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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BOARD MEMBER REQUESTS & INFORMATIONAL ITEMS
7
BMR/IBMR Weekly Reports: 08/31/17
Memo from Susan Stanton, COO – Administrative Services, to the Board, dated
08/25/17, regarding the Cost Share Agreement between the District and the VTA for the
Winfield and Almaden Light Rail Station Site Development Options Study.
Memo from Michele King, Clerk, to the Board, dated 08/28/17, regarding the certificate
of recognition presented to the District by the City of Cupertino for the McClellan Ranch
Preserve Meadow Enhancement project.

INCOMING BOARD CORRESPONDENCE
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Board Correspondence Weekly Report: 08/31/17
Email from Patrick Ferraro, former Director, to the Board, dated 08/25/17, regarding
water service affordability (C-17-314).
Email from Mark Simmons to the Board, dated 08/27/17, regarding Coyote Creek flood
risk reduction (C-17-0315).
Email from Patricia Blevins to Director LeZotte, dated 08/27/17, regarding Senate Bill
623 (C-17-0316).
Email from Suzanne Brenner to Director Keegan, dated 08/21/17, regarding Coyote
Creek flood issues (C-17-0317).
Email from Jan Reubens to the Board, dated 08/29/17, regarding the Delta Tunnels
project. (C-17-0318).
Email from Anessa Espinosa, Morgan Hill Unified School District, to Chair Varela, dated
08/29/17, regarding Ann Sobrato High School and the Cross Valley Pipeline (C-17-
0319).
Email from Shelly Gordon to the Board, dated 08/30/17, regarding the Delta Tunnels
Project (C-17-0320).
Letter from Victor Garza, LaRaza Roundtable, to the California Water Commission (cc:
BOD), dated 08/25/17, regarding the Pacheco Reservoir Expansion Project (C-17-
0321).
Email from John Horner, Morgan Hill Chamber of Commerce, to Chair Varela, dated 08/30/17, regarding the Regional Water Board Winery General Order (C-17-0322).

Email from Ken Hulick to Chair Varela, dated 08/31/17, regarding viruses in water (C-17-0323).

OUTGOING BOARD CORRESPONDENCE

Letter from Vice-Chair Santos to Richard Tran, Mayor - City of Milpitas, dated 08/25/17, regarding anti-graffiti texturing on floodwalls.

Reply email from Chair Varela to Richard Kerrigan, Project Finance Advisory Limited, dated 08/28/17, regarding the International Swim Center in Santa Clara (C-17-0299).

Reply email from Director Santos to Steve Holmes, dated 08/30/17, regarding gravel augmentation and Almaden Lake project (C-17-0300).

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
Chief Executive Officer Bulletin
Week of August 25 – 31, 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.

IN THIS ISSUE

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<th>Director Kremen</th>
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<tbody>
<tr>
<td>1</td>
<td>Staff is to provide Director Kremen with information on costs associated with the July 2017 leak on the South Bay Aqueduct, North of Scott Creek Road, and status report on long term repairs. I-17-0011</td>
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</tbody>
</table>

Director Kremen
Staff is to provide Director Kremen with information on costs associated with the July 2017 leak on the South Bay Aqueduct, North of Scott Creek Road, and status report on long term repairs. I-17-0011

The South Bay Aqueduct (SBA) is owned, operated, and maintained, by the California Department of Water Resources (DWR) to deliver State Water Project supplies from the South Delta to the three SBA Contractors including Zone 7 Water Agency (Livermore), Alameda County Water District (Fremont), and Santa Clara Valley Water District. The SBA is a combination of a pumping plant, reservoirs, open channel, and buried pipe constructed in the early 1960’s. The alignment entering Santa Clara County is buried pipe running along the foothills and through the Hayward Fault. This portion of the aqueduct has experienced leaks in the past, due to the joints between pipe sections leaking, and is repaired with a seal over the joint. The SBA has experienced two leaks in the past month, following the facility coming back into operation after an extended eight-month outage. The water district suspects that the eight months of the pipeline being dry may have caused the seals to dry out and compromise their integrity.

