

NON-AGENDA

February 15, 2019

Board Policy: EL-7 Communication and Support to the Board

The BAOs shall inform and support the Board in its work.

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12 Memo from Bhavani Yerrapotu, AO/WUE, to Nina Hawk, COO/WUE, dated 02/01/19, regarding the annual drinking water regulatory update.

23 Memo from Nina Hawk, COO/WUE to the Board, dated 02/11/19, regarding a letter update sent to shortlisted P3 entities for the Expedited Purified Water Program.

INCOMING BOARD CORRESPONDENCE

26 **Board Correspondence Weekly Report:** 02/14/19

27 Email from Erik Ramakrishnan to the Board, dated 02/08/19, regarding questions on how local water is managed (C-19-0037).

29 Letter from Angela Simoes, PALCUS, to Director Estremera, dated 02/04/19, congratulating him on his reelection to the Board (C-19-0038).

30 Email from Cindy Brown to the Board, dated 02/09/19, regarding water waste at a construction site at Montecito and Montebello Avenues (C-19-0039).

31 Email from Peter Drekmeier to the Board, dated 02/11/19, regarding the Bay Delta Plan lawsuit (C-19-0040).

43 Letter from Eric Christen to the Board, dated 02/11/19, regarding Project Labor Agreements (C-19-0041).

51 Email from Briggs Nisbet to the Board, dated 02/12/19, regarding District policies on vegetation management on private property bordering a creek (C-19-0042).

52 Emails between Gerhard Eschelbeck, City of Cupertino, and District staff (cc: BOD), dated 02/14/19, regarding the impact of recent storms on Stevens Creek Reservoir (C-19-0043).

OUTGOING BOARD CORRESPONDENCE

58 Reply email from Director Keegan to Diane Harrison, dated 01/29/19, regarding the Freedom (Intel) bridge (C-19-0024).

- 59 Reply email from Director Varela to Steve Owens, dated 02/14/19, regarding the Social Vocational Services program (C-19-0033).
- 60 Reply email from Vice-Chair Hsueh to Julie Miyakawa, dated 02/14/19, regarding the Regnart Creek Feasibility Study (C-19-0030).

Board correspondence has been removed from the online posting of the Non-Agenda to protect personal contact information. Lengthy reports/attachments may also be removed due to file size limitations. Copies of board correspondence and/or reports/attachments are available by submitting a public records request to publicrecords@valleywater.org.

CEO BULLETIN/ NEWSLETTERS

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

Chief Executive Officer Bulletin Week of February 8 - 14, 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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Valley Water Identifies and Assists with Service Restoration from a CalWater Main Break

On January 29, 2019, at 10:15 PM Rinconada Water Treatment Plant noticed a sudden increase in flow and a pressure drop, suggesting a leak through the West Pipe Line by the Vallco/Santa Clara turnout location in the City of Cupertino. Valley Water staff were immediately dispatched to the site as well as notified potentially impacted retailers, CalWater and City of Santa Clara. Around 11:30 PM Valley Water was notified by CalWater staff that the leak was within their system and requested Valley Water shut-off the Vallco Turnout to isolate one of their distribution lines, as they did not have another isolation valve. CalWater continued to supply water to their customers from the two (2) other turnouts in the system. Over the next few days Valley Water assisted CalWater staff with the planning of logistics of the repair of the main break as well as accommodating any service requests related data and flows.

The main was repaired by end of day on February 1, 2019. However, CalWater staff has requested that the turnout remain closed for at least another week until the repairs have time to set. CalWater system is holding steady and there was no disruption to customers. We commend our staff on their quick action to stop the leak and informing the retailers, as well as supporting them in this major effort to restore the main.

For further information, please contact Bhavani Yerrapotu at (408) 630-2135.

Delta Conveyance Design and Construction Authority Board of Directors Meeting held Thursday, January 31, 2019

At the Delta Conveyance Design and Construction Authority (DCA) Board of Directors Meeting held Thursday, January 31, 2019, the DCA Board (Board) approved the discussion item below:

- The Board Approved Management Partners Professional Services for the Executive Director Position. Management Partners Services designated Catherin Mallon as the new Executive Director of the DCA.

Staff Reports and Announcements (Information Only):

- Ms. Stephanie Morris, the interim General Counsel, has resigned and the contract with Best Best & Kreiger has been amended so that the new interim General Counsel will be Joshua Nelson. Joshua Nelson will continue in that role until the Board decides whether to award him a long term General Counsel contract. It is anticipated the decision will be made within the next three (3) months.
- General Counsel continues to work with the Executive Director and staff on various issues and to monitor litigation and regulatory proceedings that may impact DCA goals and objectives.

The next meeting will be held on February 21, 2019, at 1:30 pm in the Sacramento Public Library, Tsakopoulos Library Galleria, 828 I Street, Sacramento.

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

Water Utility Service Awards and All Hands Meeting

The Water Utility Service Awards and All Hands Meeting was held at the Campbell Community Center, Orchard City Banquet Hall on Thursday, January 31, 2019. We recognized 37 employees for their dedicated service to Valley Water, 12 of those employees had 20+ years of service.

The second half of the program, we had an interactive All Hands Meeting. Beginning in November 2018, the Water Utility (WU) leadership team attended workshops to develop a WU survey. They wanted to solicit input from staff to finalize a new WU statement that aligns with Valley Water's existing mission and values and sets WU leadership up for success. The survey was a great vehicle to poll WU staff so they could contribute their ideas on creating a WU statement and their overall thoughts about management. The survey was two-fold. The first six (6) questions of the survey asked various questions that had a predefined drop-down menu. The second part was seven (7) questions asking for comments on various subjects. The take away from that was most employees liked what they do, liked the team they worked with, and felt what they do is important work that benefits the community. The WU leadership team learned what they are doing right and what they could improve on.

We had live polling for the top five (5) choices for our new WU statement and three (3) choices to name the statement. The voting overwhelmingly showed how passionate staff is towards safe, reliable water and the community. The new WU statement name and statement is:

Water Utility Purpose Statement: Providing safe, reliable water to Santa Clara County now and for future generations.

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

Purchasing and Consultant Contracts Unit launches new internal webpage

As part of the General Services Mission of "Helping You Get the Job Done," along with the goal of "Fostering a culture of continuous improvement and remove obstacles for customers," the Purchasing and Consultant Contracts Unit has launched a new redesigned intranet webpage.

The former webpage contained outdated information and was less user friendly. The new site is intended to provide information in a manner that is easy to navigate and locate information. The site guides customers through the procurement process, provides templates, procurement guides, policies and procedures, Q&A and a number of resource documents. The site also provides procurement card, travel coordination and surplus services support.

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

Governor Newsom Delivers First State of the State Address

In keeping with tradition, on February 12, 2019, Governor Gavin Newsom delivered his State of the State Address before a joint session of the Legislature. Most notable for Valley Water were his statements regarding water conveyance through the Delta, appointments to the State Water Resources Control Board (State Water Board), a potential water tax to fund safe drinking water, homelessness, and housing.

On the WaterFix, Governor Newsom stated "I do not support the WaterFix as currently configured. Meaning, I do not support the twin tunnels. But we can build on the important work that's already been done. That's why I do support a single tunnel. The status quo is not an option."

Following those remarks, the State Water Contractors, Metropolitan Water District of Southern California, Kern County Water Agency, and Valley Water, all issued statements pledging to work with the Governor on a one-tunnel Delta conveyance solution. California WaterFix opponents generally applauded the Governor's statement while expressing reservations about even one tunnel.

Governor Newsom also announced that State Water Board member, Joaquin Esquivel, will be appointed Chair of the State Water Board. Later that day, Newsom's office also announced that Laurel Firestone, co-founder and co-director of the Community Water Center, will fill the State Water Board vacancy of Felicia Marcus, whose term ended on January 15, 2019. Both appointments require confirmation by the State Senate.

Without expressly mentioning the water tax proposed by Senator Monning in the last legislative session, the Governor said in his address that one million Californians without safe drinking water is a "moral disgrace and a medical emergency," and he underscored that "solving the crisis requires sustained funding." On February 1, 2019, his Administration proposed budget trailer bill language that would enact a tax on retail water customers to fund safe drinking water programs.

The Governor concluded his comments on water by calling for a portfolio approach to water supply to combat effects of climate change with recycled water, expansion of managed floodplains, and groundwater recharge.

On housing and homelessness, the Governor discussed numerous proposals, such as \$500 million for navigation centers and \$100 million for "whole person care." Newsom also noted several cities (none in Santa Clara County) who are not meeting affordable housing goals, and then mentioned that 47 other cities have not met requirements for a housing element in their General Plans as required by state law. Newsom said his Administration will sue cities for noncompliance and they have started by filing suit against Huntington Beach two weeks ago. He offered to sit down and talk with violating cities. Finally, he proposed expedited judicial review of California Environmental Quality Act court challenges for housing projects, similar to what has been done for professional sports.

Valley Water is currently working with Newsom Administration officials on water issues of importance to the agency, and will continue to assess potential impacts of these policy changes to our operations and our ratepayers.

For further information, please contact Rachael Gibson at (408) 630-2884.

A monthly assessment of trends in water supply and use for Santa Clara County, California

Outlook as of February 1, 2019

We began calendar year 2019 with groundwater storage well within Stage 1 (Normal) of the District’s Water Shortage Contingency Plan despite below-normal local rainfall and statewide snow pack. As of February 1, the statewide average snowpack water equivalent is normal and valley floor precipitation is below normal. Groundwater storage remains healthy due to previous wet years and continued water use reduction by the community.

Weather

Rainfall in San Jose

- Month of January, City of San Jose = 2.8 inches
- Rainfall year total = 6.89 inches or 86% of average to date (rainfall year is July 1 to June 30)

Local Reservoirs

- Total February 1 storage = 71,030 acre-feet
 - » 82% of 20-year average for that date
 - » 43% of total capacity
 - » 63% of restricted capacity (166,808 acre-feet total storage capacity limited by seismic restrictions to 111,963 acre-feet)
- Approximately 260 acre-feet of imported water was delivered into local reservoirs during January 2019
- Total estimated releases to streams (local and imported water) during January was 6,110 acre-feet

Treated Water

- Below average demands of 5,514 acre-feet (estimated) delivered in January
- This total is 91% of the five-year average for the month of January
- Year-to-date estimated deliveries = 5,514 acre-feet or 91% of the five-year average

Groundwater

- Groundwater (GW) Storage: Total storage at the end of 2019 is predicted to fall within Stage 1 (Normal) of the District’s Water Shortage Contingency Plan.

