



BOARD OF DIRECTORS MEETING

MINUTES

**CLOSED SESSION AND REGULAR MEETING
TUESDAY, JULY 23, 2019
3:00 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 (Valley Water) Board of Directors was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, at 3:00 p.m.

1.1 Roll Call.

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

Director Hsueh arrived as noted below.

Director Estremera participated via teleconference as noted below.

Staff members in attendance were N. Camacho, Chief Executive Officer (CEO), S. Yamamoto, District Counsel, M. King, Clerk, Board of Directors, E. Baker, L. Bankosh, M. Cook, G. De La Piedra, A. Fulcher, V. Gin, C. Hakes, G. Hall, N. Hawk, B. Hopper, A. Noriega, L. Orta, K. Oven, D. Taylor, B. Yerrapotu, and T. Yoke. Communications Manager L. Hoang represented Chief of External Affairs, R. Callender; and Deputy Operating Officer N. Nguyen represented Chief Operating Officer, M. Richardson.

Chairperson LeZotte confirmed that the Board would adjourn to Closed Session for consideration of Items 2.1 through 2.4.

During Closed Session, Director Hsueh arrived, and Director Estremera participated by teleconference.

2. TIME CERTAIN:

3:00 PM

- 2.1 CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Santa Clara Valley Water District v. Century Indemnity Co., as successors to CCI Insurance Co., as successors to Insurance Company of America
Santa Clara County Superior Court Case No. 115CV286500
- 2.2 CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant exposure to litigation
Pursuant to Government Code Section 54956.9(d)(2)
One Potential Case
- Director Hsueh arrived.
- 2.3 CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Union Pacific Railroad v. Santa Clara Valley Water District
- 2.4 CLOSED SESSION
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957(b)(1)
Title: CEO

6:00 PM

Upon conclusion of Closed Session, Director Estremera ended his participation by teleconference and was absent for the remainder of the meeting, and upon return to Open Session, the same Board members, including Director Hsueh, excluding Director Estremera, and staff, were present.

- 2.5 District Counsel Report.
- Mr. Stan Yamamoto, District Counsel, reported that the Board met in Closed Session in regard to Items 2.1 and 2.3, excluding Director Hsueh, and in regards to 2.2 and 2.4, including Director Hsueh, and gave direction to staff.
- 2.6 Pledge of Allegiance/National Anthem.
- Chairperson LeZotte led all present in reciting the Pledge of Allegiance.
- 2.7 Orders of the Day.
- Chairperson LeZotte confirmed that Item 6.2 would be considered after Item 2.9.

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

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

Ms. Kennedy Henninger, Morgan Hill resident, informed the Board of the Clover Foundation Heritage Hog Scholastic Scholarships Program for high school seniors in Santa Clara County.

2.9 Approve an Agreement with Infor Public Sector Incorporated (INFOR), for Software as a Service (SAAS) and Professional Services Agreement, to Implement and License the INFOR CloudSuite Enterprise Resources Planning (ERP) Project, Project No. 73274002, Contract No. C14306, CAS File No. 4876, for a Fee of \$8,063,032. (Previously Listed as 2.8)

Recommendation: A. Approve a Professional Services Agreement with INFOR, for the INFOR CloudSuite ERP Project, for a fee of \$8,063,032; and
B. Approve a 10 percent contingency in the amount of \$806,303 and authorize the Chief Executive Officer (CEO) to negotiate and execute Agreement amendments, increasing professional scope of services, and purchasing additional licenses.

Mr. Michael Cook, Deputy Administrative Officer, reviewed the information on this item, per the attached Board Agenda Memorandum, and per the information contained in Attachment 3.

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

Chairperson LeZotte moved the agenda to Item 6.2.

6.2 Approve a Budget Adjustment to Fund Acquisition of Preserve Lands through Partnership Agreement A4208A, with the Santa Clara Valley Habitat Agency, under the Safe, Clean Water and Natural Flood Protection Program's Partnerships for Conservation of Habitat Lands Project, Project No. 26072008.

