



BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING AND CLOSED SESSION

TUESDAY, JANUARY 10, 2017

5:00 PM

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A Regular Meeting and Closed Session 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 5:00 p.m.

1.1. Roll Call.

Board members in attendance were Gary Kremen, Linda J. LeZotte, Barbara Keegan, Richard Santos, and John L. Varela, constituting a quorum of the Board.

Directors Estremera and Hsueh arrived as noted below.

Staff members in attendance were N. Camacho, Interim Chief Executive Officer (Interim CEO), S. Yamamoto, District Counsel, M. King, Clerk/Board of Directors, A. Cheung, A. Comelo, C. Elias, J. Fiedler, A. Fulcher, V. Gin, C. Hakes, G. Hall, B. Hopper, N. Nguyen, K. Oven, M. Richardson, E. Soderlund, D. Taylor, S. Tippetts, and S. Tikekar.

Chairperson Keegan announced that the Board would adjourn to Closed Session for consideration of Item 2.1.

2. TIME CERTAIN:

5:00 PM

Directors Estremera and Hsueh arrived during Closed Session.

**2.1. CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL**

Initiation of Litigation Pursuant to Government Code Section 54956.9(d)
One potential case

Upon return to open session, the same Board members, including Directors Estremera and Hsueh, and staff were present.

6:00 PM

2.2. District Counsel Report.

Mr. Stan Yamamoto, District Counsel, reported that the Board met in Closed Session with all members, and gave direction to staff.

2.3. Pledge of Allegiance/National Anthem.

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

2.4. Orders of the Day.

Chairperson Keegan announced that Item 6.1 would be considered after Item 2.8, and that Item 5.1 would be considered as part of the Consent Calendar.

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

Mr. Michael Weber, Saratoga resident, reported receiving a letter from the District regarding a Saratoga Creek encroachment, and requested clarification on whether the District encroachment program was still being held in abeyance.

Mr. Robert Williams, San Jose resident, expressed support for increased storm water capture and installation of a dam at the Carquinez Straits.

Mr. Michael Metz, Saratoga resident, expressed dissatisfaction with San Jose Water Company rate increases, discussed efforts to promote municipal water service in West Valley, and requested a referral to a District staff member to discuss his concerns with further.

Chairperson Keegan requested that staff follow up with Mr. Weber and Mr. Metz.

2.6. Election of Board Chair and Vice Chair for Year 2017.

Recommendation: Nominate and elect a new Chairperson and Vice Chairperson for the calendar year 2017.

Motion: Nominate and elect District 1 Director John Varela as Chairperson for 2017.

Move to Approve: Richard Santos
Second: Linda J. LeZotte

Yeas: Tony Estremera, Gary Kremen, Linda J. LeZotte, Barbara Keegan, Richard Santos, John L. Varela, Nai Hsueh

Nays: None

Abstains: None

Recuses: None

Absent: None

Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

Motion: Nominate and elect District 3 Director Richard Santos as Vice Chairperson for 2017.

Move to Approve: John L. Varela
Second: Tony Estremera

Yeas: Tony Estremera, Gary Kremen, Linda J. LeZotte, Barbara Keegan, 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 remainder of the meeting was facilitated by Chairperson Varela.

2.7. Recognition of Outgoing Chairperson.

Ms. Norma Camacho, Interim Chief Executive Officer (Interim CEO), presented Director Keegan with a memento of appreciation and discussed her accomplishments as Board Chair.

The remaining Board members individually and collectively expressed appreciation to Director Keegan.

2.8. Preliminary Fiscal Year (FY) 2017-18 Groundwater Production Charges Analysis.

Recommendation: Discuss and provide direction on the preliminary FY 2017-18 Groundwater Production Charge analysis prepared by staff.

Mr. Darin Taylor, Chief Financial Officer, reviewed the information on this item, per the attached Board Agenda Memo.

Chairperson Varela declared time open for public comment.

Mr. Tim Guster, Great Oaks Water Company, and Ms. Mary Robertson and Ms. Rita Benton, of undisclosed residency, expressed opposition to Groundwater Production Charge rate increases.

Chairperson Varela acknowledged receipt of the attached letter from Ms. Katja Irwin, Sierra Club Loma Prieta Chapter, identified as Handout 3.3-A, herein. Copies of the Handout were distributed to the Board and made available to the public.

Director Kremen requested that staff come back with additional rate scenarios that would provide funding for unfunded Capital Projects.

The Board noted the information without formal action.

Chairperson Varela moved the agenda to Item 6.1.

6. WATERSHEDS:

- 6.1. Work Study Session and Board Consideration to Approve the District's Fiscal Years 2018-2022 Preliminary Capital Improvement Program (CIP).

Recommendation: A. Review and approve the Fiscal Years 2018-2022 (FY 2018-22) Preliminary CIP;
 B. Approve adding Electronic Discovery Management System Project to the FY 2017-21 CIP; and
 C. Recommend the CIP Ad-Hoc Committee continue to work with staff on refinements to the CIP.

Mr. Ngoc Nguyen, Interim Deputy Operating Officer, reviewed the information on this item, per the attached Board Agenda Memo, and Mr. Christopher Hakes, Assistant Officer, reviewed the attached presentation materials.

Move to Approve: Richard Santos
Second: Nai Hsueh

Yeas: Tony Estremera, Gary Kremen, Linda J. LeZotte, Barbara Keegan, Richard Santos, John L. Varela, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

Chairperson Varela moved the agenda to Item 5.1, and added Item 5.1 to the Consent Calendar.

3. CONSENT CALENDAR:

The Board considered Item 5.1, and Consent Calendar Items 3.1 through 3.4, under one motion.

- 5.1. Letter of Mutual Understanding: Cost-Sharing for the Bacon Island Levee Rehabilitation Project.

Recommendation: A. Approve the Letter of Mutual Understanding: Cost-Sharing for the Bacon Island Levee Rehabilitation Project, an agreement with six other urban water agencies, for the District's contribution of \$32,018 towards the Bacon Island Levee Rehabilitation Project; and
 B. Receive updated information on activities under way to address Delta levee vulnerability.

- 3.1. Membership Nominations for Committee Re-Appointments to the Agricultural Water Advisory Committee, the Environmental and Water Resources Committee, and the Safe, Clean Water Independent Monitoring Committee, and Resolutions Expressing Appreciation for Outgoing Committee Members.

Recommendation: Consider the membership appointment to the Agricultural Water Advisory Committee, the Environmental and Water Resources Committee (EWRC), and the Safe, Clean Water Independent Monitoring Committee (SCW IMC), and adopt Resolutions Expressing Appreciation for Outgoing Committee Members.

3.2. Certification of November 8, 2016 General Election and Official Results for Board Districts 1, 2, 3 and 5. (Item Moved From 12/13/2016 Board Meeting)

Recommendation: A. Accept the Santa Clara County Registrar of Voters' Statement of Votes and Certificates of Election Results;
B. Declare the totals to be the final results of the election; and
C. Declare elected the person having the highest number of votes for each office.

3.3. Approval of Minutes.

Recommendation: Approve the minutes.

3.4. CEO Bulletins for the Weeks of December 9-15, 16-22, 23-29, 2016, and December 30, 2016-January 5, 2017.

Recommendation: Accept the CEO Bulletins.

Motion: Approve Item 5.1, and Consent Calendar Items 3.1-3.4, under one motion, as follows: Approve the Letter of Mutual Understanding, as contained in Item 5.1.; approve the membership nominations for committee re-appointments and adopt Resolution Nos. 17-01, 17-02, 17-03, and 17-04, Expressing Appreciation to Kit Gordon, Ralph Santos, Hon. Nancy Smith, and Hon. Sig Sanchez respectively, by roll call vote, as contained in Item 3.1; accept the Santa Clara County Registrar of Voters' Statement of Votes and Certificates of Election Results, declare the totals to be the final results of the election, and declare elected the person having the highest number of votes for each office, as contained in Item 3.2; approve the minutes, as contained in Item 3.3; and accept the CEO Bulletins, as contained in Item 3.4.

Move to Approve: Linda J. LeZotte
Second: Barbara Keegan

Yeas: Tony Estremera, Gary Kremen, Linda J. LeZotte, Barbara Keegan, Richard Santos, John L. Varela, Nai Hsueh
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. Review of 2017 Board Committee Appointments.

Recommendation: A. Review the 2017 committee appointments; and
B. Appoint new Board Committee Representatives, as necessary.

Motion: Continue Item 4.1 to the February 14, 2017, regular meeting.

