

**BOARD OF DIRECTORS MEETING  
CAPITOL IMPROVEMENT PROGRAM COMMITTEE**

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# AMENDED MINUTES

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**DECEMBER 10, 2018  
10:00 AM**

(Paragraph numbers coincide with agenda item numbers)

A regular meeting of the Santa Clara Valley Water District (District) Capital Improvement Program Committee (Committee) was called to order in the District Headquarters Building, Board Conference Room A-124, 5700 Almaden Expressway, San Jose, California, at 10:00 a.m.

**1. CALL TO ORDER:**

1.1 Roll Call.

Committee members in attendance were District 4 Director L. LeZotte, District 6 Director T. Estremera, and District 5 Director N. Hsueh, Chairperson presiding, constituting a quorum of the Committee.

Staff members in attendance were E. Baker, J. Collins, C. Hakes, L. Bankosh, J. Martin, A. Mendiola, M. Meredith, L. Orta, K. Oven, B. Redmond, M. Richardson, L. Rossiter, A. Rouhani, D. Taylor, B. Yerrapotu, and T. Yoke.

1.2. 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.

**2. ACTION ITEMS:**

2.1. Priority Ranking Criteria for the Capital improvement Program.

Chairperson Hsueh explained that this item had been agendized for the Committee in response to Board member concerns raised during the December 5, 2018 Special Board meeting regarding proposed groundwater rate increases, and funding and prioritization of Water Supply Capital Projects. She confirmed that the Committee's objective was to discuss and identify what information or analysis was necessary to present to the Board, for Board consideration of the Preliminary Capital Improvement Plan during the January 8, 2019 regular Board of Directors meeting.

Chairperson Hsueh confirmed that the Committee would defer consideration of adding a Safe, Clean Water Priority Ranking Criterion for Water Supply and Flood Protection Capital Projects to the Fiscal Year 2021-2025 Capital Improvement Plan, and requested that staff come back to the full Board during the January 8, 2019 Board meeting with the following information:

- Revised Priority Ranking Criteria Sheets that rename the “Cost Recovery” category to eliminate Board confusion;
- An explanation of the process for screening proposed Capital Projects, before they are rated using the Priority Ranking Criteria;
- An overview of progress that has been made over recent years to eliminate “wish list” items from the CIP, including information on the CIP reprioritization effort led by former District 1 Director Don Gage;
- Information on how a CIP project’s business case is re-evaluated during the project delivery process;
- Information on the unfunded projects prioritization process, and justification for projects to be included on the unfunded projects list;
- Preliminary CIP (bottom-up) funding proposals for various rate increase scenarios; and
- Include a discussion on use of property taxes and capital reimbursement revenues (including subventions).

Mr. William Sherman, WRATES, expressed appreciation for the Committee's efforts to ensure efficient use of water rate revenues and act in a transparent manner, and discussed prioritization processes used in private industry.

Chairperson Hsueh declared that the Committee would hold a special meeting on Thursday January 3, 2019, at 10:00 a.m., for consideration of the regular business items previously contained on the Committee’s work plan for today’s meeting. She additionally confirmed that if necessary, staff could come back to the Committee on January 3 for additional feedback in preparation for the January 8, 2019 Board of Directors meeting.

Chairperson Hsueh confirmed that the Committee would maintain its regular meeting schedule in 2019, meeting on the second Mondays of the month at 10:00 a.m., but confirmed that the January 14, 2019 regular meeting start time would be delayed to 11:00 a.m.

**3. INFORMATION ITEMS:** None.

**4. ADJOURN:**

4.1. Clerk’s Review and Clarification of Committee Requests and Recommendations.

Ms. Michelle Meredith, Deputy Clerk, read the Committee requests contained herein into the record:

Regarding Item 2.1:

That staff come back to the full Board during the January 8, 2019 Board meeting with the following information:

- Revised Priority Ranking Criteria Sheets that rename the “Cost Recovery” category to eliminate Board confusion;
- An explanation of the process for screening proposed Capital Projects, before they are rated using the Priority Ranking Criteria;
- An overview of progress that has been made over recent years to eliminate “wish list” items from the CIP, including information on the CIP reprioritization effort led by former District 1 Director Don Gage;
- Information on how a CIP project’s business case is re-evaluated during the project delivery process;
- Information on the unfunded projects prioritization process, and justification for projects to be included on the unfunded projects list;
- Preliminary CIP (bottom-up) funding proposals for various rate increase scenarios; and
- Include a discussion on use of property taxes and capital reimbursement revenues (including subventions).

4.2 Adjourn to Regular Meeting at 10:00 a.m. on December 10, 2018, in the Santa Clara Valley Water District Headquarters Board Conference Room A-124, 5700 Almaden Expressway, San Jose, California.

Chairperson Hsueh adjourned the meeting at 11:25 a.m. to the special meeting on January 3, 2019, at 10:00 a.m., in the Santa Clara Valley Water District Headquarters Board Conference Room A-124, 5700 Almaden Expressway, San Jose, California.

Michelle Meredith  
Deputy Clerk of the Board

Approved: January 3, 2019