

CAPITAL IMPROVEMENT PROGRAM COMMITTEE MEETING

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# MINUTES

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**MONDAY, DECEMBER 9, 2019  
10:00 AM**

(Paragraph numbers coincide with agenda item numbers)

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

**1. CALL TO ORDER/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 A. Baker, S. Berning, T. Bramer, J. Collins, M. Cook, R. Fuller, M. Ganjoo, C. Hakes, L. Hoang, L. Infante, J. Martin, T. Mercado, M. Meredith, R. Narsim, K. Neuman, A. Nicholas, L. Orta, M. Richardson, D. Taylor, R. Yamane, B. Yerrapotu, and T. Yoke.

**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**

Recommendation: Approve the minutes.

Chairperson Hsueh noted that the Subject information for Item 4.4 on Page 2 of the attached minutes was incorrect, and requested that the minutes be amended to reflect the subject description so that it is consistent with the published agenda.

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

#### 4. ACTION ITEMS

- 4.1 Update on the Palo Alto Flood Basin Tide Gate Structure Improvements Project, Project No. 10394001, (City of Palo Alto, District 7).

Recommendation: Receive the update on the Palo Alto Flood Basin Tide Gate Structure Improvements Project.

Mr. Roger Narsim, Capital Engineering Manager, reviewed the information on this item, per the attached Committee Agenda Memo, and corresponding presentation materials contained in Attachment 5.

Chairperson Hsueh and Director LeZotte expressed concern with the timeline of the Palo Alto Flood Basin Tide Gate Structure Improvements Project in consideration of the 2017 Structural Assessment discussed in Attachment 5, Page 9, Bullet 7, and confirmed that they would discuss these concerns further with the Valley Water Chief Executive Officer.

The Committee encouraged staff to be prepared to respond to additional questions pertaining to the Project timeline when the item is considered by the full Board of Directors, and suggested that staff seek opportunities to expedite the project, including coordinating the permit and advertisement for bids processes to run concurrently.

- 4.2 Capital Project Monitoring – Design.

Recommendation: Receive and discuss information regarding the status of capital projects in the design phase.

Mr. Christopher Hakes, Deputy Operating Officer, reviewed the information on this item, per the attached Committee Agenda Memo, and the materials contained in Attachment 1 were reviewed by staff as follows: Mr. Hakes reviewed Items 1 through 3; Mr. Timothy Bramer, Acting Deputy Operating Officer, reviewed Items 4 through 9, 12, and 15; and Mr. Karl Neuman, Capital Engineering Manager, reviewed Items 10, 11, 13, 14, and 16 through 21.

Ms. Melanie Richardson, Chief Operating Officer, advised the Committee that the United States Army Corps of Engineers had released advertisements for the San Francisco Bay Shoreline Protection Project, Phases 1, 2 and 3; Mr. Neuman confirmed that Attachment 1, Page 2, Line 17, would be revised to remove the Lower Penitencia Creek Improvements Project from the Notes Column; and Ms. Collins confirmed that Attachment 1, Page 2, Line 19, Hale Creek Enhancement Pilot Study, would be deleted.

The Committee made the following requests:

- Staff is to revise Attachment 1, Page 1, Line 6, in the Project Name column, to provide more clarity that remaining work is limited to small capital projects associated with the Rinconada Water Treatment Plant Residuals

Management Project, and that the large Capital Improvement portion of the Project is complete;

- Staff is to clarify whether the South County Recycled Water Pipeline Short-Term Implementation Phase 1B Project described in Attachment 1, Page 1, Line 7, is on hold because it is pending award of the anticipated \$52 million grant funding in addition to United States Bureau of Reclamation National Environmental Policy Act updates; and
- Staff is to revise Attachment 1, Page 1, Line 15 to change the name of the Llagas Creek-Upper Project to the Upper Llagas Creek Phase 2 Project.

Chairperson Hsueh confirmed that the Committee would hear information on Items 4.3 and 4.4 concurrently, and requested that staff organize their presentations by Fund.

4.3 Draft Preliminary Capital Improvement Program Fiscal Years 2021-2025.

Recommendation: Receive and discuss the Draft Preliminary Fiscal Years 2021-2025 Capital Improvement Program and provide recommendations to staff as needed.

4.4 Receive Updated Analysis Regarding the Capital Improvement Program Committee's Recommended Funding Scenario for Safe, Clean Water and Natural Flood Protection Program Flood Protection Projects.

Recommendation: A. Receive updated analysis regarding the Capital Improvement Program (CIP) Committee's recommended funding scenario for Safe, Clean Water and Natural Flood Protection Program (Safe, Clean Water Program) Flood Protection Projects; and  
B. Provide feedback to staff, as necessary.

