



BOARD OF DIRECTORS MEETING

MINUTES

CLOSED SESSION & REGULAR MEETING

TUESDAY, APRIL 10, 2018

11:30 AM

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

1.1. Roll Call.

Board members in attendance were Tony Estremera, Gary Kremen, Richard Santos, John L. Varela, and Nai Hsueh, constituting a quorum of the Board.

Directors Keegan and LeZotte were excused from attending.

Staff members in attendance were N. Camacho, Chief Executive Officer (CEO), S. Yamamoto, District Counsel, M. King, Clerk/Board of Directors, K. Arends, R. Callender, A. Comelo, A. Fulcher, R. Gibson, V. Gin, C. Hakes, G. Hall, N. Hawk, B. Hopper, K. Oven, M. Richardson, E. Soderlund, D. Taylor, S. Tikekar, and T. Yoke.

Chairperson Santos announced that the Board would adjourn to Closed Session for consideration of Item 2.1. Upon return to Open Session, the same Board members and staff were present.

2. TIME CERTAIN:

11:00 AM

**2.1. CLOSED SESSION
CONFERENCE WITH LABOR NEGOTIATORS**

Government Code section 54957.6

Agency designated representatives: Norma Camacho, Anil Comelo

Unrepresented employees: All unclassified employee classifications

2.2. District Counsel Report.

Mr. Brian Hopper, Senior Assistant District Counsel, reported that the Board met in Closed Session with all members present, excluding Directors Keegan and LeZotte, and gave direction to staff.

2.3. Pledge of Allegiance/National Anthem.

Mr. Hopper led all present in reciting the Pledge of Allegiance.

2.4. Orders of the Day.

Chairperson Santos 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.

Ms. Suzanne Remien, District Ability Awareness Employee Resource Group (ERG), invited the Board to attend the April 12, 2018, Ability Awareness ERG informational event on the District's Concern Employee Assistance Program.

Dr. Jerry Smith, PhD, retired San Jose State University Biology Professor, acknowledged references made to his December 2017 Fish Sampling Report in previous communications to the Board; cited the need for adequate guidelines, regulations, and collaborative efforts to protect fisheries; described the Memorandum of Agreement between the District, the National Oceanic and Atmospheric Administration, and the California Department of Fish and Wildlife for preservation of fisheries on Uvas Creek as a collaborative agreement model; and confirmed that copies of his Report would be sent to the Board.

Mr. Aaron Grossman, Friends of Stevens Creek Trail Executive Director, expressed appreciation and support for District efforts to remove fish barriers and improve trails on Stevens Creek.

1:00 PM

2.6. Public Hearing—Annual Report on the Protection and Augmentation of Water Supplies—February 2018 and Recommended Groundwater Production and Other Water Charges for Fiscal Year 2018-2019 (FY 2018–19).

- Recommendation:
- A. Conduct a public hearing pursuant to Section 26.6 of the District Act to consider the District FY 2018–19 Annual Report on the Protection and Augmentation of Water Supplies, and direct staff to review such report with, and solicit comments from the District's advisory committees;
 - B. Hear public comments from groundwater producers and any interested persons regarding such report; and
 - C. Continue the public hearing regarding such report to the April 12, 2018, special meeting, at 7:00 pm.

Mr. Darin Taylor, Chief Financial Officer, reviewed the information on this item per the attached Board Agenda Memo, and corresponding presentation materials contained in Attachment 2.

Chairperson Santos opened the public hearing and acknowledged receipt of the attached comment letters from Ms. Katja Irvin, Sierra Club Loma Prieta Chapter, Mr. Stan Williams, Poseidon Water, and Mr. McMurtry, and two e-mails from Mr. Dhruv Khanna, Kirigin Cellars, identified as Handouts 2.6-A through 2.6-E herein, respectively. Copies of the Handouts were distributed to the Board and made available to the public.

Chairperson Santos declared time open for public comments.

Ms. Sheryl Kennedy, Sherrie's Farm, discussed the correlation between increased use of efficient irrigation systems and the reduction in agricultural water use, and corresponding costs to growers.

Mr. Stan Williams, Poseidon Water, advised the Board that Handout 2.6-B, Page 1, Poseidon Comments and Suggestions, Item 1, Line 6, and Item 2, Line 4, should be revised to read non-potable; and reported on discussions at an April 2, 2018, San Jose City Council meeting where a Public Private Partnership (P3) for the Expedited Purified Water Program was discussed; suggested that rate impacts associated with a P3 partnership may have been miscommunicated to San Jose City Council Members; and requested the Board consider providing clarification during their April 19, 2018, Recycled Water Policy Advisory Committee meeting.

Two statements expressing support for maintaining the open space credit, and opposition to increasing agricultural water rates, were received from Mr. Erin Gil, The Grass Farm, and Mr. Tim Chiala, George Chiala Farms.