	Santa Clara Subbasin		Llagas Subbasin
	Santa Clara Plain	Coyote Valley	
January 2019 managed recharge estimate (AF)	4,200	900	1,000
January 2019 managed recharge, % of 5-year average	124%	104%	97%
December 2018 pumping estimate (AF)	6,400	500	3,800
January to December 2018 pumping estimate (AF)	66,100	11,300	42,500
January to December 2018 pumping, % of 5-year average	82%	102%	99%
GW index well level compared to last January	Decrease	Decrease	Decrease

AF = acre-feet

Imported Water


- As of January 31, 2019, the Statewide average snowpack water equivalent is 100% of the historic average for this date.
- 2019 State Water Project (SWP) and Central Valley Project (CVP) allocations:
 - » 2019 SWP allocation of 15%, 15,000 acre-feet, announced on January 25, 2019
 - » 2019 South-of-Delta CVP allocations have not yet been identified
- State-wide reservoir storage information, as of February 3, 2019:
 - » Shasta Reservoir at 65% of capacity (96% of average for this date)
 - » Oroville Reservoir at 41% of capacity (62% of average for this date)
 - » San Luis Reservoir at 86% of capacity (109% of average for this date)
- District's Semitropic groundwater bank reserves are at 84% of capacity, or 292,725 acre-feet, as of December 31, 2018
- Estimated SFPUC deliveries to Santa Clara County:
 - » Month of December = 3,453 acre-feet
 - » 2018 Total to Date = 46,374 acre-feet
 - » Five-year annual average is 48,700 acre-feet
- Board Governance Policy No. EL-5.3.3 includes keeping the Board informed of imported water management activities on an ongoing basis. No imported water management agreements have been executed in calendar year 2019 as of January 31, 2019

Conserved Water

- Saved 75,000 acre-feet in FY18 from long-term program (baseline year is 1992)
- Long-term program goal is to save nearly 75,000 acre-feet in FY19
- The Board continues its call for a 20% reduction and a limit of three days per week for irrigation of ornamental landscape with potable water
- Achieved a 20% reduction in water use in calendar year 2018, compared to 2013

Recycled Water




- Estimated January 2019 production = 500 acre-feet
- Estimated Year-to-Date through January = 500 acre-feet or 55% of the five-year average
- Silicon Valley Advanced Water Purification Center produced an estimated 1.3 billion gallons (4,000 acre-feet) of purified water in 2018. Since the beginning of 2019, about 200 acre-feet of purified water has been produced. The purified water is blended with existing tertiary recycled water for South Bay Water Recycling Program's customers



CONTACT US

For more information, contact **Customer Relations** at **(408) 630-2880**, or visit our website at valleywater.org and use our **Access Valley Water** customer request and information system. With three easy steps, you can use this service to find out the latest information on district projects or to submit questions, complaints or compliments directly to a district staff person.

Follow us on:

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BOARD MEMBER REQUESTS & INFORMATIONAL ITEMS

Report Name: Board Member Requests

Request	Request Date	Director	BAO/Chief	Staff	Description	20 Days Due Date	Expected Completion Date	Disposition
I-19-0001	01/16/19	Kremen	Hawk	Hall	Our Level of Service objective for water supply is to survive the drought planning scenario (1987-92 followed by 1976-77) with no more than 20% rationing from a total system demand of 265 MGD...We need to plan for each year as if it is the beginning of our drought planning scenario.	02/05/19		01/16/19 Information Only: NOTE TO STAFF: Please read the attached email for complete information regarding this request from Director Kremen.
I-19-0002	01/30/19	Kremen	King	Spin	Director Kremen requests staff to provide a list of Public Record Requests made within the last 12 months.	02/19/19		
I-19-0003	02/13/19	Keegan	Hawk	Arends	Staff to call Ms. Mary Castle in response to her 2/12/19 voicemail to Director Keegan regarding water in the pecolation ponds.	03/05/19		



MEMORANDUM

FC 14 (01-02-07)

TO: Nina Hawk

FROM: Bhavani Yerrapotu

SUBJECT: Annual Drinking Water Regulatory Update

DATE: February 1, 2019

As per the Quality and Environmental Management System document WQ-W_007, it is the responsibility of the Water Quality Unit to track and participate in the development of federal and state drinking water-related regulations. Additionally, the Water Quality Unit is to provide a semi-annual update to the Water Utility Enterprise of current regulatory developments impacting the utility.

For the Board's information, attached is the summary of drinking water regulatory development for January thru December 2018.

A handwritten signature in black ink, appearing to read "Bh. Yerrapotu", is written above a horizontal line.

Bhavani Yerrapotu
Deputy Operating Officer
Treated Water Operations & Maintenance Division



TO: Water Utility Enterprise
SUBJECT: Drinking Water Regulatory Update

FROM: Water Quality Unit
DATE: January 29, 2019

The purpose of this document is to provide a summary of regulatory activity pertaining to drinking water quality, treatment and distribution for calendar year 2018. The update is divided into two sections: federal and state.

At the federal level, the U.S. Environmental Protection Agency (EPA) is responsible for developing and promulgating drinking water regulations. EPA establishes enforceable regulatory standards for constituents which are present in some public water systems and are known to be of health concern. Each regulatory standard, often in the form of a maximum contaminant level (MCL), reflects a balance between the contaminant level that protects human health and that which water systems can achieve using the best available technologies. Additionally, EPA establishes schedules for compliance, identifies analytical methods, and prescribes acceptable treatment techniques for removal or inactivation of regulated contaminants.

At the state level, the Safe Drinking Water Act (SDWA) allows individual states to seek primacy (responsibility for promulgating and enforcing their own drinking water standards) by meeting specific requirements. Among the requirements for primacy is the establishment of regulatory standards that are at least as stringent as EPA's national standards. For California, the Division of Drinking Water (DDW) at the State Water Resources Control Board (SWRCB) is the primacy agency.

Information about EPA's regulatory process is available at:
<http://water.epa.gov/lawsregs/rulesregs/regulatingcontaminants/basicinformation.cfm>

FEDERAL REGULATIONS

Perchlorate

In 2018, EPA continued to work on the development of a Maximum Contaminant Level Goal (MCLG) for perchlorate, which will inform the decision-making process for the potential establishment of a MCL for perchlorate. The EPA held a public meeting on January 29-30, 2018 where eight selected peer reviewers evaluated EPA's scientific assessment titled "Draft Report: Proposed Approaches to Inform the Derivation of a Maximum Contaminant Level Goal for Perchlorate in Drinking Water". The document presents a biologically based dose-response model for predicting neurodevelopmental effects to be used in the development of an MCLG. The post-meeting peer review summary report was published in March 2018. It concludes that the panel agreed with EPA's highly innovative state-of-the-science set of quantitative tools to evaluate neurodevelopmental effects that could arise from drinking water exposure to perchlorate and found that the current models are fit-for-purpose to determine an MCLG. One of the recommendations was to establish exposure assessments for sensitive subpopulations, particularly pregnant women, fetuses and both breast-fed and formula-fed infants. EPA has completed the assessments and a final report is anticipated in early 2019.

Background

Perchlorate is a naturally occurring and manufactured chemical anion that consists of one chlorine atom bonded to four oxygen atoms. Perchlorate is commonly used as an oxidizer in rocket propellants, ammunition, fireworks, airbag initiators for vehicles, matches, and signal flares. It is naturally occurring in some fertilizers. Perchlorate can disrupt the normal function of the thyroid gland in both children and adults by interfering the body's ability to absorb iodine into the thyroid gland. In fetuses and infants, thyroid hormones are critical for normal growth and development of the central nervous system. In 2011, the EPA decided to move forward with development of a drinking water standard for perchlorate. Since that time, EPA has been reviewing the best available scientific data on a range of issues related to perchlorate in drinking water including its health effects, occurrence, treatment technologies, analytical methods and the costs and benefits of potential standards. The main health concern associated with perchlorate is damage to the thyroid and brain development in fetuses and infants. Unless the final federal MCL is more stringent than California's existing 6 µg/L standard, there would be little or no impact to California water systems.

For information about perchlorate in drinking water:

<http://water.epa.gov/drink/contaminants/unregulated/perchlorate.cfm>

Contaminant Candidate List

The Fourth Contaminant Candidate List (CCL4) was finalized on November 17, 2016. EPA must now determine whether to regulate at least five of the contaminants in a separate process called regulatory determination. The regulatory determination process, which was initiated in 2017 and will be ongoing, is based on the following criteria:

- The contaminant may have an adverse effect on the health of persons;
- The contaminant is known to occur or there is substantial likelihood the contaminant will occur in public water systems with a frequency and at levels of public health concern;
- Regulation of the contaminant presents a meaningful opportunity for health risk reductions for persons served by public water systems.

Manganese is one of the contaminants listed in CCL4 that could potentially be regulated. Manganese was found to be a neurotoxin, much like lead. EPA has begun a risk assessment. EPA's secondary MCL for manganese is 50 micrograms per liter (µg/L).

On October 4, 2018, EPA initiated the development of the fifth CCL (CCL5) by requesting nominations of chemicals, microbes, or other contaminants for consideration on the CCL5. The public may nominate contaminants by following the instructions contained in the Federal Register notice for CCL 5 nominations. The deadline for nominations was December 4, 2018.

Background

The SDWA requires the EPA to publish a Contaminant Candidate List (CCL) every five years. The CCL is a list of unregulated contaminants that are known or expected to occur in public water systems at a frequency and at levels of public health concern and where there is a meaningful opportunity for health risk reduction. The purpose of the CCL is to identify priority contaminants for regulatory decision-making and information and research needs.

More information is available at the EPA site: <http://www.epa.gov/cc/>

Six-Year Review

On October 5, 2018, the EPA announced the proposed information collection request for contaminant occurrence data in support of the fourth six-year review. EPA is requesting public comments by December 4 on specific aspects of the proposed, voluntary information collection. Six-Year Review 4 results are anticipated to be completed in early 2023.

Background

Under the SDWA, as amended in 1996, EPA must review existing National Primary Drinking Water Regulations (NPDWRs) every six years and determine which, if any, need revision.

