

# CEO BULLETIN



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

Week of December 13, 2019 – December 19, 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. 2019 Volunteer Recognition Event - Wednesday, December 11, 2019

The 2019 Volunteer Recognition Event took place on Wednesday, December 11.

Seven individuals were recognized for their volunteer efforts in trash removal from our local creeks and streams and for supporting Valley Water's efforts in the community. The award recipients motivated and inspired others to spread positive messages about Valley Water, showed appreciation of other volunteers, and resonated Valley Water's mission through their on-going support and commitment.

Some of these recipients participated in National River Cleanup Day and/or Coastal Cleanup Day, are part of Valley Water's year-round Volunteer Program and/or our year-round Adopt-A-Creek

Program (AAC).

Recipients for this year's Volunteer Recognition Event included:

- Swanee Edwards - District 1, Director John Varela
- Jennifer Sant'Anna - District 2, Director Barbara Keegan
- Dean McCully, South Bay Yacht Club - District 3, Director Ricard P. Santos
- Boy Scouts of America Troop 286 - District 4, Chair Linda J. LeZotte
- Marcia Yasukawa - District 5, Vice Chair Nai Hsueh
- Santa Clara County Parks and Recreation Department - District 6, Director Tony Estremera
- City of Palo Alto Watershed Protection Group - District 7, Director Gary Kremen

In 2019, a total of 3,668 volunteers helped clean up local creeks, cleaning over 149 miles of local waterways and removing 116,660 pounds of trash. The overall value of volunteer time given in 2019 for creek cleanups and other activities amounts to \$403,000.

CEO Norma Camacho, Board Chair LeZotte, Vice Chair Hsueh, Director Santos and Amy McElroy, from State Assemblymember Robert Rivas' office were in attendance as well as, Chiefs Callender and Yoke.

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

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## **2. Climate Change Action Plan Progress and Schedule**

Since the previous CEO bulletin update, Valley Water's Climate Change Action Plan (CCAP) development has made significant progress. Due to staff retirement and promotion, a new team in the Environmental Planning Unit took over leading the collaborative planning effort and has reviewed the extensive prior work. The team has organized and consolidated the greenhouse gas emission reduction and adaptation strategies. The next significant efforts will be to finalize the strategies and develop the planning document in collaboration with staff throughout Valley Water, with a goal of completing the plan by summer 2020.

For further information, please contact Vincent Gin at (408) 630-2633.

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## **3. Valley Water Passes Underground Storage Tank Inspections**

Recently the County of Santa Clara Department of Environmental Health, Hazardous Materials Compliance Division, conducted annual Underground Storage Tank (UST) inspections at the Penitencia and Santa Teresa Water Treatment Plants. The inspections verified that all UST monitoring equipment for both tanks were functionally tested, and all critical equipment passed the functional testing requirements. Additionally, document reviews of the daily aboveground piping inspection and alarm logs, monitoring equipment certification forms, secondary containment test results, overfill prevention equipment inspection forms, precision line test results, Designated Operator monthly inspections, and Designated Operator training records at both Valley Water Treatment Plants were all found in order. The County Hazardous Materials Specialist who conducted the inspection noted no findings or corrective actions resulting from the inspections. A reminder was noted that the triennial secondary containment testing, at the Penitencia Water Treatment Plant, is due in January 2020.

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

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#### 4. Year Long Skilled Trades Internship Program to Resume on December 19, 2019

The year long, part time and paid skilled trades internship program is set to resume on Thursday, December 19, 2019. The selected candidates, who are currently enrolled in the Water Resources Management program at Gavilan College, will intern at Valley Water's four (4) Water Treatment facilities.

This is the second time in the last three years that we have implemented this program and rotated seven interns, of which two have become permanent employees.

The skilled trades internship program is an excellent opportunity for the participants to explore their chosen career path, develop industry specific skills and knowledge, and become a part of our network of water treatment operators while serving their community in a local government agency.

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

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#### 5. LeZotte

**Staff is to provide the purpose and scope of the Board Audit Committee, and process that is used to add items on committee work plans.**

**R-19-0015**

##### Board Audit Committee Purpose

Per the Board-approved Board Audit Committee (BAC) Audit Charter, the BAC was established to assist the Board of Directors (Board), consistent with direction from the full Board, to identify potential areas for audit and audit priorities, and to review, update, plan, and coordinate execution of Board audits.

In addition to carrying out audits in a Board approved Annual Audit Work Plan, the BAC's purpose also includes oversight of audits initiated by District management, review and comment upon final audits initiated by third-party governmental or administrative agencies, and the conduct of Limited Investigations to address discrete issues or concerns regarding fraud, waste, or violations of law or policy at Valley Water - where no prior Board approval shall be required.

