



BOARD OF DIRECTORS MEETING

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# MINUTES

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**SPECIAL MEETING  
TUESDAY, JUNE 16, 2020  
10:00 AM**

(Paragraph numbers coincide with agenda item numbers)

**1. CALL TO ORDER:**

A Special Meeting of the Santa Clara Valley Water District (Valley Water) Board of Directors was called to order on June 16, 2020, in the Valley Water Headquarters Building Boardroom, at 5700 Almaden Expressway, San Jose, California, at 10:00 a.m.

**1.1 Roll Call.**

Board members in attendance were Tony Estremera, Nai Hsueh, and Richard Santos. Board Members participating by teleconference were Barbara Keegan, Gary Kremen, Linda LeZotte, and John 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, R. Callender, G. Hall, and D. Taylor.

**1.2 Pledge of Allegiance/National Anthem.**

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

**1.3 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.

**2. TIME CERTAIN:**

**10:00 AM**

**2.1 Board Study Session on Scope and Timing of Purified Water Projects Construction.**

- Recommendation:
- A. Receive an update on status of Purified Water Program planning scope and schedule; and
  - B. Provide direction to staff regarding Purified Water Program scope and schedule.

Mr. Garth Hall, Interim Chief Operating Officer, reviewed the information on this item per the attached Board Agenda Memo, and the corresponding presentation materials contained in Attachment 1 were reviewed by staff as follows: Mr. Hall reviewed Slides 1 through 16, and 23 through 27; and Mr. Darin Taylor, Chief Financial Officer, reviewed Slides 17 through 22.

Mr. Taylor advised the Board that subsequent to the preparation of today's materials, the Government Accounting Standards Board (GASB) had released GASB Rule 94, which would become effective June 2022. He explained that GASB Rule 94 required that portions of Public/Private Partnership (P3) payments not related to operations and maintenance be accounted for as debt service, and advised the Board that this would likely result in a convergence of the projected Fiscal Year 2022 - 2030 water rate increases shown between Design/Bid/Build (DBB) and P3 projects on Attachment 1, Slide 22, on the lower table, Rows 1 and 2.

During the presentation, the Board provided the following direction, and made the following requests of staff:

- Refer to the Recycled Water Committee (RWC) to discuss cost and finance assumptions, including labor and interest rate changes since last discussions were held, and staffing plans to implement a Progressive P3 Program;
- Refer to the Chairperson to prepare a letter to the Cities of San Jose and Santa Clara communicating a 90-day post-election deadline for reaching a decision on participation in Purified Water Program partnership opportunities;
- Continue moving forward to pursue Progressive P3 implementation of Purified Water Program Projects;
- Reschedule the previously cancelled South County Governance Special Meeting; and
- Prepare various South County Recycled Water Program projected rate increase scenarios based on full vs. partial partner-member participation by South County Recycled Water Authority, Santa Clara and San Benito Counties, and the Cities of Morgan Hill and Gilroy.

**3. ADJOURN:**

**3.1 Clerk Review and Clarification of Board Requests.**

Ms. Michele King, Clerk, Board of Directors, confirmed that there were no new Board Member Requests.

**3.2 Adjourn to 4:00 p.m. Closed Session and 6:00 p.m. Regular Meeting, on June 23, 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 12:30 p.m., to the 4:00 p.m. Closed Session and 6:00 p.m. Regular Meeting, on June 23, 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

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