



BOARD OF DIRECTORS MEETING

MINUTES

**CLOSED SESSION AND REGULAR MEETING
TUESDAY, FEBRUARY 12, 2019
12:00 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 at 5700 Almaden Expressway, San Jose, California, at 12:00 p.m.

1.1. Roll Call.

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

Director Keegan arrived as noted below.

Staff members in attendance were N. Camacho, Chief Executive Officer (CEO), S. Yamamoto, District Counsel, M. King, Clerk, Board of Directors, R. Callender, R. Chan, M. Cook, G. De La Piedra, A. Fulcher, C. Hakes, G. Hall, B. Hopper, N. Nguyen, K. Oven, M. Richardson, D. Taylor, B. Yerrapotu, and T. Yoke. Deputy Operating Officer K. Arends represented Chief Operating Officer N. Hawk.

Chairperson LeZotte confirmed that the Board would adjourn to Closed Session for consideration of Item 2.1.

2. TIME CERTAIN:

12:00 PM

During Closed Session, Director Keegan arrived.

2.1. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1)

Tanya Ruiz v. SCVWD, et al

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

1:00 PM

2.2. District Counsel Report.

Mr. Brian Hopper, Senior Assistant District Counsel, reported that in regards to Item 2.1, the Board met in Closed Session with all members present, and gave direction to staff.

2.3. Pledge of Allegiance/National Anthem.

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

2.4. Orders of the Day.

Chairperson LeZotte confirmed that Item 8.1. would be considered before Item 5.2.

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

Chairperson LeZotte declared time open for public comment on any subject not on the agenda.

Two statements expressing opposition to District participation in the lawsuit against the State of California for the Bay Delta Plan, and the attached comments, were received from: Mr. Martin Gothberg, Santa Clara resident, and Mr. Peter Drekmeier, Tuolumne River Trust.

Chairperson LeZotte acknowledged receipt of the following written comments: from Ms. Rhoda Fry, Cupertino resident, expressing concern about water quality impacts associated with construction aggregate manufacturing at the Stevens Creek Quarry, identified as Handout 2.5-A herein; from Mr. Jethroe Moore, National Association for the Advancement of Colored People, expressing support for consideration of environmental justice in Board of Directors decision making, identified as Handout 2.5-B herein; and from Mr. Gothberg, who submitted a written copy of the statements made above, identified as Handout 2.5-C, herein. Copies of the Handouts were distributed to the Board and made available to the public.

Directors Kremen and Estremera suggested, and Mr. Stan Yamamoto, District Counsel, discussed the merits of appointing an Ad Hoc Committee or referring to the Fisheries and Aquatic Habitat Collaborative Effort Committee to further investigate District participation in litigation against the State, pertaining to the Bay Delta issues.

Chairperson LeZotte confirmed that she and Director Hsueh met regularly to review the scope of the Board's Committee, and would discuss the matter and direct the CEO accordingly.

2.6. State of the District.

Chairperson LeZotte provided a State of the District address.

2.7. Application for Leave to File Late Claim of Susan Landry.

Recommendation: Approve the application to file a late claim.

Mr. Yamamoto reviewed the information on this item, per the attached Board Agenda Memo.

Ms. Susan Landry, Campbell resident, expressed concern for the District's recruitment process regarding notification of employment, and submitted the attached comments, identified as Handout 2.7-A, herein. Copies of the Handout were distributed to the Board and made available to the public.

Move to Approve:	Gary Kremen
Second:	John L. Varela
Yeas:	Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
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 Setting Time and Place of a Public Hearing on April 9, 2019, for the Report on Activities in Protection and Augmentation of Water Supplies of the District - 2019.

Recommendation: A. Adopt the Resolution CALLING A PUBLIC HEARING TO CONSIDER COMMENTS FROM MEMBERS OF THE PUBLIC ON THE REPORT ON THE ACTIVITIES IN THE PROTECTION AND AUGMENTATION OF THE WATER SUPPLIES OF THE SANTA CLARA VALLEY WATER DISTRICT, 2019; and

- B. Set time and place for public hearing to occur on April 9, 2019 at 1:00 p.m., at the Santa Clara Valley Water District Board Chambers, 5700 Almaden Expressway, San Jose, CA 95118.

- 3.2. Notice of Completion of Contract and Acceptance of Work for the Coyote Creek Levee Rodent Damage Repair Project, Downstream of State Route 237, Granite Rock Company, Contractor, Project No. 62084001, Contract No. C0637 (Milpitas) (District 3).

Recommendation: A. Accept the work as complete; and
 B. Direct the Clerk of the Board to sign the Notice of Completion of Contract and Acceptance of Work and submit for recording at the Santa Clara County Clerk-Recorder.

