



BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING
TUESDAY, JUNE 28, 2016
5:00 PM

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A regular meeting of the Santa Clara Valley Water District Board of Directors was called to order in the District Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, at 5:00 p.m.

1.1. Roll Call.

Board members in attendance were Tony Estremera, Nai Hsueh, Gary Kremen, Linda J. LeZotte, Richard Santos, and John L. Varela, constituting a quorum of the Board.

Chairperson Varela facilitated the meeting, and Chairperson Keegan arrived as noted below.

Staff members in attendance were N. Camacho, Interim Chief Executive Officer (CEO), S. Yamamoto, District Counsel, M. King, Clerk/Board of Directors, J. Aranda, A. Baker, M. Baratz, R. Callender, A. Cheung, N. Chu, C. Elias, J. Fiedler, G. Hall, L. Lee, J. Nava, N. Nguyen, L. Orta, K. Oven, and R. Subramanian.

Mr. S. Ferranti, Capital Engineering Manager, represented Deputy Operating Officer M. Richardson, and Mr. J. Crowley, attended as Acting Deputy Operating Officer, Water Utility Technical Support Division.,

2. TIME CERTAIN:

Vice Chairperson Varela announced that the Board would adjourn to Closed Session for

consideration of Item 2.1.

5:00 PM

- 2.1. **CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL-
CONFERENCE WITH REAL PROPERTY NEGOTIATOR**
Pursuant to Government Code Section 54956.8:
Setting Negotiation Parameters for Acquiring Property Interest from
Nature Quality (APNs 825-03-001 and 825-04-010) in Santa Clara County
Negotiators: Norma J. Camacho, Interim Chief Executive Officer; Stephen
Ferranti, Acting Deputy Operating Officer, Watersheds Design and Construction;
and Bill Magleby, Senior Real Estate Agent.

Chairperson Keegan arrived during Closed Session, and assumed facilitation of the meeting.

Upon return to open session, the same Board members, including Chairperson Keegan, and staff were present. Chairperson Keegan returned the agenda to Item 1.2.

6:00 PM

- 1.2. Pledge of Allegiance/National Anthem.

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

Chairperson Keegan moved the agenda back to Item 2.1, **CLOSED SESSION, CONFERENCE WITH LEGAL COUNSEL-CONFERENCE WITH REAL PROPERTY NEGOTIATOR**, Pursuant to Government Code Section 54956.8: Setting Negotiation Parameters for Acquiring Property Interest from Nature Quality (APNs 825-03-001 and 825-04-010) in Santa Clara County, Negotiators: Norma J. Camacho, Interim Chief Executive Officer; Stephen Ferranti, Acting Deputy Operating Officer, Watersheds Design and Construction; and Bill Magleby, Senior Real Estate Agent.

Mr. Stan Yamamoto, District Counsel, reported that the Board met in Closed Session with all members present, and on Item 2.1, directions were given to staff.

- 2.2. Orders of the Day.

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

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

Ms. Maureen Jones, Citizens for Safe Drinking Water, and Ms. Arlene Goetze, No Toxins for Children, expressed opposition to water fluoridation, and distributed the attached materials identified as Handouts 2.3-A and 2.3-B, herein. Copies of the Handouts were distributed to the Board and made available to the public.

2.4. Update for the Anderson Dam Seismic Retrofit Project - Project No. 91864005 (Morgan Hill) (District 1).

Recommendation: Receive update for the Anderson Dam Seismic Retrofit Project.

Ms. Katherine Oven, Deputy Operating Officer, reviewed the information on this item, per the attached Board Agenda Memo, and Ms. Oven and Mr. Christopher Hakes, Capital Engineering Manager, reviewed the attached presentation materials, Attachment 1.

Information on new practices and state of the art technology used to evaluate dam safety, risk factors, potential consequences of dam failure, the complexities of local geology, and financial implications were reviewed by the following guest speakers: Mr. Chris Muller, Associate Vice President, Black & Veatch; Mr. Dave Gutierrez, Chief, Division of Safety of Dams, Department of Water Resources; Mr. Frank Blackett, Regional Engineer, Office of Energy Projects, Division of Dam Safety and Inspections, Federal Energy Regulatory Commission; Dr. Raymond Seed, Professor of Civil and Environmental Engineering, University of California, Berkeley; and Mr. Hemang Desai, Unit Manager, Dam Safety Unit, Santa Clara Valley Water District.

The Board noted the information, without formal action.

2.5. Department of Water Resources Update on the Sustainable Groundwater Management Act.

Recommendation: Receive information on the Sustainable Groundwater Management Act (SGMA) from the Department of Water Resources.

Mr. Garth Hall, Deputy Operating Officer, reviewed the information on this item, per the attached Board Agenda Memo; and Mr. Gutierrez reviewed the attached presentation materials, Supplemental Attachment 1.

The Board noted the information, without formal action.

Director LeZotte requested that, in regards to Item 3.2, Attachment 1, Page 4, staff provide information of where and how the water district is actively engaging in climate change adaptation planning (R-16-0035), that staff provide additional information on how the previously reported participatory activities are helping the District plan for climate change adaptation (Board Member Request No. R-16-0036).

Chairperson Keegan returned Item 3.2 to the Consent Calendar

3. CONSENT CALENDAR:

The Board considered Consent Calendar Items 3.1 through 3.3, under one motion.

Director Estremera left the meeting and returned as noted below.

- 3.1. Resolution Designating June 19, 2016, as "Juneteenth Independence Day" in recognition of June 19, 1865, the date on which slavery legally came to an end in the United States.

Recommendation: Adopt the Resolution DESIGNATING JUNE 19, 2016, AS "JUNETEENTH INDEPENDENCE DAY" IN RECOGNITION OF JUNE 19, 1865, THE DATE ON WHICH SLAVERY LEGALLY CAME TO AN END IN THE UNITED STATES.

- 3.2. CEO Bulletin for the Week of June 10 - 16.

Recommendation: Accept the CEO Bulletin.

- 3.3. Approval of Minutes.

Recommendation: Approve the minutes.

Motion: Approve Consent Calendar Items 3.1 through 3.3, under one motion, as follows: Adopt Resolution No. 16-57, DESIGNATING JUNE 19, 2016, AS "JUNETEENTH INDEPENDENCE DAY" IN RECOGNITION OF JUNE 19, 1865, THE DATE ON WHICH SLAVERY LEGALLY CAME TO AN END IN THE UNITED STATES, by roll call vote, as contained in Item 3.1; accept the CEO Bulletin, as contained in Item 3.2; and approve the minutes, as contained in Item 3.3.

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

Director Estremera returned.

REGULAR AGENDA:

4. BOARD OF DIRECTORS:

4.1. Board Independent Audit Consultant Services.

Recommendation: A. Approve the Board Audit Committee (Committee) recommendation to retain a Board Independent Audit Consultant through a Request for Qualifications; and
B. Authorize the Interim Chief Executive Officer (Interim CEO) or designee to negotiate, finalize, and execute an independent auditor consultant agreement.

Mr. Ravi Subramanian, Deputy Administrative Officer, reviewed the information on this item per the attached Board Agenda Memo, and Director Estremera reported on the Committee's recommendation to retain an independent audit consultant.

Motion: Approve Recommendation A, and revise Recommendation B to authorize the Interim CEO or designee to negotiate and recommend an independent auditor consultant agreement for Board approval.

Move to Approve : Tony Estremera
Second: Richard Santos
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.

None.

5. WATER UTILITY ENTERPRISE:

None.

6. WATERSHEDS:

6.1. Adopt Plans and Specifications and Authorize Advertisement for Bids for Construction of the Permanente Creek Flood Protection Project - Rancho San Antonio Detention Basin, Project No. 26244001, Contract No. C0617 (Cupertino) (District 5).

Recommendation:

- A. Find that Central Controller - EG-SPEDT Series, Rain Master should be designated by specific brand name and catalog item as a single source product, to match other products already in use in Santa Clara County Parks. PCC 3400(c)(2);
- B. Adopt the plans and specifications and authorize advertisement for bids for the construction of the Permanente Creek Flood Protection Project - Rancho San Antonio Detention Basin per the Notice to Bidders (Attachment 1); and
- C. Authorize the Designated Engineer to issue addenda, as necessary, during bidding.

Move to Approve : Tony Estremera
Second: Nai Hsueh
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.

6.2. Amendment No. 1 to Consultant Management Agreement No. A3855A with Ghirardelli Associates, Inc., for Construction Management Services for \$3,436,036

for the Lower Berryessa Creek Flood Protection Project Phase 2, Project No. 40174005 (Milpitas) (District 3).

Recommendation: Authorize the Interim Chief Executive Officer (Interim CEO) to negotiate and execute Amendment No. 1 to the Consultant Management Agreement (Agreement) with Ghirardelli Associates, Inc., for construction management services for construction of the Project for the not-to-exceed amended amount of \$3,436,036.

Move to Authorize : Richard Santos
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.

6.3. Approval of Fiscal Year (FY) 2016 Safe, Clean Water Grants for Wildlife Habitat Restoration (Project D3) totaling \$1,063,320.

