



BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING
TUESDAY, APRIL 11, 2017
11:00 AM

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A Closed Session and Regular Meeting of the Santa Clara Valley Water District Board of Directors was called to order at 11:00 a.m. on April 11, 2017, in the District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

1.1. Roll Call.

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

Staff members in attendance were N. Camacho, Interim Chief Executive Officer (Interim CEO), S. Yamamoto, District Counsel, M. King, Clerk/Board of Directors, C. Elias, A. Fulcher, V. Gin, G. Hall, B. Hopper, N. Nguyen, L. Orta, K. Oven, M. Richardson, S. Stanton, D. Taylor, and S. Tikekar.

Chairperson Varela announced that the Board would adjourn to Closed Session for consideration of Items 2.1, 2.2, and 2.3.

2. TIME CERTAIN:

11:00 AM

2.1 CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL
Anticipated litigation
Pursuant to Government Code 54956.9 (e)(2) (February flood event) and 54956.9(e)(3)
Claim of Edward and Annamarie Murphy and Claim of Annalisa Wilson.

2.2. **CLOSED SESSION**
CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
Significant exposure to litigation
Pursuant to Government Code 54956.9(b)
Joseph Bandel v. Santa Clara Valley Water District.

2.3. **CLOSED SESSION**
Pursuant to Government Code 54957
Public Employment
Title of employee being reviewed - Chief Executive Officer/General Manager.

Upon return to Open Session, the same Board members and staff were present.

1:00 PM

2.4. District Counsel Report.
Mr. Stan Yamamoto, District Counsel, reported that the Board met in Closed Session with all members present, and gave direction to staff.

2.5. Pledge of Allegiance/National Anthem.
Director Santos led all present in reciting the Pledge of Allegiance.

2.6. Orders of the Day.
Chairperson Varela confirmed that Item 4.1 would be considered after Item 2.8.

2.7. Time Open for Public Comment on any Item not on the Agenda.
Chairperson Varela acknowledged receipt of the attached email from Ms. Katja Irvin, Sierra Club, identified as Handout 2.7-A herein. Copies of the Handout were distributed to the Board and made available to the public.
Mr. Michael Frost, San Carlos resident, expressed concern that District involvement in funding the California WaterFix through the San Luis Delta-Mendota Water Authority (SLDMWA) was inconsistent with previous positions expressed by the Board, and requested information on why funding wasn't contributed by SLDMWA and Westlands Water District also.
Mr. Andrew Galvan, Fremont resident, requested a meeting between District, Ohlone Indian Tribe, U.S. Army Corps of Engineers, and State of California Native American Heritage Commission representatives regarding compliance with recommendations for the treatment of an ancient Ohlone burial site affected by construction of the Berryessa Creek Flood Protection Project.
Director Santos acknowledged having received an email communication from Mr. Galvan expressing similar concerns, and requested that staff prepare a report for the Board regarding the issues Mr. Galvan raised (Board Member Request R-17-0012).

2.8. Adoption of a Resolution in Support of National Heritage Area Designation for Santa Clara County.

Recommendation: Adopt the Resolution SUPPORT OF NATIONAL HERITAGE AREA DESIGNATION FOR SANTA CLARA COUNTY, to Support County of Santa Clara's Effort in Requesting U.S. Congress's Consideration and Designation of Santa Clara County as a National Heritage Area.

Hon. Rod Diridon, Sr., Mineta Transportation Institute Executive Director Emeritus, reviewed the information on this item, per the attached Board Agenda Memo.

Motion: Adopt Resolution No. 17-15, SUPPORT OF NATIONAL HERITAGE AREA DESIGNATION FOR SANTA CLARA COUNTY, by roll call vote.

Move to Adopt: Tony Estremera
Second: Gary Kremen

Yea: Tony Estremera, Gary Kremen, Linda J. LeZotte, Barbara Keegan, Richard Santos, John L. Varela, Nai Hsueh

Nays: None

Abstains: None

Recuses: None

Absent: None

Summary: 7 Yea; 0 Nays; 0 Abstains; 0 Absent.

Chairperson Varela moved the agenda to Item 4.1.