Mr. Michael Frost, San Carlos resident, expressed opposition to Board approval of the proposed Fiscal Year 2018–19 Budget, if items related to the California WaterFix are included, and suggested increased budget funding for conservation.

Director Varela read the content of Handout 2.6-E into the record, and the Board continued the Public Hearing to the April 12, 2018, special meeting.

- 2.7. Public Hearing on the Proposed Modifications to Project A2: Safe, Clean Water Partnerships and Grants (Nitrate Treatment System Rebate Program); and Project E4: Upper Penitencia Creek Flood Protection of the Safe, Clean Water and Natural Flood Protection Program.

Recommendation: A. Conduct the public hearing on the proposed modifications to Project A2: Safe, Clean Water Partnerships and Grants (Nitrate Treatment System Rebate Program); and Project E4: Upper Penitencia Creek Flood Protection of the Safe, Clean Water and Natural Flood Protection Program;

- B. Adopt the resolution APPROVING MODIFICATION TO THE NITRATE TREATMENT SYSTEM REBATE PROGRAM OF THE SAFE, CLEAN WATER PARTNERSHIPS AND GRANTS OF THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM; and
- C. Adopt the resolution APPROVING MODIFICATION TO THE UPPER PENITENCIA CREEK FLOOD PROTECTION PROJECT OF THE SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM.

Ms. Jessica Collins, Senior Project Manager, reviewed the information on this item per the attached Board Agenda Memo.

Chairperson Santos opened the public hearing and acknowledged receipt of the attached comment letter from Mr. Chuck Yoneda and Dr. Ming Xia, identified as Handouts 2.7-A and 2.7-B herein, respectively. Copies of the Handouts were distributed to the Board and made available to the public.

Chairperson Santos declared time open for public comments.

Mr. William Garbett, San Jose resident, expressed opposition to the use of Safe, Clean Water funds for the Nitrate Treatment System Rebate Program, and suggested that funding for this program should come from water rates instead.

Two statements expressing opposition to funding reduction and requesting additional information and increased community outreach on the Nitrate Rebate Program were received from Ms. Janet Espinoza, Gilroy resident, and Ms. Trina Heisner, San Martin Neighborhood Alliance.

Chairperson Santos requested that staff follow up with Ms. Espinoza and Ms. Heisner to provide the information requested.

Directors Estremera and Kremen stepped out of the meeting and returned as noted below. In the absence of a quorum, Chairperson Santos declared a brief recess.

Director Estremera returned, reestablishing a quorum of the Board.

Chairperson Santos resumed the meeting.

The Board continued the hearing to the May 23, 2018, special meeting.

Ms. Rechelle Blank, Acting Deputy Operating Officer, reviewed the information on Items 2.8 and 2.9, per the attached Board Agenda Memos.

2.8. Update on United States Army Corps of Engineers (USACE) Partnership Projects.

Recommendation: Receive and discuss information related to status of the United States Army Corps of Engineers (USACE) projects where the District is the Local Sponsor, Co-Local Sponsor, or member of a Local Sponsor Agency.

Mr. Arijs Rakstins, U.S. Army Corps of Engineers Deputy District Engineer, reviewed the presentation materials contained in Attachment 2, and confirmed that the dates for the San Francisquito Creek Flood Risk Management Project, shown in Attachment 2, Slide 5, would be revised as a result of a request from the San Francisquito Creek Joint Powers Authority to provide an alternative project proposal.

The Board noted the information, without formal action.

2.9. District's Capital Improvement Program Fiscal Year 2017–18 Progress Report for Watersheds Capital Projects.

Recommendation: A. Receive information from staff on the FY2017–18 Capital Improvement Program (CIP) progress reports for key Watersheds Capital Projects; and
B. Approve adjustments to the Safe, Clean Water and Natural Flood Protection Program (SCW Program) schedules for four Watersheds projects.

Chairperson Santos acknowledged receipt of the attached letter from Mr. McMurtry identified as Handout 2.9-A, herein. Copies of the Handout were distributed to the Board and made available to the public.

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

3. CONSENT CALENDAR:

The Board considered Consent Calendar Items 3.1 through 3.6, 3.8, and 3.9.

Three statements expressing support for adoption of the resolution contained in Item 3.1 were received from Ms. Heidi McFarland, Ms. Kirsten Struve, and Ms. Valerie Onuoha, District Green Team ERG representatives.

Ms. Katherine Oven, Deputy Operating Officer and District Green Team ERG Executive Sponsor, discussed Green Team efforts to promote environmental awareness at the District.

3.1. Resolution Recognizing Sunday, April 22, 2018, as Earth Day.

Recommendation: Adopt the Resolution RECOGNIZING APRIL 22, 2018, AS EARTH DAY.

