



BOARD OF DIRECTORS MEETING

MINUTES

**CLOSED SESSION AND REGULAR MEETING
TUESDAY, NOVEMBER 12, 2019
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 (Valley Water) Board of Directors was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, at 11:00 a.m.

1.1 Roll Call.

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

Director Nai Hsueh was excused from attending; and Directors Tony Estremera and Gary Kremen arrived as noted below.

Staff members in attendance were S. Yamamoto, District Counsel, M. King, Clerk, Board of Directors, A. Baker, M. Baratz, T. Bramer, M. Cook, G. De La Piedra, A. Fulcher, R. Fuller, V. Gin, B. Hopper, L. Infante, N. Nguyen, A. Noriega, D. Taylor, and B. Yerrapotu. Chief Operating Officer T. Yoke represented Chief Executive Officer N. Camacho, Deputy Operating Officer G. Hall represented Chief Operating Officer N. Hawk, Deputy Operating Officer C. Hakes represented Chief Operating Officer M. Richardson, Communications Manager L. Hoang represented Chief of External Affairs R. Callender, Deputy Administrative Officer M. Cook represented Chief Operating Officer T. Yoke, and Senior Management Analyst B. Zisser represented Deputy Administrative Officer R. Gibson.

Chairperson LeZotte confirmed that Item 2.1 had been removed from the agenda, and that the Board would adjourn to Closed Session for consideration of Items 2.2 and 2.3.

During Closed Session, Directors Estremera and Kremen arrived.

2. TIME CERTAIN:

11:00 AM

- 2.1 ITEM REMOVED FROM AGENDA. (CLOSED SESSION)
- 2.2 CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Pursuant to Government Code Section 54956.9(d)(2)
Two Potential Cases
- 2.3 CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant exposure to litigation Pursuant to Government Code
Section 54956.9(d)(2)
One Potential Case

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

1:00 PM

- 2.4 District Counsel Report.

Mr. Brian Hopper, Senior Assistant District Counsel, reported that in regards to Items 2.2 and 2.3, the Board met in Closed Session with all members present, excluding Director Hsueh, and gave direction to staff.
- 2.5 Pledge of Allegiance/National Anthem.

Director Keegan 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.

Chairperson LeZotte declared time open for public comment on any item not on the agenda. There was no one present who wished to speak.
- 2.8 Adopt Resolution of the Board of Directors of the Santa Clara Valley Water District Authorizing the Issuance of Not-To-Exceed \$40 Million of Water System Refunding Revenue Bonds, Approving the Execution and Delivery of Certain Documents, and Authorizing Certain Acts In Connection Therewith.

Recommendation: A. Adopt a Resolution AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$40 MILLION OF WATER SYSTEM REFUNDING REVENUE BONDS, TAXABLE SERIES 2019C, APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH; and

- B. Authorize and direct the Chief Executive Officer, Chief Financial Officer, Treasury/Debt Officer, District Counsel, and the Clerk of the Board of Directors and such other officers and staff of the District, acting singly, to do any and all things, and to execute and deliver any and all documents, which such officers may deem necessary or advisable in order to consummate the sale and delivery of the Refunding Revenue Bonds.

Mr. Steve Peters, Senior Management Analyst, reviewed the information on this item, per the attached Board Agenda Memo, and confirmed that the projected all-in true interest cost reported as 2.51 percent on the attached Agenda Memorandum, Page 2, Paragraph 1, was currently at 2.29 percent and had decreased budgetary savings from \$10.6 million to \$9.1 million.

Mr. Darin Taylor, Chief Financial Officer, informed the Board that the five Valley Water Dams that were currently under Department of Dam Safety capacity restrictions had met impairment test standards to be reported without a write-off value, and requested that the Board refer to the Board Audit Committee to consider opportunities to value Valley Water's water inventory as an asset, discuss methodologies for establishing the value of water inventory, and discuss related policies.

Mr. Ed Song, Public Resources Advisory Group, discussed the possibilities of enhancing Valley Water's rating by monitoring water storage.

Motion: Adopt Resolution No. 19-73, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$40 MILLION OF WATER SYSTEM REFUNDING REVENUE BONDS, TAXABLE SERIES 2019C, APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS AND AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH, by roll call vote, authorize and direct the Chief Executive Officer, Chief Financial Officer, Treasury/Debt Officer, District Counsel, and the Clerk of the Board of Directors and such other Valley Water officers and staff, acting singly, to do any and all things, and to execute and deliver any and all documents, which such officers may deem necessary or advisable in order to consummate the sale and delivery of the Refunding Revenue Bonds, and refer to the Board Audit Committee to consider opportunities to value Valley Water's water inventory as an asset, discuss methodologies for establishing the value of water inventory, and discuss related policies.

