a.2.7	Division 10 - Specialties									\$ -	
4a.2.8	Division 11 - Equipment									\$ -	
4a.2.9	Division 12 - Furnishings									\$ -	
4a.2.10	Division 13 - Special Construction									\$ -	ADD Description
4a.2.11	Division 15 - Mechanical									\$ -	Mechanical applicable to building only, such as sewer, potable water, etc or such things typically in a building subcontractors scope. Explicilty DOES NOT include any process piping
4a.2.12	Division 15 - Electrical									\$ -	Electrical applicable to building only, such as lighting, communications, house power for outlets etc. Explicitely DOES NOT include any power or controls to process equipment
4a.1.13	Division 21 - Fire Supression									\$ -	all aspects of building specific fire protection/detection/alarm
4a.1.14	Division 23 - HVAC									\$ -	
4a.1.15	Division 27 - Communications									\$ -	
4a.1.16	Division 28 - Electronic Safety and Security									\$ -	
4b	Division 4 - Masonry - Non-Building	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

<INSERT Project Title>

<Insert Scope Description

<State the deliverable (i.e., Engineer Est, 30%, 60%, etc.)>

Cost Detail (Including Indirects)

<Insert Date>

ITEM No.	DESCRIPTION	QTY	UNIT	Labor Cost	Permanent Material Cost	ST&S Cost	Subcontractor Cost	Construction Equipment	Other Cost/Unit	Total Cost	NOTES
4b.1	Any non-building masonry		LS							\$ -	masonry retaining walls or other masonry not associated with a building
5	Division 5 - Metal (Non-Building)	0	Ton	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Division 5 to include Non-building items from the Division 5 series of technical specifications to include, but not limited to, structural supports, bollards, grating, metal barriers on top of walls, shade canopy, etc.
5.1	Structural Steel and Connections		Ton							\$ -	Includes, steel framing (non-building), pipe racks, significant support structures, canopies etc
5.2	Misc Access steel		Ton							\$ -	Includes stairs, handrails, grating, decking,
5.3	Other Division 5 Activities		Ton							\$ -	ADD DESCRIPTION IF THIS LINE IS USED
6	Division 6 - Woods and Plastics (Non-Building)	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
6.1	Any non-building or concrete wood and plastics		LS							\$ -	
7	Division 7 - Thermal and Moisture Protection (Non-Building)	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
7.1	Pipe Thermal Protection		LF							\$ -	
7.2	Non-building Fire and Smoke Protection/Detection/Alarm		LS							\$ -	scope typically provided by a specialty fire protection sub, fire main or fire water loop should be in underground pipe
7.3	Other Division 6 Activities									\$ -	ADD DESCRIPTION IF THIS LINE IS USED
9	Division 9 - Finishes (Non-Building)	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Division 9 to include items from the Division 9 series of technical specifications to include, but not limited to, coating systems, lining systems, etc.
9.1	Concrete Coatings		SF							\$ -	
9.2	Painting (steel, pipe, etc)		LS							\$ -	
9.3	Other Division 9 Activities		LS							\$ -	ADD DESCRIPTION IF THIS LINE IS USED
10	Division 10 - Specialties (Non-Building)	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Division 10 to include items from the Division 10 series of technical specifications including, but not limited to, identification signs, warning signs, etc.
10.1	Permanent Signage		LS							\$ -	Any permanent signage required by the project
10.2	Other Division 10 Activities		LS							\$ -	ADD DESCRIPTION IF THIS LINE IS USED
11	Division 11 - Equipment (Non-building)	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Division 11 to include items from the Division 11 series of technical specifications to include, but not limited to, pumps, surge tanks, chemical storage/metering pumps, compressors, etc. Line items shall be broken out by equipment/ system being supplied (pumps, control valves, filters, UV, ozone, compressors, transformers, MCCs etc.)
11.1	LIST EACH PIECE OF EQUIPMENT (redundancy captured in qty)		EA							\$ -	
11.2			EA							\$ -	
11.3			EA							\$ -	
11.4			EA							\$ -	
11.5			EA							\$ -	
11.6			EA							\$ -	
11.7			EA							\$ -	
11.8			EA							\$ -	
11.9			EA							\$ -	
11.10			EA							\$ -	
11.11			EA							\$ -	
11.12			EA							\$ -	
11.13			EA							\$ -	add additional lines for each piece of equipment. Insert below this line to keep formulas intact
11.14			EA							\$ -	

<INSERT Project Title>
<Insert Scope Description
<State the deliverable (i.e., Engineer Est, 30%, 60%, etc.)>
Cost Detail (Including Indirects)
<Insert Date>

ITEM No.	DESCRIPTION	QTY	UNIT	Labor Cost	Permanent Material Cost	ST&S Cost	Subcontractor Cost	Construction Equipment	Other Cost/Unit	Total Cost	NOTES
13	Division 13 - Special Construction	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Division 13 to include items from the Division 13 series of technical specifications to include, but not limited to, cathodic protection systems, acoustic enclosures, etc. Line items shall be broken out by equipment/ system being supplied. ***NOTE: all process equipment to be included in Division 11*** ***NOTE: all instrumentation to be included in Division 17***
13.1	Sound, Vibration, and seismic control (non-building)		LS							\$ -	
13.2	Lightning Protection		LS							\$ -	not included in building subcontractor's scope
13.3	Cathodic Protection		LF							\$ -	
13.4	Field Erected Tanks (non-concrete)		EA							\$ -	Shop fabricated tanks should be listed above in Equipment
13.5	Hazardous Material Remediation, if necessary		LS							\$ -	
13.6	Other Division 13 Activities		LS							\$ -	ADD DESCRIPTION IF THIS LINE IS USED
14	Division 14 - Conveying Systems	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Division 14 to include items from the section 14 series of CSI division. ***NOTE: temp scaffolding is to be included in Division 1 - temp work***
14.1	Material Handling									\$ -	
14.2	Hoists, Bridge Cranes, etc									\$ -	
14.3	Other Division 14 Activities		LS							\$ -	ADD DESCRIPTION IF THIS LINE IS USED
15	Division 15 - Mechanical	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Division 15 to include items from the Division 15 series of technical specifications to include, but not limited to, pipe, valves, fittings, hangers and supports, testing, disinfection, and flushing for all piping systems, etc.
15.1	Above ground pipe	0	LF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
15.1.1	Above ground metal pipe large bore (greater than 2" dia)		LF							\$ -	
15.1.2	Above ground plastic pipe large bore (greater than 2" dia)		LF							\$ -	
15.1.3	Above ground fiberglass pipe large bore (greater than 2" dia)		LF							\$ -	
15.1.4	Above ground metal pipe small bore (2" dia or smaller)		LF							\$ -	
15.1.5	Above ground plastic pipe small bore (2" dia or smaller)		LF							\$ -	
15.1.6	Above ground fiberglass pipe small bore (2" dia or smaller)		LF							\$ -	
15.1	Underground pipe	0	LF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
15.1.1	Undergroundd metal pipe large bore (greater than 2" dia)		LF							\$ -	
15.1.2	Underground plastic pipe large bore (greater than 2" dia)		LF							\$ -	
15.1.3	Underground fiberglass pipe large bore (greater than 2" dia)		LF							\$ -	
15.1.4	Underground metal pipe small bore (2" dia or smaller)		LF							\$ -	
15.1.5	Underground plastic pipe small bore (2" dia or smaller)		LF							\$ -	
15.1.6	Underground fiberglass pipe small bore (2" dia or smaller)		LF							\$ -	
16	Division 16 - Electrical	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Division 16 to include items from the Division 16 series of technical specifications to include, but not limited to, electrical equipment, conduit, wire, duct bank, terminations, building receptacles, building lighting, site lighting, VFDs (if not provided with equipment), power studies, etc.
16.1	Ductbank		LF							\$ -	All-inclusive, except excavation and back-fill and wiring
16.2	Raceway		LF							\$ -	conduit (except what is in ductbank), cable tray
16.3	Wiring & Terminations		LF							\$ -	power and control wire
16.4	Grounding		LF							\$ -	ground grid and stingers
16.5	Lighting		EA							\$ -	
16.6	Heat trace		LF							\$ -	
16.7	Misc Small Electrical Equipment		LS							\$ -	Lighting panels, power panels, etc
16.8	Other Division 16 Activities		LS							\$ -	ADD DESCRIPTION IF THIS LINE IS USED
17	Division 17 - Instrumentation	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Division 17 to include items from the Division 17 series of technical specifications to include, but not limited to, instruments, PLC and hardware, software, programming, testing, etc.

<INSERT Project Title>

<Insert Scope Description

<State the deliverable (i.e., Engineer Est, 30%, 60%, etc.)>

Cost Detail (Including Indirects)

<Insert Date>

ITEM No.	DESCRIPTION	QTY	UNIT	Labor Cost	Permanent Material Cost	ST&S Cost	Subcontractor Cost	Construction Equipment	Other Cost/Unit	Total Cost	NOTES
17.1	Instruments		Ea							\$ -	
17.2	DCS/ PLCs		LS							\$ -	
17.3	Programming		LS							\$ -	
17.4	Instrument Calibration and Testing		LS							\$ -	
17.5	Other Division 17 Activities		LS							\$ -	ADD DESCRIPTION IF THIS LINE IS USED
18	Division 18 - Security	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
18.1	Permanent Facility Security		LS							\$ -	inclusive of gates, card readers, cameras, motion detection, security guard shacks etc
18.2	Other Division 17 Activities		LS							\$ -	ADD DESCRIPTION IF THIS LINE IS USED
19	Start-up and Commissioning	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
19.1	Pre-Commissioning	1	LS							\$ -	all activities to ensure plant is ready to receive process water
19.2	Commissioning & Testing	1	LS							\$ -	
20	Allowances	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20.1	ADD Description of Allowance									\$ -	
20.2	ADD Description of Allowance									\$ -	
21	OTHER	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
21.1	ADD Description of other direct costs not captured above									\$ -	
21.2	ADD Description of other direct costs not captured above									\$ -	
INDIRECT COSTS (OVERALL PROJECT)											
1	Division 1 - General Conditions	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	This line is a sum of all lines below it.
1.1	Commerical Costs			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
1.11	Licenses, Permits, Fees									\$ -	fees, special licenses, permit costs specific to project and required by 3rd party agencies
1.12	Subcontractor markup		%				\$ -				
1.13	Other Commercial Costs (not listed below in "pass through"		LS							\$ -	ADD DESCRIPTION IF THIS LINE IS USED
1.2	Site Staff - not included in Direct Work			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	payroll costs and expenses for project manager or construction manager for work conducted at the site; superintendent, general foremen, Office Staff (scheduler, cost control, payroll etc) other management personnel working on the site
1.21	Supervision									\$ -	Project Manager, Constrution Manager, Superinendents, Field Engineers , General Foreman
1.22	Office/Support Staff									\$ -	Office Engineer, Project Engineer, Scheduler, Payroll, Warehouse, Purchasing, Maintenance etc
1.23	Safety									\$ -	Includes staff, incentives, saftey supplies etc
1.24	Quality									\$ -	Includes staff, incentives, quality supplies, testing etc
1.25	Environmental, if required									\$ -	Includes staff, supplies, testing etc
1.26	Survey									\$ -	Includes staff, supplies, testing etc
1.27	Other									\$ -	INCLUDE DESCRIPTION IF THIS FIELD IS USED
1.3	Mobilization/ Demobilization									\$ -	
1.4	Temp Facilities									\$ -	offices and temporary facilities including office materials, office supplies, office equipment, minor office expenses; utilities, fuel, sanitary facilities, construction related electrical and telephone services at the site, security, land/misc facilities rentals, temp warehouse etc
1.5	Temp Work									\$ -	All work necessary to suppor the site, but not considered direct work (scaffolding, dust control, material handling, maintenace of temp roads and access, falsework, traffic control etc)
1.6	Duration Based Construction Equipment									\$ -	Any equipment that is not assigned to specific work, generators, welding machines, cranes, forklifts etc
1.7	Engineering									\$ -	Engineering costs to complete design, engineering during construction services, inspections etc
2	Contingency	1	LS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Labor Contingency									\$ -	

<INSERT Project Title>
<Insert Scope Description
<State the deliverable (i.e., Engineer Est, 30%, 60%, etc.)>
Cost Detail (Including Indirects)
<Insert Date>

ITEM No.	DESCRIPTION	QTY	UNIT	Labor Cost	Permanent Material Cost	ST&S Cost	Subcontractor Cost	Construction Equipment	Other Cost/Unit	Total Cost	NOTES
	Procurement Contingency									\$ -	buy-out of subs, materials, and equipment
	ADD Description of other contingencies									\$ -	
	ADD Description of other contingencies									\$ -	
	ADD Description of other contingencies									\$ -	
	ADD Description of other contingencies									\$ -	
	ADD Description of other contingencies									\$ -	Insert below this line to keep formulas intact
	ADD Description of other contingencies									\$ -	

Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 3A.2 Task Order Template

Task Order No. _____

Title: _____

Agreement: Design-Build Agreement _____ ("Agreement") Between the Santa Clara Valley Water District ("Valley Water") and _____ ("Design-Builder"), dated _____.

Valley Water: _____

Design-Builder: _____

Dollar Amount of Task Order Not-to-Exceed _____

1. Upon full execution of this Task Order No. _____, and the issuance of a Notice to Proceed by Valley Water Project Manager, the Design-Builder is hereby authorized to perform the Services described in Attachment A to this Task Order. Any costs incurred, Services performed or expenditures by the Design-Builder before this Task Order is executed or before the issuance of the Notice to Proceed will be considered outside the contracted Scope of Services and will not be eligible for payment.
2. Both the Scope of Services to be performed and the deliverables to be provided in accordance with this Task Order are described in Attachment A which is attached hereto and incorporated by this reference. Attachment A shall include at a minimum the following:
 - A. The Design-Builder personnel to be assigned to perform the Services, including resumes if not previously provided to Valley Water;
 - B. The total not-to-exceed fees amount for Design-Builder to complete the Services, including estimated number of hours required to perform the Services assigned to each Design-Builder classification;
 - C. Estimated cost of each other direct cost and reimbursable expense, including any applicable fees; and
 - D. Project schedule for completing the Scope of Services.
3. Design-Builder shall be compensated at fixed fees or at the hourly rates previously established. Consultant agrees that it will provide all equipment, furnish all materials, except as may be otherwise noted in the Attachment A.
4. This Task Order becomes effective on the date of full execution by authorized representatives of the Parties and remains in effect until the earlier of: completion of the tasks set forth in Attachment A; or [expected completion date].

5. Copies of applicable local, state and federal permits required to perform the Services described in Attachment A are attached to this Task Order, unless the Design-Builder previously provided the appropriate permits to Valley Water.
6. Design-Builder shall perform all Services described in Attachment A to this Task Order in accordance with the Terms and Conditions of the Agreement.
7. Prevailing Wage Requirements [NOT USED]
 - A. The Scope of Services described in this Task Order is considered by Valley Water to be "Public Works" requiring the payment of prevailing wages..
 - B. In accordance with prevailing wage laws, the Director of the California Department of Industrial Relations (Director) has ascertained the general prevailing rate of wages and employer payments for health and welfare, pension, vacation, and similar purposes available to the particular craft, classification, or type of workers employed on the Project. These rates are set forth in the latest determination obtained from the Director, which is on file in Valley Water's Office of the Clerk of the Board of Directors and incorporated herein by reference the same as though set forth in full. The rates are also available on the State of California Department of Industrial Relations website at <http://www.dir.ca.gov>.

8. Signatures:

Signature:

NAME OF DESIGN-BUILD FIRM
[PRINT NAME]
[PRINT TITLE]

DATE

Signature:

SANTA CLARA VALLEY WATER DISTRICT
[PRINT NAME]
[PRINT TITLE]

DATE

Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 3B. Phase 2 (by Amendment)

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Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 3C. OWNER'S PROJECT CRITERIA

CONFIDENTIAL

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**Valley Water
Coyote Pumping Plant ASDs Replacement Project**

EXHIBIT 3D. INDEX OF REFERENCE DOCUMENTS

The final version of this document will be included as an Exhibit to the Design-Build Agreement.

The Design-Builder shall review the Reference Documents as directed in the RFP to support their proposal, and during Phase 1. Valley Water may also update the Reference Documents list from time to time with new information during Phase 1.

All documents listed below are provided via PlanetBids.

Unless otherwise indicated in the table, the Reference Documents are provided to Proposers and the Design-Builder for information and background purposes only, and shall not be relied on for design.

Document Number	Document Title, Author, and Date	Reliance
CPP ASD Replacement Project-Specific Reference Documents		
REF-01	CPP Motor Test Data, Omicron, 2020	Technical data collected during testing be relied on to support design. Any calculations or conclusions are for information use only and shall not be relied upon for design.
REF-02	O&M Manuals, Siemens, 1986	For informational and background use only and shall not be relied upon for design
REF-03	CEQA Categorical Exemption, Coyote Pumping Plant, Valley Water, June 2021	For informational and background use only and shall not be relied upon for design
Santa Clara Valley Water District Standards		
REF-04	Guide Specifications, Valley Water, 2015-2021	For informational and background use only and shall not be relied upon for design
REF-05	CADD Standards, Valley Water, December 2010	May be relied upon for design and planning purposes
Reports		
REF-06	Geologic Design Data Report, US Dept of Interior, January 1983	For informational and background use only and shall not be relied upon for design
REF-07	Geotechnical Investigation, Coyote Pumping Plant Maintenance Building Project, Kleinfelder, September 2013	For informational and background use only and shall not be relied upon for design

Document Number	Document Title, Author, and Date	Reliance
Environmental		
REF-08	Final Initial Study / Mitigated Negative Declaration, Coyote Warehouse Project, ESA Inc., May 2017	For informational and background use only and shall not be relied upon for design
Drawings		
REF-09	Original Construction Drawings, Coyote Pumping Plant, USBR, 1984-1988	The as built or record documents are for reference only; Valley Water does not guarantee their completeness or correctness. Valley Water makes no representation, either expressed or implied, that the conditions indicated in the Drawings, documents, or records are representative of those existing at the Site, or that different conditions may not occur or material other than that indicated or in proportions different from those indicated may not be encountered.
REF-10	ASD Cable Replacement Project, Coyote Pumping Plant, SCVWD, 2007	

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Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 4. PERMITS AND APPROVALS

This draft permits and approvals matrix is intended for the Design-Builder’s reference only. In providing this document, Valley Water does not guarantee that all required permits are listed. The selected Design-Builder and the Owner will collaborate during Phase 1 of the Project to develop a full understanding of the permitting requirements of the Project. Additional permits for which the Design-Builder will be responsible may be added. Valley Water does not currently anticipate any additional permits or approvals will required: the site is exempt from local building-type permits per federal regulations, and no significant environmental permits beyond those shown are anticipated to be required. The Design-Builder shall be responsible for obtaining and maintaining any permits and approvals that are not explicitly identified as a Valley Water responsibility, irrespective of whether any such permit or approval is identified in this Exhibit.

TABLE X. Permits and Approvals Matrix

Name of Government Approval/Submittal	Issuing Entity	Permittee/ Approval Holder	Application Manager	Information Supply Responsibility	Fee Payment Responsibility
NEPA	USBR	VW	VW	VW	VW
CEQA	CA Department of Fish and Wildlife	VW	VW	VW	VW
USBR Letter of Agreement	USBR	VW	VW	VW	VW
[Other permits/approvals – to be added by Design-Builder in Phase 1]	[agency]	[DB or VW]	[DB or VW]	[DB or VW]	[DB or VW]

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Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 5. Compensation (from the Selected DBE)

Valley Water
Coyote Pumping Plant ASDs Replacement Project
EXHIBIT 5A. Design-Builder Phase 1 Price Proposal
(from the Selected DBE)

ADDENDUM NO. 3
TO REQUEST FOR PROPOSALS
FOR DESIGN-BUILD ENTITIES SEEKING TO BID ON
COYOTE PUMPING PLANT ASDs
REPLACEMENT PROJECT
Project No. 91234002 Contract No. C0675

ATTACHMENT 2

Valley Water
Coyote Pumping Plant ASDs Replacement Project

FORM 14. PROGRESSIVE DESIGN-BUILD PRICE PROPOSAL **(AMENDED)**

(This form shall be completed and attached to Proposal Section 6.1 Progressive Design-Builder Price Proposal)

Phase 1. Design and Preconstruction Services

<u>EVALUATED</u> Not-to-Exceed Price for Design and Preconstruction Phase <i>(Do not include Supplemental and/or Deductive Scope Proposed Price)</i>	4,314,077.00
Task 1: Phase 1 Project Management	\$ 1,186,298.00
Task 2: Reference Document Review	\$ 92,513.00
Task 3: Field Investigations and Permitting Support	\$ 284,915.00
Task 4: Design Development and Documents	\$ 1,871,291.00
Task 5: Cost Modeling and Scheduling	\$ 238,550.00
Task 6: Guaranteed Price Proposal	\$ 248,321.00
Task 7: Supplemental Phase 1 Services	\$ 392,189.00

Phase 2. Construction Services Fees

<u>EVALUATED</u> Guaranteed Maximum Price Option.		
Construction phase fee on construction cost per requirements in RFP.		
1. <u>Design-Builder Fee</u> (Fees applied by Design Builder) A percent (%) markup to be applied by the Design-Builder to the Direct Cost of Work that is to be self-performed by the Design-Builder and applied to subcontracted Work provided by all other members of the DB Team (i.e., all firms named in Respondent's SOQ and/or Proposal as a DB Team member, except the Design-Builder).	20	%
2. <u>Design-Builder Subcontractor Fee</u> (Fees applied by Design-Builder) A total percent (%) markup to be applied by the Design-Builder to all Work and purchases from entities not named in the Respondent's SOQ and/or Proposal as a DB Team member.	20	%
3. <u>DB Team Member Fee(s)</u> (Fees applied by DB Team members) A separate, individual percent (%) markup to be applied by each DB Team member named in the SOQ and/or Proposal. Fee to apply to the Direct Cost of Work that is performed by named members of the DB Team (except the Design-Builder) as estimated using an open-book process to support the Design-Builder's development of the Guaranteed Price Proposal. The DB Team Member Fee(s) will not be used for evaluation of the proposal , but will be binding as the only markup on the Direct Cost of Work allowed by the respective DB Team members. (Add rows below as necessary to list all DB Team members)		
DB Team Member 1 Name Cupertino Electric, Inc.	18	%
DB Team Member 2 Name TESCO	18	%
<u>EVALUATED</u> Lump Sum Price Option.		
Adjusted fee to be applied to construction cost should Valley Water elect to exercise the Guaranteed Price on a Lump Sum basis.		
1a. <u>Design-Builder Fee</u> . Percent (%) discount on listed Design-Builder Fee (listed in Item 1 above) should Valley Water elect to exercise the Guaranteed Price on a Lump Sum basis:		
Discount on Design-Builder Fee	3	%
1b. Math check:		
Design-Builder Fee (from GMP option Item 1 above)	20	%
minus		
Lump Sum discount	3	%
Equals	17	%
2a. <u>Design-Builder Subcontractor Fee</u> . Percent (%) discount on listed Design-Builder Subcontractor Fee (listed in Item 2 above) should Valley Water elect to exercise the Guaranteed Price on a Lump Sum basis:		
Discount on Design-Builder Subcontractor Fee	3	%
2b. Math check:		
GMP Fee (from GMP option Item 2 above)	20	%
minus		
Lump Sum discount	3	%
Equals	17	%

ADDITIONAL INFORMATION

- As-proposed Design-Builder Fee will be applied to the actual, verifiable Direct Cost of the Work, as defined in the Supplement Conditions, Section 1.20 and DB Agreement Section 7.5.1.
- The Guaranteed Price will be calculated as described in Section 7.5.7 of the DB Agreement.
- Fees will not be applied to pass through costs as described in Sections 7.5.3 through 7.5.6 of the DB Agreement.
- The final Guaranteed Price is a fixed dollar amount which represents the maximum total compensation available for Phase 2 (Construction) to the Design-Builder as described in Sections 5.3 and 7.3 of the DB Agreement.
- Other than the three fee categories described above, no additional mark-up or fees are to be included on Phase 2 Construction Work incurred for any member of the Design-Build Team. Design-Build Team members are considered pre-selected for self-performed scope may not otherwise compete for subcontracted scope in Phase 2 (Construction).
- For the development of all iterations of the draft Guaranteed Price Amendment, all members of the Design-Build Team are required to document costs in open-book format as described in Sections 5.3 and 7.3 of the DB Agreement.
- The selected Design-Builder will be required to develop its Guaranteed Price estimate, and all subsequent Guaranteed Price iterations in accordance with the level of detail set forth in the Valley Water Approved Cost Estimate Example (provided as DB Agreement Exhibit 3A, Attachment 1).
- Variations of how the Fees are applied to costs, from the Valley Water Approved Cost Estimate Example, will not be allowed without express written approval by Valley Water. Modifications to the Valley Water Approved Cost Estimate Example that do not affect how Fees are applied (e.g., specific line items and organization of construction scope) will be allowed, and will be developed collaboratively with Valley Water, upon selection.

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Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 5B. Design-Builder Hourly Billable Rates
(from the Selected DBE)

Valley Water
Coyote Pumping Plant ASDs Replacement Project

**FORM 15. PHASE 1 ALL-INCLUSIVE BILLING RATES
AND LABOR CATEGORIES**

(This form may be expanded to span multiple pages, as needed, and attached to Proposal Section 6.1 Progressive Design-Builder Price Proposal)

Phase 1 Professional Services All-Inclusive Billing Rates and Labor Categories			
Staff Name	Firm	Labor Category	Billing Rate (Include all markups for benefits, overhead and profit)
Vimal Patel	Kiewit	Design Project Executive	\$290.00
Jesse Jardin	Kiewit	Project Manager	\$250.00
TBD	Kiewit	Project Engineer	\$225.00
TBD	Kiewit	Scheduler	\$225.00
James Cordero	Kiewit	Start-Up Manager	\$225.00
TBD	Kiewit	Estimator	\$160.00
TBD	Kiewit	Superintendent	\$225.00
TBD	Kiewit	Field Engineer	\$160.00
TBD	Cupertino Electric, Inc.	Construction Project Executive	\$240.63
Chauncey Gray	Cupertino Electric, Inc.	Project Manager	\$185.63
TBD	Cupertino Electric, Inc.	Project Engineer	\$111.46
TBD	Cupertino Electric, Inc.	Project Administration	\$75.63
TBD	Cupertino Electric, Inc.	Project Scheduler	\$178.75
TBD	Cupertino Electric, Inc.	Electrical Estimate Lead	\$163.63
TBD	Cupertino Electric, Inc.	Electrical Estimate Support	\$103.13
TBD	Cupertino Electric, Inc.	Superintendent	\$264.57
TBD	Kiewit Engineering	Engineering Project Manager	\$250.00
TBD	Kiewit Engineering	Engineering Coordinator	\$180.00
TBD	Kiewit Engineering	Project Controls	\$110.00
Adam Reab	Kiewit Engineering	Lead Engineer	\$200.00
John Liu	Kiewit Engineering	Lead Engineer	\$200.00
TBD	Kiewit Engineering	Support Engineer	\$180.00
TBD	Kiewit Engineering	Designer	\$150.00
TBD	Stantec	VP	\$330.00
Phil Atkinson	Stantec	Sr. Principal	\$315.00
Nathan Gronlund	Stantec	Sr. Principal	\$280.00
Mark Smith	Stantec	Sr. Principal	\$315.00
TBD	Stantec	Sr. Associate	\$190.00
TBD	Stantec	Sr. Designer	\$300.00
TBD	Stantec	Designer	\$150.00

Rates shown are 2022 and 2023 rates, and are not subject to escalation in 2024. Rates are subject to a 4% escalation starting in January 1, 2024.

Attachment 1
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Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 5C. Schedule of Values (by Amendment)

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Valley Water
Coyote Pumping Plant ASDs Replacement Project
EXHIBIT 6. Personnel (from the Selected DBE)

Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 6A. Staffing Plan (from the Selected DBE)

Exhibit 1-1: Our Organization Chart is provided to recommunicate our proposal personnel and structure with updated information to reflect the RFP requirements.

OUR PROJECT TEAM REMAINS UNCHANGED

Our project team remains unchanged and laser focused on producing a design that fits your budget, maximizes reliability, and delivers an easy to operate project at a low-life cycle cost. We are uniquely aligned with achieving your project goals as follows:

- 1

Relationship | We're providing a direct line of contact and simple interface with Jesse and Mark so you'll know who to coordinate with.
- 2

Consistent Management | Consistent management from Phase 1 through Phase 2 to ensure the experience and knowledge gained in Phase 1 carries over directly through Phase 2.
- 3

Experience | The Kiewit Team knows the level of quality and commitment Valley Water expects. We have brought together an experienced PDB team to help guide Valley Water through value identification, discussion and critical decision making.
- 4

Team | Kiewit and Stantec are currently working together on three alternative delivery projects and have completed over 50 design-build contracts valued at over \$18B. To best develop, design, and build the scope on this particular project, we have supplemented our team with electrical designers from Kiewit, electrical construction from Cupertino, and SCADA with Tesco. This team will be integrated from day one, adding key insight and input to the design and finished product.

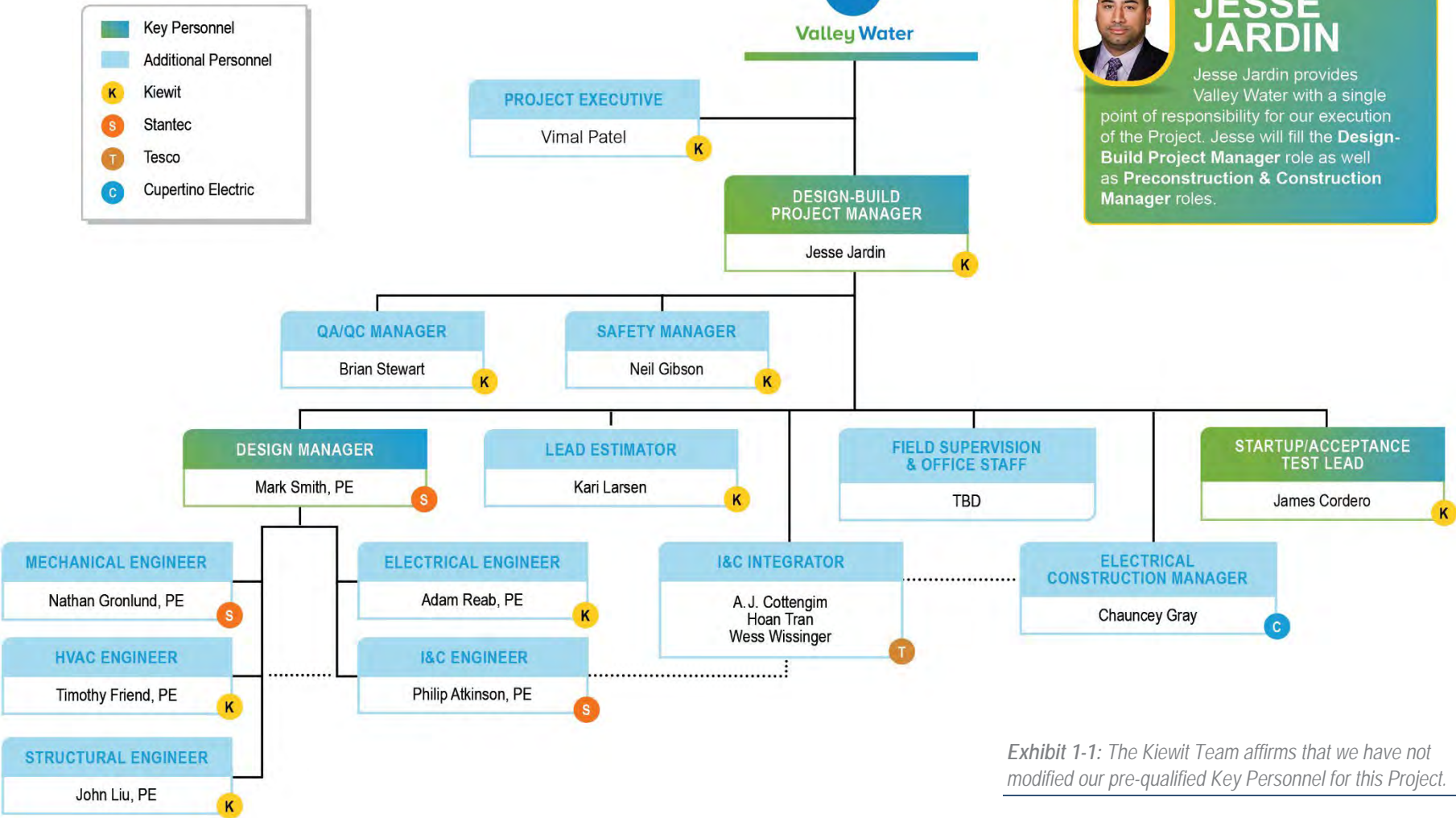


Exhibit 1-1: The Kiewit Team affirms that we have not modified our pre-qualified Key Personnel for this Project.

