

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

Chief Executive Officer Bulletin Week of September 29 – October 5, 2017

Board Executive Limitation Policy EL-7:

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

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Water Utility Operational Constraints From Pipeline Rehabilitation Projects

From October 6, 2017, through March 16, 2018, the water district will be carrying out extensive pipeline inspection and rehabilitation work for the Pacheco Conduit and Almaden Valley Pipeline.

The work will include performing a condition assessment for the two critical raw water delivery pipelines, repairing pipe segments, replacing appurtenances, and installing an acoustic fiber optic cable along the pipeline to collect on-going performance data and help mitigate potential catastrophic pre-stressed concrete cylinder pipe failures in the future.

Raw water deliveries to the Penitencia and Rinconada Water Treatment Plants will be limited to the South Bay Aqueduct from October 27, 2017, to March 16, 2018. If an outage were to occur on the South Bay Aqueduct during this period, the Penitencia and Rinconada plants will go offline until the aqueduct is back in service.

Phase 1 of the Almaden Valley Pipeline Rehabilitation Project will result in no raw water deliveries to the Santa Teresa Water Treatment Plant and therefore a complete plant shutdown from October 27, 2017, to February 2, 2018. Raw water deliveries to the Santa Teresa Water Treatment Plant will resume during Phase 2 of the Almaden Valley Pipeline Rehabilitation Project (February 2, 2018 to March 16, 2018), and will be from either San Luis or Anderson Reservoir.

To meet peak retailer demands while the Santa Teresa plant is offline, the joint San Francisco Public Utilities Commission – Santa Clara Valley Water District Intertie (Intertie) will be in operation

supplementing Penitencia production during Phase 1 of the Almaden Valley Pipeline Rehabilitation Project. The Intertie will also be on standby status ready for operation should an emergency arise during the five-and-a-half-month period.

The Campbell Well Field, which can supply up to four million gallons a day of groundwater into the Campbell Distributary, will be on standby status as well should an emergency arise.

The water district is working closely with water retailers to coordinate water deliveries. Some customers in northern Santa Clara County may experience changes in water characteristics from alternate water supplies.

For further information, please contact Angela Cheung at (408) 630-2735 or Kurt Arends at (408) 630-2284.

District to issue Request for Proposal to solicit potential buyer of energy generated by Anderson Hydroelectric Facility

This is to update the board on the transition plan for the water district's Anderson Hydroelectric Facility (Facility) to prepare for the expiration of the existing power purchase agreement (PPA) with PG&E, a 30-year agreement expiring in November 2018.

Following the Climate Change Mitigation Update during the the board's meeting on June 13, 2017, the board recommended that the water district evaluate the option to sell power generated by the Facility to a local community choice aggregation (CCA), such as Silicon Valley Clean Energy (SVCE), instead of PG&E.

After receiving preliminary interest from SVCE, the water district is working with the Power and Water Resources Pooling Authority (PWRPA), a Joint Powers Authority that includes experts from the power purchase industry, to prepare a Request for Proposal (RFP) to solicit interested parties that may benefit from purchasing the carbon-free electricity generated by the Facility, including SVCE and the newly developed San Jose Clean Energy (SJCE).

The RFP will help establish fair market value for the sale of power generated by the Facility in compliance with the California Constitution, Article XVI, Section 6. The RFP is scheduled to be issued in October 2017.

For further information, please contact Kurt Arends at (408) 630-2284.

Safe, Clean Water Grant Project Completion: California Product Stewardship Council completes the Secure Pharmaceutical Collection Bin Expansion Project

California Product Stewardship Council (CPSC) received a \$206,417.07 Safe, Clean Water and Natural Flood Protection grant for a project to increase the availability of secure medication collection bins for Santa Clara County residents.

CPSC, in partnership with the County of Santa Clara and City of San José, installed prescription medication collection bins throughout Santa Clara County to help prevent pharmaceuticals from being flushed down the toilet and making their way into our streams, harming water quality and wildlife.

This project is part of CPSC's award-winning "Don't Rush to Flush" campaign.

The project began on August 1, 2014, and was completed on June 30, 2017.

Key numbers:

- 29 new medication collection bins placed in Santa Clara County, hosted by pharmacies, law enforcement, fire stations, and medical centers
- 8,929 pounds of unwanted medications collected through the new grant project bins and safely disposed

The public now has more information about how to properly dispose of medications and more locations in which to do so.

The grantee's final report on the completed project is included in the board's October 6, 2017, Non-Agenda package.

For further information, please contact Rick Callender at (408) 630-2017.
