



BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING
TUESDAY, JANUARY 26, 2021
6:00 PM

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER:

A Regular Meeting of the Santa Clara Valley Water District (Valley Water) Board of Directors, held by Zoom Teleconference, was called to order in the Valley Water Headquarters Building Boardroom at 5700 Almaden Expressway, San Jose, California, at 6:00 p.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 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 R. Callender, Chief Executive Officer, L. Orta, Acting District Counsel, A. Baker, R. Blank, B. Broome, M. Cook, A. Fulcher, R. Gibson, A. Gschwind, C. Hakes, B. Hopper, H. McMahon, M. Richardson, D. Rocha, D. Taylor, S. Tippetts, G. Williams, B. Yerrapotu, and T. Yoke.

1.2. Pledge of Allegiance/National Anthem.

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

1.3. Orders of the Day.

Chairperson Estremera confirmed that Item 4.1 would be continued to a future meeting.

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

Chairperson Estremera 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:

6:00 PM

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

- Recommendation:
- A. Receive information on the 2020 Santa Clara Valley Water District (Valley Water) government relations advocacy and stakeholder engagement program;
 - B. Receive update from federal and state consultants on 2020 accomplishments and 2021 legislative outlook; and
 - C. Provide input on current and future challenges, goals, and accomplishments since the last presentation to the Board of Directors.

Mr. Donald Rocha, Acting Deputy Administrative Officer, reviewed the information on this item, per the attached Board Agenda Memorandum, and per the information contained in Handout 2.1-A.

The Board noted the information, without formal action.

Chairperson Estremera moved the agenda to Item 5.1.

5. WATER UTILITY ENTERPRISE:

5.1. Consider Decommissioning of the Anderson Hydroelectric Facility.

- Recommendation:
- A. Receive the cost-benefit analysis for the Anderson Hydroelectric Facility (Facility);
 - B. Concur with staff's determination, based on results from the cost-benefit analysis, that it would be justified for Valley Water to pursue the surrender and decommissioning of the Facility; and
 - C. Direct staff to take the necessary steps to seek approval from the Federal Energy Regulatory Commission (FERC) to surrender and decommission the Facility, including, but not limited to:
 - i. Evaluate the surrender of the license exemption and decommissioning of the Facility in the Anderson Dam Seismic Retrofit Project (ADSRP) Environmental Impact Report (EIR); and
 - ii. Coordinate with FERC and other regulatory agencies to submit all applications and obtain any necessary approvals to implement

decommissioning of the Facility as part of the ADSRP.

Mr. Gregory Williams, Interim Deputy Operating Officer, and Mr. Bassam Kassab, Water Supply Operations Manager, reviewed the information on this item, per the attached Board Agenda Memorandum.

Mr. Anthony Fulcher, Senior Assistant District Counsel, confirmed that a decision on whether or not to decommission the hydroelectric facility was necessary to proceed with the Anderson Dam Seismic Retrofit Project Environmental Report; and Mr. Christopher Hakes, Deputy Operating Officer, confirmed a 2025 to 2030 timeline for decommissioning of the hydroelectric facility to be complete.

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

Chairperson Estremera returned the agenda to Item 3.1, and the Board considered Consent Calendar Items 3.1 through 3.5 under one motion.

3. CONSENT CALENDAR:

- 3.1. Adopt Resolution Setting Time and Date of Public Hearing on the Engineer's Report and CEQA Exemption Determination for the Pacheco Pumping Plant Electrical Current Limiting Fuse & Hydraulic Valve Operation System Upgrades, Small Capital Improvements, San Felipe Reach 1, Project No. 91214010, (Merced County, District 1).

Recommendation:	Adopt the Resolution SETTING TIME AND DATE OF PUBLIC HEARING ON THE ENGINEER'S REPORT AND CEQA EXEMPTION DETERMINATION FOR THE PACHECO PUMPING PLANT ELECTRICAL CURRENT LIMITING FUSE & HYDRAULIC VALVE OPERATIONS SYSTEM UPGRADES, to occur on February 09, 2021, at 1:00 PM by teleconference Zoom meeting.
-----------------	---

- 3.2. Adopt Plans and Specifications and Authorize Advertisement for Bids for the Lower Calera Creek Flood Protection Project, Project No. 40174005, Contract No. C0666 (Milpitas) (District 3).

Recommendation: A. Adopt Plans and Specifications and Authorize Advertisement for Bids for the Lower Calera Creek Flood Protection Project, per the Notice to Bidders; and
 B. Authorize the Designated Engineer to issue addenda, as necessary, during the bidding process.

