



BOARD OF DIRECTORS MEETING

MINUTES

CLOSED SESSION AND REGULAR MEETING

TUESDAY, DECEMBER 11, 2018

11:00 AM

(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 at 5700 Almaden Expressway, San Jose, California, at 11:00 a.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, Chief Executive Officer (CEO), S. Yamamoto, District Counsel, M. King, Clerk/Board of Directors, J. Aranda, K. Arends, M. Baratz, R. Callender, G. De La Piedra, V. Gin, C. Hakes, N. Hawk, C. Kwok-Smith, L. Orta, K. Oven, M. Richardson, D. Taylor, S. Tikekar, and T. Yoke.

Chairperson Santos announced that the Board would adjourn to Closed Session for consideration of Items 2.1 and 2.2. 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 LEGAL COUNSEL**

Pursuant to Government Code 54956.9 (e)(3)

Receipt of Claims Against District Unrepresented Claimants:

All unrepresented claimants related to the Coyote Creek flood, February 2017;
names of claimants on file with the Clerk of the Board

- 2.2. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957(b)(1)
Title: District Counsel

1:00 PM

- 2.3. District Counsel Report.

Mr. Stan Yamamoto, District Counsel, reported that in regards to Items 2.1 and 2.2, the Board met in Closed Session with all members present and gave direction to staff.

- 2.4. Pledge of Allegiance/National Anthem.

Director Estremera led all present in reciting the Pledge of Allegiance.

- 2.5. Orders of the Day.

Chairperson Santos confirmed that Item 6.2 would be considered after Item 2.6.

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

Chairperson Santos declared time open for public comment on any item not on the agenda, and seeing no one present who wished to speak, moved the agenda to Item 6.2.

- 6.2. Joint Use Agreement with the City of Palo Alto for the Highway 101 Pedestrian/Bicycle Bridge Overcrossing and Adobe Creek Reach Trail Project, (Palo Alto) (District 7).

Recommendation:

- A. Consider the potential environmental effects of the project as discussed in the Initial Study and Mitigated Negative Declaration prepared by the City of Palo Alto;
- 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 GRANT APPROVAL OF A JOINT USE AGREEMENT WITH THE CITY OF PALO ALTO; and
- C. Approve and authorize the Chief Executive Officer to execute the Joint Use Agreement between the City of Palo Alto and the Santa Clara Valley Water District.

The Board considered Item 6.2 without a staff presentation.

Motion: Adopt Resolution No. 18-62, 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 GRANT APPROVAL OF A JOINT USE AGREEMENT WITH THE CITY OF PALO ALTO; and approve and authorize the CEO to execute the Joint Use Agreement between the City of Palo Alto and the Santa Clara Valley Water District.

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

Chairperson Santos returned the agenda to Item 2.7.

- 2.7. Ceremonial Swearing-In of Directors John L. Varela, District 1, Linda J. LeZotte, District 4, Tony Estremera, District 6, and Gary Kremen, District 7, for Terms Expiring December 2022.

Recommendation: Request that the Clerk of the Board administer a Ceremonial Swearing-in and Oath of Office for Directors John L. Varela, District 1; Linda J. LeZotte, District 4; Tony Estremera, District 6; and Gary Kremen, District 7, for Terms Expiring December 2022.

Ms. Michele King, Clerk/Board of Directors, administered the ceremonial swearing-in of Directors Varela, LeZotte, Estremera, and Kremen.

- 2.8. Hearing to Consider Adoption of Resolution of Necessity Relating to Acquisition of Real Property Interests from the Santos/Alviso Partnership, L.P., a California Limited Partnership, Necessary to Construct the South San Francisco Bay Shoreline Phase 1 Economic Impact Area 11 Project (Project No. 26444001), District Files 2044-13 and 2044-14 (San Jose), (District 3).