KEY PERSONNEL



JESSE JARDIN

Design Build Project Manager / Preconstruction and Construction Manager

- 15 years of experience
- Extensive leadership experience in water infrastructure and pump station projects
- Experience in progressive design-build delivery
- Hands-on technical knowledge and management and communication skills
- Experience working with Valley Water



MARK SMITH

Design Manager

- 30 years of experience
- Extensive experience designing water infrastructure and pump station projects
- Experience in progressive design-build delivery
- Strong technical knowledge and communication skills



JAMES CORDERO

Startup / Acceptance Test Lead

- 15 years of experience
- Experience in progressive design-build delivery
- Proven success commissioning plants
- Certified California Plant Operator
- Excellent trainer for Valley Water staff



VALUE ADDED

VIMAL PATEL | Project Executive

- Partnered and successfully delivered projects with Valley Water since 2003
- Worked with Key Personnel, Jesse and James for over 15 years



ADAM REAB, P.E. | Electrical Engineer

- 8 years of experience as electrical design engineer
- Experience in progressive design-build delivery
- Has led or been on the electrical design team for 6 EPC/DB projects worth \$2B in total value
- Proven success as Electrical Design Engineer on several water infrastructure plants, including Charles Meyer Desalination Project and North Hollywood Central and Tujunga Well Field Response Action Treatment Facilities



Cupertino brings over 3,000 full time Union IBEW electricians in the Bay Area.



Tesco provides 19 years of experience on more than 20 projects with Valley Water.

Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 6B. Key Firms and Personnel (from the Selected DBE)




KEY AND PARTICIPATING FIRMS

CPP ASD REPLACEMENT PROGRESSIVE DESIGN-BUILD PROJECT

All firms that will be significant participants in providing the contract services ("Participating Firms") are identified below. Such entities shall include, as applicable, (1) the Respondent who will serve as the single point of responsibility under the Design-Build Agreement (which may be a new company formed for the sole purpose of executing and performing the Design-Build Agreement); (2) the entity that will design the Project; (3) the entity that will construct the Project; (4) the Guarantor; and (5) any other significant participant, subconsultant or subcontractor including all firms identified as Key Firms in the RFQ.

(1) The Respondent:	<u>Kiewit Infrastructure West Co.</u>
(2) Engineer of Record:	<u>Stantec Consulting Services, Inc.</u>
(3) General Contractor:	<u>Kiewit Infrastructure West Co.</u>
(4) Guarantor:	<u>Kiewit Infrastructure West Co.</u>
(5) Other Key Firms:	<u>Tesco Controls, Inc. / Cupertino Electric, Inc.</u>

Each member of a joint venture should be listed separately.

Name of Respondent:	<u>Kiewit Infrastructure West Co.</u>
Name of Authorized Signatory:	<u>Eric M. Scott</u>
Signature:	<u></u>
Title:	<u>Senior Vice President</u>

NO CHANGES OR
ADDITIONS PROPOSED.

Valley Water
Coyote Pumping Plant ASDs Replacement Project

FORM 6. SUBSTITUTIONS OR ADDITIONS TO KEY FIRMS

(To be completed and attached to the Proposal Section 1.1 Qualifications Update, if applicable)

Identify any substitutions or additions to the Key Firms identified in Proposer’s SOQ in Proposal Form 6. If no changes are proposed, Proposal Form 6 need not be submitted.

Substitutions to Key Firms listed in Proposer’s SOQ shall have obtained prior Valley Water approval under the provisions of RFQ Section 4.5 and Section 6.1 of the RFP. Additions to Key Firms will be considered enhancements and do not require prior Valley Water approval.

- (1) Design-Builder: _____
- (2) Engineer of Record: _____
- (3) Construction Entity (General Contractor): _____
- (4) Other Key Firms: _____

Each member of a joint venture should be listed separately below.

- Name of Proposer (Design-Builder): _____
- Name of Authorized Signatory: _____
- Signature: _____
- Title: _____

Valley Water
Coyote Pumping Plant ASDs Replacement Project

FORM 9. KEY PERSONNEL AND STAFF TIME COMMITMENTS

(To be completed and attached to the Proposal Section 1.1 Qualifications Update, if applicable)

Key Personnel Time Commitments			
Project Role	Name	Commitment of Availability Phase 1	Commitment of Availability Phase 2
Design-Build Manager	Jesse Jardin	<u>90</u> %	<u>70</u> %
Design Manager	Mark Smith	<u>70</u> %	<u>30</u> %
Preconstruction Manager	Jesse Jardin	<u>90</u> %	<u>70</u> %
Construction Manager	Jesse Jardin	<u>90</u> %	<u>70</u> %
Startup/Commissioning/Acceptance Testing Lead	James Cordero	<u>25</u> %	<u>30</u> %
Other Key Personnel and Project Staff (list) Project Executive	Vimal Patel	<u>30</u> %	<u>30</u> %
Electrical Engineer	Adam Reab	<u>70</u> %	<u>25</u> %
Electrical Construction Manager	Chauncey Gray	<u>30</u> %	<u>50</u> %

*For commitment of availability, Proposers shall indicate average percent of time the individual could be available to work on the Project if needed. Assume 10 percent of each individual's time will be committed for vacation, holidays, and sick leave. Provide footnotes as needed for clarity.

Proposer shall identify Key Personnel for each role listed in the table above and other proposed project staff designated by the Proposer as important to the successful completion of the Work.

NO ADDITIONS OR
CHANGES PROPOSED.

Valley Water
Coyote Pumping Plant ASDs Replacement Project

FORM 7. SUBSTITUTIONS OR ADDITIONS TO KEY PERSONNEL¹

(To be completed and attached to the Proposal Section 1.1 Qualifications Update, if applicable)

Identify any substitutions or additions to the Key Personnel identified in Proposer’s SOQ in Proposal Form 7. If no changes are proposed, Proposal Form 7 need not be submitted.

Substitutions to Key Personnel listed in Proposer’s SOQ require prior City approval under the provisions of RFQ Section 4.6 and under Section 6.1 of the RFP. Additions to Key Personnel will be considered enhancements and do not require prior City approval.

Resumes, limited to 2 pages each, for each substituted or added individual shall be included as an attachment to Proposal Section 1.1 using Proposal Form 8.

Name	Company Affiliation	Proposed Role on Project

1. Key Personnel positions are defined in the RFP Definitions.

NO ADDITIONS OR
CHANGES PROPOSED.

Valley Water
Coyote Pumping Plant ASDs Replacement Project

FORM 8. RESUME INFORMATION

(To be completed and attached to the Proposal Section 1.1 Qualifications Update, if applicable)

Provide the information requested on this form for additions or changes to Key Personnel or other staff additions occurring subsequent to submittal of the SOQ. If no additions or changes to Key Personnel are proposed, Proposal Form 8 need not be submitted.

General Information

Name: _____

Firm/Office Location: _____

Title: _____

Year Employed by Firm: _____ years

Total Professional Experience: _____ years

Professional Registrations, Certifications, and Licenses (type, state/organization, year):

Proposed Role on the Project

Title/Assignment: _____

Description of Role/Responsibilities:

Commitment to Project¹

Phase 1	_____ %
Phase 2	_____ %

Relevant Project Experience²

Project/Client Delivery Method: _____

Location/Brief Description: _____

Current Status: _____

Date of Involvement: from _____ through _____.

Description of Specific Roles and Responsibilities:

Client References³

Name

Title/Organization:

Address:

Phone:

Email:

Notes:

1. Commitment indicates the amount of time (in percent) that the staff person would be available to work on the Project during a typical week during Phase 1 and Phase 2 considering other project and business commitments. For example, if a person would be available 20 hours per week out of a 40-hour work week, reply 50%. Indicate by "N/A" where the individual is not proposed to be involved in a particular phase of the Work.
2. Provide this information for up to seven relevant projects.
3. Provide two client references.

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Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 7. Schedule and Site Logistics Plan (from the Selected DBE)

2.2 PDB Implementation Approach Milestone Timeline

We have developed a PDB Implementation Approach Milestone Timeline (**Exhibit 2.5**) with critical decisions and processes we will use across Phase 1 through final design, to the extent it overlaps into Phase 2. As shown in the timeline, our project planning focuses on critical decision-making early in the Project, when decisions have the biggest impact on Project success.

Key decisions and milestones Valley Water will be involved in are shown on the timeline. Our project planning focuses on these critical activities in the Project, when decisions have the biggest impact on Project success. In these cases, Valley Water's responsibilities are:

- Empower Project Team within a defined hierarchy to make critical decisions efficiently
- Review and approve key design and process equipment submittals within 20 days
- Approve long lead and specialty equipment for on-time arrival
- Engage with Project Team during permitting to help expedite regulatory approvals
- Participate in weekly meetings to help progress the work on schedule
- Participate in regular partnering and alignment meetings

We look forward to discussing our PDB Implementation Approach with Valley Water and BC for the success of the Project and also as a pilot for future PDB deliveries with Valley Water.

Exhibit 2.5. Our PDB Implementation Approach Milestone Timeline leverages the entirety of the design development Phase 1 timeframe to enable informed, thoughtful decision-making

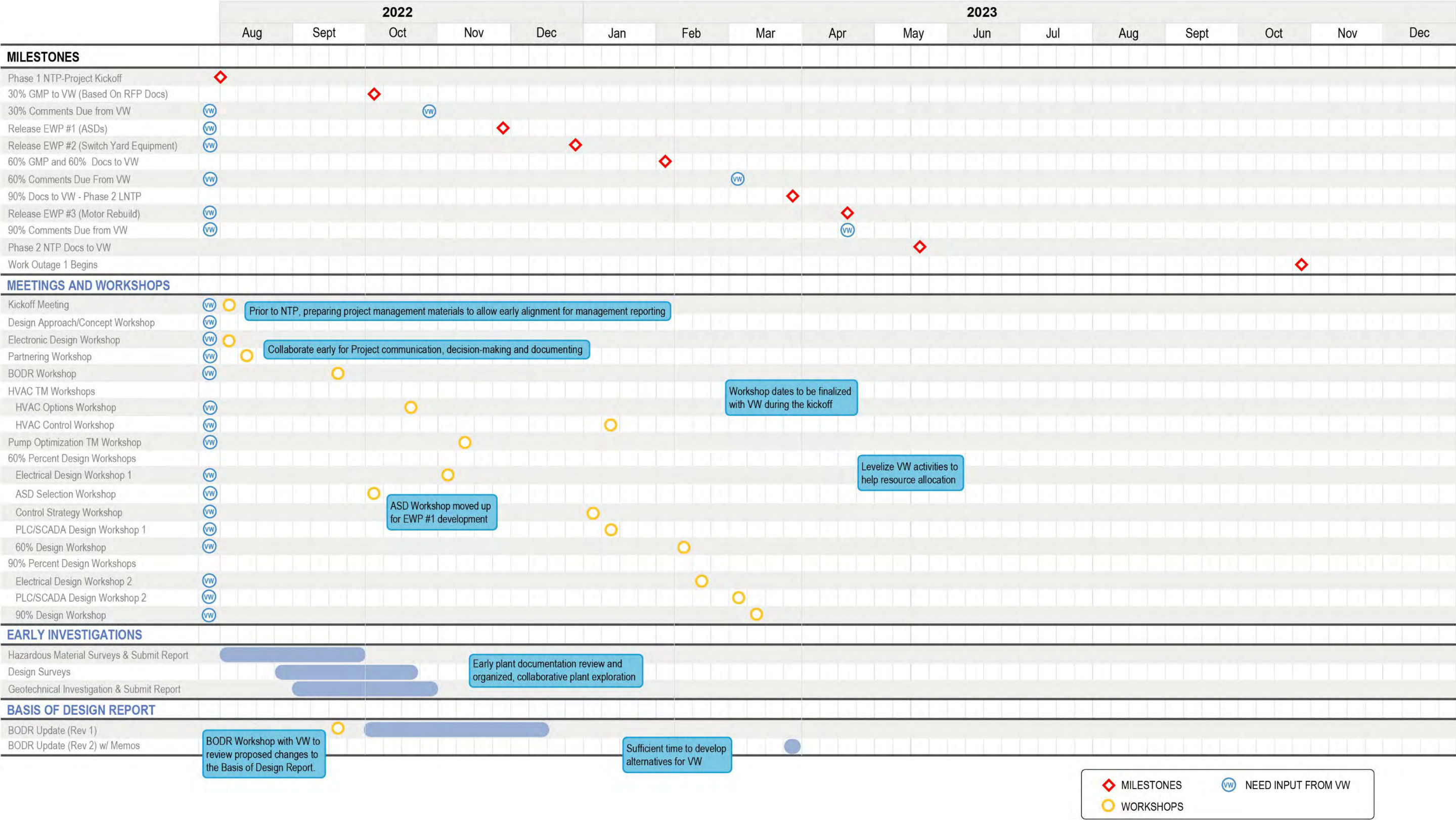
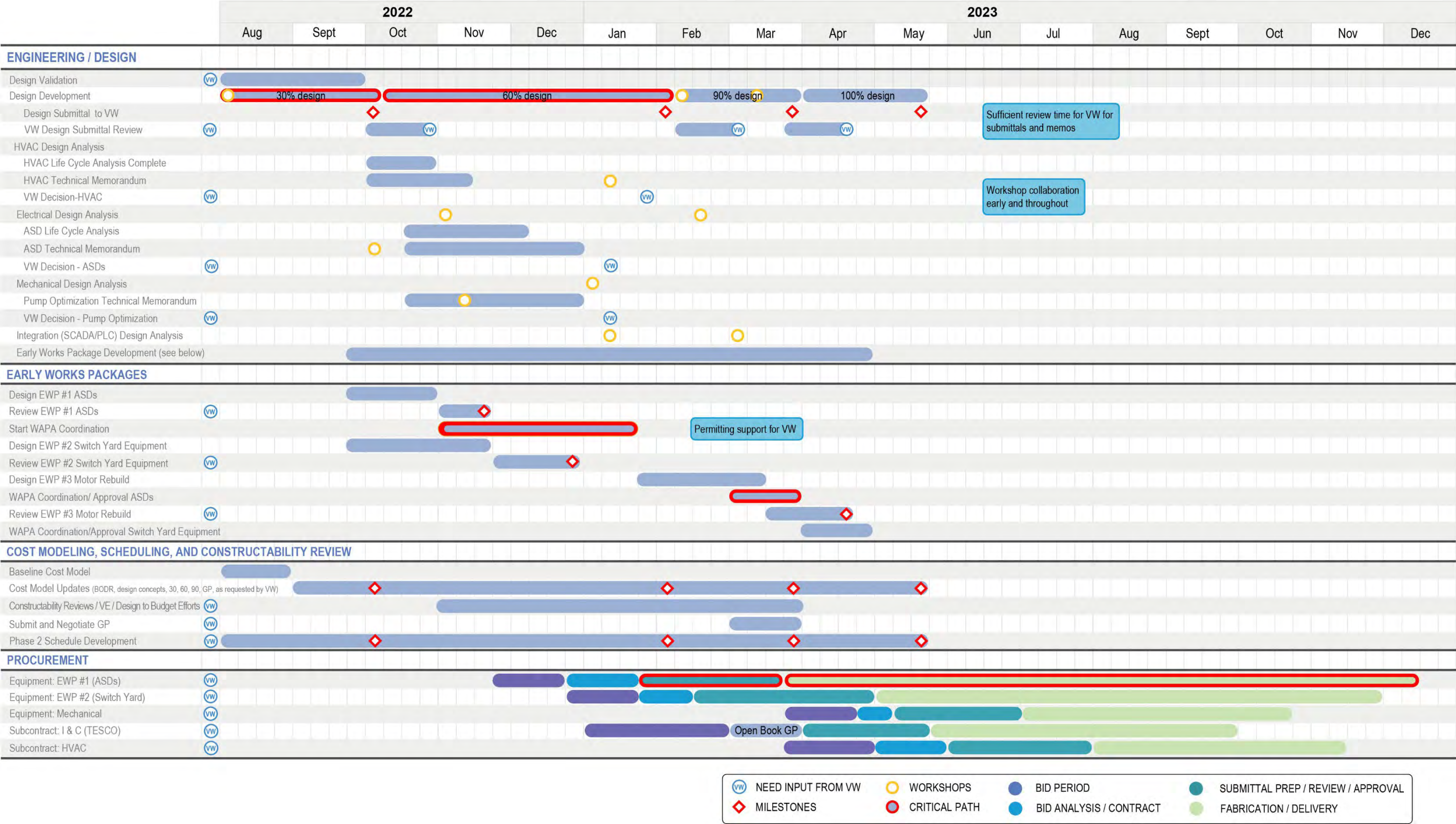


Exhibit 2.5 (cont...). Our PDB Implementation Approach Milestone Timeline leverages the entirety of the design development Phase 1 timeframe to enable informed, thoughtful decision-making



Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 7A-1. Project Baseline Schedule-Phase 1
(Phase 1 Deliverable)

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Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 7A-2. Project Baseline Schedule-Phase 2
(Phase 1 Deliverable)

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Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 7B. Site Logistics Plan (by Amendment)

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Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 8. Construction Documents

CONFIDENTIAL

Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 9. Insurance and Bonding

**Valley Water
Coyote Pumping Plant ASDs Replacement Project**

EXHIBIT 9A. Insurance Requirements

Please Note Failure to comply with the instructions below could result in a delay in receiving the Notice to Proceed. The District will not be responsible for time lost or costs incurred due to failure to comply with these requirements. Please note the checklist of documents needed at the end of this Appendix B insurance requirement.

Without limiting the Design-Build Entity (DBE)'s indemnification of, or liability to, the Santa Clara Valley Water District ("District" or "Valley Water"), the DBE must provide and maintain at its own expense, during the term of the Design-Build (DB) Agreement, or as may be further required herein, the following insurance coverages and provisions as listed below.

The DBE must provide its insurance broker(s)/agent(s) with a copy of these requirements and warrants that these requirements have been reviewed by the DBE's insurance agent(s) and/or broker(s), who have been instructed by the DBE to procure the insurance coverage required herein.

In addition to certificates, the DBE must furnish District with copies of all original endorsements affecting coverage required by this Appendix. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements and certificates are to be received and approved by District before the DB Agreement is executed. In the event of a claim or dispute, District has the right to require the DBE's insurer to provide complete, certified copies of all required pertinent insurance policies, including endorsements affecting the coverage required by this Appendix insurance document.

If your insurance broker has any questions about the above requirements, please advise him/her to call Mr. David Cahen, District Risk Manager at (408) 630-2213.

CERTIFICATES OF INSURANCE

The DBE shall furnish the District with a Certificate of Insurance. The certificates will be issued on a standard ACORD Form.

The DBE shall instruct their insurance broker/agent to submit all insurance certificates and required notices electronically in PDF format to the designated District Contract Administrator and email a copy to valleywater@ebix.com.

The certificates will:

1. Identify the underwriters, the types of insurance, the insurance limits, the deductibles and the policy term;
2. Include copies of all the actual policy endorsements required herein; and

3. In the "Certificate Holder" box include:

Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118
Contract No. C0675

IMPORTANT The contract number must be included.

In the Description of Operations/Locations/Vehicles/Special Items Box:

1. Certificate Holder shall be named as Additional Insured;
2. District agreement or project number shall appear;
3. The list of policies scheduled as underlying on the Umbrella policy shall be listed; and
4. Waiver of Subrogation must be indicated as endorsed to all policies.

If the DBE receives any notice that any of the insurance policies required by this Appendix B Insurance may be cancelled or coverage reduced for any reason whatsoever, the DBE or insurer shall immediately provide written notice to the designated District Contract Administrator that such insurance policy required by this Appendix B Insurance is canceled or coverage is reduced.

MAINTENANCE OF INSURANCE

If the DBE fails to maintain such insurance as is called for herein, District, at its option, may suspend payment for work performed and/or may order the DBE to suspend all the DBE's work at the DBE's expense until a new policy of insurance is in effect.

RENEWAL OF INSURANCE

The DBE will provide the District with a current Certificate of Insurance and endorsements within thirty (30) business days from the expiration of insurance.

The DBE shall instruct its insurance broker/agent to:

1. Submit all renewals of insurance certificates and required notices electronically in PDF format to:

valleywater@ebix.com

2. Provide the following information in the "Certificate Holder" box:

Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118
Contract No. C0675

IMPORTANT The contract number must be included.

The DBE must, at its sole cost and expense, procure and maintain during the entire period of the DB Agreement the following insurance coverage(s).

REQUIRED COVERAGES

1. Commercial General Business Liability Insurance with coverage as indicated:

5,000,000 per occurrence / 5,000,000 aggregate limits for bodily injury and property damage.

5,000,000 Products/Completed Operations aggregate (to be maintained for at least three (3) years following acceptance of the work by District.

General Liability insurance must:

- a. Be written on standard ISO forms, or inspected by the District Risk Manager
- b. Include coverage at least as broad as found in standard ISO form CG 0001
- c. Include Premises and Operations
- d. Include Contractual Liability expressly including liability assumed under the DB Agreement.
- e. If the DBE will be working within fifty (50) feet of a railroad or light rail operation, any exclusion as to performance of operations within the vicinity of any railroad bridge, trestle, track, roadbed, tunnel, overpass, underpass, or crossway must be deleted, or a railroad protective policy in the above amounts provided
- f. Include Owners and Contractors' Protective liability
- g. Include Severability of Interest
- h. Include Explosion, Collapse and Underground Hazards, (X, C, and U)
- i. Include Broad Form Property Damage liability
- j. Contain no restrictive exclusions (such as but not limited to CG 2153, CG 2144 or CG 2294)

The District reserves the right to require certain restrictive exclusions be removed to ensure compliance with the above.

2. Business Auto Liability Insurance with coverage as indicated:

2,000,000 combined single limit for bodily injury and property damage per occurrence, covering all owned, non-owned and hired vehicles.

Excess or Umbrella policies may be used to reach the above limits for the General Liability and/or Business Auto Liability insurance limits, however all such policies must

contain a primacy clause (See Section 2, General Conditions) and meet all other General Conditions below.

3. Builders' Risk (Course of Construction) Insurance

Covering all risks of loss, less policy exclusions, for an amount equal to the completed value of the project with no coinsurance penalty provisions.

The DBE's coverage shall provide the following:

- a. Coverage shall be provided on an "all-risk" or "special forms" basis (including perils of earthquake and flood, unless waived by the District's Risk Manager), including coverage for "soft costs" such as design, engineering, and construction management fees.
- b. Coverage shall be provided on the work and materials which are the subject to DB Agreement, whether in process or manufactured or finished, including "in transit" coverage to the final agreed upon destination of delivery, and including loading and unloading operations, and such coverage shall be in force until the work and materials are accepted by the District.
- c. Builder's Risk policy shall name Santa Clara Valley Water District as loss payee and additional insured as its interests may appear at the time of the loss.
- d. Deductible shall not exceed \$25,000 per occurrence and shall be borne by the DBE, except that higher deductibles for earthquake and flood may be approved by the District's Risk Manager.
- e. Loss, if any, shall be adjustable with and payable to the District as trustees for all entities having an insurable interest, except in cases as may require payment of all or a proportion of such insurance to be made to a mortgagee as its interest may appear.
- f. The insurer shall agree to waive all rights of subrogation against the District.
- g. If the DBE fails to maintain such insurance as is called for herein, the District, at its option, may order the DBE to suspend work at the DBE's expense until a new policy of insurance is in effect and on file with the District's project manager.
- h. The policy shall provide Santa Clara Valley Water District the right to occupy the premises without termination of the policy until final acceptance of the project.

4. Workers' Compensation and Employer's Liability Insurance

Statutory California Workers' Compensation coverage covering all work to be performed for the District.

Employer Liability coverage for not less than \$1,000,000 per occurrence.

5. Surety Bonds

The DBE shall provide the following Surety Bonds:

- a. A performance bond. A written guarantee from a bank or insurer submitted by the DBE ensuring payment of the contract in case DBE fails in the full performance of the contract.
- b. A payment bond. (Deposit or guarantee backed by a third party that all sums owed by the DBE to its employees, suppliers, subcontractors and other creditors will be paid on time and in full.)

6. Professional Errors and Omissions Liability with coverage as indicated:

5,000,000 per claim/ 5,000,000 aggregate

Professional/Errors and Omission Liability appropriate to the DBE's profession, and must include:

- a. If coverage contains a deductible, or self-insured retention, it shall not be greater than one hundred thousand dollars (\$100,000) per occurrence/event
- b. Coverage shall include contractual liability
- c. If coverage is claims-made:
 - (i) Certificate of Insurance shall clearly state that the coverage is claims-made
 - (ii) Policy retroactive date must coincide with or precede the DBE's start of work (including subsequent policies purchased as renewals or replacements).
 - (iii) Policy must allow for reporting of circumstances or incidents that might give rise to future claims.
 - (iv) Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.

7. Pollution Legal Liability

DBE's Pollution Legal Liability in the amount of \$1,000,000 per occurrence and \$1,000,000 general aggregate limits, including pollution that occurs during transport.

GENERAL REQUIREMENTS

With respect to all coverages noted above, the following additional requirements apply:

1. Additional Insured Endorsement(s): The DBE must provide an additional insured endorsement for Commercial General/Business Liability (for both on-going and completed operations) and Business Automobile liability coverage naming the Santa Clara Valley Water District, its Directors, officers, employees, and agents, individually and collectively, as additional insureds, and must provide coverage for acts, omissions, etc. arising out of the named insureds' activities and work. Other public entities may also be added to the additional insured endorsement as applicable and the DBE will be notified of such requirement(s) by the District. NOTE: This section does not apply to the Workers' Compensation and Professional Liability policies.

(NOTE: Additional insured language on the Certificate of Insurance is NOT acceptable without a separate endorsement such as Form CG 20 10, CG 2033, CG 2037, or CG 2038. Editions dated 07/04 are not acceptable.)

2. Primacy Clause: The DBE will provide evidence (either through the Certificate of Insurance, endorsement or language in the insurance contract) that DBE's insurance is primary with respect to any other insurance which may be carried by the District, its Directors, its officers, agents and employees, and the District's coverage must not be called upon to contribute or share in the loss. NOTE: This section does not apply to the Workers' Compensation policies.
3. Cancellation Clause: The DBE will provide endorsements for all policies stating that the policy will not be cancelled without 30 days prior notification to the District.
4. Acceptability of Insurers: All coverages must be issued by companies admitted to conduct business in the State of California, which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the District's Risk Manager. Non-Admitted companies may be substituted on a very limited basis at the Risk Manager's sole discretion
5. Self-Insured Retentions or Deductibles: Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the DBE shall provide a financial guarantee satisfactory to the Entity guaranteeing payment of losses and related investigations, claim administration, and defense expenses. The DBE agrees that in the

event of a claim they will pay down any agreed upon SIR in a prompt manner as soon as bills are incurred in order to trigger the insurance related to the SIR.

6. Subcontractors: The DBE shall secure and maintain or shall be responsible for ensuring that all subcontractors performing the Contract Services secure and maintain all insurance coverages appropriate to their tier and scope of work in a form and from insurance companies reasonably acceptable to the District.
7. Amount of Liability not Limited to Amount of Insurance: The insurance procured by the DBE for the benefit of the District must not be deemed to release or limit any liability of the DBE. Damages recoverable by the District for any liability of the DBE must, in any event, not be limited by the amount of the required insurance coverage.
8. Coverage to be Occurrence Based: Except for Professional Liability, all coverage must be occurrence-based coverage. Claims-made coverage is not allowed.
9. Waiver of Subrogation: The DBE agrees to waive subrogation against the District to the extent any loss suffered by the DBE is covered by any Commercial General Liability policy, Automobile policy, Workers' Compensation policy described in Required Coverages above. The DBE agrees to advise its broker/agent/insurer and agrees to provide evidence (either through the Certificate of Insurance, endorsement or language in the insurance contract) that subrogation has been waived by its insurer.
10. Non-compliance: The District reserves the right to withhold payments to the DBE in the event of material noncompliance with the insurance requirements outlined above.

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Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 9B. Payment Bond Form



BE IT KNOWN BY THESE PRESENTS:

WHEREAS, the Santa Clara Valley Water District (hereinafter called "the Public Entity"), and _____ (hereinafter designated as "Principal") have entered into an agreement for the COYOTE PUMPING PLANT ASDs REPLACEMENT PROJECT which said agreement is dated as of _____, 20____; and

WHEREAS, said Principal is required by California Civil Code Sections 9550 and 9554 to furnish a bond in connection with said agreement;

NOW, THEREFORE, we, the Principal and _____, a corporation duly organized under the laws of the State of _____, having its principal place of business at _____ in the State of _____, and authorized to do business in the State of California, hereinafter "Surety," are held and firmly bound unto the Public Entity in the penal sum of _____ Dollars (\$_____) lawful money of the United States of America for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, Administrators, and successors and assigns, jointly and severally, firmly by these presents.

1. THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal or the Principal's subcontractor fails to pay any of the persons named in Section 9100, or amounts due under the California Unemployment Insurance Code with respect to work or labor performed under the agreement, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Principal and the Principal's subcontractors pursuant to Section 13020 of the Unemployment Insurance Code, with respect to such work and labor, that the Surety or Sureties will pay for the same, in an amount not exceeding the sum hereinabove specified, and also, in case suit is brought upon the bond, a reasonable attorney's fee, to be fixed by the court. The Principal may require of the Principal's subcontractors a bond to indemnify the Principal for any loss sustained by the Principal because of any default by the Principal's subcontractors under Section 9554 of the California Civil Code.
2. This bond shall inure to the benefit of any of the persons named in Section 9100 of the California Civil Code, so as to give a right of action to such persons or their assigns in any suit brought upon this bond.
3. Surety, for value received, hereby agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder or to the Contract Documents accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or to the other portions of the Contract Documents.
4. Should the condition of this bond be fully performed, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.



IN WITNESS WHEREOF two identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety or Sureties above named on the _____ day of _____, 20_____.

PRINCIPAL:

SURETY:

Signature

Signature

Name

Name (Seal)

Title

Title

Address

Address

NOTE: Signature of those executing for Surety must be properly acknowledged.

Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 9C. Performance Bond Form



BE IT KNOWN BY THESE PRESENTS: That

WHEREAS, the Santa Clara Valley Water District, State of California, has awarded to

(hereinafter designated as "Principal") a Contract for the COYOTE PUMPING PLANT ASDs REPLACEMENT PROJECT, and

WHEREAS, said Principal is required under the terms of said Contract to furnish a bond for the faithful performance of said Contract,

NOW, THEREFORE, we, the Principal and _____ as Surety, are held and firmly bound unto the Santa Clara Valley Water District (hereinafter called "District") in the sum of _____ Dollars (\$_____) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the above bounden Principal, or heirs, executors, administrators, successors, or assigns shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the said Contract and any alteration thereof made as therein provided, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless District, its officers, agents, and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

And the said Surety, for value received hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Contract or to the work to be performed thereunder or the Specifications accompanying the same shall in any wise affect its obligation on this bond, and does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the Contract or to the work or to the Specifications.

In the event suit is brought upon this bond by District and judgment is recovered, Surety shall pay all costs incurred by District in such suit, including a reasonable attorney's fee to be fixed by the Court.



IN WITNESS WHEREOF two identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by Principal and Surety above named, on the _____ day of _____, 20_____.

PRINCIPAL:

SURETY:

Signature

Signature

Name

Name (Seal)

Title

Title

Address

Address

NOTE: Signature of those executing for Surety must be properly acknowledged.

Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 10. Relevant Portions of the Design-Builder's Proposal

SUBMITTED TO:

**SANTA CLARA
VALLEY WATER DISTRICT
(VALLEY WATER)**



TECHNICAL PROPOSAL // FEBRUARY 16, 2022

VOLUME 1

COYOTE PUMPING PLANT ASDs REPLACEMENT PROJECT

PROJECT NO: 91234002 // CONTRACT NO: C0675 // INVITATION NO: VW 0073

SUBMITTED BY:



Kiewit

IN ASSOCIATION WITH:



Stantec

TESCO
CONTROLS, INC.