Recommendation: A. Approve a Fiscal Year 2020 budget adjustment in the amount of \$6,000,000 from Fund 26 Operating and Capital Reserves to the Partnerships for the Conservation of Habitat Lands Project, Project No. 26072008 to fully fund Partnership Agreement A4208A, for the Conservation of Habitat Lands; and

- B. Authorize the transfer of funds in the amount of \$8,000,000 to the Santa Clara Valley Habitat Agency to support the acquisition of Preserve Lands consistent with the funding criteria specified in Partnership Agreement A4208A.

Ms. Lisa Bankosh, Assistant Officer, reviewed the information on this item, per the attached Board Agenda Memorandum, and per the information contained in Attachment 4.

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

Chairperson LeZotte returned the agenda to the Consent Calendar.

3. CONSENT CALENDAR:

The Board noted that Item 3.1 had been moved to the August 27, 2019 Board meeting, and considered Items 3.2 through 3.5, under one motion.

- 3.1 Item Moved to August 27, 2019 - Approve Updates to the Santa Clara Valley Water District Living Wage Policy.

- 3.2 Membership Nomination for Committee Appointment to the Agricultural Water Advisory Committee.

Recommendation: Consider nomination of Mr. Timothy Chiala for a two-year membership appointment to the Agricultural Water Advisory Committee.

- 3.3 Membership Nomination for Committee Appointment to the Safe, Clean Water and Natural Flood Protection Program Independent Monitoring Committee.

Recommendation: Consider nomination of Ms. Susan Kazemi for a two-year appointment to the Safe, Clean Water and Natural Flood Protection Program Independent Monitoring Committee.

- 3.4 Accept the CEO Bulletins for the Weeks of July 5-11, and 12-18, 2019.

Recommendation: Accept the CEO Bulletins.

3.5 Approval of Minutes.

Recommendation: Approve the minutes.

Motion: Approve Consent Calendar Items 3.2 through 3.5, under one motion, as follows: approve the nomination for committee appointment of Mr. Timothy Chiala to the Agricultural Water Advisory Committee, as contained in Item 3.2; approve the nomination for committee appointment of Ms. Susan Kazemi to the Safe, Clean Water and Natural Flood Protection Program Independent Monitoring Committee, 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: Richard Santos

Second: Nai Hsueh

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

Nays: None

Abstains: None

Recuses: None

Absent: Tony Estremera

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

REGULAR AGENDA:

4. BOARD OF DIRECTORS:

4.1 BOARD COMMITTEE REPORTS: Standing Reports:

1. Delta Conveyance Design (DCA) and Construction Authority Update
2. Delta Conveyance Finance Authority (DCFA) Update Board Committees
3. Board Audit Committee
4. Board Policy and Planning Committee
5. Capital Improvement Program Committee
6. Coyote Flood Risk Reduction Ad Hoc Committee
7. Diversity and Inclusion Ad Hoc Committee
8. FAHCE Ad Hoc Committee
9. Homeless Encampment Ad Hoc Committee
10. Recycled Water Committee
11. Water Conservation and Demand Management Committee
12. Water Storage Exploratory Committee Board Advisory Committees
13. Agricultural Water Advisory Committee
14. Environmental and Water Resources Committee
15. Santa Clara Valley Water Commission
16. Santa Clara Valley Water District Youth Commission Summary Board Joint Committees
17. Joint Recycled Water Advisory Committee with the City of Sunnyvale
18. Joint Recycled Water Policy Advisory Committee with the Cities of San Jose/Santa Clara and TPAC

19. Joint Water Resources Committee (City of Gilroy, City of Morgan Hill, and Valley Water)
20. San Felipe Division Reach One External Committees/Agencies
21. ACWA and ACWA Joint Powers Insurance Authority
22. Baylands Shoreline Steering Committee
23. California WaterReuse Association
24. Joint Venture Silicon Valley Board of Directors
25. Landscape Committee
26. Local Agency Formation Commission (LAFCO)
27. Northern California Latino Water Coalition
28. Pajaro River Watershed Flood Protection Authority
29. Redevelopment Dissolution Countywide Oversight Board of Santa Clara County
30. Safe, Clean Water Independent Monitoring Committee
31. San Francisquito Creek JPA
32. Santa Clara County Water Retailers
33. Santa Clara Valley Habitat Conservation Plan JPA
34. San Luis and Delta-Mendota Water Authority Board and Delta Habitat Conservation & Conveyance Plan Steering Committee
35. Santa Clara County Emergency Operations Area Council
36. Santa Clara County Recycling and Waste Reduction Commission
37. Santa Clara County Special Districts Association
38. South County Regional Wastewater Authority (SCRWA)
39. Station Area Advisory Group (SAAG)
40. Zone 7, EBRPD, ACWD, SCVWD, LARPD and Tri-Valley Conservancy Liaison Committee

