Board Policy: EL-7 Communication and Support to the Board
The BAOs shall inform and support the Board in its work.

Page #  CEO BULLETIN / NEWSLETTERS
3  CEO Bulletin:  10/20/17 – 10/26/17

BOARD MEMBER REQUESTS & INFORMATIONAL ITEMS
6  BMR/IBMR Weekly Reports:  10/26/17
Memo from Nina Hawk, COO – Water Utility Enterprise, to the Board, dated 10/18/17, regarding the Summary of Treated Water O&M Activities Report.

INCOMING BOARD CORRESPONDENCE
18  Board Correspondence Weekly Report:  10/27/17
19  Email from Leslee Hamilton to Chair Varela, dated 10/19/17, regarding challenges with creek clean-up programs due to homeless encampments (C-17-0394).
20  Email from Patrick Kearns to Director Kremen, dated 10/20/17, regarding California WaterFix (C-17-0395).
21  Memo from Michele King, Clerk, to the Board, dated 10/25/17, regarding additional emails received on the California WaterFix (C-17-0396).

OUTGOING BOARD CORRESPONDENCE
28  Reply email from Director Kremen to Mary Robertson, dated 10/20/17, regarding costs of California WaterFix (C-17-0384).

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 October 20-26, 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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<td>FY17 Annual Report of District Rental Property Income and Expenses</td>
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| 2    | Keegan
Staff to provide the board with proactive options to address unauthorized access to district property and the dumping of trash and debris. See memo dated 9/1/17 Handout 11.1-A 17-0033 |

FY17 Annual Report of District Rental Property Income and Expenses

The water district acquires properties that are required for future district projects and programs. Prior to the commencement of these projects, the water district will seek to keep some of these properties occupied by leasing them at fair market rates, per Board Resolution No. 09-78. The Resolution requires the CEO to report the district's annual rental income and expenses of the district properties by October 31st each year. Below is the Fiscal Year (FY) 2017 Annual Report of District Rental Property Income and Expenses.

In FY 2017, the district owned and managed a total of 114 properties: 61 Non-Residential and 53 Residential properties. This represents no Residential and Non-Residential property changes over FY 2016. The Total Net Income for FY 2017 increased by 5% ($75,461) from the previous fiscal year, from $1.425 million to $1.5 million. The Total Gross Income for FY 2017 increased by 3% ($60,992) from the previous fiscal year, from $1.867 million to $1.928 million.

The higher income resulted from rent increases on residential properties that turned over tenants, and due to increased rental value after conducting an annual market review of rents. The income from residential properties increased approximately 3% ($47,619) from the previous fiscal year, from $1,574,453 to $1,622,072. The income from non-residential properties increased by 4% ($13,373) from the previous fiscal year, from $292,653 to $306,026.

For further information, please contact Tina Yoke at (408) 630-2385.
Keegan
Staff to provide the board with proactive options to address unauthorized access to district property and the dumping of trash and debris. See memo dated 9/1/17 Handout 11.1-A 17-0033

Director Keegan reports constituent concerns about the district’s management of its property and identifies two issues that frequently surface: unauthorized access via cutting of fences and the dumping of trash and debris. Staff provided an initial response on October 19, 2017 and continues to work on this item. This is to inform the board that due to the length of the response to these constituent concerns, staff needs more time to formulate a response. Staff expects this item to be completed and included in the November 3, 2017, Non-Agenda packet.

For further information, please contact Sue Tippets at (408) 630-2253.
BOARD MEMBER REQUESTS & INFORMATIONAL ITEMS
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<tr>
<th>Request</th>
<th>Completed Date</th>
<th>Meeting Date</th>
<th>Director</th>
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<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>
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<td>R-17-0033</td>
<td>Pending</td>
<td>09/26/17</td>
<td>Keegan</td>
<td>Hawk</td>
<td>Staff to provide the Board with proactive options to address unauthorized access to District property and the dumping of trash and debris. See memo dated 09/01/2017 Handout 11.1-A.</td>
<td>10/17/17</td>
<td>10/27/17</td>
<td>10/19/17 CEO Bulletin.</td>
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<td>R-17-0032</td>
<td>Pending</td>
<td>09/26/17</td>
<td>Kremen</td>
<td>Callender</td>
<td>Staff to provide the Board with an update on the District's education program.</td>
<td>10/17/17</td>
<td></td>
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<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>
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<tr>
<td>R-17-0026</td>
<td>Pending</td>
<td>08/22/17</td>
<td>Varela</td>
<td>Hawk</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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### Board Requests Report - Informal

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**No open informal BMRs**
TO: Board of Directors

FROM: Nina Hawk

SUBJECT: Transmission of Summary of Treated Water O&M Activities Report

DATE: October 18, 2017

At each quarterly Water Retailer Meeting, a summary report of the previous quarter's operations and maintenance (O&M) activities is shared with the water retailers. The October 18, 2017 Summary of Treated Water O&M Activities report is attached to this memorandum for the Board's information.