Move to Continue: Richard Santos
Second: Linda J. LeZotte

Yeas: Tony Estremera, Gary Kremen, Linda J. LeZotte, Barbara Keegan, Richard Santos, John L. Varela, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

4.2. Time and Place of Regular Meetings of the Santa Clara Valley Water District Board of Directors.

Recommendation: A. Consider the schedule for the regular meetings of the Board, currently held on the second and fourth Tuesday of each month, beginning at 6:00 p.m. or as designated by the Clerk of the Board to accommodate closed session subject matter;
B. Discuss and identify, if necessary, 2017 Board meeting recess dates; and
C. If a new regular Board meeting schedule is approved, adopt the Resolution Setting Time and Place of Meetings of the Board of Directors of the Santa Clara Valley Water District and Rescinding Resolution No. 16-01.

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

Motion: Approve revising the Board of Directors' regular meeting schedule for the six-month period, holding regular meetings on the second Tuesdays of the month at 1:00 p.m. and the fourth Tuesdays of the month at 6:00 p.m.; and direct the Clerk of the Board to come back during the February 14, 2017 regular meeting with revised resolution.

Move to Approve: Richard Santos
Second: Tony Estremera

Yeas: Tony Estremera, Gary Kremen, Richard Santos, John L. Varela
Nays: Linda J. LeZotte, Barbara Keegan, Nai Hsueh
Abstains: None
Recuses: None
Absent: None
Summary: 4 Yeas; 3 Nays; 0 Abstains; 0 Absent.

Directors Hsueh, Keegan, and LeZotte confirmed that they voted in opposition because of concerns that daytime meetings would be prohibitive to public participation.

Motion: Approve cancelling the December 26, 2017, regular meeting.

Move to Approve: Barbara Keegan
Second: Linda J. LeZotte

Yeas: Tony Estremera, Gary Kremen, Linda J. LeZotte, Barbara Keegan, Richard Santos, John L. Varela, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

4.3. Recommendation from Board Policy and Planning Committee (Committee) Providing Analysis on the Pros and Cons Associated with Creating An Exemption in Executive Limitations Policies for Expert Panel Sole Source Agreements - Responding to BMR No. R-16-0043.

Recommendation: A. Receive information on the Analysis on the pros and cons associated with creating an exemption in Executive Limitations Policies for expert panel sole source agreements; and
B. Approve the Committee's recommendation to add an additional section under Board Governance Policy Executive Limitations-5.3, to include expert panels as an exemption from the competitive process.

Chairperson Varela reviewed the information on this item, per the attached Board Agenda Memo.

Move to Approve: Nai Hsueh
Second: Linda J. LeZotte

Yeas: Tony Estremera, Linda J. LeZotte, Barbara Keegan, Gary Kremen, Richard Santos, John L. Varela, Nai Hsueh
Nays: None
Abstains: None
Recuses: None

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

4.4. Board Committee Reports.

There were no Board Committee Reports.

5. WATER UTILITY ENTERPRISE:

5.2. Update on Water Supply Projects.

Recommendation: A. Receive an update on surface water storage projects;
and
B. Receive information on the scope of the January 31,
2016 presentation on the Water Supply Master Plan.

Mr. Garth Hall, Deputy Operating Officer, reviewed the information on this item,
per the attached Board Agenda Memo.

The Board noted the information without formal action.

6. WATERSHEDS:

6.2. Balancing Trails and Recreational Uses of District Creek Side Property with
Stream Stewardship and Flood Protection Missions.

Recommendation: Receive information and provide direction to staff regarding
the joint use of District property for trails.

Ms. Sue Tippets, Deputy Operating Officer, reviewed the information on this item,
per the attached Board Agenda Memo.

Chairperson Varela declared time open for public comment.

Six statements expressing support for creek and riparian corridor protection, and
increased balance between trails and habitat protection, were received as
follows: Ms. Linda Ruthruff, California Native Plant Society; Ms. MacKenzie
Mossing, Ms. Mera Vonshak, and Ms. Shani Kleinhaus, Santa Clara Valley
Audubon Society; Ms. Jean Dresden, San Jose Parks Advocates; and Ms. Eileen
McLaughlin, Citizen's Committee to Complete the Refuge.

Director Keegan requested that staff come back with a plan for increasing
outreach and community engagement in processes for balancing public use of
District land.

The Board noted the information without formal action.

6.3. Discussion of Board Resolution 82-30: Declaring Policy to Govern Joint Use of
Lands Acquired for Upper and Lower Llagas Creek PL-566 (PL-566) Watershed
Projects.

- Recommendation: A. Discuss Board Resolution 82-30 as it relates to trail development along flood protection facilities included in the Upper and Lower Llagas Creek Watershed Projects; and
 B. Provide direction to staff.

Mr. Vincent Gin, Deputy Operating Officer, reviewed the information on this item, per the attached Board Agenda Memo.

Chairperson Varela declared time open for public comment.

Two statements expressing support for a proposed trail extension on Llagas Creek were received from Mr. Anthony Eulo, City of Morgan Hill Program Administrator, and Mr. Doug Muirhead, Morgan Hill resident.

Mr. Eulo distributed the attached map identified as Handout 6.3-C, herein. Copies of the Handout were distributed to the Board and made available to the public

Motion: Approve amending Resolution 82-30, Declaring Policy to Govern Joint Use of Lands Acquired for Upper and Lower Llagas Creek PL-566 (PL-566) Watershed Projects, and direct staff to bring back a revised resolution.

Move to Approve: Tony Estremera
Second: Barbara Keegan

Yeas: Tony Estremera, Gary Kremen, Linda J. LeZotte, Barbara Keegan, Richard Santos, John L. Varela, Nai Hsueh

Nays: None

Abstains: None

Recuses: None

Absent: None

Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

6.4. Budget Adjustment in the Amount of \$3,612,740 to the Fiscal Year 2016-2017 Budget for Sediment Removal Activities, Project No. 00761023.

Recommendation: Approve a budget adjustment in the amount of \$3,612,740 to the Fiscal Year 2016-2017 budget for sediment removal activities.

Ms. Tippetts reviewed the information on this item, per the attached Board Agenda Memo.

Move to Approve: Richard Santos
Second: Tony Estremera

Yeas: Tony Estremera, Gary Kremen, Linda J. LeZotte, Barbara Keegan, Richard Santos, John L. Varela, Nai Hsueh

Nays: None

Abstains: None

Recuses: None

Absent: None

Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

7. CHIEF EXECUTIVE OFFICER:

7.1. Chief Executive Officer Report.

Ms. Melanie Richardson, Interim Chief Operating Officer, Watersheds, provided an update on Emergency Operations Center activities in response to recent storm events and distributed the attached Storm Report, identified as Handout 7.1-A, herein. Copies of the Handout were distributed to the Board and made available to the public.

Ms. Richardson advised the Board that staff and Director Santos would participate in an upcoming Regional Water Quality Control Board Hearing on the Berryessa Creek Project; and Mr. Ngoc Nguyen, Interim Deputy Operating Officer, reported on staff and Director Santos' participation in a recent Lower Berryessa Creek Phase II community meeting with Milpitas City Mayor Rich Tran and Edgewater Drive Homeowners Association members.

Mr. Jim Fiedler, Chief Operating Officer, Water Utilities, provided an update on reservoir operations during the aforementioned storm events.

Ms. Katherine Oven, Deputy Operating Officer, advised the Board that the Anderson Dam Seismic Retrofit Project Design Consultant had provided a revised recommendation to reduce the reservoir's capacity by an additional 10 feet. She confirmed that staff had adhered to the recommendation prior to the aforementioned storm event, and that staff would communicate revised recommendation information to Morgan Hill City Council members shortly.

Mr. Hall reported on a recent staff presentation to the State Water Resources Control Board on Phase I of its Water Quality Control Plan.

Ms. Angela Cheung, Deputy Operating Officer, reported that the Rinconada Water Treatment Plant had been shutdown to facilitate a rehabilitation project, and reported on a San Francisco Public Utilities Commission request for limited term additional water delivery.

8. ADMINISTRATION:

None.

9. DISTRICT COUNSEL:

None.

10. ADJOURN:

10.1. Board Member Reports/Announcements.

Director Santos reported attending the aforementioned community meeting on Lower Berryessa Creek, a Landscape Committee meeting, and various meetings with staff.

Director Estremera reported attending a Guadalupe-Coyote Resource Conservation District (GCRCD) Board meeting and confirmed that GCRCD staff would contact the District to discuss holding a joint meeting of the District and GCRCD Boards.

Director Hsueh reported attending a Board Policy and Planning Committee meeting and confirmed that Committee recommendations would be presented during the February 14, 2017 regular meeting.

Director Kremen reported attending Los Altos Hills Town Council, San Luis Delta Mendota Water Authority Subcommittee, and Silicon Valley Leadership Group meetings, and various meetings with staff.

10.2. Clerk Review and Clarification of Board Requests.

There were no new Board Requests.

10.3. Adjourn to Special Meeting at 6:00 p.m., on January 17, 2017, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

Chairperson Varela adjourned the meeting at 10:40 p.m., in memory of Mr. George Chiala, proprietor of George Chiala Farms, to the Special Meeting at 6:00 p.m., on January 17, 2017, 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: