
CEO

Chief Executive Officer



TO: BOARD OF DIRECTORS
FROM: BEAU GOLDIE

CEO BULLETIN

Week of August 21 – 27, 2015

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

The BAOs inform and support the Board in its work.

Further, a BAO shall:

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.

Report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

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Project Labor Agreement for Expedited Purified Water Program Project Construction

The water district is working to expedite the expansion of purified water program to ensure a reliable, drought-proof and locally controlled water supply for the near and long term, and to counter the risk of land subsidence in Santa Clara County.

The timely and efficient completion of the estimated \$800 million Expedited Purified Water Program is important and the water district is working to successfully deliver the large program. To ensure efficient operations during the construction phase and economical completion of the project, it would be important to have peaceful settlement of labor disputes and grievances without strikes or lockouts.

Project Labor Agreement (PLA), a pre-hire collective bargaining agreement with labor organizations, lays out terms and conditions of employment for a specific project, including procedures for quickly settling any disputes that might arise during project construction. Typically, the agreement includes no-strike and no lock-out terms.

Director Richard Santos has provided a list of PLAs executed by various agencies in Santa Clara County, and a copy of the June 13, 2005, PLA entered by the County of Santa Clara and various labor unions for the construction of the County of Santa Clara New Crime Laboratory Bid Package 2 project.

The water district's legal staff has reviewed the document and sees no legal impediments to entering into such an agreement, which is a recognized practice in California. The CEO has also reviewed the document and sees no obstacle to entering into such an agreement.

The water district can enter into such an agreement, if so directed by the Board of Directors. During the September 22, 2015, Expedited Purified Water Program update to the board, staff will request board direction on whether to consider a PLA for project construction.

Meanwhile, a copy of the County's PLA for the construction of the County of Santa Clara New Crime Laboratory Bid Package 2 project is being included in the August 28, 2015, Non-Agenda package.

For further information, please contact Beau Goldie at (408) 630-2634.

BOARD MEMBER REQUESTS

Keegan

**How much water did we actually lose when the pipeline ruptured? Are there any documents that we have regarding previous investigations of the pipeline? If so please provide
I-15-0031**

As a result of the pipe break along the Santa Clara Conduit on August 1, 2015, approximately 60 acre-feet (20 million gallons) spilled and flowed to Pacheco Creek.

A previous assessment on the pipeline condition of this portion of the Santa Clara Conduit was conducted December 3 - 7, 2007, by Pressure Pipe Inspection Company (PPIC) (now owned by Pure Technologies) under contract with the United States Bureau of Reclamation.

The report summarizing the pipeline condition assessment was completed in April 2008 and a copy of that report was provided in the Board's August 21, 2015, Non-Agenda package.

For further information, please contact James Fiedler at (408) 630-2736.

Keegan

Are the permits in hand to do the rodent repair project?

I-15-0032

The Canoas Creek Rodent repair project was permitted under the Stream Maintenance Program permit as a large-scale maintenance project. The project was submitted to the regulatory agencies as part of the water district's notice of proposed work on April 15, 2015, and the notice to proceed was issued from the US Army Corps of Engineers regulatory on July 1, 2015.

For further information, please contact Norma Camacho at (408) 630-2084.

Kremen

Staff is directed to provide legal analysis of the voting percentage available to the District's though its representatives on the San Luis Delta & Mendota Water Authority board

I-15-0033

Chair Kremen asked staff for a legal analysis of the voting percentage available to the water district through its representatives on the board of the San Luis & Delta Mendota Water Authority (Authority). He also asked for the same analysis relative to the representatives of San Benito County Water District (SBCWD) on the Board of the San Luis Delta Mendota Water Authority.

The Authority was established in January 1992 and consists of water agencies representing approximately 2,100,000 acres of 29 federal and exchange water service contractors within the western San Joaquin Valley, San Benito, and Santa Clara counties. The water district became a member of the Authority in 1992 when the water district board signed the Joint Powers Agreement.

One of the primary purposes of establishing the Authority was to assume the operation and maintenance (O&M) responsibilities of certain United States Bureau of Reclamation (USBR) Central Valley Project facilities and do so at an optimum level and at a lower cost than the USBR.

In addition, the Authority serves the information and representation needs of its members by developing, providing, and disseminating information to legislative, administrative and judicial bodies concerning a variety of issues such as: Sacramento and San Joaquin Delta exports, water supply, water quality, water development, conservation, distribution, drainage, contractual

rights, surface and groundwater management, and any other common interest of the member agencies.

The Delta-Mendota Canal can deliver approximately 3,000,000 acre feet of water within the Authority service area. Of this amount, 2,500,000 acre feet are delivered to agricultural lands, 150,000 to 200,000 acre feet for municipal and industrial uses, and between 250,000 to 300,000 acre-feet are delivered to wildlife refuges for habitat enhancement and restoration.

The governing body of the Authority consists of a 19-member Board of Directors classified into five divisions with directors selected from within each division. Each director, and respective alternate director, is a member of the governing body or an appointed staff member of his or her agency.

The following information is found in the Authority JPA document and pertains to the number of directors on the Authority Board and the votes required for the Authority to take action:

- The Authority Board consists of 19 directors.
- Each of the 19 directors has an alternate director that has the power to act as a director when the director is not available.
- There are five divisions specified in the JPA Agreement. Divisions 1, 2, 3 and 4 are each authorized to select four directors, while Division 5 is authorized to select three directors.
 - Division 1 has 4 directors representing Banta-Carbona Irrigation District, City of Tracy, Del Puerto Water District, Patterson Water District, Byron Bethany Irrigation District, West Stanislaus Irrigation District, and West Side Irrigation District.
 - Division 2 has 4 directors representing Panoche Water District, San Luis Water District, Westlands Water District, Charleston Drainage District, Panoche Drainage District, and Pleasant Valley.
 - Division 3 has 4 directors representing Firebaugh Canal Water District, Central California Irrigation District, Grasslands Water District, Columbia Canal Company, and Henry Miller Reclamation District #2131.
 - Division 4 has 4 directors representing SCVWD and SBCWD. SCVWD and SBCWD may have no more than two directors each.
 - Division 5 has 3 directors representing 10 member agencies from Division 5: Broadview Water District, Eagle Field Water District, Laguna Water District, Mercy Springs Water District, Oro Loma Water District, Pacheco Water District, Fresno Slough Water District, James Irrigation District, Reclamation District 1606, Tranquility and Irrigation District.
 - The water district and SBCWD appoint directors that represent 21% of the voting capacity of the 19-member Authority Board.
- A quorum of the Authority Board is a majority of the Board (i.e. 10 of 19 directors).
- Once a quorum is present, the Authority Board may take action.
- Authority Board action generally requires a vote of the majority of the directors that are present.

- However, the Authority Board cannot take action to support legislation or initiate any litigation or administrative proceeding unless such action is agreed to by at least 85% of the directors that are present at the meeting.
- If the two directors appointed by the water district and two directors appointed by SBCWD vote against taking action to support legislation or initiate any litigation or administrative proceeding, such action may not be taken by the Authority since those four votes comprise at least 21% of the Board's voting capacity (hence, the maximum possible affirmative voting percentage is 79%, which is less than the 85% affirmative voting percentage required to take action to support legislation/initiate litigation).

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

Kremen

Staff to evaluate merits and feasibility of acquiring water rights, particularly south-of-Delta water rights, which could be available to the water district in dry years as part of its imported water portfolio

I-15-0034

Staff agrees that this evaluation is beneficial and will conduct an assessment of various supply options in the update of the water district's Water Supply Master Plan scheduled for 2017. This plan will be presented to the board for adoption.

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