Move to Adopt: Gary Kremen
Second: Barbara Keegan
Yeas: Tony Estremera, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
Nays: None
Abstains: None

Recuses: None
Absent: Nai Hsueh
Summary: 6 Yeas; 0 Nays; 0 Abstains; 1 Absent.

3. **CONSENT CALENDAR:**

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

3.1 Denial of Claim of Mo-Yun Fong.

Recommendation: Deny the claim.

3.2 Denial of Claim of Robert Middleton.

Recommendation: Deny the claim.

3.3 Approve the Sale of Santa Clara Valley Water District Surplus Property Located at 110 South Sunset Avenue, San Jose, APN 481-21-055, File No. 4026-131.1 (District 6) (San Jose).

Recommendation: A. Approve the sale of surplus property located at 110 South Sunset Avenue, San Jose, APN 481-21-055, File No. 4026-131.1, to Hien Thi Nguyen and Charles Huu Nguyen, the bidder submitting the high bid in the amount of \$573,000; and
B. Authorize the Chief Executive Officer, or her designee to execute the Real Property Purchase and Sale Agreement with Quitclaim Deed to Hien Thi Nguyen and Charles Huu Nguyen.

3.4 Accept the CEO Bulletins for the Weeks of October 18-24 and 25-31, and November 1-7, 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: Deny the claims of Mo-Yun Fong and Robert Middleton, as contained in Items 3.1 and 3.2; approve the sale of surplus property located at 110 South Sunset Avenue, San Jose, APN 481-21-055, File No. 4026-131.1, to Hien Thi Nguyen and Charles Huu Nguyen, the bidder submitting the high bid in the amount of \$573,000, and authorize the Chief Executive Officer, or her designee to execute the Real Property Purchase and Sale Agreement with Quitclaim Deed, 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:	John L. Varela
Yeas:	Tony Estremera, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard Santos, John L. Varela
Nays:	None
Abstains:	None
Recuses:	None
Absent:	Nai Hsueh
Summary:	6 Yeas; 0 Nays; 0 Abstains; 1 Absent.

REGULAR AGENDA:

4. BOARD OF DIRECTORS:

4.1 Board Committee Reports.

Standing Reports (Verbal Reports):

1. Delta Conveyance Design and Construction Authority (DCA) Update
2. Delta Conveyance Finance Authority (Finance Authority) Update

Board Committees (Summary or Meeting Agenda):

3. Board Audit Committee (BAC)
4. Board Policy and Planning Committee (BPPC)
5. Capital Improvement Program (CIP) Committee
6. Coyote Flood Risk Reduction (CFRR) Ad Hoc Committee
7. Diversity and Inclusion (D&I) Ad Hoc Committee
8. Fishery and Aquatic Habitat Collaborative Effort (FAHCE) Ad Hoc Committee
9. Homeless Encampment Ad Hoc Committee (HEAHC)
10. Recycled Water Committee (RWC)
11. Water Conservation and Demand Management (WCDM) Committee
12. Water Storage Exploratory Committee (WSEC)

Board Advisory Committees (Summary or Meeting Agenda):

13. Agricultural Water Advisory Committee (AWAC)
14. Environmental and Water Resources Committee (EWRC)
15. Santa Clara Valley Water Commission (Water Commission)
16. Youth Commission

Board Joint Committees (Summary or Meeting Agenda):

17. Joint Recycled Water Advisory Committee (JRWAC) (Sunnyvale)
18. Joint Recycled Water Advisory Committee (JRWAC) (East PA/PA/MV)
19. Joint Recycled Water Policy Advisory Committee (JRWPAC) (SJ/SC/TPAC)
20. Joint Water Resources Committee (JWRC) (Gilroy/Morgan Hill)
21. San Felipe Division Reach One

External Committees/Agencies (Verbal Report):

22. ACWA and ACWA Joint Powers Insurance Authority
23. Baylands Shoreline Steering Committee
24. California WaterReuse Association
25. Joint Venture Silicon Valley Board of Directors
26. Landscape Committee
27. Local Agency Formation Commission (LAFCO)
28. Northern California Latino Water Coalition

29. Pajaro River Watershed Flood Protection Authority
30. Redevelopment Dissolution Countywide Oversight Board of Santa Clara County
31. Safe, Clean Water Independent Monitoring Committee (SCW IMC)
32. San Francisquito Creek JPA
33. Santa Clara County Water Retailers
34. Santa Clara Valley Habitat Conservation Plan JPA
35. San Luis and Delta-Mendota Water Authority Board and Delta Habitat Conservation & Conveyance Plan Steering Committee
36. Santa Clara County Emergency Operations Area Council
37. Santa Clara County Recycling and Waste Reduction Commission
38. Santa Clara County Special Districts Association
39. South County Regional Wastewater Authority (SCRWA)
40. Station Area Advisory Group (SAAG)
41. Zone 7, EBRPD, ACWD, SCVWD, LARPD and Tri-Valley Conservancy Liaison Committee

In regard to Handouts 4.1.3-A, 4.1.4-A, 4.1.5-A and B, 4.1.9-A and B, 4.1.10-A, 4.1.11-A, 4.1.14-A, 4.1.15-A, and 4.1.16-A, Chairperson LeZotte acknowledged receipt of the attached BAC, BPPC, CIP, HEAHC, EWRC and Water Commission meeting summaries and CIP, HEAHC, RWC, WCDM and Youth Commission meeting agendas. Copies of the Handouts were distributed to the Board, and made available to the public.

Director Kremen reported on the San Francisquito Joint Powers Authority meeting, and legal action regarding violation of the California Environmental Quality Act on the San Francisquito Creek Flood Protection Project, upstream of Highway 101.

5. WATER UTILITY ENTERPRISE:

5.1 Next Steps for the Untreated Surface Water Program (Continued From October 22, 2019).

Recommendation: Review Board Policy and Planning Committee's recommendation to seek stakeholder input on the future of the Untreated Surface Water Program, including the recommendation to sunset the Program.

Mr. Aaron Baker, Deputy Operating Officer, and Mr. Bassam Kassab, Water Supply Operations Manager, reviewed the information on this item, per the attached Board Agenda Memo, and Mr. Kassab reviewed the information contained in Handout 5.1-A. Copies of the Handout were distributed to the Board and made available to the public.

The Board expressed concern that the Next Steps proposed for the Untreated Surface Water Program lacked explanation of implications associated with the proposed program's changes, financial impacts, public outreach, and a clear definition of resources for fire suppression.

Motion: Approve the BPPC's recommendation to seek stakeholder input on the future of the Untreated Surface Water Program, including the recommendation to sunset the Program; and provide outreach results to the BPPC including cost, financial allocation and impacts to Valley

Water to provide untreated surface water for continued fire suppression resources, and the current status of fire suppression.

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

6. WATERSHEDS:

- 6.1 Approve a Budget Adjustment in the Amount of \$4,700,000, from Fund 26 Operating and Capital Reserves to the Permanente Creek Flood Protection Project - Rancho San Antonio Detention Basin, Project No. 26244001, for the Following Purposes: To Increase the Contract Contingency Fund in the Amount of \$3,000,000; To Provide \$1,450,000 Funding for In-House Engineering Support, Construction Inspection, and Contract Management Services; and To Provide \$250,000 Funding for Additional Native American Consultant Services; Approve the Increase to the Contract Contingency Fund; and Approve Amendment No. 1 to Agreement A4170G with Andrew Galvan (Cupertino) (District 5).

Recommendation: A. Approve a Fiscal Year 2020 budget adjustment in the amount of \$4,700,000, from Fund 26 Operating and Capital Reserves to the Permanente Creek Flood Protection Project - Rancho San Antonio Detention Basin, Project No. 26244001, for the following purposes: to increase the contract contingency fund in the amount of \$3,000,000; to provide \$1,450,000 funding for in-house engineering support, construction inspection, and contract management services; and to provide \$250,000 funding for additional Native American consultant services; and
B. Approve an increase of \$3,000,000 to the construction contract contingency fund for Contract No. C0617 with Granite Construction Company; and
C. Approve Amendment No. 1 to Agreement A4170G with Andrew Galvan increasing the not-to-exceed compensation limit by \$250,000, for a new Not-To-Exceed Fee of \$398,500 and extending the Agreement term to March 31, 2021.

Mr. Ngoc Nguyen, Deputy Operating Officer, reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachment 1.

Director Estremera expressed concern for increased contingency funds, and emphasized the need for contract compliance.

Motion: Approve Recommendations A, B and C; and continue review of contingency funds at the next Board Audit Committee meeting.

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

6.2 Stormwater Resource Planning in Santa Clara County.

Recommendation: Receive and discuss information on stormwater resource planning in Santa Clara County.

Ms. Kristin Struve, Senior Water Resources Specialist, reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachment 1.

Mr. Jerry De La Piedra, Assistant Officer, discussed Valley Water's partnership with Stanford on a study to use storm water to supplement the wastewater stream to the recycled water program.

Mr. Larry Ames, San Jose Parks and Recreation Commission, expressed support for stormwater resource planning in Santa Clara County, and expressed concern for strategies used to determine the location of detention basins.

The Board noted the information, without formal action.

7. EXTERNAL AFFAIRS:

7.1 Approve and Implement Proposed Rebranded Artwork for Water Truck Design.

Recommendation: Review and approve the design and implementation of the proposed artwork for the Valley Water Truck Design, which incorporates the rebranded logo, moniker, and tagline for Valley Water.

Ms. Linh Hoang, acting Chief of External Affairs, reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachment 1.