**CUPERTINO
ELECTRIC INC.**



February 16, 2022

David Montenegro
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118

RE: Coyote Pumping Plant ASDs Replacement Project – Request for Proposals (Project No. 91234002, Contract No. C0675, Invitation No. VW 0073)

Dear Mr. Montenegro,

The Coyote Pumping Plant ASDs Replacement Project (Project) is a critical component of the Santa Clara Valley Water District's (Valley Water's) water system and integral to supplying water to the community. Kiewit Infrastructure West Co. (Kiewit), in partnership with designer Stantec Consulting Services, Inc. (Stantec) and subcontractors Tesco Controls, Inc. (Tesco) and Cupertino Electric, Inc. (CEI), is prepared to help Valley Water navigate your first Progressive Design-Build (PDB) project and deliver a modernized pumping plant that improves efficiency, electrical safety and operational reliability.

The Kiewit Team's proposal is based on three success factors. We use the icons below to highlight application of these success factors throughout our proposal:



Design to Budget

Through transparency, collaboration and open communication in planning, design and execution, we will work with Valley Water to **achieve the goal of maximizing the value of your budget.**



Improve Reliability

Our experience with Valley Water's current systems, combined with Tesco's instrumentation and control systems expertise, will bridge the gap between current systems and **improving reliability with the latest technology.**



Low Life-Cycle Cost

The Kiewit Team will collaborate with Valley Water from day one to **deliver an easy-to-operate project at a low life-cycle cost.** This approach leads to a best-value design to improve water delivery maintainability and reliability.

Thank you for this opportunity to present our proposal. In accordance with the RFP:

- Kiewit has fully informed itself of the matters affecting the Project and that the Proposal is complete, correct, and as intended.
- Kiewit acknowledges we received Addendum 1, Addendum 2 and Addendum 3.
- Under penalty of perjury that the information provided in the Proposal is true and correct.

If you have questions or would like additional information regarding this proposal, please reach out to Vimal Patel, our single point of contact for all procurement related communication.

Vimal Patel, Project Executive
ncestimating@kiewit.com or (707) 548-3331
4650 Business Center Drive, Fairfield, CA 94534

Sincerely,

KIEWIT INFRASTRUCTURE WEST CO.

A handwritten signature in blue ink that reads 'Eric M. Scott'.

Eric M. Scott, Senior Vice President

KIEWIT INFRASTRUCTURE WEST CO.
4650 BUSINESS CENTER DRIVE, FAIRFIELD, CA 94534
(707) 439-7300 (707) 439-7301

**Valley Water
Coyote Pumping Plant ASDs Replacement Project**

FORM 1. CERTIFICATE OF AUTHORIZATION*

(To be completed and attached to the Proposal Transmittal/Cover Letter)

I, Kari L. Larsen a resident of Vacaville in the State of California DO HEREBY CERTIFY that I am the **Assistant Secretary** of Kiewit Infrastructure West Co. a Corporation (form of entity i.e. corporation, joint-venture, LLC etc.) duly organized and existing under and by virtue of the laws of the State of Delaware that I have custody of the records of the Proposer; and that as of the date of this certification, Eric M. Scott holds the title of Senior Vice President the Proposer, and is authorized to execute and deliver in the name and on behalf of the Proposer, the Proposal submitted by the Proposer in response to the Request for Proposals for the Coyote Pumping Plant Adjustable Speed Drives (ASDs) Replacement Project (Project) issued by Valley Water on November 8, 2021 and all documents, letters, certificates and other instruments which have been executed by such officer on behalf of the corporation in connection therewith.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Proposer this 16 day of February 22.



Kari L. Larsen, Assistant Secretary

*Note: Separate certifications shall be submitted if more than one corporate officer has executed documents as part of the Proposal. Modify this certificate for use by entities other than a corporation or corporations.

**CERTIFIED COPY OF RESOLUTION
OF
KIEWIT INFRASTRUCTURE WEST CO. (the "Corporation")**

"WHEREAS, the Corporation intends to submit a response to the Request for Proposals (the "RFP") to the Santa Clara Valley Water District ("Valley Water"), with regard to the Design-Build of the Coyote Pumping Plant ASDs Replacement Project, Project No. 91234002, Contract No. C0675, Invitation No. VW0073, Merced County, California (the "Project").

NOW, THEREFORE, BE IT RESOLVED, that Eric M. Scott, as Senior Vice President of the Corporation, is hereby authorized to execute and deliver the RFP for the Project to Valley Water on behalf of the Corporation, and upon award of the Project, to execute and deliver the Project Contract and related documents and further certify on behalf of the Corporation that the information provide in the RFP is true, full and correct."

* * * * *

I, Kari L. Larsen, certify that I am an Assistant Secretary of Kiewit Infrastructure West Co., a Delaware corporation ("Corporation").

I certify that: (1) The resolution quoted above was adopted by the Consent Action of the Board of Directors, signed on December 21, 2021; (2) Any action of the directors of the Corporation may be taken without a formal meeting if the directors consent in writing; (3) The signed Consent Action has been filed in the minute book of the Corporation; and (4) The resolution has not been revoked or amended and is now in full force and effect.

SIGNED on December 21, 2021.



Kari L. Larsen, Assistant Secretary

**Valley Water
Coyote Pumping Plant ASDs Replacement Project**

FORM 2. NON-COLLUSION DECLARATION

(To be completed and attached to the Proposal Transmittal/Cover Letter)

The undersigned declares:


I am the Senior Vice President of Kiewit Infrastructure West Co., the party making the foregoing bid. The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on February 16, 2022 [date], at Fairfield [city], CA [state]."

Name of Proposer (Design-Builder): Kiewit Infrastructure West Co

Name of Authorized Signatory: Eric M. Scott

Signature: 

Title: Senior Vice President

Date: February 16, 2022

**Valley Water
Coyote Pumping Plant ASDs Replacement Project**

**FORM 3. CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
AND OTHER RESPONSIBILITY MATTERS**


(To be completed and attached to the Proposal Transmittal/Cover Letter)

By signing this document, the Proposer certifies to the best of their knowledge and belief that, except as noted on an attached Exception, the Proposer and any subconsultant or subcontractor named in the Statement of Qualifications or Proposal:

- A. Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal Board or agency;
- B. Have not, within a three-year period preceding this RFP, been convicted of, or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records making false statements, or receiving stolen property;
- C. Are not presently indicted for, or otherwise criminally or civilly charged by a government entity (Federal, State or local) with, commission of any of the offenses enumerated in paragraph (b) of this certification; and
- D. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

Where the Proposer is unable to certify to any of the statements in this certification, Proposer shall attach an explanation to this Form.

NOTE: For any exception noted, indicate to whom it applies, initiating agency and dates of action. Providing false information may result in criminal prosecution or administrative sanctions.

Name of Proposer (Design-Builder):	<u>Kiewit Infrastructure West Co.</u>
Name of Authorized Signatory:	<u>Eric M. Scott</u>
Signature:	<u></u>
Title:	<u>Senior Vice President</u>
Date:	<u>February 16, 2022</u>

**Valley Water
Coyote Pumping Plant ASDs Replacement Project**

FORM 4. REQUIRED LICENSES

(To be completed and attached to the Proposal Transmittal/Cover Letter)

DESIGN-BUILD ENTITY: Kiewit Infrastructure West Co.

Business Address:	4650 Business Center Dr., Fairfield, CA 94534
Contact Person/Title:	Eric M. Scott
Email:	ncestimating@kiewit.com
Phone Number:	707-439-7300
Dept. of Industrial Relations (DIR) Registration No.:	1000001147
Contractors State License Board (CSLB) No. (if applicable):	433176
California Class A Contractor's License No. (if applicable):	433176
Other Requisite Company Licensure (if applicable):	Not Applicable
Engineer of Record (EOR) Name (if applicable):	Not Applicable
EOR CA Professional Engineering License No. (if applicable):	Not Applicable

Attach copies of licenses and registrations.



CONTRACTORS
STATE LICENSE BOARD
ACTIVE LICENSE



License Number **433176**

Entity **CORP**

Licensee Name **KIEWIT INFRASTRUCTURE WEST
CO**

Classifications **A B C10 C31 HAZ C36**

Expiration Date **01/31/2023**

www.cslb.ca.gov





Contractor's License Detail for License # 433176

DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

- ▶ CSLB complaint disclosure is restricted by law (B&P 7124.6) If this entity is subject to public complaint disclosure click on link that will appear below for more information. Click here for a definition of disclosable actions.
- ▶ Only construction related civil judgments reported to CSLB are disclosed (B&P 7071.17).
- ▶ Arbitrations are not listed unless the contractor fails to comply with the terms.
- ▶ Due to workload, there may be relevant information that has not yet been entered into the board's license database.

Data current as of 12/31/2021 7:23:22 AM

Business Information

KIEWIT INFRASTRUCTURE WEST CO
4650 BUSINESS CENTER DRIVE
FAIRFIELD, CA 94534
Business Phone Number:(707) 439-7300

Entity Corporation
Issue Date 01/05/1983
Expire Date 01/31/2023

License Status

This license is current and active.

All information below should be reviewed.

Classifications

- ▶ A - GENERAL ENGINEERING
- ▶ B - GENERAL BUILDING
- ▶ C10 - ELECTRICAL
- ▶ C31 - CONSTRUCTION ZONE TRAFFIC CONTROL
- ▶ C36 - PLUMBING

Certifications

- ▶ HAZ - HAZARDOUS SUBSTANCES REMOVAL

Bonding Information

Contractor's Bond

This license filed a Contractor's Bond with TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA.

Bond Number: 415404843303BCM

Bond Amount: \$15,000

Effective Date: 01/01/2016

Contractor's Bond History

Bond of Qualifying Individual

- ▶ This license filed Bond of Qualifying Individual number **106598142** for JOHN CHARLES BLEY II in the amount of **\$12,500** with TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA.
Effective Date: 10/14/2016
- ▶ This license filed Bond of Qualifying Individual number **105385923** for ROBERT RYAN FARRELL in the amount of **\$12,500** with TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA.
Effective Date: 03/29/2010
- ▶ This license filed Bond of Qualifying Individual number **106598141** for ERIC MATTHEW SCOTT in the amount of **\$12,500** with TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA.
Effective Date: 10/14/2016

NOTE: There are 5 qualifiers (with bonding information) for this license. Up to 3 are displayed on this page.

Workers' Compensation

This license has workers compensation insurance with the OLD REPUBLIC INSURANCE COMPANY

Policy Number: MWCEX316021

Effective Date: 03/01/2021

Expire Date: 03/01/2022

Workers' Compensation History

Other

- ▶ Personnel listed on this license (current or disassociated) are listed on other licenses.

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Contractor Information

Registration History

Legal Entity Name

KIEWIT INFRASTRUCTURE WEST CO.

Legal Entity Type

Corporation

Status

Active

Registration Number

1000001147

Registration effective date

7/1/2019

Registration expiration date

6/30/2022

Mailing Address

4650 Business Center Drive Fairfield 94534 CA U...

Physical Address

4650 Business Center Drive Fairfield 94534 CA U...

Email Address
Trade Name/DBA

KIEWIT INFRASTRUCTURE WEST CO.

License Number(s)

Other:433176

CSLB:433176

Effective Date
Expiration Date

6/4/2018

6/30/2019

5/10/2017

6/30/2018

6/3/2016

6/30/2017

6/3/2015

6/30/2016

9/4/2014

6/30/2015

7/1/2019

6/30/2022

Legal Entity Information

Corporation Number:

47-0647803

Federal Employment Identification Number:
President Name:

DAVID MILES

Vice President Name:

PATRICK SODERBERG

Treasurer Name:

STEPHEN THOMAS

Secretary Name:

MARY CARNAZZO

CEO Name:
Agent of Service Name:

CT CORPORATION SYSTEM

Agent of Service Mailing Address:

818 WEST 7TH STREET LOS ANGELES 90017 CA United States of America

Workers Compensation

LEAD ENGINEER: STANTEC CONSULTING SERVICES, INC.

Business Address:	3875 Atherton Road, Rocklin, CA 95765
Contact Person/Title:	Mark Smith
Email:	mark.smith@stantec.com
Phone Number:	(916) 773-8100
Dept. of Industrial Relations (DIR) Registration No.:	1000008020
Contractors State License Board (CSLB) No. (if applicable):	N/A
California Class A Contractor's License No. (if applicable):	N/A
Other Requisite Company Licensure (if applicable):	N/A
Engineer of Record (EOR) Name (if applicable):	Mark Smith
EOR CA Professional Engineering License No. (if applicable):	PE 44197

Attach copies of licenses and registrations.

Contractor Information

Legal Entity Name

STANTEC CONSULTING SERVICES INC.

Legal Entity Type

Corporation

Status

Active

Registration Number

1000008020

Registration effective date

7/1/2021

Registration expiration date

6/30/2022

Mailing Address

370 Interlocken Blvd., suite 300 Broomfield 80021 C...

Physical Address

38 TECHNOLOGY DRIVE, SUITE 100 IRVINE 80033 C...

Email Address
Trade Name/DBA
License Number(s)

Surveyor:6697

CSLB:952595

Surveyor:6697

CSLB:952595

Registration History

Effective Date	Expiration Date
6/6/2018	6/30/2019
6/14/2017	6/30/2018
5/25/2016	6/30/2017
6/1/2015	6/30/2016
2/3/2015	6/30/2015
7/1/2019	6/30/2020
7/1/2020	6/30/2021
7/1/2021	6/30/2022

Legal Entity Information

Agent of Service Name:

CORPORATION SERVICE COMPANY DBA CSC - LAWYERS INCORPORAT

Agent of Service Mailing Address:

2710 GATEWAY OAKS DR., STE. 150N SACRAMENTO 95833 CA United States of America

Corporation Number:
Federal Employment Identification Number:
President Name:

Gordon A. Johnston

Vice President Name:

Stuart E. Lerner

Treasurer Name:

Theresa Jang

Secretary Name:

Christopher O. Heisler

CEO Name:

Workers Compensation

Do you lease employees through Professional Employer Organization (PEO)?:

No
Please provide your current workers compensation insurance information below:

PEO Information	PEO Name	PEO Phone	PEO Email
-----------------	----------	-----------	-----------

Insured by Carrier
Policy Holder Name:STANTEC CONSULTING SERVICES INC.Insurance Carrier: TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA
Policy Number:TC2J-UB-8E08592
Inception date:5/1/2018Expiration Date:5/1/2022



**BOARD FOR PROFESSIONAL ENGINEERS, LAND SURVEYORS,
AND GEOLOGISTS**

LICENSING DETAILS FOR: 44197

NAME: SMITH, BERNALILAN
LICENSE TYPE: CIVIL ENGINEER
LICENSE STATUS: CLEAR

ADDRESS
HUTTFELD OREGON TRAIL
REDDING CA 96003
SHASTA COUNTY
UNITED STATES
96003

ISSUANCE DATE
JANUARY 27, 1988
EXPIRATION DATE
JUNE 30, 2023
CURRENT DATE / TIME
JULY 19, 2024
11:47 AM

GENERAL CONTRACTOR: Kiewit Infrastructure West Co.

Business Address:	4650 Business Center Dr., Fairfield, CA 94534
Contact Person/Title:	Eric M. Scott
Email:	ncestimating@kiewit.com
Phone Number:	707-439-7300
Dept. of Industrial Relations (DIR) Registration No.:	1000001147
Contractors State License Board (CSLB) No.:	433176
California Class A Contractor's License No.:	433176
Other Requisite Company Licensure (if applicable):	Not Applicable
Engineer of Record (EOR) Name (if applicable):	Not Applicable
EOR CA Professional Engineering License No. (if applicable):	Not Applicable

Attach copies of licenses and registrations.

GENERAL CONTRACTOR/CONTRACTOR: Kiewit Infrastructure West Co.

Copy this form for additional Key Firms that will provide construction-related services.

Contractor License Certification

Pursuant to the Business and Professions Code of the State of California, Section 7030: Contractors are required by law to be licensed and regulated by the Contractors State License Board. Any questions concerning a contractor may be referred to the Registrar:

Physical Address:

Contractors State License Board
9821 Business Park Drive
Sacramento, California 95827

Mailing Address:

P.O. Box 26000
Sacramento, California 95826

The undersigned Contractor certifies that it is now licensed in accordance with the provisions of the Contractor's License Law of the State of California, and the number of said license is **433176**, and the classification of said license is **A, B, C10, C31, C36, HAZ**, and the said license expires **01/31/2023**.

Company Name: Kiewit Infrastructure West Co.

Business Address Line 1 4650 Business Center Dr., Fairfield, CA 94534

Business Address Line 2 _____

Authorized Signature: _____



Name: Eric M. Scott

Title: Senior Vice President

Date: 02/16/2022

If Contractor is a Corporation,
State of Incorporation: _____

Delaware



CONTRACTORS
STATE LICENSE BOARD
ACTIVE LICENSE



License Number **433176**

Entity **CORP**

Contractor Name **KIEWIT INFRASTRUCTURE WEST
CO**

Contract Classification **A B C10 C31 HAZ C36**

Expiration Date **01/31/2023**

www.cslb.ca.gov



 Contractor's License Detail for License # 433176

DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

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- ▶ Only construction related civil judgments reported to CSLB are disclosed (B&P 7071.17).
- ▶ Arbitrations are not listed unless the contractor fails to comply with the terms.
- ▶ Due to workload, there may be relevant information that has not yet been entered into the board's license database.

Data current as of 12/31/2021 7:23:22 AM

Business Information

KIEWIT INFRASTRUCTURE WEST CO
4650 BUSINESS CENTER DRIVE
FAIRFIELD, CA 94534
Business Phone Number:(707) 439-7300

Entity Corporation
Issue Date 01/05/1983
Expire Date 01/31/2023

License Status

This license is current and active.

All information below should be reviewed.

Classifications

- ▶ A - GENERAL ENGINEERING
- ▶ B - GENERAL BUILDING
- ▶ C10 - ELECTRICAL
- ▶ C31 - CONSTRUCTION ZONE TRAFFIC CONTROL
- ▶ C36 - PLUMBING

Certifications

- ▶ HAZ - HAZARDOUS SUBSTANCES REMOVAL

Bonding Information

Contractor's Bond

This license filed a Contractor's Bond with TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA.

Bond Number: 415404843303BCM

Bond Amount: \$15,000

Effective Date: 01/01/2016

Contractor's Bond History

Bond of Qualifying Individual

- ▶ This license filed Bond of Qualifying Individual number **106598142** for JOHN CHARLES BLEY II in the amount of **\$12,500** with TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA.
Effective Date: 10/14/2016
- ▶ This license filed Bond of Qualifying Individual number **105385923** for ROBERT RYAN FARRELL in the amount of **\$12,500** with TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA.
Effective Date: 03/29/2010
- ▶ This license filed Bond of Qualifying Individual number **106598141** for ERIC MATTHEW SCOTT in the amount of **\$12,500** with TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA.
Effective Date: 10/14/2016

NOTE: There are 5 qualifiers (with bonding information) for this license. Up to 3 are displayed on this page.

Workers' Compensation

This license has workers compensation insurance with the OLD REPUBLIC INSURANCE COMPANY

Policy Number: MWCEX316021

Effective Date: 03/01/2021

Expire Date: 03/01/2022

Workers' Compensation History

Other

- ▶ Personnel listed on this license (current or disassociated) are listed on other licenses.

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Contractor Information

Registration History

Legal Entity Name

KIEWIT INFRASTRUCTURE WEST CO.

Legal Entity Type

Corporation

Status

Active

Registration Number

1000001147

Registration effective date

7/1/2019

Registration expiration date

6/30/2022

Mailing Address

4650 Business Center Drive Fairfield 94534 CA U...

Physical Address

4650 Business Center Drive Fairfield 94534 CA U...

Email Address**Trade Name/DBA**

KIEWIT INFRASTRUCTURE WEST CO.

License Number(s)

Other:433176

CSLB:433176

Effective Date

Expiration Date

6/4/2018

6/30/2019

5/10/2017

6/30/2018

6/3/2016

6/30/2017

6/3/2015

6/30/2016

9/4/2014

6/30/2015

7/1/2019

6/30/2022

Legal Entity Information

Corporation Number:

47-0647803

Federal Employment Identification Number:**President Name:**

DAVID MILES

Vice President Name:

PATRICK SODERBERG

Treasurer Name:

STEPHEN THOMAS

Secretary Name:

MARY CARNAZZO

CEO Name:**Agent of Service Name:**

CT CORPORATION SYSTEM

Agent of Service Mailing Address:

818 WEST 7TH STREET LOS ANGELES 90017 CA United States of America

Workers Compensation

Do you lease employees through Professional Employer Organization (PEO)?:

No
Please provide your current workers compensation insurance information below:

PEO Information	PEO Name	PEO Phone	PEO Email
-----------------	----------	-----------	-----------

Insured by Carrier
Policy Holder Name:KIEWIT INFRASTRUCTURE WEST COInsurance Carrier:
ZURICH AMERICAN INSURANCE COMPANYPolicy Number:MWXS 312909Inception date:
3/1/2021Expiration Date:3/1/2022

OTHER KEY FIRM **Kiewit Engineering Group Inc.**

Copy this form for additional Key Firms.

Business Address:	10055 Trainstation Circle, Lone Tree, CO 80124
Contact Person/Title:	John A. Donatelli, President-Infrastructure Engineering
Email:	john.donatelli@kiewit.com
Phone Number:	(303) 325-0300
Dept. of Industrial Relations (DIR) Registration No.:	1000001393
Contractors State License Board (CSLB) No. (if applicable):	N/A
California Class A Contractor's License No. (if applicable):	N/A
Other Requisite Company Licensure (if applicable):	N/A
Engineer of Record (EOR) Name (if applicable):	Adam Reab, Timothy Friend, John Liu
EOR CA Professional Engineering License No. (if applicable):	Adam Reab/23366, Timothy Friend/38686, John Liu/5448

Attach copies of licenses and registrations.

Contractor Information

Registration History

Legal Entity Name

KIEWIT ENGINEERING GROUP INC.

Legal Entity Type

Corporation

Status

Active

Registration Number

1000001393

Registration effective date

7/1/2019

Registration expiration date

6/30/2022

Mailing Address

8900 RENNER BLVD LENEXA 66219 KS United St...

Physical Address

8900 RENNER BLVD LENEXA 66219 KS United St...

Email Address
Trade Name/DBA
License Number(s)

CSLB:805175

Effective Date
Expiration Date

6/14/2018

6/30/2019

6/23/2017

6/30/2018

6/15/2016

6/30/2017

6/25/2015

6/30/2016

9/18/2014

6/30/2015

7/1/2019

6/30/2022

Legal Entity Information

Corporation Number:

2179660

Federal Employment Identification Number:
President Name:

JAMES K NEEDHAM

Vice President Name:

JAY D STEINMETZ

Treasurer Name:

STEPHEN S THOMAS

Secretary Name:

MICHAEL F NORTON

CEO Name:

DANIEL H LUMMA

Agent of Service Name:

C T CORPORATION SYSTEM

Agent of Service Mailing Address:

818 WEST 7TH STREET LOS ANGELES 90017 CA United States of America

Workers Compensation



**BOARD FOR PROFESSIONAL ENGINEERS, LAND SURVEYORS, AND
GEOLOGISTS**

ISSUANCE DATE

JULY 31, 2020

EXPIRATION DATE

DECEMBER 31, 2022

CURRENT DATE / TIME

JULY 22, 2021
6:42:07 AM

LICENSING DETAILS FOR: 23366

NAME: REAB, ADAM PAUL

LICENSE TYPE: ELECTRICAL ENGINEER

LICENSE STATUS: CLEAR

ADDRESS

7331 ANTIOCH ROAD
OVERLAND PARK KS 66204
OUT OF STATE COUNTY

[MAP](#)



**BOARD FOR PROFESSIONAL ENGINEERS, LAND SURVEYORS, AND
GEOLOGISTS**

LICENSING DETAILS FOR: 38686

NAME: FRIEND, TIMOTHY

LICENSE TYPE: MECHANICAL ENGINEER

LICENSE STATUS: CLEAR

ADDRESS

10200 LINDEN STREET
OVERLAND PARK KS 66207
OUT OF STATE COUNTY

[MAP](#)

ISSUANCE DATE

SEPTEMBER 20, 2017


EXPIRATION DATE

DECEMBER 31, 2023

CURRENT DATE / TIME

FEBRUARY 15, 2022

2:10:34 PM





BOARD FOR PROFESSIONAL ENGINEERS, LAND SURVEYORS, AND GEOLOGISTS

LICENSING DETAILS FOR: 5448

NAME: LIU, ZHONG

LICENSE TYPE: STRUCTURAL ENGINEER

LICENSE STATUS: CLEAR 

ADDRESS

15340 STEARNS ST
OVERLAND PARK KS 66221
OUT OF STATE COUNTY

MAP

ISSUANCE DATE
JANUARY 14, 2010

EXPIRATION DATE
JUNE 30, 2022

CURRENT DATE / TIME
FEBRUARY 15, 2022
2:09:24 PM

LICENSE RELATIONSHIPS

NAME: LIU, ZHONG

LICENSE/REGISTRATION TYPE: CIVIL ENGINEER

LICENSE NUMBER: 69485 PRIMARY STATUS: CLEAR

ADDRESS :

15340 STEARNS ST
OVERLAND PARK KS 66221
OUT OF STATE COUNTY

MAP

Attachment 1
Page 224 of 318

OTHER KEY FIRM TESCO CONTROLS, INC.

Copy this form for additional Key Firms.

Business Address:	8440 Florin Road, Sacramento, CA 95828
Contact Person/Title:	Delven Diaz, Sales Manager
Email:	ddiaz@tescocontrols.com
Phone Number:	916-395-8800
Dept. of Industrial Relations (DIR) Registration No.:	1000011729
Contractors State License Board (CSLB) No. (if applicable):	N/A; Not Applicable for System Integration scope. TESCO is not performing any trade construction-related services.
California Class A Contractor's License No. (if applicable):	N/A; Not Applicable for System Integration scope. TESCO is not performing any trade construction-related services.
Other Requisite Company Licensure (if applicable):	UL E62062; CA C0685504; Seller's Permit 28-663741; Business License GNB32013-03345
Engineer of Record (EOR) Name (if applicable):	N/A; TESCO is not EOR for this project, but is supplemented by our System Integration Engineer: Douglas Bloom, P.E., E.E.
EOR CA Professional Engineering License No. (if applicable):	N/A; TESCO is not EOR for this project, but is supplemented by our System Integration Engineer: Douglas Bloom, P.E., E.E. (#19039)

Attach copies of licenses and registrations.



State of California

Department of Industrial Relations

Contractor Information

Legal Entity Name
TESCO CONTROLS, INC.

Legal Entity Type
Corporation

Status
Active

Registration Number
1000011729

Registration effective date
07/01/19

Registration expiration date
06/30/22

Mailing Address
PO BOX 299007 SACRAMENTO 95829 CA United St...

Physical Address
8440 FLORIN ROAD SACRAMENTO 95828 CA Unite...

Email Address
lthomas@tescocontrols.com

Trade Name/DBA
License Number (s)
Other:

Registration History

Effective Date	Expiration Date
06/18/18	06/30/19
05/08/17	06/30/18
06/08/16	06/30/17
06/30/15	06/30/16
02/24/15	06/30/15
07/01/19	06/30/22

Legal Entity Information

Corporation Entity Number: C0685504
Federal Employment Identification Number: 942218097
President Name: SHAIN THOMAS
Vice President Name:
Treasurer Name:
Secretary Name:
CEO Name: SHAIN THOMAS

Agency for Service:

Agent of Service Name: TESCO CONTROLS
Agent of Service Mailing Address: PO BOX 299007
SACRAMENTO 95829 CA United States of America

Worker's Compensation

Do you lease employees through Professional Employer Organization (PEO)?: No

Please provide your current worker's compensation insurance information below:

PEO Information	Name	Phone	Email
PEO	PEO	PEO	

Insured by Carrier

Policy Holder Name: TESCO CONTROLS, INC.
Insurance Carrier: NATIONAL UNION FIRE INSURANCE COMPANY WC
Policy Number: 080-756-394
Inception date: 03/01/19
Expiration Date: 03/01/20



Secretary of State Certificate of Status

I, ALEX PADILLA, Secretary of State of the State of California, hereby certify:

Entity Name	TESCO CONTROLS, INC.
File Number	C0685504
Registration Date	07/19/1973
Entity Type	DOMESTIC STOCK CORPORATION
Jurisdiction	CALIFORNIA
Status	ACTIVE (GOOD STANDING)

As of August 30, 2020 (Certification Date), the entity is authorized to exercise all of its powers, rights and privileges in California.

This certificate relates to the status of the entity on the Secretary of State's records as of the Certification Date and does not reflect documents that are pending review or other events that may affect status.

No information is available from this office regarding the financial condition, status of licenses, if any, business activities or practices of the entity.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of August 31, 2020.

A handwritten signature in black ink, reading "Alex Padilla".

ALEX PADILLA
Secretary of State

Certificate Verification Number R366DJR

To verify the issuance of this Certificate, use the Certificate Verification Number above with the Secretary of State Certification Verification Search available at bebizfile.sos.ca.gov/certification/index.



County of Sacramento General Business License



**TESCO CONTROLS INC.
TESCO CONTROLS INC
8440 FLORIN RD
SACRAMENTO,, CA 95828**

License Number: **GNB32013-03345** Expiration Date: **November 19, 2022**

Issue Date: **November 20, 2013**

Owner Name: **TESCO CONTROLS INC.**

Business Name: **TESCO CONTROLS INC**

Location: **8440 FLORIN RD
SACRAMENTO, CA 95828**

NOV 01 2019

Business Activities: **MANUFACTURING OF ELECTRONIC & ELECTRICAL CONTROLS**

This License is approved with the following conditions. Failure to comply with the following conditions may result in revocation of this license and civil or criminal penalties.

SEE THE ENCLOSED NOTIFICATION OF POTENTIALLY APPLICABLE CODES AND ORDINANCES. LICENSEE SHALL ABIDE BY ALL APPLICABLE COUNTY REGULATIONS, STATE AND FEDERAL LAWS. SIGNAGE ONLY ALLOWED ON 50 % OF ANY WINDOW PANE. ENTIRE OPERATION MUST BE CONDUCTED WITHIN A COMPLETELY ENCLOSED BUILDING OR SCREENED FROM PUBLIC VIEW.

**License not transferable. Not Valid at any other location.
Post in public view in a conspicuous place.**

APPL2013-04528

**Ben Lamera
Director of Finance**

Department of Finance, Tax Collection and Licensing
700 H Street, Room 1710, Sacramento, California 95814
phone (916) 874-6644 | fax (916) 874-8909 | www.finance.saccounty.net

CALIFORNIA STATE BOARD OF EQUALIZATION

SELLER'S PERMIT

ACCOUNT NUMBER

9/1/1973 SR S KH 28-663741

TESCO CONTROLS, INC.
 TESCO CONTROLS INC.
 8440 FLORIN RD
 SACRAMENTO, CA 95828-2506

NOTICE TO PERMITTEE:
 You are required to obey all Federal and State laws that regulate or control your business. This permit does not allow you to do otherwise.

IS HEREBY AUTHORIZED PURSUANT TO **SALES AND USE TAX LAW** TO ENGAGE IN THE BUSINESS OF SELLING TANGIBLE PERSONAL PROPERTY AT THE ABOVE LOCATION. THIS PERMIT IS VALID ONLY AT THE ABOVE ADDRESS.

THIS PERMIT IS VALID UNTIL REVOKED OR CANCELED AND IS NOT TRANSFERABLE. IF YOU SELL YOUR BUSINESS OR DROP OUT OF A PARTNERSHIP, NOTIFY US OR YOU COULD BE RESPONSIBLE FOR SALES AND USE TAXES OWED BY THE NEW OPERATOR OF THE BUSINESS.

Not valid at any other address

For general tax questions, please call our Information Center at 800-400-7115.

For information on your rights, contact the Taxpayers' Rights Advocate Office at 888-324-2798 or 916-324-2798.

