

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

Chief Executive Officer Bulletin Week of July 13-19, 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.

Page	IN THIS ISSUE
<u>1</u>	Challenges with Federal Funding for Upper Guadalupe River Flood Protection Project
<u>2</u>	California WaterFix Delta Conveyance Finance Authority Board of Directors Meeting
<u>3</u>	California WaterFix Certification of Consistency
<u>4</u>	California WaterFix Delta Conveyance Design and Construction Joint Powers Authority Board of Directors Meeting
<u>5</u>	California WaterFix Draft Supplemental EIR/EIS
<u>6</u>	District Met with the Leaders of the South Bay Labor Council and Building Trades Union
<u>7</u>	District Signage Plans for Upcoming Projects

Challenges with Federal Funding for Upper Guadalupe River Flood Protection Project

Since 2014, the United States Army Corps of Engineers (USACE) has not received additional funding for design and construction of the Upper Guadalupe River Flood Protection Project (project). There are still major improvements to be done on the main stem of the Guadalupe River from downstream of Willow Street to Branham Lane, a portion of Canoas Creek, and a portion Ross Creek as part of the project. USACE will require more federal funding to complete the remaining improvements of the project. With limited budget remaining, USACE is halting on-going design efforts and focusing on the following tasks:

1. Completing the Operations and Maintenance Manual (O&M Manual) for Reach 10B and Reach 12 that the USACE completed construction using the 2014 federal fund. In order to transfer the completed work to the district for operation and maintenance, USACE is required to provide the O&M Manual to the district.
2. Updating the estimated project cost and Benefit-to-Cost Ratio (BCR) for the Project. USACE

is required to update the estimated project cost every five (5) years per federal regulations. Preliminary evaluation has indicated that the estimated project cost could have increased more than the limits allowed by federal regulations (Section 902 Cost Limit Policy) and the BCR for the project may drop to below one (1). A project with a BCR less than one (1) is less competitive for federal funding. If the updated project cost is greater than allowed by the Section 902 Cost Limit Policy, USACE is required to re-evaluate and revise the project and cost to comply with the Section 902 Cost Limit Policy. The project may be de-authorized if it has not received federal funding for five (5) years or does not comply with the Section 902 Cost Limit Policy.

3. Determining a path forward for the project to comply with the Section 902 Cost Limit Policy.

The district is working with USACE staff to explore ways they can have adequate funding to complete their evaluation or revision of the project scope, as necessary, in order to demonstrate compliance with federal regulations.

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

California WaterFix Delta Conveyance Finance Authority Board of Directors Meeting

On July 19, 2018, the Delta Conveyance Finance Authority Board of Directors is scheduled to consider several actions including electing officers, adopting California Environmental Quality Act (CEQA) Findings, and authorizing execution of contracts for an Interim Executive Director and treasury/controller and accounting services. In addition, the board will consider authorizing submittal of a letter of interest to the U.S. Environmental Protection Agency for financial assistance for WaterFix under the Water Infrastructure Finance and Innovation Act (WIFIA).

The Delta Conveyance Finance Authority Board agenda materials can be found at the following webpage:

<http://www.dcdca.org/#meetings>

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

California WaterFix Certification of Consistency

On July 17, 2018, the California Department of Water Resources (DWR) posted on its website a Certification of Consistency which contains DWR's detailed findings that the California WaterFix is consistent with the Delta Stewardship Council's Delta Plan. The public notice and certification can be found at the following website:

<https://www.californiawaterfix.com/resources/delta-plan-consistency-determination/>

Following the required 10-day public posting, DWR intends to submit its certification to the Delta Stewardship Council on or after July 27, 2018. Any person may file an appeal within 30-days of the submittal. Assuming a July 27, 2018, submittal, appeals would be due by August 27, 2018. The Delta Stewardship Council will hear all appeals within 60-days of their filing, unless all parties agree to an extension, or the council determines that the issue raised on appeal is not within the council's jurisdiction or does not raise an appealable issue which would put a hearing around October 27, 2018, or sooner. The council will make its decision to either deny the appeal or remand the matter

back to DWR for reconsideration within 60-days of the hearing, which would put a decision by December 27, 2018, or sooner.

