IV. Executive Limitations
## IV. EXECUTIVE LIMITATIONS

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# General Principles

## Executive Limitations

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<th>Adopted: June 15, 1999</th>
<th>Chair: Larry Wilson</th>
<th>Latest Revision: February 27, 2018</th>
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The Board of Directors revised and adopted this policy at its public meeting on the latest revision date.

The Board Appointed Officers (BAOs) shall promote practices, activities, decisions, and organizational circumstances that are lawful and supportive of commonly accepted business and professional ethics. The BAOs shall foster the organization’s credibility in ways that enhance the accomplishment of its mission. The BAOs shall operate consistently with the District Values Statement (GP-7). See BAO Interpretation

Further, a BAO shall:

1.1 Promote practices, principles, and programs that support Environmental Justice for Disadvantaged Communities, and shall consider Environmental Justice objectives where appropriate and possible.
The Board of Directors revised and adopted this policy at its public meeting on the latest revision date.

The BAOs shall promote conditions, procedures, and decisions that fulfill reasonable customer expectations for good service, are safe, dignified, and nonintrusive. Customers include any persons conducting business or interacting with the District.

Further, a BAO shall:

2.1. Use application forms that elicit information for which there is a clear necessity.  See BAO Interpretation

2.2. Use methods of collecting, reviewing, transmitting, or storing customer information that protects against improper access to the material elicited.  See BAO Interpretation

2.3. Provide appropriate accessibility and privacy in facilities.

2.4. Establish with customers a clear understanding of what may or may not be expected from the customer service offered.  See BAO Interpretation

2.5. Inform customers of this policy and provide a way for persons to be heard who believe they have not been accorded a reasonable interpretation of their protections under this policy.

2.6. Provide correspondence addressed to the Board to each Board member within 7 calendar days from receipt and respond within 14 calendar days of receipt. In those individual situations where it is not possible for the BAOs to respond completely to an inquiry, sending a response to the originator, acknowledging receipt of the inquiry, an explanation of actions being taken, and timelines for preparing the complete response, is acceptable for complying with this 14 day response time.  See BAO Interpretation
With respect to compensation and benefits, employment, and the treatment of employees and persons doing work for or on behalf of the Valley Water, a BAO shall:

**Employee Relations**

3.1. Operate with written personnel rules which: (a) clarify rules for employees, (b) provide for effective handling of grievances, and (c) protect against wrongful conditions, such as preferential treatment for personal reasons.

3.2. Not retaliate against any employee.

3.3. Inform employees of their protections under this policy.

3.4. Integrate, and operate within, written ethics policies and behavioral expectations that embody fairness, dignity and respect.

3.5. Operate with 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 Valley Water employees.

3.6. Subject to the Valley Water’s Living Wage Policy, provide persons doing work for or on behalf of Valley Water at least a living wage and reasonable time off.

**Recruitment and Employment**

3.7. Retain no more than the number of unclassified positions approved by the Board in the budget.

3.7.1. Not hire or promote unclassified employees without going through a competitive process.

3.8. Present an appointment of a Chief-level employee to the Board for confirmation.
Governance Policies of the Board

3.9. Not allow compensated employment by Valley Water for any serving member of the Board of Directors and for one year following the end of the Board member’s term of office.

3.10. Require pre-employment alcohol/drug testing only where mandated by State or Federal laws.

3.11. Not change his or her own compensation and benefits.

3.12. Not promise or imply permanent or guaranteed employment.

3.13. Consider attrition, pending retirement, employee retraining, and reduction in temporary or contract staff, prior to employee layoffs.

3.14. Solicit Board input on changes to recruitment and hiring policies.

Succession Planning

3.15. Assure there are capable employees with knowledge and expertise in subject matter integral to the future of water resource management in Santa Clara County.

3.16. Have no fewer than two other unclassified employees familiar with Board and BAO issues and processes in order to protect the Board from sudden loss of BAO services.