Recommendation:

- A. Review and discuss staff recommendations for FY2016 Grant agreements; and
- B. Authorize the Interim Chief Executive Officer (Interim CEO), following District California Environmental Quality Act (CEQA) compliance, if necessary, to negotiate, finalize, and execute agreements totaling up to \$1,063,320 for ten (10) Wildlife Habitat Restoration projects (Project D3) with ten (10) entities as listed below:
 - 1. Loma Prieta Resource Conservation District for a total amount not to exceed \$79,953 for Sycamore Alluvial Woodland Restoration Phase II Planning and Feasibility Study;
 - 2. Friends of Stevens Creek Trail for a total amount not to exceed \$52,162 for Stevens Creek Steelhead Passage Improvement Project Planning and Feasibility Study;
 - 3. Working Partnership for a total amount not to exceed \$24,750 for Planning Coyote Creek Invasive Plant Removal and Revegetation Planning and Feasibility Study;
 - 4. City of Mountain View for a total amount not to exceed \$43,920 for Permanente Creek Watershed Enhancement Project;
 - 5. Save the Bay for a total amount not to exceed \$95,868 for Palo Alto Baylands Tidal Lagoon

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Transition Zone Habitat Restoration Project;

6. City of Santa Clara for a total amount not to exceed \$165,249 for Ulistac Restoration 2016 Project;
7. San Francisco Bay Bird Observatory for a total amount not to exceed \$217,032 for Establishing Forster's Tern Nesting Colonies for the South Bay Salt Pond Restoration Project Using Innovative Technologies;
8. City of San Jose for a total amount not to exceed \$191,041 for Evergreen Creek Corridor Restoration;
8. Children's Discovery Museum of San Jose for a total amount not to exceed \$142,771 for Bill's Backyard: Bridge to Nature; and
9. Santa Clara Valley Chapter of the California Native Plant Society for a total amount not to exceed \$50,574 for Plant Pathogen Training and Education at CNPS Nursery.

Mr. Afshin Rouhani, Water Policy and Planning Manager, reviewed the information on this item, per the attached Board Agenda Memo.

Mr. Ross Heitkamp, Mountain View resident, spoke in support of the proposed Fiscal Year 2016 Safe, Clean Water Grants for wildlife habitat restoration and urged the Board to approve staff recommendations.

Motion: Approval all recommended grants listed in Recommendation B, Items 1 – 9; approve the \$31,684 grant described in Attachment 2, Page 2, Entity No. 2, Campus Community Association, for the Metcalf ponds; and direct staff to return with a plan for completing all three fish ladders referenced in Attachments 4 through 9 and Handouts 6.3-G through 6.3-K, at Ogier, Singleton and Metcalf ponds.

Move to Approve : Tony Estremera
Second: Richard Santos
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.

- 6.4. Report of Bids Received and Award of Construction Contract to Brosamer & Wall for the Lower Berryessa Creek Flood Protection Project Phase 2, Project No. 40174005, Contract No. C0614, (Milpitas), (District 3).

- Recommendation:
- A. Ratify Addenda Nos. 1, 2, 3, 4, 5, and 6 to the Contract Documents for the Lower Berryessa Creek Flood Protection Project Phase 2;
 - B. Award the Contract to Brosamer & Wall, located in Walnut Creek, California, in the sum of \$38,876,550; and
 - C. Approve a contingency sum of \$3,887,655 and authorize the Interim Chief Executive Officer or designee to approve individual change orders up to the designated amount.

Mr. Stephen Ferranti, Acting Deputy Operating Officer, reviewed the information on this item, per the attached Board Agenda Memo; and Mr. Hakes advised the Board that due to a conflict in the City Manager's schedule, executed agreements were not expected from the City of Milpitas until July 2, 2016, and that a property transaction with Union Pacific Railroad would be brought to the Board at a future meeting.

Move to Approve : Richard Santos
Second: Linda J. LeZotte
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.

7. CHIEF EXECUTIVE OFFICER:

- 7.1. Recommended Position on Federal Legislation: HR 4954 (DeFazio) - Water Quality Protection and Job Creation Act of 2016; HR 5247 (Garamendi) - California Long-Term Provisions for Water Supply and Short-Term Provisions for Emergency Drought Relief Act; HR 5159 (McNerney) - Western Water Recycling and Drought Relief Act, S 2848 (Inhofe) and HR 5303 (Shuster) - Water Resources Development Act of 2016, and other legislation which may require urgent consideration for a position by the Board.

- Recommendation:
- A. Adopt a position of "Support and Amend" on: HR 4954 (DeFazio) - Water Quality Protection and Job Creation Act of 2016;

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- B. Adopt a position of "Support and Amend" on: HR 5247 (Garamendi) - California Long-Term Provisions for Water Supply and Short-Term Provisions for Emergency Drought Relief Act;
- C. Adopt a position of "Support and Amend" on: HR 5159 (McNerney) - Western Water Recycling and Drought Relief Act; and
- D. Adopt a position of "Support" on: S 2848 (Inhofe) and HR 5303 (Shuster) - Water Resources Development Act of 2016.

Mr. Rick Callender, Government Relations Unit Manager, reviewed the information on this item, per the attached Board Agenda Memo.

Move to Adopt : 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.

7.2. Recommended Position on State Legislation: AB 2124 (Garcia and Lackey): State Water Resources Control Board: grant program for school drinking water, AB 2176 (Campos): Shelter Crisis: Emergency Bridge Housing Communities, SB 879 (Beall): Affordable Housing Bond Act of 2016, SB 1233 (McGuire): Joint Powers Authorities: Water Bill Savings Act, SB 1380 (Mitchell): Homeless Coordinating and Financing Council, and other legislation which may require urgent consideration for a position by the Board, *SB 163 (Hertzberg): Wastewater Treatment: recycled water, and *SB 919 (Hertzberg): Water Supply: creation or augmentation of local water supplies.

Recommendation: Adopt a position of support on Recommendations B, C, D, E, F and G.

Mr. Callender reviewed the information on this item, per the attached Board Agenda Memo, and noted that Assembly Bill 2124 (Garcia and Lackey) State Water Resources Control Board: Grant Program for School Drinking Water had failed in legislation, and therefore, required no action.

Motion: Adopt a position of support on Recommendations B through G, and direct staff to pursue legislation funding for

dam retrofit and Department of Water Resources pipe repairs.

Move to Adopt : Richard Santos
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.

7.3. Chief Executive Officer Report.

Mr. Callender provided an update on AB 1928 (Campos), Water Efficiency: Landscape Irrigation Equipment.

Ms. Angela Cheung, Deputy Operating Officer, reported on San Luis Delta Low Point Improvement Project issues, and corresponding corrective action plans, and submitted the attached materials, identified as Handout 7.3-A. Copies of the Handout were distributed to the Board and made available to the public.

Mr. Jesus Nava, Chief Administrative Officer, advised the Board that the District Summer Intern program had been expanded to include high school students, deploying 11 additional interns to provide maintenance, heating and air conditioning, automotive, and general office support.

8. ADMINISTRATION:

8.1. Resolution Establishing Appropriations Limit for Fiscal Year 2016-17.

Recommendation: A. Select the cost-of-living factor to establish the District's Appropriations Limit; and
B. Adopt a Resolution ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2016-17.

Ms. Nicole Berrocal, Budget Manager, reviewed the information on this item, per the attached Board Agenda Memo.

Motion: Approve the cost of living factor as described in Attachment 1, Page 2, Exhibit A; and adopt Resolution No. 16.58, ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2016-17.

Move to Adopt : Gary Kremen
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.

9. DISTRICT COUNSEL:

None.

10. ADJOURN:

10.1. Board Member Reports/Announcements.

Chairperson Keegan reviewed the attached memo, identified as Handout 10.1-A, herein, regarding the establishment of policy and practices to instill public confidence in the San Luis Delta Mendota Water Authority.

Director Kremen reported on his plans to participate in the June 29, 2016, California-Israel Water Event, in Los Angeles, California.

Director Estremera reported attending the National Association of Latino Elected and Appointed Officials 23rd Annual Conference, in Washington, D.C.

Chairperson Keegan reported attending the Fisheries and Aquatic Habitat Collaborative Effort (FAHCE), Bay Delta Conservation Plan (BDCP) Ad Hoc, and Recycled Water Committee meetings, the District's Juneteenth Celebration event, a press conference regarding the County's proposal to issue a housing bond, constituent meetings regarding Coyote Creek issues and stream restoration; a teleconference with panelists of the Silicon Valley Leadership Group regarding 2016 Energy Sustainability, and various meetings with staff.

Director Varela reported attending the aforementioned BDCP Ad Hoc Committee meeting and District Juneteenth event; and meetings with Ms. Andrea Mackenzie and Mr. Dorsey Moore, Santa Clara Valley Open Space Authority, Mr. Richard Roth, Chief Executive Officer, San Jose Water Company, and Ms. Ann Marie Sayers, Tribal Chair of the Indian Canyon Nation, Ohlone tribe.

Director LeZotte reported attending the aforementioned FACHE meeting and various meetings with staff.

Director Santos reported attending the aforementioned District Junteenth event, a La Raza Roundtable meeting, a Silicon Valley Advanced Water Purification Center tour, and various meetings with staff.

10.2. Clerk Review and Clarification of Board Requests.

Ms. Michele King, Clerk/Board of Directors, read the new Board member request into the record.

10.3. Adjourn to Regular Meeting and Closed Session at 4:00 p.m., on July 12, 2016, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

Chairperson Keegan adjourned the meeting at 8:40 p.m., to the Regular Meeting and Closed Session at 4:00 p.m., on July 12, 2016, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

Michele L. King, CMC
Clerk/Board of Directors

Approved:

Date: August 9, 2016