

CEO BULLETIN



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

Weeks of October 22 – November 4, 2021

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. Annual Valley Water-San Francisco Public Utilities Commission Intertie Coordination Meeting

On October 21, 2021, Valley Water and the San Francisco Public Utilities Commission (SFPUC) held their annual coordination meeting for the operation and maintenance of the joint Valley Water-SFPUC intertie facility (intertie). The intertie connects Valley Water's East Side treated water distribution system with SFPUC's distribution system and is used to convey up to 40 million gallons per day of treated water between the two agencies during planned critical infrastructure repair or emergency outages.

During the meeting, Valley Water and SFPUC reviewed the operations and maintenance activities of the intertie, discussed each agency's upcoming planned system outage schedules, and coordinated support needed during the planned outages. This annual coordination meeting helps enhance the collaborative working relationship between the two agencies and ensures reliable water supply to our communities.

For further information, please contact Sam Bogale at (408) 630-3505.

2. Low-Income Water Rate Assistance Program Launches

The Low-Income Residential Water Rate Assistance Program (WRAP) approved by the Valley Water Board of Directors to assist low-income households in Santa Clara County with their water bills launched last week. Valley Water has issued the first round of pass-through funding to Sacred Heart Community Service (SHCS), who is administering the program, to begin disbursing funds to the community. SHCS is working with seven other agencies in their Emergency Assistance Network to get the word out about the program to the 4,000 low-income households in Santa Clara County, who have previously qualified and accessed the low-income home energy financial assistance program. SHCS will provide a status report at the end of December 2021 and will provide quarterly reports on the program's status thereafter via the CEO Bulletin.

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

3. Project of the Year Award for the Permanente Creek Flood Protection Project – Rancho San Antonio Detention Basin Project

Permanente Creek Flood Protection Project – Rancho San Antonio Detention Basin has been awarded the Project of the Year Award from the American Public Works Association (APWA) Silicon Valley Chapter. The American Public Works Association is an international educational and professional association of public agencies, private sector companies, and individuals dedicated to providing high quality public works goods and services.

The APWA Silicon Valley Chapter recognized the Rancho San Antonio Flood Detention Basin Project as a public works project that demonstrated excellence in its planning, design and construction, and coordinated effort between various stakeholders to complete the project. It was also noted for its dual-purpose, which provides flood protection for properties adjacent to Permanente Creek, in addition to recreational and environmental improvements at the Project site. Those named in the award are Valley Water, Granite Construction, and Mott MacDonald. The APWA Silicon Valley Chapter Awards Ceremony was held on October 20, 2021.

For further information, please contact Rechelle Blank at (408) 630-2615.

4. Regional Water Quality Control Board Staffing Agreement

On October 14, 2021, Valley Water entered into a 2-year Agreement for Contract Services with the Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC) to provide the qualified staffing resources to the San Francisco Bay Regional Water Quality Control Board (Water Board). The agreement provides for a full-time person to expedite permit application evaluation for Valley Water projects requiring Water Board approval pursuant to Section 401 of the federal Clean Water Act and State Porter-Cologne Water Quality Control Act. As with other staffing agreements that Valley Water has entered into for state and federal agency staffing, this agreement will provide a dedicated staff person that will work exclusively on Valley Water permit applications and other projects as requested and prioritized by Valley Water.

This Memorandum of Agreement (MOA) takes effect October 1, 2021 and replaces the previous 2-year Agreement that provided similar services. Valley Water has identified several projects that will benefit from renewal of this Agreement including Anderson Dam Seismic Retrofit, Stream Maintenance Program, and various capital flood control projects.

Funding for the first year of this agreement was included in project budgets reviewed and adopted by the Board for Fiscal Year 2022. The agreement allows Valley Water to terminate at any time during the 2-year term.

For further information, please contact Jennifer Codianne at (408) 630-3876.

5. Successful Completion of Bay Area Regional Reliability - Shared Water Access Program Water Exchange Pilot Project

Valley Water participates in the Bay Area Regional Reliability (BARR) Partnership that intends to address water supply reliability and drought preparedness on a mutually beneficial and regionally focused basis. The Shared Water Access Program (SWAP) is a BARR effort to facilitate water transfers and exchanges within the Bay Area by leveraging existing infrastructure and institutional agreements. It is funded in part by a Water Marketing Strategy Grant through the Bureau of Reclamation (Reclamation). The objective of SWAP is to define the process for how Bay Area water agencies could perform water transfers and exchanges and resolve associated barriers that have prevented these in the past. The results will be documented in a strategy report, which can be used to inform future collaborative efforts among these agencies.

As part of SWAP, the BARR participants selected an exchange between Valley Water and Contra Costa Water District (CCWD) as one of two pilot projects to be implemented. The pilot was initially formulated to first store a portion of Valley Water's Central Valley Project (CVP) supply in Los Vaqueros Reservoir, which would then be returned to Valley Water during a dry year. Due to the emerging severe drought conditions this year, CCWD and Valley Water agreed to modify the pilot in order to provide Valley Water with vital emergency transfer water in the summer of 2021. The revised pilot project reversed the order in which water would be exchanged such that CCWD would first transfer 5,000 acre-feet of its CVP allocation to Valley Water in 2021, and Valley Water would potentially return the same amount of its CVP water to CCWD at a later date. The transfer was approved by Reclamation in July 2021 and Valley Water received delivery of the emergency transfer water between July and September 2021.

The pilot project has proven to be successful and lays the foundation for future exchanges using the same concept. In particular, the approval process could be repeated and streamlined for more efficient implementation. The pilot was incredibly beneficial to Valley Water as it provided a significant improvement in water supply reliability during an extremely challenging drought year, consistent with the intent of the BARR Program.

For more information, please contact Kirsten Struve at (408) 630-3138.

6. Valley Water Celebrates 2021 Santa Clara County Leadership Academy Graduates!

Five (5) Valley Water employees: Bart Sikorski, Damaris Villalobos-Galindo, Michael Martin, Jennifer Martin, and Jesse Ruiz Sanchez graduated from the Santa Clara County Leadership Academy, a professional development program for emerging leaders, on October 28, 2021.

The goals of the Leadership Academy include:

- creating a cost-effective talent development program for participating jurisdictions
- enhancing the leadership skills of the participants
- assisting the participating local government in their succession planning efforts
- enhancing the network of participants across local government agencies in the County
- offering employees positive development opportunities and motivating experiences in tough times

The program began in April 2021 and concluded in October 2021 and offered participants the opportunity to network with city managers, local government leaders, and peers. The curriculum consists of virtual presentations by city managers and other local government leaders, critiques of case studies, a team project, and one-on-one coaching.

The participants selected the following capstone projects: Post-pandemic Workforce Changes and Staff Development, Economic Development in the Changing Economy, Solutions for the Unhoused, and Eliminating Minimum Qualifications to Promote Diverse Hiring.

For more information, please contact Ingrid Bella at (408) 630-3171.

7. Valley Water Convenes Second Drought Summit

On October 23, 2021, Valley Water convened a diverse cross-section of elected officials, business leaders, water retailers, and environmental advocates from throughout Silicon Valley at the Valley Water Drought Summit 2021 to discuss ways to address the drought together. The virtual summit offered an opportunity for experts to share community feedback and insights, water supply projections, and information on water conservation tools and resources with stakeholders that can be used to lead communities through the drought emergency.

Six Valley Water Directors signed on to the virtual event and at peak attendance, approximately 60 participants were present, including elected officials and staff from the cities of Campbell, Cupertino, Gilroy, Morgan Hill, Mountain View, San Jose, Saratoga, and Sunnyvale. Representatives from the offices of Congressman Anna Eshoo and California State Senator John Laird were also in attendance.

Valley Water Board of Directors Chair Tony Estremera opened the Summit emphasizing Valley Water's commitment to work with external partners in taking actions needed to help communities reduce water use and combat this drought emergency. Chair Estremera introduced a pre-recorded video message by Ahmad Thomas, CEO of the Silicon Valley Leadership Group (SVLG), a sponsor of the Drought Summit. CEO Thomas underscored the importance of working together on solutions, including expanded conservation efforts and investments in technology, such as recycled and purified water as a truly drought-proof water supply.

Chair Estremera then introduced keynote speaker, California State Senator John Laird, who spoke to actions taken during his tenure as the California Secretary of Natural Resources during the previous drought emergency in our state, and how it is the responsibility of elected and community leaders to lead with the education and message of conservation. Senator Laird said it is up to individuals to conserve for us to get past a drought emergency, but also that we all have to work together on resilient long-term solutions in order to truly meet the challenge of addressing ongoing water supply challenges.

Following Senator Laird, Valley Water led a presentation titled "Multi-Year Droughts: Possible Solutions for a New Normal" on the current status of the drought. The presentation provided an overview of regional solutions and possibilities and covered the following topics: "Water Supply Outlook and Drought Emergency Response," "Overview of Water Conservation and Rebate Programs," "Reusing Water: Purified Water Project," and "Water Conservation Policies for New and Existing Developments."

Michael Mermelstein of Nichols Research then provided an overview of drought attitudes based on recently conducted poll groups, that provided insight on what our communities and constituencies feel is important to them and their water supply needs during this extreme drought.

The final component of the Drought Summit incorporated interactive breakout sessions where participants discussed how best to respond to the drought emergency and what commitments they or their organizations would make to do so in the next 60 days. Key takeaways and commitments from the small group discussions included: unify stakeholder drought response messaging, strengthen partnerships and education, explore tailored drought response approaches to jurisdictions, highlight successful cases to serve as regional models, and partner with Valley Water to implement the Model Water Efficient New Development Ordinance (MWENDO).

Finally, Valley Water Director Linda J. LeZotte, who serves as Chair of Valley Water's Water Conservation and Demand Management Committee, closed out the Drought Summit with final remarks, thanking all attendees for their input, dedication, and commitment to working together to help our region get through the drought emergency.

For further information, please contact Don Rocha at (408) 630-2338.

8. Valley Water Scores 100 Percent in Proficiency Testing for Microbiological and Inorganic Chemicals

Valley Water's Water Quality Laboratory recently completed its annual proficiency testing (PT) study and scored a remarkable 100 percent passing score. This evaluation is a single-blind study in which a third-party vendor provides samples of unknown concentrations in various matrices. The reported results are evaluated by the vendor and submitted directly to Valley Water's Lab accreditation body, the California Environmental Laboratory Accreditation Program. Any results not within acceptance criteria require rigorous and documented corrective action, and a subsequent passing score. Successful completion and passing scores in PT studies provides external validation of Valley Water's laboratory data quality management program and is a mechanism for demonstration of competence.

The latest PT study involved a total of 117 different parameters tested by Valley Water's primary lab analysts. An additional study to test for organics chemistry parameters is on schedule to be completed later this Fall 2021. Successful completion of these required studies, along with an on-site audit completed in May 2021, are key requirements for Valley Water to renew its laboratory accreditation, which Valley Water is on target to apply for by February 2022.

In addition to the required study referenced above, this year Valley Water participated in two voluntary PT studies for Algaltoxins in treated water and source water matrix, respectively. The testing consisted of double-blind samples spiked with various concentrations of Microcystins, Cylindrospermopsin, and Anatoxin-A. Nearly 100 laboratories from 12 different countries participated in these studies. Valley Water scored 100 percent acceptable results for all samples. These emerging contaminants are not yet regulated; however, they are occasionally observed in local water sources. Valley Water's proven analytical testing capability for these tests, which is validated through participation in such studies, along with Valley Water's robust Cyanotoxins Monitoring Plan, are helpful tools for treated water operations to identify and better prepare for the water quality challenges observed during the drought years.

For further information, please contact Sam Bogale at (408) 630-3505.

9. Hsueh

**Staff to work with the Water Conservation and Demand Management Committee on the prospective timeline to incorporate water wise requirements into new developments, i.e., Cambrian Park, Valco, and Google San Jose projects.
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On October 25, 2021, Valley Water provided Valley Water Director Hsueh a verbal report at the Water Conservation and Demand Management Committee on the prospective timeline to incorporate water wise requirements into new developments. It was also discussed and agreed upon by the Committee members that this would become a standing update that will be added to future Water Conservation and Demand Management Committee agendas.

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