



# Santa Clara Valley Water District Board of Directors Meeting

Teleconference Zoom Meeting

## 11:00 AM CLOSED SESSION AND 1:00 PM REGULAR MEETING AGENDA

Tuesday, August 11, 2020  
11:00 AM

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

**DISTRICT BOARD OF DIRECTORS**

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

RICK L. CALLENDER, ESQ.  
Chief Executive Officer

MICHELE L KING, CMC  
Clerk of the Board  
(408) 265-2600  
Fax (408) 266-0271  
[www.valleywater.org](http://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**

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

---

Tuesday, August 11, 2020

11:00 AM

Teleconference Zoom Meeting

---

IMPORTANT NOTICES

This meeting is being held in accordance with the Brown Act as currently in effect under the State Emergency Services Act, the Governor’s Emergency Declaration related to COVID-19, and the Governor’s Executive Order N-29-20 issued on March 17, 2020 that allows attendance by members of the Board of Directors, District staff, and the public to participate and conduct the meeting by teleconference, videoconference, or both.

Members of the public wishing to address the Board during a video conferenced meeting on an item not listed on the agenda, or any item listed on the agenda, should use the “Raise Hand” or “Chat” tools located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Board Chair in the order requests are received and granted speaking access to address the Board.

Santa Clara Valley Water District (District), in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in District Board meetings to please contact the Clerk of the Board’s office at (408) 630-2711, at least 3 business days before the scheduled District Board meeting to ensure that the District may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has not been prepared with a view to informing an investment decision in any of Valley Water’s bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water’s bonds, notes or other obligations and investors and potential investors should rely only on information filed by the District on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures and Valley Water’s Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

**Join Zoom Meeting:**  
**<https://valleywater.zoom.us/j/96766899382>**  
**Meeting ID: 967 668 99382**  
**Join by Phone:**  
**1 (669) 900-9128, 96766899382#**

**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

[20-0600](#)

CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

Pursuant to Government Code §54956.9(d)(1);

Great Oaks v. SCVWD

Master Complaint, {Inverse Condemnation; Declaratory Relief; Writ of Mandate; Claim for Refund}

Case No. 2011-1-CV-205462, and related cases

**1:00 PM**

**Rejoin Zoom Meeting:**  
**<https://valleywater.zoom.us/j/96766899382>**  
**Meeting ID: 967 668 99382**  
**Join by Phone:**  
**1 (669) 900-9128, 96766899382#**

2.2. District Counsel Report on Closed Session.

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: Members of the public who wish to address the Board on any item not listed on the agenda should access the "Raise Hand" or "Chat" tools located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Board Chair in order requests are received and granted speaking access to address the Board. 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. California Proposition 15, Tax on Commercial and Industrial Properties for Education and Local Government Funding Initiative Presentation by Santa Clara County Assessor Larry Stone. [20-0566](#)

Recommendation: Receive information on California Proposition 15, Tax on Commercial and Industrial Properties for Education and Local Government Funding Initiative presentation by Santa Clara County Assessor Larry Stone.

Manager: Rachael Gibson, 408-630-2884

Est. Staff Time: 15 Minutes

2.7. Receive and Discuss Information Regarding Pension Liability and the Potential Use of Pension Obligation Bonds. (Continued from July 28, 2020) [20-0680](#)

Recommendation: Receive and discuss information regarding pension liability and the potential use of pension obligation bonds and provide staff with further direction as necessary.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: PowerPoint](#)

Est. Staff Time: 30 Minutes

- 2.8. Approve the Revised Fiscal Year 2020-2021 Santa Clara Valley Water District Investment Policy and Approve an Update Executive Limitations Policy EL 4.7, Financial Management. (Continued from July 28, 2020) [20-0681](#)

Recommendation:      A. Approve the Revised Fiscal Year 2020-2021 Santa Clara Valley Water District Investment Policy;  
                                 B. Approve an update to Executive Limitation Policy EL-4.7, Financial Management; and  
                                 C. Provide additional direction to staff as necessary.

