

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

## Chief Executive Officer Bulletin Week of January 6 – 12, 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.*

Page	IN THIS ISSUE
<a href="#">1</a>	Update on Algal Toxins (Cyanotoxins)
<a href="#">2</a>	Rinconada Water Treatment Plant Reliability Improvement Project Status Update
<a href="#">3</a>	Final Report: Lower Peninsula Healthy Creeks Project by Grassroots Ecology (formerly Acterra Stewardship)

### Update on Algal Toxins (Cyanotoxins)

Cyanotoxins are toxins produced by bacteria called cyanobacteria. Under certain conditions, cyanobacteria can bloom in lakes, rivers, and the ocean. Blooming cyanobacteria can produce cyanotoxins in concentrations that can become harmful to animals and humans.

In September 2015, the board was informed of the United States Environmental Protection Agency's (EPA) implementation of 10-day health advisory levels for the two most common cyanotoxins, microcystin and cylindrospermopsin. Levels and exposure durations at or below the advisory levels are not expected to have adverse health effects.

Cyanotoxin	Drinking Water Health Advisory (10-day)	
	Bottle-fed infants and pre-school children	School-age children and adults
Microcystins (µg/L)	0.3	1.6
Cylindrospermopsin (µg/L)	0.7	3

In response to the EPA health advisory, the water district developed a cyanotoxin response plan to address the threat of cyanotoxins. The plan establishes proactive monitoring and alert levels, identifies treatment strategies, and provides communication guidance in the event of a harmful

algal bloom in our source water.

The water district’s treatment plants are well equipped to remove cyanotoxins. Additionally, the water quality laboratory has developed analytical methods that can analyze cyanotoxins accurately and quickly, and has brought new methods in-house over the past year. Analyzing cyanotoxins in-house has reduced sample turnaround time from 4-7 days (commercial lab) to less than 1 day, providing the water district valuable time to adjust our source or treatment.

Water quality data shows water samples collected prior to and since the establishment of the 10-day health advisory have never reached or exceeded the health advisory levels in drinking water.

On December 9, 2016, the EPA issued draft ambient water quality criteria for recreational waters for microcystin and cylindrospermopsin. The ambient water quality criteria levels for recreational waters are for body contact activities (e.g. swimming, wading, etc.).

Cyanotoxin	Ambient Water Quality Criteria
Microcystins (µg/L)	4
Cylindrospermopsin (µg/L)	8

The EPA proposed these levels as “protective of human health given a primary contact recreational exposure scenario.” Ambient water quality criteria are also recommendations and not legally binding. The EPA is recommending that States consider using these criteria for the issuance of advisories for body contact activities in water bodies. Recreational activities at water district reservoirs are managed by the Santa Clara County Parks and no body contact activities are allowed.

Out of the various EPA actions, cyanotoxins or harmful algal blooms have been in the news and are expected to continue to be in the news whenever there is an exceedance in ambient water quality criteria. Customers that receive water treated by the water district should know that cyanotoxin occurrence is typically highest at the surface and in recreational areas.

Source water for the water district’s treatment plants is generally drawn well below the surface and has much lower levels than the surface, and the treatment plants are effective in removing cyanotoxins. The water district is working on developing Frequently Asked Questions for cyanotoxins and will be posting those to the water district website in the coming weeks.

For further information, please contact Angela Cheung at (408) 630-2735.

**Rinconada Water Treatment Plant Reliability Improvement Project Status Update**

The Rinconada Water Treatment Plant Reliability Improvement Project (Project) will replace or upgrade all major water treatment plant components and will increase water treatment capacity to 100 million gallons of water a day. The work will also help the water district meet increasingly stringent standards for water quality, seismic stability, and safety. The work is scheduled for completion in 2020.

On May 26, 2015, the board awarded the Rinconada Reliability Improvement Project (Project) construction contract to Balfour Beatty Infrastructure, Inc. (BBII) in the amount of \$179,850,000 with a \$17,985,000 contingency fund.

In July 2015, the contractor started work on the Project. The Project is currently in Phase 2 of 5 construction phases. Phase 2 is approximately 50% complete. The overall Project is approximately 25% complete.

The contractor's schedule has been adversely impacted by a shortage of skilled craft workers and additional scope to clarify design or add essential work not included in the original contract. The shortage of certain skilled craft workers appears to be due to other large, local construction projects (i.e., Apple and Google campuses) that have been underway for several years. As a result, the Project duration will be extended between 3 to 10 months. The water district is currently negotiating the Project recovery schedule with BBII.

#### Budget and Expenditures

At the time of bid award, the board authorized the Chief Executive Officer (CEO) or his designee to approve individual change orders up to \$17,985,000 from the Project's contingency fund up to the designated amount as follows:

- Project Manager/Engineering Unit Manager: \$250,000
- Deputy Operating Officer (DOO): \$1,000,000; and
- Chief Executive Officer (CEO): up to the total amount of the contingency

Change Order Nos. 1 through 3 totaling \$344,896 were approved by the Engineering Unit Manager, increasing the original contract amount from \$179,850,000 to \$180,194,896. Those change orders addressed unforeseen conditions and contract issues related to Project mobilization.

Change Order No. 4, in the amount of \$2,877,203, will increase the current contract amount by 1.8% to \$183,072,099. Change Order No. 4 clarifies design intent, modifies certain electrical work, adds funds for Project Partnering and Dispute Review Board expenses, and addresses unforeseen conditions. As of today, \$14,762,901, or 82% of the original amount, remains in the contingency fund.

For further information, please contact Christopher Hakes at (408) 630-3796.

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#### **Final Report: Lower Peninsula Healthy Creeks Project by Grassroots Ecology (formerly Acterra Stewardship)**

Grassroots Ecology (formerly known as Acterra Stewardship) received a \$68,600 Safe, Clean Water and Natural Flood Protection grant to fund a community-based collaborative effort to provide hands-on watershed education and stewardship activities to reduce trash, pesticides, and other toxic chemicals in our creeks.

The final report on the completed Lower Peninsula Healthy Creeks Project is included in the board's January 13, 2017, Non-Agenda package.

For further information, please contact Chris Elias at (408) 630-2379.