

# **Governance Policies of the Board**

## **V. BAO/CEO Interpretations**

# Governance Policies of the Board

## V. BAO/CEO INTERPRETATIONS

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# Governance Policies of the Board

**Title:** Mission and General Principles

**Category:** BAO/CEO Interpretations

**Policy No. E-1**

**CEO Approval: August 2, 2011**

**Latest Revision: August 2, 2011**

**Board Officer's affirmation of official Board action adopting this policy.**

Accordingly, the Board of the District has adopted directions to the BAOs as to the intended results, organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what costs). In implementing Board directions, staff will be guided by the following general principles:

- 1.1. An integrated and balanced approach in managing a sustainable water supply, effective natural flood protection and healthy watersheds is essential to prepare for the future.

*CEO Interpretation:*

*CEO Direction:*

*D1.1.a. An integrated and balanced approach takes into account the following:*

- *Work undertaken to achieve one goal will seek to preserve and protect the ability to achieve other goals;*
- *Seek opportunities and synergies that will enhance achievement of all goals.*

*E-1 Strategy:*

- 1.1.1. *Collect and manage data to support water supply, flood protection and environmental stewardship actions. (P and T)*

Accordingly, the Board of the District has adopted directions to the BAOs as to the intended results, organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what costs). In implementing Board directions, staff will be guided by the following general principles:

- 1.4. A positive image of the District is supported in carrying out the District's mission.

*CEO Interpretation:*

*CEO Direction:*

*D1.4.a. The District will proactively communicate with stakeholders.*

(P) Indicates that the District has primary jurisdiction and/or responsibility; (C) for cooperation or coordination with others; and (T) for providing technical information and/or serving as advocate.

# Governance Policies of the Board

**Title:** Water Supply  
**Category:** BAO/CEO Interpretations

<b>Policy No. E-2</b>	<b>CEO Approval: November 23, 2010</b>	<b>Latest Revision: November 15, 2011</b>
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## E-2 Goal

2.1. Current and future water supply for municipalities, industries, agriculture and the environment is reliable.

### CEO Interpretation:

#### Outcome Measures:

- OM 2.1.a. *Number of wells constructed/destroyed in compliance with state standards to protect groundwater quality.*
- OM 2.1.b. *End-of-year groundwater storage (goal of least 300,000 acre-feet).*
- OM 2.1.c. *Annual recycled water production as a percentage of total County water demands (goal of 10% by 2025).*
- OM 2.1.d. *Annual water conservation (goal of 20% per capita reduction by 2020).*

## E-2 Objective

2.1.1. Aggressively protect groundwater from the threat of contamination and maintain and develop groundwater to optimize reliability and to minimize land subsidence and salt water intrusion.

### CEO Interpretation:

#### E-2 Strategies:

- 2.1.1.1. *Implement groundwater protection and monitoring. (P,C,T)*
- 2.1.1.2. *Work with regulatory and land use planning agencies to protect recharge areas and to minimize impacts to groundwater quality. (P,C,T)*
- 2.1.1.3. *Maintain groundwater levels and flow gradients so as to minimize salt water intrusion and land subsidence.*

(P) Indicates that the District has primary jurisdiction and/or responsibility; (C) for cooperation or coordination with others; and (T) for providing technical information and/or serving as advocate.

# Governance Policies of the Board

## E-2 Objective

2.1.4. Protect, maintain and develop imported water.

### CEO Interpretation:

#### E-2 Strategies:

2.1.4.1. *Aggressively pursue the Delta solution.*

#### CEO Direction

- D2.1.4.1.a. *The District's desired outcome is a cost-effective, comprehensive, long-term solution for the Delta that meets the water supply, water supply reliability, and water quality needs of Santa Clara County while balancing other beneficial uses and providing a sustainable Delta ecosystem. (C, T)*
- D2.1.4.1.b. *The District supports moving forward with environmental review and feasibility studies for a long-term Delta solution, including analyses of a dual Delta conveyance and a full range of isolated facility sizes. (C, T)*
- D2.1.4.1.c. *Continuing to rely solely on existing through-Delta conveyance for the District's imported water supplies is not acceptable because of the instability of existing Delta levees, underlying seismic risks, increasing threats of altered hydrology and sea level rise due to climate change, and ongoing regulatory uncertainty and concerns over the environmental health of the Delta. (C, T)*
- D2.1.4.1.d. *The long-term Delta solution should promote a resilient Delta ecosystem by basing all actions on sound science and addressing the full range of environmental stressors, including toxics, invasive species, and all watershed diverters. (C, T)*