- 3.3. Adopt Plans and Specifications and Authorize Advertisement for Bids for the Anderson Dam Tunnel Project, Project No. 91864005, Contract No. C0663 (Morgan Hill) (District 1).

Recommendation: A. Adopt the plans and specifications and authorize advertisement for bids for the construction of the Anderson Dam Tunnel Project (Project), per the Notice to Bidders, exclusively to the list of Valley Water pre-qualified bidders; and
 B. Authorize the Designated Engineer to issue addenda, as necessary, during bidding.

- 3.4. Approval of Minutes.

Recommendation: Approve the minutes.

- 3.5. Accept the CEO Bulletin for the Weeks of January 8-21, 2021.

Recommendation: Accept the CEO Bulletin.

Motion: Approve Consent Calendar Items 3.1 through 3.5, under one motion as follows: adopt Resolution No. 21-07, SETTING TIME AND DATE OF PUBLIC HEARING ON THE ENGINEER'S REPORT AND CEQA EXEMPTION DETERMINATION FOR THE PACHECO PUMPING PLANT ELECTRICAL CURRENT LIMITING FUSE AND HYDRAULIC VALVE OPERATIONS SYSTEM UPGRADES, by roll call vote, as contained in Item 3.1; adopt plans and specifications and authorize advertisements for bids for the Lower Calera Creek Flood Protection Project, as contained in Item 3.2; adopt the plans and specifications and authorize advertisement for bids for the construction of the Anderson Dam Tunnel Project, per the Notice to Bidders, exclusively to the list of Valley Water pre-qualified bidders, as contained in Item 3.3; approve the minutes, as contained in Item 3.4; and Accept the CEO Bulletin, as contained in Item 3.5.

Move to Approve: Richard P. Santos
 Second: Nai Hsueh
 Yeas: Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard P. Santos, John L. Varela, Tony Estremera
 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. Report of Former Board of Directors Chairperson Nai Hsueh, Upon Review of Investigation of May 27, 2020 Complaint Filed by Rev. Jethroe Moore, Against Directors Keegan and LeZotte.

Recommendation: Review and Consider Findings in the Executive Summary of the investigative report.

The Board continued the item to a future meeting.

- 4.2. Approval of Redistricting Advisory Committee Nominations, Guidelines and Procedures, and First Meeting Agenda.

Recommendation: A. Approve the nominations for appointment to the Santa Clara Valley Water District 2021 Redistricting Advisory Committee;
 B. Review and approve the recommended guidelines, direction and procedures for the Redistricting Advisory Committee, Water staff, and Board of Directors; and
 C. Review and approve the agenda for the Redistricting Advisory Committee's first meeting, on March 17, 2021.

Mr. Rocha reviewed the information on this item, per the attached Board Agenda Memorandum, and per the information contained in Handout 4.2-A.

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

- 4.3. Consider the December 16, 2020 Board Audit Committee Recommendation to Receive and Discuss the Final Audit Report and Management Response for the District Counsel Audit, Conducted by TAP International, Inc.

Recommendation: Consider the December 16, 2020, Board Audit Committee recommendation to receive and discuss the Final Audit Report and Management Response for the District Counsel Audit, conducted by TAP International, Inc.

Ms. Denise Callahan, TAP International, Inc., reviewed the information on this item, per the attached Board Agenda Memorandum.

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

- 4.4. Consider the January 13, 2021 Board Audit Committee Recommendation to Add Evaluation of the Risk Management Function's Organizational Alignment to the Planned Risk Management Audit, at an Estimated Cost Range of \$101,600 to \$199,750.

Recommendation: Approve the January 13, 2021 Board Audit Committee Recommendation to Add Evaluation of the Risk Management Function's Organizational Alignment to the Planned Risk Management Audit, at an Estimated Cost Range of \$101,600 to \$199,750.

Mr. Darin Taylor, Chief Financial Officer, reviewed the information on this item, per the attached Board Agenda Memorandum.

Motion: Direct the Board Audit Committee to adhere to its current Work Plan with no Board requested changes; and refer to the Chief Executive Officer and incoming District Counsel to evaluate the need for a Risk Management Function Audit.

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

- 4.5. Consider the December 16, 2020, Board Audit Committee Recommendations to have TAP International, Inc. Conduct the Next Tri-annual Risk Assessment that is due by October 2021, prior to the Expiration on June 30, 2021 of the Board Independent Auditing Services Agreement with TAP International, Inc.; and to Direct Staff to Initiate a Procurement Process to Enter into a New Board Independent Auditing Services Agreement that would be Effective on July 1, 2021.

Recommendation: A. Consider the December 16, 2020, Board Audit Committee recommendation to have TAP International, Inc. conduct the next tri-annual Risk Assessment that is due by October 2021 prior to the expiration on June 30, 2021 of the Board Independent Auditing Services Agreement with TAP International, Inc.;

B. Consider the December 16, 2020, Board Audit Committee recommendation to direct staff to initiate a procurement process to enter into a new Board Independent Auditing Services Agreement that would be effective on July 1, 2021; and

C. Provide final direction, as needed, based upon the Board Audit Committee recommendations.

Director Keegan reviewed the information on this item, per the attached Board Agenda Memorandum.

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

4.6. Board Committee Reports.

Standing Reports (Summary or Verbal Report):

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. Diversity and Inclusion (D&I) Ad Hoc Committee
7. Stream Planning and Operations Committee (SPOC)
8. Homeless Encampment Ad Hoc Committee (HEAHC)
9. Recycled Water Committee (RWC)
10. Water Conservation and Demand Management (WCDM) Committee
11. Water Storage Exploratory Committee (WSEC)

Board Advisory Committees (Summary or Meeting Agenda):

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

Board Joint Committees (Summary or Meeting Agenda):

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

External Committees/Agencies (Verbal Reports):

21. ACWA and ACWA Joint Powers Insurance Authority
22. Joint Venture Silicon Valley Board of Directors
23. Landscape Committee
24. Local Agency Formation Commission (LAFCO)
25. Northern California Latino Water Coalition
26. Pajaro River Watershed Flood Protection Authority
27. Redevelopment Dissolution Countywide Oversight Board of Santa Clara County
28. Safe, Clean Water Independent Monitoring Committee (IMC)
29. San Francisquito Creek JPA
30. Santa Clara County Water Retailers
31. Santa Clara Valley Habitat Conservation Plan JPA
32. San Luis and Delta-Mendota Water Authority Board
33. Santa Clara County Emergency Operations Area Council
34. Santa Clara County Recycling and Waste Reduction Commission
35. Santa Clara County Special Districts Association
36. South County Regional Wastewater Authority (SCRWA)
37. Zone 7, EBRPD, ACWD, SCVWD, LARPD and Tri-Valley Conservancy Liaison Committee

Director Keegan reviewed the information on January 14, 2021 Stream Planning and Operations Committee meeting, as contained in Handout 4.6.7-A. Copies of the Handout were distributed to the Board and made available to the public.

The Board noted the information without formal action.

4.7. Proposed Future Board Member Agenda Items.

None.

6. WATERSHEDS:

- 6.1. Approve Amendment No. 1 to Agreement No. A4263A, with Kleinfelder, Inc., for On-Call Geotechnical Engineering Services, CAS File No. 4913, Increasing the Fee by \$750,000, for a Total Revised Fee of \$1,750,000; and Amendment No. 1 to Agreement No. A4264A, with Cal Engineering & Geology, Inc., for On-Call Geotechnical Engineering Services, CAS File No. 4940, Increasing the Fee by \$750,000, for a Total Revised Fee of \$1,750,000.

- Recommendation:
- A. Approve Amendment No. 1 to Agreement No. A4263A with Kleinfelder, Inc. for On-Call Geotechnical Engineering services, to increase the not-to-exceed fee by \$750,000, resulting in a total not-to-exceed fee of \$1,750,000; and
 - B. Approve Amendment No. 1 to Agreement No. A4264A with Cal Engineering & Geology, Inc. for On-Call Geotechnical Engineering services, to increase the not-to-exceed fee by \$750,000, resulting in a total not-to-exceed fee of \$1,750,000.

Ms. Rechelle Blank, Deputy Operating Officer, reviewed the information on this item, per the attached Board Agenda Memorandum.

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

- 6.2. Authorize the Chief Executive Officer to Execute the Master Agreement With the City of Milpitas for the Removal and Construction of City Improvements, Modifications to City Facilities, and Work Within City's Right of Way Included in the Lower Berryessa Creek Flood Protection, Lower Calera Creek Flood Protection, and Lower Penitencia Creek Improvements Projects (Project Nos. 40174005 and 40334005) for a Fee of \$1,665,505 (Milpitas) (District 3).

Recommendation: Authorize the Chief Executive Officer to Execute the Master Agreement With the City of Milpitas for the Removal and Construction of City Improvements, Modifications to City Facilities, and Work Within City's Right of Way Included in the Lower Berryessa Creek Flood Protection, Lower Calera Creek Flood Protection, and Lower Penitencia Creek Improvements Projects for a Fee of \$1,665,505 (Milpitas) (District 3).

The Board considered Item 6.2 without a staff presentation.

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

Director Kremen left the meeting and returned as noted below.

7. ASSISTANT CHIEF EXECUTIVE OFFICER:

None.

8. EXTERNAL AFFAIRS:

None.

