

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

Chief Executive Officer Bulletin Week of August 23 – August 29, 2019

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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1. Cooperative Agreement and Partnership Results in \$45,000 Savings

The Valley Water Board of Directors directs the Board Appointed Officers to ensure that Valley Water spends in ways that are cost-efficient (EL-4.2). Valley Water takes this directive seriously and is always looking for ways to be efficient and fiscally responsible with tax payer's dollars. One recent example is with the Coverall Program that provides coveralls for our field staff in Watersheds, Water Utility, and in the Fleet department.

The current vendor's prices were drastically increasing while the quality and consistency in service was going down. The Business Support & Warehouse unit reached out to the Procurement & Consultant Contracts Services unit to see if there was a way to improve these services and contain the costs. Procurement was able to find a National Cooperative Agreement with a local vendor that can provide comparable and even better services than what is currently received. The benefit of a Cooperative Agreement is that it leverages the competitive bid process and larger volume pricing for public agencies like ours saving both time and money.

The agreement with the new vendor will save Valley Water almost \$45,000 for the term of the contract (a 70 percent savings) and should increase the level of satisfaction in quality and service for our employees that use coveralls in their daily work.

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

2. Meetings Related to Potential Storage Projects

Antelope Valley East Kern Groundwater Bank

Valley Water has been reviewing the potential for Valley Water to participate in a groundwater bank that would be owned and operated by Antelope Valley East Kern (AVEK). AVEK is a State Water Project (SWP) contractor located south of the Tehachapi Mountains overlying the adjudicated Antelope Valley groundwater sub-basin. Valley Water has been coordinating with AVEK on a potential site visit this summer or fall.

Buena Vista Water Storage District

Valley Water has been in discussions with Buena Vista Water Storage District (BVWSD) staff regarding potential partnerships to develop a groundwater banking and exchange program. BVWSD receives flows from the Kern River and is a member agency of Kern County Water Agency, which supplies State Water Project water. BVWSD is located in Kern County, approximately sixteen miles west of the City of Bakersfield. John Vidovich, Chair of BVWSD's Board of Directors, has requested a meeting with Valley Water Directors to discuss storage opportunities.

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

3. State Board Issues New Requirements Related to Perfluorooctanoic Acid (PFOA) and Perfluorooctanesulfonic Acid (PFOS)

Last Friday, August 23, 2019, the State Water Board's Division of Drinking Water (DDW) issued lower Notification Levels (NLs) for perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS) in drinking water. This notification, which went to effect immediately, lowered the NLs from14 parts per trillion (ppt) to 5.1 ppt for PFOA and from 13 ppt to 6.5 ppt for PFOS.

A notification level is a non-regulatory, precautionary health-based advisory level of contaminant in drinking water that warrant notification and further monitoring and assessment.

Currently Valley Water is only required to monitor for these compounds at the Campbell Wellfield. We have an established monitoring and response plan and will continue tracking the development of the regulatory impact and requirement of these compounds.

For further information, please contact Bhavani Yerrapotu at (408) 630-2735.

4. United States Geological Survey (USGS) Collaborative Agreement to Study Methylmercury Formation in the Water Column of Reservoirs

Valley Water is collaborating with USGS to measure methylmercury production in the water columns of four reservoirs. The four reservoirs are part of Valley Water's mercury studies and oxygenation program (Guadalupe, Almaden, Calero, and Stevens Creek). The study will analyze variations among reservoirs, seasonal variation, as well as factors that may affect how methylmercury forms in the water column. This process is not well understood, but has large

management implications. Most mercury management strategies focus on the sediment-water interface at the bottom of the reservoir. However, a growing body of evidence suggests that mercury can be converted into methylmercury in the water column, in addition to at the sediment-water interface. Therefore, this work could have far reaching implications on how reservoir managers address mercury under the impending Statewide Mercury Program for Reservoirs. Field work with USGS occurred in May 2019, and a second sampling event is scheduled for August 2019.

For further information, please contact Lisa Bankosh at (408) 630-2618.

5. Upper Llagas Creek Flood Protection Project: Phase 1 Groundbreaking Ceremony

Valley Water hosted a groundbreaking ceremony for the Upper Llagas Creek Flood Protection Project: Phase 1 on Wednesday, August 28, 2019, in Morgan Hill.

Speakers included: Congresswoman Zoe Lofgren, Director John Varela, Lieutenant Colonel John Cunningham from the US Army Corps of Engineers, Santa Clara County Supervisor Mike Wasserman, and Morgan Hill Mayor Rich Constantine. Officials and staffers from the State Assembly and cities of Morgan Hill and Gilroy were in attendance as well. CEO Norma Camacho served as master of ceremonies.

The event featured a shovel-in-dirt photo opportunity for elected officials. Valley Water was on hand to answer questions and coordinate with members of the media. Attendees were provided information about the project and its benefits to the community. The event was broadcast on Facebook Live and recorded by Valley Water.

Upper Llagas Creek Flood Protection Project: Phase 1 construction is anticipated to begin in September 2019, with completion anticipated by May 2022. The entire project consists of approximately 13.9 miles of flood protection improvements along East Little Llagas Creek, West Little Llagas Creek, and Llagas Creek within the cities of Gilroy, Morgan Hill, and the unincorporated area of San Martin. Phase 1 construction work limits are from Buena Vista Avenue in Gilroy upstream to Highway 101, and Monterey Road upstream to Watsonville Road in Morgan Hill. Included in the Phase 1 construction advertisement is tentatively scheduled to be considered by Valley Water Board of Directors in early 2020. Upon completion of both Phase 1 and Phase 2 construction, the project will provide flood protection for more than 1,100 homes, 500 businesses, and 1,300 acres of agricultural land in southern Santa Clara County. This project continues a Clean, Safe Creeks project in partnership with the U.S. Army Corps of Engineers.

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

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