



BOARD OF DIRECTORS MEETING

# MINUTES

REGULAR MEETING  
TUESDAY, JULY 26, 2016  
6:00 PM

(Paragraph numbers coincide with agenda item numbers)

## 1. CALL TO ORDER:

A regular meeting of the Santa Clara Valley Water District Board of Directors was called to order in the District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California, at 6:00 p.m.

### 1.1. Roll Call.

Board members in attendance were Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, and John L. Varela, 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, J. Aranda, A. Cheung, N. Chu, C. Elias, A. Fulcher, L. Lee, J. Nava, N. Nguyen, K. Oven, M. Richardson, E. Soderlund, R. Subramanian, and S. Tikekar. Deputy Operating Officer G. Hall represented Chief Operating Officer J. Fiedler.

### 1.2. Pledge of Allegiance/National Anthem.

Chairperson Keegan led all present in reciting the Pledge of Allegiance.

## 2. TIME CERTAIN:

### 5:00 PM

#### 2.1. ITEM REMOVED

### 6:00 PM

#### 2.2. ITEM REMOVED.

#### 2.3. Orders of the Day.

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

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

Chairperson Keegan declared time open for public comment on any item not on the agenda.

Three statements expressing opposition to fluoridation of drinking water were received as follows: Ms. Maureen Jones, San Jose resident; Ms. Arlene Goetze, No Toxins for Children; and Ms. Cheriell Jensen, of undisclosed residency, who distributed the attached materials, identified as Handouts 2.4-A, 2.4-B, and 2.4-C herein, respectively. Copies of the Handouts were distributed to the Board and made available to the public.

**3. CONSENT CALENDAR: (3.1 - 3.3) (Est. Time: 5 Minutes)**

The Board considered Consent Items 3.1 through 3.3, under one motion.

3.1. Resolution Expressing Appreciation to Steve L. Stockton, Director of Civil Works, for his Service to the U.S. Army Corps of Engineers.

Recommendation: Adopt the Resolution EXPRESSING APPRECIATION TO STEVE L. STOCKTON.

3.2. CEO Bulletins for the Weeks of July 8-14, and July 15-21, 2016.

Recommendation: Accept the CEO Bulletins.

3.3. Approval of Minutes.

Recommendation: Approve the minutes.

Motion: Approve Consent Calendar Items 3.1 through 3.3, under one motion, as follows: adopt Resolution No. 16-62, EXPRESSING APPRECIATION TO STEVE L. STOCKTON, by roll call vote, as contained in Item 3.1; accept the CEO Bulletins, as contained in Item 3.2; and approve the minutes, as contained in Item 3.3.

Move to Approve: Richard Santos

Second: John L. Varela

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.

## **REGULAR AGENDA:**

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

#### **4.1. Discussion of Board Support Functions.**

Recommendation: Discuss and provide direction on the necessary support functions required for the Board to govern and lead the District.

Ms. Michele King, Clerk/Board of Directors, reviewed the information on this item, per the attached Board Agenda Memorandum.

The Board requested that staff come back at a future meeting with information on previous Board Support function models.

#### **4.2. Fiscal Year 2017 Board Policy Planning and Performance Monitoring Calendar.**

Recommendation: Review and revise the Fiscal Year 2017 Board Policy Planning and Performance Monitoring Calendar.

Ms. King, reviewed the information on this item, per the attached Board Agenda Memorandum and presented the information contained in Attachment 1, Pages 1 through 4.

The Board noted the information, without formal action.

#### **4.3. Board Committee Reports.**

A. Water Conservation Ad Hoc Committee Report.

B. CIP Board Ad Hoc Committee Report.

Director Hsueh reviewed the information on this item, per the attached handouts 4.3-A and 4.3-B.

The Board noted the information, without formal action.

### **5. WATER UTILITY ENTERPRISE:**

#### **5.1. 2015 South County Recycled Water Master Plan Update, and Invitation to Form a Joint Recycled Water Committee (SCRWA/City of Gilroy/City of Morgan Hill/SCVWD), Gilroy, District 1.**

Recommendation: A. Receive and accept the final 2015 South County Recycled Water Master Plan Update; and

- B. Extend an invitation to the South County Regional Wastewater Authority and Cities of Gilroy and Morgan Hill to form a Joint Recycled Water Committee (SCRWA/City of Gilroy/City of Morgan Hill/SCVWD).

Ms. Katrina Jessop, Associate Civil Engineer, reviewed the information on this item, per the attached Board Agenda Memorandum and presented the information contained in Attachment 1, Slides 1 through 3.

Mr. Doug Muirhead, Morgan Hill resident, expressed concerns for the need to include Morgan Hill in the plan; an integrated approach in upstream side; for a collaborative approach for extending municipal water outside of urban services areas; and for the claim that groundwater augmentation in Gilroy has any real benefit for Morgan Hill.

Motion: Receive and accept the final 2015 South County Recycled Water Master Plan Update; and extend an invitation to the South County Regional Wastewater Authority and Cities of Gilroy and Morgan Hill to form a Joint Recycled Water Committee (SCRWA/City of Gilroy/City of Morgan Hill/SCVWD).

