



BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING
TUESDAY, MARCH 28, 2017
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, 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), R. Callender, A. Cheung, C. Elias, J. Fiedler, V. Gin, G. Hall, B. Hopper, N. Nguyen, K. Oven, M. Richardson, S. Stanton, D. Taylor, S. Tikekar, and S. Tippets. Senior Assistant District Counsel A. Fulcher represented District Counsel S. Yamamoto, and Deputy Clerk of the Board M. Meredith represented Clerk/Board of Directors M. King.

1.2. Pledge of Allegiance/National Anthem.

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

1.3. Orders of the Day.

Chairperson Varela confirmed that Item 5.2 would be considered as part of the Consent Calendar.

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

Ms. Arlene Goetze, No Toxins for Children, expressed opposition to the fluoridation of drinking water and submitted the attached materials identified as Handout 1.4-A, herein. Copies of the Handout were distributed to the Board and made available to the public.

Mr. Dale Kversten, Mountain View resident, expressed opposition to using District-owned properties to house homeless encampment residents; requested information on the status of action and follow-up items that had resulted from a recent District community outreach meeting held in Mountain View, regarding homeless encampment issues; and submitted the attached materials identified as Handout 1.4-B, herein. Copies of the Handout were distributed to the Board and made available to the public.

Chairperson Varela requested that staff provide Mr. Kversten with a status of the items requested (Board Member Request No. R-17-0011).

2. TIME CERTAIN:

6:00 PM

2.1. Presentation of 2016 Board Committee Accomplishment Reports by 2016 Board Advisory Committee Chairs/Vice Chairs.

Recommendation: Receive and approve the 2016 Accomplishment Reports as presented by the 2016 Board Advisory Committee Chairs/Vice Chairs.

Ms. Glenna Brambill, Management Analyst II, reviewed the information on this item, per the attached Board Agenda Memorandum, and the Honorable Yoriko Kishimoto, Santa Clara Valley Water Commission Chairperson, reviewed the contents of Attachment 3.

The Board noted the information without formal action.

2.2. Fiscal Year 2017-18 Second Pass Budget Development Process Overview.

Recommendation: Receive and discuss the overview information on the District's FY 2017-18 Second Pass Budget Development Process.

Ms. Nicole Berrocal, Budget Manager, reviewed the information on this item, per the attached Board Agenda Memorandum; reviewed the information contained in Attachment 2, Slides 1-22; and confirmed that Attachment 2, Slide 8, Row 1 titled Operations, Column 4 titled Over/(Under) FY 17, should be revised to reflect \$2 million.

Directors Keegan and Kremen requested that staff include in the next Budget Pass presentation, information that reflects the projected costs, including staffing costs, associated with the Expedited Recycled Water Program, for both

Public/Private Partnership and Design-Build scenarios, and the associated impacts to water rates.

The Board noted the information without formal action.

3. CONSENT CALENDAR:

The Board considered Consent Calendar Items 3.1 through 3.4, and Item 5.2, under one motion.

- 3.1. Memorandum of Understanding with the San Francisco Public Utilities Commission and the Bay Area Water Supply and Conservation Agency for Feasibility Studies Related to Purified Water Alternatives.

Recommendation: Authorize the Interim CEO to execute the Memorandum of Understanding (MOU) between the Santa Clara Valley Water District (District), the San Francisco Public Utilities Commission (SFPUC), and the Bay Area Water Supply and Conservation Agency (BAWSCA) to Participate in a Feasibility Study to Evaluate Alternatives for SFPUC Participation in the Expedited Purified Water Program.

- 3.2. Memorandum of Understanding with City of Sunnyvale for Collaboration on Assessing the Feasibility of Water Reuse Alternatives.

Recommendation: Authorize the Interim CEO to execute the Memorandum of Understanding (MOU) between the Santa Clara Valley Water District (District) and the City of Sunnyvale (Sunnyvale) for Collaboration on Assessing the Feasibility of Water Reuse Alternatives.

- 3.3. Recommended Position on Proposed Renewal and Replacement of the City of Palo Alto's Storm Drainage Fee with a Storm Water Management Fee That Would Apply to One District-Owned Parcel in the City of Palo Alto.

Recommendation: A. Support the renewal and replacement of the existing City of Palo Alto Storm Drainage Fee of \$66.45 per month with a Storm Water Management Fee of \$69.62 per month, and associated annual inflation adjustment, for one District-owned parcel in the City of Palo Alto.
B. Authorize the Chief Executive Officer to sign the Official Mail Ballot in favor of the proposed fee and associated inflation adjustment.

- 3.4. CEO Bulletins for the Weeks of March 10-16, and 17-23, 2017.

Recommendation: Accept the CEO Bulletins.

5.2. Cost-Sharing Agreement for Consulting Services to Evaluate Increasing Water Storage in Lake Del Valle Reservoir.

Recommendation: A. Approve the Cost-Sharing Agreement between the Alameda County Water District (ACWD), Zone 7 Water Agency (Zone 7), Santa Clara Valley Water District (District), and East Bay Regional Parks District (EBRPD) for a District contribution of \$75,000 towards an evaluation of increasing water storage in Lake Del Valle Reservoir, and
B. Authorize the Interim Chief Executive Officer (ICEO) to execute the Cost-Sharing Agreement.

Motion: Authorize the Interim CEO to execute the MOU with SFPUC and BAWSCA, as contained in Item 3.1; authorize the Interim CEO to execute the MOU with the City of Sunnyvale, as contained in Item 3.2; support a \$69.62 City of Palo Alto storm drainage fee, and associated inflation adjustment, and authorize the Interim CEO sign the ballot, as contained in Item 3.3; accept the CEO Bulletins, as contained in Item 3.4; and approve and authorize the Interim CEO to execute the Cost-Sharing Agreement and a District contribution of \$75,000 towards an evaluation of increasing water storage in Lake Del Valle Reservoir, as contained in Item 5.2.

Move to Approve: Barbara Keegan
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.

REGULAR AGENDA:

4. BOARD OF DIRECTORS:

4.1. 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. Michelle Meredith, Deputy Clerk/Board of Directors, reviewed the information on this item, per the attached Board Agenda Memorandum.

The Board noted the information without formal action.

4.2. Board Committee Reports.

Recommendation:

There were no Board Committee Reports.

4.3. Capital Improvement Program Ad Hoc Committee Recommendations from February 27, 2017 Meeting, Revising Committee Status and Purpose.

Recommendation: Consider and approve the following recommendations made by the Capital Improvement Program Ad Hoc Committee (Committee) during its February 27, 2017 meeting:

- A. Revise the Committee's status from ad hoc to standing; and
- B. Revise the Committee's purpose statement to read:
The CIP Committee is established to provide a venue for more detailed discussions regarding capital project validation, including recommendations on prioritizing, deleting, and/or adding projects to the CIP, as well as monitoring implementation progress of key projects in the CIP.

Director Hsueh reviewed the information on this item, per the attached Board Agenda Memorandum.

Motion: Approve revising the Committee's status from ad hoc to standing, and revising the Committee's purpose statement to read: The CIP Committee is established to provide a venue for more detailed discussions regarding capital project validation, including recommendations on prioritizing, deleting, and/or adding projects to the CIP, as well as monitoring implementation progress of key projects in the CIP.

Move to Approve: 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.

Director Keegan requested that the Committee identify and bring information back to the Board on projects they see as being potentially at risk, or as having the potential for problems that the Board should be aware of.

5. WATER UTILITY ENTERPRISE:

5.1. Water Utility Asset Management and Maintenance Program Update.

Recommendation: Receive update on the District's Water Utility Asset Management and Maintenance Program.

Ms. Erin Baker, Asset Management Manager, and Mr. Jonathan Burgess, Utility Maintenance Manager, Treatment, reviewed the information on this item, per the attached Board Agenda Memorandum, and reviewed the information contained in Attachment 4, Slides 1-25.

Mr. Doug Muirhead, Morgan Hill resident, expressed appreciation for the District's asset management program. He requested the Board consider increasing community outreach when treatment plant or other asset shut-downs are necessary, and expressed concern with community impacts associated with the planned shutdowns for the Main and Madrone Pipelines.

Director Keegan requested that staff encourage the District's State Water Project partners to invest in a similar asset management program for the State Water Project assets.

The Board noted the information without formal action.

6. WATERSHEDS:

None.

7. CHIEF EXECUTIVE OFFICER:

Mr. Rick Callender, Deputy Administrative Officer, reviewed the information on Items 7.1, 7.2, and 7.3, per the attached Board Agenda Memorandums.

7.1. Recommended Position on State Legislation: AB 18 (Garcia) California Clean Water, Climate, and Coastal Protection and Outdoor Access for All Act of 2018, SB 3 (Beall) Affordable Housing Bond Act of 2018, SB 5 (De Leon) California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018, SB 231 (Hertzberg) Local Government: Storm Water Management and other legislation which may require urgent consideration for a position by the Board.

Recommendation:

- A. Adopt a position of "Support if Amend" on: AB 18 (Garcia) California Clean Water, Climate, and Coastal Protection and Outdoor Access for All Act of 2018.
- B. Adopt a position of "Support" on: SB 3 (Beall) Affordable Housing Bond Act of 2018.
- C. Adopt a position of "Support if Amend" on: SB 5 (De Leon) California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018.

D. Adopt a position of "Support" on: SB 231 (Hertzberg)
Local Government: Storm Water Management.

Move to Adopt: 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.

7.2. Recommended Position on Federal Legislation: HR 547 (DeLauro) - National Infrastructure Development Bank Act of 2017; and HR 434 (Denham) - New WATER Act.

Recommendation: A. Adopt a position of "Support if Amended" on: HR 547 (DeLauro) - National Infrastructure Development Bank Act of 2017; and
B. Adopt a position of "Support" on: HR 434 (Denham) - New WATER Act;

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.

7.3. Federal Authorization and Appropriation Requests for Federal Fiscal Years 2017 and 2018.

Recommendation: Adopt the recommended Federal Fiscal Year 2017 and Fiscal Year 2018 authorization and appropriation requests for District-sponsored and District-supported projects.

Move to Adopt: 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.

7.4. Chief Executive Officer Report.

There was no Chief Executive Offer Report given.

7.4- A. Storm Report Update, March 15 - 27, 2017.

Recommendation: Receive and discuss current Storm Report information.

Ms. Melanie Richardson, Interim Chief Operating Officer, Watersheds, distributed the attached Storm Report identified as Handout 7.4-A, herein. Copies of the Handout were distributed to the Board and made available to the public.

The Board noted the information without formal action.

8. ADMINISTRATION:

None.

9. DISTRICT COUNSEL:

None.

10. ADJOURN:

10.1. Board Member Reports/Announcements.

Director Keegan reported attending a Save Our Trails meeting, and various special Board meetings and meetings with staff; and reported participating in a media training session, and a conference call with Chairperson Varela and Director Kremen.

Director LeZotte reported attending a Habitat Conservation Plan Joint Powers Authority meeting, a Water Conservation and Demand Management (WCDM) Committee meeting, various meetings with staff, and the aforementioned special Board meetings.

Director Santos reported attending a meeting with San Jose City Council Member Lan Deip, a meeting with the City of Sunnyvale Mayor, Council Members, and staff, a meeting with Chairperson Varela, and the aforementioned WCDM Committee meeting; and reported participating in various activities related to the Silicon Valley Advanced Water Purification Center (SVAWPC), and the President's Day Weekend Flood Event.

Chairperson Varela reported attending a Water Retailer meeting, a meeting with Director Santos and former District 1 Director Don Gage, a conference call with Senator Jim Beall, a Morgan Hill City Council meeting, a Joint Venture Silicon Valley Board of Directors meeting, a meeting with Director Santos and San Jose City Council Member Sylvia Arenas, a Morgan Hill Rotary Club meeting, an Anderson Dam Community Meeting, and the aforementioned activities and

meetings related to the SVAWPC and the President's Day Weekend Flood Event.

Director Estremera reported attending a meeting with the Interim CEO, a City of San Jose Redevelopment Agency Successor meeting, a Capital Improvement Program Committee meeting, and the aforementioned special Board meetings, meeting with San Jose City Council Member Sylvia Arenas, and meeting with former District 1 Director Don Gage.

Director Hsueh reported attending a meeting with the Interim CEO, a Cupertino City Council meeting, and the aforementioned special Board meetings, WCDM Committee meeting, and meeting with the City of Sunnyvale Mayor, Council Members, and staff.

Director Kremen reported attending a meeting with the Interim CEO, a meeting with Ms. Catherine Sandoval, California Public Utilities Commission, an Imagine H2O meeting, various meetings with constituents, and the aforementioned conference call with Director Keegan and Chairperson Varela.

10.2. Clerk Review and Clarification of Board Requests.

Ms. Meredith read one new Board member request into the record.

10.3. Adjourn to 2:00 p.m. Special Meeting on March 29, 2017, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

Chairperson Varela adjourned the meeting at 7:35 p.m., in memory of former District 1 Director Dennis Kennedy, to the 2:00 p.m. Special Meeting on March 29, 2017, in the District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

Michelle Meredith
Deputy Clerk of the Board

Approved:

Date:

THIS PAGE INTENTIONALLY LEFT BLANK