CEO BULLETIN

To: **Board of Directors**
From: **Rick L. Callender, CEO**

Weeks of September 11 – September 24, 2020

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.

1. Anderson Dam Seismic Retrofit Project Virtual Public Meetings

In September 2020, Valley Water hosted two virtual public meetings via Zoom on the Anderson Dam Seismic Retrofit Project. Both meetings informed the public with an update on upcoming Anderson Reservoir activities including the lowering of water at the reservoir starting on October. 1, 2020 per an order by the Federal Energy Regulatory Commission.

During the September 9, 2020 virtual meeting, Valley Water engaged with residents of the Holiday Lake Estates neighborhood and informed them of ongoing geotechnical work near Anderson Dam, along with potential property impacts from those activities. The virtual meeting had 68 participants and who received responses to 59 questions during the Questions and Answers session.

On September 17, 2020, Valley Water held its general virtual public meeting on the Anderson Dam Seismic Retrofit Project. During this webinar event, 110 community members participated via Zoom and 27 people watched live on Facebook. Valley Water responded to 78 questions posed by the attendees.

The links to the video recordings of both virtual public meetings can be viewed on Valley Water's YouTube channel or on the project web page: https://www.valleywater.org/anderson-dam-project. The project's Frequently Asked Questions document is currently being updated and will be posted to the project web page.

For further information, please contact Rachael Gibson at (408) 781-4739.

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2. Countywide Water Reuse Master Plan Update

The goal of the Countywide Water Reuse Master Plan (Reuse Master Plan) is to identify and evaluate future reuse opportunities in collaboration with recycled water producers, wholesalers, retailers, users, and other interested parties. Valley Water's draft Reuse Master Plan evaluates reuse opportunities to provide up to 24,000 acre-feet per year of potable water reuse by 2028. The plan's analyses and findings will directly influence the water supply investment strategies in the Water Supply Master Plan 2040, which is used to ensure long-term supply reliability for Santa Clara County. The Reuse Master Plan is scheduled to be completed in Spring 2021.

Since January 2018, the Reuse Master Plan has:

- Produced over 15 critical engineering reports that represent the reuse planning foundation;
- Analyzed and prioritized over 25 preliminary water reuse expansion alternatives;
- Incorporated feedback (>40 stakeholder meetings, >1000 comments) from key project partners, regulators, water wholesalers and retailers, and other interested stakeholders;
- Integrated the technical findings from Valley Water's Reverse Osmosis Concentrate Management Program;
- Expanded the planning analysis to include opportunities for direct potable reuse with treated water augmentation;
- Documented state and federal regulatory and permitting requirements; and
- Incorporated recommendations from Valley Water's Independent Advisory Panel.

The Draft Reuse Master Plan represents the assemblage of these critical engineering and planning documents into a comprehensive water reuse planning compendium that describes available source water, relevant institutional arrangements, existing reuse systems, expanded (both direct and indirect potable) reuse potential, feasible project portfolios, and cost implications.

Highlights of the Draft Reuse Master Plan include:

- Developed seven feasible potable water reuse portfolios with Valley Water's North County wastewater partners;
- Developed one Non-Potable Reuse and two Potable Reuse options for Morgan Hill;
- Estimated Capital Expenses (CAPEX) for North County reuse portfolios from $555M to $814M and Operational Expenses (OPEX) from $20.2M and $23.2M; and
- Estimated CAPEX for South County reuse options from $70M to $145M and OPEX from $2.6M and $7.4M.

Project partner, regulatory agency and stakeholder comments and recommendations are now being incorporated into the Draft Final Reuse Master Plan scheduled for release in October 2020. Future Stakeholder meetings are planned with Regulators, Project Partners, Executive Leadership, and other interested stakeholders.

On August 25, 2020, the Board authorized additional resources and engineering support to complete the Reuse Master Plan in early 2021.

A copy of the Draft Reuse Master Plan can be viewed or downloaded using the following link: https://fta.valleywater.org/fl/oILXALNfFH.

For further information, please contact Jerry De La Piedra at (408) 630-2257.

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3. New Environmental Laboratory Accreditation Program Requirements Taking Effect

In May 2020, the Valley Water Board of directors received an update that the State Water Resources Control Board (Water Board) adopted new regulations for Environmental Laboratory Accreditation Program (ELAP) accreditation in California. Current ELAP regulations do not include Quality Systems, a program for continuous improvement that provides feedback to identify problems and systematically correct them to prevent recurrence. The Water Board deemed that this is a critical component in ensuring that labs produce defensible data of known, consistent, and documented quality. Under the new regulations, labs are required to manage and control all factors that can potentially impact the quality of lab data, ranging from equipment and supplies to sample collection and handling, from record keeping to the training of staff. These requirements are in addition to the analytical testing requirements and are designed to facilitate the production of reliable data, essential for protecting public and environmental health.

Although the new regulations go into effect January 1, 2021 and labs have three years to comply, ELAP staff are already starting to pre-assess labs for their readiness. Earlier this month, ELAP auditors requested several records related to testing and quality control processes for pre-assessment of quality systems for Valley Water's small lab at the Silicon Valley Advanced Water Purification Center. This new request is part of the ELAP revised on-site assessment program to plan transition to third-party assessments required in the future by new regulations. Valley Water has been anticipating this workload and has allocated budget and resources effective FY20 to address this requirement. Valley Water is diligently working to meet these new regulatory requirements by the due date.

