

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

Chief Executive Officer Bulletin Week of May 11 - 17, 2018

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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Status of Construction Contract and Request for Additional Compensation for the Installation of Cathodic Protection Rectifiers and Deep-Well Anodes on the Pacheco Conduit Project

On June 13, 2017, the board awarded Contract No. C0623 in the amount of \$291,740 to Farwest Corrosion Control Company (Contractor) for the Installation of Cathodic Protection Rectifiers and Deep-Well Anodes on the Pacheco Conduit Project. The work required drilling four (4) deep wells to a depth of 300-feet for the installation of cathodic protection impressed current facilities, including cathodic protection rectifier and deep-well anode with associated connections to power and pipeline. At the time of award, the board also approved a contingency fund of \$43,761.

The Contractor began work in July 2017, and has completed all work associated with the contract. The district anticipates requesting the board to accept the work and file the Notice of Completion of Contract and Acceptance of Work in June 2018.

On April 2, 2018, the district received a request for compensation from the Contractor for \$78,743.40 for impacts related to alleged unforeseen underground conditions, including hard rock drilling and mud disposal. This request for compensation is currently under review by the district. The amount requested by the Contractor exceeds the contingency fund approved by the board. Should the district

find merit to the alleged unforeseen condition and agree to additional compensation, an increase to the contingency fund would require approval by the board.

When the Notice of Completion and Acceptance of Work is brought to the board, a full accounting and a request for board approval of the additional contract costs will be included.

For further information, please contact Katherine Oven at (408) 630-3126.

Kremen

Director Kremen requests staff to provide more detailed information regarding the San Jose population projections discussed at the Recycled Water Policy Advisory Committee meeting.

I-18-0005

At the April 2018, Recycled Water Policy Advisory Committee meeting, there was a brief discussion on San Jose population projections, including a statement from the City of San Jose (City) that they are expecting an increase of approximately 400,000 residents by 2040. This is consistent with the City's most recent population projection (General Plan 4-Year Review), which estimates a population of nearly 1,380,000 in 2040, up from a little over a million people currently. It is also consistent with the projections the district included in its 2015 Urban Water Management Plan.

City Councilmember Arenas, a Committee Member, offered her perspectives on population dynamics in the City, with currently declining elementary school enrollment.

Population projections, typically informed by a city's General Plan, are important as they are often utilized to project water use demands in a water provider's Urban Water Management Plan. These long-term planning documents account for future development, and if properly coordinated with the General Plan, can help assure the region has a reliable water supply. In addition, Water Supply Assessments (WSA) are required for new developments that meet a certain unit or water use threshold. The district reviews these WSAs to ensure the projected growth, and associated water use, is included in our long-term water supply plans. The district also participates in the general planning process to help synchronize land and water use planning.

For further information, please contact Garth Hall at (408) 630-2750

Kremen

Provide Director Kremen with the Draft P3 Term Sheet in WORD format.

I-18-0007

The district provided a copy of the Draft P3 term sheet of the Expedited Purified Water Project in Word format via email to COB, for transmission to the Director.

For further information, please contact Emmanuel Aryee at (408) 630-3074.