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# Governance Policies of the Board

## E-2 Objective

2.1.6. Maximize water use efficiency, water conservation and demand management opportunities.

### CEO Interpretation:

#### E-2 Strategies:

- 2.1.6.1. *District conservation programs, projects and activities are implemented consistent with the most recent update of the District's Urban Water Management Plan. (P)*
- 2.1.6.2. *Water conservation and water use efficiency are promoted through District incentives, disincentive and in partnership and collaboration with local land-use entities to the maximum practical extent. (P,C,T)*

## E-2 Objective

2.2.1. Manage, operate and maintain raw water transmission and distribution assets to maximize reliability, to minimize life-cycle costs and to minimize impacts to the environment.

### CEO Interpretation:

#### E-2 Strategies:

- 2.2.1.1. *Due to potential negative environmental and operational impacts of surface water usage, no new turnouts on District raw water transmission pipelines will be permitted unless determined by the District to have a positive impact on overall system operations or water supply reliability. (P)*
- 2.2.1.2. *Due to potential negative environmental and operational impacts of surface water usage, any expansion of surface water use at existing District raw water turnouts will not be permitted unless determined by the District to have a positive impact on overall system operations or water supply reliability. (P)*

## E-2 Objective

2.3.1. Meet or exceed all applicable water quality regulatory standards.

### CEO Interpretation:

#### E-2 Strategies:

- 2.3.1.1. *There shall be no water quality regulatory standards violations.*
- 2.3.1.2. *Provide fluoridated drinking water at the District's three water treatment plants and the Campbell well field.*

(P) Indicates that the District has primary jurisdiction and/or responsibility; (C) for cooperation or coordination with others; and (T) for providing technical information and/or serving as advocate.

# Governance Policies of the Board

## E-2 Objective

2.3.2. Manage, operate, and maintain the water treatment plant and treated water pipeline assets to maximize reliability, to minimize life-cycle costs and to minimize impacts to the environment.

### *CEO Interpretation:*

#### *E-2 Strategies:*

- 2.3.2.1. *Update and implement the Infrastructure Reliability Program to reduce system outage time following natural disasters.*
- 2.3.2.2. *Partner with other similar utilities for mutual aid support following emergencies.*

## E-2 Objective

2.3.3. Maintain effective relationships with the retailer and other stakeholders to ensure high quality, reliable drinking water.

### *CEO Interpretation:*

#### *E-2 Strategies:*

- 2.3.3.1. *Maintain a rating of good to excellent on treated water retailer annual survey.*

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# Governance Policies of the Board

<b>Title:</b>	<b>Natural Flood Protection</b>	
<b>Category:</b>	<b>BAO/CEO Interpretations</b>	
<b>Policy No. E-3</b>	<b>CEO Approval: December 21, 2004</b>	<b>Latest Revision: August 2, 2011</b>

## E-3.1 Goal

3.1. Natural flood protection for residents, businesses, and visitors

### CEO Interpretation:

#### Outcome Measures:

OM 3.1.a. % of parcels removed from floodplain according to 5-year CIP.

OM 3.1.b. % of improved streams maintained at design capacity.

OM 3.1.c. Provide at least one training on land use near streams to cities/agencies annually.

## E-3 Objective

3.1.1. Balance environmental quality and protection from flooding.

### CEO Interpretation:

#### E-3 Strategies:

3.1.1.1. Prepare and implement a multi-year Capital Improvement Plan for flood protection projects. (P)

#### CEO Direction

*D3.1.1.1.a Flood protection projects will be recommended for inclusion in the Capital Improvement Plan to the Board based on the following prioritization:*

1. Average annual flood damages (50%)
2. Size of developed area (7.6%)
3. Upstream and downstream improvements (4.6%)
4. Rehabilitated reach (7%)
5. Proposed development (3%)
6. Downstream reach (4.9%)
7. Maintenance cost (5.4%)
8. Multipurpose use (5.5%)
9. Flood insurance costs (6%)
10. Historical flood areas (6%)

*Note: Procedures related to this prioritization system are part of the District's Quality and Environmental Management System (QEMS).*

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# Governance Policies of the Board

*D3.1.1.1.b Flood protection projects will consider appropriate flood return periods, benefit-cost ratio, environmental values, and community interests to determine the optimal project scope.*

*3.1.1.2. Identify existing stream conditions and stream characteristics and implement practical solutions where appropriate, to improve stream stability and its dynamic equilibrium. (P)*

*CEO Direction:*

*D3.1.1.2.a The following criteria are balanced when selecting the preferred alternative to modify or maintain creeks to provide flood protection:*

- 1. Ecological functions and processes, including habitat goals, are supported.*
- 2. Natural stream functions and processes, including stability and dynamic equilibrium of streams are preserved or rehabilitated*
- 3. Maintenance requirements are minimized.*
- 4. Projects are integrated within the watershed as a whole.*
- 5. The quality and availability of water is protected.*
- 6. Water Supply functions are preserved or enhanced*
- 7. Cooperation with local agencies achieves mutually beneficial goals.*
- 8. Community benefits are provided beyond flood protection.*
- 9. Life-cycle costs are minimized*

*3.1.1.3. Provide technical advice and, if appropriate, work with municipalities to manage stormwater to address stream flooding and environmental benefits. (T)*

*3.1.1.4. Develop and provide technical advice on the design of floodplains and channels that incorporates the physical and dynamic equilibrium of streams. (P and T)*

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# Governance Policies of the Board

## E-3 Objective

### 3.1.2. Preserve flood conveyance capacity.

#### *CEO Interpretation:*

#### *E-3. Strategies:*

*3.1.2.1. Maintain the design floodwater conveyance capacities within District-owned channels. (P)*

#### *CEO Direction*

*D3.1.2.1.a Sediment removal and vegetation management in accordance with Stream Maintenance Program and operation and maintenance manuals.*

*3.1.2.2. Support and promote land use decisions to maintain stream capacity. (T)*

#### *CEO Direction*

*D.3.1.2.2.a Provide floodplain information to foster decisions which reduce the potential of flooding and exposure to flood risks.*

*3.1.2.3. Advocate flood conveyance capacity is maintained on non-district owned channels. (T)*

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# Governance Policies of the Board

## E-3 Objective

### 3.2.1. Reduce flood risks in flood prone areas.

#### CEO Interpretation:

#### E-3 Strategies:

- 3.2.1.1. *Provide flood frequency and forecast services. (C)*
- 3.2.1.2. *Prepare for effective response to storm-related emergencies. (C)*
- 3.2.1.3. *Assist municipalities and citizens when needed to lessen potential flood impacts. (C)*
- 3.2.1.4. *Work with municipalities and other regional jurisdictions to clearly identify roles and responsibilities for floodplain management and emergency management. (C)*
- 3.2.1.5. *Ensure floodplain maps (alluvial and tidal) are based on best available data. (C)*
- 3.2.1.6. *Include municipal planners in regional or local flood management planning activities. (C)*
- 3.2.1.7. *Promote community awareness about best practices to avoid or minimize exposure to flooding potential. (T)*
- 3.2.1.8. *Promote risk reduction activities through targeted outreach to areas protected by levees. (T)*
- 3.2.1.9. *Maintain and make available technical resources to assist municipalities in floodplain management activities. (T)*
- 3.2.1.10. *Promote removal or abandonment of infrastructure located within floodplains. (T)*
- 3.2.1.11. *Implement a Comprehensive Asset Management Program*
- 3.2.1.12. *Administer the Water Resources Protection Ordinance (WRPO). (P)*
- 3.2.1.13. *Respond to land development requests to communicate District and resource protection interests. (P, C or T)*
- 3.2.1.14. *Promote community awareness of flood risks. (P, C or T)*
- 3.2.1.15. *Implement risk reduction strategies consistent with FEMA's Community Rating System as appropriate. (C)*

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# Governance Policies of the Board

## E-3 Objective

3.2.2. Avoid the creation of expanded flood prone areas.

### CEO Interpretation:

#### E-3 Strategies:

- 3.2.2.1. *Assist in the incorporation of flood-wise design features (e.g., minimize imperviousness, preserve natural drainage, rain harvesting and provide flood water detention) within the watershed. (T)*
- 3.2.2.2. *Encourage and provide technical assistance in mitigating erosion, sedimentation and high flows from new development or redevelopments. (T)*
- 3.2.2.3. *Advocate or support protection of stream functions from the negative impacts of development. (T)*
- 3.2.2.4. *Promote awareness of risks for developing in flood hazard areas. (T)*

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# Governance Policies of the Board

**Title:** Water Resources Stewardship

**Category:** BAO/CEO Interpretations

**Policy No. E-4** CEO Approval: December 15, 2009

Latest Revision: August 2, 2011

## E-4.1 Goal

4.1. Healthy creek, bay and other aquatic ecosystems

### CEO Interpretation:

#### Outcome Measures:

OM 4.1.a. Number of major streams with ecological services indices.

