



CAPITAL IMPROVEMENT PROGRAM COMMITTEE

MINUTES

**MONDAY JULY 9, 2018
10:00 AM**

(Paragraph numbers coincide with agenda item numbers)

A regular meeting of the Santa Clara Valley Water District Capital Improvement Program Committee (Committee) was called to order in the District Headquarters Building, 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 and District 5 Director N. Hsueh, Chairperson presiding, constituting a quorum of the Committee.

District 6 Director T. Estremera was excused from attending.

Staff members in attendance were E. Aryee, J. Collins, M. Cook, C. Hakes, S. Hosseini, M. Meredith, N. Nguyen, L. Orta, K. Oven, L. Rossiter, A. Rouhani, D. Taylor, S. Yamamoto, 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 subject not on the agenda. There was no one present who wished to speak.

2. APPROVAL OF MINUTES:

2.1 Approval of April 25, 2018, Minutes.

Recommendation: Approve the minutes.

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

2.2 Approval of May 14, 2018, Minutes.

Recommendation: Approve the minutes.

Mr. Darin Taylor, Chief Financial Officer, confirmed that staff would come back during the August 13, 2018, Committee meeting with the information requested by the Committee in the May 14, 2018, Minutes, Page 2, Item 3.2, Bullets 1 through 3.

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

Chairperson Hsueh moved the agenda to Item 3.3.

3. ACTION ITEMS:

3.3 2018 Capital Improvement Program Committee Work Plan.

Recommendation: Review and make necessary revisions to the 2018 Capital Improvement Program Committee Work Plan, and confirm the Committee's regular meeting schedule for 2018.

Chairperson Hsueh advised the Committee that Board Chairperson Santos had recently assigned herself and Directors Keegan and LeZotte to a workgroup to review the District Act for alternative financing for Water Utility Enterprise (WUE) projects. She discussed the opportunity this created for duplicate efforts between the workgroup and the Capital Improvement Program (CIP) Committee.

Mr. Stan Yamamoto, District Counsel, confirmed that the Brown Act limited the ability of committees to have overlapping efforts.

Chairperson Hsueh confirmed that Chairperson Santos had expressed support for keeping alternative financing for WUE projects within the CIP Committee Work Plan, and disbanding the workgroup.

The Committee made the following requests:

- Mr. Yamamoto is to advise Director Keegan that alternative financing for WUE projects would remain on the CIP Committee Work Plan, and that the workgroup would be disbanded;
- Staff is to come back during the August 13, 2018, CIP Committee discussion on alternative financing for WUE projects with information responding to discussion from the June 13, 2018, workgroup meeting;
- Staff is to revise the CIP Committee Work Plan, CIP Implementation Section, Lines 2 and 7, to remove the duplicate listing of *South County Recycled Water* and *South County Recycled Water Pipeline*; and
- Staff is to revise the CIP Committee Work Plan, CIP Implementation Section, Line 5, to read *Alternative Financing WUE Projects* (~~Special Tax~~).

Chairperson Hsueh returned the agenda to Item 3.1. Discussion on Item 3.3 resumed as noted below.

3.1 Priority Ranking Criteria for Water Resources Stewardship Projects.

Recommendation: Review, discuss, and provide input regarding the Capital Improvement Program Priority ranking criteria for Water Resources Stewardship Projects.

Mr. Ngoc Nguyen, Deputy Operating Officer, reviewed the information on this item, per the attached Committee Agenda Memo.

The Committee made the following requests:

- Staff is to revise Attachment 2, Column 4 Heading, to read ***Remaining Cost Funding Needed (\$K [FY 19 to Completion])***;
- Staff is to come back during the September 10, 2018, Committee meeting with a list of non-specific Safe, Clean Water (SCW) Environmental Stewardship commitments, and discussion on what process and timelines the Board of Directors will follow to identify, prioritize, and select environmental stewardship projects to meet SCW commitments; and
- After the above discussion, the Committee will work on modification to the current CIP priority ranking criteria for Water Resources Stewardship Projects, as needed.

3.2 Capital Projects Status Update—Construction.

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

Ms. Katherine Oven, Deputy Operating Officer, Mr. Nguyen, Mr. Saied Hosseini, Capital Engineering Manager, and Mr. Michael Cook, Information Technology Manager, reviewed the information on this item, per the attached Committee Agenda Memo, and per the information contained in Attachment 1.

Ms. Oven, Mr. Nguyen, and Mr. Cook respectively provided additional information on the Upper Llagas Creek Flood Protection Project, the Matadero Creek Sediment Removal and Erosion Repair and San Tomas Aquino Creek Erosion Repair Projects, and the Geographic Information Systems (GIS) Enterprise and Managed Cloud Services Agreements.

Mr. Nguyen distributed the attached Bid Results for the aforementioned Matadero and San Tomas Aquino Creek Projects, identified as Handout 3.2-A herein. Copies of the Handout were distributed to the Committee and made available to the public.

The Committee made the following requests:

- Staff is to bring discussion on the Rinconada Water Treatment Plant Reliability Improvement Project to the full Board of Directors, at the soonest Open or Closed Session opportunity;

- Staff is to provide a verbal report on the Permanente Creek Project to the full Board of Directors during the July 10, 2018, Board meeting, and follow up with a status report to the full Board at the next available Board meeting; and
- Staff is to go back to the full Board of Directors with information responding to previous concerns and requests expressed by Director Kremen, and a recommended action on the GIS Enterprise and Managed Cloud Services Agreements.

The Committee resumed consideration of Item 3.3.

3.3 2018 Capital Improvement Program Committee Work Plan.

Recommendation: Review and make necessary revisions to the 2018 Capital Improvement Program Committee Work Plan, and confirm the Committee's regular meeting schedule for 2018.

Chairperson Hsueh confirmed that the next two regular Committee meetings would be held at 10:00 a.m. on August 13 and September 10, 2018, and requested that a presentation on the Pacheco Reservoir Expansion Project be provided during the August 13, 2018, meeting.

4. INFORMATIONAL ITEMS:

None.

5. ADJOURN:

5.1 Clerk Review and Clarification of Board Requests.

Ms. Michelle Meredith, Deputy Clerk of the Board, read the new Committee Recommendations and Requests into the record, as follows:

In regards to Item 3.1:

- Staff is to revise Attachment 2, Column 4 Heading, to read ***Remaining Cost Funding Needed (\$K [FY 19 to Completion])***;
- Staff is to come back during the September 10, 2018, Committee meeting with a list of non-specific Safe, Clean Water (SCW) Environmental Stewardship commitments, and discussion on what process and timelines the Board of Directors will follow to identify, prioritize, and select environmental stewardship projects to meet SCW commitments; and
- After the above discussion, the Committee will work on modification to the current CIP priority ranking criteria for Water Resources Stewardship Projects, as needed.

In regards to Item 3.2:

- Staff is to bring discussion on the Rinconada Water Treatment Plant Reliability Improvement Project to the full Board of Directors, at the soonest Open or Closed Session opportunity;
- Staff is to provide a verbal report on the Permanente Creek Project to the full Board of Directors during the July 10, 2018, Board meeting, and follow up with a status report to the full Board at the next available Board meeting; and
- Staff is to go back to the full Board of Directors with information responding to previous concerns and requests expressed by Director Kremen, and a recommended action on the GIS Enterprise and Managed Cloud Services Agreements.

In regards to Item 3.3:

- Mr. Yamamoto is to advise Director Keegan that alternative financing for WUE projects would remain on the CIP Committee Work Plan, and that the workgroup would be disbanded;
- Staff is to come back during the August 13, 2018, CIP Committee discussion on alternative financing for WUE projects with information responding to discussion from the June 13, 2018, workgroup meeting;
- Staff is to revise the CIP Committee Work Plan, CIP Implementation Section, Lines 2 and 7, to remove the duplicate listing of *South County Recycled Water* and *South County Recycled Water Pipeline*;
- Staff is to revise the CIP Committee Work Plan, CIP Implementation Section, Line 5, to read *Alternative Financing WUE Projects*; and
- Staff is to come back with a presentation on the Pacheco Reservoir Expansion Project be provided during the August 13, 2018, meeting.

5.2 Adjourn to Regular Meeting at 10:00 a.m. on Monday August 13, 2018, in the District Headquarters Building, Conference Room A-124, 5700 Almaden Expressway, San Jose, California.

5.3 Chairperson Hsueh adjourned the meeting at 12:05 p.m., to the 10:00 a.m., August 13, 2018, meeting, in the District Headquarters Building, Conference Room A-124, 5700 Almaden Expressway, San Jose, California.

[original signed by]

Michelle Meredith
Deputy Clerk of the Board

Approved:

Date: August 13, 2018