



BOARD OF DIRECTORS MEETING

MINUTES

**CLOSED SESSION AND SPECIAL MEETING
FRIDAY, MAY 16, 2025
11:00 AM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER/ROLL CALL:

A Closed Session and Special Meeting of the Santa Clara Valley Water District (Valley Water) Board of Directors was called to order at 11:00 a.m. in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, and by Zoom teleconference.

1.1. Roll Call.

Board members in attendance were Shiloh Ballard, Nai Hsueh, John L. Varela, and Vice Chairperson Richard P. Santos presiding, constituting a quorum of the Board.

Chairperson Tony Estremera and Directors Jim Beall and Rebecca Eisenberg, as noted below.

Staff members in attendance were Melanie Richardson, Interim Chief Executive Officer; Carlos Orellana, District Counsel; Candice Kwok-Smith, Clerk, Board of Directors; E. Aryee, A. Baker, M. Bilski, R. Chan, T. Chinte, J. Codianne, O. El-Qoulaq, R. Gibson, A. Gschwind, C. Hakes, C. Lawson, A. Lee, R. McCarter, P. McElroy, T. Ndah, L. Penilla, R. Ruiz, K. Struve, D. Taylor, B. Yerrapotu, and T. Yoke.

2. 11:00 AM - CLOSED SESSION:

Vice Chair Santos confirmed that the Board would adjourn to Closed Session to consider Items 2.1, 2.2, 2.3, and 2.4.

Chairperson Tony Estremera arrived and assumed the duties of Chairperson for the remainder of the Board meeting, and Directors Beall and Eisenberg arrived.

**2.1. CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION
Pursuant to Government Code Section 54956.9(d)(4)
One Potential Case**

**2.2. CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION**

Pursuant to Government Code Section 54956.9(d)(4)
One Potential Case

- 2.3. CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Great Oaks Water Co. v. SCVWD
(California Supreme Court, No. TEMP-90SN14K7)
- 2.4. CLOSED SESSION
PUBLIC EMPLOYEE DISCIPLINE
Pursuant to Government Code Section 54957(b)(1)
- 2.5. District Counsel Report on Closed Session.

Upon returning from the Closed Session, the same Board members, including Chairperson Estremera, Directors Beall and Eisenberg, and staff, were present.

Carlos Orellana, District Counsel, reported that in regard to Item 2.1, the Board met in Closed Session with all members participating, including Chairperson Estremera, and Directors Beall and Eisenberg, and, on a motion by Director Hsueh, seconded by Director Varela, with a vote of 6-1 with Director Eisenberg dissenting, directed staff to seek a private letter ruling from the United States Internal Revenue Service with respect to the tax exempt status of debt issued in support of or in connection with Valley Water's direct potable reuse projects with the Cities of San Jose and Santa Clara; in regard to Item 2.2, the Board met in Closed Session with all members participating, including Chairperson Estremera, and Directors Beall and Eisenberg, and, took no reportable action; in regard to Item 2.3, the Board met in Closed Session with all members participating, including Chairperson Estremera, and Directors Beall and Eisenberg, and, on a motion by Director Varela, seconded by Director Ballard, unanimously voted to authorize staff to defend the appeal identified in the Closed Session disclosure for this Item should the California Supreme Court choose to grant review; in regard to Item 2.4, the Board met in Closed Session with all members participating, including Chairperson Estremera, and Directors Beall and Eisenberg, and, took no reportable action.

3. 1:00 PM - TIME CERTAIN:

- 3.1. Pledge of Allegiance/National Anthem.

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

- 3.2. Orders of the Day.

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

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

Chairperson Estremera declared time open for public comment on any Item not on the agenda. No one was present who wished to speak.

- 3.4. Adopt a Resolution Authorizing the Issuance of Water System Refunding Bonds and Revenue Bonds to Finance Certain Costs of the Water Utility Enterprise, and Approving the Execution and Delivery of Certain Documents and Certain Acts In Connection Therewith in an Aggregate Not-to-Exceed Amount of \$520 Million; Adopt a Resolution Authorizing the Issuance of Water System Revenue Bonds to Finance Certain Costs of the San Jose Water Purification Project, Phase I, and Approving the Execution and Delivery of Certain Documents and Certain Acts in Connection Therewith in an Aggregate Not-to-Exceed Amount of \$100 Million; Adopt a Resolution Authorizing the Execution and Delivery of a Tax-Exempt Tax and Revenue Anticipation Note, and a Taxable Tax and Revenue Anticipation Note to Support Short-Term Obligations; Adopt a Resolution for Intention to Issue Tax-Exempt Obligations for Water Utility Enterprise; and Adopt a Resolution for the Safe, Clean Water and Natural Flood Protection and Watershed Stream Stewardship Programs.

- Recommendation:
- A. Adopt the Resolution authorizing the issuance of WATER SYSTEM Refunding Revenue Bonds AND Revenue Bonds, AND approving the execution and delivery of certain documents and certain acts in connection therewith, in an aggregate not to exceed amount of \$520 million;
 - B. Adopt the Resolution Authorizing the Issuance of Water System Revenue Bonds to Finance Certain Costs of the San Jose Water Purification Project (Phase I), and Approving the Execution and Delivery of Certain Documents and Certain Acts in Connection Therewith, in an amount not to exceed \$100 million;
 - C. Adopt the Resolution AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND A TAXABLE TAX AND REVENUE ANTICIPATION NOTE to support short-term obligations;
 - D. Adopt the Resolution INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR WATER UTILITY ENTERPRISE;
 - E. Adopt the Resolution INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION AND WATERSHED AND STREAM STEWARDSHIP PROGRAMS;
 - F. Authorize the Chief Executive Officer, or their designee, to execute the Tax and Revenue Anticipation Notes and the Certificate as to uncollected taxes, income, revenue, cash receipts and other money;
 - G. Authorize the District Counsel, or their designee, to approve as to form the Tax and Revenue Anticipation Notes; and
 - H. Authorize and direct the Chief Executive Officer, or their designee, and such other officers and staff of the Santa Clara Valley Water District, acting singly, to do any and all things 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, Revenue Bonds, and the ongoing administration thereof.

Charlene Sun, Treasury and Debt Manager, reviewed the information on this Item, per the attached Board Agenda Memo and per the information contained in Attachment 9.

Motion: Adopt Resolution No. 2025-29, AUTHORIZING THE ISSUANCE OF WATER SYSTEM REFUNDING REVENUE BONDS AND REVENUE BONDS, AND, APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND CERTAIN ACTS IN CONNECTION THEREWITH, in an aggregate not to exceed amount of \$520 million; adopt Resolution No. 2025-30, AUTHORIZING THE ISSUANCE OF WATER SYSTEM REVENUE BONDS TO FINANCE CERTAIN COSTS OF THE SAN JOSE WATER PURIFICATION PROJECT (PHASE I), AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND CERTAIN ACTS IN CONNECTION THEREWITH, in an amount not to exceed \$100 million; adopt Resolution No. 2025-31, AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND A TAXABLE TAX AND REVENUE ANTICIPATION NOTE to support short-term obligations; adopt Resolution No. 2025-32, INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR WATER UTILITY ENTERPRISE; adopt Resolution No. 2025-33, INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION AND WATERSHED AND STREAM STEWARDSHIP PROGRAMS; authorize the Chief Executive Officer, or their designee, to execute the Tax and Revenue Anticipation Notes and the Certificate as to uncollected taxes, income, revenue, cash receipts, and other money; authorize the District Counsel, or their designee, to approve as to form the Tax and Revenue Anticipation Notes; and authorize and direct the Chief Executive Officer, or their designee, and such other officers and staff of the Santa Clara Valley Water District, acting singly, to do any and all things 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, Revenue Bonds, and the ongoing administration thereof.

Motion: Adopt staff's recommendations A-H.

Move to Adopt: John L. Varela
Second: Richard Santos

Director Eisenberg requested that the motion be amended to restrict the revenue's use to the initial projects it was designated for.

Amended Motion: Approve recommendations A through H, on the contingency that the funds received will be used specifically for the projects for which they were intended.

Move to Approve: Rebecca Eisenberg
Second: None.

The amended motion failed for lack of a second.

Chairperson Estremera returned to the original motion.

Motion: Adopt staff's recommendations A-H

Move to Adopt: John L. Varela
Second: Richard Santos
Yeas: Shiloh Ballard, Jim Beall, Rebecca Eisenberg, Tony Estremera, Richard Santos, John L. Varela, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

3.5. Conduct a Public Hearing to Consider the Santa Clara Valley Water District's Capital Improvement Program Draft Fiscal Years 2026-30 Five-Year Plan.
(Continued from April 23, 2025)

Recommendation: A. Open and conduct the continued Public Hearing to receive public comments and Board feedback regarding the Santa Clara Valley Water District's Capital Improvement Program Draft Fiscal Years 2026-30 Five-Year Plan; and
B. Continue and conclude the Public Hearing at the regularly scheduled Board Meeting on May 27, 2025.

Chairperson Estremera opened the Public Hearing.

Chairperson Estremera declared time open for public comments and, seeing no one present who wished to speak, closed the Public Hearing.

Continued to the May 27, 2025, Board meeting.

