



Santa Clara Valley Water District Board of Directors Meeting

District Headquarters Board Room
5700 Almaden Expressway
San Jose, CA 95118

***AMENDED/APPENDED 11:00 AM CLOSED SESSION AND 1:00 PM REGULAR MEETING AGENDA**

**Tuesday, May 9, 2017
11:00 AM**

***ITEMS AMENDED AND/OR APPENDED SINCE THE ORIGINAL PUBLICATION OF THIS
AGENDA ARE IDENTIFIED BY AN ASTERISK (*) HEREIN**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

DISTRICT BOARD OF DIRECTORS

John L. Varela, Chair - District 1
Richard Santos, Vice Chair - District 3
Barbara Keegan - District 2
Linda J. LeZotte - District 4
Nai Hsueh - District 5
Tony Estremera - District 6
Gary Kremen - District 7

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the Clerk of the Board at the Santa Clara Valley Water District Headquarters Building, 5700 Almaden Expressway, San Jose, CA 95118, at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to attend Board of Directors' meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

NORMA CAMACHO
Interim Chief Executive Officer

MICHELE L. KING, CMC
Clerk of the Board
(408) 265-2600
Fax (408) 266-0271
www.valleywater.org

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

**Santa Clara Valley Water District
Board of Directors**

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Tuesday, May 9, 2017

11:00 AM

District Headquarters Board Room

1. CALL TO ORDER:

1.1. Roll Call.

2. TIME CERTAIN:

11:00 AM

Notice to the Public: The Board of Directors meets in Closed Session in accordance with the Ralph M. Brown Act. Following the conclusion of Closed Session discussion, the Board will return for the remaining items on the regular meeting agenda.

2.1. CLOSED SESSION

[17-0259](#)

Pursuant to Government Code 54957

Public Employment

Title of Employee Being Reviewed: Chief Executive Officer/General Manager

1:00 PM

2.2 District Counsel Report.

2.3. Pledge of Allegiance/National Anthem.

2.4. Orders of the Day.

A. Approximate Discussion Time (Board); and

B. Adjustments to the Order of Agenda Items.

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

Notice to the public: This item is reserved for persons desiring to address the Board on any matter not on this agenda. Members of the public who wish to address the Board on any item not listed on the agenda should complete a Speaker Card and present it to the Clerk of the Board. The Board Chair will call individuals to the podium in turn. Speakers comments should be limited to three minutes or as set by the Chair. The law does not permit Board action on, or extended discussion of, any item not on the agenda except under special circumstances. If Board action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Board may take action on any item of business appearing on the posted agenda.

2.6. Public Hearing-Annual Report Recommending Flood Control Benefit Assessments and Resolution Setting Benefit Assessment Revenue for Fiscal Year 2017-2018.

[17-0232](#)

- Recommendation:
- A. Open the annual public hearing to consider any comments regarding the flood control benefit assessments for Fiscal Year 2017-2018 (FY 2017-18);
 - B. Close the Public Hearing; and
 - C. Adopt the resolution ESTABLISHING LAND USE CATEGORIES, CONFIRMING A LEVY OF BENEFIT ASSESSMENTS TO MEET DULY AUTHORIZED DEBT OBLIGATIONS FOR FY 2017-2018 IN FLOOD CONTROL ZONES OF SANTA CLARA VALLEY WATER DISTRICT, IN ACCORDANCE WITH RESOLUTION NOS. 86-54, 86-55, 86-56, 86-57, AND 90-7, AND AUTHORIZING A PROCEDURE FOR CORRECTING ASSESSMENTS.

Manager: Melanie Richardson, 408-630-2035

Attachments: [Attachment 1: Staff Report](#)
[Attachment 2: Resolution](#)
[Attachment 3: Flood Control Benefit Assessment Report](#)

Est. Staff Time: 5 Minutes

*2.7. Public Hearing and Resolution Approving the Santa Clara Valley Water District's Fiscal Years 2018-2022 Five-Year Capital Improvement Program.

[17-0305](#)

- Recommendation:
- A. Continue the public hearing from April 26, 2017 to receive comments regarding the Santa Clara Valley Water District's (District) FY 2018-2022 Five-Year Capital Improvement Program (CIP);
 - B. Close the public hearing; and
 - C. Adopt the Resolution APPROVING FISCAL 2018-2022 FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM.

Manager: Ngoc Nguyen, 408-630-2632
Christopher Hakes, 408-630-3796

Attachments: [Attachment 1: Resolution](#)
[Attachment 2: FY2018-22 CIP](#)
[Attachment 3: PowerPoint](#)
[Attachment 4: Letters of Support from cities, County](#)
[*Supplemental Attachment 1: Additional Letters of Support from ci](#)
[*Supplemental Attachment 2: Revised Resolution \(Replacing Orig](#)
[*Supplemental Attachment Memo](#)

Est. Staff Time: 5 Minutes

- 2.8. Safe, Clean Water and Natural Flood Protection Special Tax Summary Report and Resolution Providing for Levy of the Special Tax Rates and Authorizing a Procedure for Correcting Special Tax Amounts for Fiscal Year 2017-2018 (FY 2017-18). [17-0237](#)

Recommendation: A. Accept the Fiscal Year 2017-18 Safe, Clean Water and Natural Flood Protection Special Tax Summary Report; and
B. Adopt the Resolution PROVIDING FOR LEVY OF THE SPECIAL TAX PURSUANT TO THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION MEASURE IN THE COMBINED FLOOD CONTROL ZONE OF THE SANTA CLARA VALLEY WATER DISTRICT AND AUTHORIZING A PROCEDURE FOR CORRECTING SPECIAL TAX AMOUNTS FOR FISCAL YEAR 2017-2018.

Manager: Melanie Richardson, 408-630-2035

Attachments: [Attachment 1: Staff Report](#)
[Attachment 2: Resolution](#)
[Attachment 3: Key Performance Indicators](#)

Est. Staff Time: 5 Minutes

- *2.9. Adoption of Groundwater Production and Other Water Charges for Fiscal Year 2017-2018. [17-0300](#)

Recommendation: A. Adopt a resolution increasing the District's groundwater production charges effective July 1, 2017 and DETERMINING GROUNDWATER PRODUCTION CHARGES FOR FISCAL YEAR 2017-2018; and
B. Adopt a resolution increasing the District's surface water charges, treated water charges and South County recycled water charges effective July 1, 2017 and DETERMINING RAW SURFACE WATER, TREATED WATER, AND SOUTH COUNTY RECYCLED WATER CHARGES FOR FISCAL YEAR 2017-2018.

Manager: Jim Fiedler, 408-630-2736

Attachments: [Attachment 1: Resolution, Groundwater Production](#)
[Attachment 2: Resolution, Raw and Treated Surface Water](#)
[*Supplemental Agenda Memo](#)

Est. Staff Time: 5 Minutes

- *2.1 Approval of the Fiscal Year 2017-18 Operating and Capital Budget and
0. Levy of Ad-valorem Property Taxes.

[17-0306](#)

- Recommendation: A. Discuss and adopt a Resolution APPROVING AND ADOPTING THE OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2017-18; and
- B. Discuss and adopt a Resolution PROVIDING FOR LEVY OF AD VALOREM REAL PROPERTY TAXES IN FISCAL YEAR 2017-18 TO MEET THE COST OF ITS WATER SUPPLY CONTRACT WITH THE STATE OF CALIFORNIA.

Manager: Darin Taylor, 408-630-3068

Attachments: [*Supplemental Attachment 1: Resolution, Budget FY 2017-2018](#)
[Attachment 2: Resolution, Ad Valorem Real Property Taxes](#)
[*Supplemental Attachment 3: Transmittal Letter](#)
[*Supplemental Agenda Memorandum](#)

Est. Staff Time: 5 Minutes

3. CONSENT CALENDAR: (3.1 - 3.9) (Est. Time: 5 Minutes)

Notice to the public: There is no separate discussion of individual consent calendar items. Recommended actions are voted on in one motion. If an item is approved on the consent vote, the specific action recommended by staff is adopted. Items listed in this section of the agenda are considered to be routine by the Board, or delegated to the Board Appointed Officers (BAOs) yet required by law or contract to be Board approved (EL-7.10). Any item may be removed for separate consideration at the request of a Board member. Whenever a resolution is on the consent calendar, a roll call vote will be taken on the entire calendar. Members of the public wishing to address the Board on any consent items should complete a Speaker Card and present it to the Clerk of the Board.

- 3.1. Resolution Delegating Authority to Deposit and Invest Funds to the Treasurer or his or her Designee and Resolution Authorizing Investment of Monies in the Local Agency Investment Fund. [16-0576](#)

Recommendation: A. Adopt the Resolution DELEGATING BOARD'S AUTHORITY TO DEPOSIT AND INVEST FUNDS TO THE TREASURER OR HIS OR HER DESIGNEE;

B. Approve the Board Investment Policy for Fiscal Year 2017-18; and

C. Adopt the Resolution AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: Resolution, Delegating Investment Authority](#)
[Attachment 2: FY 2018 Investment Policy](#)
[Attachment 3: Resolution, Local Agency Investment Fund](#)

- 3.2. 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 a Commercial Paper Program in a Combined Aggregate Principal Amount not to Exceed \$225 Million, and Resolution Regarding Intention to Issue Tax-Exempt Obligations.

[16-0586](#)

- Recommendation:
- A. 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 (TRANS) TO SUPPORT A COMMERCIAL PAPER PROGRAM IN A COMBINED AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$225 MILLION;
 - B. Authorize the Interim Chief Executive Officer, the Chief Operating Officer - Administration, or Chief Financial Officer to execute the TRANS, and the Certificate as to Uncollected Taxes, Income, Revenue, Cash Receipts and Other Money;
 - C. Authorize the Interim Chief Executive Officer, District Counsel, and such other chief executives of the District to execute such other instruments, documents and papers as are necessary to carry out this Commercial Paper Program for Fiscal Year 2017-18;
 - D. Authorize the District Counsel to execute the TRANS; and
 - E. Adopt the Resolution Regarding INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: Resolution, TRANS](#)
[Attachment 2: Resolution, Tax Exempt Obligations](#)

- 3.3. Resolution Regarding Intention to Issue Tax-Exempt Obligations for Safe, Clean Water Program.

[16-0587](#)

Recommendation: Adopt the RESOLUTION REGARDING INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: Resolution](#)

- 3.4. Resolution Authorizing the Acquisition of a Grant Deed from, and Conveyance of a Quitclaim Deed to, Leona M. Reif, as Trustee of the Reif Family Trust dated September 2, 1997, and Leona Reif, as Trustee of the Reif Living Trust dated July 25, 1988 for the Upper Llagas Creek Flood Protection Project, Project No. 26174051 (Morgan Hill), (District 1).

[16-0247](#)

Recommendation: Adopt the Resolution AUTHORIZING THE ACQUISITION OF A GRANT DEED FROM AND CONVEYANCE OF A QUITCLAIM DEED TO THE REIF FAMILY TRUST AND THE REIF LIVING TRUST FOR THE UPPER LLAGAS CREEK FLOOD PROTECTION PROJECT, PROJECT NO. 26174051 (MORGAN HILL) that does the following:

- i. Approves the Real Property Exchange Agreement for Real Estate File Nos. 5037-54 & 5037-10.1 and authorizes the Interim Chief Executive Officer to execute the Real Property Exchange Agreement;
- ii. Authorizes the Interim Chief Executive Officer to execute the Certificate of Acceptance for Grant Deed 5037-54; and
- iii. Authorizes the Interim Chief Executive Officer to execute the Quitclaim Deed 5037-10.1.

Manager: Katherine Oven, 408-630-3126

Attachments: [Attachment 1: Project Map](#)
[Attachment 2: Resolution](#)
[Attachment 3: Phase I HSLA](#)
[Attachment 4: Notice of Determination](#)

- 3.5. Resolution Authorizing the Acquisition of a Grant Deed from, and Conveyance of a Quitclaim Deed to, Amy Lawrence, an Unmarried Woman, for the Upper Llagas Creek Flood Protection Project, Project No. 26174051 (Morgan Hill), (District 1).

[16-0679](#)

Recommendation: Adopt the Resolution AUTHORIZING THE ACQUISITION OF A GRANT DEED FROM AND CONVEYANCE OF A QUITCLAIM DEED TO AMY LAWRENCE FOR THE UPPER LLAGAS CREEK FLOOD PROTECTION PROJECT, PROJECT NO. 26174051 (MORGAN HILL), by unanimous vote, that does the following:

- i. Approves the Real Property Exchange Agreement for Real Estate File Nos. 5010-284 & 5010-114.1 and authorizes the Interim Chief Executive Officer to execute the Real Property Exchange Agreement;
- ii. Authorizes the Interim Chief Executive Officer to execute the Certificate of Acceptance for Grant Deed 5010-284; and
- iii. Authorizes the Interim Chief Executive Officer to execute the Quitclaim Deed 5010-114.1.

Manager: Katherine Oven, 408-630-3126

Attachments: [Attachment 1: Project Map](#)
[Attachment 2: Resolution](#)
[Attachment 3: Phase I HSLA](#)
[Attachment 4: Notice of Determination](#)

- *3.6. Item Moved to 5.3.

- 3.7. Resolution Setting Time and Date of Public Hearing to Become the Groundwater Sustainability Agency for the Portions of the Hollister and San Juan Bautista Subbasins Located in Santa Clara County. [17-0224](#)

Recommendation:

Adopt the Resolution SETTING A PUBLIC HEARING TO BECOME THE GROUNDWATER SUSTAINABILITY AGENCY FOR THE PORTIONS OF THE HOLLISTER AND SAN JUAN BAUTISTA SUBBASINS LOCATED WITHIN SANTA CLARA COUNTY to occur on JUNE 13, 2017, at 1:00 PM at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California.

Manager: Garth Hall, 408-630-2750

Attachments: [Attachment 1: Map](#)
[Attachment 2: Resolution](#)
[Attachment 3: Public Hearing Notice](#)

- 3.8. Resolution Proclaiming May 21-27, 2017 as National Public Works Week. [17-0194](#)

Recommendation: Adopt a Resolution PROCLAIMING MAY 21-27, 2017 AS NATIONAL PUBLIC WORKS WEEK.

Manager: Christopher Hakes, 408-630-3796

Attachments: [Attachment 1: Resolution](#)
[Attachment 2: Poster, 2017 APWA National Public Works Week](#)

- *3.9. CEO Bulletins for the Weeks of April 21 - 27 and April 28 - May 4, 2017. [17-0301](#)

Recommendation: Accept the CEO Bulletins.

Manager: Norma Camacho, 408-630-2084

Attachments: [Attachment 1: 042717 CEO Bulletin](#)
[*Attachment 2: 050417 CEO Bulletin](#)

REGULAR AGENDA:

4. BOARD OF DIRECTORS:

4.1. Board Committee Reports.

5. WATER UTILITY ENTERPRISE:

5.1. Receive and Discuss Updated Information on the Delta Stewardship Council's Delta Plan. [17-0266](#)

Recommendation:

Receive and discuss updated information on the Delta Stewardship Council's Delta Plan.

Manager: Garth Hall, 408-630-2750

Attachments: [Attachment 1: SWC Comment Letters](#)
[Attachment 2: Board Policy and CEO Interpretations](#)
[Attachment 3: SCVWD California WaterFix Principles](#)
[Attachment 4: PowerPoint](#)

Est. Staff Time: *10 Minutes

5.2. Resolution in Support of the Association of California Water Agencies' Policy Statement on Bay-Delta Flow Requirements. [17-0231](#)

Recommendation: Adopt the Resolution IN SUPPORT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' POLICY STATEMENT ON BAY-DELTA FLOW REQUIREMENTS.

Manager: Garth Hall, 408-630-2750

Attachments: [Attachment 1: ACWA Policy Statement](#)
[Attachment 2: Resolution](#)
[Attachment 3: SCVWD Comment Letter](#)

Est. Staff Time: *10 Minutes

- *5.3. Approve the Purchase Agreement and Escrow Instructions for Real Estate File No. 5027-311 to Acquire Real Property (APNs 825-03-011 and 825-04-010) from Nature Quality, LP, a California limited partnership, for the Upper Llagas Creek Flood Protection Project, Project No. 26174051 and other potential benefits (Morgan Hill), (District 1). (PREVIOUSLY LISTED AS 3.6)

[17-0304](#)

- Recommendation:
- A. Approve the Purchase Agreement and Escrow Instructions for Real Estate File No. 5027-311 to Acquire Real Property (APNs 825-03-011 and 825-04-010) from Nature Quality, LP, a California limited partnership, for the Upper Llagas Creek Flood Protection Project, Project No. 26174051 and other potential benefits (Morgan Hill), (District 1);
 - B. Authorize the Interim Chief Executive Officer to execute the Purchase Agreement and Escrow Instructions for Real Estate File No. 5027-311 (Assessor's Parcels 825-03-001 and 825-04-010); and
 - C. Authorize the Interim Chief Executive Officer to execute the Certificate of Acceptance for Grant Deed 5027-311.

Manager: Katherine Oven, 408-630-3126

Attachments: [Attachment 1: Project Map](#)
[Attachment 2: Purchase Agreement and Escrow Instructions](#)
[Attachment 3: Notice of Determination](#)

Est. Staff Time: *10 Minutes

6. WATERSHEDS: None.

7. CHIEF EXECUTIVE OFFICER:

7.1. Chief Executive Officer Report.

8. ADMINISTRATION: None.

9. DISTRICT COUNSEL: None.

10. ADJOURN:

10.1. Board Member Reports/Announcements.

10.2. Clerk Review and Clarification of Board Requests.

10.3. Adjourn to 10:00 a.m. Special Meeting on May 18, 2017, in the Santa Clara County Board of Supervisors' Chambers, County Government Center, 70 West Hedding Street, 1st Floor, San Jose, California.