



CAPITAL IMPROVEMENT PROGRAM (CIP) COMMITTEE MEETING

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# MINUTES

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**AMENDED MINUTES**  
**Monday, November 27, 2017**  
**12:00 P.M.**

(Paragraph numbers coincide with agenda item numbers)

A regular meeting of the Capital Improvement Program (CIP) Committee was called to order at 12:00 p.m., on Monday, November 27, 2017, in the Santa Clara Valley Water District Headquarters Building Conference Room A-124, 5700 Almaden Expressway, San Jose, California.

**1. Call to Order/Roll Call**

Committee members in attendance were District 6 Director Tony Estremera, District 4 Director Linda LeZotte, and District 5 Director Nai Hsueh, Chairperson presiding, constituting a quorum of the Committee.

Staff members in attendance were N. Camacho, Chief Executive Officer, S. Yamamoto, District Counsel, M. Meredith, Deputy Clerk, J. Aranda, F. Fung, C. Hakes, N. Hawk, N. Nguyen, K. Oven, B. Redmond, M. Richardson, L. Rossiter, A. Rouhani, D. Taylor, and S. Tikekar.

Also in attendance was Mr. Rick W. Jarvis, District External Counsel, Jarvis Fay Doport & Gibson, LLP.

**2. 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.

**3. Approval of Minutes**

The Committee considered the minutes of the October 18, 2017 meeting. Chairperson Hsueh requested the minutes be amended as follows:

- Revise Page 2, Item 4.2, Paragraph 6 to read *Chairperson Hsueh requested ~~staff prepare written responses to that the comments of Ms. Moreno and Mr. McMurtry's comments, and be referred the responses to the Board Audit Ad Hoc Fisheries and Aquatic Habitat Collaborative Effort~~ Committee;*

- Revise Page 2, Paragraph 7, Bullet No. 6 to read ~~Pursue~~ **additional Include alternative** Open Space Credit **analysis and funding alternatives;**
- Revise Page 3, Item 5, Bullet No. 1 to read ~~The Committee requested changes to reviewed~~ *its Board Strategic Challenges and Board Priorities report, identified as Handout 5-A, herein...*;
- Revise Page 3, Item 5, Bullet No. 4 to read *Update on Rinconada Water Treatment Plant Reliability Improvement Project* **and Residuals Management Project.**; and
- Revise Page 3, Item 5, Bullet No. 2, and Page 3 Items 7 and 8 to read ~~...Tuesday, Monday November 28 27, 2017...~~

It was moved by Chairperson Hsueh, seconded by Director Estremera, and unanimously carried to approve the minutes, as amended.

#### 4. Action Items

- 4.1 Alternative Funding Scenarios for the Committee's Priority Projects (Coyote Creek-Montague to Tully, Almaden Lake Improvements, Ogier and Metcalf Ponds/Creek Separation, Stevens Creek Fish Passage barrier Improvements).

Mr. Ngoc Nguyen, Interim Deputy Operating Officer, reviewed the information on this item, per the attached Committee Agenda Memo. The information in Attachment 2 was reviewed by staff as follows: Mr. Nguyen, reviewed Pages 1 through 6, Ms. Beth Redmond, Capital Program Planning & Analysis Manager, reviewed Pages 7 – 9, and Mr. Afshin Rouhani, reviewed the merits of completing the planning study for Upper Penitencia Creek, from Coyote Creek to Dorel Drive (Upper Penitencia Creek Project), as contained on Page 9.

Mr. Doug Muirhead, Morgan Hill resident, expressed support for preservation of the Open Space Credit, stated that preservation of open space is within the District's mission and purpose, and encouraged that increases in electric and other costs associated with agricultural water use be considered when considering increases to agricultural water rates.

Mr. Rick Jarvis explained that the District is not able to directly impose development impact fees because there is not enough express legal authority. A potential solution would be to enter into cooperative agreements with ~~its retail providers the cities~~, whereby the ~~retailers cities~~ could agree to adopt and impose these fees on developments within their jurisdiction potential solution would be to enter into cooperative agreements with its retail providers whereby the retailers could agree to adopt and impose these fees on developments within their jurisdiction to the extent each retailer has that authority. Mr. Jarvis discussed that this method of implementation has risk due to practical difficulties and obstacles in negotiating consistent cooperative agreements.

The Committee provided the following direction to staff:

- Take discussion on Development Impact Fees to the City Managers' Association, followed by the Santa Clara Valley Water Commission;
- Develop the Preliminary Fiscal Year (FY) 2019 –23 Capital Improvement Program (CIP) based on Scenario 8, as contained on Attachment 2, Page 8;

- Review whether the level of funding for the Watersheds Asset Rehabilitation Program is adequate to complete the work in a timely manner;
- Suspend work on Upper Penitencia Creek Project, Coyote Creek to Dorel Drive, ~~in Fiscal Year 2019~~, and provide approximately \$2 million ~~to fully fund the for~~ **to fully fund the for** planning ~~phase starting in the Fiscal Year 2020 if funding is available~~. Continue the discussion of possible funding mechanisms for Upper Penitencia Creek Project, Coyote Creek to Dorel Drive in future CIP presentations;
- Discuss suspension of Upper Penitencia Creek Project, with the Independent Monitoring Committee for information and feedback;
- Coordinate Safe, Clean Water and Natural Flood Protection Program **Change Management** processes ~~to suspend for the~~ Upper Penitencia Creek Project, **upon Board approval of Committee recommendations;** and
- On January 9, 2018 when the Preliminary FY 2019-23 is presented to the Board include an overview of all the alternative funding sources considered by the Committee.

4.2 Update on Rinconada Water Treatment Plant Reliability Improvement Project and the Rinconada Water Treatment Plant Residuals Management Project.

Mr. Chris Hakes, Assistant Officer, reviewed the information on this item, per the attached Committee Agenda Memo.

The Committee requested that staff come back during the December 11, 2017 meeting with an update on the Dispute Resolution Board decision on the RWTP Reliability Improvement Project and alternatives for accelerating construction including discussion on the supplemental items in the bid package and other ways to motivate the contractor to move forward.

4.3 Report of Bids received for the Board Room AV Project and Discussion of Alternative Project Features.

Mr. Sudhanshu Tikekar, Deputy Administrative Officer and Mr. Frank Fung, Information Technology Manager, reviewed the information on this item, per the attached Committee Agenda Memo.

The Committee expressed preference for Option No. 4, as contained on Page 1 of the Committee Agenda memo.

4.4 2017-18 Consultant Agreements and Amendments to Existing Consultant Agreements.

Ms. Katherine Oven, Deputy Operating Officer, reviewed the information on this item, per the attached Committee Agenda Memo.

The Committee continued Item 4.4 to the December 11, 2017, meeting.

**5. Review and Discuss 2017 Committee Work Plan**

The Committee reviewed the 2017 Work Plan and made the following adjustments to the December 11, 2017 meeting date:

- Include an update on Rinconada Water Treatment Plant Reliability Improvement Project.
- Include an update on 2017-18 Consultant Agreements and Amendments to Existing Consultant Agreements (Continued from November 27, 2017).

**6. Discussion of Next Committee Meeting Agenda and Schedule.**

Chairperson Hsueh confirmed that the next Committee meeting would be held at 10:00 a.m., on December 11, 2017.

**7. Clerk's Review and Clarification of Committee Requests.**

The Committee requests and recommendations were not read into the record.

**8. Adjourn.**

Chairperson Hsueh adjourned the meeting at 2:00 p.m., to the next regular meeting at 10:00 a.m., on December 11, 2017, in the Santa Clara Valley Water District Headquarters Building Conference Room A-124, 5700 Almaden Expressway, San Jose.

*[original signed by]*  
Michelle Meredith  
Deputy Clerk of the Board

Approved: 12/11/17