Labor-Management Relations

3.17. Operate in an environment where there are good labor relations with the workforce and bargaining units.

3.18. Only negotiate terms for bargaining unit agreements within parameters set by the Board.
Financial planning for any fiscal year shall be aligned with the Board’s Ends, not risk fiscal jeopardy, and be derived from a multi-year plan. With respect to the actual, ongoing financial condition and activities, the BAOs shall provide for the development of fiscal sustainability.

Further, a BAO shall:

**Conditions and Activities**

4.1. Expend only those funds that have been appropriated in the Operating and Capital budgets, reserves, and debt service.

4.2. Spend in ways that are cost-efficient.

4.3 Pursue continual improvement efforts, benchmarking studies and best practice implementations.

**Planning and Budgeting**

4.4. Annual financial planning will include a credible multi-year projection of revenues and expenses, separation of capital and operational items, cash flow, staffing needs, external services, and disclosure of planning assumptions.

4.4.1. Produce an annual Rolling Five-Year Capital Improvement Plan with the first year aligning with the adopted capital budget and the remaining years in place as a projected capital funding plan.

4.4.2. Solicit Board input on staffing and organizational changes resulting from major events before final decisions by the BAOs.

4.4.3. Demonstrate to the Board the planned expenditures for the identified and selected capital projects in the Rolling Five-Year Capital Improvement Plan are aligned with the Board’s Ends Policies.
4.4. Inform the Board on an annual basis of planned state subvention reimbursements and receive Board direction regarding use and/or spending as part of the budget process.

4.5. Budget fund reserves at or above reserve policy minimums.

4.6. At least annually present the Board with information about the Valley Water’s financial reserves and schedule an opportunity for the public to comment thereon.

**Treasury, Investment and Debt Management**

4.7. Not indebted the organization, except as provided in the District Act, and in an amount greater than can be repaid by certain, otherwise unencumbered, revenues within 90 days, or prior to the close of the fiscal year.

4.7.1. Not issue debt (long or short-term obligations that are sold within the financial marketplace) that conflicts with the District Act or the legal authority of Valley Water without Board authorization;

4.7.2. Not issue debt without a demonstrated financial need;

4.7.3. Meet debt repayment schedules and covenants of bond documents;

4.7.4. Establish prudent Valley Water Debt Policy that is consistent with Board policies and provide guidance to employees in regards to administering the debt programs and agreements, including consideration for the appropriate level of debt for Valley Water to carry and structuring debt repayment to address intergenerational benefits;

4.7.5. Be consistent with the Valley Water Debt Policy and any addendums when issuing debt;

4.7.6. Maintain strong credit ratings and good investor relations.

4.7.7. Valley Water shall not do business with banks who do not have an ESG ranking at or better than the “Average/Medium” category by at least one of the professional ESG research companies such as Sustainalytics, or other equivalent rankings published by other ESG research firms. Small and local banks/credit unions located within the nine Bay Area counties with total assets at or below $10 billion are exempt from this provision.

4.8. Not use any unappropriated long-term reserves or undesignated fund balance.

4.9. Not invest or hold funds of Valley Water in accounts or instruments that are inconsistent with the following statement of investment policies:
Governance Policies of the Board

4.9.1. Public funds not needed for the immediate necessities of Valley Water should, to the extent reasonably possible, be prudently invested or deposited to produce revenue for Valley Water consistent with the Valley Water Investment Policy and applicable law.

4.9.2. The Treasurer or his or her designee shall submit quarterly investment reports to the Board as specified under Government Code Section 53646.

4.9.3. No investments will be made in the top 200 fossil fuel companies with significant carbon emissions potential.

General Accounting

4.10. Not conduct unbudgeted interfund transfers in any amount greater than can be repaid by certain, otherwise unencumbered revenues within 90 days, or prior to the close of the fiscal year.

4.11. Settle payroll and debts in a timely manner.

4.12. Not allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.

4.13. Receive, process, or disburse funds under controls which meet audit standards.

4.14. File all federal, state and local mandated reports within the prescribed deadlines.

Revenue Collection

4.15 Ensure all invoices, charges, or demands for payment to water customers (raw, ground, treated, or recycled) of Valley Water shall be accurate, legal, and consistent with Valley Water and Board policies.