Ms. Collins and Mr. Taylor presented information on the various Funds, as follows: In regard to Safe Clean Water and Natural Flood Protection Fund 26, Ms. Collins reviewed the information contained in Item 4.3, Agenda Memo, Page 2, and Item 4.4, Attachment 1, and Mr. Taylor reviewed the information contained in Item 4.3, Attachment 2, Page 3; in regard to Watershed Streams Stewardship Fund 12, Ms. Collins reviewed the information contained in Item 4.3, Agenda Memo, Page 1, and Mr. Taylor reviewed the information contained in Item 4.3, Attachment 2, Page 2; in regard to Water Utility Enterprise Fund 61, Ms. Collins reviewed the information contained in Item 4.3, Agenda Memo, Page 2, and Mr. Taylor reviewed the information contained in Item 4.3, Attachment 2, Page 1; in regard to General Fund 11, Ms. Collins reviewed the information contained in Item 4.3, Agenda Memo, Page 1; and in regard to Equipment Fund 71, Ms. Collins reviewed the information contained in Item 4.3, Agenda Memo, Page 3.

Ms. Collins additionally confirmed that staff would provide complete project status updates on the proposed Fund 26 Projects to the full Board of Directors during the December 17, 2019 Special Meeting.

Mr. William Sherman, San Jose resident, expressed concern that Valley Water's Water Supply Master Plan may over-estimate water supply demands by up to 20 percent as a result of not factoring in savings associated with increased conservation, and suggested that an over-estimation in water supply planning such as this may be a factor in increasing the CIP's Water Supply Project cost projections. He requested that the Committee consider directing staff to include information on water savings associated with each Water Supply Capital Project proposed in the CIP during the December 17, 2019 presentation to the full Valley Water Board.

The Committee made the following requests:

In regard to Safe Clean Water and Natural Flood Protection Fund 26:

- Staff is to prepare the Fund 26 proposed funding scenarios so that they reflect opportunities for shortfalls, and a progression of options in the event that National Resources Conservation Service funding is not secured, such as a local funding only approach vs. a preferred project approach; and
- Staff is to more clearly call out in the December 17, 2019 presentation to the full Valley Water Board, when additional funding for Fund 26 projects is coming from Capital Projects Reserves.

In regard to Watershed Streams Stewardship Fund 12:

Staff is to include in the December 17, 2019 presentation to the full Valley Water Board, a preliminary draft of the backlog of Operations and Maintenance activities, and return with continued discussion during a January 2020 Valley Water Board meeting.

In regard to Water Utility Enterprise Fund 61:

Staff should include in future water rate setting process discussions, information on whether any validated, future unfunded CIP Projects, or other baseline projects could be funded under Fund 61, what the baseline projects are and what their significance is to water supply, and identify which projects in the Water Supply Master Plan are baseline.

The Committee had no feedback on the information presented on the General Fund 11 or Equipment Fund 71, and suggested that staff focus their December 17, 2019 presentation to the full Valley Water Board on the information presented on Funds 26, 12, and 61.

Director Estremera left the meeting and did not return.

4.5 2019 Capital Improvement Committee Work Plan, and Proposed 2020 Work Plan and Meeting Schedule.

- Recommendation:
- A. Review the 2019 Capital Improvement Program Committee Work Plan and make revisions as necessary;
  - B. Review the proposed 2020 Capital improvement Program Committee Work Plan and make revisions as necessary; and
  - C. Review and approve the proposed 2020 CIP Committee meeting schedule.

Chairperson Hsueh reviewed the information on this item, per the attached Committee Agenda Memo, and the materials contained in Attachments 1 through 3.

Mr. Hakes advised the Committee that the Calero Dam Seismic Upgrade and Water Reliability Analysis presentation scheduled on the Draft 2020 Committee Work Plan, would be moved from the January to the March 2020 meeting.

It was moved by Chairperson Hsueh, seconded by Director LeZotte, and carried that the Committee approve the 2020 Work Plan contained in Attachment 2, as amended; and approve the 2020 Committee meeting dates as contained in Attachment 3. Director Estremera was absent.

**5. INFORMATION ITEMS:**

None.

**6. CLERK'S REVIEW AND CLARIFICATION OF COMMITTEE REQUESTS AND RECOMMENDATIONS:**

The new Committee Requests and Recommendations were not read into the record.

**7. ADJOURN**

Adjourn to Regular Meeting at 10:00 a.m., on January 13, 2020, in the Valley Water Headquarters – Conference Room A-124, 5700 Almaden Expressway, San Jose, California.

Chairperson Hsueh adjourned the meeting at 12:30 p.m., to the next scheduled meeting at 10:00 a.m., on January 13, 2020, in the Valley Water Headquarters – Conference Room A-124, 5700 Almaden Expressway, San Jose, California.

Michelle Meredith  
Deputy Clerk of the Board

Approved: