



BOARD OF DIRECTORS MEETING

MINUTES

**REGULAR MEETING
TUESDAY, SEPTEMBER 8, 2020
1:00 PM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A Regular Meeting of the Santa Clara Valley Water District (Valley Water) Board of Directors was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, at 1:00 p.m.

1.1. Roll Call.

Board members in attendance were Nai Hsueh. Board members participating by teleconference were Barbara Keegan, G. Kremen, Linda J. LeZotte, Richard Santos, and John L. Varela, constituting a quorum of the Board.

Director Estremera arrived as noted below.

Staff in attendance was M. King, Clerk, Board of Directors. Staff participating by teleconference were R. Callender, Chief Executive Officer (CEO), S. Yamamoto, District Counsel, A. Fulcher, R. Fuller, R. Gibson, C. Hakes, G. Hall, B. Hopper, H. McMahon, L. Orta, M. Richardson, D. Rocha, D. Taylor, S. Tippetts, B. Yerrapotu, and T. Yoke.

2. TIME CERTAIN:

1:00 PM

2.1. (ITEM REMOVED FROM AGENDA) CLOSED SESSION
PUBLIC EMPLOYEE PERFORMANCE EVALUATION.

2.2. (ITEM REMOVED FROM AGENDA) District Counsel Report on Closed Session.

2.3. Pledge of Allegiance/National Anthem.

Chairperson Hsueh led all present in reciting the Pledge of Allegiance.

2.4. Orders of the Day.

Chairperson Hsueh confirmed that there were no changes to the Orders of the Day.

Director Estremera arrived.

- 2.5. Adopt the Resolution Recognizing the Contributions of Sig Sanchez, in Commemoration of His 100th Birthday and Public Service to the City of Gilroy, the Santa Clara County Board of Supervisors, the Santa Clara Valley Water District, and the San Luis & Delta-Mendota Water Authority.

Recommendation: Adopt the Resolution RECOGNIZING THE CONTRIBUTIONS OF SIG SANCHEZ IN COMMEMORATION OF HIS 100TH BIRTHDAY AND PUBLIC SERVICE TO THE CITY OF GILROY, THE SANTA CLARA COUNTY BOARD OF SUPERVISORS, THE SANTA CLARA VALLEY WATER DISTRICT (VALLEY WATER) AND THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY.

Mr. Rick Callender, Chief Executive Officer, and Mr. Donald Rocha, Acting Deputy Administrative Officer, reviewed the information on this item, per the attached Board Agenda Memorandum.

The Board individually and collectively acknowledged the civic and community service of former At-Large and District 1 Director Sig Sanchez, and congratulated him upon the celebration of his 100th birthday.

Seventeen additional statements acknowledging and congratulating Mr. Sanchez were received from: U.S. Congresswoman Zoe Lofgren; Santa Clara County Board of Supervisors President and Vice President Cindy Chavez and Mike Wasserman; City of Gilroy Mayor Roland Velasco; former Santa Clara Valley Water District Board of Directors members Rosemary Kamei, Patrick Kwok, Larry Wilson, and Greg Zlotnick; former Valley Water General Manager and Chief Executive Officers Stan Williams, Olga Martin-Steele, Sharon Judkins, and Beau Goldie; former Valley Water District Counsels Anthony Bennetti and Debra Cauble; former Clerk for the Santa Clara County Board of Supervisors Phyllis Perez-Sorenson; former Valley Water Chief Operating Officer Jim Fiedler; and former Valley Water Senior Assistant District Council Emily Cote.

A brief video commemorating Mr. Sanchez's civic and community service was displayed, and the content of the Resolution Expressing Appreciation to Mr. Sanchez, contained in Attachment 1, was read into the record by Mr. Callender.

Motion: Adopt Resolution No. 20-73, RECOGNIZING THE CONTRIBUTIONS OF SIG SANCHEZ IN COMMEMORATION OF HIS 100TH BIRTHDAY AND PUBLIC SERVICE TO THE CITY OF GILROY, THE SANTA CLARA COUNTY BOARD OF SUPERVISORS, THE SANTA CLARA VALLEY WATER DISTRICT (VALLEY WATER) AND THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, by roll call vote.

Move to Adopt: John L. Varela
Second: Tony Estremera
Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

Mr. Jon Sanchez, Mr. Sanchez's son, accepted the Resolution on behalf of his father and expressed his father's sentiments as follows: Mr. Sanchez thanked and recognized The City of Gilroy, The County of Santa Clara, Santa Clara Valley Water District, and San Luis and Delta-Mendota Water Authority, for honoring him on the milestone of his 100th birthday. He believes that a person's first responsibility is to their family, but if someone has the means and the ability and the opportunity, they have a responsibility and a duty to make the community around them a better place.

2.6. Time Open for Public Comment on any Item not on the Agenda.

Four statements discussing the personal experiences of the 2017 President's Day Weekend Flooding event victims, and requesting expedition of claim settlement, were received from San Jose residents Ms. Mary Hegland, Ms. Imelda Rodriguez on behalf of Ms. Dulce Marta, Ms. Herlinda Espitia, and Ms. Christina Valedex on behalf of Mr. Chanh "Henry" La.

Mr. Ted Smith, San Jose resident, submitted a video for public viewing. However, technical difficulties prevented a viewing of the video during the meeting.

Ms. Korina Barron, San Jose Resident, expressed concern on fence repair, vegetation growth, and trash along Upper Penitencia Creek and requested information on Valley Water's Stream maintenance efforts and schedules.

Chairperson Hsueh requested that staff follow up with Ms. Barron; and Director Kremen requested that District Counsel be available during future meetings where public comments are received regarding the 2017 Presidents' Day Flooding event to provide responses to public comment where appropriate, and provide clarification of inaccurate statements.

Mr. Callender informed the Board how Valley Water's Coyote Creek Flood Protection Project is moving forward as part of the voter approved Safe, Clean Water and Natural Flood Protection Program, and will be further supported by Measure S, which will continue to help to reduce the risk of flooding to homes, schools, and businesses along the Coyote Creek Flood plain.

- 2.7. Adopt Resolution Authorizing the Issuance of Not to Exceed \$120 Million Water System Refunding Revenue Bonds, Authorizing the Execution and Delivery of Not to Exceed \$155 Million Revenue Certificates of Participation, Approving the Execution and Delivery of Certain Documents, and Authorizing Certain Acts in Connection Therewith. (Continued from August 25, 2020).

Recommendation: A. Adopt the Resolution AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$120 MILLION REFUNDING REVENUE BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF NOT TO EXCEED \$155 MILLION REVENUE CERTIFICATES OF PARTICIPATION, APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS, AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH; and
 B. Authorize and direct the Chief Executive Officer, Assistant Chief Executive Officer-Operations, Chief Financial Officer, Treasury and Debt Officer, District Counsel, the Clerk of the Board, and such other officers and staff of the Santa Clara Valley Water District, acting singly, to do any and all things, and to execute and deliver any and all documents, which such officers may deem necessary or advisable in order to consummate the sale and delivery of the Refunding Revenue Bonds and the Revenue Certificates of Participation.

Mr. Steven Peters, Senior Management Analyst, reviewed the information on this item, per the attached Board Agenda Memorandum.

Motion: Adopt Resolution 20-74, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$120 MILLION REFUNDING REVENUE BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF NOT TO EXCEED \$155 MILLION REVENUE CERTIFICATES OF PARTICIPATION, APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS, AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH, by roll call vote.

Move to Adopt: Gary Kremen
 Second: John L. Varela
 Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
 Nays: None
 Abstains: None
 Recuses: None
 Absent: None
 Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

3. CONSENT CALENDAR:

Director LeZotte requested Item 3.4 be removed from the Consent Calendar for individual consideration; and Mr. Jerry De La Piedra and Mr. Gabriel Vallez, Valley Water Organization for Latino Affairs (OLA) Executive Sponsor and Secretary, discussed OLA's activities in celebration of Hispanic Heritage Month and expressed appreciation for the Board's support of Valley Water Employee Resource Groups.

The Board considered Consent Calendar Items 3.1-3.3, and 3.5-3.8, under one motion.