4.16 Pursue receivables after a reasonable grace period in a manner consistent with best practices.

4.17 Ensure adequate segregation of duties for all invoices preparation, collection of funds, and recording of payments into the system of record.
Governance Policies of the Board

<table>
<thead>
<tr>
<th>Title:</th>
<th>Procurement</th>
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<tr>
<td>Category:</td>
<td>Executive Limitations</td>
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<tr>
<td>Policy No. EL-5</td>
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<td>Chair: Nai Hsueh</td>
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The Board of Directors revised and adopted this policy at its public meeting on the latest revision date.

Procurement and contracting activities and non-procurement transactions resulting in financial commitments shall stay within the Board’s authorized expenditures. The BAO end-to-end process shall use fair, unbiased and open competition for procurements, not allow splitting procurements to avoid the limits stated in EL-5, and apply procurement policies and practices supporting environmental stewardship, and social justice, including extended producer responsibility and reduced hazardous and solid waste generation, and add value to the communities in which they operate. The BAO shall operate with written procurement policies and procedures to avoid conflicts of interest and favoritism and assure legal and fiscal compliance.

Further, a BAO shall:

5.1. Competitive Procurement Thresholds:
Make a single purchase or contract within the stated thresholds below, unless authorized by the Board:

5.1.1. Execute Capital Construction Contracts that do not exceed $50,000.

5.1.2. Execute Consultant Service Contracts that do not exceed $500,000 and comply with the following:

5.1.2.1. Financial auditing services contracts, not to exceed five years, subject to audit, and not awarded to the same auditing firm for consecutive terms spanning five fiscal years.

5.1.2.2. Competitively procure consultant services over $50,000 and make selections based on demonstrated competence and professional qualifications, including architectural, landscape architectural, environmental, engineering, land surveying, and construction project management services.

5.1.2.3. Do not use consultant services if Valley Water employees can accomplish the work at the appropriate skill level.

5.1.2.4. Consider the consultant's performance history with Valley Water before entering into a consultant agreement.
5.3. Small and Local Business Opportunities
Adhere to small business enterprise (SBE) and local business policies and procedures to provide access to opportunities and remove barriers to doing business with Valley Water.

5.4. Non-Competitive Procurements:

5.4.1. Single/Sole Source
Non-competitive purchases of goods, materials, equipment, general services exceeding $50,000 and within the Board approved budget, and consultant services exceeding $500,000 require approvals from the BAO procurement designee, the BAO, and the Board. Non-Competitive Procurements (NCP) must meet the criteria set forth below:

5.4.1.1. Sole Source
Only one firm can provide the service, material, or equipment; no equivalent is available to meet Valley Water’s minimum needs.

5.4.1.2. Single Source
The service, material, or equipment is an unusual and compelling urgency that Valley Water would suffer substantial harm unless it is permitted to acquire the service, material, or equipment on a non-competitive basis.

5.4.2. Solicitations Without Responses
When a solicitation valued over $50,000 is unsuccessful in obtaining bids or proposals, Procurement may complete a non-competitive procurement on the open market. The BAO procurement designee must first determine if the solicitation did not contain unreasonable requirements, and further postings will not alter the result. The procurement documents must be initiated within three months from the unresponsive solicitation bid or proposal due date. Procurement must prepare a justification memo as part of the procurement record.

5.5. Non-procurement financial commitments and Non-consultant agreements:
The BAO shall not make a non-procurement financial commitment or non-consultant agreement unless authorized by the Board or one of the following exemptions is applicable:
5.5.1. Financial commitments resulting from an agreement with a governmental agency, City, or County, including revenue and cost-sharing agreements, grant matching funds and commitments (i.e., Safe Clean Water & Natural Flood Protection Grants Partnership Programs). This exemption does not apply to grant applications or agreements whereby Valley Water receives federal funds.

5.5.2. Sponsorships not exceeding $10,000.

5.5.3. Sponsorships, contributions, or memberships that have a nexus to Valley Water’s mission, vision, or Board governance policies.

5.5.4. For Settlement of 3rd Party Claims – not to exceed $50,000.

5.5.5. For Water Transfers or Imported Water Management Contracts - No limit; the CEO will inform the Board promptly of Water Transfers or Imported Water Management Contracts executed.

