



BOARD OF DIRECTORS MEETING

# MINUTES

REGULAR MEETING  
TUESDAY, JANUARY 22, 2019  
4:00 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 at 5700 Almaden Expressway, San Jose, California, at 4:00 p.m.

**1.1. Roll Call.**

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

Director Estremera arrived as noted below.

Staff members in attendance were N. Camacho, Chief Executive Officer, S. Yamamoto, District Counsel, M. King, Clerk/Board of Directors, J. Aranda, K. Arends, B. Broome, R. Callender, G. De La Piedra, A. Fulcher, R. Gibson, V. Gin, G. Hall, N. Hawk, B. Hopper, N. Nguyen, A. Noriega, L. Orta, K. Oven, M. Richardson, D. Taylor, S. Tippetts, B. Yerrapotu, and T. Yoke.

Chairperson LeZotte announced that the Board would adjourn to Closed Session for consideration of Items 2.1, 2.2, and 2.3.

**2. TIME CERTAIN:**

**4:00 PM**

**2.1. CLOSED SESSION  
EXISTING LITIGATION**

Government Code Section 54956.9(d)(1)  
Tanya Ruiz v. Santa Clara Valley Water Dist., et al.  
Santa Clara County Superior Court, Case No. 115CV288721

2.2. CLOSED SESSION  
THREATENED LITIGATION  
Government Code Section 54956.9(d)(2) (One Potential Case)

2.3. CLOSED SESSION  
PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Pursuant to Government Code Section 54957(b)(1)  
Title: CEO, District Counsel and Clerk of the Board

During Closed Session, Director Estremera arrived.

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

**6:00 PM**

2.4. District Counsel Report.

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

Chairperson LeZotte reported that outcomes of the Board's discussions on Item 2.3 would be presented during Items 4.1, 4.2, and 4.3.

2.5. Pledge of Allegiance/National Anthem.

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

2.6. Orders of the Day.

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

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

Ms. Rhoda Fry, Cupertino resident, expressed concern about potential pollution resulting from Lehigh Hanson's processing of construction aggregate at the Stevens Creek Quarry, and submitted the attached document identified as Handout 2.7-A herein. Copies of the Handout were distributed to the Board and made available to the public.

2.8. Santa Clara Valley Water District Government Relations Program Update and Legislative Outlook.

Recommendation:   A.   Receive information on the 2018 Santa Clara Valley Water District (District) government relations advocacy and stakeholder engagement program; and

- B. Provide input on current and future challenges, goals, and accomplishments since the last presentation to the Board of Directors.

Ms. Rachael Gibson, Deputy Administrative Officer, reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachment 4.

The Board noted the information without formal action.

### **3. CONSENT CALENDAR:**

The Board considered Consent Calendar Items 3.1 through 3.5, under one motion.

- 3.1. Adopt Plans and Specifications and Authorize Advertisement for Bids for San Francisquito Creek Mitigation Planting and Establishment Maintenance Project, Project No. 26284002, Contract No. C0644 (Palo Alto) (District 7).

- Recommendation:
- A. Adopt the Plans and Specifications and Authorize Advertisement for Bids for San Francisquito Creek Mitigation Planting and Establishment Maintenance Project, Project No. 262840002, Contract No. C0644, per the Notice to Bidders; and
  - B. Authorize the Designated Engineer to issue addenda, as necessary, during bidding.

- 3.2. Amendment No. 2 to Agreement No. A4055F, with Kadesh and Associates for Federal Lobbying Services, for a Total Funding Amount During the Approximate Three-Year Period (March 9, 2017, Through February 28, 2020) for a Not-to-Exceed Fee of \$338,400.

- Recommendation:
- Approve and authorize the CEO to execute Amendment No. 2 to Agreement No. A4055F, with Kadesh and Associates for Federal Lobbying Services, for a total funding amount during the approximate three-year period (March 9, 2017, through February 28, 2020) for a not-to-exceed fee of \$338,400.

- 3.3. Claim of Daniel Liu.

- Recommendation: Deny the claim.

3.4. CEO Bulletins for the Weeks of January 4-10 and 11-17, 2019.

Recommendation: Accept the CEO Bulletins.

3.5. Approval of Minutes.

Recommendation: Approve the minutes.

Motion: Approve Consent Calendar Items 3.1 through 3.5, under one motion, as follows: adopt the Plans and Specifications and authorize advertisement for bids for the San Francisquito Creek Mitigation Planting and Establishment Maintenance Project and authorize the designated engineer to issue addenda, as contained in Item 3.1; approve and authorize the CEO to execute Amendment No. 2 to the Agreement with Kadesh and Associates for Federal Lobbying Services, for a total funding amount during the approximate three-year period for a not-to-exceed fee of \$338,400, as contained in Item 3.2; deny the claim of Mr. Daniel Liu, as contained in Item 3.3; accept the CEO Bulletins, as contained in Item 3.4; and approve the minutes, as contained in Item 3.5.

Move to Approve: Tony Estremera

Second: Richard Santos

Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Richard Santos, John L. Varela, Linda J. LeZotte

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. Compensation Adjustments for the District Counsel.**

- Recommendation: A. Consider and determine compensation adjustments, if any, for the District Counsel; and
- B. Adopt the Resolution PROVIDING FOR THE COMPENSATION OF THE DISTRICT COUNSEL, A BOARD APPOINTED OFFICER OF THE SANTA CLARA VALLEY WATER DISTRICT, and approve the Amendment to the Employment Agreement Between the Santa Clara Valley Water District and Stanly Yamamoto, consistent with Board-approved compensation adjustments.

Director Kremen left the meeting and returned as noted below.

Motion: Adjust District Counsel salary to the first step of Board approved salary scale which was approved by the Board on May 22, 2018.

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

Motion: Adopt an increase of District Counsel adjusted salary by four percent (4%) retroactive to July 1, 2018, and adopt Resolution No. 19-02 PROVIDING FOR THE COMPENSATION OF THE DISTRICT COUNSEL, A BOARD APPOINTED OFFICER OF THE SANTA CLARA VALLEY WATER DISTRICT, by roll call vote.

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

#### 4.2. Compensation Adjustments for the Clerk of the Board.

- Recommendation:
- A. Consider and determine compensation adjustments, if any, for the Clerk of the Board; and
  - B. Adopt the Resolution PROVIDING FOR THE COMPENSATION OF THE CLERK OF THE BOARD, BOARD APPOINTED OFFICER OF THE SANTA CLARA VALLEY WATER DISTRICT, and approve the Amendment to the Employment Agreement Between the Santa Clara Valley Water District and Michele L. King, consistent with Board-approved compensation adjustments.

Director Kremen returned.

Motion: Adjust Clerk of the Board salary to the first step of Board approved salary scale which was approved by the Board on May 22, 2018.

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

Motion: Adopt an increase of Clerk of the Board adjusted salary by four percent (4%) retroactive to July 1, 2018, and adopt Resolution No. 19-03 PROVIDING FOR THE COMPENSATION OF THE CLERK OF THE BOARD, A BOARD APPOINTED OFFICER OF THE SANTA CLARA VALLEY WATER DISTRICT, by roll call vote.

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

#### 4.3. Compensation Adjustments for Chief Executive Officer.

- Recommendation:
- A. Consider and determine compensation adjustments, if any, for the Chief Executive Officer; and
  - B. Adopt the Resolution PROVIDING FOR THE COMPENSATION OF THE CHIEF EXECUTIVE OFFICER, A BOARD APPOINTED OFFICER OF THE SANTA CLARA VALLEY WATER DISTRICT, and approve the Amendment to the Employment Agreement Between the Santa Clara Valley Water District and Norma J. Camacho, consistent with Board-approved compensation adjustments.

Motion: Adjust Chief Executive Officer salary to the first step of Board approved salary scale which was approved by the Board on May 22, 2018.

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

Motion: Adopt an increase of Chief Executive Officer adjusted salary by four percent (4%) retroactive to July 1, 2018, and adopt Resolution No. 19-04 PROVIDING FOR THE COMPENSATION OF THE CHIEF EXECUTIVE OFFICER, A BOARD APPOINTED OFFICER OF THE SANTA CLARA VALLEY WATER DISTRICT, by roll call vote.

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

#### 4.4. Review of 2019 Board Committee Appointments.

Recommendation: A. Review and approve the proposed 2019 Board Committee appointments as submitted by 2019 Board Chair;  
 B. Appoint new Board Committee Representatives, as necessary;  
 C. Review, revise if necessary, and approve individual Board Committee purpose descriptions; and  
 D. Create or disband Board Committee, as necessary.

Motion: Approve the 2019 Board Committee appointments as presented in Supplemental Attachment 1, and refer Recommendations C and D to the Board Policy and Planning Committee.

Move to Approve: Tony Estremera  
 Second: Gary Kremen  
 Yeas: Tony Estremera, Nai Hsueh, Barbara Keegan, Gary Kremen, Richard Santos, John L. Varela, Linda J. LeZotte

Nays: None  
Abstains: None  
Recuses: None  
Absent: None  
Summary: 7 Yeas; 0 Nays; 0 Abstains; 0 Absent.

Mr. Doug Muirhead, Morgan Hill resident, expressed concern about whether the Board is following Board Governance Policy, GP-8 Board Committee Principles, regarding the annual review of Ad Hoc Committees, and urged the Board to be more transparent regarding appointments to the Local Agency Formation Commission.

4.5. 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. Michele King, Clerk/Board of Directors, reviewed the information on this item, per the attached Board Agenda Memo, and submitted the attached revised Board Policy Planning Board Performance Monitoring Calendars, identified as Handout 4.5-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.

4.6. Board Committee Reports.

Director Estremera reported attending a Delta Conveyance Design and Construction Authority (DCA) meeting; where the DCA entered into a soul source agreement with Bentley Systems for project-wide cloud solution and implementation services not to exceed \$230,000 for five years and an agreement extension with the Hallmark Group for three months; and authorize DCA staff to continue to negotiate a contract for an Executive Director for approval by the DCA Board on March 31, 2019.

Director Kremen reported that the Delta Conveyance Finance Authority reviewed the DCA's progress; reviewed legal issues regarding the Department of Water Resources; the membership of the Coachella Valley Water Agency to DCA; and approved a reimbursement policy.

Director Hsueh reviewed and distributed the attached January 14, 2019, Capital Improvement Program Committee meeting report, identified as Handout 4.6-A, herein. Copies of the Handout were distributed to the Board and made available to the public.



## **5. WATER UTILITY ENTERPRISE:**

### **5.1. State Water Project Tax Discussion (Continued from December 5, 2018).**

Recommendation: Consider information provided by staff and provide policy direction as necessary.

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.

Ms. Karla Dailey, City of Palo Alto, requested that the District take prompt action to correct its practice of relying on property tax payers to meet 100 percent of its State Water Project obligations, per the City of Palo Alto's letter dated October 26, 2018, contained in Attachment 2.

Ms. Deidre Des Jardins, California Water Research, requested the Board consider current litigation being brought against the California WaterFix to challenge whether it is part of the facilities authorized by the Legislature prior to Proposition 13.

Chairperson LeZotte acknowledged receipt of the attached written comments from Ms. Katja Irvin, Sierra Club, identified as Handout 5.1-A, herein, and referred it to staff for response. Copies of the Handout were distributed to the Board and made available to the public.

The Board noted the information without formal action.

### **5.2. Climate Change Mitigation - Update on Progress Towards Carbon Neutrality by 2020.**

Recommendation: Receive and discuss information on the District's progress towards carbon neutrality by 2020.

Mr. Kurt Arends, Deputy Operating Officer, reviewed the information on this Item, per the attached Board Agenda Memo, and per the information contained in Attachment 1.

Ms. Des Jardins expressed concern with Section 6 language of the Water Supply and Water Quality Act of 2018 that allowed appropriation of AB 32 Greenhouse Gas Reduction Funds to be allocated towards rebates for the Department of Water Resource's compliance with AB 32; discussed the Sierra Club's opposition to the ballot measure; and encouraged the Board to oppose any similar language that may appear in future bond measures.

The Board noted the information without formal action.

5.3. California WaterFix Update.

Recommendation: Receive an update on California WaterFix.

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 1.

Ms. Des Jardins expressed concern that the California WaterFix sea level rise assumptions were inadequate, based on other agencies' hydrodynamic modeling.

The Board requested that staff review the sea level rise concerns expressed by Ms. Des Jardins, and respond to her concerns.

**6. WATERSHEDS:**

6.1. Resolution Authorizing the Exchange of Real Property Interests with Silicon Valley Club, LLC at Assessor Parcel Nos. 015-45-013 and 015-45-024, Real Estate File Nos. 3015-503.1, 3015-55.4 and 3015-684 (San Jose) (District 3) (Continued from January 8, 2019).