- 3.6. Conduct a Public Hearing on the February 2025 Annual Report on the Protection and Augmentation of Water Supplies and Recommended Increases in Groundwater Production Charges, Surface Water Charges, and Recycled Water Charges for Fiscal Year 2025-26; Consider Staff's Recommendation Concerning Setting of State Water Project Tax. (Continued from April 25, 2025)

Recommendation:

- A. Open and conduct the continued Public Hearing pursuant to Section 26.6 of the District Act to consider Santa Clara Valley Water District's Fiscal Year (FY) 2025-26 Annual Report on the Protection and Augmentation of Water Supplies and recommended increases to groundwater production charges (between 7.9% to 11.2%), surface water charges (between 8% to 11.1%) and recycled water charges (between 4.6% to 8.1%);
- B. Hear public comments from groundwater producers and any interested persons regarding the Report and recommendations;
- C. Consider any written protests to proposed surface water rate increases;
- D. Consider staff's recommendation to set the State Water Project tax in an amount sufficient to pay next year's State Water Project costs (excluding Delta Conveyance Project costs) to avoid severe water rate impacts and keep rates feasible;
- E. Close the Public Hearing; and
- F. At the close of the Public Hearing, count all written protests received, if any, regarding proposed surface water rates.

Chairperson Estremera opened the Public Hearing.

Aaron Baker, Chief Operating Officer, reviewed the information on this Item per the attached Board Agenda Memo.

Chairperson Estremera declared time open for public comments.

Sharon Luna, a San Martin resident, expressed concern regarding where the money collected from rate increases is being spent.

Mark Luthman, president of Touchstone Golf Management, expressed concern for the financial stability of businesses when rate increases of this size occur year after year and recommended that the Board consider the impact on businesses when adopting rate increases.

Carlos Orellana advised the Board of State constitutional restrictions regarding instituting different rate structures for water service.

The Chair requested a motion to close the Hearing.

Motion:	Close the Public Hearing.
Move to Approve:	Richard Santos
Second:	John L. Varela
Yeas:	Jim Beall, Rebecca Eisenberg, Tony Estremera, Shiloh Ballard, Richard Santos, John L. Varela, Nai Hsueh

Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

Chairperson Estremera closed the Public Hearing.

Candice Kwok-Smith, Clerk, Board of Directors, confirmed that there were no protests received regarding the proposed surface water rates.

The Board noted the information without formal action.

REGULAR AGENDA:

4. CONSENT CALENDAR: (4.1 - 4.5)

The Board considered Consent Calendar Items 4.1 through 4.5 under one motion.

- 4.1. Adopt a Resolution Delegating Authority to Deposit and Invest Funds to the Treasurer or Their Designees and Approve the Board Investment Policy.

Recommendation: A. Adopt the Resolution DELEGATING AUTHORITY TO DEPOSIT AND INVEST FUNDS TO THE TREASURER OR THEIR DESIGNEES; and
B. Approve the Board Investment Policy.

- 4.2. Adopt a Resolution Proclaiming May 18-24, 2025, as National Public Works Week.

Recommendation: Adopt the Resolution PROCLAIMING MAY 18-24, 2025, AS NATIONAL PUBLIC WORKS WEEK.

- 4.3. Accept the Work as Complete and Direct the Clerk to File the Notice of Completion of Contract and Acceptance of Work for the Santa Teresa Water Treatment Plant Filter Media Replacement Project, Thompson Builders Corporation, Contractor, Project No. 93284013, Contract No. C0681 (San Jose, District 7).

Recommendation: A. Accept the work on the Santa Teresa Water Treatment Plant Filter Media Replacement Project, Project No. 93284013, Contract No. C0681 as complete; and
B. Direct the Clerk of the Board to sign the Notice of Completion of Contract and Acceptance of Work and submit for recording to the Santa Clara County Clerk-Recorder.

- 4.4. Approval of Minutes.

Recommendation: Approve the minutes.

- 4.5. Accept the CEO Bulletin for the Weeks of April 18 through May 8, 2025.

Recommendation: Accept the CEO Bulletin.

Motion: Approve Consent Calendar Items 4.1 through 4.5, under one motion, as follows: adopt Resolution Nos. 2025-34, DELEGATING AUTHORITY TO DEPOSIT AND INVEST FUNDS TO THE TREASURER OR THEIR DESIGNEES and approve the Board Investment Policy, and 2025-35, PROCLAIMING MAY 18-24, 2025, AS NATIONAL PUBLIC WORKS WEEK, by roll call vote, as contained in Items 4.1 and 4.2; accept the work as complete and direct the Clerk to file the Notice of Completion of Contract and Acceptance of Work for the Santa Teresa Water Treatment Plant Filter Media Replacement Project, Thompson Builders Corporation, Contractor, Project No. 93284013, Contract No. C0681, as contained in Item 4.3; approve the Minutes, as contained in Item 4.4; and accept the CEO Bulletin, as contained in Item 4.5.

Move to Approve: John L. Varela
Second: Nai Hsueh
Yeas: Shiloh Ballard, Jim Beall, Rebecca Eisenberg, Tony Estremera, Richard Santos, John L. Varela, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

5. BOARD OF DIRECTORS:

5.1. Board Committee Reports.

The Board reviewed the information on the April 2, 2025, Joint Water Resources Committee, April 14, 2025, Board Policy and Monitoring Committee, and the April 29, 2025, Recycled Water Committee meeting agendas and summaries contained in Handouts 5.1-A, 5.1-B, and 5.1-C, respectively, and noted the information without formal action. Copies of the Handouts were distributed to the Board and made available to the public.

6. WATER UTILITY ENTERPRISE:

None.

7. WATERSHEDS:

None.

8. ASSISTANT CHIEF EXECUTIVE OFFICER:

None.

9. EXTERNAL AFFAIRS:

None.

10. CHIEF EXECUTIVE OFFICER:

10.1. CEO and Chiefs' Reports.

Rachael Gibson, Chief of External Affairs, reviewed the attached Office of Government Relations Summary, identified as Handout 10.1-A and the attached Office of Civic Engagement Monthly Update, identified as Handout 10.1-B, respectively herein. Copies of the Handouts were distributed to the Board and made available to the public.

11. ADMINISTRATION:

11.1. Conduct a Public Hearing on Vacancy Status, Recruitment, and Retention Efforts.

Recommendation: A. Open and conduct the Public Hearing to receive a presentation on Santa Clara Valley Water District vacancy status, recruitment, and retention efforts;
 B. Close the Public Hearing; and
 C. Provide feedback as necessary.

Chairperson Estremera opened the Public Hearing.

Patrice McElroy, Deputy Administrative Officer, reviewed the information on this Item, per the attached Board Agenda Memo, Courtney Letts, Acting Employment Services Manager, reviewed the information contained in Attachment 2, and Katie Muller, President, Engineers Society, reported on behalf of the Engineer's Society Bargaining Unit.

Chairperson Estremera declared time open for public comments and, seeing no one present who wished to speak, requested a motion to close the Public Hearing.

Motion:	Close the Public Hearing.
Move to Approve:	Richard Santos
Second:	John L. Varela
Yeas:	Jim Beall, Rebecca Eisenberg, Tony Estremera, Shiloh Ballard, Richard Santos, John L. Varela, Nai Hsueh
Nays:	None
Abstains:	None
Recuses:	None
Absent:	None
Summary:	7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The Yeas have it, and the motion passed.

Chairperson Estremera closed the Public Hearing.

The Board noted the information and took no formal action.

12. DISTRICT COUNSEL:

None.

13. BOARD POLICY PLANNING CALENDAR/PROPOSED FUTURE BOARD AGENDA ITEMS:

13.1. Review the Fiscal Year 2024-2025 Board Policy Planning Calendar.

Recommendation: Review the Fiscal Year 2024-2025 Board Policy Planning Calendar.

The Board noted the information and took no formal action.

14. BOARD MEMBER REPORTS/ANNOUNCEMENTS:

Director Beall reported attending a Palo Alto University Board of Trustees meeting; the Del Roble and Santa Teresa Elementary Schools Ribbon cutting ceremonies; a California State Prison Solano special event; the Association of California Water Agencies (ACWA) Conference; a Green Team, Valley Water Employee Resource Group, hosted Earth Day Celebration; and various meetings with staff.

Director Eisenberg reported attending the aforementioned ACWA Conference.

Vice Chair Santos reported attending the aforementioned ACWA Conference; a Special Water Supply and Demand Management Committee meeting (WSDMC); and various meetings with staff.

Director Ballard reported attending the aforementioned ACWA Conference; the Bay-Delta Tour; a Valley Water sponsored webinar, "Preventing Homelessness"; a Santa Clara Valley Habitat Agency meeting; and met with the Valley Water Engineers Society Bargaining Unit.

Director Hsueh reported attending the aforementioned ACWA Conference and WSDMC meeting; a Santa Clara County Recycling and Waste Reduction meeting; the Valley Water Works Program graduation ceremony; and various meetings with staff.

Director Varela reported attending the aforementioned ACWA Conference and a San Luis Delta-Mendota Water Authority workshop.

Chairperson Estremera reported attending the aforementioned ACWA Conference; Board Policy and Monitoring and Recycled Water Committee meetings; and various meetings with staff.

15. CLERK REVIEW AND CLARIFICATION OF BOARD REQUESTS:

None.

16. ADJOURN:

Chairperson Estremera adjourned the meeting at 2:28 p.m. The Board will convene for the next Regular meeting at 11:00 a.m. on Tuesday, May 27, 2025, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California, and via Zoom teleconference.

Candice Kwok-Smith
Clerk, Board of Directors

Approved:

Date: June 10, 2025

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