Recommendation: A. Conduct Hearing to consider adoption of Resolution of Necessity (RON) relating to the acquisition of real property interests from Santos/Alviso Partnership, L.P., a California limited partnership, necessary to complete the South San Francisco Bay Shoreline Phase 1 Economic Impact Area 11 Project; and
B. Adopt the Resolution DETERMINING AND DECLARING THE PUBLIC NECESSITY FOR THE ACQUISITION OF CERTAIN REAL PROPERTY OR INTERESTS IN REAL PROPERTY BY EMINENT

DOMAIN FOR THE SOUTH SAN FRANCISCO BAY
SHORELINE PHASE 1 ECONOMIC IMPACT AREA 11
PROJECT NO. 26444001, by two-thirds vote (5 out
of 7).

Chairperson Santos disclosed a conflict of interest with the matter for consideration under Item 2.8, recused himself from participating, left the meeting, and returned as noted below.

During Chairperson Santos' absence, the meeting was facilitated by Vice Chairperson LeZotte.

Vice Chairperson LeZotte opened the hearing to consider adoption of a Resolution of Necessity relating to acquisition of real property interests from the Santos/Alviso Partnership, L.P., a California Limited Partnership.

Ms. Rechelle Blank, Deputy Operating Officer, reviewed the information on this item, per the attached Board Agenda Memo, and per the corresponding presentation materials contained in Attachment 4.

Vice Chairperson LeZotte declared time open for public comments and, seeing no one present who wished to speak, closed the hearing.

Motion: Adopt Resolution No. 18-60, DETERMINING AND
DECLARING THE PUBLIC NECESSITY FOR THE
ACQUISITION OF CERTAIN REAL PROPERTY OR
INTERESTS IN REAL PROPERTY BY EMINENT
DOMAIN FOR THE SOUTH SAN FRANCISCO BAY
SHORELINE PHASE 1 ECONOMIC IMPACT AREA 11
PROJECT NO. 26444001, by two-thirds (5 out of 7) vote.

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

Chairperson Santos returned and resumed facilitation of the meeting.

3. CONSENT CALENDAR:

The Board noted that Item 3.1 had been removed from the agenda, and considered Consent Calendar Items 3.2 through 3.4 under one motion.

- 3.1. ITEM REMOVED FROM AGENDA - Certification of November 6, 2018 General Election and Official Results for Board of Directors District 6 and Appointment of Directors to Represent Districts 1, 4, and 7.

- 3.2. Providing Notice of Time and Place of Public Hearing for the Santa Clara Valley Water District Board of Directors to Determine the Necessity for Directors to be Compensated for up to 15 Days per Calendar Month and to Consider Directors' Compensation for Calendar Year 2019.

Recommendation: A. Set a time and place for a public hearing at 6:00 p.m., on January 8, 2019, at the Santa Clara Valley Water District, 5700 Almaden Expressway, San Jose, California, for the Board of Directors to:

1. Consider evidence and determine if there is an operational need for Directors to be compensated for up to 15 days per calendar month; and
2. Consider Directors' compensation for calendar year 2019, pursuant to Chapter 2, Division 10 of the California Water Code; and

B. Direct the Clerk of the Board to publish notice of public hearing in a newspaper of general circulation within the county.

- 3.3. Board of Directors' Quarterly Expense Report for the Quarter Ending September 30, 2018.

Recommendation: A. Review the Board of Directors' Quarterly Expense Report for the Quarter Ending September 30, 2018; and

B. Approve the report, if the reimbursements comply with Board Policy.

- 3.4. CEO Bulletins for the Weeks of November 23 - 29, 2018 and November 30 - December 6, 2018.

Recommendation: Accept the CEO Bulletins.

