

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

Chief Executive Officer Bulletin Week of December 14 –20, 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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Update to Feasibility Evaluation of Pumped-Storage Hydroelectric System at Anderson and Coyote Reservoirs

As reported in the CEO bulletin for the week of May 4, 2018, the district collaborated with Silicon Valley Clean Energy (SVCE), a local community choice aggregation agency, to explore the feasibility of a pumped-storage system between Anderson and Coyote Reservoirs. A qualified consultant retained by SVCE completed a high-level 'fatal flaws' feasibility study to determine if a potential pumped hydro storage project of any size or configuration could be justified financially.

The consultant conducting the study evaluated a pumped storage system utilizing the district's existing Anderson and Coyote reservoirs, near Morgan Hill, CA. The approach for this project is to utilize the existing storage capacity and head differential between the two (2) reservoirs to produce up to 15 MWs of power over an eight (8) hour period to respond to California's wholesale energy market. During off-peak periods when power costs are lower, water would be pumped from the lower Anderson Reservoir into Coyote Reservoir. Then, during times of peak demand, water from

Coyote Reservoir would be released through turbines to generate electricity, which would be distributed via a new distribution or sub-transmission circuit that would interconnect to the PG&E's transmission circuit located at the Coyote Pumping Plant substation.

The final report concluded that based on the high project costs relative to potential revenue, no further project development is recommended.

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

Anderson Dam, FAHCE, and Coyote Creek Collaboration

On Thursday, December 6, 2018, and Friday, December 7, 2018, the Anderson Dam Seismic Retrofit Project (ADSRP), the Fish and Aquatic Habitat Collaborative Effort (FAHCE), Coyote Creek Flood Protection Project teams, and Office of District Counsel, engaged in a two (2) day workshop to develop a global methodology for future regulatory interactions. During the workshop, points of nexus, key takeaways, and next steps were reviewed for each initiative. Due to the concurrent project schedules and potential impact to future operations of Anderson Dam, it is essential that the objectives and regulatory approach for all three (3) initiatives be consistent and aligned. To further this end, the cross functional team has scheduled monthly follow up meetings and will participate in group meetings with regulatory agencies when appropriate.

For further information, please contact Christopher Hakes at (408) 630-3796.

State Water Board Adopts Flow Requirements for the Tuolumne and Other San Joaquin River Tributaries

On December 12, 2018, the State Water Board (Board) adopted amendments to the Bay Delta Water Quality Control Plan (Bay Delta Plan) for Phase 1, which includes unimpaired flow requirements for the San Joaquin River and its tributaries, including the Tuolumne River. In addition, the Board directed their staff to assist the California Natural Resources Agency in completing a Delta watershed-wide voluntary settlement agreement by March 1, 2019. The Board's goal is to include that voluntary agreement as an alternative for a future comprehensive Bay Delta Plan update that the Board would consider soon after December 1, 2019.

The Board had twice delayed their decision to adopt the plan amendments, most recently on November 7, 2018, after Governor Brown and Lieutenant Governor Newsom submitted a joint letter requesting a month to finalize a voluntary agreement. At the December 12, 2018, Board meeting, the California Department of Fish and Wildlife Director Chuck Bonham and California Department of Water Resources Director Karla Nemeth presented the framework for the proposed voluntary settlement agreement for the Delta, Sacramento River, Feather River, Yuba River, American River, Mokelumne River, San Joaquin River, and the Tuolumne River. Missing from the agreement were the Stanislaus and Merced Rivers, which are part of the Phase 1 amendments. The Board was encouraged by the broad-ranging proposed voluntary settlement, which includes flow and non-flow measures, science, adaptive management, and funding, but the Board also declined any endorsement pending further review.

The meeting included several hours of public testimony from water agencies, Delta interests, and environmental groups. None of the environmental stakeholders favored the Board delaying adoption of the Phase 1 flow requirements. Several amendments were proposed by Board

Member D'Adamo, but all were voted down. Ultimately, the Board voted 4 to 1 (with D'Adamo voting no) to adopt the Phase 1 flow requirements.

The Board will proceed with development of Phase 2 of the Bay Delta Water Quality Control Plan for the Sacramento River and its tributaries, concurrently with the development of voluntary settlement agreement language. The Phase 1 amendments adopted will go through further administrative process to the California Office of Administrative Law and the United States Environmental Protection Agency for approval before the Board may commence with the implementation process.

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

San Jose Sports Authority 2021 Ironman 70.3 World Championship

The district was contacted by the San Jose Sports Authority (Authority) to explore the possibility of submitting a proposal to host the 2021 Ironman 70.3 World Championship. The San Jose Sports Authority is a non-profit organization whose mission is to increase the City of San Jose's economic development, visibility, and civic pride through sports.