OM 4.1.b. Number of streams for which established ecological service indices are maintained or improved.

## E-4 Objective

4.1.1. Balance water supply, flood protection and environmental stewardship functions.

### CEO Interpretation:

#### E-4 Strategies:

4.1.1.1. Balance the protection and restoration of sensitive fisheries and aquatic species, such as steelhead trout, with a reliable water supply. (P)

4.1.1.2. Identify and incorporate stream rehabilitation measures into capital projects and operations to avoid, minimize and/or impacts to watersheds, streams and natural resources. (P and C)

4.1.1.3. Identify and implement potential mitigation banking opportunities in order to streamline future mitigation requirements. (C)

4.1.1.4. Provide information on stormwater management and design of floodplains and channels. (T)

4.1.1.5. Collaborate to help restore the south bay wetlands. (C and T)

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# Governance Policies of the Board

## E-4 Objective

### 4.1.2. Protect and improve watersheds, streams, and natural resources.

#### CEO Interpretation:

##### E-4 Strategies:

- 4.1.2.1. *Implement stream stewardship opportunities in capital and maintenance activities, including stream rehabilitation and environmental enhancements and seek to achieve the physical stability and ecological health of streams. (P and C)*

##### CEO Direction

D 4.1.2.1.a *Identify environmental enhancement opportunities to the Board and list habitat goals that may be achieved by the project.*

D 4.1.2.1.b *Identify to the Board, potential integrated environmental enhancement opportunities which do not exceed \$25,000 in estimated construction costs. Identification should occur early in the planning phase of capital projects for consideration to include in the design and construction.*

D 4.1.2.1.c *Evaluate independent environmental enhancement opportunities including an assessment of anticipated ecological benefits for consideration of implementation.*

D 4.1.2.1.d *Identification of both integrated and independent should occur early in the planning phase of capital projects for consideration to include in the design and construction.*

- 4.1.2.2. *Engage in habitat conservation planning. (P and C)*

##### CEO Direction

D4.1.2.2.a *Develop ecologically based habitat goals and levels of service for use in planning implementation.*

D4.1.2.2.b *Develop Stream Restoration plans in collaboration with municipal governments.*

- 4.1.2.3. *Protect groundwater recharge areas in creeks and riparian corridors. (P)*

- 4.1.2.4. *Protect, enhance and restore riparian vegetation and in-stream and tidal habitat conditions conducive to healthy ecology, including diked historical bayland wetlands, or former salt ponds. (P and C)*

- 4.1.2.5. *Protect, enhance, restore and/or create habitats for key species indicative of watershed health. (C)*

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# Governance Policies of the Board

- 4.1.2.6. *Collect and manage data to support stewardship objectives and inform project development, implementation and maintenance. (P and C)*
- 4.1.2.7. *Protect, enhance and restore the physical stability/dynamic equilibrium of streams. (P, C and T)*
- 4.1.2.8. *Create and seek to maintain ecological levels of service indices for stream corridors within the District's primary area of interest. (P, C and T)*

## E-4 Objective

4.1.3. Promote the protection of aquatic ecosystem functions.

### CEO Interpretation:

#### E-4 Strategies:

- 4.1.3.1. *Provide technical expertise for applying ecosystems functions knowledge. (T)*
- 4.1.3.2. *Promote the protection and preservation of sensitive groundwater recharge areas. (T)*
- 4.1.3.3. *Promote protection, preservation and enhancement of creek and bay ecosystems functions. (T)*
- 4.1.3.4. *Promote the preservation of ecological buffers. (T)*

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# Governance Policies of the Board

## E-4.2 Goal

4.2. Clean, safe water in creeks and bay

### CEO Interpretation:

#### Outcome Measures:

- OM 4.2.a. Pounds of trash removed from streams compared to County baseline.
- OM 4.2.b. The methyl mercury concentration in Almaden Reservoir, Calero Reservoir, and Guadalupe Reservoir compared with the Total Maximum Daily Load of 1.5 ng total methylmercury per liter water (seasonal maximum, hypolimnion)
- OM 4.2.c. Number of creek segments adopted by volunteers.
- OM 4.2.d. Number of riparian corridor guidelines become policy or ordinances at cities/agencies.
- OM 4.2.e. % Environmental enhancement grant projects completed.
- OM 4.2.f. % Stewardship grant projects completed.

