

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
BOARD OF DIRECTORS ADJOURNED REGULAR MEETING
MINUTES FOR NOVEMBER 9, 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

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

Division 2

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

Division 3

Jeff Bryant Alternate for Mike Stearns
Chris White, Alternate for James O'Banion
Cannon Michael, Director

Division 4

Garth Hall, Alternate for John Varela
Gary Kremen, Director - Richard Santos, Alternate
Jeff Cattaneo, Alternate for John Tobias
Sara Singleton, Alternate for Joe Tonascia

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
Jason Peltier, Executive Director
Frances Mizuno, Assistant Executive Director
Jon Rubin, General Counsel
Rebecca Akroyd, Deputy General Counsel
Tona Mederios, Director of Finance
Tom Boardman, Water Resources Engineer
Kathrin Odisho, Supervisor of Operational Accounting
Griffin Hill, Science Intern

Others in Attendance

John Beam, GWD Consultant

Mike Wade, California Farm Water Coalition
Palmer McCoy, Henry Miller Reclamation District
Juan Cadena, Panoche Water District
Janet Gutierrez, San Luis Water District
Rodney Wade, Tranquillity Irrigation District
Ara Azhderian, Panoche Water District
Eric Ruckdaschel, San Luis Canal Company
Don Wright, Waterwrights.net
Nick Janes, Byron Bethany Irrigation District
Russ Freeman, Westlands Water District
Kathleen Low, Santa Clara Valley Water District

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

Director Jim McCloud commented on Congress passing a law allowing Forestry Agencies to thin the trees in light of the recent devastating fires.

CONSENT ITEMS

5. Agenda Items 5-7: Board to Consider: a) Approval of October 5, 2017 Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports, c) Treasurer's Report for the Quarter Ending 9/30/17

On motion of Director Gary Kremen, seconded by Director Don Peracchi, the Board approved the Consent Items with a typographical error correction to the minutes.

The vote on the motions were as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Bennett, Diedrich, Bryant, White, Michael, Hall, Kremen, Cattaneo, Singleton, Pucheu, Gutierrez, Stadler

NAYS: None

ABSTENTIONS: None

ACTION ITEMS

6. **Agenda Item 8: Board of Directors to Consider Recommendation by the Finance & Administration Committee to Approve the Resolution Making Findings Under California Environmental Quality Act, Authorizing Execution of Contract Between the United States of America and San Luis & Delta-Mendota Water Authority for the Repayment of Extraordinary Maintenance Costs for the C.W. “Bill” Jones Pumping Plant and Authorizing Actions Related Thereto.**

Assistant Executive Director Frances Mizuno reviewed the draft Repayment Contract noting the following: 1) Funding up to \$5,000,000, 2) 15-year term with the first payment due on last day of February following the year the project is completed, 3) Interest is at the treasury rate of the calendar year in which the project is completed, 4) Water Authority will provide approximately \$800,000 from the Emergency Reserve fund toward the project, 5) Reclamation funding will become available after the expenditure of the Water Authority’s \$800,000 contribution.

On motion of Director Bill Pucheu, seconded by Director Don Peracchi, the Board approve the resolution as presented. The motion passed unanimously.

The vote on the motions were as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Bennett, Diedrich, Bryant, White, Michael, Hall, Kremen, Cattaneo, Singleton, Pucheu, Gutierrez, Stadler

NAYS: None

ABSTENTIONS: None

REPORT ITEMS

7. **Agenda item 9: San Luis Transmission Project Update.**

Assistant Executive Director Frances Mizuno reported that the Water Authority has been working with the Bureau of Reclamation and the Western Area Power Administration on a plan to enter into an agreement through which: (1) Duke American Transmission Company would construct and finance 100% of the cost for the San Luis Transmission Project, (2) Reclamation would lease up to 400 MW of transmission capacity for 30 years and at a fixed annual payment, and (3) DATC, at the end of the 30 year lease period, would sell to Reclamation for \$1.00 the 400MW capacity. The goal is to have an agreement in place by June, 2018.

8. Agenda Item 10: California WaterFix Update.

Executive Director Jason Peltier provided a brief report, which noted that there is continued interest in participation among Authority members, that the State is looking at options to reformulate the project, and that Reclamation is willing to rework their participation approach.

9. Agenda Item 11: Update on State Water Resources Control Board, Bay-Delta Water Quality Control Plan Update.

Deputy General Counsel Rebecca Akroyd gave a brief background on the Bay-Delta Water Quality Control Plan. Akroyd reported that, for both Phase 1 and Phase 2 of the Water Quality Control Plan update, the State Water Resources Control Board is issuing key documents: 1) Scientific Basis Report, 2) Substitute Environmental Document, and 3) Proposed Bay-Delta Plan revisions. For Phase 2, the State Water Board was accepting comments related to the Scientific Basis Report through November 9 at noon. Akroyd reported that the Water Authority would be submitting comments regarding the inclusion of flow and non-flow measures in the Report and in the Program of Implementation that will be developed, as well as adaptive management and collaboration with parties.

10. Agenda Item 12: WINN Act Update.

General Counsel Jon Rubin reviewed a slide presentation that was presented at a Bureau of Reclamation Stakeholder Workshop that was held on October 30, 2017. Rubin focused on two sections of the WINN Act: 1) Section 4002 – Old and Middle River (OMR) reverse flows at the most negative of the range in the Biological Opinions, and 2) Section 4003 – More negative OMR reverse flows that the Biological Opinions to capture peak flows during storm-related events. Rubin also discussed Section 4011, which allows for conversion from water service contracts to repayment contracts.

