



CAPITAL IMPROVEMENT PROGRAM (CIP) COMMITTEE MEETING

MINUTES

**MONDAY July 10, 2017
10:00 AM**

(Paragraph numbers coincide with agenda item numbers)

A regular meeting of the Capital Improvement Program (CIP) Committee was held at 10:00 a.m. on July 10, 2017, in the Santa Clara Valley Water District Headquarters Building Conference Room A-124, 5700 Almaden Expressway, San Jose, California.

1. CALL TO ORDER/ROLL CALL

Committee members in attendance were District 4 Director Linda LeZotte and District 5 Director Nai Hsueh, Chairperson presiding, constituting a quorum of the Committee.

District 6 Director Tony Estremera arrived as noted below.

Staff members in attendance were Joseph Aranda, Kurt Arends, Vincent Gin, Chris Hakes, Fang Lu, Anthony Mendiola, Michelle Meredith, Ngoc Nguyen, B. Redmond, M. Richardson, and Darin Taylor.

Sudhanshu Tikekar participated by teleconference.

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.

Chairperson Hsueh acknowledge receipt of the attached letter from Mr. Doug Muirhead, Morgan Hill resident, identified as Handout 2-A, herein. Copies of the Handout were distributed to the Committee and made available to the public.

Chairperson Hsueh requested that staff prepare a written response to Mr. Muirhead.

Director Estremera arrived.

3. APPROVAL OF MINUTES

The Committee considered the minutes of the June 12, 2017 meeting.

Chairperson Hsueh requested that Page 5, Paragraph 1, Line 2 be revised to read *...priorities, and suggested **that staff explore the feasibility of the following alternative funding sources:***

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 REVIEW AND DISCUSS PROJECTS AND FUNDING IN THE WATERSHED CAPITAL PROGRAM (FUND 12 & FUND 26) FOR THE FISCAL YEAR 2018-22 CAPITAL IMPROVEMENT PROGRAM (Continued from June 12, 2017).

Mr. Ngoc Nguyen, Interim Deputy Operating Officer, reviewed the information on this item, per the attached Committee Agenda Memorandum and corresponding attachment, and confirmed that staff's response to the Committee's June 12, 2017 request for additional information on Redevelopment Successor Agency (RDA), Open Space Credit (OSC), and Fisheries and Aquatic Habitat Collaborative Effort (FAHCE) funding was contained therein.

The Committee confirmed that the following list represented the unfunded Capital Watershed Projects identified by the Committee for additional evaluation, and for discussion by the full Board of Directors:

- Coyote Creek (from Montague expressway to Tully Road)
- Almaden Lake Improvements
- Ogier Pond/Creek Separation
- Metcalf Pond/Creek Separation
- Stevens Creek Fish Passage Barrier Improvements

In regards to RDA funding, Director Estremera suggested that he, Director LeZotte, and the Honorable Don Gage were available to provide feedback on RDA activities for the Cities of San Jose, Sunnyvale, and Santa Clara, respectively.

In regards to OSC reductions, the Committee expressed support for tiered reduction scenarios; encouraged staff to reference a recent Greenbelt Alliance study on the economic benefits of open space; and requested that staff come back with information on whether funding created by tiered OSC reductions would be adequate to complete unfunded projects, in preparation of taking discussion to the full Board of Directors in Fall 2017.

In regards to FAHCE implementation funding, the Committee requested that staff continue to investigate what unfunded project components may qualify for FAHCE credit, and seek concurrence from FAHCE partners.

Ms. Melanie Richardson, Interim Chief Operating Officer, Watersheds, advised the Committee that staff was investigating whether additional Safe, Clean Water funds could be made available to partially fund unfunded Watershed Capital Projects where mercury issues exist.

The Committee continued discussion to September 2017, and authorized staff to reschedule the September 11, 2017 regular meeting to September 18 or 25, 2017, if additional time was needed to complete the analysis.

4.2 PEOPLESOFT UPGRADE ASSESSMENT STUDY: FINDINGS AND RECOMMENDATIONS

Mr. Sudhanshu Tikekar, Deputy Administrative Officer, reviewed the information on this item, per the attached Committee Agenda Memorandum. He explained that the recommendation to go out to bid for a new Enterprise Resource Planning (ERP) solution allowed the District to benefit from enhanced, cloud-based technologies that had been developed since the PeopleSoft System Upgrade and Expansion Capital Project was approved in 2014, confirmed that going out to bid for a new ERP would extend the project's lifespan from 12 to 15 years, and requested the Committee's recommendation of support for the proposal to the full Board of Directors.

Mr. Doug Muirhead, Morgan Hill resident, requested and received information that the term Best of Breed, as contained on Page 35 of the Committee Packet, was used in software manufacturing fields to define best products of their type, and that the Request for Proposal would include a Best of Breed requirement.

It was moved by Director LeZotte, seconded by Director Estremera, and unanimously carried that the Committee approve recommending that the Board support consultant recommendations to go out to bid for a new ERP solution.

5. REVIEW AND DISCUSS 2017 COMMITTEE WORK PLAN

Chairperson Hsueh directed the Committee to Page 56 of the Committee Meeting Packet, where the Committee considered items identified for discussion during the August 14, 2017 meeting.

The Committee provided the following feedback and instructions on the August 14, 2017 regular meeting, *Intended Outcomes* column:

- Remove Item 6, Coyote Creek Project (discussed during April 10, 2017 meeting);
- Provide an update on Items 7 and 8, for the current fiscal year, and include in that presentation the information requested by Director LeZotte during the June 12, 2017 meeting, as reflected in the June 12, 2017 minutes, Page 5;
- Present information in Item 9, Monitoring of Maintenance of CIP Project Mitigation Commitments, first;
- Add a presentation on the Rinconada Water Treatment Plant Residuals Management Project; and
- Add a presentation on the Headquarters Operations Building (Maintenance Building) Project.

6. DISCUSSION OF NEXT COMMITTEE MEETING AGENDA AND SCHEDULE

Chairperson Hsueh confirmed that the next Committee meeting would be held on August 14, 2017, at 10:00 a.m.

7. ADJOURN

Chairperson Hsueh adjourned the meeting at 11:20 a.m., to the 10:00 a.m., Monday August 14, 2017, meeting, in the Santa Clara Valley Water District Headquarters Building, Conference Room A-124, 5700 Almaden Expressway, San Jose.

[ORIGINAL SIGNED BY]

Michelle Meredith
Deputy Clerk of the Board

Approved: August 14, 2017