BOE-442-R REV. 15 (2-06)

A MESSAGE TO OUR NEW PERMIT HOLDER

As a seller, you have rights and responsibilities under the Sales and Use Tax Law. In order to assist you in your endeavor and to better understand the law, we offer the following sources of help:

- Visiting our website at www.boe.ca.gov
- Visiting a district office
- Attending a Basic Sales and Use Tax Law class offered at one of our district offices
- Sending your questions in writing to any one of our offices
- Calling our toll-free Information Center at 800-400-7115

As a seller, you have the right to issue resale certificates for merchandise that you intend to resell. Conversely, you have the responsibility of not misusing resale certificates. While the sales tax is imposed upon the retailer,

- You have the right to seek reimbursement of the tax from your customer
- You are responsible for filing and paying your sales and use tax returns timely
- You have the right to be treated in a fair and equitable manner by the employees of the Board
- You are responsible for following the regulations set forth by the Board

As a seller, you are expected to maintain the normal books and records of a prudent businessperson. You are required to maintain these books and records for no less than four years, and make them available for inspection by a Board representative when requested. You are also expected to notify us if you are buying, selling, adding a location, or discontinuing your business, adding or dropping a partner, officer, or member, or when you are moving any or all of your business locations. If it becomes necessary to surrender this permit, you should only do so by mailing it to a Board office, or giving it to a Board representative.

If you would like to know more about your rights as a taxpayer, or if you are unable to resolve an issue with the Board, please contact the Taxpayers' Rights Advocate Office for help by calling toll-free, 888-324-2798 or 916-324-2798. Their fax number is 916-323-3319.

Please post this permit at the address for which it was issued and at a location visible to your customers.

STATE BOARD OF EQUALIZATION

Sales and Use Tax Department



Tesco Controls, Inc.

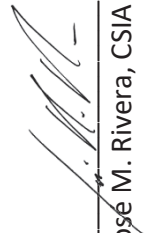
has been audited and conforms to all requirements necessary to be a

CERTIFIED MEMBER

of the

CONTROL SYSTEM INTEGRATORS ASSOCIATION

February 4, 2021 – January 15, 2024


Jose M. Rivera, CSIA CEO

CSIA Member Since: 2003


Lynda Patterson, FASAE, CAE, CSIA President

CSIA Certified Since: 2006



Tesco Controls, Inc.

has been audited and conforms to all requirements necessary to be a
CSIA Certified Member

The certification audit covers the following business and management categories:

- General Management
- Human Resources Management
- Marketing, Business Development and Sales Management
- Financial Management
- Project Management
- System Development Lifecycle
- Supporting Activities
- Quality Management
- Service and Support
- Information Systems Management and Cyber Security

Date of Certification:	February 4, 2021
Date of Expiration:	January 15, 2024
Certified Member Since:	February 1, 2006
CSIA Member Since:	October 17, 2003

UL Product iQ™

SEARCHMY SEARCHESMY TAGSDELVEN

DashboardSearch

5 Results :: Company Name: TESCO CONTROLS INC

Display Images

Document Name	UL CCN Description	Related Images
NITW.E62062	INDUSTRIAL CONTROL PANELS	
NITW7.E62062	INDUSTRIAL CONTROL PANELS CERTIFIED FOR CANADA	
NJBR.E498878	RETROFIT MOTOR CONTROL CENTER UNITS CERTIFIED FOR USE IN SPECIFIED EQUIPMENT	
NRBX.E193107	INDUSTRIAL CONTROL PANELS RELATING TO HAZARDOUS LOCATIONS	
WEVZ.E126033	SWITCHBOARDS, DEAD-FRONT	

1 of 1

REFINE RESULTS

Build or filter your results by keyword and/or adding criteria like document type, file number and country name.

Keyword

Filter by Keyword

Search

UL Category Control Number

Click to view and filter values

Company Name

* TESCO CONTROLS INC

Click to view and filter values

File Number

Click to view and filter values

Country Name

Click to view and filter values

Add Filter

Cancel

Reset

Save Search

Work more efficiently with an upgraded Product iQ account

Learn more

Life Is On



Tesco Controls Inc.

has been recognized as a System Integrator

Alliance Certified Partner

by Schneider Electric

Certified in EcoStruxure™ Edge Control

Partnership number

SEAP2193US

Authorized by

A handwritten signature in black ink, appearing to be "AM", written over a light gray rectangular background.

Andre Marino
Industry VP Global

Valid through

December 31, 2023

A handwritten signature in black ink, appearing to be "SL", written over a light gray rectangular background.

Shaun Loesch
Alliance Director

With leading-edge
industrial software from



EcoStruxure™ Plant & Machine Certificate

Apps,
Analytics
& Services

Certified by AVEVA:

Edge Control System

Certified by AVEVA:

AVEVA System Platform

Connected
Products

Life Is On

Schneider
Electric

With leading-edge
industrial software from

AVEVA



Certificate of Completion

This is to acknowledge

A.J. Cottengim

Has successfully completed:

EcoStruxure Plant: EcoStruxure Control Expert (Test)

Issued date: 12/20/2021



Certificate of Completion

This is to acknowledge

Brendon Horn

Has successfully completed:

EcoStruxure Plant: Ethernet Networking (Test)

Issued date: 12/20/2021



Intelligent Platforms

GE Intelligent Platforms

presents this certificate to

Hoan Tran

**For the successful completion of the course entitled
Proficiency HMI/SCADA iFIX Advanced**

A handwritten signature in black ink, appearing to read 'Peter Miller'.

Peter Miller
CB Pacific, Inc

Completion Date: 6 March 2015

OTHER KEY FIRM CUPERTINO ELECTRIC, INC.

Copy this form for additional Key Firms.

Business Address:	1132 N 7th Street, San Jose, CA 95112
Contact Person/Title:	Rob Thome, Senior Vice President of Operations
Email:	info@cei.com
Phone Number:	(877) 747-4234
Dept. of Industrial Relations (DIR) Registration No.:	1000003692
Contractors State License Board (CSLB) No. (if applicable):	174637
California Class A Contractor's License No. (if applicable):	N/A
Other Requisite Company Licensure (if applicable):	N/A
Engineer of Record (EOR) Name (if applicable):	N/A
EOR CA Professional Engineering License No. (if applicable):	N/A

Attach copies of licenses and registrations.



Contractor Information

Legal Entity Name

CUPERTINO ELECTRIC, INC

Legal Entity Type

Corporation

Status

Active

Registration Number

1000003692

Registration effective date

7/1/2019

Registration expiration date

6/30/2022

Mailing Address

1132 NORTH SEVENTH STREET SAN JOSE 95112 CA...

Physical Address

1132 NORTH SEVENTH STREET SAN JOSE 95112 CA...

Email Address**Trade Name/DBA**

CUPERTINO ELECTRIC, INC.

License Number(s)

CSLB:174637

Registration History

Effective Date	Expiration Date
6/14/2018	6/30/2019
5/10/2017	6/30/2018
5/5/2016	6/30/2017
6/9/2015	6/30/2016
12/11/2014	6/30/2015
7/1/2019	6/30/2022

Legal Entity Information

Corporation Number:

3236259

Federal Employment Identification Number:**President Name:**

TOM SCHOTT

Vice President Name:**Treasurer Name:**

WILLIAM SLAKEY

Secretary Name:

DEBRA OLSON

CEO Name:

TOM SCHOTT

Agent of Service Name:

CT CORPORATION SYSTEM

Agent of Service Mailing Address:

208 SOUTH LASALLE ST., SUITE 814 CHICAGO 60604 IL United States of America

Workers Compensation


Do you lease employees No
through Professional

**Valley Water
Coyote Pumping Plant ASDs Replacement Project**

FORM 5. WORKERS' COMPENSATION CERTIFICATION

(To be completed and attached to the Proposal Transmittal/Cover Letter)

I certify that I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

Name of Proposer (Design-Builder):	Kiewit Infrastructure West Co.
Name of Authorized Signatory:	Eric M. Scott
Signature:	
Title:	Senior Vice President
Date:	February 16, 2022

**SANTA CLARA
VALLEY WATER DISTRICT
(VALLEY WATER)**

TECHNICAL PROPOSAL // FEB 16, 2022

**COYOTE PUMPING PLANT ASDs
REPLACEMENT PROJECT**

**PROJECT NO: 91234002 // CONTRACT NO: C0675
INVITATION NO: VW 0073**

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- ATTACHMENT 2: Form 2. Non-Collusion Declaration
- ATTACHMENT 3: Form 3. Certification Regarding
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- ATTACHMENT 4: Form 4. Required Licenses and
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- Attachment 13: Form 12. Suggested Revisions
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- Attachment 15: Comments to Risk
Register (provided as RFP
Appendix B) and identification
of additional risks

SUBMITTED BY:

IN ASSOCIATION WITH:



PROJECT NO: 91234002 // CONTRACT NO: C0675 // INVITATION NO: VW 0073
COYOTE PUMPING PLANT ASDs REPLACEMENT PROJECT



SECTION 1

QUALIFICATIONS UPDATE



SUBMITTED BY:



Kiewit

IN ASSOCIATION WITH:



Stantec

TESCO
CONTROLS, INC.



**CUPERTINO
ELECTRIC INC.**



SECTION 1

QUALIFICATIONS UPDATE

1 Section 1 Overview

Kiewit Infrastructure West Co. (Kiewit) commits the same pre-qualified team based on our knowledge gained partnering with clients on collaborative delivery projects, such as San Jose Headworks 3, US Army Corps of Engineers Permanent Canal Closures and Pumps, and San Francisco Public Utilities Commission Tesla Water Treatment Facility.

The Kiewit Team affirms that we have not modified our pre-qualified Key Personnel for this Project. Our Organization Chart is provided in Exhibit 1-1 to recommunicate our proposal personnel and structure with updated information to reflect the RFP requirements.



Design to Budget



Improve Reliability



Low Life-Cycle Cost

Evaluation Criteria	Kiewit Team Response	Page #
1 If there are substitutions to Key Firms and/or Key Personnel, were they approved in advance, by Valley Water?	There are no substitutions to Key Firms and/or Key Personnel.	N/A

1.1 Technical Qualifications Update

Substitutions or Additions to Key Firms or Key Personnel

There are no changes to the key firms or key personnel comprising the Kiewit Team since the SOQ.

Firm Qualifications Summaries and Resumes for New or Modified Staffing

There are no changes to the key firms or key personnel comprising the Kiewit Team since the SOQ.

1.2 Updated Bonding and Insurance Information

Updated Bonding Information

There have been no changes to Kiewit's bonding capacity and/or per-Project bonding limits. In accordance with the RFP, an updated letter from Kiewit's surety Travelers Casualty and Surety Company of America is provided using Form 10.

Updated Insurance Information

There have been no material changes to Kiewit's ability to obtain the required insurance. In accordance with the RFP, an updated letter from the Kiewit's insurer Old Republic Insurance Company is provided using Form 11.

Exhibit 1-1: Our Organization Chart is provided to recommunicate our proposal personnel and structure with updated information to reflect the RFP requirements.

OUR PROJECT TEAM REMAINS UNCHANGED

Our project team remains unchanged and laser focused on producing a design that fits your budget, maximizes reliability, and delivers an easy to operate project at a low-life cycle cost. We are uniquely aligned with achieving your project goals as follows:

- 1

Relationship | We're providing a direct line of contact and simple interface with Jesse and Mark so you'll know who to coordinate with.
- 2

Consistent Management | Consistent management from Phase 1 through Phase 2 to ensure the experience and knowledge gained in Phase 1 carries over directly through Phase 2.
- 3

Experience | The Kiewit Team knows the level of quality and commitment Valley Water expects. We have brought together an experienced PDB team to help guide Valley Water through value identification, discussion and critical decision making.
- 4

Team | Kiewit and Stantec are currently working together on three alternative delivery projects and have completed over 50 design-build contracts valued at over \$18B. To best develop, design, and build the scope on this particular project, we have supplemented our team with electrical designers from Kiewit, electrical construction from Cupertino, and SCADA with Tesco. This team will be integrated from day one, adding key insight and input to the design and finished product.

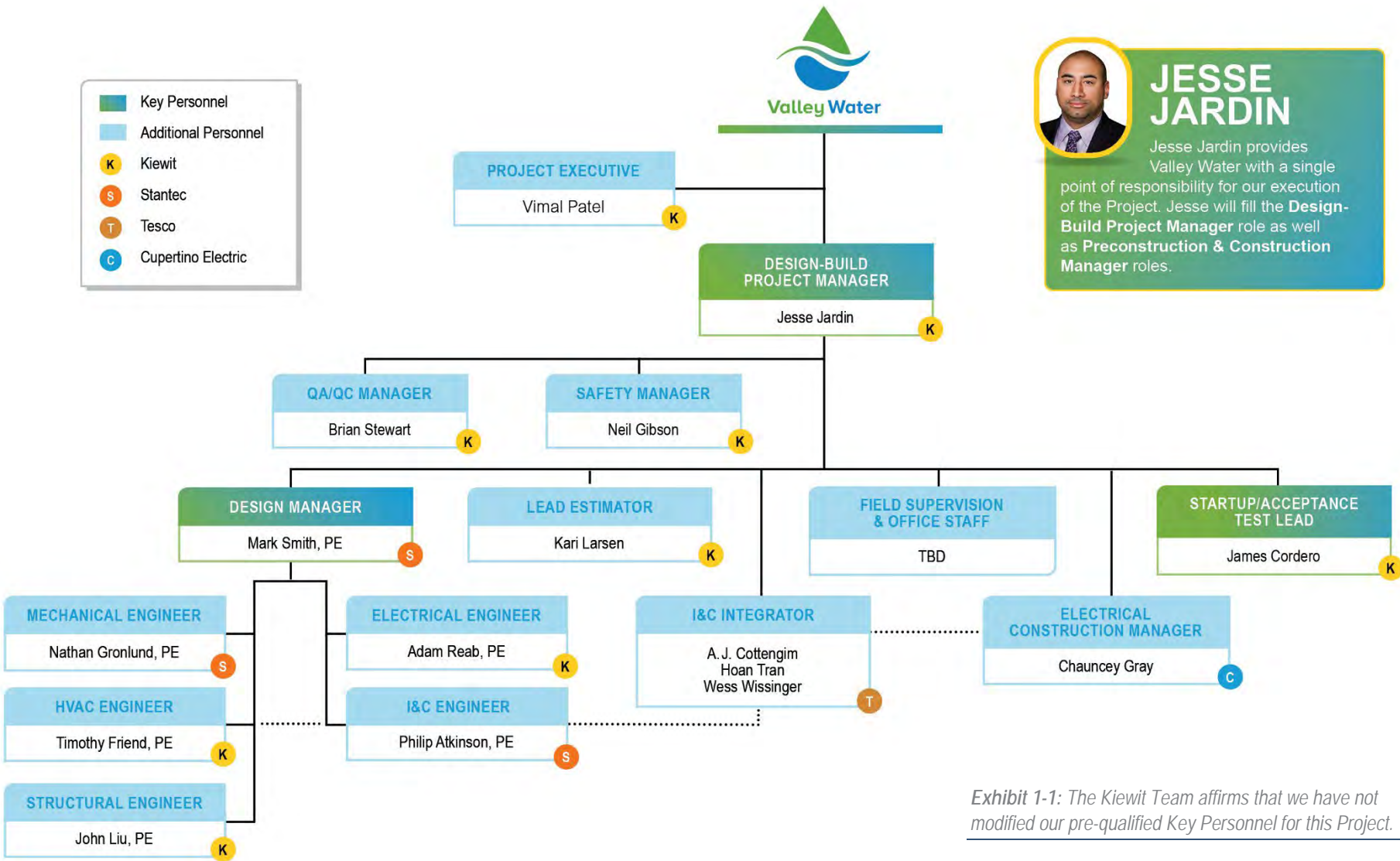


Exhibit 1-1: The Kiewit Team affirms that we have not modified our pre-qualified Key Personnel for this Project.

KEY PERSONNEL



JESSE JARDIN

*Design Build Project Manager /
Preconstruction and Construction
Manager*

- 15 years of experience
- Extensive leadership experience in water infrastructure and pump station projects
- Experience in progressive design-build delivery
- Hands-on technical knowledge and management and communication skills
- Experience working with Valley Water



MARK SMITH

Design Manager

- 30 years of experience
- Extensive experience designing water infrastructure and pump station projects
- Experience in progressive design-build delivery
- Strong technical knowledge and communication skills



JAMES CORDERO

*Startup / Acceptance
Test Lead*

- 15 years of experience
- Experience in progressive design-build delivery
- Proven success commissioning plants
- Certified California Plant Operator
- Excellent trainer for Valley Water staff



VALUE ADDED

VIMAL PATEL | Project Executive

- Partnered and successfully delivered projects with Valley Water since 2003
- Worked with Key Personnel, Jesse and James for over 15 years



ADAM REAB, P.E. | Electrical Engineer

- 8 years of experience as electrical design engineer
- Experience in progressive design-build delivery
- Has led or been on the electrical design team for 6 EPC/DB projects worth \$2B in total value
- Proven success as Electrical Design Engineer on several water infrastructure plants, including Charles Meyer Desalination Project and North Hollywood Central and Tujunga Well Field Response Action Treatment Facilities



Cupertino brings over 3,000 full time Union IBEW electricians in the Bay Area.



Tesco provides 19 years of experience on more than 20 projects with Valley Water.

NO CHANGES OR
ADDITIONS PROPOSED.

Valley Water
Coyote Pumping Plant ASDs Replacement Project

FORM 6. SUBSTITUTIONS OR ADDITIONS TO KEY FIRMS

(To be completed and attached to the Proposal Section 1.1 Qualifications Update, if applicable)

Identify any substitutions or additions to the Key Firms identified in Proposer’s SOQ in Proposal Form 6. If no changes are proposed, Proposal Form 6 need not be submitted.

Substitutions to Key Firms listed in Proposer’s SOQ shall have obtained prior Valley Water approval under the provisions of RFQ Section 4.5 and Section 6.1 of the RFP. Additions to Key Firms will be considered enhancements and do not require prior Valley Water approval.

- (1) Design-Builder:
- (2) Engineer of Record:
- (3) Construction Entity (General Contractor):
- (4) Other Key Firms:

Each member of a joint venture should be listed separately below.

- Name of Proposer (Design-Builder):
- Name of Authorized Signatory:
- Signature:
- Title:

NO ADDITIONS OR
CHANGES PROPOSED.

Valley Water
Coyote Pumping Plant ASDs Replacement Project

FORM 7. SUBSTITUTIONS OR ADDITIONS TO KEY PERSONNEL¹

(To be completed and attached to the Proposal Section 1.1 Qualifications Update, if applicable)

Identify any substitutions or additions to the Key Personnel identified in Proposer’s SOQ in Proposal Form 7. If no changes are proposed, Proposal Form 7 need not be submitted.

Substitutions to Key Personnel listed in Proposer’s SOQ require prior City approval under the provisions of RFQ Section 4.6 and under Section 6.1 of the RFP. Additions to Key Personnel will be considered enhancements and do not require prior City approval.

Resumes, limited to 2 pages each, for each substituted or added individual shall be included as an attachment to Proposal Section 1.1 using Proposal Form 8.

Name	Company Affiliation	Proposed Role on Project

1. Key Personnel positions are defined in the RFP Definitions.

NO ADDITIONS OR
CHANGES PROPOSED.

Valley Water
Coyote Pumping Plant ASDs Replacement Project

FORM 8. RESUME INFORMATION

(To be completed and attached to the Proposal Section 1.1 Qualifications Update, if applicable)

Provide the information requested on this form for additions or changes to Key Personnel or other staff additions occurring subsequent to submittal of the SOQ. If no additions or changes to Key Personnel are proposed, Proposal Form 8 need not be submitted.

General Information

Name: _____

Firm/Office Location: _____

Title: _____

Year Employed by Firm: _____ years

Total Professional Experience: _____ years

Professional Registrations, Certifications, and Licenses (type, state/organization, year):

Proposed Role on the Project

Title/Assignment: _____

Description of Role/Responsibilities:

Commitment to Project¹

Phase 1	_____ %
Phase 2	_____ %

Relevant Project Experience²

Project/Client Delivery Method: _____

Location/Brief Description: _____

Current Status: _____

Date of Involvement: from _____ through _____.

Description of Specific Roles and Responsibilities:

Client References³

Name

Title/Organization:

Address:

Phone:

Email:

Notes:

1. Commitment indicates the amount of time (in percent) that the staff person would be available to work on the Project during a typical week during Phase 1 and Phase 2 considering other project and business commitments. For example, if a person would be available 20 hours per week out of a 40-hour work week, reply 50%. Indicate by "N/A" where the individual is not proposed to be involved in a particular phase of the Work.
2. Provide this information for up to seven relevant projects.
3. Provide two client references.

Valley Water
Coyote Pumping Plant ASDs Replacement Project

FORM 9. KEY PERSONNEL AND STAFF TIME COMMITMENTS

(To be completed and attached to the Proposal Section 1.1 Qualifications Update, if applicable)

Key Personnel Time Commitments			
Project Role	Name	Commitment of Availability Phase 1	Commitment of Availability Phase 2
Design-Build Manager	Jesse Jardin	<u>90</u> %	<u>70</u> %
Design Manager	Mark Smith	<u>70</u> %	<u>30</u> %
Preconstruction Manager	Jesse Jardin	<u>90</u> %	<u>70</u> %
Construction Manager	Jesse Jardin	<u>90</u> %	<u>70</u> %
Startup/Commissioning/Acceptance Testing Lead	James Cordero	<u>25</u> %	<u>30</u> %
Other Key Personnel and Project Staff (list) Project Executive	Vimal Patel	<u>30</u> %	<u>30</u> %
Electrical Engineer	Adam Reab	<u>70</u> %	<u>25</u> %
Electrical Construction Manager	Chauncey Gray	<u>30</u> %	<u>50</u> %

*For commitment of availability, Proposers shall indicate average percent of time the individual could be available to work on the Project if needed. Assume 10 percent of each individual's time will be committed for vacation, holidays, and sick leave. Provide footnotes as needed for clarity.

Proposer shall identify Key Personnel for each role listed in the table above and other proposed project staff designated by the Proposer as important to the successful completion of the Work.



Travelers
Bond, Home Office
(860) 277-9355
(860) 277-3931 (fax)

One Tower Square
Hartford, CT 06183

January 20, 2022

Santa Clara Valley Water District (Valley Water)
5750 Almaden Expressway
San Jose, CA 95118

Re: Coyote Pumping Plant Adjustable Speed Drives (ASDs) Replacement Project
Letter of Intent to Issue Security

Dear David Montenegro, Principal Construction Contracts Administrator:

Kiewit Infrastructure West Co. (the "Proposer") has been invited to submit a Proposal in response to the Request for Proposals (the "RFP") for the Coyote Pumping Plant ASDs Replacement Project (the "Project"), issued by Valley Water ("Owner") on November 8, 2021, as amended, pursuant to which the Proposer may be selected to enter into a Design-Build Agreement (the "Agreement") with Valley Water for the Project.

Travelers Casualty and Surety Company of America (the Surety) has reviewed Valley Water's RFP and the Proposer's Proposal. The Surety hereby certifies that Proposer, as part of an overall work program commitment for the Kiewit companies, has \$10 Billion total and \$3.01 Billion available bonding capacity and at least 100% of the contract value per project bonding limits.

The Surety(ies) further certifies that, in the event the Proposer is selected as the Design-Builder and subject to review of the Design-Build Agreement and Guaranteed Price Amendment by the Surety(ies), that the Surety(ies) intends to issue on behalf of the Proposer, as security for performance of Phase 2 services under the Design-Build Agreement, a Performance Bond and a Payment Bond for the benefit of the Owner. The Performance Bond and the Payment Bond will each be in an amount equal to the value of the Guaranteed Price Amendment and shall be increased to reflect any subsequent price adjustment.

The surety(ies) further certify that the surety(ies) meet or exceed a minimum A.M. Best Company rating of A.

This letter is based on the Proposer's current financial condition and bonding capacity, which is subject to change. This letter does not constitute an assumption of liability on the part of the surety.

If you have any other questions, please feel free to contact me at (402) 271-2956.

Travelers Casualty and Surety Company of America
Name of Surety

Traci Sutton

Name of Designated Surety


Signature

Attorney-in-Fact

Title



Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company

POWER OF ATTORNEY

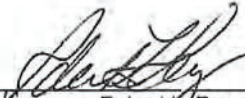
KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **Philip G. Dehn, Tammy Pike, Paul A. Foss, Marie Huggins, Traci Sutton, and Deanne Jones of Omaha, Nebraska**, their true and lawful Attorney (s)-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in the, r business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **21st day of April, 2021**.



State of Connecticut

City of Hartford ss.

By: 
 Robert L. Raney, Senior Vice President

On this the **21st day of April, 2021**, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of each of the Companies, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission expires the **30th day of June, 2026**




 Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of each of the Companies, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of each of the Companies, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this **20th** day of **January**, **2022**




 Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
 Please refer to the above-named Attorney(s)-in-Fact and the details of the bond to which this Power of Attorney is attached.

NOTARY ACKNOWLEDGMENT

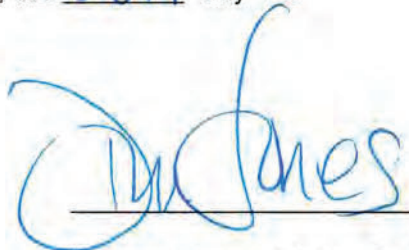
STATE OF NEBRASKA

COUNTY OF DOUGLAS

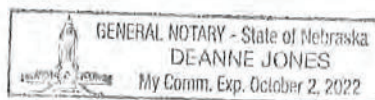
I, Deanne Jones, a Notary Public in and for said County and State, do hereby certify that Traci Sutton, Attorney-in-Fact of Travelers Casualty and Surety Company of America, proved to me on the basis of satisfactory evidence to be the person who appeared before me, and acknowledged that she signed, sealed and delivered a said instrument, for and on behalf of Travelers Casualty and Surety Company of America for the uses and purposes therein set forth.

Given under my hand and notarial seal, the 20th day of

January, 2022.



Deanne Jones, Notary Public





OLD REPUBLIC INSURANCE COMPANY

445 South Moorland Road, Suite 300, Brookfield, Wisconsin 53005 | T: 262.797.3400

January 20, 2022

Santa Clara Valley Water District (Valley Water)
5750 Almaden Expressway
San Jose, CA 95118

Re: Coyote Pumping Plant Adjustable Speed Drives (ASDs) Replacement Project
Letter of Intent to Issue Security

Dear David Montenegro, Principal Construction Contracts Administrator:

Kiewit Infrastructure West Co.(the "Proposer ") has been invited to submit its Proposal in response to the Request for Proposals (the "RFP") for the Coyote Pumping Plant ASD Replacement Project (Project) (the "Project"), issued by Valley Water ("Owner") on November 8, 2021, as amended, pursuant to which the Proposer may be selected to enter into a Design-Build Agreement (the "Agreement") with Valley Water for the Project.

We have reviewed the Proposer's Proposal and the RFP. We hereby certify Proposer has or has the ability to obtain the required insurance and that we intend to provide all required insurance as described in the Agreement in the event that the Proposer is selected for final negotiations and execution of the Agreement by Valley Water.

Old Republic Insurance Company
AM Best Rating A+XV

Name of Insurance Company/Broker

Philip G. Dehn

Name of Designated Signatory

Signature

Authorized Representative
Title



NOTARY ACKNOWLEDGMENT

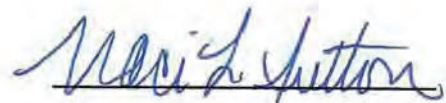
STATE OF NEBRASKA

COUNTY OF DOUGLAS

I, Traci L. Sutton, a Notary Public in and for said County and State, do hereby certify that Philip G. Dehn, Authorized Representative of Old Republic Insurance Company, proved to me on the basis of satisfactory evidence to be the person who appeared before me, and acknowledged that he signed, sealed and delivered a said instrument, for and on behalf of Old Republic Insurance Company for the uses and purposes therein set forth.

Given under my hand and notarial seal, the 20th day of

January, 2022.



Traci L. Sutton, Notary Public



SUBMITTED TO:

CONFIDENTIAL

**SANTA CLARA
VALLEY WATER DISTRICT
(VALLEY WATER)**



PRICE PROPOSAL // FEBRUARY 16, 2022

VOLUME 2

COYOTE PUMPING PLANT ASDs REPLACEMENT PROJECT

PROJECT NO: 91234002 // CONTRACT NO: C0675 // INVITATION NO: VW 0003

SUBMITTED BY:

IN ASSOCIATION WITH:



Kiewit



Stantec

TESCO
CONTROLS, INC.



**CUPERTINO
ELECTRIC INC.**

**SANTA CLARA
VALLEY WATER DISTRICT
(VALLEY WATER)**

PRICE PROPOSAL // FEB 16, 2022

**COYOTE PUMPING PLANT ASDs
REPLACEMENT PROJECT**

**PROJECT NO: 91234002 // CONTRACT NO: C0675
INVITATION NO: VW 0073**

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PRICE PROPOSAL

SECTION 6: PDB Price Proposal

Attachment 1: Form 14. Progressive Design-Build
Price Proposal

Attachment 2: Form 15. Phase 1 All-Inclusive
Billing Rates

SUBMITTED BY:

IN ASSOCIATION WITH:



PROJECT NO: 91234002 // CONTRACT NO: C0675 // INVITATION NO: VW 0073
COYOTE PUMPING PLANT ASDs REPLACEMENT PROJECT



SECTION

PRICE PROPOSAL



SUBMITTED BY:



Kiewit

IN ASSOCIATION WITH:



Stantec

TESCO
CONTROLS, INC.



**CUPERTINO
ELECTRIC INC.**

ADDENDUM NO. 3
 TO REQUEST FOR PROPOSALS
 FOR DESIGN-BUILD ENTITIES SEEKING TO BID ON
 COYOTE PUMPING PLANT ASDs
 REPLACEMENT PROJECT
 Project No. 91234002 Contract No. C0675

ATTACHMENT 2

Valley Water
 Coyote Pumping Plant ASDs Replacement Project

FORM 14. PROGRESSIVE DESIGN-BUILD PRICE PROPOSAL

(This form shall be completed and attached to Proposal Section 6.1 Progressive Design-Builder Price Proposal)

Phase 1. Design and Preconstruction Services

<u>EVALUATED</u> Not-to-Exceed Price for Design and Preconstruction Phase	3,994,888.00
<i>(Do not include Supplemental and/or Deductive Scope Proposed Price)</i>	
Task 1: Phase 1 Project Management	\$ 1,186,298.00
Task 2: Reference Document Review	\$ 92,513.00
Task 3: Field Investigations and Permitting Support	\$ 284,915.00
Task 4: Design Development and Documents	\$ 1,871,291.00
Task 5: Cost Modeling and Scheduling	\$ 238,550.00
Task 6: Guaranteed Price Proposal	\$ 248,321.00
Task 7: Supplemental Phase 1 Services	\$ 73,000.00

Phase 2. Construction Services Fees

<u>EVALUATED</u> Guaranteed Maximum Price Option.		
Construction phase fee on construction cost per requirements in RFP.		
1. <u>Design-Builder Fee</u> (<i>Fees applied by Design Builder</i>) A percent (%) markup to be applied by the Design-Builder to the Direct Cost of Work that is to be self-performed by the Design-Builder and applied to subcontracted Work provided by all other members of the DB Team (i.e., all firms named in Respondent's SOQ and/or Proposal as a DB Team member, except the Design-Builder).	20	%
2. <u>Design-Builder Subcontractor Fee</u> (Fees applied by Design-Builder) A total percent (%) markup to be applied by the Design-Builder to all Work and purchases from entities not named in the Respondent's SOQ and/or Proposal as a DB Team member.	20	%
3. <u>DB Team Member Fee(s)</u> (<i>Fees applied by DB Team members</i>) A separate, individual percent (%) markup to be applied by each DB Team member named in the SOQ and/or Proposal. Fee to apply to the Direct Cost of Work that is performed by named members of the DB Team (except the Design-Builder) as estimated using an open-book process to support the Design-Builder's development of the Guaranteed Price Proposal. The DB Team Member Fee(s) <i>will not be used for evaluation of the proposal</i> , but will be binding as the only markup on the Direct Cost of Work allowed by the respective DB Team members. (Add rows below as necessary to list all DB Team members)		
DB Team Member 1 Name Cupertino Electric, Inc.	18	%
DB Team Member 2 Name TESCO	18	%
<u>EVALUATED</u> Lump Sum Price Option.		
Adjusted fee to be applied to construction cost should Valley Water elect to exercise the Guaranteed Price on a Lump Sum basis.		
1a. <u>Design-Builder Fee</u> . Percent (%) discount on listed Design-Builder Fee (listed in Item 1 above) should Valley Water elect to exercise the Guaranteed Price on a Lump Sum basis:		
Discount on Design-Builder Fee	3	%
1b. Math check:		
Design-Builder Fee (from GMP option Item 1 above)	20	%
minus		
Lump Sum discount	3	%
Equals	17	%
2a. <u>Design-Builder Subcontractor Fee</u> . Percent (%) discount on listed Design-Builder Subcontractor Fee (listed in Item 2 above) should Valley Water elect to exercise the Guaranteed Price on a Lump Sum basis:		
Discount on Design-Builder Subcontractor Fee	3	%
2b. Math check:		
GMP Fee (from GMP option Item 2 above)	20	%
minus		
Lump Sum discount	3	%
Equals	17	%

ADDITIONAL INFORMATION

- As-proposed Design-Builder Fee will be applied to the actual, verifiable Direct Cost of the Work, as defined in the Supplement Conditions, Section 1.20 and DB Agreement Section 7.5.1.
- The Guaranteed Price will be calculated as described in Section 7.5.7 of the DB Agreement.
- Fees will not be applied to pass through costs as described in Sections 7.5.3 through 7.5.6 of the DB Agreement.
- The final Guaranteed Price is a fixed dollar amount which represents the maximum total compensation available for Phase 2 (Construction) to the Design-Builder as described in Sections 5.3 and 7.3 of the DB Agreement.
- Other than the three fee categories described above, no additional mark-up or fees are to be included on Phase 2 Construction Work incurred for any member of the Design-Build Team. Design-Build Team members are considered pre-selected for self-performed scope may not otherwise compete for subcontracted scope in Phase 2 (Construction).
- For the development of all iterations of the draft Guaranteed Price Amendment, all members of the Design-Build Team are required to document costs in open-book format as described in Sections 5.3 and 7.3 of the DB Agreement.
- The selected Design-Builder will be required to develop its Guaranteed Price estimate, and all subsequent Guaranteed Price iterations in accordance with the level of detail set forth in the Valley Water Approved Cost Estimate Example (provided as DB Agreement Exhibit 3A, Attachment 1).
- Variations of how the Fees are applied to costs, from the Valley Water Approved Cost Estimate Example, will not be allowed without express written approval by Valley Water. Modifications to the Valley Water Approved Cost Estimate Example that do not affect how Fees are applied (e.g., specific line items and organization of construction scope) will be allowed, and will be developed collaboratively with Valley Water, upon selection.

Valley Water
Coyote Pumping Plant ASDs Replacement Project

**FORM 15. PHASE 1 ALL-INCLUSIVE BILLING RATES
AND LABOR CATEGORIES**

(This form may be expanded to span multiple pages, as needed, and attached to Proposal Section 6.1 Progressive Design-Builder Price Proposal)

Phase 1 Professional Services All-Inclusive Billing Rates and Labor Categories			
Staff Name	Firm	Labor Category	Billing Rate (Include all markups for benefits, overhead and profit)
Vimal Patel	Kiewit	Design Project Executive	\$290.00
Jesse Jardin	Kiewit	Project Manager	\$250.00
TBD	Kiewit	Project Engineer	\$225.00
TBD	Kiewit	Scheduler	\$225.00
James Cordero	Kiewit	Start-Up Manager	\$225.00
TBD	Kiewit	Estimator	\$160.00
TBD	Kiewit	Superintendent	\$225.00
TBD	Kiewit	Field Engineer	\$160.00
TBD	Cupertino Electric, Inc.	Construction Project Executive	\$240.63
Chauncey Gray	Cupertino Electric, Inc.	Project Manager	\$185.63
TBD	Cupertino Electric, Inc.	Project Engineer	\$111.46
TBD	Cupertino Electric, Inc.	Project Administration	\$75.63
TBD	Cupertino Electric, Inc.	Project Scheduler	\$178.75
TBD	Cupertino Electric, Inc.	Electrical Estimate Lead	\$163.63
TBD	Cupertino Electric, Inc.	Electrical Estimate Support	\$103.13
TBD	Cupertino Electric, Inc.	Superintendent	\$264.57
TBD	Kiewit Engineering	Engineering Project Manager	\$250.00
TBD	Kiewit Engineering	Engineering Coordinator	\$180.00
TBD	Kiewit Engineering	Project Controls	\$110.00
Adam Reab	Kiewit Engineering	Lead Engineer	\$200.00
John Liu	Kiewit Engineering	Lead Engineer	\$200.00
TBD	Kiewit Engineering	Support Engineer	\$180.00
TBD	Kiewit Engineering	Designer	\$150.00
TBD	Stantec	VP	\$330.00
Phil Atkinson	Stantec	Sr. Principal	\$315.00
Nathan Gronlund	Stantec	Sr. Principal	\$280.00
Mark Smith	Stantec	Sr. Principal	\$315.00
TBD	Stantec	Sr. Associate	\$190.00
TBD	Stantec	Sr. Designer	\$300.00
TBD	Stantec	Designer	\$150.00

Rates shown are 2022 and 2023 rates, and are not subject to escalation in 2024. Rates are subject to a 4% escalation starting in January 1, 2024.

Attachment 1
Page 264 of 318

SUBMITTED TO:

CONFIDENTIAL

**SANTA CLARA
VALLEY WATER DISTRICT
(VALLEY WATER)**



UPDATED FIRM FINANCIAL INFO // FEBRUARY 16, 2022

VOLUME 3

COYOTE PUMPING PLANT ASDs REPLACEMENT PROJECT

PROJECT NO: 91234002 // CONTRACT NO: C0675 // INVITATION NO: VW 0003

SUBMITTED BY:

IN ASSOCIATION WITH:



Kiewit



Stantec

TESCO
CONTROLS, INC.



**CUPERTINO
ELECTRIC INC.**

**SANTA CLARA
VALLEY WATER DISTRICT
(VALLEY WATER)**

UPDATED FIRM FINANCIAL INFO // FEB 16, 2022

**COYOTE PUMPING PLANT ASDs
REPLACEMENT PROJECT**

**PROJECT NO: 91234002 // CONTRACT NO: C0675
INVITATION NO: VW 0073**

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VOLUME

UPDATED FIRM FINANCIAL INFO

SECTION 7: Updated Firm Financial Information

SUBMITTED BY:

IN ASSOCIATION WITH:



PROJECT NO: 91234002 // CONTRACT NO: C0675 // INVITATION NO: VW 0073
COYOTE PUMPING PLANT ASDs REPLACEMENT PROJECT



SECTION

UPDATED FINANCIAL INFORMATION

SUBMITTED BY:



Kiewit

In Association with:



Stantec

TESCO
CONTROLS, INC.



**CUPERTINO
ELECTRIC INC.**



January 10, 2022

Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118
Contract No. C0675

RE: Request for Proposals – Coyote Pumping Plant ASDs Replacement Project
Contract No. C0675
Kiewit Infrastructure West Co. Material Change Letter

To Whom it May Concern:

In accordance with the Request for Proposals – Coyote Pumping Plant ASDs Replacement Project, Section 7.1 – Updated Financial information, Kiewit Infrastructure West Co. (“KIWC”) is to describe any material changes to the financial status of the company since the date of the SOQ.

The unaudited financial statements for KIWC as of September 25, 2021 have been provided. KIWC is not aware of any material adverse changes and does not currently anticipate any material changes in its tangible net worth for the next fiscal year other than normal operating activity which we consider to include any dividends paid to its parent.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Loree Runyan-Pick', is written over a faint, circular blue ink stamp.

Loree Runyan-Pick
Controller

KIEWIT INFRASTRUCTURE WEST CO.
1550 Mike Fahey St. Omaha NE 68102
(402) 342-2052

KIEWIT INFRASTRUCTURE WEST CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

September 25, 2021
(U.S. dollars, in thousands)
(unaudited)

ASSETS

Current assets:	
Cash and cash equivalents	\$ 379,001
Investment in affiliate	144,650
Accounts receivable, less allowance of \$882	253,517
Affiliate receivables	1,497
Contract assets	77,583
Investment in nonconsolidated construction partnerships	30,163
Other	15,410
Total current assets	901,821
Property, plant and equipment, at cost	92,918
Less accumulated depreciation	(51,281)
Net property, plant and equipment	41,637
Goodwill	18,427
Investment in leasing affiliate	109,856
Deferred income taxes	5,154
	<u>\$ 1,076,895</u>

LIABILITIES AND EQUITY

Current liabilities:	
Accounts payable:	
Trade, including retainage of \$18,566	\$ 43,356
Affiliates	40,355
Total accounts payable	83,711
Accrued construction costs	180,309
Contract liabilities	316,355
Distributions and costs in excess of investment in nonconsolidated construction partnerships	1,020
Accrued insurance costs	4,191
Accrued payroll and payroll taxes	41,370
Income taxes payable	37,727
Other	1,040
Total current liabilities	665,723
Other	13,326
Total liabilities	679,049
Commitments and contingencies	
Equity:	
Common stock, \$1,000 par value, 10,000 shares authorized, 150 shares issued and outstanding	150
Additional paid-in capital	212,868
Retained earnings	142,828
Total Kiewit Infrastructure West Co. equity	355,846
Minority interest	42,000
Total equity	397,846
	<u>\$ 1,076,895</u>

These unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles. However, since they do not include footnotes and other information required by these principles to be considered complete financial statements, they are intended to be used for management purposes only.

The information contained herein is confidential and proprietary and is being provided to the recipient on the condition that the recipient not divulge or disclose such information to any other person or entity, or use the information for any purpose other than the express purpose for which it has been provided. Any other use or disclosure without prior written consent is strictly prohibited.

KIEWIT INFRASTRUCTURE WEST CO. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
for the nine months ended September 25, 2021
(U.S. dollars, in thousands)
(unaudited)

Revenue	\$ 1,446,225
Cost of revenue	<u>(1,180,104)</u>
Margin	266,121
Operating expenses	(96,747)
Equity earnings from nonconsolidated construction partnerships	20,268
Gain on sale of property, plant and equipment	<u>2,881</u>
Operating income	192,523
Other income (expense):	
Investment income	290
Interest expense	(4)
Equity in earnings of affiliate	238
Other	<u>56</u>
	<u>580</u>
Income before income taxes and equity in net losses of leasing affiliate	193,103
Equity in net losses of leasing affiliate	(9,103)
Income tax expense	<u>(48,889)</u>
Net income	135,111
Net loss attributable to minority interests	<u>7,717</u>
Kiewit Infrastructure West Co. net income	<u><u>\$ 142,828</u></u>

These unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles. However, since they do not include footnotes and other information required by these principles to be considered complete financial statements, they are intended to be used for management purposes only.

The information contained herein is confidential and proprietary and is being provided to the recipient on the condition that the recipient not divulge or disclose such information to any other person or entity, or use the information for any purpose other than the express purpose for which it has been provided. Any other use or disclosure without prior written consent is strictly prohibited.

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Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 11. Invoicing Guidelines

PAGE: 1 of 2
TODAY'S DATE: 2-Nov-21
PAY (FROM) 1-Oct-21
PERIOD (TO): 25-Oct-21

[illegible]

ORIGINAL BID :	
ORIGINAL BID INCLUDING C.C.O.S: \$	-
AMOUNT TO DATE INCLUDING C.C.O.s: \$	-

ORIGINAL TIME:
ALLOWED (Days):
TOTAL CONTRACT TIME:

FIRST CHARGEABLE DAY
TOTAL TIME ALLOWED AS
AMENDED BY CCO's (Days).....
% COMPLETE.....
% TIME ELAPSED.....

```
#DIV/0!  
#DIV/0!
```

CONTRACT COMPLETION DATE:
ACTUAL COMPLETION DATE:

	A M O U N T S		
	PREVIOUS	THIS PERIOD	TO DATE
Gross Earnings/Total Worth Of Work			0.00
Retention (5%)		\$ -	0.00
Less Total Stop Notices			
Less Total Liquidated Damages			
Net Earnings		\$ -	\$ -
Less Total Previous Payment			0.00
Payment Due Contractor This Period			0.00

- Milestone 1
- Milestone 2
- Milestone 3
- Milestone 4
- Milestone 5

This Must Be
Paid by

Approval Recommended:

Approved:

Chief Construction Inspector, Eric Zozaya

Engineering Unit Manager, Gary Ohea

PROCESSED
DATE _____
BY _____

Santa Clara Valley Water District

Construction Services Unit

PROGRESS PAYMENT No. XX

PROJECT
CONTRACTOR
ADDRESS

Project Name
Contractor Name
Contractor Address

PAGE: 2 of 2
TODAY'S DATE:
PAY (FROM)
PERIOD (TO):

Item No.	DESCRIPTION	UNIT	QUANTITIES		QUANTITY OF WORK PERFORMED			UNIT PRICE	AMOUNT DONE THIS PERIOD	TOT. AMOUNT DONE TO DATE
			CONTRACT	REVISED	PREVIOUS	THIS PERIOD	TO DATE			
	BASE BID ITEMS									
1	Compliance with Environmental Permits	LS	1		0.00%	0.00%	0.00%	\$ -	\$ -	\$ -
2	Mobilization & Demobilization Demolition and Disposal	LS	1		0.00%	0.00%	0.00%	\$ -	\$ -	\$ -
3	Contractor's Quality Control	LS	1		0.00%	0.00%	0.00%	\$ -	\$ -	\$ -
4	Control of Water	LS	1		0.00%	0.00%	0.00%	\$ -	\$ -	\$ -
5	Steel Channel	LS	1		0.00%	0.00%	0.00%	\$ -	\$ -	\$ -
6	Structural Steel Hollow Structural Steel	LS	1		0.00%	0.00%	0.00%	\$ -	\$ -	\$ -
	SUPPLEMENTAL BID ITEMS				0.00%					
1	Winterization	LS	1		0.00%	#DIV/0!	#DIV/0!	\$ -	\$ -	#DIV/0!
2	Unplanned Water Discharges	LS	1		0.00%	0.00%	0.00%	\$ -	\$ -	\$ -
3	Spot Repair Spalling Concrete (Non-Anchor Related)	LS	1		0.00%	0.00%	0.00%	\$ -	\$ -	\$ -
						TOTAL BASE BID & SUPPLEMENTAL BID ITEMS			\$ -	#DIV/0!

TOTAL BASE BID & SUPPLEMENTAL BID ITEMS \$ - #DIV/0!
TOTAL PAYMENT \$ - #DIV/0!

Item No.	PCO No.	DESCRIPTION CONTRACT CHANGE ORDERS	UNIT	QUANTITIES		QUANTITY OF WORK PERFORMED			UNIT PRICE	AMOUNT DONE THIS PERIOD	TOT. AMOUNT DONE TO DATE
				CONTRACT	REVISED	PREVIOUS	THIS PERIOD	TO DATE			
	1	CCO 1	1.00			0.00%	100.00%	100.00%	\$ -	\$ -	\$ -
	2	CCO 1	1.00			0.00%	100.00%	100.00%	\$ -	\$ -	\$ -

CCO Sub-Total: \$ - \$ -
GRAND TOTAL: \$ - #DIV/0!

Valley Water
Coyote Pumping Plant ASDs Replacement Project
EXHIBIT 12. Project Labor Agreement Forms

Valley Water PLA

SCVWD ENACTED COPY
Contract Administration Unit
AGMT: A4584M **FILE:** N/A

**SANTA CLARA VALLEY WATER DISTRICT
PROJECT LABOR AGREEMENT**

This Agreement is entered into this 11 day of January, 2022 by and between the Santa Clara Valley Water District (hereinafter "Valley Water"), together with contractors and subcontractors of all tiers, who shall become signatory to this Agreement by signing the "Agreement to be Bound" (Addendum A) (referred to collectively herein as "Contractor(s)/Employer(s)"), and the Santa Clara and San Benito Counties Building & Construction Trades Council (hereinafter the "Council") and its affiliated local Unions that have executed this Agreement (referred to collectively herein as "Union" or "Unions").

PURPOSE & RECITALS

The purpose of this Agreement is to promote the efficiency of construction operations for Valley Water through the use of skilled labor resulting in quality construction outcomes, to develop a skilled workforce for future Valley Water construction, and to provide for the orderly and peaceful settlement of labor disputes and grievances without strikes or lockouts, thereby promoting Valley Water's and the public interest in assuring the timely and economical completion of Covered Projects subject to this Agreement.

WHEREAS, the Santa Clara Valley Water District ("Valley Water") is an independent special district responsible for providing Santa Clara County with safe, clean water, flood protection; and stewardship of streams. Valley Water's Mission is to provide Silicon Valley safe, clean water for a healthy life, environment, and economy; and

WHEREAS, nearly two million people currently reside in Santa Clara County's 1,300 square miles and 15 cities; making it the most populous county in the San Francisco Bay Area and the fifth most populous in the state; and

WHEREAS, the population of Santa Clara County is expected to increase almost thirty percent (30%) to 2.3 million by 2030; and

WHEREAS, the Valley Water Capital Budget for Fiscal Years 2021 to 2025 exceeded \$3.5 billion; and

WHEREAS, this Agreement is intended to apply to projects where the complexity of the work and/or the presence of multiple contractors and numerous workers and/or other factors increases the risk of labor disputes or work disruptions that could interfere with the timely and economical completion of the work; and

WHEREAS, the timely and successful completion of Covered Projects is of the utmost importance to meet the needs of Valley Water and avoid increased costs resulting from delays in construction; and

WHEREAS, the work covered by this Agreement will require maximum cooperation from the Parties; and

WHEREAS, large numbers of workers of various skills will be required in the performance of the construction work and will be represented by the Unions signatory to this

Valley Water PLA

Agreement and employed by contractors and subcontractors who may or may not be signatory to Master Agreements with the Unions; and

WHEREAS, it is recognized that on projects with multiple contractors and bargaining units on the job site at the same time over an extended period of time, the potential for work disruption is substantial unless there is a shared overriding commitment to maintain continuity of work; and

WHEREAS, the interests of Valley Water, the Unions, the Contractor(s)/Employer(s) and the public would be best served if construction work proceeds in an orderly manner without disruption because of strikes, sympathy strikes, work stoppages, picketing, lockouts, slowdowns or other interferences with work; and

WHEREAS, the Contractor(s)/Employer(s) and the Unions desire to mutually establish and stabilize wages, hours and working conditions for workers employed on Covered Projects and to encourage close cooperation among Contractor(s)/Employer(s) and the Unions so that a satisfactory, continuous and harmonious relationship will exist among the parties to this Agreement; and

WHEREAS, the parties agree that one of the primary purposes of this Agreement is to avoid the tensions that might arise on a Covered Project if Union and non-union workers of different employers were to work side by side on a Covered Project, potentially leading to labor disputes that could delay completion of a Covered Project; and

WHEREAS, this Agreement is not intended to replace, interfere with, abrogate, diminish or modify existing local or national collective bargaining agreements in effect during the duration of a Covered Project, insofar as a legally binding agreement exists between the Contractor(s)/Employer(s) and the affected Union(s), except to the extent that the provisions of this Agreement are inconsistent with said collective bargaining agreements, in which event, the provisions of this Agreement shall prevail; and

WHEREAS, the contract(s) for construction work on a Covered Project will be awarded in accordance with the applicable provisions of the California State Public Contract Code and all state, local and federal laws; and

WHEREAS, Valley Water has the right to select the lowest responsive and responsible bidder and/or the bidder offering the best value to Valley Water for the award of the construction contract(s) on a Covered Project in accordance with law; and

WHEREAS, Valley Water has determined that a project labor agreement will be beneficial to the Projects covered by this Agreement and will serve Valley Water's interests as the proprietor of construction projects; and

WHEREAS, Valley Water places high priority upon the development of comprehensive programs for the recruitment, training and employment of traditionally underrepresented and targeted workers, and recognizes the ability of local pre-apprenticeship and apprenticeship programs to provide meaningful and sustainable careers in the building and construction industry; and

WHEREAS, the use of skilled labor on construction work increases the safety of construction projects as well as the quality of completed work; and

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WHEREAS, the construction industry is one of the few industries that provide a path to middle-class careers for individuals who face barriers to quality employment; and

WHEREAS, the parties to this Agreement pledge their full good faith and trust to work toward the mutually satisfactory completion of Covered Projects;

NOW, THEREFORE, IT IS AGREED BETWEEN AND AMONG THE PARTIES HERETO, AS FOLLOWS:

ARTICLE 1 DEFINITIONS

1.1 “Agreement” means this Project Labor Agreement.

1.2 “Agreement to be Bound” means the agreement (attached hereto and incorporated herein as Addendum A) that shall be executed by each and every Contractor/Employer as a condition of performing Project Work.

1.3 “Completion” means that point at which there is a Final Acceptance by Valley Water related to a Construction Contract and Valley Water has filed a Notice of Completion.

1.4 “Construction Contract” means a public works or improvement contract(s) (including design-bid, design-build, lease-leaseback, or other contract under which construction is done) awarded by the Valley Water Board that is necessary to complete a Covered Project.

1.5 “Contractor(s)/Employer(s)” or “Contractor(s)” or “Employer(s)” means any individual, firm, partnership or corporation (including the prime contractor, general contractor as construction manager, design-build entity, lease-leaseback entity or equivalent entity), or combination thereof, including joint ventures, and their successors and assigns, that is an independent business enterprise and enters into a contract with Valley Water for construction of any part of a Covered Project, under contract terms and conditions approved by Valley Water and which incorporate this Agreement, and all contractors and subcontractors of any tier.

1.6 “Council” means the Santa Clara and San Benito Counties Building & Construction Trades Council.

1.7 “Covered Project” means a public works project paid for in whole or in part with Valley Water funds, to be performed under contract with Valley Water and not by Valley Water employees covered under this agreement, where either the engineer’s estimate or the cumulative bid amount(s) submitted by the contractor(s) awarded a Construction Contract(s) for the Covered Project exceeds two million dollars (\$2,000,000).

1.8 “Master Agreement” or “Schedule A” means the Master Collective Bargaining Agreement of each craft Union signatory hereto, which the Unions shall provide to Valley Water upon request.

1.9 “Project Work” means work on a Covered Project that is with the craft jurisdiction of one or more of the Unions and is not otherwise excluded pursuant to Section 2.4 of this Agreement.

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1.10 “Project Manager” means the person(s) or business entity(ies) designated by Valley Water to oversee all phases of construction on the Covered Project and to oversee the implementation of this Agreement and who works under the guidance of Valley Water’s Authorized Representative.

1.11 “Union” or “Unions” means the Santa Clara and San Benito Counties Building & Construction Trades Council, AFL-CIO, and its affiliated local Unions signatory to this Agreement, acting on their own behalf and on behalf of their respective affiliates and member organizations, whose names are subscribed hereto and who have through their officers executed this Agreement.

1.12 “Valley Water” means the Santa Clara Valley Water District, its Board of Directors, officers, agents, employees and administrative staff, including managerial personnel.

ARTICLE 2 SCOPE OF AGREEMENT

2.1 Parties: This Agreement applies to and is limited to all Contractors/Employers performing Construction Contracts on a Covered Project (including subcontractors at any tier), and their successors and assigns, Valley Water, the Council and its affiliated Unions signatory to this Agreement.

2.2 Applicability: This Agreement shall govern all craft work on a Covered Project pursuant to a Construction Contract. For the purposes of this Agreement, a Covered Project shall be considered completed as set forth in Section 1.3, except when Valley Water directs a Contractor to engage in repairs, warranty work, punch list work, modifications or change orders pursuant to a Construction Contract. Valley Water and the Council may mutually agree in writing to add or exclude projects or project components to be covered by this Agreement.

2.3 Covered Work: This Agreement covers, without limitation, all on-site site preparation, surveying, construction, alteration, demolition, installation, improvement, remediation, retrofit, painting or repair of buildings, structures and other works, and related activities for a Covered Project that is within the craft jurisdiction of one or more of the Unions and which is directly or indirectly part of a Covered Project, including, without limitation to the following examples, geotechnical and exploratory drilling, temporary HVAC, landscaping and temporary fencing, pipelines (including those in linear corridors built to serve a Covered Project), pumps, pump stations, start-up, modular furniture installation and final clean-up. On-site work includes work done for a Covered Project in temporary yards, dedicated sites, or areas adjacent to a Covered Project, and at any on-site or off-site batch plant constructed solely to supply materials to a Covered Project. This scope of work includes all soils and materials testing and inspection within the craft jurisdiction of the Unions.

2.3.1 This Agreement applies to any start-up, calibration, commissioning, performance testing, repair, maintenance, and operational revisions to systems and/or subsystems performed after Completion pursuant to a Construction Contract, except if excluded by Section 2.4.10.

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2.3.2 This Agreement covers all on-site fabrication work over which Valley Water, Contractor(s)/Employer(s) or subcontractor(s) possess the right of control (including work done for a Covered Project in any temporary yard or area established for a Covered Project). Additionally, this Agreement covers off-site work, including fabrication necessary for a Covered Project defined herein, that is traditionally performed by any of the Unions and is directly or indirectly part of the Covered Project, provided such work is covered by a current Schedule A agreement or local addenda to a National Agreement of the applicable Union(s) that is in effect as of the execution date of this Agreement and contains an express reference to such off-site work.

2.3.3 The furnishing of supplies, equipment or materials which are stockpiled for later use shall not be covered by this Agreement. Construction trucking work, such as the hauling and delivery of ready-mix, asphalt, aggregate, sand, soil, or other fill or similar material which is incorporated into the construction process as well as the off-hauling of soil, sand, gravel, rocks, concrete, asphalt, excavation materials, construction debris and excess fill, material and/or mud, shall be covered by the terms and conditions of this Agreement. Contractor(s)/Employer(s), including brokers, of persons providing construction trucking work shall provide certified payroll records to Valley Water within ten (10) days of written request or as required by bid specifications.

2.3.4 Work covered by this Agreement within the following craft jurisdictions shall be performed under the terms of their National Agreements as follows: the National Agreement of Elevator Constructors, the National Transient Lodge (NTL) Articles of Agreement, the National Stack/Chimney Agreement, the National Cooling Tower Agreement, and any instrument calibration work and loop checking shall be performed under the terms of the UA/IBEW Joint National Agreement for Instrument and Control Systems Technicians, with the exception that Articles 4, 13 and 14 of this Agreement shall apply to such work.

2.3.5 This Agreement shall apply to work performed pursuant to a construction warranty during the construction warranty period.

2.4 Exclusions. Notwithstanding any other provision of this Agreement, the following shall be excluded from the scope of this Agreement:

2.4.1 This Agreement shall not apply to non-construction craft employees, including executives, managerial employees, engineering employees, architects, quality control/assurance personnel (unless covered by a Master Agreement), guards, supervisors above the level of General Foreman (unless covered by a Master Agreement), administrative, office and clerical employees.

2.4.2 This Agreement shall not apply to work performed on, near, or leading to a Covered Project site(s) that is undertaken by state, county, city or other governmental bodies or their contractors, or by public or private utilities or their contractors. Work performed by public or private utilities including all electrical utility, voice-data video, and security installation work ahead of and up to the electrical service entry connection or the main point of service or the main point of entry shall be excluded. All electrical utility, voice-data video, and security installation work performed after the electrical utility service entrance or the main point of entry shall be

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Covered Work. Additionally, all contracted work performed ahead of the service entrance connection and main point of entry that is inside the property line and that provides for access to the building via a conduit or series of conduits shall be Covered Work.

2.4.3 This Agreement shall not apply to off-site maintenance of leased equipment and on-site supervision of such work.

2.4.4 This Agreement shall not apply to work performed by Valley Water's own forces.

2.4.5 This Agreement applies to capital construction and rehabilitation, including new facilities and/or pipeline extensions. This Agreement shall not apply to emergency remediation performed without formal notice of a competitive solicitation for bids as explicitly permitted by Public Contract Code section 22050.

2.4.6 In limited circumstances involving a manufacturer's warranty or guarantee, or requiring special knowledge of a particular item, work may be performed by persons not covered by this Agreement provided that the Contractor/Employer or manufacturer responsible for such work demonstrates by an enumeration of specific tasks that the work cannot be performed by craft workers covered by this Agreement.

2.4.7 This Agreement shall not apply to work substantially funded by any federal, state, other local, private or public agency that prohibits the use of project labor agreements on projects receiving its funding, or the funding of projects on which such agreements are used. With respect to such work, Valley Water agrees that it will make a reasonable effort to defend the application of this Agreement, including by making a written request to the funding source. Notwithstanding the foregoing, however, should only a specific provision of the Agreement be prohibited by the funding source, the parties shall modify the requirements of this Agreement accordingly, to advance the purposes of this Agreement to the maximum extent feasible without the loss of funding.

2.4.8 This Agreement shall not apply to work that is jointly performed with another public agency, unless the work is awarded by Valley Water, or unless otherwise agreed to by the Parties on a case by case basis. With respect to such work jointly performed with another public agency, Valley Water will make a request to the other public agency to apply the terms of this Agreement, or in the alternative, request that the other public agency communicate with Valley Water representatives and the Council to discuss application of this Agreement.

2.4.9 This Agreement shall not apply to any work performed outside the geographical jurisdiction of the Council, absent agreement by the applicable Building Trades Council to adhere to the terms of this Agreement for the duration of such work.

2.4.10 This Agreement shall not apply to any work undertaken pursuant to any contract or agreement, or extension thereof, which was awarded by Valley Water before the execution of this Agreement.

2.4.11 The parties recognize that pursuant to Valley Water Board Governance Policy [], Valley Water's Chief Executive Officer, or his/her designee, may recommend to

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the Valley Water Board an individual exemption if a Covered Project has a unique feature or requirement that would warrant an exemption, provided the conditions stated in the policy are satisfied. The Valley Water Board retains the power and discretion to approve such recommendations and issue individual exemptions of projects to this Agreement.

2.5 Award of Contracts: It is understood and agreed that Valley Water has the right to select any qualified bidder for the award of Construction Contracts under this Agreement, notwithstanding the existence or non-existence of any agreements between such Contractor and any Union parties. The qualified bidder need only be willing, ready and able to execute and comply with this Agreement. It is further agreed that this Agreement shall be included in all invitations to bid or solicitations for proposals from contractors and subcontractors for Project Work that are issued on or after the effective date of this Agreement. A copy of all invitations to bid shall be provided at time of issuance to the Council.

2.6 Combining, Consolidating, or Canceling Project Work. Valley Water has the absolute right to combine, consolidate, or cancel work or portions of work that would otherwise be covered by Sections 2.2 and 2.3 and not excluded by Section 2.4. If Valley Water cancels such work or portions of work and thereafter reauthorizes such work, then such work shall be performed under the terms of this Agreement.

ARTICLE 3 EFFECT OF AGREEMENT

3.1 By executing this Agreement, the Unions and Valley Water agree to be bound by each and all of the provisions of the Agreement.

3.2 By accepting the award of work under a Construction Contract, whether as a Contractor or subcontractor thereunder, the Contractor/Employer agrees to be bound by each and every provision of the Agreement and agrees that it will evidence its acceptance prior to the commencement of work by executing the Agreement to be Bound in the form of Addendum A.

3.3 At the time that any Contractor/Employer enters into a subcontract with any subcontractor providing for the performance of work under a Construction Contract, the Contractor/Employer shall provide a copy of this Agreement to said subcontractor and shall require the subcontractor as a condition of accepting the award of a subcontract, to agree in writing, by executing the Agreement to be Bound, to be bound by each and every provision of this Agreement prior to the commencement of work. The obligations of a Contractor/Employer may not be evaded by subcontracting. No Contractor or subcontractor shall commence Project Work without having first provided an executed copy of the Agreement to be Bound to Valley Water and to the Council.

3.4 This Agreement shall only be binding on the signatory parties hereto and their successors and assigns and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any such party. Any dispute between the Union(s) and the Contractor/Employer respecting compliance with the terms of the Agreement shall not affect the rights, liabilities, obligations and duties between the Union(s) and other Contractor(s)/Employer(s) party to this

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Agreement. This Agreement alone shall not have the effect of creating any joint employment relationship between or among Valley Water and/or any Contractor/Employer.

3.5 It is mutually agreed by the parties that any liability by a Contractor and the liability of the separate Unions under this Agreement shall be several and not joint. Any alleged breach of this Agreement by a Union shall not affect the rights, liabilities, obligations and duties between the Contractor(s)/Employer(s) and the other Union(s) party to this Agreement.