More information about the six-year review is available at: <https://www.epa.gov/dwsixyearreview>

Unregulated Contaminant Monitoring Rule

The fourth Unregulated Contaminant Monitoring Rule (UCMR4) was published in the Federal Register on December 2016. Monitoring for the 30 chemical contaminants in the UCMR4 will take place between 2018 and 2020. The UCMR4 contaminants include ten cyanotoxins, two metals including manganese, three disinfection byproduct groups, and several organic compounds. The ten cyanotoxins include Total Microcystins and Cylindrospermopsin for which EPA established 10-day health advisories in May 2015.

As a wholesaler, the district is not required to carry out monitoring for the UCMR4.

Background

The Unregulated Contaminant Monitoring Rule (UCMR) is a means for the EPA to collect data about contaminants that are suspected to be present in drinking water and do not have health-based standards set under the SDWA. The data acquired from the monitoring of unregulated contaminants is the primary source of occurrence and exposure information that the EPA uses to determine whether to regulate those contaminants.

More information about monitoring for unregulated contaminants is available at:

<https://www.epa.gov/dwucmr>

STATE REGULATIONS

Lead Testing in Schools

Assembly Bill 746 was passed and signed by the Governor on October 13, 2017. The bill went into effect on January 1, 2018, requiring community water systems to test for lead in drinking water at all public K-12 schools built on or before July 1, 2010. Testing needs to be completed by July 1, 2019.

As a drinking water wholesaler, the district is exempt from this permit amendment.

On 2018, the SWRCB posted a map presenting the results of lead sampling in drinking water at California schools. The online map was developed by the SWRCB and the link is included here for information purposes only:

<https://waterboards.maps.arcgis.com/apps/MapJournal/index.html?appid=9d17731cae2c4452957fadc5d8ee2d75>

Lead Service Lines

Senate Bill 1398 (SB 1398), signed into law in 2016, and amended by Senate Bill 427 in 2017, requires all public water systems to prepare an inventory of known lead service lines and to identify areas of the distribution system that may have lead service lines by July 1, 2018. After developing the inventory, public water systems are to develop a timeline for DDW's approval for the removal and replacement of known lead service lines by July 1, 2020.

As a drinking water wholesaler, the district is not responsible for service lines, and thus is not affected by this requirement.

On December 2018, the SWRCB posted an interactive online map presenting the status of the lead service line inventory for individual water systems. The online map was developed by the SWRCB and the link included here for information purposes only:

<https://gispublic.waterboards.ca.gov/portal/apps/Cascade/index.html?appid=7adcf6473614ada9c0b9c351362a656>

Assembly Bill 2470

On September 28, Assembly Bill 2470 (AB 2470) "Invasive Species Council of California" was approved by the Governor. AB 2470 establishes the Invasive Species Council of California, with a prescribed membership, to help coordinate a comprehensive effort to prevent the introduction of invasive species in the state and to advise state agencies how to facilitate coordinated, complementary, and cost-effective control or eradication of invasive species that have entered or are already established in the state, as specified. To the extent that this council is successful in preventing the introduction of invasive species in waterways, the Delta, and in reservoirs, the District may benefit. A link to the bill is located here: <W:\WaterQuality\WQ\Regulatory\Regulatory Update\Vol 9\2018 Enacted Legislation\ab 2470 93 C bill.pdf>

Assembly Bill 2510

On September 28, AB 2510 "Drinking water: state administrators: consolidation and extension of service" was approved by the Governor. AB 2510 Authorizes State Water Board to order consolidation with a receiving water system if a public water system or state small water system, serving a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water or if a disadvantaged community is reliant on a domestic well that consistently fails to provide an adequate supply of safe drinking water. One possible indirect impact would be that water retailers in Santa Clara County may be ordered to consolidate failing small water systems into their system.

A link to the bill is located here: <W:\WaterQuality\WQ\Regulatory\Regulatory Update\Vol 9\2018 Enacted Legislation\ab 2501 93 C bill.pdf>

Cross Connection Control Regulations update

Existing Cross-Connection Control Regulations under Title 17 were adopted in 1987. AB 1671, which passed in 2017, requires the State to update these regulations by January 1, 2020, and grants new authority to the SWRCB for adoption by policy handbook, rather than by following the rulemaking

process. Stakeholder groups are forming for the development of the policy handbook. Two public hearings are anticipated in 2019, prior to presenting the handbook to the board for adoption in late 2019.

Senate Bill 790

On September 19, Senate Bill 790 (SB 790) “Dreissenic mussel infestation prevention: grants” was approved by the Governor. This bill makes any person or entity that manages any aspect of the water in a reservoir, as defined, where recreational, boating, or fishing activities are permitted, eligible for a grant to be used for the reasonable regulatory costs of implementation of a dreissenid mussel infestation prevention plan.

A link to the bill is located here: W:\WaterQuality\WQ\Regulatory\Regulatory Update\Vol 9\2018 Enacted Legislation\s_b_970_92_C_bill.pdf

Senate Bill 966

On September 28, Senate Bill 966 (SB 966) “Onsite treated nonpotable water systems” was approved by the Governor. It requires the State Water Board, in consultation with the California Building Standards Commission and the Department of Housing and Community Development, to adopt regulations for risk-based water quality standards for the onsite treatment and reuse of nonpotable water, by December 1, 2022. Requires land use agencies with permitting authority to consult with local sewer and water agencies that may be affected by the approval of onsite water reuse systems. Authorizes the State Water Board to contract with public or private entities regarding the content of the standards.

