



BOARD OF DIRECTORS MEETING

---

# MINUTES

---

**CLOSED SESSION AND REGULAR MEETING  
TUESDAY, MAY 12, 2020  
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 Nai Hsueh and Richard Santos. Board members participating by teleconference were Tony Estremera, Barbara Keegan, Gary Kremen, Linda J. LeZotte, and John L. Varela, constituting a quorum of the Board.

Staff in attendance was M. King, Clerk, Board of Directors. Staff participating by teleconference were N. Camacho, Chief Executive Officer (CEO), S. Yamamoto, District Counsel, A. Baker, R. Callender, G. De La Piedra, R. Gibson, G. Hall, C. Kwok-Smith, H. McMahon, N. Nguyen, M. Richardson, D. Taylor, and T. Yoke.

**2. TIME CERTAIN:**

**11:00 AM**

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

**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 ITEM REMOVED FROM AGENDA  
CLOSED SESSION  
PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Pursuant to Government Code Section 54957(b)(1)  
Title: CEO, District Counsel and Clerk of the Board
- 2.3 CLOSED SESSION  
PUBLIC EMPLOYEE APPOINTMENT  
Pursuant to Government Code Section 54957(b)(1)  
Title: Chief Executive Officer/General Manager

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

**1:00 PM**

- 2.4 District Counsel Report on Closed Session.

Chairperson Hsueh reported that the Board met in Closed Session in regard to Items 2.1, and Item 2.3 with herself and Director Santos present, and with Directors Estremera, Keegan, Kremen, LeZotte, and Varela participating by teleconference, and gave direction to staff.

- 2.5 Pledge of Allegiance/National Anthem.

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

- 2.6 Orders of the Day.

Chairperson Hsueh 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 Hsueh declared time open for public comment on any item not on the agenda. There was no one present who wished to speak.

Chairperson Hsueh acknowledged receipt of, and referred to staff for response, the attached email encouraging consideration of succession planning as an integral part of the attrition and hiring freezes, from Mr. Doug Muirhead, Morgan Hill resident, identified as Handout 2.7-A, herein. Copies of the Handout were distributed to the Board and made available to the public.

- 2.8 Public Hearing to Consider the Santa Clara Valley Water District's Draft Fiscal Years 2021-2025 Five-Year Capital Improvement Program. (Continued from 04/29/2020).

Recommendation:   A. Open the public hearing to receive public comments and Board feedback regarding the Santa Clara Valley Water District's Fiscal Years 2021-2025 Five-Year Capital Improvement Program; and  
                              B. Continue the public hearing to May 26, 2020.

Chairperson Hsueh opened the Public Hearing and the Board considered the item without a presentation.

Chairperson Hsueh declared time open for public comments and, seeing no one present who wished to speak, continued the item to the May 26, 2020 meeting.

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

Chairperson Hsueh removed Items 3.2 and 3.6 from the Consent Calendar for individual consideration.

In regard to Item 3.1, Mr. Ngoc Nguyen, Deputy Operating Officer, advised the Board that Attachment 3, Page 1, Paragraph 4, should be revised to read *In consideration for Valley Water's conveyance of the subject easement to SJWC ~~at no cost~~ for one dollar, in addition to the indemnity set forth herein.*

The Board considered Consent Calendar Items 3.1, 3.3 through 3.5, and 3.7 through 3.8, under one motion.

- 3.1 Adopt a Resolution Authorizing Conveyance of Real Property Rights to San Jose Water Company at APN No. 404-07-033, Real Estate File No. 9417-2.1 (Campbell) (District 4).

Recommendation: A. Adopt the Resolution AUTHORIZING CONVEYANCE OF REAL PROPERTY RIGHTS TO THE SAN JOSE WATER COMPANY; and  
B. Authorize the Chief Executive Officer to execute the Quitclaim Deed Agreement, Real Estate File No. 9417-2.1.

- 3.3 Adopt the Resolution Proclaiming May 17-23, 2020 as National Public Works Week.

Recommendation: Adopt a Resolution PROCLAIMING MAY 17-23, 2020 AS NATIONAL PUBLIC WORKS WEEK.

- 3.4 Adopt Resolution Recognizing May as Asian-Pacific American Heritage Month.

Recommendation: Adopt the Resolution RECOGNIZING MAY AS ASIAN-PACIFIC AMERICAN HERITAGE MONTH.

- 3.5 Approve Amendment No. 3 to Agreement No. A4055F with Kadesh and Associates, LLC., for Federal Lobbying Services, Project No. 60231003, CAS File 4766, Increasing the Not-to-Exceed Fee by \$37,600, for a Total Revised Fee of \$376,000, and Extend the Agreement Term to June 30, 2020.

Recommendation: Approve Amendment No. 3 to Agreement No. A4055F with Kadesh and Associates, LLC., for Federal Lobbying Services, to increase the not-to-exceed fee from \$338,400 by \$37,600, resulting in a total not-to-exceed fee of \$376,000, and extend the Agreement term to June 30, 2020.

3.7 Approval of Minutes.

Recommendation: Approve the minutes.

3.8 Accept the CEO Bulletin for the Week of April 24-May 7, 2020.

Recommendation: Accept the CEO Bulletin.

Motion: Approve Consent Calendar Items 3.1, 3.3 through 3.5, and 3.7 through 3.8, under one motion, as follows: adopt Resolution No. 20-21, AUTHORIZING CONVEYANCE OF REAL PROPERTY RIGHTS TO THE SAN JOSE WATER COMPANY, by roll call vote, and authorize the CEO to execute the Quitclaim Deed Agreement, Real Estate File No. 9417-2.1, as contained in Item 3.1; adopt Resolution No. 20-23, PROCLAIMING MAY 17-23, 2020 AS NATIONAL PUBLIC WORKS WEEK, by roll call vote, as contained in Item 3.3; adopt Resolution No. 20-24, RECOGNIZING MAY AS ASIAN-PACIFIC AMERICAN HERITAGE MONTH, by roll call vote, as contained in Item 3.4; approve Amendment No. 3 to Agreement No. A4055F with Kadesh and Associates, LLC., for Federal Lobbying Services, increasing the not-to-exceed fee by \$37,600, for a total revised fee of \$376,000, and extend the agreement term to June 30, 2020, as contained in Item 3.5; approve the minutes, as contained in Item 3.7; and accept the CEO Bulletins, as contained in Item 3.8.

Move to Approve: Richard Santos

Second: Barbara Keegan

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

Chairperson Hsueh returned the Agenda to Item 3.2.

The Board considered Item 3.2 without a staff presentation.

3.2 Adopt the Resolution Delegating Authority to Deposit and Invest Funds to the Treasurer or his or her Designee, and Approve the Board Investment Policy for Fiscal Year 2020-21.

Recommendation: A. Adopt a Resolution DELEGATING AUTHORITY TO DEPOSIT AND INVEST FUNDS TO THE TREASURER OR HIS OR HER DESIGNEE, during Fiscal Year 2020-21; and  
B. Approve the Board Investment Policy for Fiscal Year 2020-21.

Motion: Adopt Resolution No. 20-22, DELEGATING AUTHORITY TO DEPOSIT AND INVEST FUNDS TO THE TREASURER OR HIS OR HER DESIGNEE, during Fiscal Year 2020-21; approve the Board Investment Policy for Fiscal Year 2020-21; and return with information and recommendations on inclusion of Global Sullivan Principles on Valley Water's investment policy, investment up to 1% of the portfolio in smaller banks with less than \$2 billion in total assets, and add Certificate of Deposit Account Registry Service to increase investment in local banks.

Move to Adopt: Gary Kremen  
Second: Richard Santos  
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.

Chairperson Hsueh moved the Agenda to Item 3.6.