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

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4. Safe, Clean Water Grant Closeout: San Francisco Bay Bird Observatory's Establishing Foster's Tern Nesting Sites Project

In Fiscal Year 2019, Valley Water awarded the San Francisco Bay Bird Observatory (SFBBO) a $164,000 Safe, Clean Water Program D3 Grant for the Establishing Forster's Tern Nesting Sites Project (Project). SFBBO completed the Project on April 30, 2020.

This Project helped establish a healthy nesting population of at-risk Forster's terns, seabirds that were once abundant in Alviso Pond A16. The goal was to establish up to 50 breeding pairs of birds using innovative technologies, such as the deployment and maintenance of 300 previously purchased decoys and six electronic call systems during the breeding season to attract birds to nest on recently constructed islands. The Project is an important part of the larger South Bay Salt Pond Restoration Project and Don Edwards San Francisco Bay National Wildlife Refuge.

In collaboration with the South Bay Salt Pond Restoration program, the Project also supported public education and outreach about Forster's terns and Pond A16. Outreach included the publication of an article in *Tide Rising*, a digital newsletter published by the San Francisco Bay Wildlife Society, updating the Project webpage, and producing an educational video that highlights the Project success.

Key Outcomes:

- Re-establishment of nesting Forster's terns to Pond A16 with a nest success rate of 60% and 35 nests documented in 2019.
- Direct support of two acres of island nesting habitat and 240 acres of wetland habitat within Alviso Pond A16.
- In early 2020, SFBBO hosted a public webinar about the Project with 136 attendees.
- SFBBO staff presented Project findings at the South Bay Salt Pond Restoration Project's annual stakeholder meeting on January 14, 2020.

For further information, please contact Marta Lugo at (408) 630-2237.

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5. Talent Development has created an innovative team development tool called TEDCircles

Valley Water's Talent Development department has created an innovative team development tool called TEDCircles. Talent Development and the Office of Racial Equity, Diversity & Inclusion (REDI) have partnered to create an internal web page for employees, "Cultivate Connection with TED Talks," to fuel discussion-based learning. TED categories to date include: Building Trust, Communication, Conflict Resolution, Diversity & Inclusion, and Leadership. Each video has coordinating questions to use as conversation starters. Internal trained facilitators are also available to assist Valley Water units/teams, if needed.

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

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6. Valley Water Reviewing a Cal/OSHA Citation Alleging an Excavation Safety Order Violation

On March 10, 2020, Valley Water was visited by a California Division of Occupational Safety and Health (Cal/OSHA) enforcement inspector at the Santa Teresa Water Treatment Plant regarding the maintenance repair project of a 12-inch water main. The inspector visited the location, spoke to employees, and officially requested all documents associated with the repair work, including all relevant safety work instructions, equipment manuals, Valley Water's injury and illness logs, excavation checklists, associated work emails, relevant safety training records, and Valley Water's Employee Safety Handbook. After an inspection, Cal/OSHA has six months from the date an alleged violation occurs to issue a citation for violations related to the life, safety, and health of employees. Valley Water did receive a citation on September 11, 2020, the last day of the 6-month period. The violation is classified as a General Violation, which is a violation specifically determined not to be of a serious nature but has a relationship to occupational safety and health of employees.

The alleged violative condition was based on the Construction Safety Orders, General Requirements for Excavations. The alleged violation states that Valley Water failed to ensure that the open 8-foot trench, with subsurface installation (12-inch water main) was properly protected to safeguard all employees working in the area. The citation also indicates that the violation was corrected at the time of the inspection.

There are two courses of action available to Valley Water, one of which must occur within 15 working days after the receipt of the citation. Valley Water can accept the violation and pay the proposed $750.00 fine or appeal the citation in a timely manner. An additional option, which Valley Water is taking, is to request an informal conference with the Cal/OSHA District Manager to discuss, negotiate, or attempt a settlement in the case. The citation, and related facts, are currently under review by Legal Counsel to determine the veracity of the alleged violation.

At this point, this CEO Bulletin is informational. If the citation is accepted, or upheld on appeal, another CEO Bulletin will be forthcoming to report an EL-3.5 violation.

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

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7. Valley Water's Landscape Rebate Program Success to be Highlighted in National Journal

Valley Water's study highlighting the success of its Landscape Rebate Program (LRP) has been accepted for publication in the Journal American Water Works Association, a prestigious journal for water professionals. The article is scheduled for publication in January 2021. In this study, the water savings associated with the various elements of LRP were assessed for single-family homes, including: the replacement of turf with low-water use species, the replacement of automatic timer-based controllers with weather-based irrigation controllers, and the replacement of conventional sprinkler nozzles with high-efficiency nozzles. The study indicates that significant and on-going water savings can be achieved by providing rebates for these items.

The study also showed that non-participating single-family residents conserved water during the drought, likely due to conservation messaging. The article discusses several factors that may contribute to the water conservation program success, such as stringent requirements that plants and technology be selected from approved lists, pre- and post-inspection verification, and capacity-building efforts such as a conservation hotline to provide participants with program assistance. The results of this study show the effectiveness of Valley Water's conservation program and offers science-based guidance for development of future programs.

For further information, please contact Jerry De La Piedra at (408) 630-2257.

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