



CAPITAL IMPROVEMENT PROGRAM COMMITTEE

MINUTES

**MONDAY MAY 14, 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, 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, arrived as noted below.

Staff members in attendance were E. Aryee, H. Ashktorab, R. Blank, J. Collins, V. Gin, C. Hakes, G. Hall, S. Hosseini, K. Jessup, M. Meredith, L. Orta, B. Redmond, S. Rodriguez, L. Rossiter, A. Rouhani, D. Taylor, S. Tikekar, D. Tucker, 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

None.

3. ACTION ITEMS

3.1 Update of South County Recycled Water Producer/Wholesaler/Retailer Agreements.

Recommendation: Receive information and discuss.

Mr. Hossein Ashktorab, Recycled and Purified Water Manager, reviewed the information on this item, per the attached Committee Agenda Memo; and

Ms. Katrina Jessop, Associate Civil Engineer, reviewed the corresponding materials contained in Attachments 1 and 2.

The Committee identified the following priorities in regards to the South County Recycled Water Program:

- District participation in South County Recycled Water Authority (SCRWA) governance;
- Uniformity among recycled water agreements throughout the county and discussion on how to bring South County Recycled Water Program agreements to consistent standards with other agreements;
- Discussion on how to include expansion of the South County Recycled Water Program into Morgan Hill; and
- Discussion on funding for South County Recycled Water Program capital improvements.

The Committee requested that staff modify their upcoming South County Recycled Water Program Update to the Board of Directors to include the following:

- A summary of the Committee's discussion;
- A proposed letter regarding District participation in SCRWA governance; and
- A recommendation authorizing the Board Chairperson to sign the proposed letter.

3.2 Update on Alternative Financing for Water Utility Enterprise Projects.

Recommendation: Receive an update and provide direction to staff on next steps.

Mr. Darin Taylor, Chief Financial Officer, reviewed the information on this item, per the attached Committee Agenda Memo.

The Committee made the following requests of staff:

- Investigate the Trump Administration's planned reductions to federal income tax deductions to determine what portion, if any, relates to property taxes; and come back with information on the impacts of a special tax measure on constituents;
- Identify projects that could be funded by a special tax measure, and come back with discussion and opportunity for Committee feedback on the proposed projects and a public opinion survey; and
- Reach out to Santa Clara County tech-industry leaders who have supported the Santa Clara Valley Open Space Authority or the Mid-Peninsula Open Space District; investigate tech-industry firms that have not supported open space in the past to determine whether their support had ever been requested; and utilize District constituent contact connections to engage in support opportunity discussion with Santa Clara County's tech-industry leaders.

Mr. William Sherman, San Jose resident, spoke of his previous experience as a manager with Intel Corporation, and of his current role within a tax payer advocacy group. He said that high-tech industries were interested in funding projects that benefitted them, and tax payers would support priority projects, if priorities were communicated to them.

The Committee noted the information, without formal action.

3.3 Capital Projects Status Update, Planning/Feasibility Study.

Recommendation: Receive and discuss information regarding the status of capital projects in the Planning and Feasibly Study Phase.

Mr. Emmanuel Aryee, Capital Engineering Manager, reviewed the information on this item, per the attached Committee Agenda Memo.

The corresponding materials contained in Attachments 1 and 2 were reviewed by staff as follows: Mr. Vincent Gin, Deputy Operating Officer, Mr. Afshin Rouhani, Water Policy and Planning Manager, and Ms. Jessica Collins, Senior Management Analyst, reviewed Attachment 2, and Attachment 1, Water Utility, Flood Protection, and Water Resources Stewardship sections; and Mr. Sudhanshu Tikekar, Deputy Administrative Officer, reviewed Attachment 1, Buildings and IT section.

The Committee made the following requests of staff:

- Move forward with proposing that the Board make no changes to the Safe, Clean Water Program; complete the planning phases for both the Upper Penitencia Creek (Coyote Creek to Dorel Drive) and Coyote Creek (Montague Expressway to Tully Road) projects; and include in the May 23 Safe, Clean Water public hearing, a statement on the Committee's support for staff's proposal; and
- Investigate opportunities to obtain Valley Transportation Authority mitigation funding for the Ogier Pond Planning Study.

The Committee noted the information, without formal action.

4. REVIEW COMMITTEE WORK PLAN

4.1 2018 Capital Improvement Committee Work Plan.

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

Chairperson Hsueh requested that the 2018 Work Plan be revised to as follows:

- Remove discussion on the 10 Year Pipeline from the June 2018 meeting;
- Come back with information on whether discussion on Public Private Partnership (P3) Delivery for Capital Projects is necessary and if so, provide a proposed meeting date;

- Remove the duplicate listing of South County Recycled Water Pipeline (CIP Implementation section, Row 7) from the 2018 Work Plan; and
- Determine whether discussion on Capital Project Monitoring for Construction Projects, and Criteria for Ranking of Stewardship Projects, can be deferred to the July 2018 meeting, and if so, cancel the June 2018 meeting.

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:

- Note the following Committee priorities in regards to the South County Recycled Water Program:
 - District participation in South County Recycled Water Authority (SCRWA) governance;
 - Uniformity among recycled water agreements throughout the county and discussion on how to bring South County Recycled Water Program agreements into consistent standards with other agreements held throughout the county;
 - Discussion on how to include expansion of the South County Recycled Water Program into Morgan Hill; and
 - Discussion on funding for South County Recycled Water Program capital improvements; and
- The Committee requested that staff modify their upcoming South County Recycled Water Program Update to the Board of Directors to include the following:
 - A summary of the Committee's discussion;
 - A proposed letter regarding District participation in SCRWA governance; and
 - A recommendation authorizing the Board Chairperson to sign the proposed letter.

In regards to Item 3.2:

- Investigate the Trump Administration's planned reductions to federal income tax deductions to determine what portion, if any, relates to property taxes; and come back with information on impacts to constituents, if a special tax was sought;
- Identify projects that could be funded by a special tax measure, and come back with discussion and an opportunity for the Committee to give feedback on the proposed projects and a public opinion survey; and
- Reach out to Santa Clara County technology industry leaders who have supported the Open Space Authority, the Mid-Peninsula Open Space District, or other agencies; Investigate other high-tech firms that have not

supported local agencies to determine whether they had ever been invited to do so; and Utilize contacts with the District's constituency base who have connections with technology industry leaders.

In regards to Item 3.3:

- Move forward with proposing that the Board approve the planning phases of the Upper Penitencia Creek (Coyote Creek to Dorel Drive) and Coyote Creek (Montague Expressway to Tully Road) projects, and include a statement on the Committee's support for staff's proposal, in their presentation to the Board; and
- Investigate opportunities for Valley Transportation Authority mitigation funding for the Ogier Pond Planning Study; and

In regards to Item 3.4:

- Remove discussion on the 10 Year Pipeline from the June 2018 meeting;
- Come back with information on whether discussion on Public Private Partnership (P3) Delivery for Capital Projects is necessary and if so, provide a proposed meeting date;
- Remove the duplicate listing of South County Recycled Water Pipeline (CIP Implementation section, Row 7) from the 2018 Work Plan; and
- Determine whether discussion on Capital Project Monitoring for Construction Projects, and Criteria for Ranking of Stewardship Projects, can be deferred to the July 2018 and if so, cancel the June 2018 meeting.

5.2 Adjourn to Regular Meeting at 10:00 a.m. on Monday June 11, 2018, in the District Headquarters Building, Conference Room A-124, 5700 Almaden Expressway, San Jose, California.

Chairperson Hsueh adjourned the meeting at 11:35 a.m., to the 10:00 a.m., June 11, 2018 meeting, subject to cancellation per discussion contained in Item 3.4, or to the next thereafter regularly scheduled meeting at 10:00 a.m. on July 9, 2018, to be posted and noticed in accordance with the Brown Act.

[original signed by]

Michelle Meredith
Deputy Clerk of the Board

Approved: July 9, 2018