3.6 The provisions of this Agreement, including the Schedule A is incorporated herein by reference, shall apply to the work covered by this Agreement, notwithstanding the provisions of any other local, area and/or national agreements which may conflict with or differ from the terms of this Agreement. To the extent a provision of this Agreement is inconsistent with a Schedule A, the provisions of this Agreement shall prevail. Where a provision of a Schedule A is not inconsistent with this Agreement, the provisions of the Schedule A shall apply.

ARTICLE 4

WORK STOPPAGES, STRIKES, SYMPATHY STRIKES AND LOCKOUTS

4.1 The Unions, Valley Water and Contractor(s)/Employer(s) covered by this Agreement agree that for the duration of a Covered Project:

4.1.1 There shall be no strikes, sympathy strikes, work stoppages, picketing, hand billing, slowdowns, withholding of work, refusals to work, sickouts, walk-offs, sit-downs, stand-ins, boycotts, or other work stoppages, or otherwise advising the public that a labor dispute exists, or other slowdowns of any kind, for any reason, by the Unions or employees employed on a Covered Project, at any job sites for a Covered Project or at any other Valley Water facility because of a dispute on a Covered Project. Disputes arising between the Unions and Contractor(s)/ Employer(s) on other Valley Water projects are not governed by the terms of the Agreement or this Article.

4.1.2 There shall be no lockout of any kind by a Contractor/Employer of workers employed on a Covered Project.

4.1.3 If any Union or any other persons, whether parties to this Agreement or otherwise, engage in any picketing or work stoppage, the signatory Unions shall not honor such picket line or work stoppage.

4.1.4 Neither the Council nor local Unions may sanction, aid or abet, encourage or continue any work stoppage, strike, picketing or other disruptive activity prohibited by Section 4.1.1 at any Covered Project site and shall undertake all reasonable means to prevent or to terminate such activity. No employee shall engage in activities which violate this Article. Any employee who engages in any activities that violate this Article shall be subject to disciplinary action, including discharge.

4.1.5 If a Master Agreement expires before the Contractor/Employer completes the performance of work under a Construction Contract, and the Union or Contractor/Employer signatory to that Master Agreement gives notice of demands for a new or modified Master Agreement, the Union agrees that it will not strike on work covered by this Agreement or engage

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in any work disruption as described in Section 4.1.1 and the Union and the Contractor/Employer agree that the expired Master Agreement will continue in full force and effect for work covered under this Agreement until a new or modified Master Agreement is reached. If the new or modified Master Agreement provides that any terms of the Master Agreement shall be retroactive, the Contractor/ Employer agrees to comply with any retroactive terms of the new or modified Master Agreement that are applicable to any employee(s) on a Covered Project during the interim, with retroactive payment due within seven (7) calendar days of the effective date of the new or modified Master Agreement.

4.1.6 In the case of nonpayment of wages or trust fund contributions on a Covered Project, the Union shall give Valley Water and the Contractor/Employer five (5) business days' notice when nonpayment of trust fund contributions has occurred and two (2) business day's notice when nonpayment of wages has occurred or when paychecks being tendered to a financial institution normally recognized to honor such paychecks will not honor such paycheck as a result of insufficient funds, of the intent to withhold labor from the Contractor/Employer's or their subcontractor's workforce, during which time the Contractor/Employer may correct the default. Notice shall be by email and by registered or certified mail, or hand delivery to the involved Contractor, the prime contractor and/or equivalent, and to Valley Water. In this instance, a Union's withholding of labor (but not picketing) from a Contractor/Employer who has failed to pay its fringe benefit contributions or failed to meet its weekly payroll shall not be considered a violation of this Article.

4.1.7 Notification: If Valley Water or any Contractor/Employer contends that any Union has violated this Article, it will so notify, in writing, the Senior Executive of the Council and the Senior Executive of the Union, setting forth the facts alleged to violate the Article, prior to instituting the expedited arbitration procedure set forth below. The Council will immediately use its best efforts to cause the cessation of any violation of this Article. The leadership of the Union will immediately inform the workers of their obligations under this Article.

4.2 Expedited Arbitration: Any party to this Agreement shall institute the following procedure, prior to initiating any other action at law or equity, when a breach of this Article is alleged to have occurred.

4.2.1 A party invoking this procedure shall notify David Weinberg, as the permanent arbitrator, or Robert Hirsch, as the alternate arbitrator under this procedure. In the event the permanent arbitrator is unavailable at any time, the alternate will be contacted. If neither is available, then the parties shall select the arbitrator from the list in Section 13.4. Notice to the arbitrator shall be by the most expeditious means available, with notices by email or telephone to Valley Water, the Council, and the party alleged to be in violation, and to the involved local Union if a Union is alleged to be in violation.

4.2.2 Upon receipt of said notice, Valley Water will contact the permanent arbitrator named above, or his alternate, who will attempt to convene a hearing within twenty-four (24) hours if it is contended that the violation still exists.

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4.2.3 The arbitrator shall notify the parties and the Council by email or telephone of the place and time for the hearing. Said hearing shall be completed in one session, which, with appropriate recesses at the arbitrator's discretion, shall not exceed twenty-four (24) hours unless otherwise agreed upon by all parties. A failure of any party to attend said hearings shall not delay the hearing of evidence or the issuance of an award by the arbitrator.

4.2.4 The sole issue at the hearing shall be whether or not a violation of Section 4.1 of the Agreement has occurred. The arbitrator shall have no authority to consider any matter of justification, explanation or mitigation of such violation or to award damages, which issue is reserved for court proceedings, if any. The award shall be issued in writing within three (3) hours after the close of the hearing and may be issued without a written opinion. If any party desires a written opinion, one shall be issued within fifteen (15) days, but the parties shall not delay compliance with or enforcement of the award due to the issuance of a written opinion. The arbitrator may order cessation of the violation of this Article and other appropriate relief and such award shall be served on all parties by hand or registered mail upon issuance. A party found in violation of this Agreement shall immediately comply with the order of the Arbitrator. Should a party found in violation of this Article fail to comply with an Arbitrator's award to cease the violation, the party in violation shall pay to the affected party as liquidated damages the sum of fifteen thousand dollars (\$15,000) per shift for which it failed to comply, or portion thereof, until such violation is ceased. Such payment, however, shall not prevent the moving party from seeking judicial enforcement of the initial decision. The Arbitrator shall retain jurisdiction to resolve any disputes regarding the liquidated damages claimed under this section.

4.2.5 Such award shall be final and binding on all parties and may be enforced by any court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to above in the following manner. The party filing such enforcement proceedings shall give written notice to the other party. In the proceeding to obtain a temporary order enforcing the arbitrator's award as issued under this Article, all parties waive the right to a hearing and agree that such proceedings may be *ex parte*. Such agreement does not waive any party's right to participate in a hearing for a final order of enforcement. The Court's order or orders enforcing the arbitrator's award shall be served on all parties by hand or delivered by certified mail.

4.2.6 Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure, or which interfere with compliance, are waived by the parties.

4.2.7 The fees and expenses of the arbitrator shall be divided equally between the party instituting the arbitration proceedings provided in this Article and the party alleged to be in breach of its obligation under this Article.

4.2.8 Should either the permanent or alternate arbitrator identified above no longer work as a labor arbitrator, Valley Water and the Council shall mutually agree to a replacement.

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ARTICLE 5 PRE-CONSTRUCTION CONFERENCE

5.1 Timing: The Project Manager shall convene and conduct a pre-construction conference at a time and location mutually agreeable to the Council, with the Unions and with representatives of all involved Contractors/Employers, who shall be prepared to announce craft assignments and to discuss in detail the scope of work and the other issues set forth below, at least fourteen (14) calendar days prior to:

- (a) The commencement of any Project Work; and
- (b) The commencement of Project Work on each subsequently awarded Construction Contract.

5.2 The pre-construction conference shall be attended by a representative of each participating Contractor and each affected Union, and the Council and Valley Water may attend at their discretion.

5.3 Pre-Construction Conference: The pre-construction conference shall include, but not be limited to, the following subjects:

- (a) A listing of each Contractor's scope of work;
- (b) The craft assignments;
- (c) The estimated number of craft workers required to perform the work;
- (d) Transportation arrangements;
- (e) The estimated start and completion dates of the work;
- (f) Discussion of prefabricated materials;
- (g) Discussion of any warranty items per Section 2.4.6; and
- (h) Discussion of Targeted Hire Agreement goals and procedures.

5.4 Joint Administrative Committee: This Agreement is intended to provide close cooperation between management and labor. To that end, Valley Water shall designate two (2) representatives and the Council shall designate two (2) representatives to serve on a Joint Administrative Committee ("JAC"), each of whom may designate an alternate. JAC members may invite participation by a Contractor or Union as needed. The JAC shall meet periodically, at the request of any member, to review progress on a Covered Project, and to discuss matters of general concern, such as safety and security. The JAC shall serve as a forum to foster communication between management and labor, and to assist the Unions and the Contractors to complete a Covered Project in an economically efficient manner without interruption, delays or work stoppages. The JAC shall have no authority to review grievances or disputes involving this Agreement, which are subject to the applicable grievance procedure.

ARTICLE 6 NO DISCRIMINATION

6.1 The Contractor(s)/Employer(s) and Unions agree to comply with all anti-discrimination provisions of federal, state and local law to protect employees and applicants for employment on a Covered Project.

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ARTICLE 7 UNION SECURITY

7.1 The Contractor(s)/Employer(s) recognize the Union(s) as the sole bargaining representative of all craft employees working within the scope of this Agreement, and all such employees must be represented by a Union for the duration of their employment on the Covered Project.

7.2 The Contractors/Employers shall make and transmit all deductions for Union dues, fees, and assessments that have been authorized by employees in writing in accordance with the applicable Master Agreement. This Agreement does not require any employee of a non-Union contractor to join a Union or to pay dues or fees to a Union as a condition of working on the Covered Project; however, nothing in this Article is intended to supersede the independent requirements of the applicable Master Agreements as to Contractors/Employers signatory to such Master Agreements and as to employees of those Contractors/Employers who are performing Covered Work.

7.3 Authorized representatives of the Union(s) shall have access to a Covered Project whenever work covered by this Agreement is being, has been, or will be performed on the Covered Project.

ARTICLE 8 REFERRAL

8.1 Contractor(s)/Employer(s) performing construction work on a Covered Project shall, in filling craft job requirements, utilize and be bound by the registration facilities and referral systems established or authorized by the Unions signatory hereto. The Contractor(s)/Employer(s) shall have the right to reject any applicant referred by the Union(s), in accordance with the applicable Master Agreement.

8.2 Contractor(s)/Employer(s) shall have the unqualified right to select and hire directly all supervisors above the level of general foreman that it considers necessary and desirable, without such persons being referred by the Union(s) (unless such craft workers are covered by existing Master Agreements).

8.3 The Unions will exert their utmost efforts to recruit sufficient numbers of qualified applicants to fulfill the workforce requirements of Contractor(s)/Employer(s). In the event that referral facilities maintained by the Union(s) are unable to fill the requisition of a Contractor/Employer for employees within a forty-eight (48) hour period (Saturdays, Sundays and Holidays excluded) after such requisition is made by the Contractor/Employer, the Contractor/Employer shall be free to obtain workers from any source. A Contractor/Employer that hires any worker(s) to perform Covered Work on a Covered Project pursuant to this section shall immediately provide the appropriate Union with the name and address of such employee(s) and shall refer such employee(s) to the appropriate Union to satisfy the requirements of Article 7 of this Agreement.

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8.4 Core Workers. A Contractor may request by name, and the local Union shall honor, referral of Core Workers who have applied to the local Union for Project Work and who demonstrate to the Union dispatcher and provide satisfactory proof that the worker meets all the following qualifications:

- a) Appearance on the Contractor's active payroll for at least ninety (90) of the last one hundred and twenty (120) working days prior to award of a Construction Contract;
- b) Possession of all licenses and certifications required by applicable state and federal law for the work being performed;
- c) Ability to safely perform the basic functions of the applicable trade as required by law; and
- d) Has worked at least three thousand (3,000) hours in the appropriate construction craft.

8.5 The Contractor/Employer shall be allowed to employ five (5) Core Workers pursuant to the following methodology: The Union will first refer to such Contractor one (1) worker from the applicable hiring hall, and then will refer one (1) of the Contractor's Core Workers. This alternating procedure shall repeat until such Contractor/Employer has hired five (5) Core Workers. Thereafter, all additional employees in the affected trade or craft shall be hired exclusively from the applicable hiring hall out-of-work list. For the duration of the Contractor's work, this ratio shall be maintained and when the Contractor's workforce is reduced, employees shall be reduced in reverse order and in the same ratio of Core Workers to hiring hall referrals as was applied in the initial hiring.

8.5.1 This provision applies only to employers not currently working under a current Master Agreement and is not intended to limit the transfer provisions of the Master Agreement of any trade. As part of this process, and in order to facilitate the contract administration procedures and appropriate fringe benefit fund coverage, all Contractor(s)/Employer(s) shall require their Core Workers to register with the appropriate Union hiring hall on, or before, the eighth [8th] day of consecutive or cumulative employment on a Covered Project.

8.5.2 Prior to each Contractor performing any Project Work, such Contractor or subcontractor shall provide a list of its Core Workers to Valley Water and the Council. Failure of such a Contractor to do so will result in that Contractor being prohibited from using any Core Workers on that Construction Contract. Upon request by any Party to this Agreement, the Contractor hiring any core workforce employee shall provide satisfactory proof (i.e., payroll records, quarterly tax records, and such other documentation) evidencing the worker's qualification as a Core Worker to Valley Water and the Council.

ARTICLE 9 WAGES AND BENEFITS

9.1 The Contractor(s)/Employer(s) agree to pay contributions to the vacation, pension and other form of deferred compensation plan, apprenticeship, worker protection and assistance, and health benefit funds established by the applicable Master Agreement(s) for each hour

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worked on a Covered Project, in the amounts designated in the Master Agreement(s) of the appropriate local Union(s).

9.2 By signing this Agreement, the Contractors/Employers adopt and agree to be bound by the written terms of the legally established Trust Agreements, as described in Section 9.1, which may from time to time be amended, specifying the detailed basis on which payments are to be made into, and benefits paid out of, such Trust Funds. The Contractors/Employers authorize the parties to such local trust agreements to appoint trustees and successor trustees to administer the Trust Funds and hereby ratify and accept the trustees so appointed as if made by the Contractor(s). The Contractors/Employers agree to execute a Subscription Agreement(s) for Covered Work performed, when such Trust Fund(s) requires such document(s).

9.3 Wages, Hours, Terms and Conditions of Employment: The wages, hours and other terms and conditions of employment on a Covered Project shall be governed by the Master Agreement of the respective crafts, to the extent such Master Agreement is not inconsistent with this Agreement. Where a subject is covered by the Master Agreement and not covered by this Agreement, the Master Agreement will prevail. When a subject is covered by both the Master Agreement and this Agreement, to the extent there is any inconsistency, this Agreement will prevail.

9.4 Holidays: Holidays shall be in compliance with the applicable Schedule A agreement.

ARTICLE 10 APPRENTICES

10.1 Recognizing the need to develop adequate numbers of competent workers in the construction industry, the Contractors/Employers shall employ apprentices from a California state-approved Joint Apprenticeship Training Program in the respective crafts to perform such work as is within their capabilities and which is customarily performed by the craft in which they are indentured.

10.2 The apprentice ratios will be in compliance with the applicable provisions of the California Labor Code and Prevailing Wage Rate Determinations.

10.3 Consistent with the Master Agreements, there shall be no restrictions on the utilization of apprentices in performing the work of their craft, provided they are properly supervised.

10.4 In order to increase apprenticeship opportunities for traditionally underrepresented and targeted workers, the parties agree to comply with the Targeted Hire Agreement, attached hereto as **Addendum B**.

ARTICLE 11 HELMETS TO HARDHATS

11.1 The Contractor(s)/Employer(s) and the Unions recognize a desire to facilitate the entry into the building and construction trades of veterans who are interested in careers in the

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building and construction industry. The Contractor(s)/Employer(s) and Unions agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center") and the Center's "Helmets to Hardhats" program to serve as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the parties.

11.2 The Unions and Contractor(s)/Employer(s) agree to coordinate with the Center to participate in an integrated database of veterans interested in working on a Covered Project and of apprenticeship and employment opportunities for this Covered Project. To the extent permitted by law, the Unions will give credit to such veterans for bona fide, provable past experience.

ARTICLE 12 COMPLIANCE

12.1 It shall be the responsibility of the Contractor(s)/Employer(s) and Unions to investigate and monitor compliance with the provisions of the Agreement contained in Article 9. Nothing in this Agreement shall be construed to interfere with or supersede the usual and customary legal remedies available to the Unions and/or employee benefit Trust Funds to collect delinquent Trust Fund contributions from Contractor(s)/Employer(s) on a Covered Project. Valley Water shall monitor and enforce compliance with the prevailing wage requirements of the state, and the Contractors/Employers' compliance with this Agreement.

ARTICLE 13 GRIEVANCE ARBITRATION PROCEDURE

13.1 Project Labor Disputes: All disputes involving the application or interpretation of the Master Agreement to which a Contractor/Employer and a Union are parties shall be resolved pursuant to the resolution procedures of the Master Agreement. All disputes relating to the interpretation or application of this Agreement, other than disputes under Article 4 (Work Stoppages, Strikes, Sympathy Strikes and Lockouts) and Article 14 (Work Assignments and Jurisdictional Disputes), shall be subject to resolution by the grievance arbitration procedures set forth below.

13.2 Employee Discipline: All disputes involving the discipline and/or discharge of an employee working on a Covered Project shall be resolved through the grievance and arbitration provisions contained in the Master Agreement for the craft of the affected employee. No employee working on a Covered Project shall be disciplined or discharged without just cause in accordance with the standards for review of discipline in the applicable Master Agreement.

13.3 No grievance shall be recognized unless the grieving party (Local Union or District Council, on its own behalf, or on behalf of an employee whom it represents, or a Contractor/Employer on its own behalf) provides notice in writing to the party with whom it has a dispute within five (5) business days after becoming aware of the dispute but in no event more than thirty (30) calendar days after it reasonably should have become aware of the event giving rise to the dispute. Time limits may be extended by mutual agreement of the parties.

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13.4 Grievances shall be settled according to the following procedures:

Step 1: Within five (5) business days after the receipt of the written notice of the grievance, the representative of the involved Local Union or District Council, or his/her designee, or the representative of the employee, and the representative of the involved Contractor/Employer, shall confer and attempt to resolve the grievance.

Step 2: In the event that the representatives are unable to resolve the dispute within five (5) business days of the Step 1 meeting, the alleged grievance may be referred in writing by either involved party to the Business Manager(s) of the affected Union(s) involved, and the Labor Relations Manager of the Contractor/Employer, or the Contractor/Employer's designated representative, for discussion and resolution. Regardless of which party has initiated the grievance, the Union shall notify its International Union representative prior to the Step 2 meeting, and the International Union representative shall advise if it intends to participate in the Step 2 meeting. The Project Manager and the Council shall have the right to participate in any efforts to resolve the dispute at Step 2.

Step 3: If the grievance is not settled in Step 2, within five (5) business days of the Step 2 meeting, either party may request the dispute be submitted to arbitration or the time may be extended by mutual consent of both parties. Within five (5) business days after referral of a dispute to Step 3, the representatives shall notify the permanent arbitrator, or if he is not available, his alternate, for final and binding arbitration. The parties agree that if the permanent arbitrator or his alternate is not available, an arbitrator shall be selected by the alternate striking method from the list of three (3) below. The order of striking names from the list of arbitrators shall be determined by a coin toss, the winner of which shall decide whether they wish to strike first or second.

1. Barry Winograd
2. Carol Vendrillo
3. Catherine Thompson

13.5 The decision of the Arbitrator shall be final and binding on all parties. The Arbitrator shall have no authority to change, amend, add to or detract from any of the provisions of the Agreement. The expense of the Arbitrator shall be borne equally by both parties. The Arbitrator shall arrange for a hearing on the earliest available date from the date of his/her selection. A decision shall be given to the parties within five (5) calendar days after completion of the hearing unless such time is extended by mutual agreement. A written opinion may be requested by a party from the presiding Arbitrator.

13.6 The time limits specified at any step of the Grievance Procedure may be extended by mutual agreement of the parties. However, failure to process a grievance, or failure to respond in writing within the time limits provided above, without an agreed upon extension of time, shall be deemed a waiver of such grievance without prejudice, or without precedent to the processing and/or resolution of like or similar grievances or disputes.

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13.7 In order to encourage the resolution of disputes and grievances at Steps 1 and 2 of this Grievance Procedure, the parties agree that such settlements shall not be precedent setting.

13.8 Should any of the arbitrators listed in this Article or Article 4 no longer work as a labor arbitrator, Valley Water and the Council shall mutually agree to a replacement.

13.9 Nonpayment of Wages or Trust Fund Contributions/Failure to Adhere to the Agreement: At the time a grievance is submitted under this Agreement or any Master Agreement, the Union may request that Valley Water withhold and retain an amount from what is due and owing to the Contractor against whom the grievance is filed, or its higher-tier Contractor, sufficient to cover the damages alleged in the grievance, should the Union(s) prevail. The amount shall be agreed and retained by Valley Water until such time as the underlying grievance giving rise to the retention is withdrawn, settled, or otherwise resolved, and the retained amount shall be paid to whomever the parties to the grievance shall jointly decide, or to whomever an Arbitrator shall so order. Valley Water shall be excused from the withholding requirement where it would constitute a violation of law or would subject Valley Water to statutory penalties.

ARTICLE 14 WORK ASSIGNMENTS AND JURISDICTIONAL DISPUTES

14.1 The assignment of Covered Work will be solely the responsibility of the Contractor/Employer performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of the Jurisdictional Disputes in the Construction Industry (the "Plan") or any successor Plan.

14.2 All jurisdictional disputes on Covered Projects between or among the building and construction trades Unions and the Employers parties to this Agreement, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Employers and Unions parties to this Agreement.

14.3 If a dispute arising under this Article involves the Northern California Carpenters Regional Council or any of its subordinate bodies, an Arbitrator shall be chosen by the procedures specified in Article V, Section 5, of the Plan from a list composed of John Kagel, Thomas Angelo, Robert Hirsch, and Thomas Pagan, and the Arbitrator's hearing on the dispute shall be held at the offices of the California State Building and Construction Trades Council in Sacramento, California, within fourteen (14) days of the selection of the Arbitrator. All other procedures shall be as specified in the Plan.

14.4 All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Employer's assignment shall be adhered to until the dispute is resolved. Individual employees violating this section shall be subject to immediate discharge. Each Employer will conduct a pre-job conference with the Council prior to commencing work. Valley Water will be advised in advance of all such conferences and may participate if they wish. Pre-job conferences for different Employers may be held together.

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**ARTICLE 15
MANAGEMENT RIGHTS**

15.1 Consistent with the applicable Schedule A agreements, the Contractor(s)/Employer(s) shall retain full and exclusive authority for the management of their operations, including the right to direct their work force in their sole discretion. No rules, customs or practices shall be permitted or observed which limit or restrict production, or limit or restrict the working efforts of employees, except that lawful manning provisions in the Master Agreement shall be recognized.

15.2 In addition to the rights of Contractors/Employers specifically enumerated in this Agreement, Contractors/Employers expressly reserve their management rights and all the rights conferred upon them by law, consistent with the Schedule A agreements, including, but not limited to, the right to:

15.2.1 Plan, direct and control operations of all work;

15.2.2 Hire, promote, transfer and layoff their employees as deemed appropriate to satisfy work and/or skill requirements and to reject any applicant for employment;

15.2.3 Promulgate and require all employees to observe reasonable, uniformly applicable job rules and security and safety regulations;

15.2.4 Discharge, suspend or discipline their employees, subject to applicable Master Agreement procedures;

15.2.5 Utilize, in accordance with Valley Water approval, any work methods, procedures or techniques;

15.2.6 Select, use and install certain materials, equipment and systems of a highly technical and specialized nature;

15.2.7 Assign and schedule work at their discretion; and

15.2.8 Assign appropriately paid overtime, determine when it will be worked and the number and identity of employees who will engage in such work, subject to such provisions in the applicable Master Agreement(s) requiring such assignments be equalized or otherwise made in a nondiscriminatory manner.

**ARTICLE 16
DRUG & ALCOHOL TESTING**

16.1 The use, sale, transfer, purchase and/or possession of a controlled substance, alcohol and/or firearms at any time during the work day is prohibited.

16.2 Drug and alcohol testing shall be conducted in accordance with the Substance Abuse Prevention Policies contained in the applicable Schedule A.

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ARTICLE 17 SAVINGS CLAUSE

17.1 The parties agree that in the event any article, provision, clause, sentence or word of the Agreement is determined to be illegal or void as being in contravention of any applicable law, by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect, and the parties shall substitute, by mutual agreement, in its place and stead, an article, provision, clause, sentence or word which will meet the objections to its validity and which will be in accordance with the intent and purpose of the article, provision, clause, sentence or word in question.

17.2 If the Parties are unable to reach an agreement on substitute language, or an agreement that substitute language is unnecessary, and as a result Valley Water unilaterally determines that the Agreement or its terms will no longer be required on a Covered Project, the Unions shall no longer be bound by the provisions of Article 4.

17.3 If a court of competent jurisdiction determines that all or part of the Agreement is invalid and/or enjoins Valley Water from complying with all or part of its provisions, and as a result either party reasonably determines that the intent of the parties has been defeated, the entire Agreement shall be declared null and void.

ARTICLE 18 TERM

18.1 The Agreement shall be included in the bid documents, requests for proposals, or other equivalent solicitations for a Covered Project, which shall indicate that entering into this Agreement is a condition of the award of a Construction Contract(s) for a Covered Project.

18.2 This Agreement shall become effective on the day it is executed by Valley Water and by the Council and shall remain in full force and effect for a term of five (5) years. This Agreement shall continue to apply to each Covered Project which was advertised for bid or commenced during the term until Completion as defined herein, notwithstanding the expiration date of this Agreement. Approximately ninety (90) days prior to the five (5) year anniversary of the effective date of this Agreement, Valley Water and the Council shall meet to discuss whether to extend this Agreement, the effect of the Agreement and any necessary modifications to it. Either Valley Water or Council may terminate this Agreement effective the end of the five (5) year term by providing written notice to the other party prior to the expiration of the term. Absent such written notice to terminate this Agreement by either the Valley Water Board or the Council, this Agreement, with any agreed-upon modifications, will roll over for no more than an additional five (5) years.

18.3 Valley Water and the Council agree to meet and confer annually, subsequent to approval of this Project Labor Agreement by Valley Water, regarding the status of and experience with Covered Projects and any future projects that may be considered for coverage by this Agreement.

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ARTICLE 19
MISCELLANEOUS PROVISIONS

19.1 This Agreement may be executed in counterparts, such that original signatures may appear on separate pages and when bound together all necessary signatures shall constitute an original. Faxed or emailed PDF signature pages transmitted to other parties to this Agreement shall be deemed the equivalent of original signatures.

19.2 Each of the persons signing this Agreement represents and warrants that such person has been duly authorized to sign this Agreement on behalf of the party indicated, and each of the parties signing this Agreement warrants and represents that such party is legally authorized and entitled to enter into this Agreement.

19.3 The parties acknowledge that this is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

19.4 The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement. All defined terms used in this Agreement shall be deemed to refer to the singular and/or plural, in each instance as the context and/or particular facts may require.

SANTA CLARA VALLEY WATER DISTRICT

By: 
Tony Estremera
Chair, Board of Directors

Date: January 11, 2022

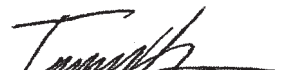
SANTA CLARA AND SAN BENITO COUNTIES
BUILDING & CONSTRUCTION TRADES COUNCIL

By: 
David Bini, Executive Director

Date: January 10th 2022

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UNION SIGNATORIES


Boilermakers Local 549



Bricklayers and Allied Craftworkers Local 3



Cement Masons Local 400

 7/23/21
Electrical Workers Local 332



Elevator Constructors Local 8


Insulators and Asbestos Workers Local 16


Iron Workers Local 377

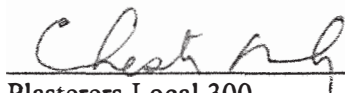
 08/15/21
Laborers Local 270


Laborers Local 67

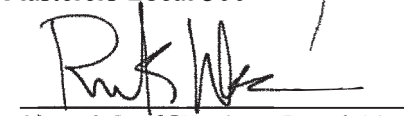

Northern California Carpenters Regional Council, for itself and its affiliated local Unions


Operating Engineers Local 3

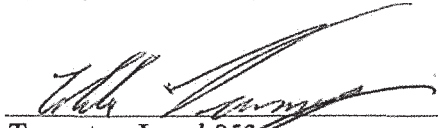

Painters and Allied Trades District Council 6. for itself and its affiliated local Unions

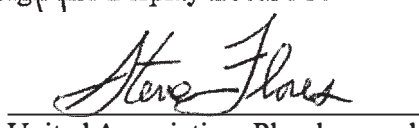

Plasterers Local 300

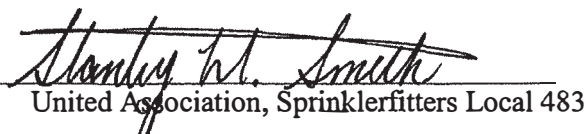

Roofers and Waterproofers Local 95

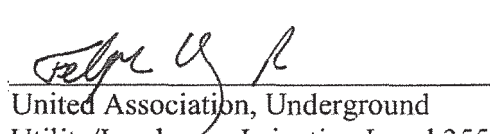

Sheet Metal Workers Local 104


Sign and Display Local 510


Teamsters Local 853


United Association, Plumbers and Steamfitters Local 393


United Association, Sprinklerfitters Local 483


United Association, Underground Utility/Landscape Irrigation Local 355

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**Addendum A:
Agreement to Be Bound**

[Addressee]
[Address]
[City and State]

Re: Santa Clara Valley Water District Project Labor Agreement.

Dear _____:

The undersigned party confirms that it agrees to be a party to and bound by the Santa Clara Valley Water District Project Labor Agreement as such Agreement may, from time to time, be amended by the parties or interpreted pursuant to its terms.

By executing this **Agreement To Be Bound**, the undersigned subscribes to, adopts and agrees to be bound by the written terms of the legally established trust agreements as set forth in Section 9.1, as they may from time to time be amended, specifying the detailed basis upon which contributions are to be made into, and benefits made out of, such trust funds and ratifies and accepts the trustees appointed by the parties to such trust funds. The undersigned agrees to execute a separate Subscription Agreement(s) for Trust Funds when such Trust Fund(s) requires such document(s).

The obligation to be a party to and bound by this Agreement shall extend to all work covered by the Santa Clara Valley Water District Project Labor Agreement undertaken by the undersigned. The undersigned shall require all of its subcontractors, of whatever tier, to become similarly bound for all their work within the scope of this Agreement by signing an identical Agreement To Be Bound.

This letter shall constitute a subscription agreement, to the extent of the terms of the letter.

CONTRACTOR/SUBCONTRACTOR: _____

Contractor State License Number or Motor Carrier (CA) Permit Number: _____

Name of Authorized Person (print): _____

Signature of Authorized Person: _____

Title of Authorized Person: _____

Telephone Number of Authorized Person: _____

Address of Authorized Person: _____

State Public Works Registration Number: _____

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Addendum B: Targeted Hire Agreement

Purpose. The Parties to the Santa Clara Valley Water District Project Labor Agreement (“Agreement”) recognize the need to increase training and career opportunities for underrepresented and targeted individuals in the construction trades through apprenticeship and pre-apprenticeship programs, to and develop a pipeline to ensure the continued availability of skilled, qualified, and readily available construction workers for future construction projects.

Additionally, the Santa Clara and San Benito Counties Building and Construction Trades Council (“Council”) is signatory, with other parties, to the Santa Clara County Construction Careers Collaborative Memorandum of Understanding (“MOU”), which established a pre-apprenticeship program in Santa Clara County that serves as a pipeline for youth and job-seekers into the construction trades.

Additionally, in order to increase construction career opportunities for individuals presently underrepresented in the building trades, the Parties to the Agreement agree to exert their best efforts to recruit, refer, and employ Targeted Workers as apprentices, and to cooperate with the Community Workforce Coordinator to maximize the employment of Targeted Workers on Covered Projects.

In furtherance of these goals, the Parties to the Agreement enter into this Targeted Hire Agreement for Targeted Hire of Apprentices (“Targeted Hire Agreement”), to participate in the community workforce pipeline as set forth in the MOU.