Manager:                 Darin Taylor, 408-630-3068

Attachments:           [Attachment 1: Revised Investment Policy](#)  
                                 [Attachment 2: Powerpoint](#)  
                                 [Attachment 3: Sample ESG Evaluation Report for Deutsche Bank](#)

Est. Staff Time:        10 Minutes

- 2.9. Receive Information and Authorize Staff to Proceed with Negotiation and Execution of Bank Line(s) of Credit with Aggregate Stated Amount Not to Exceed \$200 Million. (Continued from July 28, 2020) [20-0682](#)

Recommendation:      A. Receive information regarding bank line(s) of credit solicitation; and  
                                 B. Authorize staff to proceed with negotiation and execution of bank line(s) of credit with aggregate stated amount not to exceed \$200 Million.

Manager:                 Darin Taylor, 408-630-3068

Attachments:           [Attachment 1: PowerPoint](#)  
                                 [Attachment 2: Revised Bank Proposals](#)  
                                 [Attachment 3: MUFG ESG Response](#)  
                                 [Attachment 4: JPM ESG Response](#)  
                                 [Attachment 5: US Bank ESG Response](#)  
                                 [Attachment 6: UBS ESG Response](#)  
                                 [Attachment 7: Bank of America ESG Response](#)

Est. Staff Time:        10 Minutes

**3. CONSENT CALENDAR: (3.1 - 3.5) (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. Adopt Plans and Specifications and Authorize Advertisement for Bids for the Central and Parallel East Pipelines Inspection and Rehabilitation Project, Project No. 95084002, Contract No. C0661 (San Jose and Unincorporated Santa Clara County), (Districts 1, 2, 4, 6, and 7). [20-0493](#)

- Recommendation:
- A. Find that the Central and Parallel East Pipelines Inspection and Rehabilitation Project is substantially complex and requires a construction contract retention of 10 percent;
  - B. Adopt Plans and Specifications and Authorize Advertisement for Bids for Construction of the Central and Parallel East Pipelines Inspection and Rehabilitation Project per the Notice to Bidders; and
  - C. Authorize the Designated Engineer to issue addenda, as necessary, during the bidding process.

Manager: Heath McMahon, 408-630-3126

Attachments: [Attachment 1: Notice to Bidders](#)  
[Attachment 2: Project Delivery Process Chart](#)  
[Attachment 3: Site Map](#)  
[Attachment 4: Plans](#)  
[Attachment 5: Specifications](#)

- 3.2. Approve Amendment No. 2 to Agreement A4139F with Governmental Advocates, Inc., for State Lobbying Services, to Increase the Fee by \$109,200 for a Total Revised Fee Not-to-Exceed \$336,700 and Extend the Agreement Term to September 30, 2021. [20-0628](#)

Recommendation: Approve Amendment No. 2 to Agreement A4139F with Governmental Advocates, Inc., for State Lobbying Services, to increase the fee by \$109,200 for a total revised Fee Not-to-Exceed \$336,700, and extend the Agreement term to September 30, 2021.

Manager: Donald Rocha, 408-630-2338

Attachments: [Attachment 1: Amendment No. 2](#)

- 3.3. Notice of Completion of Contract and Acceptance of Work for the Vasona Pump Station Fence and Gate Replacement Project Phase 1, AAA Fence Company, Inc., Contractor, Project No. 92764009, Contract No. 0654 (Los Gatos) (District 7). [20-0571](#)

Recommendation: A. Accept the work as complete for Vasona Pump Station Fence and Gate Replacement Project Phase 1, Project No. 92764009, Contract No. C0654; 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 County of Santa Clara Office of the Clerk-Recorder.

Manager: Heath McMahon, 408-630-3126

Attachments: [Attachment 1: Notice of Completion and Acceptance of Work](#)  
[Attachment 2: Construction Contract Acceptance](#)  
[Attachment 3: Project Completion Letter](#)  
[Attachment 4: Construction Photos](#)  
[Attachment 5: Project Delivery Process Chart](#)

- 3.4. Receive Semi-Annual Lobbyist Report of Individuals Engaged in Compensated Lobbying Activities Aimed at Influencing District Decisions, in Accordance With District Ordinance No. 10-01. [20-0599](#)

Recommendation: Receive the Semi-Annual Lobbyist Report of Individuals Engaged in Compensated Lobbying Activities for the period January 1, 2020 through June 30, 2020.

Manager: Michele King, 408-630-2711

Attachments: [Attachment 1: Lobbyist Report](#)

3.5. Accept the CEO Bulletin for the Weeks of July 17-30, 2020.

[20-0631](#)

Recommendation: Accept the CEO Bulletin.

Manager: Rick Callender, 408-630-2017

Attachments: [Attachment 1: 073020 CEO Bulletin](#)

## **REGULAR AGENDA:**

### **4. BOARD OF DIRECTORS:**

4.1. Receive Overview of Valley Water's Current Budget Processes and Consider the Benefits and Drawbacks Associated with Biennial Budgeting.

[20-0502](#)

Recommendation:     A. Review Valley Water's current annual budget process in relation to a biennial budget process in order to identify the benefits and drawbacks associated with each; and  
                              B. Direct staff to implement a rolling biennial budget process to be updated annually after implementation of, and demonstrated stability of, the Infor Enterprise Resource Planning system.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: PowerPoint](#)

Est. Staff Time: 15 Minutes

4.2. Approve Amendment No. 3 to Agreement No. A4071A with TAP International, Inc. for Board Independent Auditing Services Increasing the Not-to-Exceed Fee by \$250,000, for a Total Revised Fee of \$1,255,000.

[20-0636](#)

Recommendation: Approve Amendment No. 3 to Agreement No. A4071A with TAP International, Inc. for Board Independent Auditing Services, increasing the not-to-exceed Fee by \$250,000, for a revised total fee of \$1,255,000.

Manager: Darin Taylor, 408-630-3068

Attachments: [Attachment 1: Amendment No. 3](#)

Est. Staff Time: 10 Minutes



- 4.3. Approve Fiscal Year 2020-2021 Board Work Plan. [20-0638](#)

Recommendation:     A. Review and approve the Fiscal Year 2020-2021 Board Work Plan; and  
                              B. Discuss outreach plans, and provide additional direction, if necessary, to staff on how the Plan should be distributed.

Manager:               Michele King, 408-630-2711

Attachments:         [Attachment1: FY21 Board Work Plan](#)

Est. Staff Time:     5 Minutes

- 4.4. Fiscal Year 2021 Board Policy Planning Calendar. [20-0658](#)

Recommendation:    Review and approve the Fiscal Year 2021 Board Policy Planning Calendar.

Manager:               Michele King, 408-630-2711

Attachments:         [Attachment 1: FY21 Board Calendar](#)

Est. Staff Time:     5 Minutes

- 4.5. Proposed Future Board Member Agenda Items.

- 4.6. Board Committee Reports.

**5. WATER UTILITY ENTERPRISE:**

- 5.1. Update on 2020 Water Supply Conditions and Initial 2021 Outlook Scenarios. [20-0562](#)

Recommendation:    Receive, review, and discuss information on water supply conditions.

Manager:               Aaron Baker, 408-630-2135

Attachments:         [Attachment 1: PowerPoint](#)  
                              [Attachment 2: July 2020 Water Tracker Report](#)

Est. Staff Time:     5 Minutes

5.2. Update on Per- and Polyfluoroalkyl Substances (PFAS).

[20-0601](#)

Recommendation: Receive information on Per- and Polyfluoroalkyl Substances (PFAS).

Manager: Aaron Baker, 408-630-2135

Attachments: [Attachment 1: SJWC Customer Notifications](#)

[Attachment 2: PFAS Fact Sheet](#)

[Attachment 3: PowerPoint](#)

Est. Staff Time: 10 Minutes

**6. WATERSHEDS:**

**7. EXTERNAL AFFAIRS:**

**8. CHIEF EXECUTIVE OFFICER:**

8.1. Update on COVID-19 Response.

8.2. CEO and Chiefs' Report.

**9. ADMINISTRATION:**

**10. DISTRICT COUNSEL:**

**11. ADJOURN:**

11.1. Board Member Reports/Announcements.

11.2. Clerk Review and Clarification of Board Requests.

11.3. Adjourn to Regular Meeting at 6:00 p.m., on Tuesday, August 25, 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.