Motion: Approve the design and implementation of the proposed artwork for the Valley Water Truck Design as presented.

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

Recuses: None
Absent: Nai Hsueh
Summary: 6 Yeas; 0 Nays; 0 Abstains; 1 Absent.

8. CHIEF EXECUTIVE OFFICER:

8.1 Moved to Item 2.8.

8.2 Approve the Addition of Seventeen Full-Time Santa Clara Valley Water (Valley Water) District Employee Positions. (Previously Listed as Item 8.2)

Recommendation: Approve the addition of seventeen (17) Valley Water Full-Time Employee (FTE) positions, including sixteen (16) classified positions and one (1) unclassified position.

Ms. Tina Yoke, Acting Chief Executive Officer, reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachment 1.

Director Estremera expressed concern for lack of Human Resources staff to conduct recruitment efforts, and Ms. Anna Noriega, Chief People Officer, explained current staffing resource needs.

Motion: Approve the addition of 17 Valley Water Full-Time Employee positions as follows: 16 classified positions and one unclassified position; and direct the Chief People Officer to assess Human Resources staffing needs, and report back to the Board.

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

8.3 CEO and Chiefs' Report.

Mr. Garth Hall, Acting Chief Operating Officer, reported on the State Water Contractors' negotiations regarding the Delta Conveyance Project, and two upcoming planned service shutdowns scheduled to occur during December at the Rinconada Water Treatment Plant to perform electrical tie-in work.

Mr. Chris Hakes, Acting Chief Operating Officer, reviewed and distributed the attached Stream Maintenance Report, identified as Handout 8.3-A, herein. Copies of the Handout were distributed to the Board and made available to the public.

Mr. Mike Cook, Acting Chief Operating Officer, reported on the Employee Resources Planning Project, updates to Valley Water's e-mail service, and discussions with Alameda County Water District regarding information

technology approaches including cyber security, disaster recovery, and emergency preparation.

Ms. Hoang reviewed and distributed updates on the activities of the Offices of Civic Engagement and Communications, identified as Handouts 8.3-B and 8.3-C, respectively, herein. Copies of the Handouts 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 Varela reported attending Water Storage Exploratory Committee (WSEC) and Diversity and Inclusion (D & I) Ad Hoc Committee meetings and a Silicon Valley Leadership luncheon, participating in a conference call with the Association of California Water Agencies, and giving a presentation to the Gilroy Rotary Club.

Director Santos reported attending the aforementioned WSEC meeting, a Veterans Employee Resource Group event, and a public meeting regarding the Coyote Creek Flood Protection Project in District 3.

Director Estremera reported attending the aforementioned D & I Ad Hoc Committee meeting, Capital Improvement Program Committee and La Raza Roundtable meetings, and a public meeting regarding the Coyote Creek Flood Protection Project in District 6.

Director Keegan announced she would be attending a Delta Conveyance Authority Stakeholder Engagement meeting and a public meeting regarding the Coyote Creek Flood Protection Project in District 2.

Director Kremen reported attending the aforementioned WSEC meeting, a San Luis Delta-Mendota Water Authority meeting via teleconference, Prevention of Sexual Harassment Training, and participating in an interview with Stanford Radio; and announced he would be participating in a tour of the Milpitas Intertie and attending a Loma Prieta Resource Conservation District meeting.

Chairperson LeZotte reported attending the aforementioned Prevention of Sexual Harassment Training and Veterans Employee Resource Group event, a Santa Clara County Emergency Operation Area Council meeting, meetings with staff, and participating in a video and tour of the Silicon Valley Advanced Water Purification Center.

11.2 Proposed Future Board Member Agenda Items.

Director Varela requested the Chief Executive Officer provide a report to the Directors via one-on-one meetings or confidential memo on the cancellation of the October 28, 2019 Joint Valley Water/Morgan Hill/Gilroy Board and Council meeting (Board Member Request No. R-19-0014).

Ms. Noriega confirmed that a Diversity and Inclusion Report that included information on recruitment and hiring would be brought to the Board in February 2020, and Ms. Michele King, Clerk, Board of Directors, confirmed that discussion on Board Governance Policy GP-9.2.1 would be brought to the Board on December 10, 2019.

11.3 Clerk Review and Clarification of Board Requests.

Ms. King, read the new Board Member Request into the record.

11.4 Adjourn to 11:30 a.m. Closed Session and 12:00 p.m. Special Meeting, on November 20, 2019, in the Valley Water Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose, California.

Chairperson LeZotte noted that the start time of the next meeting had been changed from 11:30 a.m. to 12:00 p.m., and adjourned the meeting at 3:05 p.m., to the 12:00 p.m. Special meeting on November 20, 2019, in the Valley Water Headquarters Building Boardroom, 5700 Almaden Expressway, San Jose.

Michele L. King, CMC
Clerk, Board of Directors

Approved:

Date:

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