I. Definitions.

All capitalized terms not defined in this Targeted Hire Agreement are as defined in the Agreement.

Approved Pre-Apprenticeship Program. An Approved Pre-Apprenticeship Program means the Santa Clara County Trades Orientation Program or an equivalent structured, MC-3 certified career training and placement program or Union-sponsored program, that: (1) serves Underrepresented Workers, and (2) is sponsored by a Council-approved community-based organization, a Council affiliate, the Council itself, the California State Building & Construction Trades Council, or North America’s Building Trades Unions (“NABTU”).

At-Risk Youth. At-Risk Youth means a person between 18 and 24 years old that is either: 1) disconnected from school and/or work; 2) currently or formerly justice engaged; 3) in the foster care system; 4) pregnant/parenting; or 5) homeless.

Community Workforce Coordinator. Community Workforce Coordinator means the Santa Clara County Trades Orientation Program, or another entity as determined by mutual written agreement between the Council and Valley Water. The Community Workforce Coordinator is responsible for maintaining an up-to-date list of Targeted

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Workers who are available for work and their current contact information, and will provide this list to any of the Parties upon request.

Covered Contractor. Covered Contractor means a contractor of whatever tier that performs \$250,000 or more of Covered Work (as that term is defined in Section 2.3 of the Agreement) on a Covered Project. A Covered Contractor is subject to the Workforce Goal set forth in Section II below. If a contractor performs less than \$250,000 of Covered Work on a Covered Project, that contractor is not subject to the Targeted Workforce Goal, but may nonetheless participate voluntarily in the Targeted Workforce Goal.

Targeted Worker. Targeted Worker means an individual who has completed an Approved Pre-Apprenticeship Program.

Underrepresented Worker. An Underrepresented Worker is an individual who, prior to commencing work on a Covered Project, has at least one of the following barriers to employment:

- Veteran of the U.S. military;
- Currently receiving public assistance;
- Emancipated from the foster care system;
- Currently participating in a reentry program or was formerly incarcerated;
- Currently homeless, recently housed (within the past twelve months), or at risk of losing their housing;
- Continuously unemployed for the previous one year;
- Family or household income that falls below the current HUD threshold for Low Income Households in Santa Clara County;
- An At-Risk Youth; or
- A survivor of labor trafficking.

II. *Targeted Workforce Goal.* The Parties have a goal of employing one (1) or more Targeted Worker(s) as a registered Apprentice on all Covered Projects, consistent with the applicable hiring hall procedures, Master Agreement(s), and apprenticeship program standards, for at least twenty-five percent (25%) of each Covered Contractor's apprentice hours on a Covered Project. Priority shall be given to the employment of First Year Apprentices, subject to the needs of the Covered Project.

- a) Nothing herein requires a Covered Contractor either to hire a particular individual or to retain a particular individual in employment. Any individual referred to a Covered Contractor shall be hired and employed at the Covered Contractor's discretion.
- b) A Covered Contractor will receive credit toward the Workforce Goal for hours performed by a Targeted Worker assigned to work on a Covered Project or on another jobsite at the employer's discretion, provided the worker is assigned to the same job classification that would apply to the Targeted Worker on a Covered Project.

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- c) Covered Contractors shall properly supervise and pay all apprentices in accordance with the Master Agreements.
- d) Covered Contractors will provide, upon request, certified payroll records and/or records of hours worked by Targeted Workers to the General Contractor (or equivalent), Valley Water, the Council, the Unions, or the Community Workforce Coordinator.
- e) Covered Contractors will retain documentation sufficient to demonstrate that the Covered Contractor requested a sufficient number of Targeted Worker apprentices to satisfy the Targeted Workforce Goal.
- f) **Community Workforce Coordinator Obligations.** The Community Workforce Coordinator will, upon request, refer the names of qualified, available, and willing Targeted Workers to Valley Water, the Council, the Unions and Covered Contractors. The Community Workforce Coordinator will also work with Valley Water to facilitate outreach events.
- g) **Union Obligations.** To the maximum extent allowable, consistent with the applicable hiring hall procedures, Master Agreement(s), and apprenticeship program standards, the Unions shall:
 - Refer Targeted Workers as apprentices to Covered Contractors;
 - Cooperate with Valley Water and community-based organizations designated by mutual agreement of Valley Water and the Council in conducting outreach to recruit and refer Underrepresented Worker applicants to Approved Pre-Apprenticeship Programs for which they are qualified or qualifiable;
 - Cooperate with the Community Workforce Coordinator and Covered Contractors in order to satisfy the requirements of this Targeted Hire Agreement; and
 - Facilitate, encourage, and assist Targeted Worker apprentices in their progress and success in joint labor/management apprenticeship programs.
- h) **Valley Water Obligations.** Valley Water shall have a designated person or persons responsible for liaising with the Community Workforce Coordinator and conducting at least the following activities, to maximize the employment of Targeted Workers on Covered Projects:
 - Notify the Community Workforce Coordinator on a quarterly basis of upcoming Covered Projects;
 - Communicate with the Community Workforce Coordinator regarding Covered Project work schedules, delays, major changes in scope, or other updates affecting labor demand in order to facilitate timely referral of Targeted Workers;

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- Host or coordinate outreach events with Covered Contractors or prospective contractors on Covered Projects;
- Monitor compliance with this Addendum B via reporting requirements in its Construction Contracts.

III. *Satisfying Workforce Goal.* A Covered Contractor meets its obligations under this Targeted Hire Agreement by complying with both of the following:

- (a) Prior to commencing work on the Covered Project, submitting a Targeted Hiring Form to the Community Workforce Coordinator and the Santa Clara & San Benito Counties Building and Construction Trades Council;
- (b) Making best efforts to employ Targeted Workers as registered Apprentices on all Covered Projects for a least twenty-five percent (25%) of apprentice hours (or equivalent work on another jobsite, provided the apprentice is assigned to the same job classification the apprentice would have been assigned to on the Covered Project). Best faith efforts shall include, at a minimum:
 - 1) Requesting a list of available and qualified Targeted Workers from the Community Workforce Coordinator prior to hiring for Covered Project work; and
 - 2) Requesting that the applicable Union(s) provide qualified and available Targeted Workers for employment consideration in a number sufficient to meet the Workforce Goal under Section II; and
 - 3) If a Targeted Worker is not otherwise available, and if permissible under the applicable Master Agreement, hiring hall procedures and apprenticeship program standards, sponsoring at least one (1) Targeted Worker into a Union apprenticeship program and employing that Targeted Worker on a Covered Project.

IV. *Consequences of Non-Compliance.* The Joint Administrative Committee (“JAC”) established by the Agreement shall consider allegations of non-compliance with this Targeted Hire Agreement. If there is a determination by the JAC that a Party failed to meet its obligations hereunder, the issue will be referred to the grievance procedure as provided in Article 13 of the Agreement. At any time during the process of compliance review, the JAC shall have the authority to reach a resolution with the Covered Contractor.

V. *Reporting.* The Council and Community Workforce Coordinator shall report to Valley Water on an annual basis regarding the goals of this Targeted Hire Agreement. Such reports will be discussed and approved at JAC meetings before provision to Valley Water. Covered Contractors agree to provide information upon request to the Council, the Community Workforce Coordinator, or Valley Water, as needed to assess the effectiveness of this Targeted Hire Agreement.

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Valley Water and the Council may request to meet and confer regarding additional or revised terms and/or procedures in order to improve the employment of Targeted Worker apprentices on Covered Projects.

Nothing in this Targeted Hire Agreement is intended to conflict with or supersede the reporting requirements imposed by Valley Water on its contractors.

VI. *Implementation.* The JAC shall help monitor and implement this Targeted Hire Agreement.

Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 12A. Design-Builder's Proposal Project Labor Agreement
Forms (Owner's Project SharePoint Site)

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EXHIBIT 13. SELECT PROVISIONS OF 2021 AMENDED AND RESTATED
AGREEMENT WITH UNITED STATES DEPARTMENT OF INTERIOR,
BUREAU OF RECLAMATION (USBR)

1154 (d) Upon discovery of any event which may or does result in contamination or
1155 pollution of Federal Project lands, Project Water, or project works, the Contractor shall
1156 immediately undertake all measures necessary to protect public health and the environment,
1157 including measures necessary to contain or abate any such contamination or pollution, and shall
1158 report such discovery with full details of the actions taken to the Contracting Officer. Reporting
1159 shall be within a reasonable time period but shall not exceed 24 hours from the time of discovery
1160 if it is an emergency and the first working day following discovery in the event of a non-
1161 emergency.

1162 (e) If violation of the provisions of this Article occurs and the Contractor does
1163 not take immediate corrective action, as determined by the Contracting Officer, the Contractor
1164 may be subject to remedies imposed by the Contracting Officer, which may include termination
1165 of this Contract.

1166 (f) The Contractor shall be liable for any response action or corrective
1167 measure necessary to protect public health and the environment or to restore Federal Project
1168 lands, Project Waters, or project works that are adversely affected as a result of such violation,
1169 and for all costs, penalties or other sanctions that are imposed for violation of any Federal, State,
1170 local, or Tribal laws and regulations concerning hazardous material. At the discretion of the
1171 Contracting Officer, the United States may also terminate this Contract, as a result of such
1172 violation.

1173 (g) The Contractor shall defend, indemnify, protect and save the United States
1174 harmless from and against any costs, expenses, claims, damages, demands, or other liability
1175 arising from or relating to Contractor's violation of this Article.

1176 (h) The Bureau of Reclamation agrees to provide information necessary for
1177 the Contractor, using reasonable diligence, to comply with the provisions of this Article."

Section 19 of the 2021 U.S. Contract

1178 CLEAN AIR AND WATER

1179 19. (a) The Contractor agrees as follows:

1180 (1) To comply with all the requirements of Section 114 of the Clean
1181 Air Act, as amended (42 U.S.C. § 7414), and Section 308 of the Clean Water Act (33 U.S.C. §
1182 1318), relating to inspection, monitoring, entry, reports, and information, as well as other
1183 requirements specified in those sections, and all applicable regulations and guidelines issued
1184 thereunder.

1185 (2) That no portion of the work required by this contract will be
1186 performed in a facility listed on the Environmental Protection Agency List of Violating Facilities
1187 on the date when this contract was executed unless and until the Environmental Protection
1188 Agency eliminates the name of such facility or facilities from such listing.

1189 (3) To use its best efforts to comply with clean air standards and clean
1190 water standards at the facility where the contract work is being performed.

1191 (4) To insert the substance of the provisions of this article into any
1192 nonexempt subcontract, including this subparagraph (a)(4).

1193 (b) The following definitions apply for purposes of this article:

1194 (1) The term "Clean Air Act" means the Act enacted by Pub. L. 88-
1195 206 of Dec. 17, 1963, and amendments thereto, as codified at 42 U.S.C. § 7401, et seq.

1196 (2) The term "Clean Water Act" means the Act enacted by Pub. L. 92-
1197 500 of Oct. 18, 1972, and amendments thereto, as codified at 33 U.S.C. § 1251, et seq.

1198 (3) The term "clean air standards" refers to all enforceable rules,
1199 regulations, guidelines, standards, limitations, orders, controls, prohibitions, and other
1200 requirements which are contained in, issued under, or otherwise adopted pursuant to the Clean
1201 Air Act or Executive Order 11738, an applicable implementation plan as described in Section
1202 110 of the Clean Air Act (42 U.S.C. § 7410), an approved implementation procedure or plan
1203 under subsection 111(c) or subsection 111(d) of the Clean Air Act (42 U.S.C. § 7411(c) or (d)),
1204 or an approved implementation procedure under subsection 112(d) of the Clean Air Act (42
1205 U.S.C. § 7412(d)).

1206 (4) The term "clean water standards" refers to all enforceable
1207 limitations, controls, conditions, prohibitions, standards, and other requirements which are
1208 promulgated pursuant to the Clean Water Act or contained in a permit issued to a discharger by
1209 the Environmental Protection Agency or by a state under an approved program, as authorized by
1210 Section 402 of the Clean Water Act (33 U.S.C. § 1342), or by local government to ensure
1211 compliance with pretreatment regulations as required by Section 307 of the Clean Water Act (33
1212 U.S.C. § 1317).

1213 (5) The term "comply" refers to compliance with clean air or water
1214 standards. It also refers to compliance with a schedule or plan ordered or approved by a court of
1215 competent jurisdiction, the Environmental Protection Agency, or an air or water pollution control
1216 agency in accordance with the requirements of the Clean Air Act or Clean Water Act and
1217 regulations issued pursuant thereto.

1218 (6) The term "facility" means any building, plant, installation,
1219 structure, mine, vessel or other floating craft, location, or site of operations owned, leased, or
1220 supervised by a contractor or subcontractor to be utilized in the performance of a contract or
1221 subcontract. Where a location or site of operations contains or includes more than one building,
1222 plant, installation, or structure, the entire location or site shall be deemed to be a facility except
1223 where the Director, Office of Federal Activities, Environmental Protection Agency, determines
1224 that independent facilities are collocated in one geographical area."

Section 22 of the 2021 U.S. Contract

"1267 PEST MANAGEMENT

1268 22. (a) The Contractor is responsible for complying with applicable Federal,
1269 State, and local laws, rules, and regulations related to pest management in performing its

1270 responsibilities under this Contract.

1271 (b) The Contractor is responsible for effectively avoiding the introduction and
1272 spread of, and for otherwise controlling, undesirable plants and animals, as defined by the
1273 Contracting Officer, on or in Federal Project lands, Federal Project Waters, and Federal project
1274 works for which and to the extent that the Contractor has Operation and Maintenance
1275 responsibility. The Contractor is responsible for exercising the level of precaution necessary in
1276 meeting this responsibility, including inspecting its vehicles, watercraft, and equipment for
1277 reproductive and vegetative parts, foreign soil, mud, or other debris that may cause the spread of
1278 weeds, invasive species and other pests, and removing such materials before moving its vehicles,
1279 watercraft, and equipment onto any Federal land, into any Federal Project facility waters, or out
1280 of any area on Federal Project land where work is performed.

1281 (c) Where decontamination of the Contractor's vehicles, watercraft, or
1282 equipment is required prior to entering Federal Project land or waters, the decontamination shall
1283 be performed by the Contractor at the point of prior use, or at an approved offsite facility able to
1284 process generated cleaning wastes, pursuant to applicable laws, rules, and regulations. Upon the
1285 completion of work, the Contractor will perform any required decontamination within the work
1286 area before moving the vehicles, watercraft, and equipment from Federal Project lands and
1287 waters.

1288 (d) Programs for the control of undesirable plants and animals on Federal
1289 Project lands, and in Federal Project Waters and Federal project works for which the Contractor
1290 has Operation and Maintenance responsibility will incorporate Integrated Pest Management
1291 (IPM) concepts and practices. IPM refers to a systematic and environmentally compatible
1292 program to maintain pest populations within economically and environmentally tolerable levels.
1293 In implementing an IPM program, the Contractor will adhere to applicable Federal and State
1294 laws and regulations and Department of the Interior and Bureau of Reclamation policies,
1295 directives, guidelines, and manuals, including but not limited to, the Department of the Interior
1296 Manual, Part 517 Integrated Pest Management Policy and Part 609 Weed Control Program, the
1297 Plant Protection Act of June 20, 2000 (Pub. L. 106 224), and Executive Order 13112 of February
1298 3, 1999."

Section 35 of the 2021 U.S. Contract

"1470

EQUAL EMPLOYMENT OPPORTUNITY

1471 35. During the performance of this Contract, the Contractor agrees as follows:

1472 (a) The Contractor will not discriminate against any employee or applicant for
1473 employment because of race, color, religion, sex, sexual orientation, gender identity, or national
1474 origin. The Contractor will take affirmative action to ensure that applicants are employed, and
1475 that employees are treated during employment, without regard to their race, color, religion, sex,
1476 sexual orientation, gender identity, or national origin. Such action shall include, but not be
1477 limited to the following: employment, upgrading, demotion, or transfer; recruitment or
1478 recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and
1479 selection for training, including apprenticeship. The Contractor agrees to post in conspicuous

1480 places, available to employees and applicants for employment, notices to be provided by the
1481 Contracting Officer setting forth the provisions of this nondiscrimination clause.

1482 (b) The Contractor will, in all solicitations or advertisements for employees
1483 placed by or on behalf of the Contractor, state that all qualified applicants will receive
1484 consideration for employment without regard to race, color, religion, sex, sexualorientation,
1485 gender identity, or national origin.

1486 (c) The Contractor will not discharge or in any other manner discriminate
1487 against any employee or applicant for employment because such employee or applicant has
1488 inquired about, discussed, or disclosed the compensation of the employee or applicant or another
1489 employee or applicant. This provision shall not apply to instances in which an employee who
1490 has access to the compensation information of other employees or applicants as part of such
1491 employee's essential job functions discloses the compensation of such other employees or
1492 applicants to individuals who do not otherwise have access to such information, unless such
1493 disclosure is in response to a formal complaint or charge, in furtherance of an investigation,
1494 proceeding, hearing, or action, including an investigation conducted by the employer, or is
1495 consistent with the Contractor's legal duty to furnish information.

1496 (d) The Contractor will send to each labor union or representative of workers
1497 with which it has a collective bargaining agreement or other contract or understanding, a notice,
1498 to be provided by the Contracting Officer, advising the labor union or workers' representative of
1499 the Contractor's commitments under Section 202 of Executive Order 11246 of September 24,
1500 1965, and shall post copies of the notice in conspicuous places available to employees and
1501 applicants for employment.

1502 (e) The Contractor will comply with all provisions of Executive Order No.
1503 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary
1504 of Labor.

1505 (f) The Contractor will furnish all information and reports required by
1506 Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the
1507 Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and
1508 accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to
1509 ascertain compliance with such rules, regulations, and orders.

1510 (g) In the event of the Contractor's noncompliance with the nondiscrimination
1511 clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be
1512 canceled, terminated or suspended in whole or in part and the Contractor may be declared
1513 ineligible for further Government Contracts in accordance with procedures authorized in
1514 Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and
1515 remedies invoked as provided in Executive Order 11246 of September 24, 1965 or by rule,
1516 regulation, or order of the Secretary of Labor, or as otherwise provided by law.

1517 (h) The Contractor will include the provisions of paragraphs (a) through (g) in
1518 every subcontract or purchase order unless exempted by the rules, regulations, or orders of the
1519 Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24,
1520 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor
1521 will take such action with respect to any subcontract or purchase order as may be directed by the

1522 Secretary of Labor as a means of enforcing such provisions, including sanctions for
1523 noncompliance: *Provided, however, That* in the event the Contractor becomes involved in, or is
1524 threatened with, litigation with a subcontractor or vendor as a result of such direction, the
1525 Contractor may request the United States to enter into such litigation to protect the interest of
1526 the United States."

Valley Water
Coyote Pumping Plant ASDs Replacement Project

EXHIBIT 14. Electronic Design (Phase 1 Deliverable)

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Certificate Of Completion

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Document Pages: 649

Signatures: 3

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Robert Farrell

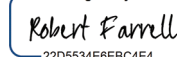
robert.farrell@kiewit.com

Area Manager

Kiewit

Security Level: Email, Account Authentication
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ID: 8caa2dde-6b0d-4d87-aae4-63ed44226574

Brian Gardner

BRIAN.GARDNER@KIEWIT.COM

Project Manager

Security Level: Email, Account Authentication
(None)

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In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp**

Vimal Patel

Vimal.patel1@kiewit.com

Operations Manager

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Carbon Copy Events	Status	Timestamp
Accepted: 1/27/2022 8:49:16 AM ID: 59fbabc6-3f92-40cc-b689-c6bb60f279c1 KATRINA JESSOP KJessop@valleywater.org Sr. Engineer Santa Clara Valley Water District Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Accepted: 10/27/2022 9:19:11 AM ID: ea62ebcf-0b19-4ddf-9b78-262c0df3609f	COPIED	Sent: 12/12/2022 6:53:15 PM Viewed: 12/13/2022 10:11:31 AM
Raja Ponniah rajasegaran.ponniah@kiewit.com Sr Engineer Kiewit Infrastructure West Co. Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 12/12/2022 6:53:17 PM
Jon Rogers jon.rogers@kiewit.com Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 12/12/2022 6:53:19 PM
BRANDON PONCE bponce@valleywater.org Capital Engineering Manager Santa Clara Valley Water District Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Accepted: 12/12/2022 6:40:24 AM ID: 71f70510-1653-4296-89b3-78bc76f8a07b	COPIED	Sent: 12/12/2022 6:53:22 PM
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	12/12/2022 1:27:31 PM
Certified Delivered	Security Checked	12/12/2022 6:52:20 PM
Signing Complete	Security Checked	12/12/2022 6:53:00 PM
Completed	Security Checked	12/12/2022 6:53:22 PM
Payment Events	Status	Timestamps
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At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

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Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Santa Clara Valley Water District:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by phone call: (408) 630-2360

To contact us by email send messages to: RecordsStaff@valleywater.org

To contact us by paper mail, please send correspondence to:

Santa Clara Valley Water District

5750 Almaden Expressway

San Jose, CA 95123

To advise Santa Clara Valley Water District of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at RecordsStaff@valleywater.org and in the body of such request you must state: your previous email address, your new email address. Please contact the requesting department or our main Front Desk at (408) 630-2600 to be transferred to the appropriate department.

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To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to mcook@valleywater.org and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

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To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to RecordsStaff@valleywater.org and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. Please contact the requesting department or our main Front Desk at (408) 630-2600 to be transferred to the appropriate department..

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To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Santa Clara Valley Water District as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Santa Clara Valley Water District during the course of your relationship with Santa Clara Valley Water District.

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Santa Clara Valley Water District

File No.: 22-1373

Agenda Date: 1/10/2023

Item No.: 7.1.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☒ No ☐
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Authorize Acquisition of a Real Property Interest from Janice M. Schultz, Trustee, for the Anderson Dam Tunnel Project as part of the Federal Energy Regulatory Commission Order Compliance Project, Under the Anderson Dam Seismic Retrofit Project, Project No. 91864006, APNs 729-37-020, -021, and -022, Real Estate File No. 9186-49 (Morgan Hill, District 1).

RECOMMENDATION:

- A. Authorize the Chief Executive Officer to execute a Right of Way Agreement between Janice M. Schultz, Trustee, and the Santa Clara Valley Water District, for acquisition of APNs 729-37-020, -021, and -022, located at 17520, 17530, and 17540 Hoot Owl Way, Morgan Hill, CA, based upon the terms and conditions as set forth in the Agreement; and
- B. Authorize the Chief Executive Officer to accept the Grant Deed from Janice M. Schultz, Trustee.

SUMMARY:

Santa Clara Valley Water District (Valley Water) staff recommends acquisition of residential real property located at 17520, 17530, and 17540 Hoot Owl Way in Morgan Hill, California owned by Janice M. Schultz, Trustee, according to the terms of Right of Way Agreement No. 9186-49 (Attachment 1). This property is shown on the plat and description of Grant Deed No. 9186-49 (Attachment 2). Acquisition of this property is necessary for the Anderson Dam Tunnel Project (ADTP) reservoir bank and rim stability improvements to address ground movement associated with pre-existing landslide areas around Anderson Reservoir.

PROJECT BACKGROUND

Valley Water is undertaking the Federal Energy Regulatory Commission (FERC) Order Compliance Project (FOCP) as a result of the February 20, 2020, directive from FERC to implement interim risk reduction measures at Anderson Dam to protect the public from risk of dam failure due to seismic activity. ADTP, Project No. 91864006, is one of five Capital Construction Projects comprising the FOCP. ADTP is currently being constructed and includes building a diversion system to augment the existing outlet, consisting of a new diversion tunnel, an outlet structure, a micro-tunnel lake tap, and modifications to Coyote Creek just downstream of the base of the dam. ADTP also includes reservoir

bank and rim stability improvements, and existing intake structure modification.

The purpose of the ADTP reservoir bank and rim stability improvements is to address ground movement associated with pre-existing landslide areas around Anderson Reservoir. One of the landslide areas that requires stabilization is known as the “Hoot Owl Way Landslide,” located on the reservoir slope below Hoot Owl Way in the Holiday Lake Estates community. Slope movements at the Hoot Owl Way Landslide have been documented in the past during reservoir operations, seismic events, and other drought and flood related circumstances, and were monitored during the drawdown of Anderson Reservoir in 2020.

When the new diversion system becomes operational, rapid drawdowns during heavy storms may contribute to subsequent slope movement. The ADTP team developed alternatives to mitigate future slope movements around the reservoir using engineering solutions such as soil nails, retaining walls, regrading, shear keys, and drainage improvements. However, analyses of the Hoot Owl Way landslide area determined these solutions may not fully prevent further movement of the slope. Valley Water also considered precautionary acquisition of the nine parcels that are materially threatened by the Hoot Owl Way Landslide as a mitigation alternative. After evaluating the various mitigation alternatives, Valley Water determined that the most feasible option is to pursue acquisition of all nine parcels that may be affected by the Hoot Owl Way Landslide.

ACQUISITION OF 17520, 17530, and 17540 HOOT OWL WAY

The property located at 17520, 17530, and 17540 Hoot Owl Way is located on the reservoir slope and has been identified as property where ground movement associated with pre-existing landslide requires stabilization. Precautionary acquisition of the property and restoration to a more natural condition is determined to be the most appropriate way to address risks threatened by the Hoot Owl Way Landslide.

Valley Water retained Chapman & Patton, Real Estate Appraisers and Consultants, to appraise the properties. Chapman & Patton established fair market value of \$1,650,000 for 17520 and 17530 Hoot Owl Way as of January 19, 2022. The same appraiser established a fair market value of \$1,025,000 for 17540 Hoot Owl Way as of January 19, 2022. An offer in the aggregated amount of \$2,675,000 was made to the owner on April 7, 2022.

On June 21, 2022, Janice M. Schultz, Trustee, expressed concern that the offer did not give appropriate consideration to the development potential of the 17520 Hoot Owl Way parcel and did not adequately consider the extent of recent improvements made to the structures at 17530 Hoot Owl Way. Ms. Schultz, Trustee, made a counteroffer in the amount of \$3,200,000 and provided extensive copies of receipts for all recent improvements made to the properties.

On June 28, 2022, Valley Water reiterated Ms. Schultz’s right to obtain a second appraisal. Ms. Schultz declined to obtain a second appraisal.

On August 16, 2022, Valley Water had a meeting with Ms. Schultz at which a tentative purchase amount of \$2,942,500 was discussed. On August 19, 2022, Ms. Schultz gave verbal confirmation

of the \$2,942,500 purchase amount and documents were prepared for execution by the parties.

On November 14, 2022, Valley Water submitted an offer of \$2,942,500 to Ms. Schultz, subject to board approval, which she accepted.

In the Right of Way Agreement, a standard contamination provision permitting Valley Water to offset contamination remediation costs against the sale price has been removed at the request of the owner. It is replaced by a representation from the owner that she has no actual knowledge of any hazardous materials affecting the property. Based on Valley Water's inspection of the property and Valley Water's intended uses of the property, it is staff's determination that removing the contamination provision will not likely subject Valley Water to significantly increased risks.

The parties agreed that the owner may select the closing date for the acquisition of this property so long as the closing occurs not later than May 31, 2023. This will facilitate the owner locating a new residence and will not interfere with the Valley Water project.

ENVIRONMENTAL JUSTICE IMPACT:

The intent of the ADTP reservoir bank and rim stability improvements is to address ground movement associated with pre-existing landslide areas around Anderson Reservoir. Purchase price of the real property and relocation of occupants will be required to achieve the goal of stabilizing this landslide area in the Holiday Lakes Community. These parcels are not in the SB 535 Disadvantaged Communities. The SB 535 map utilizes California Communities Environmental Health Screening Tool (CalEnviroScreen) which is a screening methodology that can be used to help identify California communities that are disproportionately burdened by multiple sources of pollution. The location of the parcel has a CalEnviroScreen 4.0 score below 70. Areas of concern have scores between 70 and 100.

Valley Water will comply with the Uniform Relocation Assistance and Real Properties Acquisitions Act of 1970, California Relocation Assistance Law, and other applicable local ordinances in providing the full spectrum of relocation services through personalized outreach, and regular communication, to each potentially impacted household.

Additionally, the Valley Water ADTP team continues to coordinate with the community and key stakeholders as the project advances.

FINANCIAL IMPACT:

The Anderson Dam Tunnel Project, Project No. 91864006, is part of the Federal Energy Regulatory Commission Order Compliance Project and is included in the Capital Improvement Program Fiscal Year (FY) 2023-27 Five-Year Plan and in the FY 2022-23 Adopted Budget. The purchase price of the property is \$2,942,500. There are adequate funds in the project's current FY 2022-23 Adopted Budget to purchase the property. The Project is funded by Water Utility Enterprise Fund (Fund 61), with 81.9% of the costs allocated to North County Zone W-2, and South County Zones as follows; 7.9% to Zone W-5, 10.3% to Zone W-7, and 0% to Zone W-8.

CEQA:

Valley Water's acquisition of the property is proposed to ensure public safety during FOCIP implementation. Valley Water determined that the FOCIP was exempt from CEQA pursuant to the statutory exemption for specific actions necessary to prevent or mitigate an emergency (CEQA Guidelines §15269 and Public Resources Code §21080(b)(4)). Acquisition of the property to address the FOCIP impacts are therefore also exempt under the same emergency exemption. In addition, acquisition of property has no possibility of causing significant environmental impacts, and thus are also exempt from CEQA under the "common sense" exemption (CEQA Guidelines § 15061(b)(3)).

ATTACHMENTS:

Attachment A: Gov. Code § 84308, Janice Schultz

Attachment 1: Right of Way Agreement

Attachment 2: Grant Deed No. 9186-49

UNCLASSIFIED MANAGER:

Chris Hakes, 408-630-3796

Attachment A - Gov. Code § 84308

Authorize Acquisition of a Real Property Interest from Janice M. Schultz, Trustee, for the Anderson Dam Tunnel Project as part of the Federal Energy Regulatory Commission Order Compliance Project, Under the Anderson Dam Seismic Retrofit Project, Project No. 91864006, APN 729-37-020, -021, and -022, Real Estate File No. 9186-49 (Morgan Hill, District 1).

List of Parties and Their Agents/Representatives Known to Staff

<u>Organization Name</u>	<u>Name</u>	<u>Role</u>	<u>Location</u>
(Party 1 Name)			(List Location)
	Janice M. Schultz	Owner	17520, 17530, and 17540 Hoot Owl Way, Morgan Hill, CA 95037
The Schultz Family Trust dated July 24, 1996	Janice M. Schultz	Trustee	17530 Hoot Owl Way, Morgan Hill, CA 95037
The Janie Schultz Survivor's Trust dated July 24, 1996	Janice M. Schultz	Trustee	17530 Hoot Owl Way, Morgan Hill, CA 95037
The Thomas Schultz Bypass Trust dated July 24, 1996	Janice M. Schultz	Trustee	17530 Hoot Owl Way, Morgan Hill, CA 95037

List of Participants and Their Agents/Representatives Known to Staff

<u>Organization Name</u>	<u>Name</u>	<u>Role</u>	<u>Location</u>
None			



RIGHT OF WAY AGREEMENT

FC 121 (05-20-21)

Project: Anderson Dam Tunnel Project

Grantor: Janice M. Schultz, Trustee

Real Estate File No.: 9186-49

Project/Charge No.: 91864005

This is an agreement between the SANTA CLARA VALLEY WATER DISTRICT, hereinafter referred to as "Valley Water," and Janice M. Schultz, Surviving Trustee of The Schultz Family Trust dated July 24, 1996, Janice M. Schultz, Trustee of The Janice Schultz Survivor's Trust dated July 24, 1996, Janice M. Schultz, Trustee of The Thomas Schultz Bypass Trust dated July 24, 1996, hereinafter referred to as "Grantor" (whether singular or plural). It is agreed between the parties hereto as follows:

1. WHOLE AGREEMENT

This constitutes the entire agreement of the parties. The performance of this agreement constitutes the entire consideration of the property or interest described in said document (hereinafter called "the property") and shall constitute the entire payment of all claims including all interest and damages including severance.

2. DELIVERY OF DOCUMENT

Deed Document No. 9186-49, in the form of a grant deed covering the property particularly described therein has been executed and delivered by Grantor to Edna Campero, Real Estate Agent for Valley Water for the purpose of conveying said property to Valley Water.