When a leak is identified on the SBA, DWR works with the three water agencies to reduce flows in the entire system in order to isolate the portion of pipe requiring repair. The portion of pipe to be repaired is then dewatered to allow crews to enter the pipe, inspect the leak, and make the required repairs before refilling the pipeline and returning to operation. The two most recent leaks were caused by an old seal failing and requiring installation of new seals. DWR tries to complete this type of repair within about 72 hours of shutting down the system. A more severe leak that requires an extensive repair would take longer. DWR’s cost to repair the leak that occurred in late July 2017, was approximately $130,000.
The water district has since met with DWR’s Delta Field Division Chief and Operations Superintendent to discuss coordination among the agencies and reliability of the SBA. DWR is in the process of completing a SBA Reliability Report that is looking at the recent SBA enlargement and geology. These reports are scheduled to be completed by the end of 2017 and will be shared with the water district. DWR is also initiating two other studies, one to look at an area of pipe that is out of bounds due to local land movement, and the other to evaluate an area passing through the Hayward fault. The proposed scope for the first study is scheduled to be developed by September 2017, after which an implementation plan and schedule will be developed. DWR staff plans to initiate the planning for the seismic study by the end of the 2017. The water district will continue working with DWR to develop action plans based on the findings of their studies and ensure issues of concern are addressed.

For further information, please contact Kurt Arends at (408) 630-2284
BOARD MEMBER REQUESTS & INFORMATIONAL ITEMS
<table>
<thead>
<tr>
<th>Request</th>
<th>Completed Date</th>
<th>Meeting Date</th>
<th>Director</th>
<th>GM / AGM</th>
<th>Description</th>
<th>20 Days Due Date</th>
<th>Expected Completion Date</th>
<th>Disposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-16-0021</td>
<td>Pending</td>
<td>04/12/16</td>
<td>Keegan</td>
<td>Stanton</td>
<td>Staff to take a preliminary look at the use of PLAs on Non-federal District projects.</td>
<td>03/22/17</td>
<td>03/02/17 Continued. 07/28/16 CEO Bulletin.</td>
<td></td>
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<tr>
<td>R-17-0025</td>
<td>Pending</td>
<td>07/11/17</td>
<td>Lezotte</td>
<td>Camacho</td>
<td>Staff is to investigate whether there is a need for additional staffing to handle the construction management-watersheds asset rehabilitation program priorities.</td>
<td>08/10/17</td>
<td>09/29/17</td>
<td>08/17/17 CEO Bulletin.</td>
</tr>
<tr>
<td>R-17-0026</td>
<td>Pending</td>
<td>08/22/17</td>
<td>Varela</td>
<td>Fiedler</td>
<td>Staff to follow up with Roger Castillo and view the videos on the Coyote Percolation Dam and provide a report back to the Board.</td>
<td>09/12/17</td>
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<tr>
<td>R-17-0029</td>
<td>Pending</td>
<td>08/22/17</td>
<td>Varela</td>
<td>Camacho</td>
<td>Staff to follow up with constituent MacKenzie Mossing regarding the increase of wildlife being killed by cars in her neighborhood due to tall weeds growing along Calero Creek Trail.</td>
<td>09/12/17</td>
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<td>Pending</td>
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<td>Fiedler</td>
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<td>08/17/17</td>
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</tbody>
</table>
TO:       Board of Directors
FROM:     Susan Stanton,
          Chief Operating Officer,
          Administrative Services

SUBJECT:  Cost Share Agreement Between the Santa Clara Valley Water District and the Santa Clara Valley Transportation Authority for the Winfield and Almaden Light Rail Station Site Development Options Study Project.

DATE:     08/25/2017

SUMMARY:
For several years, the Santa Clara Valley Water District (District) has internally discussed assessing the economic feasibility of redeveloping a six-acre parcel located at the northwest corner of Coleman Road and Winfield Boulevard property (on which it currently operates the Winfield Warehouse) into a more valuable development that could benefit the community and generate additional revenue for the District. Concurrent with the District’s intent to conduct a market study of the Winfield site, staff learned that the Santa Clara Valley Transportation Authority (Authority) was also interested in evaluating whether its 5.66-acre parcel of real property adjacent to the District Site (on which it currently operates the Almaden Light Rail Station) could also be better utilized jointly in a redevelopment with the District. After each agency discussed similar development objectives for each property both the District and Authority staff concluded it would be in the best interest of both agencies to collectively select a consultant to conduct this economic and market study and share the cost of this effort. The Authority has agreed to enter into a Cost Sharing Agreement to fund up to 50% of the cost of the study. The study will be conducted by BAE Urban Economics (BAE) for a cost not to exceed the amount of $104,914.00, of which the Authority will pay up to $52,457.00.

BACKGROUND:
On May 31, 2017 staff from both the District and Authority interviewed three marketing firms that responded to a Request for Proposal. The District and Authority jointly selected the firm BAE Urban Economics (BAE) to perform the tasks enumerated in this proposed agreement. BAE is a national real estate and urban economics consultant with an outstanding record of providing market and financial feasibility analysis. They are a leader in developing value capture and land asset monetization strategies that allow public agencies to share in the profit potential from private development projects. Based in the San Francisco Bay Area with many active local engagements, BAE has a deep understanding of Silicon Valley’s real estate markets and development environments.

The proposed Agreement between the Santa Clara Valley Water District and the Santa Clara Valley Transportation Authority is for the purpose of retaining a consultant to perform the following tasks:

- Assess the most valuable and best uses of the District Site and VTA Site;
- Assess whether the existing uses could be consolidated on to smaller portions of the District Site and VTA Site or relocated elsewhere;
- Assess the economic feasibility of redeveloping all or a portion of the District Site and VTA Site;
- Assess the near-term market potential of the District Site and VTA Site;
• Assess factors that may impact marketability of the District Site and VTA Site given the existing zoning requirements; and
• Assess the costs and benefits associated with redevelopment, including the value that could be generated by the sale of the District Site and VTA Site.

As provided by the professional service agreement, BAE Inc will prepare a Project Feasibility Report that presents viable opportunities for redeveloping the Winfield and Authority sites and a monetization strategy for generating revenue from the new development that will match or exceed the District’s cost to relocate or consolidate its existing operations. The report will identify uses or mixes of uses that are consistent with the characteristics of the sites, align with near-term market demand, and generate sufficient revenue to cover or surpass the associated costs to the District of relocation or consolidation its existing operations. The report will provide a qualitative and quantitative assessment of each alternative that considers the viability of each development program, the potential to generate revenue for the District, and the benefits and drawbacks of various ownership structures, among other factors. BAE’s analysis will be summarized in a SWOT analysis format that presents the strengths, weaknesses, opportunities, and threats associated with each use.

As provided by the agreement, the District was responsible for selecting the consultant to perform the Joint Project and award and execute the Joint Project Contract with BAE Urban Economics Inc. The District is solely responsible for the implementation of the Joint Project Contract and is solely responsible for overseeing all consultants that perform services pursuant to this Joint Project Contract. The Authority has agreed to fully cooperate and provide the District with all documents and information reasonably needed for the performance of the Joint Project Contract and to provide all such documents and information in a timely manner.

FINANCIAL IMPACT:
The fixed fee total compensation of this Agreement consists of the following task fee breakdown:

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Fixed Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Start-up Meeting and Site Tour</td>
<td>$4,021</td>
</tr>
<tr>
<td>2</td>
<td>Review Existing Information, Studies, and Analyses.</td>
<td>$5,523</td>
</tr>
<tr>
<td>3</td>
<td>Analyze Market Potential</td>
<td>$28,298</td>
</tr>
<tr>
<td>4</td>
<td>Key Informational Interviews</td>
<td>$6,203</td>
</tr>
<tr>
<td>5</td>
<td>Conduct Cost Benefit Analysis</td>
<td>$43,910</td>
</tr>
<tr>
<td>6</td>
<td>Project Feasibility Report(s) (Draft and Final)</td>
<td>$15,890</td>
</tr>
<tr>
<td></td>
<td>Expenses</td>
<td>$1,068</td>
</tr>
<tr>
<td></td>
<td><strong>Total Fixed Fees</strong></td>
<td><strong>$104,914</strong></td>
</tr>
</tbody>
</table>

In consideration for the inclusion of the Authority Site in the Joint Project, the Authority has agreed to fund the Joint Project in the amount of one half of the total cost of the Joint Project Contract or $52,457.00, whichever is less. The Authority agrees that this contribution is fair regardless of the final cost-breakdown following the performance of work under the Joint Project Contract.
ATTACHMENTS:
Attachment 1: Cost Sharing Agreement between the District and Authority
Attachment 2: BAE Urban Economics Standard Consultant Agreement

[Signature]

Susan Stanton,
Chief Operating Officer, Administrative Services
The City of Cupertino presented the Santa Clara Valley Water District with the following Certificate of Recognition, dated August 15, 2017, for the McClellan Ranch Preserve Meadow Enhancement Project.
Certificate of Recognition

Presented to

Santa Clara Valley Water District

on August 15, 2017

in recognition of the Santa Clara Valley Water District’s contribution of generous support, including funding from the Measure B Safe, Clean Water and Natural Flood Protection grant program, for the McClellan Ranch Preserve Meadow Enhancement project, which from 2014 to 2017 delivered a collaborative, community volunteer-based effort to establish an acre of native plantings in a riparian floodplain meadow along Stevens Creek. The project successfully added over 11,000 locally-native plants installed by over 3,500 volunteers, reduced invasive plants, and increased habitat value and diversity to better support native wildlife. The District’s continuing partnership with City of Cupertino has greatly enhanced the Stevens Creek corridor and supported outstanding environmental stewardship with valuable benefits to our community and its wildlife.

Savita Vaidhyanathan, Mayor