



BOARD OF DIRECTORS MEETING

MINUTES

**CLOSED SESSION AND REGULAR MEETING
TUESDAY, MARCH 14, 2017
12:00 PM**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A Closed Session and 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 12:00 p.m.

1.1. Roll Call.

Board members in attendance were Tony Estremera, Gary Kremen, Linda J. LeZotte, Barbara Keegan, Richard Santos, John L. Varela, and Nai Hsueh, 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, R. Callender, A. Cheung, C. Elias, J. Fiedler, A. Fulcher, V. Gin, G. Hall, B. Hopper, N. Nguyen, K. Oven, M. Richardson, S. Stanton, D. Taylor, and S. Tippetts.

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

2. TIME CERTAIN:

12:00 PM

2.1. CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section 54957.6(a):

Agency Designated Representatives: Norma Camacho, Susan Stanton, Anil Comelo, Michael Baratz, and Laura Harbert

Employee Organizations: Employees Association, Engineers Society, Professional Managers Association

1:00 PM

Upon return to Open Session, the same Board members, and staff were present.

2.2. District Counsel Report.

Mr. Brian Hopper, Assistant District Counsel, reported that the Board met in Closed Session with all members present, and took no reportable action.

2.3. Pledge of Allegiance/National Anthem.

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

2.4. Orders of the Day.

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

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

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

Mr. Tony Mercado, Public Information Representative II, presented Director Estremera with a commemorative plaque, to be hung at the Silicon Valley Advanced Water Purification Center, recognizing the Board's contributions and acknowledging Director Estremera's role in advancing its completion.

2.6. Resolution of the Board of Directors of the Santa Clara Valley Water District Authorizing the Issuance of Not To Exceed \$65 Million Water System Refunding Revenue Bonds, Series 2017A, Approving the Execution and Delivery of Certain Documents and Authorizing Certain Acts In Connection Therewith.

- Recommendation:
- A. Adopt a RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY WATER DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$65,000,000 WATER SYSTEM REFUNDING REVENUE BONDS, SERIES 2017A, APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH;
 - B. Authorize and direct the Interim Chief Executive Officer, Chief Operating Officer-Administration, Chief Financial Officer, Treasury/Debt Officer, District Counsel, and the Clerk of the Board of Directors and such other officers and staff of the District, acting singly, to do any and all things and to execute and deliver any and all documents which such officers may deem necessary or advisable in

order to consummate the sale and delivery of the Refunding Revenue Bonds; and

- C. Approve the suspension of Wells Fargo Bank from the District's Negotiated Sale Underwriter Pool through September 27, 2017.

Ms. Charlene Sun, Treasury and Debt Manager, reviewed the information on this item, per the attached Board Agenda Memorandum.

Motion: Adopt Resolution No. 17-11, RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CLARA VALLEY WATER DISTRICT AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$65,000,000 WATER SYSTEM REFUNDING REVENUE BONDS, SERIES 2017A, APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH.

Move to Adopt: 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.

3. CONSENT CALENDAR:

The Board considered Consent Calendar Items 3.1 through 3.6, under one motion.

- 3.1. Resolution Authorizing Conveyance of Real Property with PREG Western Tropicana on Permanente Creek at W. El Camino Real (Mountain View) (District 7).

- Recommendation:
- A. Adopt the Resolution APPROVING THE EXCHANGE OF REAL PROPERTY WITH PREG WESTERN TROPICANA;
 - B. Authorize the Interim Chief Executive Officer to execute the Real Property Easement Exchange Agreement With PREG Western Tropicana for the exchange of real property over the Permanente Creek box culvert pursuant to Section 31 of the District Act; and
 - C. Authorize the Interim Chief Executive Officer to execute and deliver the Quitclaim Deed to PREG Western Tropicana (Real Estate File 1024-1.3) and

accept in exchange the new Easement Deed from PREG Western Tropicana (Real Estate File 1024-170).

3.2. Resolution Declaring March 21-28, 2017, as a Week of Public Service in Honor of César Chávez.

- Recommendation:
- A. Recognize and observe March 21-28, 2017, as a week of public service in honor of Cesar Chavez; and
 - B. Adopt the resolution DECLARING MARCH 21-28, 2017, AS A WEEK OF PUBLIC SERVICE IN HONOR OF CESAR CHAVEZ.

3.3. Board of Directors' Quarterly Expense Report for the Quarter Ending December 31, 2016.

- Recommendation:
- A. Review the Board of Directors' Quarterly Expense Report for the Quarter Ending December 31, 2016; and
 - B. Approve the report, if the reimbursements comply with Board Policy.