Motion: Note that Item 3.1 had been removed from the agenda, and consider Consent Calendar Items 3.2 through 3.4 under one motion, as follows: set a time and place for a public hearing at 6:00 p.m., on January 8, 2019, at 5700 Almaden Expressway, San Jose, California, for the Board of Directors to consider evidence and determine if there is an operational need for Directors to be compensated for up to 15 days per calendar month and consider Directors' compensation for calendar year 2019, pursuant to Chapter 2, Division 10 of the California Water Code, and direct the Clerk to publish notice of public hearing, as contained in Item 3.2; approve the Board of Directors' Quarterly Expense Report, as contained in Item 3.3; and accept the CEO Bulletins, as contained in Item 3.4.

Move to Approve: Linda J. LeZotte

Second:	Tony Estremera
Yeas:	Nai Hsueh, Barbara Keegan, Richard Santos, Tony Estremera, Gary Kremen, Linda J. LeZotte, 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. Fiscal Year 2019 Board Policy Planning and Performance Monitoring Calendars.

Recommendation: Review, discuss, and revise the Fiscal Year 2019 Board Policy Planning and Performance Monitoring Calendars.

Ms. King reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachments 1 and 2.

The Board noted the information, without formal action.

4.2. Board Committee Reports.

- A. Delta Conveyance Design and Construction Authority Update.
- B. Delta Conveyance Finance Authority Update
- C. 112618 Board Policy & Planning Committee Meeting Summary
- D. 112818 Youth Commission Meeting Summary

In regard to Item 4.2-A, Director Estremera reported that the Delta Conveyance Design and Construction Authority met in Closed Session to review applications for an Executive Director, selected candidates, and set schedules for interviews.

In regard to Item 4.2-B, there was no report given.

Director Kremen reported that the Water Storage Exploratory Committee had received updates on the Pacheco Reservoir Expansion Project, and Sites and Los Vaqueros Reservoirs; would discuss out of county groundwater banking at its next meeting; and was planning to hold a public information and outreach meeting at Casa De Fruta, with the Pacheco Pass Water District and property owners.

In regard to Item 4.2-C, Director Hsueh reported that the Board Policy and Planning Committee had received information on staff interpretations of the Board's Trails and Open Space Policy, and a recommendation from staff to sunset the District's Untreated Surface Water Use Program. She reported that the Committee had recommended staff bring both items to the full Board of Directors for discussion.

In regard to Item 4.2-D, Mr. Rick Callender, Chief of External Affairs, reported that the Youth Commission had participated in a survey pertaining to its future

purpose and mission, and would forward recommendations to the full Board relative to sponsorship of the Synopsis Fair, support of the low flow fixtures proposal, and Committee participation in the District Adopt-a-Bench Program.

Director LeZotte requested that staff investigate the anti-graffiti coating used to protect murals recently painted onto District water vaults in coordination with City of San Jose Department of Public Art, at Fontana Martin Park.

Director Hsueh reported that the Capital Improvement Program (CIP) Committee had worked with staff to develop tools for facilitating discussion with the full Board of Directors on proposed projects for the next 5-Year CIP, during the January 8, 2019 Board meeting.

Director Kremen left the meeting and did not return, and Director Estremera left the meeting and returned as noted below.

The Board considered Items 4.3 and 4.4 without a staff presentation.

4.3. Santa Clara Valley Water District Youth Commission's Recommendations and Associated Staff Analyses from the Commission's September 12, 2018, and November 28, 2018, Meetings.

Recommendation: That the Board consider and provide direction on the following recommendations by the Santa Clara Valley Water District Youth Commission:

- A. That the Board consider being a Synopsys Fair's Special Award Sponsor;
- B. That the Board consider the Low Flow Fixtures Proposal to further encourage compliance with SB 407 (Padilla, 2009);
- C. That the Board consider the Youth Commission becoming partners in the Adopt-A-Bench Art Project Pilot Program; and
- D. That the Board consider adding components to the Synopsys Fair Special Award Sponsorship:
 - 1. Tour of District Facilities for winner;
 - 2. Public Recognition at a Board of Directors meeting; and
 - 3. Contribute an Additional \$550 for an additional category at the Synopsys Fair.

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

Director Estremera returned.

4.4. Environmental and Water Resources Committee's Recommendations and Associated Staff Analyses from the Committee's October 15, 2018, Meeting.

Recommendation: That the Board consider and act on the following recommendations by the Environmental and Water Resources Committee:

- A. That Environmental and Water Resources Committee receive the Fish and Aquatic Habitat Collaborative Effort Fish Habitat Restoration Plan Draft Environmental Impact Report when available; and
- B. Allow the Environmental and Water Resources Committee to have further discussion in the future on the fisheries projects within the District's boundaries/purview.

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

5. WATER UTILITY ENTERPRISE:

5.1. ITEM REMOVED FROM AGENDA - Water Supply Master Plan Update (Continued from November 20, 2018).

The Board noted that Item 5.1, Water Supply Master Plan Update (Continued from November 20, 2018), had been removed from the agenda.

Director Varela left the meeting and returned as noted below.

5.2 Report of Bids Received and Award of Construction Contract to Calstate Construction, Inc. for the Construction of the Coyote Warehouse Project, Project No. 91234011, Contract No. C0635, Morgan Hill (District 1).

Recommendation: A. Ratify Addenda Nos. 1 and 2 to the Contract Documents for the Coyote Warehouse Project;
B. Waive minor irregularities in Calstate Construction, Inc.'s bid;
C. Award the Construction Contract to Calstate Construction, Inc. in the sum of \$5,699,000; and
D. Approve a contingency sum of \$569,900 and authorize the Chief Executive Officer or designee to approve individual change orders up to the designated amount.

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

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

6. WATERSHEDS:

The Board considered Item 6.1 without staff presentation.

- 6.1. Resolution Authorizing Acceptance of Grant Funding from Measure AA, the San Francisco Bay Restoration Authority's San Francisco Bay Clean Water, Pollution Prevention and Habitat Restoration Measure, in the amount of \$4,439,406, for the South San Francisco Bay Shoreline Project (Project No. 26444001), (San Jose), (District 3).

Recommendation: A. Adopt the Resolution AUTHORIZING THE BOARD CHAIR TO EXECUTE A GRANT FUNDING AGREEMENT WITH THE SAN FRANCISCO BAY RESTORATION AUTHORITY FOR THE GRANT OF FUNDS FOR THE SOUTH SAN FRANCISCO BAY SHORELINE PROJECT, and accept the grant terms, conditions and requirements required by the San Francisco Bay Restoration Authority;
B. Delegate authority to the Chief Executive Officer to execute and file requests for disbursements with the San Francisco Bay Restoration Authority; and
C. Delegate authority to the Chief Executive Officer to approve the award of future funding from the San Francisco Bay Restoration Authority for the Shoreline Project on substantially similar terms as the Grant Funding Agreement.

Motion: Adopt Resolution No. 18-61 AUTHORIZING THE BOARD CHAIR TO EXECUTE A GRANT FUNDING AGREEMENT WITH THE SAN FRANCISCO BAY RESTORATION AUTHORITY FOR THE GRANT OF FUNDS FOR THE SOUTH SAN FRANCISCO BAY SHORELINE PROJECT, by roll call vote, and accept the grant terms, conditions and requirements required by the San Francisco Bay Restoration Authority; and delegate authority to the CEO to execute and file requests for disbursements with the San Francisco Bay Restoration Authority and approve the

award of future funding from the San Francisco Bay Restoration Authority for the Shoreline Project on substantially similar terms as the Grant Funding Agreement.

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

7. EXTERNAL AFFAIRS:

Ms. Linh Hoang, Communications Manager, reviewed the information on Items 7.1 and 7.2, per the attached Board Agenda Memos.

Director Varela returned.

7.1. Office of Communications Update.

Recommendation: A. Receive information on the Office of Communication's accomplishments and planned activities; and
B. Provide input on current and future challenges, goals, and accomplishments since the last semi-annual presentation to the Board.

The Board noted the information, without formal action.

