

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

## Chief Executive Officer Bulletin Week of November 10-16, 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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### **Penitencia Delivery Main and Force Main Seismic Retrofit Project Ribbon Cutting Ceremony.**

On Saturday, November 4, 2017, the water district hosted a ribbon cutting ceremony for the Penitencia Delivery Main and Force Main Seismic Retrofit Project at the Penitencia Water Treatment Plant. The event was attended by sixteen members of the surrounding community, Linda Locke, Berryessa Citizens Advisory Council President, the water district, former Director Bob Gross, representatives from the offices of Congressman Ro Khanna and State Senator Bob Wieckowski.

Speakers included Director Santos, the water district and a representative from Kubota Corp, the company that supplied the specialized pipelines for the project. Director Santos invited former Director Bob Gross to hold the scissors and perform the official ribbon cutting.

In addition to hearing about the project's benefits and successes from the program speakers, attendees had the opportunity to view photos of the project construction, a model of the ERDIP pipe joints and were given a tour of key project and plant elements led by a treatment plant operator. The ceremony was recorded, and the video will be posted to the project webpage this month:

<http://www.valleywater.org/PenitenciaSRP.aspx>

The water district would like to recognize the staff who so willingly took on such an innovative project and were key to the successful completion of this project.

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

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### **Solicitation to Participate in Westlands Solar Park, Phase II Project, a Utility-Scale Solar Project.**

The water district has been solicited by the Power and Water Resources Pooling Authority (PWRPA) to participate in a 200-megawatt (MW) utility-scale solar project (Project) located just south of Lemoore on the northern edge of Kings County, CA. The project has support from environmental and agricultural organizations including: Natural Resources Defense Council (NRDC), Farm Bureau, Sierra Club, Defenders of Wildlife, and The Nature Conservancy.

The Project has offered PWRPA between 15 and 25 MWs of which the water district could secure up to a 1.5 MW allocation to meet its needs. Participation in the Project would contribute to the water district's Board Governance Policy to reduce greenhouse-gas (GHG) emissions to achieve carbon neutrality at the water district by 2020.

The proposed Project is structured as a 20-year Power Purchase Agreement (PPA) in which the water district would buy the power generated by the system for a very competitive price. The Non-Disclosure Agreement prevents the water district from discussing pricing with the board in open session and is fixed for the duration of the PPA. Since the power is generated off-site, it is subject to transmission and distribution (T&D) charges of approximately \$25 per MWh for delivery to water district facilities. The anticipated cost is significantly less than the water district's 2016 average electric power cost of \$80.05 per MWh.

PWRPA is subject to the State of California "Renewable Portfolio Standard" (RPS) mandate, whereby electric utilities must serve a RPS percentage of retail sales with renewable resources within a given Compliance Period. As a result, the water district is required to procure 33% of its power from renewable sources by 2020 and 50% by 2030. The water district estimates that in 2017, 19.5% of the water district's energy will be from renewable sources and 100% will be carbon free.

The water district would like to recognize the staff who were key to implementing this innovative approach.

The water district is preparing a board agenda item to discuss the proposed Project at the December 2017 board meeting. If directed by the board, the water district would engage in negotiations for the power purchase agreement (PPA) to participate in the Project.

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

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### **Water District Travel Restrictions.**

Over the last year, Alabama, Kansas, Kentucky, Mississippi, North Carolina, South Dakota, Texas, and Tennessee, have been identified and listed by the California State Attorney General (AG) as states that have passed laws that discriminate against the Lesbian, Gay, Bisexual, and Transgender

(LGBT) community. In recognition of the water district's commitment to diversity and inclusion, and the water district's values of protecting staff from risk while performing their duties and protect water district staff from increased risk of unfair treatment and discriminatory practices, the board authorized on August 8, 2017, for the Chief Executive Officer to order all water district departments to prohibit water district funds to be used for official business in and employee travel to states listed on the AG's website (<https://oag.ca.gov/ab1887>). Acceptations may be made if travel to the prohibited states are critical to the mission of the water district.

Limited exceptions related to the travel restrictions may be granted, on a case-by-case, for the following:

1. Enforcement of California law, including auditing and revenue collection;
2. Litigation;
3. To meet contractual obligations incurred before August 8, 2017;
4. To comply with requests by the federal government to appear before committees;
5. To participate in meetings or training required by a grant or required to maintain grant funding;
6. To complete job-required training necessary to maintain licensure or similar standards required for holding a position, in the event that comparable training cannot be obtained in California or a different state; or
7. For the protection of public health, welfare, safety, or critical to the mission of the Santa Clara Valley Water District (District), as determined by the water district.

To provide water district staff information related to travel restrictions, Administrative Policy AD-3.4. Travel and Subsistence is currently being updated. Form FC83 Off-Site Training/Travel Request and Form FC1182 Advance Travel Request have been updated. Information related to travel restrictions have been provided to staff via a News You Can use posting on October 31, 2017. Water district procurement staff processing travel request are aware of the travel restrictions and will not process travel that is in violation of the travel restrictions as voted by the board.

Three (3) water district staff traveled to Texas in October to attend the following conferences: AWWA Water Infrastructure Conference in Houston; the Hydraulic Institute Fall Conference in Fort Worth and the International City/County Managers Association annual conference in San Antonio. All three (3) water district attendees were scheduled presenters or panelist at the conferences they attended. Two (2) of the three (3) attendees, made the commitment to attend their conferences in July, which preceded the board vote on August 8, 2017, providing travel restriction to states such as Texas. The other staff inadvertently committed to the conference before the travel restrictions were disseminated to water district staff.

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

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### **Contract Amendment with Workspace Study Consultant MKThink Processed Late.**

In compliance with Executive Limitation (EL) Policy No. 7 – Communication and Support of the Board, the water district will report in a timely manner an actual or anticipated non-compliance with any policy of the board. The water district would like to report that a time extension amendment to a water district contract with MKThink, the workspace study consultant, was processed late.

A former water district employee and program administrator thought she routed the change order documents to the interim Deputy of General Services in August for review and authorization. There was some confusion resulting in no documents actually being sent for processing.

Amendment documents were provided to the newly hired Deputy of General Services in September. The new Deputy of General Services spent three weeks working with water district Facilities Management and the Consultant to correct errors within the supporting documents of the amendment. The combination of project staff error, change in DAO managers and errors within the original documents contributed to the extended timeline of executing the contract extension late.

With the new Deputy of General Services, clear guidelines and expectations have been established to prevent this from happening again.

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

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### **Kremen**

**Director Kremen requested that Kurt Arends provide information regarding the electrical loads for our facilities in the area that require power.**

**I-17-0013**

In response to the inquiry about using a solar farm to meet the energy needs of the water district's facilities located near Calero Dam, the following information is provided. The water district has two electric meters near Calero Dam, one provides power to valve actuators, communication systems, and other minor facilities located in the valve yard at the base of Calero Dam (valve yard meter). Another provides power to the water district's oxygenation system on the bank of Calero Reservoir (oxygenation meter). After reviewing the general energy use at these facilities, solar does not appear to be an efficient source of power.

The valve yard meter has a typical monthly electrical load of 1,000 to 2,000 kilowatt hours (kWh). The actual power usage will fluctuate with actual valve actuation (movement) and the activation of devices which can occur any time, around the clock. The current source of power supplying the valve yard meter is from Silicon Valley Clean Energy (SVCE) and is delivered through the PG&E facilities.

The Calero oxygenation system is a seasonally operated pilot facility, generally operating continuously from March to October, except during the time of maintenance or repair. The electrical load for the system can be as high as 24,000 kWh per month during operation, and as low as 100 kWh per month during non-operation. When in operation, the oxygenation system runs continuously requiring constant power. The oxygenation meter is located outside of the SVCE service area and is currently fed by PG&E however, it may qualify for the City of San Jose Clean Energy program set to launch in 2018.

Given the seasonal fluctuation in electrical load and the need for continuous power, solar may not be an efficient source of power for these facilities. A solar system would likely require adequate sizing to meet peak loads, which only occur for a portion of the year and battery storage would be needed for non-daylight loads.

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

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