5.5.6. Leases for Valley Water occupied facilities or payments for miscellaneous regulated utility services, such as telephone, electricity, gas, and water, where established rates or prices are governed by legislation, Federal, State, County, or municipal regulations.

5.5.7. Payments required by statute, regulation, or ordinance.

5.5.8. Payments to public utilities to relocate or install their utilities made necessary by Valley Water public work projects.

5.5.9. Rebates and refunds made according to Valley Water’s water conservation rebate and refund programs.

5.5.10. Payment for educational services provided by non-profit institutions, such as public schools or universities.

5.5.11. Legal services deemed necessary by the sole discretion of Valley Water District Counsel, including but not limited to external legal counsel, expert consultants, expert witnesses, investigators, arbitrators, mediators, and other professionals, to provide services relating to existing and potential judicial, administrative, and alternate dispute resolution proceedings or legal matters of interest to Valley Water - No limit; provided Valley Water District Counsel informs the Board immediately of the retention of external legal counsel and the necessity, therefore, pursuant to EL-7.11.

5.5.12. Payments to expert panel members for Valley Water-related projects and initiatives less than or equal to $50,000 per member, with a maximum cap of $225,000 per panel annually.
5.5.13. Memorandum of Understanding (MOU/MOA) or Interagency Agreements.
The BAOs shall protect and adequately maintain corporate assets.

Further, a BAO shall:

6.1. Not unnecessarily expose the organization, its Board and employees to claims of liability.

6.2. Protect intellectual property, information, and files from loss or significant damage.

   6.2.1. Retain records in accordance with Records Retention Schedules, as adopted by Board resolution, including:

   6.2.1.1. Permanently retain the video recordings of the Board of Director meetings.

   6.2.1.2. Permanently retain the audio recordings of the Board Committee meetings.

6.3. Prepare the organization to respond and recover from an emergency or disaster. See BAO Interpretation

6.4. Maintain an Asset Management Program. See BAO Interpretation

   6.4.1. Keep commercial off-the-shelf software in supported versions.

6.5. Protect water rights and rights of way. See BAO Interpretation

   6.5.1. Proactively identify, preserve, and protect District property to ensure its use is consistent with the District mission.

   6.5.2. Resolve encroachments on District property.

6.6. Maintain adequate insurance. See BAO Interpretation
Real Property

6.7. Acquire, encumber or dispose real property interest, only when authorized by the Board or one of the following exemptions is applicable:

6.7.1. The acquisition of real property interest is part of a Board-approved project, the purchase price does not exceed $500,000, and the acquisition meets the following criteria:

6.7.1.1. The purchase price equals the statutory offer of just compensation established for the property interest by a State of California licensed appraiser; or

6.7.1.2. The negotiated purchase price does not exceed 10% above said statutory offer of just compensation.

6.7.1.3. To provide public transparency, the CEO will provide a written report to the Board, in open session, prior to acquisition, of anticipated properties to be acquired under EL-6.7.1.

6.7.1.4. A summary of the properties that have been acquired under EL-6.7.1, including the respective statutory offer of just compensation and final negotiated values will be reported to the Board quarterly.

6.7.2. The disposition is a temporary construction easement (TCE) held by the District on lands owned by others when the TCE is no longer needed.

6.7.3. The execution of a correction deed is necessary.

6.7.4. The acquisition or dedication is a permanent or temporary real property interest required to be purchased to meet District obligations to provide such interests under a contract eligible for federal cost-sharing, provided that such acquisitions otherwise meet the requirements of State law.

6.7.5. The acquisition is a dedication of real property interests and acceptance of the dedication is not anticipated to subject the District to unreasonable liability.

6.7.6. The encumbrance is a lease or rental agreement granting the District a possessory real property interests as a lessee or tenant and the District’s total financial obligation under the Lease does not exceed the amount specified in the Board-approved annual budget for any such Lease.
6.7.7. The disposition is a lease or rental agreement that: (a) conveys only possessory interests in District real property that the District has no need to use during the term of the Lease; (b) can unilaterally be terminated at the District’s convenience by providing at least 90 days prior notice; and (c) does not provide rights to construct any improvement whatsoever, without the tenant obtaining a written District permit issued pursuant to the District’s permitting procedures.

6.7.8. The encumbrance is a license or right-of-entry granting the District non-possessory real property interests.

6.7.9. The disposition is a revocable license or right-of-entry that grants non-possessory real property interests so long as the term of any such license or right-of-entry does not exceed two years or the District reserves the right to revoke any such license or right-of-entry at will, and any such license or right-of-entry does not grant the right to construct any permanent improvement on District real property that is incompatible with District purposes.
The BAOs shall inform and support the Board in its work.

Further, a BAO shall:

7.1. 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. *See BAO Interpretation*

7.2. Inform the Board of the intent to approve a collaborative agreement and keep the Board informed on an ongoing basis.

7.3. 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 keep the Board informed of imported water management activities on an ongoing basis. *See BAO Interpretation*

7.4. Marshal for the Board as many employee and external points of view, issues and options as needed for fully informed Board choices. *See BAO Interpretation*

7.5. Deal with the Board as a whole except when (a) fulfilling informal or oral individual requests for information or (b) responding to officers or committees duly charged by the Board. Responses to formal “Board Member Requests” should be given to the entire Board. *See BAO Interpretation*

7.6. Report in a timely manner an actual or anticipated noncompliance with any policy of the Board. *See BAO Interpretation*

7.7. Supply for the consent agenda all items delegated to the BAOs yet required by law or contract to be Board-approved. *See BAO Interpretation*
For emergency legislation, obtain the concurrence of the Chair of the Board of Directors, or the Chair’s designee, prior to communicating a position on legislation:

7.8.1. Inform the Board regarding positions on legislation communicated on behalf of the District no later than the next regularly scheduled Board of Directors meeting.

7.9. Respond to individual Board member requests and Board requests within 30 calendar days, except as follows: See BAO Interpretation

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

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

7.10. Make available to the public agendas and employee reports, if available, containing recommendations about any item on the agenda of a regular public meeting of the Board, or of a public hearing conducted by the Board, or of a Board Standing or Ad Hoc Committee, no later than 10 days prior to the date of such a meeting or hearing except for the following reports, which shall be made available as soon as possible: See BAO Interpretation

7.10.1. Reports relating to a contract award, if the contract has been considered at a prior Board meeting;

7.10.2. Reports recommending Board action necessary to meet a legal deadline, including a deadline for a grant funding application;

7.10.3. Reports conveying a recommendation from a Board committee;

7.10.4. Reports recommending immediate Board action to address urgent health, safety, or financial matters identified in the report;

7.10.5. Supplemental reports conveying additional information received after the initial report was released.
If a recommendation in an employee report is revised based upon direction from a member of the Board, the revision shall be disclosed in the applicable report.

7.11. Retain or employ adequate legal counsel to advise and represent the District and report to the Board the retention of employment of such counsel; inform the Board about threatened or pending litigation; or provide quarterly reports to the Board describing legal activity, status of litigation, cost of external legal counsel, and significant current and potential claims against the District.

7.12. Include in minutes of meetings of the Board, a report of the actions taken in closed session at that meeting in accordance with Section 54957.1 of the Government Code.
The Board of Directors revised and adopted this policy at its public meeting on the latest revision date.

The BAOs shall promote conditions that ensure a work environment that is diverse and inclusive, free of discrimination and harassment, and that provides equal opportunity employment without regard to any characteristic protected in accordance with state or federal law.

Further, a BAO shall:

8.1 Provide leadership in diversity and inclusion that is open, honest, and fair. Management and employees will demonstrate the highest standards of personal integrity, honesty, and conduct to inspire trust and foster collaboration with each other, customers, and the community.

8.2 Not allow Valley Water’s employees, agents, or contractors to discriminate, harass, or allow harassment against any applicant, employee, customer, or other person on the basis of sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), race, religion, color, national origin (including language use restrictions), ancestry, religious creed (including religious dress and grooming practices, political affiliation, disability (mental and physical, including HIV or AIDS), medical condition (cancer and genetic characteristics), genetic information, marital status, parental status, gender, age (40 and over), pregnancy, military and veteran status, sexual orientation, gender identity and gender expression, the exercise of family and medical care leave, the exercise of pregnancy disability leave, or the request, exercise, or need for reasonable accommodation.

With respect to employees, these requirements apply to employment actions which include, but are not limited to, the following: recruitment, hiring, employment, utilization, promotion, classification or reclassification, transfer, recruitment, recruitment advertising, evaluation, treatment, demotion, layoff, termination, rates of pay or other forms of compensation, and selection for professional development training (including fellows and apprenticeship).

8.3 Require employees at all levels of Valley Water employment be aware that they share in the responsibility to ensure a work environment free of discrimination and harassment prohibited by this policy.

8.4 Refer to Human Resources for discipline any manager or supervisor who is aware of unlawful harassment or discrimination by his or her employees, but fails to take appropriate action.
8.5. Take positive and innovative action to provide equal opportunity.

8.5.1 Assure that persons from all segments of our community are given a fair and equal opportunity to qualify for employment and advancement within the Valley Water’s work force.

8.6. Not allow potential barriers to employment of members of protected groups to exist within an individual BAO’s authority.

8.7. Consistent with legal requirements, assure that the Valley Water’s work force fairly represents the composition of individuals in the available labor market who possess the requisite job skills.

8.8. Operate in a manner that ensures that employees at all levels of Valley Water employment use sound personnel practices that apply equally to all.

8.9. Ensure that all people are welcomed and included, and everyone is treated with fairness, dignity, and respect.
### Governance Policies of the Board

<table>
<thead>
<tr>
<th>Title: Project Labor Agreement</th>
<th>Category: Executive Limitations</th>
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| **Policy No. EL-9** | **Adopted:** January 11, 2022  
**Chair:** Tony Estremera | **Latest Revision:** January 11, 2022  
**Chair:** Tony Estremera |

The Board of Directors revised and adopted this policy at its public meeting on the latest revision date.

The BAOs shall implement the Project Labor Agreement terms as follows:

9.1 A Project Labor Agreement is an agreement negotiated between a project owner and one or more labor organizations prior to award of a construction contract. Project Labor Agreements are designed to eliminate potential project delays resulting from labor strife, ensure a steady supply of skilled labor on a project, and provide a contractually binding means of resolving worker grievances.

9.2 Pursuant to the negotiated Project Labor Agreement between Valley Water and the Santa Clara and San Benito Counties Building & Construction Trades Council (PLA), Valley Water agreed to require all contractors and subcontractors to be bound by the PLA’s terms for Covered Projects.

9.3 Under the PLA, a Covered Project is a construction project with an engineer’s estimate, or a cumulative awarded bid amount, that exceeds two million dollars ($2,000,000). The PLA covers all Covered Work as identified in Article 2.3 of the negotiated PLA. The PLA does not cover exclusions as identified in Article 2.4 of the PLA. The terms of the PLA are incorporated by reference in this policy as if fully stated herein.

9.4 In the event of any conflict between this policy and the PLA, the terms of the PLA shall prevail.

9.5 A BAO shall:

9.5.1 Apply this policy to promote efficiency of construction operations during construction of Covered Projects and to provide for the peaceful settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in assuring the timely and economical completion of projects.

9.5.2 Subject to all applicable exclusions, apply the PLA to Valley Water Covered Projects awarded by Valley Water after the effective date of the PLA.

9.5.3 Ensure that there is a meeting between Valley Water and the Santa Clara and San Benito Counties Building & Construction Trades Council no less than 90 days prior to the five-year anniversary of the effective date of the PLA to discuss its effect and to consider extending and/or modifying the PLA.
The CEO may recommend to the Valley Water Board individual exemptions to the applicability of the PLA to any Covered Project where the Covered Project has one or more unique features or requirements making it unsuitable for a PLA based upon Valley Water’s specific needs or interests. Under the PLA, Valley Water’s Board retains discretion to approve such recommendations and issue individual exemptions of projects to the PLA.