- Recommendation:
- A. Adopt the resolution AUTHORIZING EXCHANGE OF REAL PROPERTY RIGHTS WITH SILICON VALLEY CLUB, LLC ADJACENT TO GUADALUPE RIVER, ASSESSOR PARCEL NOS. 015-45-013 and 015-45-024, REAL ESTATE FILE NOS. 3015-503.1, 3015-55.4 and 3015-684;
  - B. Authorize the Chief Executive Officer (CEO) to execute the Santa Clara Valley Water District Real Property Exchange Agreement for District Real Estate File Nos. 3015-503.1, 3015-55.4 and 3015-684;
  - C. Authorize the CEO to accept the Easement Deed from Silicon Valley Club, LLC, District Real Estate File No. 3015-684; and
  - D. Authorize the CEO to execute the Quitclaim Deed to Silicon Valley Club, LLC, District Real Estate File Nos. 3015-503.1 and 3015-55.4.

Motion: Adopt Resolution No. 19-05, AUTHORIZING EXCHANGE OF REAL PROPERTY RIGHTS WITH SILICON VALLEY CLUB, LLC ADJACENT TO GUADALUPE RIVER, ASSESSOR PARCEL NOS. 015-45-013 and 015-45-024, REAL ESTATE FILE NOS. 3015-503.1, 3015-55.4 and 3015-684, by roll call vote; and authorize the CEO to execute the Real Property Exchange Agreement, accept the Easement Deed, and execute the Quitclaim Deed.

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

**7. EXTERNAL AFFAIRS:**

None.

**8. CHIEF EXECUTIVE OFFICER:**

**8.1. CEO and Chiefs' Report.**

Ms. Nina Hawk, Chief Operating Officer, updated the Board on reservoir operations resulting from recent storms; reported participating in the first quarterly Water Retailer meeting for 2019; and updated the Board on the status of the Lake and Streambed Alteration Agreement permits, and informed the Board that staff would provide an additional update in the next Board Non-Agenda packet.

Ms. Melanie Richardson, Chief Operating Officer, reviewed and distributed the attached letter dated January 18, 2019, from the San Francisco Bay Regional Water Quality Control Board (RWQCB), and Storm Report for January 8 through 21, 2019, identified respectively as Handouts 8.1-A and 8.1-C herein. Copies of the Handouts were distributed to the Board and made available to the public.

Mr. Vincent Gin, Deputy Operating Officer, reported that the State Water Resources Control Board had proposed a State Wetland Definition and Procedures for Discharges of Dredged or Fill Material to Waters of the State, for inclusion in the forthcoming Water Quality Control Plan for Inland Surface Waters and Enclosed Bays and Estuaries and Ocean Waters of California; and informed the Board of the RWQCB's proposal to list Los Gatos Creek as an impaired water body under the Clean Water Act, Section 303(d).

Mr. Rick Callender, Chief of External Affairs, reviewed and distributed the attached Office of Government Relations update, identified as Handout 8.1-B herein. Copies of the Handout were distributed to the Board and made available to the public.

**9. ADMINISTRATION:**

None.

**10. DISTRICT COUNSEL:**

None.

**11. ADJOURN:**

**11.1. Board Member Reports/Announcements.**

Director Keegan reported attending Fisheries and Aquatic Habitat Collaborative Effort, Board Policy Planning, and Board Audit Committee meetings; and BAO compensation meetings with Chairperson LeZotte and Director Estremera.

Director Kremen reported attending Delta Conveyance Finance Authority, Recycled Water, and Board Audit Committee meetings; a San Luis Delta-Mendota Water Authority meeting; and various meetings with staff.

Director Hsueh reported attending a Quarterly Water Retailers meeting; and various meetings with staff.

Director Varela reported attending the aforementioned San Luis Delta-Mendota Water Authority Board meeting; Silicon Valley Chamber Coalition, Santa Clara Valley Farm Bureau, and Cal Fire Santa Clara Unit meetings; a meeting with Assembly Member Robert Rivas; and various meetings with staff.

Director Santos reported attending the aforementioned Cal Fire Santa Clara Unit meeting; and a Landscape Committee meeting.

Director Estremera reported attending the aforementioned BAO compensation meeting; Board Audit Committee, Capital Improvement Committee, and Delta Conveyance Design and Construction Authority meetings; a meeting with Santa Clara County Supervisor Cindy Chavez; and various meetings with staff.

Director LeZotte reported attending the aforementioned BAO compensation and Quarterly Water Retailer meetings; and a Habitat Conservation Plan meeting.

**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 1:00 p.m., on February 12, 2019, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

Chairperson LeZotte adjourned the meeting at 8:50 p.m., to the 1:00 p.m., Regular Meeting on February 12, 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:

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