3.1. Adopt the Resolution Declaring all Saturdays in September as Coastal Cleanup Days in Santa Clara County.

Recommendation: Adopt the Resolution DECLARING ALL SATURDAYS IN SEPTEMBER AS COASTAL CLEANUP IN SANTA CLARA COUNTY.

3.2. Adopt Recommended Positions on Federal Legislation: S. 4188 (Harris) Water for Tomorrow Act; H.R. 7575 (DeFazio) Water Resources Development Act; S. 4308 (Sinema) A Bill to Amend the Social Security Act to Include Special Districts in the Coronavirus Relief Fund, to Direct the Secretary to Include Special Districts as an Eligible Issuer Under the Municipal Liquidity Facility, and for Other Purposes; S. 2596 (Duckworth) Voluntary Water Partnership for Distressed Communities Act of 2019; S. 4530 (Feinstein) / H.R. 8041 (Harder) Snow Water Supply Forecasting Program Authorization Act; and Other Legislation That May Require Urgent Consideration for a Position by the Board.

Recommendation: A. Adopt a position of "Support and Amend" on S. 4188 (Harris) Water for Tomorrow Act;
 B. Adopt a position of "Support and Amend" on H.R. 7575 (DeFazio) Water Resources Development Act of 2020;
 C. Adopt a position of "Support" on S. 4308 (Sinema) A bill to amend the Social Security Act to include special districts in the coronavirus relief fund, to direct the Secretary to include special districts as an eligible issuer under the Municipal Liquidity Facility, and for other purposes;
 D. Adopt a position of "Support" on S. 2596 (Duckworth) Voluntary Water Partnership for Distressed Communities Act of 2019; and

E. Adopt a position of "Support" on S. 4530 (Feinstein) / H.R. 8041 (Harder) Snow Water Supply Forecasting Program Authorization Act.

3.3. Slate Energy Storage Project Rate Agreement for Battery Storage with the Power and Water Resources Pooling Authority.

Recommendation: Authorize the Chief Executive Officer to negotiate and, following Valley Water's compliance with the California Environmental Quality Act as needed, execute the Slate Energy Storage Project Rate Agreement with the Power and Water Resources Pooling Authority to add battery storage to the Recurrent Energy Slate solar project.

3.5. Accept the CEO Bulletin for the Weeks of August 14 - 27, 2020.

Recommendation: Accept the CEO Bulletin.

3.6. Resolution Proclaiming September 2020 as National Preparedness Month.

Recommendation: Adopt the Resolution NATIONAL PREPAREDNESS MONTH, SEPTEMBER 2020.

3.7. Resolution Declaring September 15 to October 15, 2020, as National Hispanic Heritage Month.

Recommendation: Adopt the Resolution DECLARING SEPTEMBER 15 TO OCTOBER 15, 2020, AS NATIONAL HISPANIC HERITAGE MONTH.

3.8. Approval of Minutes.

Recommendation: Approve the minutes.

Motion: Approve Consent Calendar Items 3.1 – 3.3, and 3.5 – 3.8, under one motion, as follows: adopt Resolution No. 20-75, DECLARING ALL SATURDAYS IN SEPTEMBER AS COASTAL CLEANUP IN SANTA CLARA COUNTY, by roll call vote, as contained in Item 3.1; adopt recommended positions on Federal Legislation, as contained in Item 3.2; authorize the CEO to negotiate and execute the Slate Energy Storage Project Rate Agreement with the Power and Water Resources Pooling Authority to add battery storage to the Recurrent Energy Slate solar project, as contained in Item 3.3; accept the CEO Bulletin, as contained in Item 3.5; adopt Resolution No. 20-76, NATIONAL PREPAREDNESS MONTH, SEPTEMBER 2020, by roll call vote, as contained in Item 3.6; adopt Resolution No. 20-77, DECLARING SEPTEMBER 15 TO OCTOBER 15, 2020, AS NATIONAL HISPANIC HERITAGE MONTH, by roll call vote, as contained in Item 3.7; and approve the minutes, as contained in Item 3.8.

Move to Approve: Tony Estremera
Second: John L. Varela
Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

Chairperson Hsueh returned the agenda to Item 3.4.

3.4. Approve the Board of Directors' Quarterly Expense Report for the Quarter Ending June 30, 2020.

Recommendation: A. Review the Board of Directors' Quarterly Expense Report for the Quarter Ending June 30, 2020; and
B. Approve the report if the reimbursements comply with Board Policy.

Director LeZotte confirmed that an adjustment would be reflected in her portion of the next Board of Directors' Quarterly Expense Report to reverse charges for her attendance at the May 5-8, 2020 Association of California Water Agencies Conference, showing on Attachment 1, Page 13, Lines 1-2.

Move to Approve: Linda J. LeZotte
Second: Tony Estremera
Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

REGULAR AGENDA:

4. BOARD OF DIRECTORS:

4.1. Public/Private Partnership Implementation Approach and Staffing Plan for Purified Water Projects.

Recommendation: A. Approve the proposed Design-Build-Finance-Operate-Maintain procedures for procurement under a Public-Private Partnership (P3) structure of the necessary facilities and services to accomplish purification and delivery to groundwater recharge ponds of the product water;
B. Direct staff to launch a P3 procurement plan as soon as the necessary elements for a proposed project, including

- (a) agreement for long-term supply of treated wastewater,
- (b) agreement enabling management of reverse osmosis concentrate, and
- (c) agreement for siting of the purification facilities, are sufficiently secured for the proposed project;
- C. Encourage the current short-listed P3 entities to participate in the new Request for Qualifications;
- D. Review a schedule for implementation of the P3 procurement process; and
- E. Receive information on the P3 staffing plan.

Mr. Garth Hall, Acting Chief Operating Officer, reviewed the information on this item per the attached Board Agenda Memo, and the presentation materials contained in Attachment 1 were reviewed as follows: Ms. Roslyn Fuller, Deputy Administrative Officer, reviewed Slides 1 and 2; Ms. Jill Jamieson, Illuminati Infrastructure Advisors, reviewed Slides 3 through 6; and Mr. Hall reviewed Slides 7 through 9.

Director Kremen requested that the P3 Staffing Plan include an assurance that existing Valley Water staff working on specialized components of the Advanced Purified Recycled Water Project will be appropriately redeployed.

Move to Approve:	Tony Estremera
Second:	Gary Kremen
Yeas:	Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
Nays:	None
Abstains:	None
Recuses:	None
Absent:	None
Summary:	7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

4.2. Board Committee Reports.

Chairperson Hsueh noted the Handouts without discussion.

4.3. Proposed Future Board Member Agenda Items.

None.

5. WATER UTILITY ENTERPRISE:

5.1. Report of Bids Received and Award of Construction Contract to Blocka Construction, Inc., for the Pacheco Pumping Plant Priority 1 Fire Alarm and Suppression System Improvements, Project No. 91214010, Contract No. C0653 (Merced County).

- Recommendation:
- A. Ratify Addenda No. 1, 2, 3, and 4 to the Contract Documents for the Pacheco Pumping Plant Priority 1 Fire Alarm and Suppression System Improvements;
 - B. Award the Construction Contract to Blocka Construction, Inc. in the sum of \$1,571,355; and
 - C. Approve a contingency sum of \$157,135 and authorize the Chief Executive Officer or designee to approve individual change orders up to the designated amount.

Mr. Heath McMahon, Deputy Operating Officer, reviewed the information on this item, per the attached Board Agenda Memorandum.

Director Kremen requested that in the future, Requests for Bids for projects occurring outside of Santa Clara County be advertised to contractors within the county where the project will occur, and requested that staff ensure that the existing generator at the Pacheco Pumping Plant is sufficient to sustain operation of the Priority 1 Fire Alarm and Suppression System Improvements in the event of a power outage (Board Member Request No. R-20-0009).

Directors Kremen and Santos requested that staff investigate fire suppression and protection across a broader view of Valley Water infrastructure and facilities and come back with discussion on whether the systems or practices in place are adequate to allow for suppression and protection in both power outage and external wildfire events (Board Member Request No. R-20-0009).

