



BOARD OF DIRECTORS MEETING

---

# MINUTES

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OCTOBER 15, 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, 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 6 Director T. Estremera, and District 5 Director N. Hsueh, Chairperson presiding, constituting a quorum of the Committee.

District 4 Director L. LeZotte was excused from attending.

Staff members in attendance were N. Camacho, Chief Executive Officer (CEO), M. Baratz, J. Bernhardt, J. Collins, M. Cook, C. Hakes, M. Meredith, N. Nguyen, L. Orta, K. Oven, B. Redmond, L. Rossiter, S. Tikekar, C. Tulloch 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. APPROVAL OF MINUTES:**

2.1 Approval of September 10, 2018 Meeting Minutes.

The Committee considered the attached minutes of the September 10, 2018 meeting.

Mr. William Sherman, Water Rate Advocates for Transparency, Equity and Sustainability (WRATES), discussed WRATES activities on behalf of San Jose Water Company (SJWC) customers, and the formal investigation of SJWC billing practices and judicial hearings, as contained in Handout 2.1-A, herein. Copies of the Handout were made available to the Committee and public.

Director Hsueh requested the minutes be amended on Page 4, Item 3.1, Bullet No. 1 as follows: ~~**That Encourage staff to begin working on a report to be shared with the voters prior to the next election, that confirms the status of**~~

~~projects and completed projects~~ **thinking of reports that communicate District accomplishments under the Safe, Clean Water Program.**

It was moved by Chairperson Hsueh, seconded by Director Estremera, and carried that the minutes be approved as amended.

**3. ACTION ITEMS:**

3.1. Fiscal Year 2019 Consultant Agreements and Amendments to Existing Consultant Agreements.

Mr. Chris Hakes, Deputy Operating Officer, Mr. Ngoc Nguyen, Deputy Operating Officer, Ms. Katherine Oven, Deputy Operating Officer, and Mr. Sudhanshu Tikekar, Deputy Administrative Officer, reviewed the information on this item, per the attached Committee Agenda Memo as follows: Mr. Hakes reviewed Item No. 1, Mr. Nguyen reviewed Item No. 2, Ms. Oven reviewed Item No. 3, and Mr. Tikekar reviewed Item No. 4.

The Committee requested the following:

Regarding Item 3.1, No. 2, Permanente Creek Project:

- Staff to clarify for the Board that the amendment is needed for additional engineering support during construction for Permanente Creek is due to the extended duration of the project construction periods at McKelvey Park and Rancho San Antonio (RSA), and to advise the Board of the potential impacts to the construction management contracts associated with the extended construction schedule;
- Staff to investigate the possibilities of supplementing construction management services for Permanente Creek Project with in-house staff resources; and
- Staff to clarify for the Board that the proposed budget adjustment does not affect Fund 26 Safe Clean Water reserves.

Regarding Item 3.1, No. 4, Software Upgrades and Enhancements to Geographic Information System (GIS):

Staff to advise the Board of the Committee's support of a Request for Proposals process for the GIS Upgrades and Enhancements Project.

3.2. Capital Projects Status Updates – Construction.

Ms. Oven, Mr. Nguyen, and Mr. Tikekar reviewed the information on this item, per the attached Committee Agenda Memo. The corresponding presentation materials contained in Attachment 1 were reviewed by staff as follows: Ms. Oven reviewed Items 1, 2, and 8; Mr. Nguyen reviewed Items 3 through 7 and 9 through 13; and Mr. Tikekar reviewed Items 14 and 15.

Mr. Nguyen briefed the Committee on staff's response to the City of Milpitas' claim for damages to landscaping associated with the Berryessa Creek project,

and noted that staff is working with the U.S. Army Corps of Engineers and the construction contractor to resolve the matter.

Chairperson Hsueh expressed the Committee's expectation that at least 40-50 percent of project construction be managed by internal staff, and made the following request:

That the decision process for using internal construction management staff be incorporated into the Committee presentation on lessons learned from large construction projects.

### 3.3. Priority Ranking Criteria for the Capital Improvement Program.

Ms. Beth Redmond, Capital Program Planning and Analysis Manager, reviewed the information on this item, per the attached Committee Agenda Memo; and reviewed the corresponding presentation materials contained in Attachment 1.

Chairperson Hsueh reiterated that Environmental Justice and Disadvantaged Communities was to be set apart as a category of its own, and not included with the Community Engagement, and she expressed support for increases to weight value for the Environmental and Natural Resources Sustainability qualifying criteria.

The Committee requested the following:

- Include a separate category for Environmental Justice and Disadvantaged Communities in the Capital Improvement Program (CIP) Priority Criteria for all project sections, and investigate weight value and qualifying criteria and bring back a proposal for the Committee's consideration;
- Utilize proposed Environmental Justice language on Page 18, *Promotes environmental justice or has a positive impact on disadvantaged communities (EL 1.1)*, in all project sections;
- Staff to investigate assigning a higher weight to Environmental and Natural Resources Sustainability by reducing the weight value of the Primary Objective category in Water Resources Stewardship Projects, Page 19;
- Staff to investigate reduced carbon footprint alternatives for weighting criteria in Information Technology and Capital Improvement Project criteria; and
- Staff to investigate how information technology projects can benefit natural resources sustainability and include weighting criteria.

The Committee continued the item to the next regularly-scheduled meeting on November 19, 2018.

### 3.4. 2018 Capital Improvement Program Committee Work Plan.

Ms. Jean Cohen, United Association of Plumbers, Pipefitters and Refrigeration Fitters Local Union 393, expressed support for inclusion of the Project Labor Agreement in the Committee's Work Plan.

Chairperson Hsueh reviewed the information on this item, per the attached Committee Agenda Memo; and reviewed the corresponding presentation materials contained in Attachment 1.

The Committee requested the following additions to the Committee's Work Plan:

- Discussion of Project Labor Agreements (PLAs) after January 2019, to include the following:
  - Overview of PLAs;
  - How does a PLA different from current practice;
  - Case studies from other agencies with PLAs, including pros and cons;
  - District policy on PLA;
  - Other agencies' policies on PLA;
  - Best practices for implementing a PLA;
  - Public input process on PLA;
  - Targeted Hiring Agreement; and
  - Establish schedule for Committee consideration of PLA: Meeting No. 1—Overview of PLA, Meeting No. 2—Review intricate parts of PLA, and Meeting No. 3—If it makes sense to move forward with PLA implementation; and
- CIP Implementation—Discussion of lessons learned to include:
  - Lessons learned on current large-scale project in construction phase, and
  - Level of in-house construction management resources; and
- CIP Development section:
  - Dam Seismic Retrofit Program Update; and
  - That Ms. Owen would respond to Board Member Request No. R-18-0016 via the CEO Bulletin that staff will be working with the Board's CIP Committee to respond.

Chairperson Hsueh confirmed the Committee's next regular meeting was scheduled for 10:00 a.m. on November 19, 2019.

**4. INFORMATION ITEMS:**

- 4.1. Staff Response to Public Comment Email From Doug Muirhead Dated August 6, 2018 Regarding Capital Improvement Program Mitigation Monitoring.

The Committee noted the information, without formal action.

- 4.2. Email From William Sherman Dated September 22, 2018, Regarding Water Rate Increases.

The Committee noted the information as contained in Mr. Sherman's email and additional information contained in Handout 2.1-A, herein, without formal action.

**5. ADJOURN:**

- 5.1. Clerk's Review and Clarification of Committee Requests and Recommendations.

Ms. Michelle Meredith, Deputy Clerk, read the following requests into the record:

Regarding Item 3.1, No. 2, Permanente Creek Project:

- Staff to clarify for the Board that the amendment is needed for additional engineering support during construction for Permanente Creek is due to the extended duration of the project construction periods at McKelvey Park and RSA, and to advise the Board of the potential impacts to the construction management contracts associated with the extended construction schedule;
- Staff to investigate the possibilities of supplementing construction management services for Permanente Creek Project with in-house staff resources; and
- Staff to clarify for the Board that the proposed budget adjustment does not affect Fund 26 Safe Clean Water reserves.

Regarding Item 3.1, No. 4, Software Upgrades and Enhancements to Geographic Information System (GIS):

Staff to advise the Board of the CIP Committee's support of a Request for Proposals process for the GIS Upgrades and Enhancements Project.

Regarding Item 3.2:

That the decision process for using internal construction management staff be incorporated into the Committee presentation on lessons learned from large construction projects.

Regarding Item 3.3:

- Include a separate category for Environmental Justice and Disadvantaged Communities in the CIP Priority Criteria for all project sections, and investigate weight value and qualifying criteria and bring back a proposal for the Committee's consideration;
- Utilize proposed Environmental Justice language on Page 18, *Promotes environmental justice or has a positive impact on disadvantaged communities (EL 1.1)*, in all project sections;
- Staff to investigate assigning a higher weight to Environmental and Natural Resources Sustainability by reducing the weight value of the Primary Objective category in Water Resources Stewardship Projects, Page 19;
- Staff to investigate reduced carbon footprint alternatives for weighting criteria in Information Technology and Capital Improvement Project criteria; and
- Staff to investigate how information technology projects can benefit natural resources sustainability and include weighting criteria.

Regarding Item 3.4:

The Committee requested the following additions to the Committee's Work Plan:

- Discussion of Project Labor Agreements (PLAs) after January 2019, to include the following:
  - Overview of PLAs;
  - How does a PLA differ from current practice;
  - Case studies from other agencies with PLAs, including pros and cons;
  - District policy on PLA;
  - Other agencies' policies on PLA;
  - Best practices for implementing a PLA;
  - Public input process on PLA;
  - Targeted Hiring Agreement; and
  - Establish schedule for Committee consideration of PLA: Meeting No. 1—Overview of PLA, Meeting No. 2—Review intricate parts of PLA, and Meeting No. 3—If it makes sense to move forward with PLA implementation; and

- CIP Implementation—Discussion of lessons learned to include:
  - Lessons learned on current large-scale project in construction phase, and
  - Level of in-house construction management resources; and
- CIP Development section:
  - Dam Seismic Retrofit Program Update; and
  - That Ms. Oven would respond to Board Member Request No. R-18-0016 via the CEO Bulletin that staff will be working with the Board's CIP Committee to respond.

5.2 Adjourn to Regular Meeting at 10:00 a.m. on November 19, 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 11:35 a.m. to the next scheduled meeting at 10:00 a.m., on November 19, 2018, in the Santa Clara Valley Water District Headquarters Board Conference Room A-124, 5700 Almaden Expressway, San Jose, California.

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

Approved: November 19, 2018