3.2. Designation of Impartial Third Party to Oversee Validation and Tabulation of Written Protests for Fiscal Year 2018–2019 Groundwater Production and Surface Water Charges.

Recommendation: Designate an impartial third party to oversee the verification and tabulation of the written groundwater production and surface water protests.

3.3. Adopt Plans and Specifications and Authorize Advertisement for Bids for Construction of the Cunningham Flood Detention Facility Certification Project, Project No. 40264011, Contract No. C0641 (San Jose) (District 1).

Recommendation: A. Adopt Plans and Specifications and Authorize Advertisement for Bids for Construction of the Cunningham Flood Detention Facility Certification Project per the Notice to Bidders; and
B. Authorize the Designated Engineer to issue addenda, as necessary, during the bidding process.

3.4. Membership Nomination for Committee Appointment to the Agricultural Water Advisory Committee.

Recommendation: Consider nomination for a two-year membership appointment of Sandra Carrico to the Agricultural Water Advisory Committee.

3.5. Bacon Island Levee Rehabilitation Project—Resolution Making Responsible Agency Findings.

Recommendation: A. Consider the Initial Study/Mitigated Negative Declaration for the Bacon Island Levee Rehabilitation Project prepared by Reclamation District 2028 as the Lead Agency; and
B. Adopt the Resolution, MAKING RESPONSIBLE AGENCY FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT TO USE THE INITIAL STUDY/MITIGATED NEGATIVE DECLARATION PREPARED BY THE LEAD AGENCY TO APPROVE FUNDING A PORTION OF THE COSTS OF THE BACON ISLAND LEVEE REHABILITATION PROJECT; and

- C. Authorize the Chief Executive Officer, or designee, to approve funding a portion of the Project in accordance with a previously-executed cost share agreement.

3.6. Providing Notice of Time and Place of Public Hearing Regarding Flood Control Benefit Assessments for Fiscal Year 2018–2019 (FY 2018–19).

Recommendation: Set a time and place for the public hearing on Flood Control Benefit Assessments for FY 2018–19 at 1:00 p.m. on May 8, 2018, at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California.

3.7. Item Moved to April 24, 2018, Agenda.

3.8. Update on the Condition of the Almaden Valley Pipeline Inspection and Rehabilitation Project, and Determine that the Condition of the Almaden Valley Pipeline Continues to Constitute an Emergency (San Jose, Los Gatos, Unincorporated Santa Clara County) (Districts 4 and 7).

Recommendation: A. Receive an update on the Almaden Valley Pipeline Inspection and Rehabilitation Project; and
B. Determine by a four-fifths vote of the Board, that there is a need to continue the emergency action declared by the Chief Executive Officer (CEO) on December 5, 2017, pursuant to California Public Contract Code 22050, to repair the Almaden Valley Pipeline (San Jose, Los Gatos, Unincorporated Santa Clara County) (Districts 4 and 7).

3.9. CEO Bulletins for the Weeks of March 23–29, and March 30–April 5, 2018.

Recommendation: Accept the CEO Bulletins.

Motion: Approve Consent Calendar Items 3.1 through 3.6, and 3.8 through 3.9, under one motion, as follows: adopt Resolution No. 18-11, RECOGNIZING APRIL 22, 2018, AS EARTH DAY, by roll call vote, as contained in Item 3.1; designate an impartial third party to oversee the verification and tabulation of the written groundwater production and surface water protests, as contained in Item 3.2; adopt the Plans and Specifications and authorize advertisement for bids and the Designated Engineer to issue addenda, as necessary, for Construction of the Cunningham Flood Detention Facility Certification Project, as contained in Item 3.3; approve the two-year membership appointment of Sandra Carrico to the Agricultural Water Advisory Committee, as contained in Item 3.4; adopt Resolution No. 18-12, MAKING RESPONSIBLE AGENCY FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT TO USE THE INITIAL STUDY/MITIGATED NEGATIVE DECLARATION PREPARED BY THE LEAD

AGENCY TO APPROVE FUNDING A PORTION OF THE COSTS OF THE BACON ISLAND LEVEE REHABILITATION PROJECT, by roll call vote and authorize the CEO or designee to approve funding a portion of the Project in accordance with a previously-executed cost share agreement, as contained in Item 3.5; set a time and place for the public hearing on Flood Control Benefit Assessments for FY 2018–19 at 1:00 p.m. on May 8, 2018, at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California, as contained in Item 3.6; determine by a four-fifths vote that there is a need to continue the emergency action declared by the CEO on December 5, 2017, pursuant to California Public Contract Code 22050, to repair the Almaden Valley Pipeline, as contained in Item 3.8; and accept the CEO Bulletins, as contained in Item 3.9.

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

Director Kremen returned.