3.6 Sponsorship of Silicon Valley Leadership Group's 2020 Energy and Sustainability Summit in San Jose, California, for \$12,000.

Recommendation: A. Receive information on the Silicon Valley Leadership Group's 2020 Energy and Sustainability Summit; and  
B. Approve the request for sponsorship in the amount of \$12,000.

Director LeZotte expressed concern about the value of the proposed Valley Water sponsorship level, in consideration of the likelihood that the event would be held virtually instead of in-person, as the original solicitation for sponsorship initially conveyed.

Mr. Mike Mielke, Silicon Valley Leadership Group (SVLG), assured the Board that the proposed sponsorship amount remained appropriate within a virtual event environment; discussed SVLG's recent and upcoming virtual events; and provided information on SVLG's use of interactive technology to allow access to exhibits, opportunities for networking and team building exercises, showcases for sponsoring agency products and programs, and online platforms for speakers and panelists. He encouraged Valley Water's sponsorship at the proposed level, and confirmed more information on how the SVLG's 2020 Energy and Sustainability Summit could benefit Valley Water, could be provided.

Move to Approve: Linda J. LeZotte  
Second: Richard Santos  
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.

The Board requested that staff come back with an informational report on the success of the July 24, 2020 SVLG Summit, as a large virtual event.

## **REGULAR AGENDA:**

### **4. BOARD OF DIRECTORS:**

- 4.1 Receive and Discuss the Final Audit Report and Management Response for the Contract Change Order Audit Conducted by TAP International, Inc.

Recommendation: Receive and discuss the Final Audit Report, and Management Response, for the Contract Change Order Audit conducted by TAP International, Inc.

Ms. Denise Callahan, President and Principal Consultant, TAP International, Inc., reviewed the information on this item, per the information contained in Attachment 1.

The Board requested staff to return with a report on the status of implementation of Recommendations on Change Orders, as contained in Attachment 1.

- 4.2 Board Committee Reports.

None.

- 4.3 Proposed Future Board Member Agenda Items.

None.

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

- 5.1 ITEM REMOVED FROM AGENDA.

Receive an Update on the Central Valley Project Contract Conversion Process Under the Water Infrastructure Improvements for the Nation Act; Adopt a Resolution Approving Mercy Spring Repayment Contract and Authorizing the Chief Executive Officer to Execute it; and Approve and Authorize the District Counsel to File a Validation Action for the Mercy Springs Repayment Contract.

The Board noted that Item 5.1 had been removed from the agenda, and considered Items 5.2 and 5.3 without staff presentation.

- 5.2 Update on the Condition of the Milpitas Pipeline and Determination that the Condition of the Milpitas Pipeline Continues to Constitute an Emergency (San Jose) (District 3).

Recommendation: A. Receive an update on the Milpitas Pipeline; and  
B. Determine by a four-fifths vote of the Board that there is a need to continue the emergency action declared by

the Chief Executive Officer (CEO) on March 16, 2020, pursuant to California Public Contract Code §22050, to repair the Milpitas Pipeline.

Move to Approve: Richard Santos  
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.

- 5.3 Approve Consultant Agreement with Mott MacDonald Group, Inc. for Phases 2A and 2B Upper Llagas Creek Flood Protection Project, Project No. 26174052, for Construction Management Services, for a Total Not-to-Exceed Amount of \$13,019,441.19, and Authorize Consultant to Only Perform Construction Management Services Relating to Phase 2A Now, for a Total Not-to-Exceed Amount of \$6,224,747.45 (Morgan Hill) (District 1).

Recommendation: A. Approve Consultant Agreement with Mott MacDonald Group, Inc. for Phases 2A and 2B Upper Llagas Creek Flood Protection Project (Project No. 26174052) for Construction Management Services, Total Not-to-Exceed amount of \$13,019,441.19; and  
B. Authorize the Consultant to only perform Construction Management Services relating to Phase 2A portion now, for a Total Not-to-Exceed amount of \$6,244,747.45, of Consultant Agreement with Mott MacDonald Group, Inc. for Phases 2A and 2B Upper Llagas Creek Flood Protection Project (Project No. 26174052).

Move to Approve: John Varela  
Second: Richard Santos  
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.

## 6. WATERSHEDS:

- 6.1 Report on Findings of the Pilot Program Using Unmanned Aerial Vehicles in Land Surveying and Mapping Activities, and Approval of Continued Use.

Recommendation: Approve continued use of Unmanned Aerial Vehicles for land surveying and mapping activities.

Chairperson Hsueh acknowledged receipt of, and referred to staff for response, the attached email from Mr. Muirhead requesting additional information and expressing frustration on the availability of December 2018 Flight Operations Manual updates, identified as Handout 6.1-A, herein. Copies of the Handout were distributed to the Board and made available to the public.

Mr. Andrew Chafer, Supervising Land Surveyor, reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachment 2.

During the presentation, the Board made the following requests of staff:

- Staff is to return to the Board with information on the cost of using Valley Water-owned and operated UAVs, versus procured vendor services for land surveying and mapping activities; and
- Staff is to make UAV data collected in highly vegetated areas available to the California Department of Forestry, for use in assisting with prevention and suppression.

Move to Approve:	Richard Santos
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.

## **7. EXTERNAL AFFAIRS:**

### **7.1 Receive an Update on Valley Water Signage and Related Cost.**

Recommendation: Receive an update on Valley Water signage efforts, including information about the signage consultant, signage inventory, campus signage strategy, and pilot signage progress related to project legacy signs and creek markers.

Ms. Linh Hoang, Communications Manager, reviewed the information on this item, per the attached Board Agenda Memo, and per the information contained in Attachment 1, and Handout 7.1-A.

The Board noted the information without formal action, and requested that staff return with information on ongoing project costs, including signage maintenance and replacement schedules, when the Board considers adoption of the Fiscal Year 2020-21 Budget at the May 26, 2020 meeting.



**8. CHIEF EXECUTIVE OFFICER:**

- 8.1 Adopt the Resolution Authorizing the Execution and Delivery of a Tax-Exempt Tax and Revenue Anticipation Note and a Taxable Tax and Revenue Anticipation Note to Support a Commercial Paper Program and Other Short-Term Obligations, Adopt the Resolution Regarding Intention to Issue Tax-Exempt Obligations for Water Utility Enterprise, and Adopt the Resolution Regarding Intention to Issue Tax-Exempt Obligations for Safe, Clean Water Program.

- Recommendation:
- A. Adopt the Resolution AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX-EXEMPT TAX AND REVENUE ANTICIPATION NOTE AND A TAXABLE TAX AND REVENUE ANTICIPATION NOTE (TRANS) TO SUPPORT A COMMERCIAL PAPER PROGRAM AND OTHER SHORT-TERM OBLIGATIONS;
  - B. Authorize the Chief Executive Officer, or Chief Financial Officer (in each case, including any acting, interim or otherwise appointed such officer as the case may be) to execute the TRANS, and the Certificate as to Uncollected Taxes, Income, Revenue, Cash Receipts and Other Money;
  - C. Authorize the Chief Executive Officer, District Counsel, and such other chief executives of the District (in each case, including any acting, interim or otherwise appointed such officer as the case may be) to execute such other instruments, documents and papers as are necessary to carry out this Commercial Paper Program for Fiscal Year 2020-21;
  - D. Authorize the District Counsel (including any acting, interim or otherwise appointed such officer as the case may be) to execute the TRANS;
  - E. Adopt the Resolution Regarding INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR WATER UTILITY ENTERPRISE; and
  - F. Adopt the Resolution Regarding INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS FOR SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM.

Mr. Steve Peters, Senior Management Analyst, reviewed the information on this item, per the attached Board Agenda Memo, and advised the Board that the budget amount shown in Attachment 1, Exhibit B, is subject to change pending the Board's adoption of the Fiscal Year 2020-21 Budget at the May 26, 2020 meeting.

The Board requested that staff come back with a Work Study Session on Valley Water's long-term borrowing and investments, before the November 3, 2020, Presidential Elections.

Move to Adopt:	Gary Kremen
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.

Chairperson Hsueh moved the Agenda to Item 9.1.

## **9. ADMINISTRATION:**

### **9.1 Update on COVID-19 Response.**

Mr. Alex Gordon, Emergency and Security Manager, reviewed the information on Valley Water's COVID-19 response, as contained in the Office of Administrative and IT Services Update, attached herein as Handout 8.2-C. The remainder of the information contained in the Handout was reviewed with its corresponding agenda item, below.

Chairperson Hsueh returned the Agenda to Item 8.2

### **8.2 CEO and Chiefs' Report.**

Ms. Norma Camacho, Chief executive Officer, advised the Board of Chief Operating Officer Ms. Nina Hawk's recent resignation, and discussed Ms. Hawk's accomplishments while serving Valley Water.

Mr. Garth Hall, Acting Chief Operating Officer, reported on Valley Water's efforts to release water from Anderson Reservoir in compliance with the Federal Energy Regulatory Commission's recent order.

Ms. Melanie Richardson, Chief Operating Officer, reported that Valley Water's encampment clean-up efforts had been temporarily suspended as a result of COVID-19; advised the Board of ongoing discussions with the Cities of Campbell and Santa Clara, regarding resuming encampment clean-ups in those cities; and provided an update on the Stream Maintenance Program permit renewal efforts.

Mr. Rick Callender, Chief of External Affairs, distributed and reviewed the attached Office of Communications and Office of Civic Engagement Updates, identified as Handouts 8.1-A and 8.1-B respectively, herein. Copies of the Handouts were distributed to the Board and made available to the public.

Ms. Tina Yoke, Chief Operating Officer, reviewed the Administrative and Information Technology portion of the Office of Administration and IT Services Updates, contained in Handout 8.2-C.

## **10. DISTRICT COUNSEL:**

None.

## 11. ADJOURN:

### 11.1 Board Member Reports/Announcements.

Director LeZotte reported attending a Local Agency Formation Commission of Santa Clara County meeting via Zoom; various meetings with staff; and Closed Session Board meetings related to CEO recruitment.

Director Kremen reported attending a Delta Conveyance Finance Authority meeting; and discussed San Francisquito Creek Joint Powers Authority Executive Director recruitment efforts.

The Board expressed appreciation to its Clerk, Ms. Michele King, for proficiency in conducting Board meetings using Zoom, and acknowledged the dedication of Valley Water staff during the COVID-19 pandemic. They expressed regret with the resignation of Ms. Hawk, and requested that staff prepare a joint resolution with the City of Gilroy, the Santa Clara County Board of Supervisors, and the San Luis-Delta Mendota Water Authority, acknowledging the career of former Valley Water District 1 Director Sig Sanchez, in commemoration of the 100th year since his birth.

### 11.2 Clerk Review and Clarification of Board Requests.

Ms. King read the new Board Member Requests into the record, and advised the Board that a joint resolution commemorating Sig Sanchez in his 100th year was already being prepared.

### 11.3 Adjourn to Regular Meeting at 4:00 p.m., on May 26, 2020, to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20.

Chairperson Hsueh adjourned the meeting at 3:30 p.m., to the 12:00 p.m. Special Meeting on May 22, 2020, to be called to order in compliance with the State Emergency Services Act, the Governor's Emergency Declaration related to COVID-19, and the Governor's Executive Order N-29-20.

Michele L. King, CMC  
Clerk, Board of Directors

Approved:

Date: 07/28/2020

THIS PAGE INTENTIONALLY LEFT BLANK