The BAC is also authorized to participate in the District's procurement process for the District's annual financial statement audit. The BAC's participation includes, but is not be limited to, providing input to District management on the selection criteria and desired qualifications of the public accounting firm. The selected external financial auditor shall submit to the BAC the District's audited financial statements annually, including all related management letters to the BAC for review and comment.

Through its oversight of the audit process, the BAC provides the Board with independent advice and guidance regarding the adequacy and effectiveness of the District's management practices and potential improvements to those practices.

##### Board Audit Committee Work Plan

Work Plans are dynamic documents managed by Committee Chairs and are subject to change. Annual Work Plans establish a framework for committee discussion and action during the annual meeting schedule. Committee Work Plans also serve as Annual Committee Accomplishments Reports.

At least annually, the BAC will develop and submit a proposed Annual Audit Work Plan to the full Board for consideration and approval. Following such Board consideration and approval, the BAC's Annual Audit Work Plan will automatically be updated to include any additional audits formally referred to the BAC by the full Board. The BAC work plan also includes items approved by a majority vote of the Committee. Only audits properly included in an approved Annual Audit Work Plan, as set forth in the above section, may be undertaken by the BAC.

For further information, please contact Michele King at (408) 630-2711.

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**6. Kremen**

**From the SFPUC Intertie tour, Director Kremen is requesting the following information: Where it would make sense to add other system interties, Capacity Analysis related to SFPUC/BAWSCA's request to move Los Vaqueros Expansion water through Valley Water's system; any analysis on adding solar panels at the facility, or additional fuel storage, potential for using the site as a backup SCADA control center to operate the water treatment plants, and, Security needs and if this was addressed in a recent security assessment.**

**I-19-0021**

Below are responses to several questions that arose at a tour of the Milpitas intertie on November 13, 2019. In addition, a tour of the South Bay Aqueduct (SBA) is being arranged.

Where it would make sense to add other system interties: The 2016 Infrastructure Reliability Project (IRP) conducted a comprehensive review of existing and potential interties between Valley Water, retailers, and other regional agencies. The IRP recommended is a new intertie with Great Oaks Water Company on the Snell Pipeline. Great Oaks Water Company could provide up to 20 million gallons per day (MGD) to Valley Water's east treated water system in an emergency. The cost of this intertie was estimated at \$1.5 Million (2016 dollars). In addition, the IRP included several recommendations for Valley Water retailers to improve or add interties to their own systems, and a study to further evaluate and test capacities of existing retailer interties. A west side intertie with the San Francisco Public Utilities Commission was also studied, but not recommended for implementation because the costs outweighed the benefits; however, the west side intertie is currently being evaluated further as part of the Bay Area Regional Reliability Project.

Capacity analysis related to the San Francisco Public Utilities Commission's (SFPUC) and the Bay Area Water Supply & Conservation Agency's (BAWSCA) request to move Los Vaqueros Expansion (LVE) water through Valley Water's system: As part of the LVE project, both SFPUC and BAWSCA have expressed interest in moving LVE water through Valley Water's treatment and distribution system and the SFPUC intertie. This would require excess capacity in Valley Water's East treated water system. Valley Water has done an initial analysis of available capacity in the East treated water system to accommodate these and other potential future capacity requests. Water treatment plant capacity is currently the limiting factor in the East treated water system. The two water treatment plants have a combined maximum operational capacity of 132 MGD. The pipelines are sized adequately to convey this maximum amount under normal operating conditions. 2040 projected average demands for current retail customers is estimated at 126 MGD, which leaves approximately 6 MGD excess capacity in the system on average. At lower demands, more capacity would be available. However, the city of Santa Clara and the city of San Jose have also contacted Valley Water to inquire on the possibility of receiving additional treated water from Valley Water's East treated water system. Valley Water will continue to coordinate with SFPUC, BAWSCA, and South Bay Aqueduct Contractors, and will be pursuing a consultant agreement to further refine available system capacity under a variety of operational conditions, and to identify options and costs for providing additional capacity.

Any analysis on adding solar panels at the facility, or additional fuel storage: Valley Water has not analyzed adding solar panels at the SFPUC intertie facility; however, due to the inconsistency of power usage at this facility, it is not an ideal candidate for solar power. The intertie is only operated when needed in emergency conditions. Fuel storage at the facility is adequate for current operational needs and meets National Electrical Code article 708 Critical Operation Power System fuel storage requirements. Additional fuel storage has not been considered or analyzed.

Potential for using the site as a backup SCADA control center to operate the water treatment plants: Valley Water plans to develop an updated SCADA Master Plan over the next two years that will identify the need and potential locations for back-up SCADA control centers for both the raw and treated water systems.

Security needs and if this was addressed in a recent security assessment: The recent Guidepost Solutions LLC. Security System Assessment did not specifically address this facility. Emergency Services and Security staff and Information Technology staff are conducting a vulnerability assessment. This assessment will be complete by the end of December 2019.

For further information, please contact Nina Hawk at (408) 630-2736.

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