A link to the bill is located here: W:\WaterQuality\WQ\Regulatory\Regulatory Update\Vol 9\2018 Enacted Legislation\s_b_966_92_C_bill.pdf

Senate Bill 1422

On September 28, the Governor signed into law SB 1422 “California Safe Drinking Water Act: microplastics”. SB 1422 requires the State Water Board, on or before July 1, 2020, to adopt a definition of microplastics in drinking water, and on or before July 1, 2021, to adopt a standard methodology to test drinking water for microplastics and to adopt requirements for four years of testing and reporting of microplastics in drinking water, including public disclosure of those results. Once the SWRCB establishes a standard methodology and accredits laboratories to test for microplastics, the District will need to test for such and submit the required reports.

A link to the bill is located here: W:\WaterQuality\WQ\Regulatory\Regulatory Update\Vol 9\2018 Enacted Legislation\s_b_1422_92_C_bill.pdf

Background

On June 28-29, 2017, the EPA Trash Free Waters program convened a Microplastics Expert Workshop to identify and prioritize the scientific information needed to understand the risks posed by microplastics to human and ecological health. The expert panelists did not provide recommendations for specific regulatory or non-regulatory actions to be taken. The expert report can be found here:

<https://www.epa.gov/trash-free-waters/microplastics-expert-workshop-report>.

1,2,3-Trichloropropane

On December 14, 2017, the new MCL of 5 nanograms per liter (ng/L) for 1,2,3-TCP became effective. All public water systems in California were required to comply with the state's new MCL and conduct four quarters of monitoring starting January 2018. In 2018, the District completed the required four quarters of initial monitoring of all its sources (South Bay Aqueduct, Lake del Valle, Campbell Wellfield, and San Luis, Almaden, Anderson, Calero, and Coyote reservoirs). All results were non-detectable for 1,2,3-TCP.

Background

1,2,3-TCP is used as a cleaning and maintenance solvent, paint and varnish remover, and cleaning and degreasing agent; it is also a byproduct from the production of pesticides. Previous monitoring under the California UCMR (2001-2003) and the Federal UCMR3 (2012-2015) have determined that 1,2,3-TCP has primarily impacted groundwater. 1,2,3-TCP is a known human carcinogen and has an established Public Health Goal (PHG) of 0.7 ng/L since 2009.

A white paper with a more detailed summary of this new regulation and the compliance requirements for the District is located here: <W:\WaterQuality\WQ\Regulatory\White Paper regulation summaries\1,2,3-TCP\TCP White Paper Final Rev 2-20-2018.pdf>

Perchlorate

On July 5, 2017 DDW presented to the SWRCB its findings and recommendations related the perchlorate MCL review. DDW's recommendations were to first establish a lower Detection Limit for Purposes of Reporting (DLR) to gather additional occurrence data, and then revise the MCL. The SWRCB approved DDW's proposal to investigate, develop, and propose revisions to the perchlorate DLR. DDW staff is currently exploring the feasibility of lowering the perchlorate DLR from 4 µg/L to a value closer to, equal to, or less than the PHG of 1 µg/L. In 2018, DDW queried laboratories about their perchlorate analysis capabilities and their sample capacity. The summary of the survey responses demonstrated an ability to lower the DLR without sacrificing capacity, but not to a level equal to or less than the PHG.

Background

The primary drinking water standard for perchlorate is the MCL of 6 µg/L. The MCL became effective October 2007. In 2015, Office of Environmental Health Hazard Assessment (OEHHA) revised the PHG for perchlorate from 6 µg/L to 1 µg/L. The revised PHG has prompted the SWRCB to review the perchlorate MCL.

For information about perchlorate in drinking water:

https://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/Perchlorate.shtml

Per- and Polyfluoroalkyl Substances

PFOA (Perfluorooctanoic acid) and PFOS (Perfluorooctanesulfonic acid) are members of the PFAS (Per and Polyfluoroalkyl Substances) family and are the focus of this regulation. On July 13, DDW established a Notification Level (NL) of 13 ng/L and 14 ng/L for PFOS and PFOA, respectively. DDW

adopted the EPA's health advisory level of 70 parts per trillion (combined PFOS and PFOA) established in May 2016 as their response level.

In August 2018, the District conducted one round of voluntary monitoring for PFOS and PFOA at the three treatment plants raw and treated waters and at Campbell Wells A, B, and C to establish a baseline. Aside from very low levels of PFOS and PFOA detected at wells B and C, the District was pleased to find all other results to be nondetectable. No additional monitoring is anticipated.

Background

PFAS are a group of manmade chemicals used in stain/water repellants, firefighting foams, and a wide variety of manufacturing processes. PFAS have been linked to increased cholesterol levels, low infant birth weights, adverse effects on the immune system and thyroid hormones, and cancer.

A white paper with a more detailed summary of this new regulation and the compliance requirements for the District is located here: <W:\WaterQuality\WQ\Regulatory\White Paper regulation summaries\PFAS\PFAS Whitepaper Final 12-31-2018.pdf>

Potable Reuse

In 2018, SWRCB staff presented a Proposed Framework for Regulating Direct Potable Reuse in California. The framework proposed a schedule for addressing knowledge gaps identified in the 2016 SWRCB report to Legislature on the feasibility of developing uniform water recycling criteria for direct potable reuse (DPR). Additionally, the Water Research Foundation (WRF), with funding from the SWRCB and utility contributions, initiated several research projects under its Advancing Potable Reuse Initiative aimed to specifically investigate DPR-related topics. The District has provided letters of support to four research teams undertaking DPR-related projects under the WRF initiative.