4.1. Recommendation Regarding District-Owned Residential Rental Properties, Following District Outreach and Analysis.

Recommendation:

- A. Approve making no change to the District's current property management practices in regards to residential rental properties (in accordance with Resolution 09-78), based upon the outreach and analysis provided by staff in response to the Board's November 22, 2016 request regarding the use of District-owned residential rental properties;
- B. Approve utilizing a portion of net rental income from properties purchased through Watersheds (Fund 12) to fund the homeless encampment cleanup project and for development of a pilot program that focuses on the impacts of homeless encampments in each city where the net rental income is being utilized, with transference or reallocation to begin in Fiscal Year 2020;

1. Up to ninety (90) percent of each FY's net rental income will be utilized to fund the Safe, Clean Water and Natural Flood Protection Program Encampment Cleanup Project (SCW Project B4) through FY 2028;
2. Up to 10 percent of each FY's net rental income will be utilized to develop a pilot program to help address waterway and stream stewardship impacts of homeless encampments in each city with Fund 12 District-owned residential rental properties, which will be implemented through FY 2021, at which time staff will assess the pilot program and return to the Board with a recommendation on whether to continue its implementation; and

C. Direct the Capital Improvement Program (CIP) Ad-Hoc Committee to review Recommendation B's proposed transfer from Fund 12 to Fund 26 for SCW Project B4 and the use of those Fund 12 funds for the pilot program to help address waterway and stream stewardship impacts of homelessness in light of other Fund 12 capital project funding needs; and return to the Board with a recommended annual transfer amount into SCW Project B4 to be implemented from FY 2020 to FY 2028 and for the pilot program from FY 2020 to FY 2021.

Ms. Jessica Collins, Senior Management Analyst, reviewed the information on this item, per the attached Board Agenda Memo.

Chairperson Varela acknowledged receipt of the attached email and comment cards identified as Handouts 4.1-A through 4.1-G herein. Copies of the Handouts were distributed to the Board and made available to the public.

Chairperson Varela also acknowledged receipt of a Speaker Card from Mountain View City Council Member Lisa Matichak. However, Council Member Matichak was no longer present to address the Board.

Mountain View City Council Member Pat Showalter expressed support for Board adoption of the recommendations associated with this item, and expressed appreciation for the Board's responsiveness to residents' concerns.

Motion: Approve Recommendations A and B, and refer discussion to the Homeless Encampment Ad Hoc Committee to consider and identify future needs prior to referring funding discussion to the CIP Ad Hoc Committee, consistent with Recommendation C.

Move to Refer to Staff: Gary Kremen
Second: Linda J. LeZotte

Yea: Tony Estremera, Gary Kremen, Linda J. LeZotte, Barbara Keegan, Richard Santos, John L. Varela, Nai Hsueh

Nays: None

Abstains: None

Recuses: None

Absent: None

Summary: 7 Yea; 0 Nays; 0 Abstains; 0 Absent.

Chairperson Varela returned the agenda to Item 2.9.

2.9. Public Hearing - Annual Report on the Protection and Augmentation of Water Supplies - February 2017 and Recommended Groundwater Production and Other Water Charges for Fiscal Year 2017-2018 (FY 2017-18).

Recommendation:

- A. Conduct a public hearing pursuant to Section 26.6 of the District Act to consider the District FY 2017-18 Annual Report on the Protection and Augmentation of Water Supplies, and direct staff to review such report with, and solicit comments from the District's advisory committees;
- B. Hear public comments from groundwater producers and any interested persons regarding such report; and
- C. Continue the public hearing regarding such report to the April 13, 2017 special meeting, at 7:00 pm.

Chairperson Varela opened the public hearing.

Mr. Jim Fiedler, Chief Operating Officer, Water Utility, reviewed the information on this item, per the attached Board Agenda Memo, and Mr. Darin Taylor, Chief Financial Officer, reviewed materials contained in Attachment 2.

Director Santos left the meeting and did not return.

Chairperson Varela declared time open for public comments.

Ms. Meg Giberson, of undisclosed residency, requested information on California WaterFix charges, expressed concern with a lack of transparency on WaterFix funding, and expressed opposition to continued involvement in WaterFix planning until funding issues were resolved.

The Board continued the public hearing to the April 13, 2017, special meeting.

1:30 PM

2.10. Update on United States Army Corps of Engineers (USACE) Partnership Projects.

Recommendation: Receive and discuss information related to status of the United States Army Corps of Engineers (USACE) projects where the District is the Local Sponsor, Co-Local Sponsor or member of a Local Sponsor Agency.