Nina Hawk
Chief Operating Officer
Water Utility Enterprise

Attachment: October 18, 2017 Summary of Treated Water O&M Activities

cc: A. Cheung
Quarterly Water Retailers Meeting
October 18, 2017

Agenda Item No.: 4.3
Speaker: Angela Cheung
Presenter Item: Summary of Treated Water O&M Activities

The following is a summary of treated water operations and maintenance activities for the last quarter.

Treated Water Deliveries:
July Contract – 12,210 AF delivered, 106% of adjusted contract
August Contract – 12,052 AF delivered, 108% of adjusted contract
September Contract – 10,173.96 AF delivered, 112% of adjusted contract

Purified Water Deliveries:
July 2017 – 598 AF
August 2017 – 595 AF
September 2017 – 491 AF

Water Quality
See graphs below for treatment plant water quality data.

- Flow trends have been added to the charts for all three treatment plants. The main contributors to THM production are total organic carbon, bromide, and chlorine contact time, the latter being a function of flow.

- Penitencia WTP (PWTP) came back on-line on July 7th after an 8½-month shutdown. The high-quality low-bromide water in the Delta, and high production rates, have helped maintain low THM production, even with an increased finished water residual.

- Rinconada WTP (RWTP) began receiving an SBA blend on July 15th; prior to which it was receiving San Luis water almost exclusively. The increased production rate beginning in May, together with the high-quality Delta water, has resulted in a decrease in THM production.

- Santa Teresa WTP (STWTP) has experienced a couple of spikes in THM production this year. The first occurred in May; the prechlorination dose was increased for disinfection redundancy when there was a jump in demand. Ultimately, the plant residual was increased to 3.5 mg/L and the prechlorination dose was reduced. The second spike occurred in September, resulting from a large drop in flow and subsequent long clearwell detention time.

- Taste and odor compounds, MIB and geosmin, have been at manageable levels this quarter in PWTP and RWTP source water, and mostly below detection level in STWTP raw.

4.3 Summary of Treated Water O&M Activities
4.3 Summary of Treated Water O&M Activities
Silicon Valley Advanced Water Purification Center (SVAWPC):
In early July, SVAWPC hosted an Asian Community Open House which attracted about 250 visitors. It included guided-tour of the center in multiple languages, water tasting, as well as educational activities for children. The outreach event received positive feedback from the participants; it was a great opportunity for many of them to learn about the advanced treatment processes which helps to build confidence in potable reuse.

The RO pilot trailer purchased by the Water Quality Unit has parallel RO pilot trains and testing is underway for membrane qualifications. Test results will be used to select qualified membrane(s) for the plant’s RO membrane replacement next year. SVAWPC staff continues to support all the pilot tests at the facility as well as the outreach efforts by providing water for tasting.

There have been quite a few new staff who have joined either the District or units that support SVAWPC operations since the plant started up in 2014. In September, John Caughlin of OperatorSTAR who provided much of the system training in 2014 was brought back to train the newer staff. The training focused on the current system at SVAWPC as well as inner workings of microfiltration and reverse osmosis and was well received by staff who attended the training.
Penitencia Water Treatment Plant (PWTP):
Penitencia has been in high production mode since its startup on July 7th. The plant produced between 28 and 36 MGD for much of August and September. There were two plant shutdowns this quarter, both due to leaks on the South Bay Aqueduct (SBA). One was in late July for 5 days and the other was in the middle of August for 4 days. In both cases, the Santa Teresa Water Treatment Plant ramp up production to meet demands. In September, when the Cochrane Line Valve repair was taking place, the plant and the Intertie together supplied retailer demands on the East Pipeline.

Penitencia hired three new assistant operators in June. So far, the new operators have participated in plant shutdowns and startups and have received training through a high flow summer season.

As reported in earlier meetings, the maintenance team had completed several large-scale repairs and rebuilds during the 8½-month shutdown. One of the undertakings was the rebuilding of the belt press, take out conveyor, and the hydraulic unit. Even though the rebuild went well, startup didn’t go without its share of issues. The hydraulic unit had a couple problems. One of which was the contractor left a rag in the fluid tank during the oil change. The other was a failed heat exchanger that contaminated the oil with water.

4.3 Summary of Treated Water O&M Activities
During the plant shutdown and inspection of the plant, corrosion was found on the Floc #1 inlet piping. The pitting was determined to be minor when additional integrity testing was conducted. District staff used an epoxy coating from Belzona to rebuild the pitted areas. Previous repairs using Belzona have proved to be successful.

Rinconada Water Treatment Plant
The Reliability Improvement Project construction continues to progress without any unplanned plant shutdown or water quality violations. Phase 2 of the project, the startup and commissioning of the raw water control facility, flocculation/sedimentation basins and wash water facility, is now projected to be completed in the first half of 2018.

Rinconada staff is in the process of getting the Campbell Well Field in “ready-to-operate” state to supply potable water to the West Pipeline in the event an SBA outage occurs during the upcoming Almaden Valley Pipeline Inspection and Rehabilitation Project (October 27, 2017 – February 2, 2018, possibly through February 16, 2018).

4.3 Summary of Treated Water O&M Activities
Rinconada had an unplanned shutdown on October 6th due to an aluminum sulfate feed line leak. On-call mechanics installed a bypass to allow the system to return to service and the plant restarted after 4 hours and back to high flows in 8 hours. Several retailers responded to the page for flow reduction by closing turnouts which helped stretch available water in the Rinconada Reservoir for the turnouts that needed it most. The feedback after the event was that District and retailer operators worked well through the event.

Valve had a crack in the threaded joint

Bypass with flexible hose with camlocks

Rinconada’s story has been for the last 2 years and will be the same for the next 4-5 years as the plant is being rebuilt. To minimize stranded assets, maintenance staff has to work hard at keeping the old equipment running while about 75% of the plant is being rebuilt.

Filter #4’s air siphon was not working properly, making the filter backwashes take longer. The mechanics donned Tyvak suits, disinfected their boots and entered the filter to clean out the siphon’s air release valve which was clogged with sediment.
The Wash Water Recovery Ponds need to be cleaned about once a year due to sediment accumulation. Maintenance recently drained and cleaned each pond, removing a great deal of thickened sludge. They also discovered a broken basket (pump suction strainer) and replaced it. Picture is of Maintenance person cleaning sludge from the pump well.

Santa Teresa Water Treatment Plant
From September 9-14, due to the Cochrane Line Valve repair work, as well as water quality concerns from Calero Reservoir (hydrogen sulfide and high dissolved manganese), STWTP’s source water supply was SBA and limited to ~ 20 MGD. With 20 MGD limitation, the plant was configured to supply the Graystone, Pinos and Skyway turnouts.

On Monday, September 11, Vasona Pumping Plant lost PG&E power at 2:30 in the morning. The plant was forced to shut down. STWTP operators worked closely with San Jose Water Company to prioritize and deliver treated water to turnouts where it was needed most. Maintenance staff brought portable generators to Vasona and the plant ran on generator power until PG&E power was restored.

STWTP will be offline from October 27, 2017 to February 2, 2018 to facilitate the Almaden Valley Pipeline (AVP) inspection and rehabilitation project work. See CEO Bulletin attached for water utility operational constraints from pipeline rehabilitation projects.

The primary focus at STWTP for maintenance in the last quarter was preparation for this winter’s plant shutdown and to procure parts and equipment for replacement and/or refurbishment per the District’s asset management work plan. Some of the work planned for the shutdown is below:

4.3 Summary of Treated Water O&M Activities
1 West and 2 West Sedimentation Basin Collection System Overhaul - Our biggest upcoming project for FY18 will be the replacement of the flights and chains due to aging infrastructure. The empty basin on the left, exposes the flights and chains which are up for replacement. The bid package and the bid walk was completed. This work to overhaul both basins is scheduled to start in November 2017.

1 East Sedimentation Basin Upper Shaft Replacement - On the opposite side of STWTP, the 1 East Sedimentation Basin is scheduled to get its new upper shaft replacement which drives the flights and chains. The parts were acquired and scheduled to be installed in October 2017.

4.3 Summary of Treated Water O&M Activities