

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

Chief Executive Officer Bulletin Week of December 30, 2016 – January 5, 2017

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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Lower Berryessa Creek, Phase 1, Flood protection Project is complete

As of December 28, 2016, the Lower Berryessa Creek, Phase 1, Flood Protection Project is complete pending a few post-construction items.

The goal of this project was to construct floodwalls and levees to provide 100-year flood protection as well as restoring tidal and freshwater wetlands. A 100-year flood is a flood event that has a one-in-100 chance of occurring in any given year.

The project area extends from Lower Penitencia Creek to downstream of North Abel Street and is approximately 2400 feet long.

Completed Project Activities

- Removed 28,000 cubic yards of soil
- Imported 23,000 cubic yards of import of levee soil
- Reused 32,000 cubic yards of native soil
- Constructed 2,400 feet of levee
- Constructed 2,600 feet of floodwall along Lower Berryessa Creek on top of Cast In Place Drilled Hole piles
- Installed 80,000 square foot of articulated concrete mat for lower access road along Berryessa Creek
- Installed mitigation planting
- Constructed the creek channel

The removed 28,000 cubic yards of soil was placed along the bay front salt Pond A8 to enhance the habitat. The design and preparation of plans, specifications and estimate were performed by in-house water district staff.

Schedule

The limited construction window of 4 months a year in this tidal zone, increased the complexity to the dewatering system, channel excavation, and pile driving operation due to high ground water conditions.

The construction contract time was two construction seasons with the end date of December 31, 2016. Despite brief delays such as bird nesting, a 14-inch waterline breakout due to mislocation, material procurement, rain events, the project is substantially complete as of December 28, 2016.

Budget and Expenditures

The construction contract for this project was awarded by the board on June 9, 2015, for \$12,186,600 plus 10% a contingency amount of \$1,219,000.

It is anticipated that the total project cost will be well within 5% of contingencies after finalizing the pending change orders which is below the Board approved 10% contingencies.

The water district secured a consultant for Construction Management (CM) for this project, in the amount of \$1,000,447, which was awarded by the board on June 9, 2015. The CM consultant contract is expected to be within the budgeted amount of by close of this project without any amendments.

For further information, please contact Ngoc Nguyen at (408) 630-2632.

LeZotte and Estremera

Staff is to return with information and potential policy language on "Wall Street" banks and how we deal with them in the future on financing

R-16-0048

It is recommended that when a financial institution desires to participate in negotiated sales of water district debt instruments, to qualify, such institutions must not be under any suspension from negotiated sales activity by the California State Treasurer's Office.

District Counsel will issue a supporting memorandum by February 3, 2017. Following the release of the supporting memorandum, potential policy language will be presented to the board for consideration.

For further information, please contact Darin Taylor at (408) 630-3068.

Keegan

Staff is to prepare a fact sheet on water rates that shows the different elements of District costs, etc.

R-16-0049

The water district is working on a water rates fact sheet and expects to have one prepared by February 1, 2017. When complete, the fact sheet will be provided to the board.

For further information, please contact Darin Taylor at (408) 630-3068.

Keegan and Varela

Staff is to prepare a letter for Chair's signature, inviting SJWC Board, CEO, etc., to a public meeting to discuss costs, profits, etc.

R-16-0050

On December 23, 2017, the water district prepared and the board Chair approved and signed a letter inviting the San Jose Water Company Chief Executive Officer and Board of Directors to attend a water district board meeting on January 24, February 14, or February 28, 2017, to present and discuss San Jose Water Company's implementation of recent water rate increases and drought surcharges, as well as financial factors such as costs and revenues. A copy of the letter was included in the board's December 20, 2016, Non-Agenda package.

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

Varela

In light of drought, investigate 1) storm water capture program and 2) renegotiating existing permits to allow reduced runoff release from South County Reservoirs while ensuring habitat protection as part of winter operations

I-16-0039

Storm Water Capture Program

The water district is investigating additional stormwater capture as part of several efforts. Regional stormwater capture projects and on-site stormwater capture programs are being considered through the water supply master planning process and preliminary results are scheduled to be presented to the Board on January 31, 2017.

In addition, the water district is partnering with the Santa Clara Valley Urban Runoff Pollution Prevention Program to prepare a Storm Water Resources Plan that will prioritize stormwater projects that have multiple benefits, consistent with the water district's draft One Water Plan.

Lastly, the water district is meeting with local municipalities on their stormwater planning efforts. Municipalities are required to develop green infrastructure plans under the regional stormwater permit. Green infrastructure often includes stormwater capture components.

Releases from South County Reservoirs

The water district has Lake and Streambed Alteration Agreements (LSAAs) with the California Department of Fish and Wildlife (CDFW) for the operation of Uvas and Chesbro Reservoirs in South County. These LSAAs are the guiding agreements that the water district conforms to in order to meet its environmental obligations regarding reservoir operations and stream diversions.

The water district is currently negotiating extensions for the Uvas and Chesbro LSAAs, which typically have a 5-year term. While the water district is aware that CDFW may request expanded environmental provisions in these LSAA negotiations, the water district will make every effort to preserve operating rules that allow the capture of storm water for subsequent beneficial uses including groundwater recharge and fisheries management.

While water supply is the primary objective in operating these reservoirs, which entails capturing as much winter runoff as possible for release to recharge South County aquifers in summer months, the water district also operates in compliance with environmental regulations and agreements.

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