11. Agenda Item 13: Operations Update and Forecasts.

Water Resources Engineer Tom Boardman reported that C.W. “Bill” Jones Pumping Plant pumped at capacity during October, but pumping at the Harvey O. Banks Pumping Plant was restricted. Based on questions raised, it was suggested that the restrictions at Banks may have been due to Fall X2 requirements imposed on State Water Project under the California ESA. Boardman briefly described the criteria for how Project Operators will comply with the X2 requirement during November. It was reported that storage in northern reservoirs is continuing

to draw down in efforts to comply with approaching flood control requirements. CVP San Luis Reservoir storage was reported to be refilling although slowly due to elevated demands along the San Luis Canal and by the refuges. Refill of the CVP share may slip into 2018 with sustained high demands and reduced exports during November. Boardman concluded his reported with a brief explanation of the various actions under the BiOps that could reduce exports during the winter and spring months. The BiOp explanation led to a brief discussion about the timing of allocation announcements beginning in February.

12. Agenda Item 14: Reinitiation of Consultation on Biological Opinions Issued by National Marine Fisheries Service and United States Fish and Wildlife Service for Long-Term Operations of the Central Valley Project and State Water Project.

Executive Director Jason Peltier reported on the ongoing reinitiation of consultation on the biological opinions. Peltier highlighted the threats and opportunities this process creates. He also noted the importance of the process utilizing new science and considering other stressors.

13. Agenda Item 15: Temperance Flat Update

Chris White, General Manager for Central California Irrigation District, gave an update on the Temperance Flat Reservoir, which is a 1.3million acre foot, on stream reservoir that would divert and store San Joaquin River flows. White discussed many of the perceived benefits of this project, including the following: 1) it could improve surface water availability and reliability south of the Delta, 2) it could capture flood flows into storage, 3) it could improve San Joaquin River flood protection and minimize flood releases into the ocean, and 4) it could provide a source of emergency water supply for Southern California. Executive Director Jason Peltier reported that the Water Authority is planning a workshop on Temperance Flat next month.

14. Agenda Item 16: Committee Reports

a. Water Resources Committee Activities

No report was given.

b. Finance & Administration Committee Activities

No report given.

c. O&M Technical Committee Activities

Committee Chair Chris White gave a brief update, which highlighted the work of the Committee on O&M budget-related activities.

15. Agenda Item 17: Reports on Activities of the Following Agencies that are Outside of the Authority.

a. State and Federal Contractors Water Agency

Executive Director Jason Peltier reported that SFCWA in the process of setting up their budget for next year.

b. Family Farm Alliance

Executive Director Jason Peltier reported that the Family Farm Alliance had a Board retreat this week, and that it was very productive and constructive.

c. Farm Water Coalition

Mike Wade reported that they are getting more and more support for their public outreach programs.

d. Association of California Water Agencies

Bill Diedrich reported on the upcoming consideration by ACWA of a new committee which focuses on agriculture.

e. San Joaquin Valley Water Infrastructure Authority

Chair Cannon Michael reported that the San Joaquin Valley Water Infrastructure Authority has been focused on planning for the Temperance Flat Reservoir and matters related to the application for Proposition 1 funding.

16. Agenda Item 18: Monthly Staff Reports

a. Self-Funding Report

Director of Finance Tona Mederios reported that actual expenses for the Authority Routine O&M through September 30, 2017, including DWR conveyance costs related to water pumped at the Intertie through June 2017, are under-budget by \$1,002,970. Mederios also reported that the WY2015 Final Accountings are near completion and will be mailed out soon to contractors for their review.

b. Operations & Maintenance Report

Assistant Executive Director Frances Mizuno pointed the Boards attention to her written report in the Board Packet, and reported the Water Authority will have an Emergency Preparedness Active Threat Training for all employees November 14, 2017.

c. Water Transfer/Exchange Update

Assistant Executive Director Frances Mizuno gave a reminder to the M&I Contractors that the call for the M&I Option Water under the Exchange Contractor Water Transfer Agreement deadline is November 15.

d. SGMA Report

Assistant Executive Director Frances Mizuno reported that Andrew Garcia continues to work with Woodard & Curran to compile the necessary information required for completion of the Prop 1 Sustainable Groundwater Planning Grant application.

e. Drainage Activity Report

Legal Counsel Gabriel Delgado reported that the San Joaquin Valley Drainage Authority recently hosted several members from the Regional Board. Discussions & presentations were made on the following topics: 1) Proposed changes to the East San Joaquin Watershed general order, and 2) Requirements for Sediment and Erosion Assessment report regarding proximity to surface water. Delgado also reported that there was a demonstration after the meeting on the new Web Portal that's coming out for reporting under the existing order.

f. Executive Director's Report

Executive Director Jason Peltier reported that Collaborative Science and Adaptive Management Program continues to focus on science and adaptive management issues. Peltier briefly reviewed the items covered at the Collaborative Science and Adaptive Management Program Quarterly Policy Group Meeting, held on November 6, 2017. Peltier highlighted discussions on Winter-run Life Cycle Model workshops, Shasta Temperature Management, and Outflow monitoring.

17. Agenda Item 19-21: 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 1:10 p.m., General Counsel Jon Rubin reported that the Board met in closed session to receive advice from counsel and there were no reportable actions taken.

18. **Agenda Item 22: Reports Pursuant to Government Code Section 54954.2**

No reports given.

19. **Agenda Item 23: Adjournment**

The meeting was adjourned at approximately 1:10 p.m.