In regard to Items 4.1-4, 4.1-13, 4.1-15, and 4.1-32, Chairperson LeZotte acknowledged receipt of the attached Board Policy and Planning Committee (BPPC), Environmental and Water Resources Committee, Water Commission, and Santa Clara County (SCC) Water Retailer, agendas, and Agricultural Water Advisory Committee meeting summary, respectively, herein.

Director Hsueh reviewed the attached Environment and Water Resources Committee Agenda, identified as Handout 4.1-14, herein. Copies of the Handout were distributed to the Board and made available to the public.

Director Keegan reviewed the attached DCA Summary, identified as Handout 4.1-1, herein. Copies of the Handout were distributed to the Board and made available to the public.

Director Kremen reviewed the attached DCFA Summary, identified as Handout 4.1-2, herein. Copies of the Handout were distributed to the Board and made available to the public.

Director Varela updated the Board regarding 4.1-21 and his acceptance of the nomination for the position of Vice Chairperson for ACWA Region 5.

5. WATER UTILITY ENTERPRISE:

5.1 Annual Asset Management Program Update.

Recommendation: Receive information on Santa Clara Valley Water District's Asset Management Program.

Ms. Luz Penilla, Acting Unit Manager, reviewed the information on this item, per the attached Board Agenda Memorandum, and per the information contained in Attachment 3.

The Board noted the information without formal action.

The Board considered Items 5.2 through 6.3 without staff presentation.

- 5.2 Approve a Budget Adjustment in the Amount of \$1,344,000 to Cover an Increase in the Annual Rent for the Union Pacific Railroad (UPRR) Blue Hills Indenture Payment for the Recharge/Raw Water Field Operations Project, Project No. 92761009 (Saratoga, Campbell, District No. 4, 5).

Recommendation: Approve a budget adjustment transferring \$1,344,000 from the 10-Year Pipeline Inspection and Rehabilitation Program, Project No. 95084002, to the Recharge/Raw Water Field Operations Project, Project No. 92761009.

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

- 5.3 Report of Bids Received and Award of Construction Contract to Granite Rock Company in the sum of \$68,118,602 for the Upper Llagas Creek Flood Protection Project Phase 1, Project No. 26174052, Contract No. C0645 (Morgan Hill) (District 1).

Recommendation: A. Ratify Addenda Nos. 1, 2, 3, 4, and 5 to the Contract Documents for the Upper Llagas Creek Flood Protection Project, Phase 1;
B. Award the Contract to Granite Rock Company located in San Jose, California, in the sum of \$68,118,602; and
C. Approve a contingency sum of \$10,217,790 and authorize the Chief Executive Officer (CEO) or designee to approve individual change orders up to the designated amount.

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

6. WATERSHEDS:

- 6.1 Adopt Resolution Adopting the Final Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, and Project Approval for the Upper Guadalupe River Reach 6 Aquatic Habitat Improvement Project, Project No. 26154002 (San Jose, District 2).

Recommendation: A. Consider the environmental effects of the Upper Guadalupe River Reach 6 Aquatic Habitat Improvement Project (Project) as discussed in the Final Mitigated Negative Declaration (MND);
 B. Adopt a RESOLUTION ADOPTING THE FINAL MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING AND REPORTING PROGRAM for the Project; and
 C. Approve the Project.

Motion: Adopt Resolution No. 19-61 RESOLUTION ADOPTING THE FINAL MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING AND REPORTING PROGRAM, by roll call vote; and approve the project for the Upper Guadalupe River Reach 6 Aquatic Habitat Improvement Project, Project No. 26154002.

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

Director Hsueh requested that staff look into using the Upper Guadalupe River Reach 6 Aquatic Habitat Improvement Project as a gravel augmentation site for the Safe, Clean Water Program Fish Habitat and Passage Improvement Project in the Guadalupe Watershed (Board Member Request No. R-19-0010).