## E-4 Objective

4.2.1. Preserve or improve surface and ground water quality for beneficial uses.

### CEO Interpretation:

#### E-4 Strategies:

- 4.2.1.1. Provide hazardous materials management and incident response. (P and C)
- 4.2.1.2. Inspect and remove litter and graffiti from streams. (P and C)
- 4.2.1.3. Protect and preserve groundwater recharge areas. (P)
- 4.2.1.4. Improve water quality of listed impaired water bodies. (P and C)
- 4.2.1.5. Reduce the waste stream so that pollutants and litter do not impair streams. (P,C,T)
- 4.2.1.6. Reduce pollutants in streams from urban runoff and minimize the effects on surface and ground water. (C and T)

## E-4 Objective

4.2.2 Promote the protection of water quality and stream stewardship.

### CEO Interpretation:

#### E-4 Strategies

- 4.2.2.1. Promote the protection and preservation of water quality and providing stream stewardship. (C)

#### CEO Direction:

- D 4.2.2.1.a Engage volunteers in activities which accomplish this strategy.

(P) Indicates that the District has primary jurisdiction and/or responsibility; (C) for cooperation or coordination with others; and (T) for providing technical information and/or serving as advocate.

# Governance Policies of the Board

*D 4.2.2.1.b Advocate through education to improve streams through the District's stewardship grant program.*

*D 4.2.2.1.c Promote implementation of water resource protection guidelines by land use agencies.*

*D 4.2.2.1.d Require improvement to streams as a basis for receipt of District grants.*

*4.2.2.2. Promote the protection and preservation of sensitive groundwater recharge areas. (T)*

*4.2.2.3. Promote the preservation of riparian corridors and provide guidance supporting watershed health to the entire community. (T)*

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# Governance Policies of the Board

## E-4.3 Goal

4.3. Improved quality of life in Santa Clara County through trails, open space and water resources management

*CEO Interpretation:*

*Outcome Measures:*

- OM 4.3.a. % of acres of District riparian and other habitat maintained.
- OM 4.3.b. % of trail projects completed.

## E-4 Objective

4.3.1. Support additional trails, parks and open space along creeks and in the watersheds when reasonable and appropriate.

*CEO Interpretation:*

*E-4 Strategies:*

- 4.3.1.1. *Work with other entities for planning, design, construction, maintenance, and operation of trails/open space amenities. (C)*
- 4.3.1.2. *Increase public access to District lands as appropriate; extend trails network. (C)*
- 4.3.1.3. *Support creek-side or water related recreation, as appropriate. (C)*

## E-4 Objective

4.3.2. Reduce greenhouse gas emissions when reasonable and appropriate.

*CEO Interpretation:*

*E-4 Strategies:*

- 4.3.2.1. *Reduce project-specific greenhouse gas emissions through District-wide programmatic actions and ensure reductions attributable to water conservation programs are properly credited to the Santa Clara County community. (P and T)*
- 4.3.2.2. *Increase fleet fuel use efficiency. (P)*
- 4.3.2.3. *Maintain a portfolio of alternative energy supplies. (P and C)*
- 4.3.2.4. *Increase energy use efficiency. (P)*
- 4.3.2.5. *Identify and develop opportunities for the District to employ cost-effective alternative sources of alternative energy that reduce greenhouse gas emissions.*

(P) Indicates that the District has primary jurisdiction and/or responsibility; (C) for cooperation or coordination with others; and (T) for providing technical information and/or serving as advocate.

# Governance Policies of the Board

**Title:** Treatment of Staff

**Category:** BAO/CEO Interpretations

**Policy No.** EL-3

**CEO Approval:** March 1, 2007

**Latest Revision:** August 2, 2011

With respect to the treatment of staff and persons doing work for or on behalf of the District, the BAOs may not cause or allow conditions which are unfair, undignified, disorganized, or unclear.

Further, without limiting the scope of the foregoing by this enumeration, a BAO shall not:

- 3.1. Operate without written personnel rules which: (a) clarify rules for staff, (b) provide for effective handling of grievances, and (c) protect against wrongful conditions, such as grossly preferential treatment for personal reasons.

*BAO Interpretation:*

*The Clerk of the Board and the District Counsel will utilize the personnel rules developed by the CEO for the entire organization.*

*CEO Interpretation:*

*The salary levels for the six unclassified staff classifications evaluated in the report will be maintained, and the CEO will periodically benchmark them with comparator agencies according to the process set forth in Chapter 7 of the "At Will Policy for Employees in the Unclassified Service at the Santa Clara Valley Water District."*

- 3.2. Retain more than thirty-two (32) unclassified positions without Board approval.

*BAO Interpretation:*

*The BAOs retain the following number of unclassified positions (including BAO positions); CEO, 24; District Counsel, 7; and Clerk of the Board, 1. In the event of a critical business need, the BAO's may request to the Board to fill an additional unclassified position.*

*The BAOs have the flexibility to assign existing unclassified staff to duties that best meet the interests of the District to carry out the District's mission. The CEO will inform the Board of organizational changes that involve movement at the Deputy level and above or changes to the unclassified reporting structure at the Chief level.*

- 3.7. Operate without written employee health and safety policies which (a) ensure that standards, programs, and procedures meet or exceed acceptable industry standards as written in state and federal regulations, and (b) ensure a healthful and safe work environment for all District employees.

*CEO Interpretation:*

*Every manager, supervisor and employee will be held accountable for effectively implementing the CEO Interpretation as well as safety program improvements within their area(s) of responsibility. To that end, the CEO Interpretation includes the following expectations:*

# Governance Policies of the Board

- *Maintain an effective written management system for Health and Safety (H&S) that achieves an acceptable Annual Assurance Review Score as defined by the Employee Health and Safety Unit.*
- *Every employee's Work Plan must incorporate health and safety goals and targeted outcomes.*
- *All employees must comply with established workplace safety rules, practices and procedures. Violations are subject to disciplinary action.*
- *Managers and supervisors must immediately eliminate or effectively control known hazards that expose employees to serious injury. Hazards, other than serious, identified through observations, employee reports, inspections, audits, or risk assessments should be eliminated or effectively controlled as soon as possible but no later than 30 days from notification of the hazard. If 30 days is not sufficient time to adequately address the hazard, a written control and mitigation plan must be developed within 30 days of recognition of the hazard and agreed upon by District Health and Safety personnel.*
- *Employees must attend mandatory safety training when identified and scheduled.*
- *Managers and employees are expected to participate in maintaining job related District health and safety program elements as defined by District Policies and Procedures.*

## *BAO Interpretation:*

*The Clerk of the Board and the District Counsel will utilize the controls developed by the CEO to meet audit standards.*

- 3.9. Allow persons doing work for or on behalf of the District to be paid less than a living wage, to be unable to afford health insurance, to not have reasonable time off, to be subject to lay-off merely because the District changes contracts, and to work in an environment where there is not labor peace.

## *BAO Interpretation:*

- *EL-3.9 will be implemented pursuant to the District's Living Wage Policy, which is maintained by the CEO's procurement designee.*

# Governance Policies of the Board

**Title:** Financial Planning/Budgeting

**Category:** BAO/CEO Interpretations

**Policy No.** EL-4

**CEO Approval:** April 8, 2008

**Latest Revision:** September 30, 2008

Financial planning for any fiscal year or the remaining part of any budget period shall not deviate materially from Board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a multi-year plan.

*CEO Interpretation:*

*A multi-year financial plan shall include, but is not limited to, options and alternatives for prefunding the unfunded liability for other post-employment benefits and other strategies for cost reduction or cost containment to reduce the unfunded liability and ensure financial sustainability of the District.*

# Governance Policies of the Board

**Title:** Financial Conditions and Activities

**Category:** BAO/CEO Interpretations

**Policy No.** EL-5

**CEO Approval:** March 22, 2005

**Latest Revision:** November 23, 2010

With respect to the actual, ongoing financial condition and activities, the BAOs shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in Ends policies.

Further, without limiting the scope of the foregoing by this enumeration, a BAO shall not:

- 5.2. Make a single purchase, contract, 3rd party claim settlement of liability, or any other financial commitment in amounts greater than the following, unless authorized by the Board. See BAO/CEO Interpretation
  - 5.2.1. For Construction Contracts—\$25,000.
  - 5.2.2. For Consultant Service Contracts—\$100,000. In addition, for financial services contracts, the term of the contract shall not exceed (3) fiscal year periods subject to audit and the contract shall not be awarded to the same auditing firm for consecutive terms.
  - 5.2.3. For any other services, supplies and equipment, and other financial commitments—The amount specified in the Board-approved annual District budget project plan for those services, supplies, equipment, and other financial commitments.
  - 5.2.4. For Settlement of 3rd Party Claims—\$50,000.
  - 5.2.5. For Legal Services — No limit, so long as District Counsel informs the Board immediately for the retention of outside counsel and the necessity therefore, pursuant to EL-9.13.
  - 5.2.6. For Imported Water Management Contracts—No limit; the CEO will inform the Board on a timely basis of Imported Water Management Contracts executed.
  - 5.2.7. For Capital Construction Contracts—\$ 100,000 in budget adjustments to capital projects within the same fund in the fiscal year.

#### *CEO Interpretation:*

- *Once a purchase, contract or commitment crosses the dollar limit set by the Board, any additional cost above the Board approved amount for the product or service requires Board approval, regardless of the mechanism used to expend the funds.*
- *Supplementing Board approved expenditures though other means such as District forces, purchase orders, contracts, etc. requires Board approval.*
- *Reducing the Board approved product or service, in order to stay within the Board approved amount, is not acceptable.*
- *Board notification of non-compliance with EL-5 is required for all existing purchases, contracts or commitments that are subject to this interpretation.*

# Governance Policies of the Board

5.4. Spend extravagantly, inefficiently, or in ways more costly than necessary.

*CEO Interpretation:*

- *Costs of the long-term Delta solution should be allocated fairly to all beneficiaries.*
- *The District favors a flexible approach to cost allocation that maximizes the opportunity for discretionary allocations of cost based on incremental benefits.*
- *The FAHCE Draft Settlement Agreement of 2003 established a balanced framework to achieve reliable future water supply, protect water rights, and enhance the quality of life in Santa Clara County without spending extravagantly or in ways more costly than necessary.*

5.5. Operate without written purchasing policies and procedures that address normally prudent protections assuring legal and fiscal compliance against such items as non-competitive acquisition practices, conflict of interest, favoritism, and non-inclusive vendor policies.

*BAO Interpretation:*

*The Clerk of the Board and District Counsel will utilize the written purchasing policies and procedures developed by the CEO for the entire organization, except as to procurement of legal services, for which the District Counsel will establish and utilize written procurement policies and procedures.*

5.21. Fail to enact procurement policies that support environmental stewardship to include extended producer responsibility and the reduction of hazardous and solid waste generation.

*CEO Interpretation:*

*The District will implement the following measures:*

- *Define the District's goals with regards to environmental procurement and provide general guidelines to be observed by all District employees.*
- *Include a summary of the District's policies supporting environmental stewardship and extended producer responsibilities within all procurement solicitation packages.*
- *Purchase products with recycled content and progressively explore opportunities to increase recycled content of select purchased products.*
- *Purchase products that meet national environmental standards (e.g. Energy Star or Green Seal certifications, etc.).*
- *Encourage District employees to specify green products and services when submitting purchase requests to Purchasing and to consider the purchase of green products when making purchasing card purchases.*
- *Reuse or recycle products on all District premises to minimize solid and liquid waste generation.*
- *Purchase hybrid vehicles and progressively evaluate reductions to District fleet size to reduce greenhouse gas emissions.*

# Governance Policies of the Board

**Title:** Asset Protection

**Category:** BAO/CEO Interpretations

**Policy No.** EL-7

**CEO Approval:** April 18, 2007

**Date of Latest Revision:** August 2, 2011

The CEO shall not allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked. Further, without limiting the scope of the foregoing by this enumeration, a BAO shall not:

7.3. Receive, process or disburse funds under controls which are insufficient to meet audit standards.

*BAO Interpretation:*

*The Clerk of the Board and the District Counsel will utilize the controls developed by the CEO to meet the audit standards.*

7.8 Fail to protect water rights, rights of way and flood control facilities.

*CEO Interpretation:*

*The Board adopted Water Resources Protection Ordinance to protect District assets from the actions of external parties. Because enforcement resources are not unlimited, prioritizing ordinance violations based on the following criteria will enable staff to focus its enforcement efforts. As a general rule, the priority level assigned to a violation will be increased by one level if another agency will partner on an enforcement action (e.g. a Priority 3 violation for the District becomes a Priority 2 where there is a partnership enforcement).*

**Priority 1** – *This is the most serious type of violation that generally will pose a threat to public and/or environmental health and safety, impacts the District’s ability to operate and maintain a facility, impacts the District’s ability to proceed with the planned construction of a facility, or where the District has or will face possible civil or criminal liability by a third party. Examples include: suspected hazardous material drainage and dumping, major encroachment of structures on District property, denuding District property of vegetation, significant fill, grading or structures threatening or blocking flow in the creek.*

**Priority 2** – *This covers most violations of a serious nature which may threaten water quality, stream stability, and habitat, expose the District to liability, may affect the District’s ability to operate and maintain a facility, or may affect the District’s ability to construct a future facility. This may also include violations of issued permits, instances where an unauthorized use of District property is conferring a material and quantifiable financial benefit on the user, and situations where the unauthorized use has or may result in adverse public opinion. Examples include: dumping, improperly constructed or failed outfalls that show evidence of erosion, fences or minor retaining walls below top of bank, minor grading or filling, deliberate obvious encroachments on District fee title property.*

