

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

## Chief Executive Officer Bulletin Week of August 17 - 23, 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
<a href="#">1</a>	Staff to evaluate the possibility of raising the height of Calero Dam to expand Calero Reservoir's storage capacity.
<a href="#">2</a>	Palo Alto City Council August 20, 2018, Decision with Respect to the Phase 1 Update of the Water Quality Control Plan for the San Francisco Bay-Sacramento San Joaquin Delta Estuary
<a href="#">3</a>	City of San Jose Votes to Place \$1.1 Billion in Two General Obligation Bonds on November Ballot

**Staff to evaluate the possibility of raising the height of Calero Dam to expand Calero Reservoir's storage capacity.**

A Non-Agenda Memorandum responding to BMR I-18-0010 is included in the August 24, 2018, Non-Agenda packet.

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

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### **Palo Alto City Council August 20, 2018 Decision with Respect to the Phase 1 Update of the Water Quality Control Plan for the San Francisco Bay-Sacramento San Joaquin Delta Estuary**

The State Water Resources Control Board (State Board) is in the process of updating the Water Quality Control Plan for the San Francisco Bay-Sacramento San Joaquin Delta Estuary (Bay-Delta Plan). Phase 1 of this update is focused on the Lower San Joaquin River and would require 30-50 percent of the flow in the San Joaquin River's three (3) salmon bearing tributaries to remain in the rivers during February through June.

The San Francisco Public Utilities Commission (SFPUC) has identified significant potential impacts to their Hetch Hetchy Regional Water System (RWS) as a result of these flow requirements, and has

been working with the RWS Wholesale customers to oppose the State Board's proposed flow requirements, and instead to support voluntary settlement agreements (VSA). SFPUC submitted an alternative proposal, which the State Board dismissed that includes a combination of flow and non-flow measures to more effectively and efficiently protect fish and wildlife as well as water supplies. The City of Palo Alto is one of SFPUC's RWS Wholesale customers.

On August 20, 2018, the Palo Alto City Council (Council) considered a proposed resolution to 1) support the objectives of the State Board's Phase 1 update of the Bay-Delta Plan, and 2) support voluntary negotiated settlements instead of the state's proposed flow requirement. Palo Alto city staff (city staff) argued that, under the state's plan, Palo Alto could see severe water restrictions in times of prolonged drought. City staff also argued that a voluntary settlement plan was preferable to lengthy and expensive litigation. SFPUC and the Bay Area Water Supply and Conservation Agency (BAWSCA) supported the staff recommendation for a voluntary negotiated settlement, arguing that there would be severe impacts on cities like Palo Alto during a prolonged drought. The Tuolumne River Trust opposed city staff's recommendation, arguing that more conservation was needed to support the ecosystems of the Tuolumne River and that the negotiated settlement could result in encouraging more waste at the expense of the Tuolumne River ecosystem.

After nearly two (2) hours of presentations, public comment and discussions, the Council voted unanimously to override city staff's recommendation and approve a competing resolution that supports the State Board's flow-only approach, and to send letters to the State Board, SFPUC, and BAWSCA explaining its position.

A video of the August 20, 2018, Council meeting can be found at the following link:  
<https://www.youtube.com/watch?v=U2U9RbAckDI>  
The Bay-Delta Plan item starts at 0:58:00 and ends at 3:05:30.

The water district has been closely following the State Water Board's deliberations on the proposed amendments, and plan to discuss the Bay-Delta Plan and the State Water Board's proposed amendments during the water district board meeting scheduled for August 28, 2018.

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

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### **City of San Jose Votes to Place \$1.1 Billion in Two General Obligation Bonds on November Ballot**

Earlier this month, the San Jose City Council approved placing \$1.1 billion in two (2) separate general obligation bonds on the November 2018 ballot. The first bond would provide funding for affordable housing for families/homeless/veterans and would total \$450M. The second would cover public safety and infrastructure needs and would total \$650M. Notably, that bond would include repairing the storm drain system and protecting open space to prevent creek pollution; the staff reports noted that it would include: "better management of storm water to prevent future flooding and pollution of creeks as a result of flooding; rehabilitating and installing new pump stations as part of the sewer system; and other improvements to address creek pollution."

Because the funding will be used for a specific set of purposes, the measures will require approval by two-thirds of voters. The ballot measure language was developed through a series of three surveys taken in recent months, with the most recent survey taken in July 2018.

Four (4) Councilmembers submitted memos proposing amendments or modifications to the ballot language, categories, project list and ballot measure dollar amount. The final motion to move the

measures forward, made by Councilmember Raul Perez, incorporated the following changes from the Council:

1. Mayor Sam Liccardo's request that the measure be divided into two (2) separate measures rather than one large \$1.1B measure.
2. Councilmember Sergio Jimenez's suggestion to add two (2) more evaluation criteria and solicit input from the public on the list of projects.
3. Councilmember Don Rocha's suggestion for word changes to provide more flexibility in how the bond proceeds are spent and language to include specific groups (such as victims of domestic violence) that could benefit from affordable housing. Councilmember Perez also added people with disabilities as eligible for affordable housing.

Additional language was also added to the public safety/infrastructure measure to specifically state that the open space to be purchased would be in Coyote Valley, and to the affordable housing measure to provide minimum percentages of funding for affordable housing for those with extremely low incomes and a smaller set-aside for financing workforce housing for moderate income residents, such as teachers.

With the aforementioned amendments and language additions, the City Council voted on August 7, 2018, to place both measures on the ballot, and took final action on the resolution to do so on August 10, 2018.

For further information, please contact Rachael Gibson at (408) 630-2884.

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