- 3.3. Notice of Completion of Contract and Acceptance of Work for the Coyote Creek Levee Rodent Damage Repair Project, Upstream of State Route 237, PMK Contractors LLC, Contractor, Project No. 62084001, Contract No. C0639 (San Jose) (District 3).

Recommendation: A. Accept the work as complete; and
 B. Direct the Clerk of the Board to sign the Notice of Completion of Contract and Acceptance of Work and submit for recording at the Santa Clara County Clerk-Recorder.

- 3.4. Semi-Annual Lobbyist Report of Individuals Engaged in Compensated Lobbying Activities Aimed at Influencing District Decisions, in Accordance With District Ordinance 10-01.

Recommendation: Receive the Semi-Annual Lobbyist Report of Individuals Engaged in Compensated Lobbying Activities for the period July 1, 2018 through December 31, 2018.

- 3.5. CEO Bulletins for the Weeks of January 18 - 24 and 25 - 31, and February 1 - 7, 2019.

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. 19-06, CALLING A PUBLIC HEARING TO CONSIDER COMMENTS FROM MEMBERS OF THE PUBLIC ON THE REPORT ON THE ACTIVITIES IN THE PROTECTION AND AUGMENTATION OF THE WATER SUPPLIES OF THE SANTA CLARA VALLEY WATER DISTRICT, 2019, by roll call vote, and set the time and place for a public hearing to occur on April 9, 2019 at 1:00 p.m., as contained in Item 3.1; accept the work as complete, and direct the Clerk of the Board to sign the Notices of Completion of Contract and Acceptance of Work and submit for recording at the Santa Clara County Clerk-Recorder, as contained in Items 3.2 and 3.3; accept the Semi-Annual Lobbyist Report of Individuals Engaged in Compensated Lobbying Activities for the period July 1, 2018 through December 31, 2018, 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: Nai Hsueh
Second: Tony Estremera
Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, 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. Board Committee Reports.

A. Delta Conveyance Design and Construction Authority (DCA) Update.

Director Estremera reported the following DCA updates: resignation of Ms. Stephanie Morris, Interim Counsel; amendment of the contract with Best, Best and Krieger to appoint Mr. Joshua Nelson, Interim General Counsel; continuation of the DCA Interim General Counsel's efforts to work on various issues and to monitor litigation and regulatory proceedings; and the appointment of Ms. Kathryn Mallon to serve as the DCA's Executive Director.

B. Delta Conveyance Finance Authority Update.

Director Kremen reported that no Delta Conveyance Finance Committee meeting had been held since his last report to the Board.

Director Hsueh reviewed and distributed the attached January 23, 2019 Santa Clara Valley Water Commission meeting summary, identified as Handout 4.1-A, herein. Copies of the Handout were distributed to the Board, and made available to the public.

5. WATER UTILITY ENTERPRISE:

5.1. Sites Project Authority 2019 Reservoir Project Agreement for Continued District Participation in the Sites Reservoir Project.

- Recommendation:
- A. Receive update and report on the Sites Reservoir Project;
 - B. Authorize the CEO to execute the Sites Project Authority 2019 Reservoir Project Agreement for Phase 2 Year 1 participation;
 - C. Authorize the District to participate in funding Phase 2 Year 1 Sites Reservoir Project costs, and decide on the specific participation level (up to 4.8%); and
 - D. Direct staff to continue engagement in Sites Reservoir Committee and negotiate future funding participation to include stronger governance role.

Ms. Cindy Kao, Imported Water Manager, reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachment 8.

The Board continued the Item 5.1 to the February 26, 2019 regular meeting, and referred the item to the Water Storage Exploratory Committee to receive additional details and make a recommendation to the Board.

Chairperson LeZotte moved the agenda to Item 8.1.

8. CHIEF EXECUTIVE OFFICER:

Mr. Darin Taylor, Chief Financial Officer, reviewed the information on Items 8.1, 5.2 and 8.2, per the attached Board Agenda Memos.

8.1. Update on Pension and Other Post-Employment Benefits Unfunded Liabilities.

Recommendation: Receive information on the status of pension and Other Post-Employment Benefit unfunded liabilities and provide direction to staff as necessary.

The Board noted the information without formal action.

Chairperson LeZotte returned the agenda to Item 5.2.

5.2. Preliminary Fiscal Year 2019-20 Groundwater Production Charge Analysis Update.

Recommendation: Discuss and provide direction on the preliminary Fiscal Year 2019-20 Groundwater Production Charge analysis prepared by staff.

The Board requested staff schedule a Work Study Session for discussion of water supply investment scenarios.

Chairperson LeZotte acknowledged receipt of the attached correspondence from Ms. Andrea Mackenzie, Open Space Authority, expressing opposition to proposed water rate increases, and from Ms. Katja Irvin, Sierra Club Loma Prieta Chapter, requesting clarification of Pacheco Reservoir funding scenarios, identified respectively as Handouts 5.2-A and 5.2-B herein. Copies of the Handouts were distributed to the Board, and made available to the public.

Director Hsueh suggested the Preliminary Fiscal Year 2019-20 Groundwater Production Charge Analysis report be revised to include an explanation that the State Water Project taxes would be used to fund the California Waterfix.

8.2. Overview of the Fiscal Year 2019-20 First Pass Budget Development Process.

Recommendation: Receive and discuss the overview of the District's Fiscal Year 2019-20 First Pass Budget Development Process.

Chairperson LeZotte referred to staff the attached correspondence from Ms. Irvin requesting clarification of funding for Pacheco Reservoir, identified as Handout 8.2-A, herein. Copies of the Handout were distributed to the Board, made available to the public.

The Board noted the information without formal action.

8.3. CEO and Chiefs' Report.

Ms. Norma Camacho, Chief Executive Officer, reported on Governor Gavin Newsom's State of the State address with regard to his support for the California Waterfix as a single tunnel project, the District's support for a single tunnel project, and the Governor's appointment of Mr. Joaquin Esquivel as Chair of the State Water Resources Control Board. She reported that the District received a Distinguished Budget Presentation Award from the Government Finance Officers Association for meeting the program criteria for its Fiscal Year 2018 budget document.

Mr. Rick Callender, Chief of External Affairs, distributed the attached copy of the Governor's State of the State address, identified as Handout 8.3-A, herein, and reviewed the Governor's comments regarding water policy contained on Pages 4 and 5. He reported on legislation introduced by Assemblymember Ash Kalra, to increase the District's cost threshold for competitive bidding procedures from \$25,000 to \$50,000 for any improvement or unit of work not performed by District personnel, if the District estimates the work to exceed \$50,000; and reviewed and distributed the attached Office of Communications and Office of Civic Engagement reports, identified respectively as Handouts 8.3-C and 8.3-D, herein. Copies of the Handouts were distributed to the Board and made available to the public.

Ms. Melanie Richardson, Chief Operating Officer, reviewed and distributed the attached Storm Report, identified as Handout 8.3-B, herein, and discussed District activities in preparation for anticipated storms.

Mr. Kurt Arends, Acting Chief Operating Officer, reported on water released from Anderson Dam to maintain capacity restrictions imposed by the Division of Safety of Dams.

Ms. Tina Yoke, Chief Administrative Officer, discussed the February 1, 2019, Emergency Operations Center Level 3 activation where staff monitored streams and reservoirs, stocked sandbag pick-up stations, and conducted inter-agency communications exercises.

Chairperson LeZotte returned the agenda to Item 6.

6. **WATERSHEDS:**

None.

9. **EXTERNAL AFFAIRS:**

None.

7. ADMINISTRATION:

None.

10. DISTRICT COUNSEL:

None.

11. ADJOURN:

11.1. Board Member Reports/Announcements.

Director Kremen displayed a video on the completed San Francisquito Creek project, and recapped his trip to Israel which included tours of desalination and waste water treatment plants, meetings with local officials, and presentation of technology used to detect water pollution.

Director Keegan reported attending a meeting with San Jose City Councilmember Dev Davis regarding a District-owned property that could potentially serve as a short-term homeless encampment location.

Director Hsueh announced that she would be meeting with the Environmental and Water Resources Committee Chair to discuss the Committee's format and support of the Board's mission.

Director Estremera reported attending a San Gabriel Valley Municipal Water District Conference.

Director Santos reported attending a Berryessa Citizens Advisory Committee meeting.

Director Varela reported attending Santa Clara County Board of Supervisors, San Martin Neighborhood Alliance, Pajaro River Watershed Flood Prevention Authority and Local Agency Formation Commission (LAFCO) meetings, the Gilroy Chamber of Commerce Spice of Life Awards dinner, and a meeting with Senator Bill Monning.

Chairperson LeZotte reported attending the aforementioned LAFCO meeting, Board Policy and Planning Committee and Capital Improvement Program Committee meetings, the Women of Water Employee Resource Group event, the Water Academy 101 Session, and a meeting with Director Hsueh.

11.2. Proposed Future Board Member Agenda Items.

None.

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 Regular Meeting at 6:00 p.m., on February 26, 2019, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

Chairperson LeZotte introduced Mr. Federico Barajas, Executive Director, San Luis and Delta-Mendota Water Authority, who commented on priority projects and potential partnerships with the District.

Chairperson LeZotte adjourned the meeting at 3:40 p.m., to the 4:00 p.m. Closed Session and 6:00 p.m. Regular Meeting, on February 26, 2019, 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: