



BOARD OF DIRECTORS MEETING

MINUTES

**CLOSED SESSION AND REGULAR MEETING
TUESDAY, MARCH 23, 2021
4:00 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, conducted by Zoom Teleconference, was called to order at 4:00 pm.

1.1. Roll Call.

Board members in attendance were Barbara Keegan, Gary Kremen, Linda J. LeZotte, and John L. Varela, with Tony Estremera, Nai Hsueh, and Richard Santos being present in the Board room, 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, B. Hopper, Acting District Counsel, A. Baker, R. Blank, B. Broome, J. Bourgeois, M. Cook, R. Gibson, V. Gin, C. Hakes, M. Lugo, H. McMahon, D. Mody, D. Rocha, L. Orta, K. Struve, D. Taylor, S. Tippets, G. Williams, K. Wong, B. Yerrapotu, and T. Yoke.

2. TIME CERTAIN:

Chairperson Tony Estremera confirmed that the Board would adjourn to Closed Session for consideration of Items 2.1 and 2.2.

4:00 PM

**2.1. CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL
THREAT TO PUBLIC SERVICES OR FACILITIES
Pursuant to Government Code Section 54957(a)
Consultation with Alex Gordon, Assistant Officer**

**2.2. CLOSED SESSION
PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Pursuant to Government Code Section 54957(b)(1)
Title: CEO, District Counsel and Clerk of the Board

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

6:00 PM

2.3. District Counsel Report on Closed Session.

Mr. Brian Hopper, Senior Assistant District Counsel, reported that in regard to Item 2.1, the Board met in Closed Session with all members present, and gave direction to staff.

Chairperson Estremera reported that in regard to Item 2.2, the Board met in Closed Session with all members present and took no reportable action.

2.4. Pledge of Allegiance/National Anthem.

Director Nai Hsueh led all present in reciting the Pledge of Allegiance.

2.5. Orders of the Day.

Chairperson Estremera confirmed that Item 3.6 would be removed from the Consent Calendar for individual consideration, and that Item 4.2 would be continued to a future meeting.

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

Mr. Blair Beekman, of undisclosed residency or affiliation, encouraged Board transparency on Valley Water's accounting practices, and expressed concern about the possible impacts of low-income water rate subsidies on future water rates.

Chairperson Estremera advised Mr. Beekman of the Board's upcoming Budget discussion and Water Rate Hearings schedules.

2.7. Update on United States Army Corps of Engineers Partnership Projects for Fiscal Year 2021.

Recommendation: Receive and discuss information related to status of the United States Army Corps of Engineers projects where Valley Water is the Local Sponsor, Co-Local Sponsor, or member of a Local Sponsor Agency.

Ms. Rechelle Blank, Deputy Operating Officer, reviewed the information on this item, per the attached Board Agenda Memo, and introduced the following United States Army Corps of Engineers (USACE) San Francisco District (District) representatives in attendance: Commander, Lieutenant Colonel John D. Cunningham; Deputy District Engineer, Stuart Townsley; Deputy Program Manager, Thomas R. Williams; and Branch Chief, Patrick McKinley.

The corresponding presentation materials contained in Attachment 1 were reviewed by Lieutenant Colonel Cunningham; and Commander Townsley and Mr. Rick Callender, Chief Executive Officer, provided closing comments expressing appreciation for the joint-agency collaborative efforts.

2.8. Presentation of 2020 Board Advisory Committees/Commission Accomplishments Reports.

Recommendation: Receive and approve the 2020 Accomplishments Reports as presented by the Board's Advisory Committees/Commission 2020 Chairs/Vice Chairs or COB Committee Liaison.

Ms. Glenna Brambill, Management Analyst II, reviewed the information on this item, per the attached Board Agenda Memo, and the corresponding presentation materials were reviewed as follows: Ms. Brambill reviewed Attachments 1 and 2; and Mr. Arthur M. Keller, Environmental and Water Resource Committee 2020 Chair, reviewed Attachment 3.

The Board noted the information, without formal action.

3. CONSENT CALENDAR: (3.1 – 3.8)

Chairperson Estremera removed Item 3.6 from the Consent Calendar for individual consideration, and the Board considered Consent Calendar Items 3.1 through 3.5, 3.7, and 3.8, under one motion.

3.1. Adopt Recommended Positions on State Legislation: AB 315 (Stone) Voluntary Stream Restoration Landowner Liability: Indemnification; AB 361 (Robert Rivas) Open Meetings: Local Agencies: Teleconferences; SB 274 (Wieckowski) Local Government Meetings: Agendas and Documents; SB 323 (Caballero) Water and Sewer Rate Validation; SB 351 (Caballero) The California Water Innovation Act of 2021; SB 559 (Hurtado) Department of Water Resources: Water Conveyance Systems: Canal Conveyance Capacity Restoration Fund, and Other Efforts to Secure Subsidence Repair Funding for Water Conveyance; and *SB 626 (Dodd) Construction Manager/General Contractor Procurement Method: Department of Water Resources.

Recommendation: A. Adopt a Position of "Support" on: AB 315 (Stone) Voluntary stream restoration landowner liability: indemnification;
B. Adopt a Position of "Support" on: AB 361 (Robert Rivas) Open meetings: local agencies: teleconferences;
C. Adopt a Position of "Support" on: SB 274 (Wieckowski) Local government meetings: agendas and documents;
D. Adopt a Position of "Support" on: SB 323 (Caballero) Water and Sewer Rate Validation;
E. Adopt a Position of "Support" on: SB 351 (Caballero) The California Water Innovation Act of 2021;

- F. Adopt a Position of “Support” on: SB 559 (Hurtado) Department of Water Resources: water conveyance systems: Canal Conveyance Capacity Restoration Fund, and other efforts to secure subsidence repair funding for water conveyance; and
- G. *Adopt a Position of “Support” on: SB 626 (Dodd) Construction Manager/General Contractor Procurement Method: Department of Water Resources.

- 3.2. Approve Recommended Positions on Federal Legislation: H.R. 1015 (Napolitano) – Water Recycling Improvement and Investment Act; H.R. 737 (Valadao) – Responsible, No-Cost Extension of Western Water Infrastructure Improvements for the Nation (RENEW WIIN) Act; H.R. 848 (Thompson) – Growing Renewable Energy and Efficiency Now (GREEN) Act of 2021; H.R. 866 (Calvert) – Federal Integrated Species Health (FISH) Act; H.R. 644 (Calvert) – Reducing Environmental Barriers to Unified Infrastructure and Land Development (REBUILD) Act; S. 101 (Markey) – Environmental Justice Mapping and Data Collection Act of 2021; and Other Legislation That May Require Urgent Consideration for a Position by the Board.

- Recommendation:
- A. Adopt a position of “Support” on H.R. 1015 (Napolitano) – Water Recycling Improvement and Investment Act;
 - B. Adopt a position of “Support” on H.R. 737 (Valadao) – Responsible, No-Cost Extension of Western Water Infrastructure Improvements for the Nation (RENEW WIIN) Act;
 - C. Adopt a position of “Support and Amend” on H.R. 848 (Thompson) – Growing Renewable Energy and Efficiency Now (GREEN) Act of 2021;
 - D. Adopt a position of “Support” on H.R. 866 (Calvert) – Federally Integrated Species Health (FISH) Act;
 - E. Adopt a position of “Support” on H.R. 644 (Calvert) – Reducing Environmental Barriers to Unified Infrastructure and Land Development (REBUILD) Act; and
 - F. Adopt a position of “Support” on S. 101 (Markey) – Environmental Justice Mapping and Data Collection Act of 2021.

- 3.3. Adopt Federal Funding Requests for Federal Fiscal Years 2022 and 2023.

Recommendation: Adopt the recommended Federal Fiscal Year (FY) 2022 appropriations requests, and the FY 2023 Federal budget requests, for Valley Water-sponsored and Valley Water-supported projects.

- 3.4. Consider Membership Nominations for Committee Appointment to the Renewed Safe, Clean Water Independent Monitoring Committee.

Recommendation: Consider two-year/three-year membership appointments to the Renewed Appointment to the Renewed Safe, Clean Water Independent Monitoring Committee (SCW IMC).

3.5. Designation of Santa Clara County Special Districts Association Representative.

Recommendation: Designate Director Linda J. LeZotte as the Representative, and Director Gary Kremen as the alternate, on the Santa Clara County Special Districts Association.

3.7. Approval of Minutes.

Recommendation: Approve the minutes.

3.8. Accept the CEO Bulletin for the Weeks of March 5 – 18, 2021.

Recommendation: Accept the CEO Bulletin.

Motion: Approve Consent Calendar Items 3.1 through 3.5, 3.7, and 3.8 under one motion, as follows: adopt the recommended positions on State and Federal legislation, as contained in Items 3.1 and 3.2; adopt the Federal FY 2022 appropriations requests, and FY 2023 Federal budget request, as contained in Item 3.3; consider two- and three-year appointments to the renewed SCW IMC, as contained in Item 3.4; designate Director Linda J. LeZotte as representative, and Director Gary Kremen as alternate, on the Santa Clara County Special Districts Association, as contained in Item 3.5; approve the minutes, as contained in Item 3.7; and accept the CEO Bulletin, as contained in Item 3.8.

Move to Approve: Richard Santos

Second: Linda J. LeZotte

Yeas: Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard 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 3.6.

3.6. Adopt the Plans and Specifications and Authorize Advertisement for Bids for Construction of the Upper Guadalupe River Reach 6 Aquatic Habitat Improvement Project, Project No. 26154002, Contract No. C0660 (San Jose) (District 6).

Recommendation: A. Adopt the Plans and Specifications and Authorize Advertisement for Bids for Construction of the Upper

Guadalupe River Reach 6 Aquatic Habitat Improvement Project (Project) per the Notice to Bidders; and

- B. Authorize the Designated Engineer to issue addenda, as necessary, during the bidding process.

Director Keegan acknowledged the importance of the Project to Valley Water's commitment to the environment, and expressed appreciation to staff for moving the Project forward.

Move to Adopt:	Barbara Keegan
Second:	Nai Hsueh
Yeas:	Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard 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. Review Fiscal Year 2021 Board Policy Planning Calendar.

Recommendation: Review, discuss and revise the Fiscal Year 2021 Board Policy Planning Calendar.

Director Hsueh expressed appreciation for staff efforts to improve the calendar and requested that the calendar be posted on the Board of Directors' web page, next to the Board Work Plan.

The Board noted the information, without formal action.

4.2. Consider Renaming the Joint Water Resources Committee with the Cities of Morgan Hill and Gilroy to the Joint Recycled Water Policy Advisory Committee with the Cities of Morgan Hill and Gilroy; Approve Committee Purpose; and Approve Board Chair Recommended Board Member Appointments.

Recommendation:

- A. Approve Renaming the Joint Water Resources Committee with the Cities of Morgan Hill and Gilroy to the Joint Recycled Water Policy Advisory Committee with the Cities of Morgan Hill and Gilroy (JRWPAC-MH/Gilroy);
- B. Approve JRWPAC-MH/Gilroy Committee Purpose; and
- C. Approve Chair Recommended Board Member Appointments to the proposed JRWPAC-MH/Gilroy Committee.

The Board continued Item 4.2 to a future meeting.

- 4.3. Consider the Recycled Water Committee Recommendation from the February 24, 2021 Meeting to Amend the 2021 Legislative Guiding Principles to Include Revision of Principle (I)(A)(3) Regarding Recycled Water.

Recommendation: Approve the February 24, 2021 Recycled Water Committee recommendation to the Board to amend the 2021 Legislative Guiding Principles to include revision of Principle (I)(A)(3) regarding recycled water.

Move to Approve: Richard Santos

Second: Nai Hsueh

Yeas: Nai Hsueh, Barbara Keegan, Gary Kremen, Linda J. LeZotte, Richard 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. Board Committee Reports.

The Board noted the information contained in Handouts 4.4-A through 4.4-G, without formal action.

- 4.5. Proposed Future Board Member Agenda Items.

None.

5. WATER UTILITY ENTERPRISE:

- 5.1. Report of Bids Received and Award of Construction Contract to Mountain Cascade, Inc. for the Penitencia Water Treatment Plant Rehabilitation of Flocculation and Sedimentation Basins Project, Project No. 93764004, Contract No. C0664 (San Jose), (District 3).

Recommendation: A. Ratify Addenda Nos. 1 and 2 to the Contract Documents for the Penitencia Water Treatment Plant Rehabilitation of Flocculation and Sedimentation Basins Project;
B. Award the Construction Contract to Mountain Cascade, Inc. in the sum of \$5,033,125.00; and
C. Approve a contingency sum of \$754,970.00 and authorize the Chief Executive Officer or designee to approve individual change orders up to the designated amount.

Mr. Gregory Williams, Acting Deputy Operating Officer, reviewed the information on this item, per the attached Board Agenda Memo.

Move to Approve: Richard Santos

Second: Nai Hsueh

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

5.2. Receive Information on Cybersecurity Assistance to Water Retailers.

Recommendation: Receive and discuss information on the potential for Valley Water to provide assistance to water retailers, related to cybersecurity.

Ms. Bhavani Yerrapotu, Deputy Operating Officer, reviewed the information on this item, per the attached Board Agenda Memo.

The Board noted the information, without formal action.

6. WATERSHEDS:

None.

7. ASSISTANT CHIEF EXECUTIVE OFFICER:

None.

8. EXTERNAL AFFAIRS:

None.

9. CHIEF EXECUTIVE OFFICER:

9.1. Fiscal Year 2021-2022 Second Pass Budget Development Process Overview.

Recommendation: Receive and discuss the overview of Valley Water's Fiscal Year 2021-22 Second Pass Budget Development Process.

Mr. Darin Taylor, Chief Financial 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. Enrique De Anda, Budget Manager, reviewed Slides 1 through 5, and 11 through 14; Mr. Aaron Baker, Chief Operating Officer, reviewed Slide 6; Ms. Tina Yoke, Chief Administrative Officer, reviewed Slide 7; Mr. Chris Hakes, Deputy Operating Officer, reviewed Slide 8; Ms. Rachael Gibson, Chief of External Affairs, reviewed Slide 9; Ms. Sue Tippetts, Chief Operating Officer, reviewed Slide 10; and Ms. Charlene Sun, Treasury and Debt Manager, reviewed Slide 15.

Four statements expressing support for the proposed budget and water rates were received from: Mr. Michael Duffy, Valley Water Professional Managers'

Association President; Ms. Marisela Garcia, Valley Water Engineers' Society President; Ms. Christina Pilson, Valley Water Employees Association President; and Mr. Stanley Young, International Federation of Professional and Technical Engineers Local 21.

The Board requested that staff come back with information on the impact of future water rates on economically disadvantaged communities.

The Board noted the information, without formal action.

- 9.2. Receive the Safe, Clean Water (SCW) Program Grant Management Audit Final Report, and Consider Authorizing the Subconsultants to Present the Report to the SCW Independent Monitoring Committee (IMC).

Recommendation: A. Receive the Safe, Clean Water Program (SCW) Grant Management Audit Final Report; and
 B. Consider authorizing the subconsultants to present the report to the SCW Independent Monitoring Committee (IMC).

Mr. Taylor reviewed the information on this item, per the attached Board Agenda Memo, and the corresponding presentation materials contained in Attachment 2 were reviewed by Mr. Drummond Khan and Ms. Greta MacDonald, TAP International.

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

- 9.3. CEO and Chiefs' Report.

Mr. Baker reviewed the activities scheduled for the March 30, 2021 Valley Water Industry Day; reported on a letter from Mr. Tom Visack, California Secretary of State, to California State Governor Gavin Newsom, designating 50 California counties, including Santa Clara County, as primary disaster areas as a result of the drought; discussed the extension of loans to farm operators from the U.S. Department of Agriculture, Farm Services Agency. He updated the Board on a California State Water Resources Control Board, Division of Water Rights letter to water rights holders, indicating that Valley Water's water allocations were expected to be impacted by projected water shortages, and confirmed that staff would monitor the matter and provide an update at the April 27, 2021, meeting.

Ms. Gibson reviewed the information on the attached Office of Government Relations and Office of Civic Engagement Updates, identified as Handouts 9.3-A

and 9.3-B, respectively, herein. Copies of the Handouts were distributed to the Board and made available to the public.

10. ADMINISTRATION:

None.

11. DISTRICT COUNSEL:

None.

12. ADJOURN:

12.1. Board Member Reports/Announcements.

Director Varela reported attending an Association of California Water Agencies Finance Committee meeting; a Sustainable Village Club meeting; various meetings with constituents; the Valley Water Townhall meeting; the Special Joint Meeting with the City of San Jose; and various meetings with staff.

Director Keegan reported attending the aforementioned Joint Meeting with City of San Jose; Board Audit Committee (BAC), Delta Conveyance Design and Construction Authority Finance Committee (DCAFC) and Santa Clara Valley Habitat Conservation Plan (HCP) Joint Governing and Implementation Board meetings; and various meetings with staff.

Director Santos reported attending the aforementioned Valley Water Townhall and BAC meetings; a San Luis Delta-Mendota Water Authority (SLDMWA) meeting; a River Oaks Neighborhood Association meeting; and a meeting with staff.

Director LeZotte reported attending the aforementioned Joint Meeting with City of San Jose, HCP Joint Governing and Implementation Board, and BAC meetings; Capital Improvement Program (CIP) and Stream Planning and Operations Committee (SPOC) meetings; and various meetings with staff.

Director Hsueh reported attending the aforementioned CIP Meeting; a meeting with constituents; and various meetings with staff.

Director Kremen reported attending the aforementioned Joint Meeting with City of San Jose, SLDMWA, DCAFC, and BAC meetings; a Quarterly Water Retailers meeting; and various meetings with industry groups and staff.

Chairperson Estremera reported attending the aforementioned SPOC, CIP, and Quarterly Water Resources meetings; various meetings with City of San Jose Councilmember Pam Foley and Mayor Sam Liccardo; a meeting with California Department of Water Resources Director Karla Nemeth; and various meetings with staff.

12.2. Clerk Review and Clarification of Board Requests.

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

12.3. Adjourn to Special Meeting and Closed Session Meeting at 9:00 a.m., on March 25, 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 8:00 p.m., to the 8:45 a.m. Special Meeting and Closed Session on March 25, 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:

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