9. CHIEF EXECUTIVE OFFICER:

- 9.1. Valley Water Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020, and other Independent Auditor's Reports.

Recommendation: Accept the Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020, and other Independent Auditor's Reports.

Mr. Taylor reviewed the information on this item, per the attached Board Agenda Memorandum.

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

9.2. CEO and Chiefs' Report.

Director Kremen returned.

Mr. Jeffrey Hare, San Jose resident, expressed concern that according to the summary provided in Handout 9.2-A, Stream Maintenance Report, Pages 1 and 2, Coyote Creek had not been included in any Valley Water sediment removal, bank protection, minor maintenance, and instream habitat improvement projects during the 2020 Stream Maintenance Program season; expressed concern about the impact of the Anderson Dam Retrofit Project on the Coyote Creek watershed; and requested higher prioritization.

Ms. Sue Tippetts, Interim Chief Operating Officer, confirmed that the Stream Maintenance Program provided maintenance of previously constructed flood protection projects, such as those included in the list referenced by Mr. Hare. She confirmed that a flood protection project that addresses Anderson Dam Seismic Retrofit Project-related impacts to the Coyote Creek watershed was planned and confirmed that 19 vegetation removal projects for increased flow capacity had been completed on Coyote Creek in the 2020 season, reported on Handout 9.2-A, Page 3, Table 2.

Ms. Melanie Richardson, Assistant Chief Executive Officer, reported that on Friday, January 22, 2021, the US Army Corps of Engineers released their solicitation of bids for Reaches 1, 2, and 3 of the South San Francisco Bay Shoreline Project, from the Alviso Marina to the Don Edwards Center. She confirmed that bids were expected in March 2021, with construction beginning in Summer of 2021.

Ms. Tippetts reported on preparation efforts for an upcoming weather event predicted for January 26, 2021 through January 28, 2021; and informed the Board that Valley Water had been awarded the 2021 American Council of Engineering Companies of California, Engineering Excellence Merit Award for the Permanente Creek McKelvey Park Detention Basin Project.

Ms. Rachael Gibson, Chief of External Affairs, reported on Storm Preparedness Outreach efforts and activation of Valley Water's Emergency Operations Center (EOC); and reviewed the information contained in the attached Government Relations Legislative Update, identified as Handout 9.2-B, herein. Copies of the Handout were distributed to the Board and made available to the public.

Mr. Aaron Baker, Chief Operating Officer, discussed coordination efforts between Valley Water's Emergency Reservoir Operations teams and EOC staff.

10. ADMINISTRATION:

None.

11. DISTRICT COUNSEL:

None.

12. ADJOURN:

12.1. Board Member Reports/Announcements.

Director Varela reported attending a meeting with newly-elected Morgan Hill District A Council Member Gino Borgioli, a meeting with City of Gilroy Mayor Marie Blankley and Councilmember Zack Hilton, and a San Luis and Delta-Mendota Water Authority (SLDMWA) meeting; and reported having given a presentation at a Morgan Hill Kiwanis Club meeting.

Director Keegan reported attending Board Audit Committee (BAC), Stream Planning and Operations Committee (SPOC), and Recycled Water Committee (RWC) meetings; a Valley Water All Employee Virtual Town Hall; a Delta Conveyance Authority (DCA) Chair Briefing meeting; a Santa Clara Valley Habitat Joint Governing and Implementation Board meeting; and various meetings with staff.

Director Santos reported attending the aforementioned SLDMWA meeting; and a Berryessa Citizens Advisory Committee Meeting.

Director LeZotte reported attending the aforementioned BAC, SPOC, and Santa Clara Valley Habitat Joint Governing and Implementation Board meetings; a briefing on Rancho San Antonio; a Valley Water Preparedness Workshop; a Board Policy and Planning Committee (BPPC) meeting; and various meetings with staff.

Director Hsueh reported attending the aforementioned BPPC meeting; an Environmental and Water Resources Committee (EWRC) meeting; and various meetings with staff.

Director Kremen reported attending a Delta Conveyance Finance Authority meeting; a Quarterly Water Retailers meeting; and various meetings with staff.

Chairperson Estremera reported attending the aforementioned BAC, DCA, SPOC, RWC, and EWRC meetings, and Valley Water All-Employee Virtual Town Hall.

12.2. Clerk Review and Clarification of Board Requests.

None.

- 12.3. Adjourn to Special Meeting at 10:00 a.m., on Wednesday, January 27, 2021, 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 Estremera adjourned the meeting at 7:40 p.m., to the Special Meeting at 10:00 a.m., on Wednesday, January 27, 2021, 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:

THIS PAGE INTENTIONALLY LEFT BLANK