REGULAR AGENDA:

4. BOARD OF DIRECTORS:

4.1. Board Committee Reports.

None.

5. WATER UTILITY ENTERPRISE:

5.1. Water Supply Master Plan Update.

Recommendation:	A. Receive and discuss information on alternative water supply strategies; and
	B. Receive and discuss stakeholder input on water supply projects and alternative water supply strategies; and
	C. Receive and discuss preliminary cost of shortage analysis as it pertains to the District's water supply reliability level of service goal.

Chairperson Santos acknowledged receipt of the attached emails from Mr. Les Kishler and Ms. Irvin, identified as Handouts 5.1-A and 5.1-B respectively, herein. Copies of the Handouts were distributed to the Board and made available to the public.

The Board continued the item to a future meeting.

- 5.2. Agreement with Environmental Science Associates for Environmental and Permitting Services for the Expedited Purified Water Program Project, Project No. 91304001 (San Jose, Santa Clara, and Campbell) (Districts 2, 3, 4).

Recommendation: Approve the Agreement with Environmental Science Associates for Environmental and Permitting Services for a not-to-exceed fee of \$1,786,624.

Ms. Oven reviewed the information on this items, per the attached Board Agenda Memo.

Move to Approve: Tony Estremera
Second: Nai Hsueh
Yeas: Tony Estremera, Gary Kremen, Richard Santos, John L. Varela, Nai Hsueh
Nays: None
Abstains: None
Recuses: None
Absent: Linda J. LeZotte, Barbara Keegan
Summary: 5 Yeas; 0 Nays; 0 Abstains; 2 Absent.

- 5.3. Update for the Anderson Dam Seismic Retrofit Project—Project No. 91864005 (Morgan Hill) (District 1).

Recommendation: Receive an update on the environmental and permitting strategy for the Anderson Dam Seismic Retrofit Project.

Mr. Chris Mueller, Black and Veach President, reviewed the presentation materials contained in Attachment 1.

Directors Kremen and Varela momentarily stepped out of the meeting and returned as noted below. In the absence of a quorum, Chairperson Santos declared a brief recess.

Directors Kremen and Varela returned, reestablishing a quorum of the Board.

Chairperson Santos resumed the meeting.

The Board noted the information, without formal action.

6. WATERSHEDS:

None.

7. EXTERNAL AFFAIRS:

None.

8. CHIEF EXECUTIVE OFFICER:

8.1. CEO and Chiefs' Report.

Ms. Melanie Richardson, Chief Operating Officer, and Mr. Rick Callender, Chief of External Affairs, distributed and reviewed the information contained on the attached Storm, Communications, and Civic Engagement Reports, identified as Handouts 8.1-A through 8.1-C herein. Copies of the Handouts were distributed to the Board and made available to the public.

Mr. Callender introduced Mr. Meda Okelo, newly appointed Office of Civic Engagement Manager, to the Board.

9. ADMINISTRATION:

None.

10. DISTRICT COUNSEL:

None.

11. ADJOURN:

11.1. Board Member Reports/Announcements.

Director Varela reported attending a Silicon Valley Leadership Group Fireside Chat with Senator Diane Feinstein, a Local Agency Formation Commission meeting, and a meeting with Congress Member Leon Panetta.

Director Hsueh reported attending a Landscape meeting and various meetings with staff.

Director Estremera reported attending a Public Private Partnership (P3) Water Summit conference.

Director Kremen reported attending the aforementioned P3 conference, a San Luis and Delta Mendota Water Authority Board meeting, a Water Banking meeting, a California WaterFix meeting, a Pacheco Pass Reservoir tour, and various meetings with constituents.

Chairperson Santos reported attending the aforementioned Silicon Valley Leadership Group Fireside Chat with Senator Diane Feinstein, a meeting with Congress Member Leon Panetta, a Landscape meeting, and a Water Conservation and Demand Management Committee meeting.

11.2. Proposed Future Board Member Agenda Items.

Chairperson Santos requested that staff come back with Board discussion on the addition of a potential Ad Hoc Committee to explore collaboration with Apple, Cisco, and various Silicon Valley Industry leaders.

11.3. Clerk Review and Clarification of Board Requests.

Ms. Michele King, Clerk/Board of Directors, confirmed that there were no new Board Member Requests.

11.4. Adjourn to Special Meeting at 7:00 p.m., on April 12, 2018, in the City of Gilroy Council Chambers, 7351 Rosanna Street, Gilroy, California.

Chairperson Santos adjourned the meeting at 4:00 p.m. to the special meeting at 7:00 p.m. on April 12, 2018, in Gilroy City Council Chambers, 7351 Rosanna Street, Gilroy, California.

Michele L. King, CMC
Clerk/Board of Directors

Approved:

Date:

THIS PAGE INTENTIONALLY LEFT BLANK