# Governance Policies of the Board

**Priority 3** – *This is an intermediate type of violation that is either a Priority 4 type violation of a more egregious nature or Priority 2 type violation of a less significant nature. An example is an improperly constructed outfall that shows no sign of erosion, discharges suspected from pools or spas where no evidence of damage is observed, removal of native vegetation that could affect habitat, and blocking District access.*

**Priority 4** – *This covers activities where the responsible party (RP) did not obtain a permit in advance of the activity, but it does not pose any potential threat to public or environmental health and safety or affect District operations or maintenance. Examples include: temporary trespassing, replacement of a fence, landscaping on easement where District approval and permit is required, and removal of a minimal amount of vegetation.*

## CEO Interpretation:

- *Governance structures and operating agreements related to the long-term Delta solution must provide the ability to protect the value of the District's imported water assets, including water supply and banking contracts.*
- *As stated in the FAHCE draft Settlement Agreement of 2003, a primary purpose of the FAHCE Program is to protect the District's water rights.*

# Governance Policies of the Board

**Title:** Communication and Support to the Board

**Category:** BAO/CEO Interpretations

**Policy No.** EL-9

**CEO Approval:** July 13, 2006

**Date of Latest Revision:** August 2, 2011

The BAOs shall not permit the Board to be uninformed or unsupported in its work. Further, without limiting the scope of the foregoing by this enumeration, a BAO shall not:

9.4. Fail to inform the Board of the intent to undertake negotiation of any imported water management agreement connected with proposed land development or involving a private or non-governmental party, and to keep the Board informed of imported water management activities on an ongoing basis.

*CEO Interpretation:*

*Staff will provide at least quarterly updates to the Board on imported water management activities, including forecasts of water transfers or other imported water management agreements, and provide confirmation of executed agreements within one month of completion.*

The BAOs shall not permit the Board to be uninformed or unsupported in its work. Further, without limiting the scope of the foregoing by this enumeration, a BAO shall not:

9.6. Fail to marshal for the Board as many staff and external points of view, issues and options as needed for fully informed Board choices.

*CEO Interpretation:*

*Staff will make every effort to present a Certificate of Appreciation to an Advisory Committee member at his or her final Advisory Committee meeting to commemorate the completion of his or her term of service on that Advisory Committee.*

The BAOs shall not permit the Board to be uninformed or unsupported in its work. Further, without limiting the scope of the foregoing by this enumeration, a BAO shall not:

9.9. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

*CEO Interpretation:*

- *Based on the urgency of an actual or anticipated non-compliance with any policy of the Board, the CEO will notify the Board no later than five (5) business days of his or her awareness of the issue.*

# Governance Policies of the Board

- *Reporting shall consist of at least one of the following methods, based upon the CEO's determination of the level of urgency:*
  - *Direct Verbal Report at a Board meeting by the CEO or authorized designee*
  - *CEO Bulletin*
  - *Non-Agenda Packet*
  - *Board Fax Alert by the CEO or authorized designee*
  - *Telephone Call by the CEO or authorized designee*

The BAOs shall not permit the Board to be uninformed or unsupported in its work.

Further, without limiting the scope of the foregoing by this enumeration, a BAO shall not:

9.12. Fail to respond to individual Board member requests and Board requests within 30 days, except as follows:

9.12.1. For Board member and Board requests for information, a BAO shall respond within 30 days of the initial Board member request. In the event that the responsible BAO determines that a Board request will require more than 30 days to complete, the BAO shall inform the Board within 30 days of receiving the request. Upon making this notification, the BAO shall also specify the expected completion date for the request.

9.12.2. For Board member requests determined by a BAO to be non-routine and require redirection of District staff to the detriment of their normally assigned duties, the BAO shall agendaize that request and report to the Board that fulfilling the request will require substantive work and request directions from the Board on whether to proceed with fulfilling the request.

*BAO Interpretation:*

*Individual Board Member requests are recorded as an IBMR and staff responds within 30 days of receiving the request.*

*For requests for information that is readily available, the information is provided directly to the Board. For requests that require "substantive" work, the request must go to the full Board for direction. Board member requests are considered to require "substantive" work when:*

1. *Request requires more than 4 hours of staff time to complete per request, and/or*
2. *Individual request includes materials and supplies above \$50 and are not already a budgeted expense.*