7.2 Options for Branding the Santa Clara Valley Water District.

Recommendation: Approve a tagline and logo to be used to represent the Santa Clara Valley Water District as part of a potential rebranding effort.

Motion: Approve Clean Water, Healthy Environment, and Flood Protection as the District Tagline as contained in Attachment 1, Slide 4, Option 1A; Logo Option A, as contained in Attachment 1, Slide 5; and Font Style 3, as contained in Attachment 1, Slide 6.

Move to Approve: Linda J. LeZotte
Second: Tony Estremera
Yeas: Nai Hsueh, Barbara Keegan, Richard Santos, Tony Estremera, Linda J. LeZotte, John L. Varela
Nays: None
Abstains: None
Recuses: None

Absent: Gary Kremen
Summary: 6 Yeas; 0 Nays; 0 Abstains; 1 Absent.

8. CHIEF EXECUTIVE OFFICER:

8.1. Fiscal Year 2019-20 Overview of the Santa Clara Valley Water District Financial Planning Process and Board Work Plan Funding Priorities.

Recommendation: Receive and discuss the Fiscal Year 2019-20 overview of the District's Financial Planning Process and confirm Board Work Plan funding priorities.

Mr. Darin Taylor, Chief Financial Officer, reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachment 1.

The Board noted the information, without formal action.

8.2. CEO and Chiefs' Report.

Ms. Melanie Richardson, Chief Operating Officer, distributed and reviewed the attached Storm Report, identified as Handout 8.2-A, herein; and Mr. Callender distributed and reviewed the attached Office of Communications and Office of Civic Engagement Reports, identified respectively as Handouts 8.2-B and 8.2-C herein. Copies of the Handouts were distributed to the Board and made available to the public.

Director Varela reported attending a South County Elected Officials meeting, and having received acknowledgments on behalf of the Board for the Upper Llagas Creek Flood Protection Project.

9. ADMINISTRATION:

None.

10. DISTRICT COUNSEL:

None.

11. ADJOURN:

11.1. Board Member Reports/Announcements.

Director Varela reported attending an Association of California Water Agencies (ACWA) conference, and Local Agency Formation Commission, ACWA Region V, and San Luis Delta-Mendota Water Authority meetings. He advised the Board of his appointment through the ACWA Region V Board to participate in facilitating a meeting that would bring together agricultural growers throughout the Central California Coast.

Director Hsueh reported attending Youth Commission and CIP Committee meetings, and various meetings with staff; and participating in an interview with Saratoga High School students, a tour of the Lagunita Dam Removal Project, and the Annual District Volunteer Appreciation event.

Director Estremera reported attending a Recycled Water Committee and Fish and Aquatic Habitat Collaborative Effort (FAHCE) meetings; and the aforementioned CIP Committee meeting, and ACWA conference.

Director Keegan reported attending a Board Audit Committee meeting, a Special Board meeting, a Joint Recycled Water Policy Advisory Committee meeting, and various meetings with staff; a meeting with San Jose City Council member Deb Davis; and the aforementioned FAHCE meeting and Annual District Volunteer Appreciation event.

Director LeZotte reported attending a Special District Association meeting, a meeting with San Jose City Council member Johnny Khamis, and various meetings with staff; a South San Francisco Bay Shoreline Project Tour; and the aforementioned CIP and FAHCE meetings, and Annual District Volunteer Appreciation event.

Chairperson Santos reported attending Berryessa Community meeting, and various meetings with staff.

11.2. Proposed Future Board Member Agenda Items.

None.

11.3. Clerk Review and Clarification of Board Requests.

Ms. King confirmed that there were no new Board Member Requests.

11.4. Adjourn to Special Joint Meeting with City of San Jose at 9:00 a.m., on Wednesday, December 12, 2018, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

Chairperson Santos adjourned the meeting at 3:00 p.m., to the Special Joint Meeting with City of San Jose at 9:00 a.m., on Wednesday, December 12, 2018, 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: