

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
BOARD OF DIRECTORS ADJOURNED REGULAR MEETING
MINUTES FOR OCTOBER 5, 2017**

The Board of Directors of the San Luis & Delta-Mendota Water Authority convened at approximately 9:35 a.m. at 842 6th Street, in Los Banos, California for a regular meeting, with Chair Cannon Michael presiding.

Directors and Alternate Directors in Attendance

Division 1

Dave Weisenberger, Alternate for Jim McLeod
Anthea Hansen, Director - Earl Perez, Alternate
Rick Gilmore, Director - Vince Lucchesi, Alternate

Division 2

Don Peracchi, Director - Dan Pope
Sarah Woolf, Director
John Bennett, Director - Michael Linneman, Alternate
William Diedrich, Director

Division 3

Mike Stearns, Director - Jeff Bryant Alternate
Chris White, Alternate for James O'Banion
Cannon Michael, Director - Randy Houk, Alternate
Rick Ortega, Director - Mike Gardner

Division 4

John Varela, Director - Garth Hall, Alternate
Gary Kremen, Director
Jeff Cattaneo, Alternate for John Tobias

Division 5

Bill Pucheu, Director
Jose Gutierrez, Alternate for Tom Birmingham
Steve Stadler, Director - Thomas W. Chaney, Alternate

Authority Representatives Present

Gabriel Delgado, Legal Counsel
Diane Rathmann, Legal Counsel
Jason Peltier, Executive Director
Frances Mizuno, Assistant Executive Director
Jon Rubin, General Counsel
Ara Azhderian, Water Policy Administrator
Tona Mederios, Director of Finance
Tom Boardman, Water Resources Engineer
Guy Wamocha, Supervisor of Accounting
Kathrin Odisho, Supervisor of Operational Accounting
Paul Stearns, O&M Manager
Bob Martin, Planning & Engineering Manager

Others in Attendance

John Beam, GWD Consultant
Mike Wade, California Farm Water Coalition
Jarret Martin, Central California Irrigation District
Palmer McCoy, Henry Miller Reclamation District
Lauren Layne, Tranquillity I.D./Fresno Slough W.D
Russ Freeman, Westlands Water District
John Azevedo, Patterson Irrigation District
Palmer McCoy, Henry Miller Reclamation District
Juan Cadena, Panoche Water District
Steve Chedester, San Joaquin River Exchange Contractors Water Authority

1. Pledge of Allegiance

The Pledge of Allegiance was recited.

2. Call to Order/Roll Call

Chair Cannon Michael called the meeting to order. Roll was called.

3. Board to Consider Corrections or Additions to the Agenda of Items, as authorized by Government Code Section 54950 et seq.

There were no additions or corrections to the agenda.

4. Opportunity for Public Comment

John Bennett announced the new general manager for Panoche Water District, Ara Azhderian. Cannon Michael expressed appreciation for Azhderian's work for the Water Authority

CONSENT ITEMS

5. Agenda Items 5-6: Board to Consider: a) Approval of September 14, 2017 Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports

On motion of Director Bill Pucheu, seconded by Director John Varela, the Board approved the Consent Items.

The vote on the motions were as follows:

AYES: Weisenberger, Hansen, Gilmore, Peracchi, Woolf, Bennett, Diedrich, Stearns, White, Michael, Ortega, Varela, Kremen, Cattaneo, Pucheu, Gutierrez, Stadler

NAYS: None

ABSTENTIONS: None

ACTION ITEMS

6. Agenda Item 7: Board of Directors to Consider Changes to the Organizational Structure for the San Luis & Delta-Mendota Water Authority.

Director Rick Gilmore discussed the Organizational Chart, job descriptions, and new positions with the Board of Directors. After a lengthy discussion, the Board decided not to act on the item. Executive Director Jason Peltier indicated (1) he would consider the input from the Board and, as appropriate, seek additional input from Directors, and (2) present possible changes to the organizational structure at a subsequent meeting.

REPORT ITEMS

7. Agenda item 8: Update on C.W. “Bill” Jones Pumping Plant Unit 6 Rewind Project, including Negotiations of a Repayment Contract with the United States.

Assistant Executive Director Frances Mizuno introduced the item and then Bob Martin, Planning & Engineering Manager, presented a slide presentation depicting Unit #6 of the C.W. “Bill” Jones Pumping Plant. Mizuno then provided an update on the Unit 6 Rewind Project, including the negotiation of a Repayment Contract with the United States Bureau of Reclamation. Mizuno noted that the Mid-Pacific Region had requested in its basis of negotiation request that the funding for Unit 6 be up to \$5,250,000, with a fifteen-year repayment period. Mizuno explained that Reclamation’s Directives and Standards for such Repayment Contracts require the Water Authority to use 75% of the \$1,500,000 or \$1,200,000 million of emergency reserve fund first toward funding the Project. However, Reclamation authorized the Mid-Pacific Region to allow the Water Authority to direct fund the \$1.2M and allow for EO&M expenditures made or to be made by the Water Authority in FY17 and 18 at the Jones Pumping Plant as an offset toward the \$1,200,000 obligation instead of drawing from the emergency reserve fund. The estimated FY17 and 18 expenditure is approximately \$400,000, therefore reducing the balance required to approximately \$800,000. Mizuno indicated that she sought guidance from the Finances & Administration Committee on how the balance of the \$800,000 should be funded, and the Committee agreed to the recommendation to use the reserves to fund the \$800,000.

8. Agenda Item 9: California WaterFix Update.

Executive Director Jason Peltier reported that he is unaware of any additional actions

taken by the member agencies of the Water Authority, other than Westlands Water District & Banta-Carbona Irrigation District. Peltier reported that the Water Authority remains engaging in discussions with Reclamation and other public water agencies.

9. Agenda Item 10: Operations Update and Forecasts.

Water Resources Engineer Tom Boardman reported that pumping at the C.W. “Bill” Jones Pumping Plant was at capacity during all but nine days in September, while pumping at the Harvey O. Banks Pumping Plant was restricted most of the month due to an X2 requirement. Boardman also reported storage in northern reservoirs was continuing to draw down in efforts to comply with approaching flood control requirements. Boardman expected pumping at Jones and Banks to decrease during November due to continued fall X2 requirements.

The Central Valley Project share of storage in San Luis Reservoir was reported to be refilling, although slow, due to elevated refuge demands and water transfers. Refill of the CVP share was expected by the end of 2017 in both the 90% and 50% exceedance forecasts. If the CVP share of San Luis Reservoir is full in early 2018, Boardman reported that the initial Ag allocation in February could be at least 35%. Under average hydrology, the Ag allocation is expected to be 45-55% with possibility of the allocation increasing to 65%+ with above normal hydrology in the San Joaquin basin.

10. Agenda Item 11: Committee Reports

a. Water Resources Committee Activities

October Meeting was cancelled

b. Finance & Administration Committee Activities

Committee Chair Bill Pucheu gave a brief summary of the October meeting.

c. O&M Technical Committee Activities

No Report given

11. Agenda Item 12: Reports on Activities of the Following Agencies that are Outside of the Authority.

a. State and Federal Contractors Water Agency, Bruce DiGennaro (Executive Director of SFCWA)

Executive Director of SFCWA Bruce DiGennaro gave an overview of SFCWA. DiGennaro focused on two main topics: 1) Why it is important to invest in science, and

2) How SFCWA invests in science and habitat restoration in the Delta.

b. Family Farm Alliance

Executive Director Jason Peltier reported that Family Farm Alliance Executive Director Dan Keppen would be testifying next week in support of H.R. 3916, which would eliminate redundancies and regulatory confusion across federal agencies related to ESA enforcement.

c. Farm Water Coalition

Executive Director of the Farm Water Coalition Mike Wade reported that they were working on a policy document that would highlight environmental activities occurring within the Water Authority, emphasizing many of the environmental resources and connections between agriculture and the environment.

d. Association of California Water Agencies

Director Bill Diedrich reported that ACWA's Board of Directors approved the recommendation and voted to direct staff to present the necessary bylaw amendments to create the 13th standing formal Agriculture Committee. The ACWA president would appoint members to the committee following receipt of Region recommendations early next year. Diedrich also announced that he was chosen as Chair of Region 6 for a 2-year term.

e. San Joaquin Valley Water Infrastructure Authority

Steve Chedester reported that the Bureau of Reclamation will be conducting a study to adequately assess the costs and benefits of the project, and to determine the federal interest in the project. This study is expected to be completed by the end of 2018.

12. Agenda Item 13: Chairman's Report

No report given.

13. Agenda Item 14: Monthly Staff Reports

a. Self-Funding Report

Director of Finance Tona Mederios reported that WY2015 Draft Accounting Contractors Records were mailed out on March 31, 2017 for a thirty-day review. The review period ended May 1, 2017, and staff has resolved all outstanding issues with Contractors, and has now posted deliveries and water payments as final. Mederios also reported that staff is completing other accounting steps and plans to distribute the

WY15 Final Accounting soon.

b. Operations & Maintenance Report

Assistant Executive Director Frances Mizuno reported that the O'Neill Unit penstock and main unit rehabilitation is running on schedule

c. Water Transfer/Exchange Update

No report given.

d. SGMA Report

Assistant Executive Director Frances Mizuno reported that the Water Authority continues to lead the Intrabasin Coordination between GSAs in the Delta-Mendota Subbasin as well as Interbasin Coordination between GSAs and GSPs between adjacent Subbasins. Mizuno commended Engineer Andrew Garcia on his work & dedication leading this effort.

e. Drainage Activity Report

Legal Counsel Diane Rathmann gave a brief update.

f. Water Policy Administrator Report

Water Policy Administrator Ara Azhderian gave his final report stating that he can never repay the debt of gratitude for all he learned and having been blessed by mentorship and comradery with people of the greatest expertise and character.

g. Executive Director's Report

Executive Director Jason Peltier reported that he is working with Assistant Executive Director Frances Mizuno, and General Counsel Jon Rubin on the transition by Water Policy Administrator Ara Azhderian.

14. Agenda Item 15: Update on State Water Resources Control Board Activities, Felicia Marcus (Chair of SWRCB)

Chair of the State Water Resources Control Board Felicia Marcus spoke on the activities & priorities of the State Water Resources Control Board.

15. Agenda Item 16-18: Closed Session Report

Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 12:20 p.m. Upon return to open session at approximately 1:00 p.m., General Counsel Jon Rubin reported that the Board met in closed session Rubin indicated that there were no reportable actions taken in closed session.

16. **Agenda Item 19: Reports Pursuant to Government Code Section 54954.2**

No reports given.

17. **Agenda Item 20: Adjournment**

The meeting was adjourned at approximately 1:00 p.m.