- 6.3 Approve a Construction Contract Contingency Increase of \$187,400, for the Cunningham Flood Detention Certification Project, Project No. 40264011, Contract No. C0641, Resulting in a New Project Construction cost of \$4,310,200 (San Jose, District 1).

Recommendation: Approve an increase of \$187,400 to the construction contract contingency sum for the Cunningham Flood Detention Certification Project.

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

7. EXTERNAL AFFAIRS:

None.

8. CHIEF EXECUTIVE OFFICER:

- 8.1 Fiscal Year (FY) 2018-19 Preliminary and Unaudited Financial Status Report.

Recommendation: Receive the preliminary and unaudited financial status report for the FY2018-19 ended on June 30, 2019.

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

The Board noted the information without formal action.

- 8.2 CEO and Chiefs' Report.

Ms. Nina Hawk, Chief Operating Officer, reported on the Delta Conveyance Project public negotiations with the Department of Water Resources (DWR) and State Water Contractors; a Pacheco Reservoir Expansion Project Stakeholders, Sites Reservoir Authority, Los Vaqueros Expansion Reservoir Stakeholders, and California State Water Resources Control Board meeting to discuss water rights permitting for the Pacheco, Sites, and Los Vaqueros Reservoir Projects; and reported that the Sustainable Groundwater Management Act had been approved by DWR.

Mr. Ngoc Nguyen, Acting Chief Operating Officer, distributed and reviewed the attached Stream Maintenance Report, identified as Handout 8.2-B herein. Copies of the Handout were distributed to the Board and made available to the public.

Mr. Alex Gordon, Emergency and Security Manager, updated the Board regarding planning activities for Pacific Gas and Electric's Public Safety Power Shutoff, and the potential for extended power outages during the 2019 wildfire season.

Ms. Linh Hoang, Acting Chief of External Affairs, distributed and reviewed the attached Office of Government Relations Legislative Update, identified as Handout 8.2-A 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 Kremen reported attending a San Luis Delta-Mendota Water Authority (SLDMWA) Board Meeting and San Luis Dam Tour; Bay Area Water Supply and Conservation Agency, Calero Dam, and Pacheco Dam Partners meetings; and various meetings with staff.

Director Varela reported attending the aforementioned SLDMWA Board meeting and San Luis Dam Tour; South County Regional Wastewater Authority (SCRWA) Board meeting; Agricultural Water Advisory Committee meeting; a meeting with Assemblymember Robert Rivas; and various meetings with staff.

Director Keegan reported attending Recycled Water Committee, Fish and Aquatic Habitat Collaborative Effort (FAHCE) Committee, Board Policy and Planning Committee (BPPC), and Monthly Water Revenue Working Group meetings; and various meetings with staff.

Director Santos reported attending the aforementioned SLDMWA Board Meeting and Dam Tour; Quarterly Water Retailers Meeting; and various meetings with staff.

Director Hsueh reported attending the aforementioned Quarterly Water Retailers, Monthly Water Revenue Working Group, and BPPC meetings; an Environmental and Water Resources Committee (EWRC) meeting; a meeting with Cupertino City Manager Deborah L. Feng; and various meetings with staff.

Director LeZotte reported attending the aforementioned Monthly Water Revenue Working Group, Quarterly Water Retailers, FAHCE, EWRC, and BPPC meetings; and various meetings with staff.

11.2 Proposed Future Board Member Agenda Items.

Director Kremen requested that staff come back at a future Board meeting with a discussion regarding the potential outsourcing of large print jobs to union printers.

Director Varela requested that staff provide information on a potential partnership agreement with the Santa Clara Valley Habitat Agency for acquisition of the Sargent Ranch Property, located in the southern portion of Santa Clara County (Board Member Request No. R-19-0009).

11.3 Clerk Review and Clarification of Board Requests.

Ms. Michele King, Clerk, Board of Directors, read the new Board Member Requests into the record.

11.4 Adjourn to 11:00 a.m. Closed Session and 1:00 p.m. Regular Meeting on August 13, 2019, in the Santa Clara Valley Water District Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

Chairperson LeZotte adjourned the meeting at 7:40 p.m., to the 11:00 a.m. Closed Session and 1:00 p.m. Regular Meeting on August 13, 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: 09/10/2019

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