Move to Accept: Richard Santos

Second: John L. Varela

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.

- 5.2. Proposed Cost Share Distribution Between the Santa Clara Valley Water District and the City of Palo Alto for the Northwest County Recycled Water Strategic Plan, Not to Exceed \$1.8 Million, for the Cities of Palo Alto and Mountain View, Project No. 91101004, (District 7).

- Recommendation:
- A. Review information regarding proposed contributions from the City of Palo Alto for the Northwest County Recycled and Purified Water expansion efforts; and
  - B. Approve the District's contribution of up to 90 percent of the cost, (not-to-exceed \$1.8 million) of a consultant contract the City of Palo Alto will enter into for the development of the Northwest County Recycled Water Strategic Plan.

Mr. Phil Bogel, City of Palo Alto, expressed support for the Proposed Cost Share.

Motion: The Board continued this item to a future meeting; directed staff to cancel the August 1, 2016, Joint Recycled Water meeting with the City of Sunnyvale; and directed District Counsel to provide the Board with a confidential memo addressing negotiations for cost share of the Northwest Recycled Water Strategic Plan.

Move to Continue: Tony Estremera  
Second: Richard Santos  
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.

5.3. Update on 2016 Water Supply and Drought Response.

Recommendation: Receive, review, and discuss updated information on 2016 water supply and drought response efforts, and provide direction to staff as necessary.

Director Estremera left the meeting, and returned as noted below.

Mr. Gerald De La Piedra, Water Supply Planning and Conservation Manager, reviewed the information on this item, per the attached Board Agenda Memorandum and presented the information contained in Attachment 1, Slides 1 through 4, and Slide 7; Ms. Cindy Kao, Imported Water Manager, presented Slides 4 and 5; and Mr. Marty Grimes, Program Administrator, reviewed Slide 6.

Motion: The Board approved staff recommendations regarding frequency and method of future updates on Water Supply and Drought Response, as contained in Supplemental Attachment 1, Page 7.

Move to Approve: Nai Hsueh  
Second: Richard Santos  
Yeas: Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela  
Nays: None  
Abstains: None  
Recuses: None  
Absent: Tony Estremera  
Summary: 6 Yeas; 0 Nays; 0 Abstains; 1 Absent.

- 5.4. Construction Contract Contingency Increase of \$1,950,000 and Associated Budget Adjustment of \$1,950,000 for the Rinconada Water Treatment Plant (RWTP) Residuals Management and Treated Water Valves Upgrade Project, Contract No. C0591, Project Nos. 93294051 and 93294056 (Los Gatos), (District 7).

- Recommendation:
- A. Approve a budget adjustment in the amount of \$1,950,000 from the Water Utility Operating and Capital Reserve to the Fiscal Year (FY) 2017 Project budget;
  - B. Approve an increase of \$1,950,000 to the construction contract contingency sum for the RWTP Residuals Management and Treated Water Valves Upgrade Project; and
  - C. Authorize reducing the current construction contract retention of ten percent (10%) to five percent (5%), consistent with the minimum amount required by the California Public Contract Code.

Mr. Mike Munson, Capital Engineering Manager, reviewed the information on this item, per the attached Board Agenda Memorandum.

Move to Approve: Nai Hsueh  
Second: John L. Varela  
Yeas: Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela  
Nays: None  
Abstains: None  
Recuses: None  
Absent: Tony Estremera  
Summary: 6 Yeas; 0 Nays; 0 Abstains; 1 Absent.

Director Estremera returned.

- 5.5. Sites Reservoir Project and Phase 1 Proposal to Participate.

Recommendation: Authorize the District to submit a Phase 1 Proposal to Participate form for the Sites Reservoir Project and identify the District's level of commitment for Phase 1 at 24,000 acre-feet (AF) of Class 1 water.

Ms. Kao, reviewed the information on this item, per the attached Board Agenda Memorandum and presented the information contained in Attachment 6, Slides 1 through 13.

Ms. Andria Ventura, San Jose Resident, expressed opposition to Sites Reservoir Project.

Mr. Jim Watson, Sites Joint Project Authority representative, responded to Board Member questions.

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

## **6. WATERSHEDS:**

- 6.1. Acquisition of a Real Property Interest from Standard Realty and Development Company for the Lower Berryessa Creek Flood Protection Project Phase 2, Project No. 40174005, in the amount of \$30,000 (Milpitas), (District 3).

Recommendation: Authorize the Interim Chief Executive Officer to execute a Letter of Understanding between the District and Standard Realty and Development Company in order to acquire the real property interest identified therein as Exhibit A, and to subsequently execute/accept a Real Property Deed document from Standard Realty and Development Company Consistent with the Terms of the Letter of Understanding.

There was no staff presentation for this Item.

Move to Authorize: Tony Estremera  
Second: Richard Santos  
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.

## **7. CHIEF EXECUTIVE OFFICER:**

- 7.1. Recommended Position on the Santa Clara County Affordable Housing Bond Measure.

Recommendation: A. Adopt a position of support for the Santa Clara County Affordable Housing Bond Measure, which is on the November 8, 2016 ballot; and

- B. Authorize the Board Chair to send a letter of support for the Santa Clara County Affordable Housing Bond Measure to the County of Santa Clara.

Ms. Rachael Gibson, Program Administrator, reviewed the information on this item, per the attached Board Agenda Memorandum.

Mr. Scott Strickland, representative of Santa Clara County District 2 Supervisor Cindy Chavez, responded to Board Member questions.

Ms. Betty Duong, Yes on A for Affordable Housing, expressed support for the Santa Clara County Affordable Housing Bond Measure.

Move to Adopt:	Barbara Keegan
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.

## 7.2. Chief Executive Officer Report.

Mr. Chris Hakes, Capital Engineering Manager, informed the Board that the Upper Berryessa Flood Protection Project construction contract would be awarded the week of August 8, 2016.

Ms. Gibson provided a status on Assembly Bill 2444, California Parks, Water, Climate, and Coastal Protection and Outdoor Access for All Act of 2016.

Mr. Chris Elias, Deputy Administrative Officer, reported receiving a letter from Ms. Camille Llanes-Fontanilla, SOMOS Mayfair, thanking the Board for providing the Silicon Valley Advanced Water Purification Center tour, and distributed the attached materials, identified as Handout 7.2-A respectively. Copies of the Handout were distributed to the Board and made available to the public.

Mr. Ravi Subramanian, Deputy Administrative Officer, informed the Board about the August 31, 2016, Business Open House event from 4:00 PM to 6:00 PM.



**8. ADMINISTRATION:**

- 8.1. Approval to Increase Appropriations in the Amount of \$1,834,283 to the Fiscal Year 2016-2017 Budget for the Lease of Additional Office Space and Associated Furniture, Fixtures, and Equipment.

Recommendation: Recommend approval to increase appropriations for the following FY 2016-17 projects for the lease of additional office space and associated furniture, fixtures, equipment, and services necessary to relocate staff:

- A. \$1,154,736 to the Facilities Building Services project (60101002) budget to cover the first year's lease, furniture, equipment and services;
- B. \$615,547 to the Information Technology Capital project (73274004) budget to cover IT equipment, software and services;
- C. \$58,000 to the Information Technology Network Administration project (60181002) for the first year's maintenance on network equipment; and
- D. \$6,000 to the Information Technology's Telecommunications project (60101006) to cover the first year's maintenance on telecommunications equipment.

There was no staff presentation for this Item.

Move to Approve:	Richard Santos
Second:	Gary Kremen
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.

**9. DISTRICT COUNSEL:**

None.

**10. ADJOURN:**

**10.1. Board Member Reports/Announcements.**

Director Santos reported attending the Special Joint Board Meeting with Contra Costa Water District (CCWD) and tour of Los Vaqueros, a Lower Berryessa Public Outreach Pre-Construction Meeting, and a meeting with San Jose Mayor Sam Liccardo.

Director LeZotte reported attending a Water Conservation Ad Hoc Committee meeting, an Invasive Plant Removal Project meeting, the aforementioned Special Joint Board Meeting with CCWD and tour of Los Vaqueros, and a City of Sunnyvale Successor Agency Oversight Board meeting.

Director Varela reported attending the aforementioned Special Joint Board Meeting with CCWD and tour of Los Vaqueros, a Santa Clara Valley Joint Powers Authority Implementation Board meeting, a Capital Improvement Program (CIP) Ad Hoc Committee meeting, and a Silicon Valley Leadership Group's (SVLG) Regional Economic Forum event.

Chairperson Keegan reported attending the aforementioned Special Joint Board Meeting with CCWD and tour of Los Vaqueros and SVLG Regional Economic Forum event, the San Diego County Water Authority (SDCWA) meeting and tour, a Santa Clara County Water Retailers meeting, and a South Bay Labor Council meeting.

Director Estremera reported attending the aforementioned Special Joint Board Meeting with CCWD and tour of Los Vaqueros and SDCWA meeting and tour, and CIP Ad Hoc Committee meeting, and a meeting with the Interim Chief Executive Officer.

Chairperson Keegan request that staff prepare letters to CCWD Board and staff, thanking them for the Joint Meeting and Tour of Los Vaqueros; and to SDCWA for the meeting and tour of the Carlsbad Desalination Plant (Board Member Request No. R-16-0038).

Director Hsueh reported attending the aforementioned Water Conservation Ad Hoc Committee meeting, Special Joint Board Meeting with CCWD and tour of Los Vaqueros, and CIP Ad Hoc Committee meeting, and a meeting with staff on Water Quality.

Director Kremen reported attending the aforementioned SDCWA meeting and tour.

**10.2. Clerk Review and Clarification of Board Requests.**

Ms. King, read the new Board member request into the record.

- 10.3. Adjourn to Regular Meeting at 6:00 p.m., on August 9, 2016, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

Chairperson Keegan adjourned the meeting at 8:45 p.m., to the next Regularly scheduled meeting at 6:00 p.m., on August 9, 2016, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

Michele L. King, CMC  
Clerk/Board of Directors

Approved:

Date: 08/23/2016