3.4. Reduction of Construction Contract Retention for the Lower Silver Creek Flood Protection and Creek Restoration Project, Reach 6B, Robert A. Bothman, Inc., Contractor, Project No. 40264008, Contract No. C0594 (San Jose) (District 6).

- Recommendation:
- 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.

3.5. CEO Bulletins for the Weeks of February 24 Through March 2, and March 3-9, 2017.

- Recommendation:
- Accept the CEO Bulletins.

3.6. Approval of Minutes.

- Recommendation:
- Approve the minutes.

Motion:

Approve Consent Calendar Items 3.1 through 3.6, under one motion, as follows: adopt Resolution No. 17-12, APPROVING THE EXCHANGE OF REAL PROPERTY WITH PREG WESTERN TROPICANA, by roll call vote, authorize Interim CEO to execute the Real Property Easement Exchange Agreement, and execute and deliver the Quitclaim Deed to PREG Western Tropicana (Real Estate File 1024-1.3) and accept in exchange the new

Easement Deed from PREG Western Tropicana (Real Estate File 1024-170), as contained in Item 3.1; adopt Resolution No. 17-13, DECLARING MARCH 21-28, 2017, AS A WEEK OF PUBLIC SERVICE IN HONOR OF CESAR CHAVEZ, by roll call vote, as contained in Item 3.2; approve Board of Directors' Quarterly Expense Report for the Quarter Ending December 31, 2016, as contained in Item 3.3; authorize reduction of Construction Contract Retention for the Lower Silver Creek Flood Protection and Creek Restoration Project of ten percent (10%) to five percent (5%), consistent with the minimum amount required by the California Public Contract Code, as contained in Item 3.4; accept the CEO Bulletins, as contained in Item 3.5; and approve the minutes, as contained in Item 3.6.

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.

REGULAR AGENDA:

4. BOARD OF DIRECTORS:

- 4.1. Recommendation from the Pacheco Reservoir Exploratory Ad Hoc Committee to Authorize the Interim CEO to execute the Principles of Agreement - Submittal of Proposition 1 Application and Joint Investigation of Pacheco Reservoir Expansion.

Recommendation: The Pacheco Reservoir Exploratory Ad Hoc Committee recommends that the Board authorize the Interim CEO to execute the Principles of Agreement - Submittal of Proposition 1 Application and Joint Investigation of Pacheco Reservoir Expansion

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

Mr. Michael Frost, San Jose resident, expressed concern regarding the long-term costs of dams.

Move to Authorize:	Richard Santos
Second:	Gary Kremen
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. Board Committee Reports.

Director Hsueh reported on a recent Board Policy and Planning Committee meeting and requested that staff revise the Board approved Fiscal Year 2018 budget message to include the Coyote Creek Flood event, to ensure enough funds for staff hours and enacting identified process improvements (Board Member Request R-17-0010).

5. WATER UTILITY ENTERPRISE:

5.1. Review and Confirm Proposed Principles Related to California WaterFix.

- Recommendation:
- A. Review and confirm proposed Principles related to the California WaterFix; and
 - B. Receive and discuss updated information on the California WaterFix.

Ms. Cindy Kao, Imported Water Manager, reviewed the information on this item, per the attached Board Agenda Memorandum and presented the information contained in Attachment 6, Slides 1-9.

Mr. Frost, expressed opposition to the California WaterFix.

Mr. Doug Muirhead, Morgan Hill resident, expressed concerns regarding the expense of imported water over recycled water if the allocation of imported water is zero.

The Board noted the information without formal action.

5.2. Sites Project Authority's Amended and Restated Phase 1 Reservoir Project Agreement.

- Recommendation:
- Authorize the CEO to execute the Sites Project Authority's Amended and Restated Phase 1 Reservoir Project Agreement and to pay the Sites Joint Power Authority \$913,146 towards the current phase of the Sites Reservoir Project expenditures.

Ms. Kao, reviewed the information on this item, per the attached Board Agenda Memorandum and presented the information contained in Attachment 10, Slides 1-10.

Mr. Jim Watson, Sites Joint Power Authority, addressed the Board regarding the repayment costs per acre feet.

Mr. Frost, expressed opposition to the Sites reservoir.

Motion: Direct staff to investigate opportunities to collaborate with other South of Delta users regarding Sites Reservoir.

Move to Authorize: Gary Kremen
Second: Richard Santos
Yeas: None
Nays: None
Abstains: None
Absent: None
Summary: 0 Yeas; 0 Nays; 0 Abstains; 0 Absent.

The motion and second were withdrawn.

The Chairperson called for reconsideration of the original recommendation.

Move to Authorize: Gary Kremen
Second: Richard Santos
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. WATERSHEDS:

- 6.1. Staff Response to Independent Monitoring Committee (IMC) Report on Safe, Clean Water and Natural Flood Protection Program Year 3 Annual Report for Fiscal Year 2015-2016.

Recommendation: A. Accept Staff Response to IMC Report on Safe, Clean Water and Natural Flood Protection Program Year 3 Annual Report for Fiscal Year 2015-2016; and
B. Provide additional direction as necessary.

Ms. Jessica Collins, Senior Management Analyst, reviewed the information on this item, per the attached Board Agenda Memorandum.

Move to Accept: Barbara Keegan
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.

6.2. Safe, Clean Water and Natural Flood Protection Program (SCW) Priority D - Project D3 (Grants and Partnerships to Restore Wildlife Habitat and Provide Access to Trails) Mini-Grant Pilot Program.

- Recommendation: A. Approve the proposed Priority D - Project D3 Mini-Grant Pilot Program components listed below; including; and
- i. Mini-Grant Minimum Requirements and Evaluation Criteria;
 - ii. Submittal, Selection and Award Process;
 - iii. Application Form;
 - iv. Evaluation Score Sheet; and
 - v. Outreach Plan.
- B. Authorize the District to implement the Priority D3 Mini-Grant Pilot Program through June 30, 2018 or until the \$200,000 in funding is awarded (whichever occurs first); at which time staff will evaluate the program's success and present to the Board a recommendation for its continuation or termination.

Ms. Jessica Collins, Senior Management Analyst, reviewed the information on this item, per the attached Board Agenda Memorandum.

Move to Approve: Nai Hsueh
 Second: Gary Kremen
 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. Recommended Position on State Legislation: SB 492 (Beall) Upper Guadalupe and Los Gatos Creek Watersheds.

Recommendation: Adopt a position of "Support" on: SB 492 (Beall) Upper Guadalupe and Los Gatos Creek Watersheds.

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

Move to Adopt:	Richard Santos
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.

- 7.2. Chief Executive Officer Report.

- 7.2A. Storm Report Update (March 1, 2017 Through March 14, 2017) - Receive and Discuss Current Storm Report Information.

Mr. Hall updated the Board regarding damage to the gates of the Clifton Court Forebay, on the State Water Project.

Ms. Melanie Richardson, Deputy Operating Officer, distributed the attached Storm Report identified as Handout 7.2-A herein. Copies of the Handout were distributed to the Board and made available to the public.

8. ADMINISTRATION:

None.

9. DISTRICT COUNSEL:

None.

10. ADJOURN:

- 10.1. Board Member Reports/Announcements.

Director Hsueh reported attending a Board Policy and Planning, Special Capital Improvement Program (CIP), and Landscape Committee meetings.

Chairperson Varela reported attending the aforementioned Board Policy and Planning Committee meeting, a Joint Venture Meeting, a Santa Clara County Farm Bureau meeting, a Briefing and Tour of Flood-Impacted Areas with Federal

Representatives, a Conference Call Briefing for San Luis Delta Mendota Water Authority Monthly Board Meeting, a San Luis Delta Mendota Water Authority (SLDMWA) Board Meeting, a Pajaro River Watershed Flood Protection Authority Board Meeting, and an Upper Penitencia Creek Landscape Concepts Workshop meeting.

Director Santos reported attending the aforementioned SLDMWA, and Pajaro River Watershed Flood Protection Authority Board Meetings.

Director LeZotte reported attending a Santa Clara County Special Districts Association meeting, and the aforementioned Special CIP Committee meeting.

Director Keegan reported attending the aforementioned Board Policy and Planning Committee and, Briefing and Tour of Flood-Impacted Areas with Federal Representatives meetings, a San Jose State University Class Presentation, a North Willow Glen Neighborhood Association meeting, and a Briefing for Save the Trails Annual meeting.

Director Estremera reported attending the aforementioned Santa Clara County Special Districts Association, and Special CIP Committee meetings, and a Senter Monterey Neighborhood Association meeting.

10.2. Clerk Review and Clarification of Board Requests.

Ms. Michele King, District Clerk/Board of Directors, read the new Board member requests into the record.

10.3. Adjourn to the 9:00 a.m. Special Meeting on March 23, 2017, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

Chairperson Varela adjourned the meeting at 2:45 p.m., to the Special Meeting at 9:00 a.m., on March 23, 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: April 11, 2017