



BOARD OF DIRECTORS MEETING

MINUTES

**CLOSED SESSION AND REGULAR MEETING
TUESDAY, DECEMBER 15, 2020
11:00 AM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A Closed Session and Special 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 10:00 a.m.

1.1. Roll Call.

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

Directors Estremera and Kremen joined the meeting by teleconference as noted below.

Staff in attendance was M. King, Clerk, Board of Directors. Staff participating by teleconference were R. Callender, Chief Executive Officer, S. Yamamoto, District Counsel, J. Aranda, A. Baker, R. Chan, R. Fuller, R. Gibson, H. McMahon, L. Orta, M. Richardson, D. Rocha, D. Taylor, S. Tippetts, and T. Yoke.

1.2. Pledge of Allegiance/National Anthem.

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

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

Chairperson Hsueh declared time open for public comment on any item not on the agenda. There was no one present who wished to speak.

2. TIME CERTAIN:

10:00 AM

Chairperson Hsueh confirmed that the Board would adjourn to Closed Session for consideration of Item 2.1.

During Closed Session, Directors Estremera and Kremen joined the meeting by teleconference.

Upon return to Open Session, the same Board members, including Directors Estremera and Kremen, and staff were present.

- 2.1. CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
SCVWD v. San Francisco Bay Regional Water Quality Control Board
First Appellate District, Court of Appeal of the State of California, Case
No. A157127

11:00 AM

- 2.2. District Counsel Report on Closed Session.

Ms. Rita Chan, Assistant District Counsel, reported that in regard to Items 2.1, the Board met in Closed Session with all members present, including Directors Estremera and Kremen, and gave direction to staff.

Mr. David Cahen, Risk Manager, reviewed the information on Items 2.3 and 2.4, per the attached Board Agenda Memos.

- 2.3. Consider the Possible Effects of Extending the Agreement with Arthur J. Gallagher & Co. for Insurance Broker Services – 2020, CAS File No. 5134, for 90 Days or a Year; and Authorize the Chief Executive Officer to Extend the Agreement for One Year, for a Not-to-Exceed Fee of \$57,500, with a Provision to Terminate Earlier Should a New Broker be Selected Before that Time.

- Recommendation:
- A. Consider the Possible Effects of Extending the Agreement with Arthur J. Gallagher & Co. for Insurance Broker Services – 2020, CAS File No. 5134, for 90 Days or a Year; and
 - B. Authorize the Chief Executive Officer to Extend the Agreement for One Year, for a Not-to-Exceed Fee of \$57,500, with a Provision to Terminate Earlier Should a New Broker be Selected Before that Time.

Director Keegan stressed the importance of seeking opportunities to promote equitable contracting in Valley Water's procurement processes, and suggested that Requests for Proposals for specialized services be drafted to require portions of the services to be provided in partnership with small, local, and minority-, woman-, or veteran-owned businesses; and Director Kremen suggested that Arthur J. Gallagher & Co. provide a presentation to the Board on its small, local, and minority-, woman-, or veteran-owned business inclusion program.

Move to Authorize: 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.

2.4. Receive Information on the Risk Management Unit Mission Statement, Functions, and Activities, and Schedule Further Discussion on the Risk Management Unit Reporting Structure Subsequent to Receipt of Recommendations Resulting from the December 16, 2020 Board Audit Committee Meeting, Regarding the District Counsel Audit Final Report.

Recommendation: Receive Information on the Risk Management Unit Mission Statement, Functions, and Activities, and Schedule Further Discussion on the Risk Management Unit Reporting Structure Subsequent to Receipt of Recommendations Resulting from the December 16, 2020 Board Audit Committee Meeting, Regarding the District Counsel Audit Final Report.

Director Keegan confirmed that the Board Audit Committee would consider the District Counsel Final Audit Report during its December 16, 2020 meeting, and would hold discussion to consider making a recommendation to the Board on adding a Risk Management Audit to the Board Audit Work Plan during its January 2021 meeting.

Motion: Approve Scheduling Further Discussion on the Risk Management Unit Reporting Structure Subsequent to Receipt of Recommendations Resulting from the December 16, 2020 Board Audit Committee Meeting, Regarding the District Counsel Audit Final Report, and after the January 2021 Board Audit Committee Meeting, Regarding Inclusion of a Risk Management Audit on the Board Audit Work Plan.

Move to Approve: Barbara Keegan
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.

3. ADJOURN:

3.1. Clerk Review and Clarification of Board Requests.

Ms. Michele King, Clerk, Board of Directors, confirmed that there were no new Board Member Requests.

3.2. Adjourn to Special Meeting at 10:00 a.m., on January 5, 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 noted a typographical error in the next meeting date provided in the published agenda's adjourn statement, and adjourned the meeting at 11:40 a.m. to the Special Meeting at 10:00 a.m. on January 5, 2021, 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: 01/26/2021