The Ironman 70.3 World Championship is a two (2) day international event with 2,000 women competing on Saturday and 3,000 men on Sunday in an Ironman format competition. In order to be considered as a host city, the venue must accommodate a 1.2-mile swimming event. The Authority contacted the district to explore using one of the district reservoirs for this event and identified Vasona Park and reservoir as the ideal location to host the festival style event and the swimming competition. The County of Santa Clara would issue the recreational permits needed to use the facility, however, permits can only be issued up to a year in advance.

Before submitting a proposal, the Authority has asked the district to identify any potential roadblocks or challenges regarding the use of the reservoir. The due date to submit the proposal is December 31, 2018.

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

Business Support & Warehouse Unit implements customer service and efficiency change

Effective December 10, 2018, small equipment such as chain saws being checked out by staff for district work, are being serviced by District Warehouse staff from the Warehouse Counter located at the Winfield Warehouse, instead of a separate counter previously manned by 1.5 FTEs under an outsourced contract.

Bringing services back in-house enhanced customer service and provided cost-savings of over \$100,000 a year. The warehouse team issues and assist with returning the Class 4 related equipment. The District's Class 4 Mechanic will concentrate on repairs, maintenance, and inventory of Class 4 equipment. A number of other efficiencies, process improvements and customer service enhancements from the unit are underway and will be communicated in the next few months.

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

Field Safety Concerns

On October 23, 2018, the CEO and the Chiefs hosted a forum for field staff to share their safety and health concerns while working throughout district watersheds. Staff expressed that they have witnessed an increase in criminal activities and environmental hazards associated with homeless encampments. Additionally, staff stated concerns about being personally confronted, and having weapons brandished at them by angry, irate and aggressive persons. To assist staff, and to help address these concerns, numerous safeguards have been deployed such as the availability of AlertGPS devices for staff. In emergency situations, employees in distress can quickly and easily notify and communicate with response personnel and a monitoring center with the touch of a button on their AlertGPS device. The solution allows employers to quickly isolate the precise location of employees with reliable, round-the-clock location tracking and integrated 2-way communication.

Additionally, dual band radios are available for staff to carry and the district has an agreement with County Communications and County Park Services to use their radio frequencies to quickly communicate requests for emergency services from remote areas if needed. Security currently sends out security bulletins to field staff when incidents occur in the field to ensure staff know where the incident occurred, and what the incident was, to raise staff awareness of potential trouble areas.

Staff also have received numerous training sessions on field safety protocols associated with blood borne pathogens, prophylactic vaccinations, needle handling protocols, vicious animal training including being issued animal repellent spray, wilderness first-aid training and issued each crew truck a wilderness first-aid kit, and workplace violence for field personnel training. For larger projects, police officers are contracted to clear high-risk areas prior to staff entering the work zones.

As a result of the Chief's safety forum, going forward, district security is training staff on the use of the CalCOP Watch Board which is a GIS tool available for documenting trouble spots throughout the valley that staff can access and review prior to deployment to the field. Additional training for staff is currently scheduled that will teach staff confrontation management to avoid confrontation when possible and practice strategies and skills to respond when necessary. Other future training includes field safety and security training to identify the security hazards of working in the field and to review simple strategies for addressing these issues.

Currently, staff is researching and discussing with Legal Counsel and Risk Management the possibility of staff carrying pepper spray for self-defense purposes. Once the research is complete, and comments received from Legal Counsel and Risk Management, staff will present a policy decision on this subject to the CEO for consideration. Additionally, Workforce Development is looking into the possibility of providing staff with self-defense classes.

A presentation of the above information was presented to the Management Leadership Team on December 6, 2018, and Security and Environmental, Health & Safety continue to look for ways to address staff concerns associated with the potential field safety issues.

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

Adobe Pedestrian Bridge Joint Use Agreement Celebration and Signing Ceremony

On Thursday, December 13, 2018, the district board approved maintenance and joint-use agreements to collaborate with the City of Palo Alto, Google, and Caltrans to support the

construction of a pedestrian/bike bridge that will span over Highway 101 from south Palo Alto to the Baylands. The bridge will provide a link for bike riders and pedestrians to access businesses and recreation trails on both sides of the highway.

The Benjamin Lefkowitz Underpass is the path that currently connects the two (2) sides, but is closed for several months each year due to Adobe Creek's seasonal flooding of the underpass area. Once the new bridge is built, it will provide year-round access. The district's connection to the project is that the bridge section extending to E. Meadow Drive along Adobe Creek is on district property.

On December 17, 2018, Director Kremen attended the Joint Use Agreement Signing Ceremony and Celebration on behalf of the district. During the celebration, Director Kremen highlighted the value this project has for creating safe routes for the community and the importance of supporting no-emissions commuting options. Director Kremen was joined by State Senator Jerry Hill, State Assemblyman Marc Berman, Palo Alto Mayor Liz Kniss, Google COO for Real Estate & Development Mark Golan, and others who have championed the project. The celebration was well attended by both the public and media.

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

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