Move to Approve: Barbara Keegan
Second: Linda J. LeZotte
Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, John L. Varela
Nays: Richard Santos
Abstains: None
Recuses: None
Absent: None
Summary: 6 Yeas; 1 Nays; 0 Abstains; 0 Absent.

6. WATERSHEDS:

None.

7. ASSISTANT CHIEF EXECUTIVE OFFICER:

None.

8. EXTERNAL AFFAIRS:

None.

9. CHIEF EXECUTIVE OFFICER:

9.1. Update on COVID-19 Response.

Mr. Alex Gordon, Emergency and Security Manager, reported on the August 26, 2020 onsite COVID-19 testing for water retail and Valley Water employees; informed the Board that, subsequent and not related to the aforementioned testing, one Valley Water employee had reported as testing positive for COVID-19; confirmed contact tracing and cleaning protocols had been successfully administered in response to the positively testing employee; and discussed the Santa Clara County Department of Public Health's recent authorization to move the County from Tier 1 to Tier 2 COVID response status.

9.2. CEO and Chiefs' Report.

Mr. Christopher Hakes, Deputy Operating Officer, reported on the temporary promotion of Mr. Emmanuel Aryee to Assistant Operating Officer.

Mr. Hall provided an update on Valley Water's ongoing efforts to secure Central Valley Project water supply rights through provisions of the Water Infrastructure Improvements for the Nation (WIIN) Act.

Ms. Sue Tippetts, Interim Chief Operating Officer, reviewed and distributed the attached Stream Maintenance Report, identified as Handout 9.2-A herein. Copies of the Handout were distributed to the Board and made available to the public.

Ms. Tina Yoke, Chief Operating Officer, discussed efforts to extend support to Valley Water employees who have been impacted by recent fire events.

Ms. Rachael Gibson, Acting Chief of External Affairs, reviewed the information on the Office of Civic Engagement and Office of Communications, as contained in Handouts 9.2-B and 9.2-C respectively herein. Copies of the Handouts were distributed to the Board and made available to the public.

10. ADMINISTRATION:

None.

11. DISTRICT COUNSEL:

None.

12. ADJOURN:

12.1. Board Member Reports/Announcements.

Director Varela reported attending Valley Water Employees' Association and Professional Managers' Association monthly membership meetings; Diversity and Inclusion (D&I) and Homeless Encampment Ad Hoc (HEAC) Committee meetings; a Valley Water All Employee Town Hall (Town Hall) meeting; a Pajaro River Watershed Authority Board meeting; and various meetings with staff.

Director Keegan reported attending the aforementioned Town Hall meeting; Delta Conveyance Authority Stakeholder Engagement and Board Audit Committee meetings; a Project Labor Agreement (PLA) working group meeting; a County COVID-19 Update meeting; and various meetings with staff.

Director Santos reported attending the aforementioned HEAC meeting, and various meetings with staff.

Director LeZotte reported attending the aforementioned County COVID-19 Update meeting, and various meetings with other Board members and staff.

Chairperson Hsueh reported attending the aforementioned PLA meeting; a Guadalupe Coyote Resource Conservation District meeting; Santa Clara Valley Youth Commission and Landscape Committee meetings; Budget and Public Employee Performance Review working group meetings; and a media training event.

Director Estremera reported attending the aforementioned HEAC, D&I, PLA, and Budget working group meetings; submitting an editorial piece to the San Jose Mercury News; and meeting with Karla Nemeth, California Department of Water Resources.

Director Kremen reported attending a Water Supply Exploratory Committee meeting; a meeting with Valley Water's bond counsel; and various meetings with constituents and staff.

12.2. Clerk Review and Clarification of Board Requests.

Ms. Michele King, Clerk, Board of Directors, read the new Board Member Request into the record.

- 12.3. Adjourn to 4:00 p.m. Closed Session and 6:00 p.m. Regular Meeting, on September 22, 2020, to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20.

Chairperson Hsueh, adjourned the meeting at 4:25 p.m., to the 4:00 p.m. Closed Session and 6:00 p.m. Regular Meeting, on September 22, 2020, to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20.

Michele L. King, CMC
Clerk, Board of Directors

Approved:

Date: 10/13/2020