The district will inform the board when hearing dates are calendared.

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

California WaterFix Delta Conveyance Design and Construction Joint Powers Authority Board of Directors Meeting

On July 19, 2018, the Delta Conveyance Design and Construction Joint Powers Authority (DCA) Board of Directors is scheduled to meet. The DCA board will consider passing a resolution ratifying the actions taken at the May 17, 2018, DCA board meeting in light of the re-vote on participation in the California WaterFix taken by the Metropolitan Water District Board of Directors in July 2018. Other items include consideration of a proposed budget and other personnel and administrative matters.

The DCA board agenda materials can be found at the following webpage:

<http://www.dcdca.org/#meetings>

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

California WaterFix Draft Supplemental EIR/EIS

On July 17, 2018, the Department of Water Resources (DWR) released its Draft Supplemental Environmental Impact Report/Environmental Impact Statement (EIR/EIS) for the California WaterFix (project) for public review and comment. The updated environmental analysis covers footprint changes resulting from proposed design modifications that are intended to minimize impacts of the project on local communities and the environment. The public review period closes on September 17, 2018. The press release, a brief fact sheet, and environmental documents can be found at the following website:

<https://www.californiawaterfix.com/resources/draft-supplemental-environmental-impact-report-environmental-impact-statement-eir-eis/>

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

District Met with the Leaders of the South Bay Labor Council and Building Trades Union

On July 16, 2018, Board Chair Richard Santos, Director Tony Estremera, and CEO Norma Camacho met with Leaders of the South Bay Labor Council and Building Trades Unions to discuss the request of the unions to negotiate a community workforce agreement. The directors assigned Labor Relations Officer Michael Baratz to begin discussions with the Building Trades to develop a community workforce agreement for particular capital project(s) for board consideration by the end of this calendar year.

For further information, please contact Michael Baratz at (408) 630-2361.

District Signage Plans for Upcoming Projects

The purpose of this brief update is to inform about the district's approach regarding signage plans for upcoming projects. Signage for district projects typically falls into two (2) categories: temporary construction project signs and permanent project signs.

Temporary construction signs are placed at the project site during the construction of a project. The number, placement, and exact content of these temporary signs are project specific and are per the project's design specifications. They vary based on factors such as the size of the project or how visible the construction is to the public. The content of each sign is developed by the community outreach team in conjunction with the project team. The district maintains design standards for these temporary construction signs which serve as a starting point. The design can be updated to highlight prioritized visuals, supporting content, project partner information, board feedback, or information required by permits. For example, recent temporary construction signs have included a photo rendering of the completed project to provide members of the public a better visual. The district is striving to standardize all temporary construction signs moving forward. To achieve this, the district will be adding a process and budget for contracted design consultants to provide photo renderings for all future projects.

Permanent project signage standards are being developed at the district. In addition, efforts are underway to address the funding requirements of these permanent signs during the initial project planning stage. All projects will include prominent signage in the future, which will be unveiled at project completion.

The district is currently undertaking the task of locating all district owned signage in Santa Clara County in order to adequately assess the conditions and maintenance needs of any damaged or outdated signage. This process will also be utilized to begin identifying potential ownership of the various signage. Given the possibility that there may be over 40,000 district owned signage in the county, the district will categorize the various signs and identify the work unit that would likely be responsible for each category of signs (i.e. maintenance, installing new signage when needed, allocation of budget, etc.). District summer interns are helping to identify the signs located throughout our facilities, reservoirs, ponds, and watersheds. The district is also looking into existing agreements with field contractors to help inventory the signs around the creeks and anticipates identifying most district owned signage by fall 2018.

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