In consideration of which, and the other considerations hereinafter set forth, it is mutually agreed as follows:

- A. The parties have herein set forth the whole of their agreement. The performance of this agreement constitutes the entire consideration for said document and shall relieve the Valley Water of all further obligation or claims on this account, or on account of the location or construction of the proposed public improvement.
- B. Valley Water requires property interests described in Deed Document No. 9186-49 for Valley Water purposes, a public use for which Valley Water has the authority to exercise the power of eminent domain. Grantor is compelled to sell, and Valley Water is compelled to acquire the property.

Both Grantor and Valley Water recognize the expense, time, effort, and risk to both parties in determining the compensation for the property by eminent domain litigation. The compensations set forth herein for the property is in compromise and settlement, in lieu of such litigation.

3. PURCHASE AND TITLE

Valley Water shall pay Grantor the sum of Two Million Nine Hundred Forty-two Thousand Five Hundred Dollars (\$2,942,500.00) for the property conveyed by the above document when title thereto vests in Valley Water free and clear of all liens, encumbrances, taxes, assessment and leases (recorded and/or unrecorded), except:

- A. Taxes for the tax year in which this escrow closes shall be cleared and paid in the manner required by Section 5086 of the Revenue and Taxation Code if unpaid at the close of escrow.
- B. Covenants, conditions, restrictions, and reservations of record, or contained in the above referenced deed.
- C. Easements or rights of way over said land for public or quasi-public utility or public street purposes, if any.

Valley Water shall also pay all costs of escrow and recording fees incurred in this transaction including documentary stamp tax, if required by law, and title insurance policy expenses.

4. PRORATION OF TAXES

In the event that the Valley Water acquires fee title under the terms of this agreement, taxes shall be prorated in accordance with the California Revenue and Taxation Code Section 5086 as of the date of recordation of the deed conveying title to the Valley Water.

Valley Water shall have the authority to deduct and pay from the amount shown in clause 3, above, any amount necessary to satisfy any bond demands and delinquent taxes due in any year except the year in which this escrow closes together with penalties and interest thereon, and/or delinquent and unpaid nondelinquent assessments which have become a lien at the close of escrow.

5. PAYMENT OF MORTGAGE OR DEED OF TRUST

Any and all moneys due under this agreement shall, upon demand, be made payable to the beneficiary or mortgagee entitled thereto under any trust deed or mortgage upon the property up to and including the total amount of any unpaid indebtedness secured by such trust deed or mortgage.

6. LEASE WARRANTY

Grantor warrants that there are no oral or written leases on all or any portion of the property exceeding a period of one month, and Grantor further agrees to hold Valley Water harmless and reimburse Valley Water for any and all losses and expenses occasioned to Valley Water by reason of any tenancy of the property held by any tenant of Grantor for any period exceeding one month.

7. DISMISSAL OF EMINENT DOMAIN

Grantor consents to the dismissal as to the property of any eminent domain action by Valley Water wherein the property is included, and also waives any and all claims to any money that may now be on deposit in that action or any litigation expenses pursuant to California Code of Civil Procedure Section 1268.610 . This agreement is full consideration for all claims of damage that may have arisen by reason of any such eminent domain action and/or the public project for which this property is acquired.

8. POSSESSION

Grantor shall have the right to retain possession of the property up to and including the date of recording of the deed conveying title to the property acquired herein to Valley Water upon compliance by Grantor with the conditions of this agreement.

9. ESCROW

This transaction will be handled through an escrow with:

Old Republic Title Company, Escrow No. 0616021499-IM

Grantor and District agree that escrow will close and the deed record on a date selected by Grantor but not later than 5/31/23.

10. ITEMS INCLUDED IN SALE

All existing fixtures and fittings that are attached to the property are included in the purchase price and shall be transferred free of liens and without seller warranty. Items to be transferred shall include, but not be limited to, any and all existing electrical, mechanical, lighting, plumbing and heat fixtures, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes and related equipment, telephone wiring, air conditioning systems, garage door openers and remote controls, attached fireplace equipment, mailbox, in-ground landscaping, including trees and shrubs, water softeners, water purifiers, and security systems and alarms.

11. HAZARDOUS MATERIALS – ACTUAL KNOWLEDGE

Grantor acknowledges and agrees that, without any independent investigation or due diligence, she has no actual knowledge of the presence of hazardous materials, or any other matters of significance, adversely affecting the Property Grantor shall have no liability for any hazardous materials discovered by Valley Water after close of escrow.

Valley Water has executed this agreement as of:

Date

SANTA CLARA VALLEY WATER
DISTRICT

By: _____

Rick L. Callender, Esq.
Chief Executive Officer

ATTEST: MICHELE L. KING, CMC

Clerk/Board of Directors

Grantor has executed this agreement as of:

12/12/2022
Date

By: Janice M Schultz, Trustee
Janice M. Schultz, Surviving Trustee of
The Schultz Family Trust dated July 24,
1996

By: Janice M Schultz, Trustee
Janice M. Schultz, Trustee of The Janice
Schultz Survivor's Trust dated July 24,
1996

By: Janice M Schultz, Trustee
Janice M. Schultz, Trustee of The Thomas
Schultz Bypass Trust dated July 24, 1996

Address:
17530 Hoot Owl Way
Morgan Hill, CA 95037

Recommended for Approval:

By _____
Associate Real Estate Agent

By _____
Unit Manager

RECORD WITHOUT FEE UNDER CALIFORNIA
GOVERNMENT CODE SECTION 6103

AFTER RECORDING RETURN TO:
REAL ESTATE SERVICES UNIT
SANTA CLARA VALLEY WATER DISTRICT
5750 ALMADEN EXPRESSWAY
SAN JOSE, CALIFORNIA 95118

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: 729-37-020; 729-37-021; 729-37-022

Grantee is exempt under section 11922 Revenue
and Taxation Code of the state of California.
Declarant or Agent Determining Tax:

Edna Campero, Associate Real Estate Agent

DOCUMENT NO.: 9186-49

GRANT DEED

Janice M. Schultz, Surviving Trustee of The Schultz Family Trust dated July 24, 1996, and
Janice M. Schultz, Trustee of the Janice Schultz Survivor's Trust dated July 24, 1996, and
Janice M. Schultz, Trustee of the Thomas Schultz Bypass Trust dated July 24, 1996,
hereinafter "Grantor," does hereby grant to the SANTA CLARA VALLEY WATER DISTRICT, a
Special District, created by the California Legislature (Valley Water), all that real property in the
City of Morgan Hill, County of Santa Clara, State of California, described as:

See Exhibit A attached hereto and made a part hereof.

Dated this 12 day of December 2022

By: Janice M Schultz Trustee
Janice M. Schultz, Surviving Trustee of
The Schultz Family Trust dated July 24,
1996

By: Janice M Schultz Trustee
Janice M. Schultz, Trustee of The Janice
Schultz Survivor's Trust dated July 24,
1996

By: Janice M Schultz Trustee
Janice M. Schultz, Trustee of The Thomas
Schultz Bypass Trust dated July 24, 1996

ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE §1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }
COUNTY OF SANTA CLARA } SS

On this 12th day of December, in the year 2022, before me Susan L. Turner,

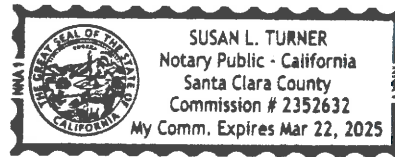
Notary Public, personally appeared Janice M. Schultz
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Susan L. Turner
Notary Public in and for said County and State



CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document.

☐ Individual

☒ Trustee (s)

☐ Corporate Officer(s): _____

☐ Guardian/Conservator

☐ Partner(s) ☐ Limited ☐ General

☐ Other: _____

☐ Attorney-In-Fact _____

Signer is Representing (Name of Person(s) or Entity (ies))

Self

CERTIFICATE OF CONSENT AND ACCEPTANCE

This is to certify that the interest in real property conveyed by the attached Deed or Grant to the Santa Clara Valley Water District, also referred to herein as the Grantee, is hereby accepted by the undersigned duly authorized agent on behalf of the Board of Directors of said Santa Clara Valley Water District, pursuant to authority conferred by Resolution No. 14-79 of said Board of Directors adopted on the 9th day of September 2014, and the Grantee consents to recordation thereof by its said duly authorized agent.

Dated: _____, 20__

Santa Clara Valley Water District

By: _____
Chief Executive Officer/Clerk of the Board of Directors
(Strike out inapplicable one)

EXHIBIT "A"

Santa Clara Valley Water District
San Jose, California

PROJECT: ANDERSON DAM SEISMIC
RETROFIT (TUNNEL PROJECT)

RESU File No.: 9186-49
By: B.Bains

All that certain real property situate in the unincorporated area of Morgan Hill, County of Santa Clara, State of California, as shown on that certain map entitled "TRACT NO. 3453" filed on November 14, 1963 in Book 169 of Maps at Pages 29 through 33, in the Office of the Recorder, County of Santa Clara, State of California, more particularly described as follows:

All of the lands described in the Deed recorded as Document Number 23646921 of Official Records, in the Office of the Recorder, County of Santa Clara.

All of the lands described in the Deed recorded as Document Number 23650742 of Official Records, in the Office of the Recorder, County of Santa Clara.

All of the lands described in the Deed recorded as Document Number 23646915 of Official Records, in the Office of the Recorder, County of Santa Clara.


Containing 38,825 square feet (0.89 acres) of land, more or less.

BASIS OF BEARINGS:

The bearing of N40° 26' 57"W, shown as N41° 01' 49"W along the southerly line of Lot 172 on the certain Tract Map filed on November 14, 1963 in Book 169 of Maps at Pages 29 through 33, in the Office of the Recorder, County of Santa Clara, State of California, was used as Basis of Bearings shown hereon.

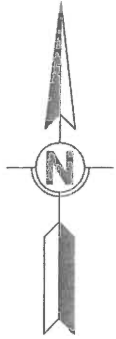
SURVEYOR'S STATEMENT:

The description was prepared by me or under my direction in conformance with the requirements of the Land Surveyor's Act.


Jessica DeMartini, PLS 9095

3/10/22
Date





REYNOLDS
TRUSTEE
729-39-006
DOC. 14953201
LOT 213

SCHULTZ JANICE M
TRUSTEE & ET AL
729-37-022
DOC. 23646915
LOT 174

SCVWD
729-46-010
DOC. 3080051

SCHULTZ JANICE M
TRUSTEE
729-37-021
DOC. 23650742
LOT 173

TRACT NO. 3453
169-M-29

SCHULTZ JANICE M
TRUSTEE & ET AL
729-37-020
DOC. 23646921
LOT 172

HOLLER MARTIN E AND
LINDA M
729-37-019
DOC. 24316469
LOT 171

N40°26'57"W 139.53'
BASIS OF BEARINGS

HOOT OWL WAY



SANTA CLARA VALLEY WATER DISTRICT



Valley Water

SCALE: 1" = 60'

RESU FILE NO.	9186-49
APN	MULTIPLE
TITLE REPORT NO.	616021499
DRAWN	B.BAINS

SCVWD S:\REQUESTS\ANDERSON DAM AND RESERVOIR\2022_138\2 Working\Office\ROM\2022-138_9186-49 Rev1.dwg



Santa Clara Valley Water District

File No.: 23-0047

Agenda Date: 1/10/2023
Item No.: *9.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

CEO and Chiefs' Report.

ATTACHMENTS:

*Handout 9.1-A: Civ Eng

*Handout 9.1-B: Comm

NOVEMBER 2022

Office of Civic Engagement Monthly Update

**YOUTH COMMISSION**

On November 16, the Youth Commission held its second quarterly meeting with 17 commissioners in attendance, along with Director Hsueh. The meeting agenda included a discussion on the Brown Act led by legal counsel and a presentation to collect input from the commissioners on Valley Water's Public Art Strategic Plan. The commissioners also finalized their work plan and the working groups for the remaining year.

On November 29, the Job Shadowing and Mentorship working group held its first meeting to commence planning for the upcoming virtual Job Shadow Day on February 23, 2023.



Youth Commissioners and staff met in person for the second quarterly committee meeting.

PUBLIC ART

Public Art Strategic Plan: The Public Art Strategic Plan consultant concluded the internal stakeholder meetings which collected information and ideas for the Public Art Strategic Plan. In the coming months, the public art consultant is expected to develop an electronic survey to collect input from internal and external audiences.

SAFE, CLEAN WATER GRANTS AND PARTNERSHIPS**Guadalupe River Park Conservancy D3 Mini-Grant Closeout:**

In FY 2020, Valley Water awarded Guadalupe River Park Conservancy a \$4,725 Safe, Clean Water Program D3 Mini-Grant for their Guadalupe Watershed Ecosystem Education Project, which provided Virtual Field Trip Package (VFT) scholarships to classes at Title I schools in San José. The VFT included six science lessons and materials for 183 students from kindergarten to 8th grade, with an overall scholarship value of \$40,500. Through this program, the students were able to gain a deeper understanding of the Guadalupe River riparian corridor and ecosystem.

Bay Area Older Adults D3 Mini-Grant Closeout: In FY 2021, Valley Water awarded Bay Area Older Adults a \$5,000 Safe, Clean Water Program D3 Mini-Grant for their Watershed Appreciation Program. The Grantee partnered with local nonprofits and organizations to provide four multisensory educational field trips that allowed visually impaired persons, specifically adults age 50+, to experience Santa Clara County watersheds first-hand. The field trips incorporated the smells,

textures, and sounds of wildlife at Los Gatos Creek County Park (Campbell, CA), Coyote Creek Ogier Ponds (Morgan Hill, CA), and Guadalupe River Park (San José, CA), engaging a total of 82 participants.

Valley Water Refill Station Grant Program: Valley Water awarded two refill station grants for a total of \$10,000 to:

- Morgan Hill Unified School District – Ann Sobrato High School (Morgan Hill, CA)
- Morgan Hill Unified School District – San Martin Gwinn Elementary School (Morgan Hill, CA)

Each \$5,000 refill station grant will fund the purchase and installation of a water bottle refill station to increase drinking water access and help promote reusable water bottles for school-age students.

EDUCATION OUTREACH

EDUCATION OUTREACH PRESENTATION NUMBERS			
MONTH	STUDENTS & EDUCATORS	PUBLIC ATTENDEES	YEAR TO DATE
Jul-Oct	4,293	429	4,722
Nov	1,270	79	1,349
TOTAL	5,563	508	6,071

FY23 Goal: Reach at least 10,000 students and 500 members of the public.

In November, the Education Outreach Program (EO) supported 66 educators and 1,204 students through 23 school presentations and three tours at Edith Morley Park and Alamos Outdoor Classrooms. EO staff also presented "Watershed Maps" to 50 clients at the Family of Children with Special Needs Center (FCSN) in San José and engaged with 29 students and family members during two library programs at Evergreen and Carnegie Branch Libraries. In a continued collaboration with the City of San José's Walk n' Roll program, EO raised drought awareness during two school assemblies to 480 students at Alex Anderson Elementary. EO also presented water conservation and stewardship activities to Girl Scout Troop 60039, supporting their "Wonders of Water Journey."



Clients at the Family of Children with Special Needs Center (FCSN) create watershed models and learn about watershed stewardship and water conservation.

Continued on back »

WATER SUPPLY OUTREACH

WATER SUPPLY OUTREACH TOUR NUMBERS		
DATE	WATER INFRASTRUCTURE AND PURIFICATION CENTER TOURS	FY 23 TOTAL ATTENDEES
Jul-Oct		384
Nov 4	Living Wisdom School	12
Nov 4	First Friday's Public Tour	24
Nov 7	City of San José Manager's Office	18
Nov 8	Santa Clara University Environmental Engineering Class	8
Nov 9	San Jose State University Graduate Class	13
Nov 12	Amy Cody & Moreland West Neighborhood Association	13
Nov 12	First Saturday Public Tour	26
Nov 14	Virtual Tour with Mountain View Public Library	8
Nov 15	Department of Water Resources	12
Nov 17	Virtual Tour with San José Public Library	10
Nov 18	Office of State Senator Cortese	4
November Total		148
TOTAL (Current for FY 2023)		532

FY23 Goal: Conduct public/private tours of the SVAWPC in any of our tour formats (live, virtual or self-guided) for at least 1,000 attendees.

November was a busy month for Water Supply Outreach tours at the Silicon Valley Advanced Water Purification Center. Staff held eight in-person and three virtual tours, with a total of 148 participants. The in-person tour groups included California Department of Water Resources, Office of State Senator Cortese, Moreland West Neighborhood Association, City of San José Manager's office, and various school groups.



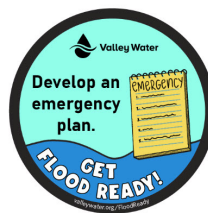
Staff from City of San José and San Jose Water attended a private tour of the Silicon Valley Advanced Water Purification Center.

COMMUNITY RATING SYSTEM

Community Rating System (CRS) staff continued efforts to encourage flood-preparedness in November. On November 15, CRS staff presented Get Flood Ready tips and materials at the San José Neighborhood Community Emergency Response Team (CERT) monthly meeting for city-wide CERT volunteers.

CRS staff also participated in the Department of Water Resources (DWR) California Flood Preparedness Week state-wide debrief meeting and shared photos and highlights of Valley Water's Flood Preparedness Week activities and the Get Flood Ready campaign. Staff also participated in a meet and greet with the new DWR CRS coordinator and discussed Valley Water's experience coordinating the Santa Clara County CRS Users' Group and Program for Public Information Committee.

Staff also coordinated this season's floodplain mailer containing vital CRS Get Flood Ready tips. This mailer will be sent out in early December to residents and businesses in FEMA-designated Special Flood Hazard Areas, earning participating communities significant outreach CRS credits. Staff will also start distributing new Get Flood Ready stickers for local youth.



CRS staff worked with the Education Outreach Team to develop stickers encouraging kids and their families to Get Flood Ready!

UPCOMING EVENTS

- JAN 09** FY23 Standard Grant Cycle Applications Open
- JAN 10** Education Outreach 4 Classroom Presentations at Los Arboles
- JAN 11** Education Outreach 3 Classroom Presentations at Noble Elementary
- JAN 14** SVAWPC Tour In-Person Public Tour
- JAN 17** Education Outreach 4 Classroom Presentations at Noddin Elementary
- JAN 18** Education Outreach 3 Classroom Presentations at Los Paseos
- JAN 19** Education Outreach 6 Classroom Presentations at Guadalupe Elementary
- JAN 24** Education Outreach 3 Classroom Presentations at Christa McAuliffe School
- JAN 25** Education Outreach Alamitos Outdoor Classroom Tour: Indigo Program
- JAN 25** SVAWPC Tour Discovery Charter School
- JAN 25** FY23 Standard Grant Cycle Informational Workshop #1
- JAN 26** Education Outreach Alamitos Outdoor Classroom Tour: Indigo Program
- JAN 26** SVAWPC Tour Discovery Charter School
- JAN 30** Education Outreach 4 Classroom Presentations at Eaton Elementary

SUMMARY FOR DECEMBER 2022

Office of Communications Activities



ANDERSON DAM TUNNEL PROJECT MEDIA EVENT



Chair Pro Tem John L. Varela addresses news media at the site of the Anderson Dam tunnel project.

On Dec. 15, staff organized an on-site media event updating the public on the progress of the tunnel portion of the Anderson Dam Seismic Retrofit Project. Chair Pro Tem Varela and Assistant Officer Ryan McCarter gave interviews to NBC Bay Area, ABC7, CBS5, KTVU, NTD, KCBS-Radio, the Mercury News, the Morgan Hill Times and Morgan Hill Life. Chair Pro Tem Varela and Assistant Officer McCarter discussed the around-the-clock work being done and the overall importance of the project to Santa Clara County's future water supply.

CONSERVATION AND DROUGHT OUTREACH



Staff produced a Say Yes to Saving Water video in partnership with the 49ers.

Our water conservation campaigns are continuing with tips for saving water and messaging on dialing back on irrigation during the winter. We are also promoting our landscape, irrigation and graywater rebates, outdoor water surveys and e-cart. A campaign focused on commercial watering rules ran through December with ads on audio and video streaming platforms, digital, social, newspapers and supermarket shopping carts.

The final Say Yes to Saving Water public service announcement involving local professional sports teams was published on Valley Water's social media channels and will soon be running on television, radio and streaming services.

The video features San Francisco 49ers player Taylor Pepper, who encourages everyone to make a difference in their community by Saying Yes to Saving Water. In partnership with the City of Gilroy, our Say Yes to Saving Water PSA with San Jose Earthquakes player Tommy Thompson ran in Gilroy's movie theater during December. A new commercial Landscape Rebate success story was published on Valley Water's social media channels. Chair Pro Tem Varela was featured in the video, which highlighted the landscape transformation at Morgan Hill's Woodland Estates clubhouse.

MEDIA, COMMUNICATIONS, AND SOCIAL MEDIA

Valley Water received 1,264 media mentions in December.

Staff responded to media inquiries on the following topics:

- December rains and impact on water supply
- Recent storms and impact on state and federal reservoirs in California

Staff wrote and posted three stories to valleywaternews.org on the following subjects:

- Valley Water brings back in-person tours at the Silicon Valley Advanced Water Purification Center
- Floods can follow drought
- Valley Water performs maintenance work in creeks for flood protection

Staff prepared Nextdoor messages for board members on the following topics:

- Rain in next week's forecast serves as a reminder to be flood ready
- Request your 2023 calendar and learn about Valley Water's work for the community
- Become a Water Ambassador – Apply today and join the 2023 Water 101 Academy!
- Upcoming night work and intersection closure
- Hello from new Santa Clara Valley Water District Board Director Rebecca Eisenberg
- Valley Water does not foresee major impacts from Saturday's storm
- Save the date: Dec. 8th for the Upper Guadalupe River Flood Protection Project meeting
- Groundwater study at Budd Avenue percolation ponds
- A message from new Valley Water Board Member Jim Beall
- December rain is a reminder to be flood ready

continued on back →

01/10/23

On Dec. 2, staff sent out a press release highlighting the announcement by the California Department of Water Resources of an initial 5% allocation of imported water from the State Water Project. NBC Bay Area and Bay City News did stories based on the news release. On Dec. 9, staff sent a press release regarding an upcoming storm. KTVU, KPIX, NBC Bay Area and Univision interviewed staff about the storm, flood preparedness, the drought and the need to still conserve water when it rains.

Statistics for Facebook, Twitter, valleywaternews.org blog, video, and eNews are below. Impressions are the number of times a post is displayed in a newsfeed, Twitter stream, etc. Engagement is the number of times a user interacts with a post, such as a retweet, click, and more.

f 3,434,978 impressions 275,689 engagements 42,696 message clicks	 45,262 impressions 1,743 engagements 401 link clicks	 Valleywaternews Blog 11,504 views 6,824 visitors
 3,900 video views 5 videos posted	 1,374,026 impressions 922 engagements	 December e-Newsletter 50.8% open rate 3.5% click through rate

INTERNAL COMMUNICATIONS

In December, staff helped present the 48th Virtual Town Hall. The meeting included a produced video highlighting Valley Water's work and a montage of photos shared by employees of their most memorable moments of 2022. In addition, staff officially launched a new video series, Reflections, highlighting long-time employees' stories about their journey at Valley Water.

Also in December, staff sent 34 All User emails, including CEO, HR and IT messages; posted 44 employee news items to the Aqua intranet; updated the Employee News monitors in the HQ and Admin cafeterias and Crest hallway; and created and sent the twice-weekly News You Can Use each Tuesday and Thursday.



Reflections interview with Scott Akin.

COMMUNITY OUTREACH

On Dec. 8, Valley Water and the U.S. Army Corps of Engineers (USACE) held a public meeting to present the recommended plan of flood protection work along the Guadalupe River. Valley Water Directors Tony Estremera

and Barbara Keegan provided opening remarks. Newly elected Director Jim Beall attended in person. The meeting used a hybrid model, held in-person at the Carpenters Local 405 Hall and via Zoom. About 14 community members participated in the event. Six attended virtually, including staff from Congressman Ro Khanna's and State Assemblymember Ash Kalra's offices. A recording of the public meeting is available on Valley Water's project website and YouTube channel.

Community outreach put on one Speakers Bureau presentation in December. Chair Pro Tem Varela and staff gave a drought presentation via Zoom to RE/MAX Realtors from South County during an informational meeting.



Daria Mazey with the U.S. Army Corps of Engineers joined Directors Estremera, Keegan and Beall at a public meeting for flood protection work along the Guadalupe River.

GRAPHICS SERVICES

Staff completed a total of 38 graphic case requests for the month of December.

	10 mailer, event and outreach materials		6 internal support materials
	5 digital graphics		5 rebranding materials
	3 PowerPoint presentations		3 publications
	2 drought/water conservation materials		2 signs
	1 flood awareness material		1 public notice and newspaper advertisement



The Valley Water monthly newsletter was released on Dec. 29 and featured the newly-elected and re-elected board members.



Santa Clara Valley Water District

File No.: 23-0062

Agenda Date: 1/10/2023
Item No.: *10.1.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Update on the Countywide Flood Emergency and Determination that the Countywide Flood Emergency Conditions Continue to Constitute an Emergency.

RECOMMENDATION:

- A. Receive an update on the January 4, 2023, atmospheric river event; and
- B. Determine by a four-fifths vote of the Board that there is a need to continue the emergency action declared by the Chief Executive Officer (CEO) on January 4, 2023, pursuant to California Public Contract Code §22050 to address the countywide flood emergency.

SUMMARY:

According to Public Contract Code §22050, in order for the emergency action to remain in place, the Board must determine, by four-fifths vote at every regularly scheduled Board meeting until the emergency action is terminated, that there is a need to continue the emergency action; this agenda item recommends the Board make such a finding.

Pursuant to Resolution No. 05-67, the Santa Clara Valley Water District (Valley Water) Board of Directors delegated authority to the CEO to declare emergencies pursuant to certain conditions meeting statutory requirements.

On January 4, 2023, the CEO declared that the gusting winds, large volume of rain, and impacts of severe, ongoing stormy weather, resulted in a Countywide flood emergency pursuant to California Public Contract Code §22050 (PCC). The CEO further determined that Valley Water staff may take any and all actions necessary to protect against property damage and threat to life and public safety associated with flooding and high winds throughout the County of Santa Clara, California.

In the case of an emergency, PCC §22050 provides that a public agency "...may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice

for bids to let contracts.”

The CEO’s emergency declaration will give Valley Water the authority to take immediate action necessary to protect against or mitigate flooding, including but not limited to procuring necessary equipment, services, and supplies without giving notice for bids to let contracts and following its standard competitive bidding procedures.

The emergency conditions necessitating the CEO’s declaration continue to exist as robust atmospheric rivers are expected to continue moving through the County of Santa Clara at various time during the next two weeks, at least. They are likely to result in additional, ongoing flooding, resulting in the need for Valley Water staff to continue emergency response actions and cleanup activities following these significant storm events.

BACKGROUND:

On December 31, 2022, Valley Water activated its Emergency Operations Center (EOC) due to the impacts of heavy rainfall and flooding, necessitating relief operations throughout the County. Localized flooding occurred along San Francisquito Creek, Upper Penitencia Creek, West Little Llagas Creek and Uvas Creek, and spilling occurred at Uvas Reservoir and Almaden Reservoir.

Due to the December 31, 2022 atmospheric river, coupled with forecasted heavy, persistent rainfall on January 4 and 5, along with extreme high winds (gusts were estimated at 60-70 miles per hour), flooding and rapid accumulation of sedimentation and debris was expected along creeks throughout Santa Clara County.

Due to the January 4 heavy rainfall event and forecasted, ongoing severe weather, countywide flood emergency conditions continue to exist. Staff recommends the Board find there is a need to continue the emergency declared by the CEO so that immediate actions can be taken as authorized by PCC §22050; the applicable Public Resources Codes pertaining to environmental review and permitting; and in accordance with Valley Water’s own governance policy requiring competitive procurement, which provides as follows:

“Executive Limitation 5.3.4. Financial commitments resulting from the purchase of services, supplies, and equipment that are essential to promptly attend to an emergency as defined in Public Contract Code Section 1102 or Government Code section 8558(c) defining “local emergencies.”

Per Public Contract Code Section 1102, an emergency is “a sudden, unexpected occurrence that poses a clear and imminent danger, requiring Immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.” District staff needs to remediate sedimentation and debris accumulation, procure and deliver sandbags, repair areas along various creeks and canals, and, if necessary, procure soils or materials to create temporary barriers to prevent water from overflowing in certain areas, as well as to acquire services, and other materials and equipment required to address these emergency flood conditions.

ENVIRONMENTAL JUSTICE IMPACT:

Valley Water acknowledges that disadvantaged communities are disproportionately impacted by the effects of flooding. To address these impacts, Valley Water equitably distributes and stocks sandbag distribution sites throughout the county; provides flood awareness materials countywide and in multiple languages; and supports and coordinates with the county and all cities throughout Santa Clara County during activation of emergency operation centers to equitably protect against property damage and threat to life and public safety.

FINANCIAL IMPACT:

Staff expects a one-time unbudgeted expenditure associated with the operational activities related to the ongoing emergency action declared by the CEO. Operational activity expenses are captured in Project 60601015 EOC - Storm 2023 in the General Fund for Fiscal Year 2022-23, which will incur these unbudgeted costs. After this emergency declaration, Staff will work to submit a Request for Public Assistance to FEMA and Cal OES related to reimbursement for debris removal and emergency protective measures and public services.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment. The recommended action does not authorize any physical activities. However, CEQA provides a statutory exemption for emergency projects, which include specific actions necessary to prevent or mitigate an emergency (Public Resources Code §21080(b)(4) and CEQA Guidelines §15269(c)). To the extent any future activities are proposed to prevent or mitigate an emergency that meets the definition of the Public Resources Code and CEQA Guidelines, those activities would be statutorily exempt from CEQA review.

ATTACHMENTS:

Attachment 1: Declaration of Emergency

UNCLASSIFIED MANAGER:

Tina Yoke, 408-630-2385



MEMORANDUM

FC 14 (08-21-19)

TO: Board of Directors

FROM: Rick Callender, CEO

SUBJECT: Declaration of Countywide Flood
Emergency

DATE: January 4, 2023

The purpose of this memorandum is to formally declare a Countywide flood emergency pursuant to California Public Contract Code Section 22050, District Resolution 05-67 and Board Governance Executive Limitations 5.1.8, and 5.3.4 to allow Valley Water staff to undertake any and all actions necessary to protect against property damage and threat to life and public safety associated with flooding and high winds in the County of Santa Clara, California. This emergency declaration will give Valley Water the authority to take immediate action necessary to protect against or mitigate flooding, including but not limited to procuring necessary equipment, services, and supplies without giving notice for bids to let contracts and undergoing its normal competitive bidding procedures.

BACKGROUND:

Whereas Valley Water activated its Emergency Operations Center (EOC) on December 31, 2022, due to heavy rainfall and flooding and provided relief operations throughout the County. Localized flooding occurred along San Francisquito Creek, Upper Penitencia Creek, West Little Llagas Creek and Uvas Creek, and Uvas Reservoir spilled and is still spilling. Spilling has also occurred in Almaden Reservoir.

Due to the December 31 atmospheric river, coupled with current rainfall and forecasts of heavy, persistent rainfall today into tomorrow along with extremely high winds (estimated gusts of 60-70 miles per hour), flooding and rapid accumulation of sedimentation and debris are expected along creeks throughout Santa Clara County by tonight and tomorrow.

Continued atmospheric rivers are expected to move through the County during the next two weeks, which is likely to result in additional flooding.

Due to current and forecasted conditions, a Countywide flood emergency condition exists, and Valley water needs the legal authority under the Public Contract Code, Public Resources Code and other laws to take quick, emergency action necessary to preserve life and property in the County.

Valley Water further supports the potential proclamation of local emergency by the County of Santa Clara.

Per Public Contract Code Section 1102, an emergency is "a sudden, unexpected occurrence that poses a clear and imminent danger, requiring Immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services." District staff needs to remediate sedimentation and debris accumulation, procure and deliver sandbags, repair areas along various creeks and canals, and, if necessary, procure soils or materials to create temporary barriers to prevent water from overflowing in certain areas, as well as to acquire services and other materials and equipment required to address this emergency.

The Declaration of Emergency will enable Valley Water to take immediate action to protect against further property damage or threat to human life, health and safety resulting from flooding without giving notice for bids to let contracts. During the existence of said local emergency, the powers, functions, and duties of the emergency organization of Valley Water shall be those prescribed by state law, by ordinance, and the District Act.



Rick L. Callender
Chief Executive Officer

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