Background

Assembly Bill 574, chaptered in 2017, defines the four different types of potable reuse projects as "groundwater augmentation", "reservoir augmentation," "raw water augmentation," and "treated water augmentation." The bill requires the SWRCB to develop uniform water recycling criteria for potable reuse through raw water augmentation by December 31, 2021.

Recycled Water Policy

The Recycled Water Policy (RWP) was amended on December 2018 and is in the process of being adopted by the SWRCB. On June 2018, the District submitted a comment letter to the SWRCB expressing concerns on some of the proposed content. The amended version addressed most of the comments submitted by the District. However, two outstanding items are that the RWP does not fully address the issue of analytes and bioassay methods, which are not accredited in any laboratories under any accreditation system and does not consider a phased approach for the monitoring of constituents of emerging concern (CECs).

Background

The RWP is not a regulation and sets goals for recycled water use in California, provides guidance for use of recycled water that considers protection of water quality, sets criteria for streamlined permitting

of recycled water projects, and sets requirements for monitoring of CECs. The RWP was first adopted in 2009 and amended in 2013 to specify monitoring requirements for CECs in recycled water for groundwater recharge projects based on recommendations from a 2010 Science Advisory Panel.

Surface Water Augmentation

Surface water augmentation (SWA) regulations were adopted by the SWRCB on March 6, 2018 and became effective October 1, 2018. In the future, the regulations will be revised to align the SWA definition with the “Reservoir Augmentation” definition in AB 574. Key requirements of the regulation include pathogen reduction, provision of a meaningful environmental buffer, wastewater source control, use of full advanced treatment (reverse osmosis and advanced oxidation), and monitoring for regulated and unregulated chemicals.

Background

Senate Bill 918 chaptered in 2010, required the SWRCB to adopt uniform water recycling criteria for surface water augmentation (i.e. the introduction of recycled water to a reservoir that supplies surface water treatment plants) by December 31, 2016. Promulgation of SWA regulations is a major milestone for water recycling and potable reuse in California and was the culmination of more than 6 years of work by DDW and the Expert Panel.

Total Coliform Rule

Since April 2016, and until California completes the regulatory adoption process for the Revised Total Coliform Rule (rTCR), all public water systems in California are required to comply with both the state’s existing TCR and the federal rTCR. DDW has been actively engaged on the regulatory adoption process for the rTCR and anticipates public review to begin in the Spring of 2019.

GLOSSARY

AL	Action Level - The concentration of a contaminant which, if exceeded, triggers treatment or other requirements that a water system must follow.
CCL	Contaminant Candidate List
CEC	Chemicals of emerging concern (also known as constituents of emerging concern) - Chemicals or compounds not regulated in drinking water or advanced treated water. They may be candidates for future regulation depending on their ecological toxicity, potential human health effects, public perception, and frequency of occurrence.
DDW	The Division of Drinking Water within the State Water Resources Control Board has been tasked with enforcing the drinking water regulations with which public water systems in California must comply. As the primacy agency for regulatory

compliance, it must enact regulations that are at least stringent as federal drinking water regulations. Formerly known as California Department of Public Health or CDPH.

- DLR** Detection Limit for Purposes of Reporting - The designated minimum level at or above which any analytical finding of a contaminant in drinking water resulting from monitoring shall be reported to the State Board.
- DPR** Direct Potable Reuse - The delivery of purified water to a drinking water plant or a drinking water distribution system without an environmental buffer. Additional treatment, monitoring, and/or an engineered buffer(s) would be used in place of an environmental buffer to provide equivalent protection of public health and response time if the purified water does not meet specifications.
- EPA** United States Environmental Protection Agency; tasked with implementing the Safe Drinking Water Act by setting standards that, when combined with protecting groundwater and surface water, ensure safe drinking water. California public water systems are required to meet all federal drinking water regulations, regardless of whether DDW has adopted parallel regulations.
- Health Advisory** A Health Advisory describes the concentrations of drinking water contaminants at which adverse health effects are not anticipated to occur over specific exposure durations (e.g., one day, ten days, several years, a lifetime) with a margin of safety. It is not a legally enforceable federal standard.
- MCL** Maximum Contaminant Level – A value defined under the Safe Drinking Water Act as the maximum permissible level (concentration) of a contaminant in water delivered to any user of a public water system. Maximum contaminant levels are the legally enforced standards in the United States.
- MCLG** Maximum Contaminant Level Goal - A federal nonenforceable, health-based goal established by the US Environmental Protection Agency for each contaminant regulated by a national primary drinking water regulation. The maximum contaminant level goal is set at the level at which no known or anticipated adverse effects on human health occur and for which an adequate margin of safety exists.
- NL** Notification Level – The concentration level of a contaminant in drinking water that, based on available scientific information, does not pose a significant health risk but warrants notification to the public. Notification levels are nonregulatory, health-based advisory levels established by DDW for contaminants in drinking water for which maximum contaminant levels have not been established.
- OEHHA** Office of Environmental Health Hazard Assessment
- PHG** Public Health Goal – a nonenforceable goal set by the California EPA's Office of Environmental Health Hazard Assessment. It is the concentration of a contaminant in drinking water that does not pose any significant risk to health over a lifetime of

exposure; it is derived from a human health risk assessment. State code requires the DDW to establish a contaminant's MCL at a level as close to its public health goal as is technically and economically feasible. Similar to the federal MCLG.

RAA	Running Annual Average - The arithmetic average of quarterly results for the last four quarters.
Regulatory Determination	A formal decision on whether EPA should initiate a rulemaking process to develop a national primary drinking water regulation (NPDWR), i.e. an enforceable standard or MCL, for a specific contaminant.
SDWA	Federal Safe Drinking Water Act
SMCL	Secondary Maximum Contaminant Level – A secondary standard that is a non-enforceable guideline regulating contaminants that may cause cosmetic effects (such as skin or tooth discoloration) or aesthetic effects (such as taste, odor, or color) in drinking water. EPA recommends secondary standards to water systems but does not require systems to comply. However, states may choose to adopt them as enforceable standards.
SWA	Surface Water Augmentation - The process of adding purified water to an available surface source water supply (such as a reservoir, lake, river, and/or wetland) for eventual use for drinking water after further treatment.
SWRCB	State Water Resources Control Board
TCR	Total Coliform Rule
UCMR	Unregulated Contaminant Monitoring Rule



MEMORANDUM

FC 14 (01-02-07)

TO: Board of Directors

FROM: Nina Hawk, COO, Water Utility Enterprise

SUBJECT: Expedited Purified Water Program: Letter Update Sent to Shortlisted P3 Entities

DATE: February 11, 2019

The District released a second Request for Qualifications for the subject Program to interested P3 entities in February 2018. Five P3 entities were identified for the Request for Proposal shortlist in April 2018. In June 2018, staff informed the five (5) shortlisted P3 entities that the Request for Proposal (RFP) process, anticipated to begin later in summer 2018, would be delayed to a later point in time.

At the end of January 2019, staff provided another letter update to the five shortlisted P3 entities. Attachment 1 provides a copy of one of the five identical letters that were transmitted to the following P3 entities:

1. AECOM Veolia Partners
2. Poseidon Water LLC
3. Santa Clara Water Partners
4. Silicon Valley NEWater Partners
5. Silicon Valley Water

As stated in these letters, the District continues its efforts to develop a Water Supply Master Plan Update and a Countywide Water Reuse Master Plan. District staff has also been informing the Board's Recycled Water Committee on progress regarding both of these efforts as well as the development of potential potable reuse projects. The letters also refer the reader to various agenda packets for Recycled Water Committee and full Board meetings in the November 2018 – January 2019 timeframe, wherein staff presentations on the Master Plans and/or Purified Water Program were provided for Board discussions and direction to staff.

For more information, please contact Katherine Oven at (408) 630-3126.

Nina Hawk
Chief Operating Officer
Water Utility Enterprise

Attachment 1: January 29, 2019 letter to AECOM Veolia Partners

Cc: K. Oven

January 29, 2019

AECOM Veolia Partners
100 W San Fernando Street, Suite #200
San Jose CA, 95126
Attn: Karun Malhotra - Project Executive/Project Manager

Subject: Expedited Purified Water Program — January 2019 Update

Dear Mr. Malhotra:

In June 2018, the District sent a letter to all shortlisted P3 entities for the subject Program stating that the District was evaluating further opportunities for potential sources/sites to expand and better define the P3 project scope.

With the turn of the calendar to 2019, we wish to update you on the status of the Purified Program. As presented at the June 6, 2018 technical workshop, the District continues to analyze an array of water supply alternatives which are being addressed under the *Water Supply Master Plan Update* and the *Countywide Water Reuse Master Plan*.

Given the dynamic nature of the analysis and deliberations, to maximize the productivity of the P3 procurement process, the District continues to hold on releasing an RFP until project definition is better clarified. Throughout the second half of 2018, District staff informed the Board's Recycled Water Committee (RWC) on progress regarding the above-mentioned Master Plans and potential project development. The District plans to engage further with all shortlisted P3 entities in mid-2019 to provide you updates on these and other related efforts.

We appreciate your review and comments on the draft Term Sheet last spring. The Program team has completed its review of your inputs and those of the other shortlisted P3 entities.

For further information, you may be interested in reviewing the agenda packet for the November 14, 2018 RWC meeting; the agenda packet or video of the Board's November 20, 2018 meeting (*Water Supply Master Plan Update*, Agenda Item 5.3); and the January 8 and 14, 2019 Board meetings when the draft FY2020-2024 Capital Improvement Program and proposed annual water rate increases were discussed.

Notably, the Board continued its commitment to the Purified Program with a target completion date of 2028. Staff will present the Board with an update on the *Countywide Water Reuse Master Plan* at the Board's February 12, 2019 meeting, and may receive further direction from the Board at that time.

Thank you for your continued interest and participation in the process thus far. We look forward to re-engaging with you in the future.

Sincerely,



Katherine Owen, P.E.
Deputy Operating Officer
Water Utility Capital Division

Cc: N. Camacho, N. Hawk