Mr. Ngoc Nguyen, Interim Deputy Operating Officer, and U.S. Army Corps of Engineers representatives Lieutenant Colonel John C. Morrow, Commander Arjis Rakstins, and Chief of Project Management, Mr. Jay Kinberger, reviewed the information on this item, per the attached Board Agenda Memo and corresponding presentation materials.

Mr. Rakstins confirmed that Attachment 2, Slide 2, should be revised to show \$500,000 in the *Fiscal Year 2017 Administration Budget Request* column for the South San Francisco Bay Shoreline Project.

Director Kremen left the meeting and did not return.

The Board noted the information without formal action.

2.11. District's Capital Improvement Program Fiscal Year 2016-17 Progress Report for Watersheds Capital Projects.

Recommendation:

- A. Receive information from staff on the FY2016-17 Capital Improvement Program (CIP) progress reports for key Watersheds Capital Projects; and
- B. Approve adjustments to the Safe, Clean Water and Natural Flood Protection Program (SCW Program) schedules for four Watersheds projects.

Mr. Nguyen reviewed the information on this item, per the attached Board Agenda Memo, and the materials contained in Attachment 1 were reviewed by staff as follows: Mr. Stephen Ferranti, Capital Engineering Manager, reviewed Slides 1, 2 and 11; Mr. Karl Neuman, Capital Engineering Manager, reviewed Slide 3; Mr. Madhu Thummaluru, Associate Civil Engineer, reviewed Slide 4; Mr. Javier Valencia, Associate Civil Engineer, reviewed Slides 5 and 6; Mr. Afshin Rouhani, Water Policy and Planning Manager, reviewed Slide 7; Mr. Russell Chan, Associate Civil Engineer, reviewed Slide 8; Ms. Lotina Nishijima, Associate Civil Engineer, reviewed Slide 9; Ms. Rechelle Blank, Capital Engineering Manager, reviewed Slide 10; Mr. James Ujah, Associate Civil Engineer, reviewed Slide 12; Ms. Melissa Moore, Senior Water Resources Specialist, reviewed Slides 13 and 14; and Ms. Collins reviewed the Slide 15.

Mr. Valencia confirmed that Slide 5, Bullet 2 should be revised to reflect that 65% of vehicular bridge designs were completed.

Mr. Doug Muirhead, Morgan Hill resident, suggested the Board consider receiving U.S. Army Corps of Engineers partnership project information more frequently.

Motion: Approve adjustments to the Safe, Clean Water and Natural Flood Protection Program (SCW Program) schedules for four Watersheds projects with a provision that interim milestones are shown for KPI 3-5, D4 and E6.

Move to Approve: Nai Hsueh
Second: Tony Estremera

Yea: Tony Estremera, Linda J. LeZotte, Barbara Keegan, John L. Varela, Nai Hsueh

Nay: None

Abstain: None

Recuse: None

Absent: Gary Kremen, Richard Santos

Summary: 5 Yea; 0 Nay; 0 Abstain; 2 Absent.

3. CONSENT CALENDAR:

The Board considered Consent Calendar Items 3.1 through 3.6, under one motion.

3.1. Fiscal Year 2015-16 Year-End Closing Budget Adjustment and Fiscal Year 2016-17 Mid-Year Budget Adjustment (D. Taylor).

Recommendation: A. Approve the Fiscal Year 2015-16 year-end closing budget adjustment; and
B. Approve the Fiscal Year 2016-17 mid-year budget adjustment.

3.2. Providing Notice of Time and Place of Public Hearing Regarding Flood Control Benefit Assessments for Fiscal Year 2017-2018 (FY 2017-18).

Recommendation: Set a time and place for the public hearing on Flood Control Benefit Assessments for FY 2017-18 at 1:00 p.m. on May 9, 2017, at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California.

3.3. Adopt Plans and Specifications and Authorize Advertisement for Bids for the Installation of Cathodic Protection Rectifiers and Deep-Well Anodes on the Pacheco Conduit, Project No. 91214010.

Recommendation: A. Adopt Plans and Specifications and Authorize Advertisement for Bids for the Installation of Cathodic Protection Rectifiers and Deep-Well Anodes on the Pacheco Conduit per the Notice to Bidders; and
B. Authorize the Designated Engineer to issue addenda, as necessary, during the bidding process.

3.4. Designation of Impartial Third Party to Oversee Validation and Tabulation of Written Protests for Fiscal Year 2017-2018 Groundwater Production and Surface Water Charges.

Recommendation: Designate an impartial third party to oversee the verification and tabulation of the written groundwater production and surface water protests.

3.5. CEO Bulletin for the Weeks of March 24-30, and March 31-April 6, 2017.

Recommendation: Accept the CEO Bulletins.

3.6. Approval of Minutes.

Recommendation: Approve the minutes.

Motion: Approve Consent Calendar Items 3.1 through 3.6, under one motion as follows: Approve Fiscal Year 2015-16 year-end closing budget adjustment and Fiscal Year 2016-17 mid-year budget adjustment, as contained in Item 3.1; approve time and place for Flood Control Benefit Assessments public hearing at 1:00 p.m. on May 9, 2017, as contained in Item 3.2; approve the plans, specifications, and advertisement for bids for the Installation of Cathodic Protection Rectifiers and Deep-Well Anodes on the Pacheco Conduit and authorize issuance of addenda, as contained in Item 3.3; approve designating an impartial third party to oversee the verification and tabulation of the written groundwater production and surface water protests, as contained in Item 3.4; accept the CEO Bulletins, as contained in Item 3.5; and approve the minutes, as contained in Item 3.6.

Move to Approve: Tony Estremera
Second: Linda J. LeZotte

Yea: Tony Estremera, Linda J. LeZotte, Barbara Keegan, John L. Varela, Nai Hsueh

Nays: None

Abstains: None

Recuses: None

Absent: Gary Kremen, Richard Santos

Summary: 5 Yea; 0 Nays; 0 Abstains; 2 Absent.

7. CHIEF EXECUTIVE OFFICER:

7.1. Chief Executive Officer Report.

Ms. Melanie Richardson, Interim Chief Operating Officer, Watersheds, distributed the attached Storm Report, identified as Handout 7.1-A herein. Copies of the Handout were distributed to the Board and made available to the public.

Mr. Fiedler reported that the Bureau of Reclamation had increased South of Delta municipal/industrial and agricultural water allocation to 100 percent, from 90 and 65 percent respectively; and introduced Mr. Kurt Arends, a newly appointed Deputy Operating Officer in the Raw Water and Maintenance Division.

REGULAR AGENDA:

4. BOARD OF DIRECTORS:

4.2. Board Committee Reports.

Director Hsueh reported that the Capital Improvement Program (CIP) Committee had requested that staff come back to the Board with the following items: discussion on a Joint Emergency Action Plan with the City of San Jose; short-term flood protection alternatives for Coyote Creek; and information on including Coyote Creek Flood Protection Project in the Safe, Clean Water Program.

5. WATER UTILITY ENTERPRISE:

None.

6. WATERSHEDS:

None.

8. ADMINISTRATION:

None.

9. DISTRICT COUNSEL:

None.

10. ADJOURN:

10.1. Board Member Reports/Announcements.

Director Keegan reported attending a meeting with San Jose City Councilmember Devora Davis and a Board Policy and Planning Committee meeting, and reported participating in a teleconference with staff and a constituent-lead tour of Los Gatos Creek.

Director LeZotte reported attending various recent Board meetings, a CIP Committee meeting, and reported participating in a teleconference with staff.

Chairperson Varela reported attending various recent Board meetings, a Local Agency Formation Commission orientation event, Agricultural Water Advisory Committee and Santa Clara County Recycling and Waste Reduction Commission meetings, and Santa Clara County Farm Bureau and San Luis Delta Mendota Water Authority Board meetings.

Director Estremera reported attending a City of San Jose Berryessa community meeting, a meeting with staff, a meeting with City of San Jose Vice Mayor Magdalena Carrasco, various community meetings, and the CIP Committee meeting.

Director Hsueh reported attending the aforementioned CIP and Board Policy and Planning Committee meetings.

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 7:00 p.m., Special Meeting on April 13, 2017, in the Morgan Hill City Council Chambers, 17555 Peak Avenue, Morgan Hill.

Chairperson Varela adjourned the meeting at 3:50 p.m. in memory of Mr. Albert T. Henley, retired District General Counsel, and to a Special Meeting on April 13, 2017, at 7:00 p.m., in the Morgan Hill City Council Chambers, 17555 Peak Avenue, Morgan Hill.

Michele L. King, CMC
Clerk/Board of Directors

Approved:

Date: June 13, 2017