

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
MINUTES FOR APRIL 5, 2018**

The Board of Directors of the San Luis & Delta-Mendota Water Authority convened at approximately 9:30 a.m. at 842 6th Street, in Los Banos, California for a regular meeting, with Vice-Chair Don Peracchi presiding.

Directors and Alternate Directors in Attendance

Division 1

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

Division 2

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

Division 3

Mike Stearns, Director

Division 4

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

Division 5

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

Authority Representatives Present

Jon Rubin, Interim Executive Director & General Counsel
Frances Mizuno, Assistant Executive Director
Rebecca Akroyd, Deputy General Counsel
Tom Boardman, Water Resources Engineer
Tona Mederios, Director of Finance
Joyce Machado, Supervisor of Accounting
Gabriel Delgado, Legal Counsel

Others in Attendance

John Beam, GWD Consultant
Russ Freeman, Westlands Water District
John Wiersma, Henry Miller Reclamation District
Don A. Wright, waterwrights.net
Lauren Layne, Tranquillity I.D./Fresno Slough W.D

1. Pledge of Allegiance

The Pledge of Allegiance was recited.

2. Call to Order/Roll Call

Roll was called.

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

Jon Rubin reported that the February 21, 2018 Meeting Minutes were inadvertently added to the agenda, and therefore removed from consideration.

4. Opportunity for Public Comment

Director Jim McLeod gave a brief report on the science studies that West Stanislaus Irrigation District, Banta Carbona Irrigation District and Patterson Irrigation District are involved in. McLeod also had handouts for anyone interested in further information.

CONSENT ITEMS

5. Agenda Items 5-7: Board to Consider: a) Approval of January 29, 2018, February 8, 2018, March 8, 2018, and March 23, 2018, Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports. C) Acceptance of the Revised June 30, 2017 and the Revised September 30, 2017 Treasurer's Reports, and the Treasurer's Report for the Quarter Ending December 31, 2017.

On a motion of Director Bill Pucheu, seconded by Director Rick Gilmore, the Board approved Meeting Minutes, Financial Expenditures Reports, and the Treasurer's Reports. The vote on the motions were as follows:

AYES:	McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Bennett, Diedrich, White, Michael, Gardner, Varela, Kremen, Cattaneo, Pucheu, Birmingham, Stadler
NAYS:	None
ABSTENTIONS:	None

ACTION ITEMS

6. **Agenda Items 8: Board of Directors to Consider Authorizing the Water Authority to Support Science Studies, include Accepting and Undertaking Studies with Funds from the State and Federal Contractors Water Agency.**

Interim Executive Director/General Counsel Jon Rubin gave a brief overview of the memorandum included in the Board packet. The memo included three tables of the thirty-two studies that have been considered by State Federal Contractor Water Authority (SFCWA). 1) Table One: Projects that have been approved by SFCWA, and will be completed by the end of June. 2) Table Two: Includes six studies that will proceed on a schedule longer than the end of June. Studies 1-3 will be assigned to State Water Contractors along with the transfer of SFCWA assets. Studies 4-6 will be assigned to the Water Authority with SFCWA assets, but since this memo was prepared one study was no longer proposed for assignment to the Water Authority. 3) Table Three: Includes three studies that will be assigned to State Water Contractors without SFCWA assets. Studies 2-3 were approved by the Authority Board to take over without SFCWA assets. Study 7 will be taken over by the Water Authority with SFCWA assets.

Rubin explained that the Water Authority is seeking authorization to accept the two projects in Table 2 (Starthistle, and Blooms Analysis), to assume SFCWA's role in the Rice Fields Fish Foods Study, and to accept SFCWA funds for these three projects.

Director Tom Birmingham made a motion to accept these projects, and to accept SFCWA funds, the motion was seconded by Rick Gilmore.

The vote on the motions were as follows:

AYES:	McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Bennett, Diedrich, White, Michael, Gardner, Varela, Kremen, Cattaneo, Pucheu, Birmingham, Stadler
NAYS:	None
ABSTENTIONS:	None

REPORT ITEMS

7. **Agenda Item 9: Presentation by Association of California Water Agencies Joint Power Insurance Authority Refund.**

ACWA/JPIA Representative David Hodgin, Director from Scotts Valley Water District

presented a refund check of \$61,803 to the Water Authority.

8. Agenda Item 10: Strategic Planning Effort.

Interim Executive Director/General Counsel Jon Rubin reported that six proposals were reviewed, and two were selected by the Strategic Planning Committee. The two consultants have been invited to an interview on April 9th. Rubin informed the Board that the Water Resources Committee recommended that the April 9th interviews be scheduled as a Special Board meeting to allow interested Board members to attend.

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

Interim Executive Director/General Counsel Jon Rubin reported that the State Water Board is moving forward with the update to the Water Quality Control Plan, which is being done in two phases. Current schedule has Phase I coming to completion in mid-2018. Phase II is on a very aggressive schedule, and there could be action very soon by the State Water Board.

10. Agenda Item 12: 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.

Interim Executive Director/General Counsel Jon Rubin gave a brief summary of a Power Point presentation from the Bureau of Reclamation, which was included in the Board packet. Reclamation is continuing with the 3 Track process. Track 1: evaluate actions that can be accomplished in a short period of time, potentially including modification to restrictions on South of the Delta to increase water supply, and they are looking at preparing an environmental assessment. Track 2: analyze potential modifications to the continued long-term operation of the federal CVP that maximize water deliveries and increase operational flexibility by addressing the status of listed species in a programmatic environmental impact statement (EIS). Track 3: project-level analysis of activities that include new or modified infrastructure, habitat restoration, other stressors, and/or regulatory changes, as necessary and timely.

Director Tom Birmingham suggested drafting a resolution to take to the Water Resources Committee to recommend the Board send a letter to Congress regarding the provisions of the Endangered Species Act, and ask them to modify it, and create a balance.

11. Agenda Item 13: Government Relations/Legislative Report

Interim Executive Director/General Counsel Jon Rubin outlines some of his thoughts on how the Water Authority could engage better with its lobbyists. Rubin indicated that he would provide more detail to the Board in the future.

12. Agenda Item 14: California Storage Projects Update.

Assistant Executive Director Frances Mizuno reported that the Authority has been working on a Temperance Flat Activity Agreement and Memorandum of Understanding. The Authority had a meeting with a number of Member Agencies that have expressed a desire to have the Authority entering into the MOU via an Activity Agreement.. Interim Executive Director/General Counsel Jon Rubin reported that the Authority is working through some recommended changes to the MOU before making a final determination of the need for the Activity Agreement.

Mizuno also reported that Contra Costa Water District is in the process of scheduling a meeting in May for an update on the Los Vaqueros Expansion Project, and that the project is moving along very well. In addition, Santa Clara Valley Water District is will be scheduling a meeting on the Pacheco Reservoir and related modeling work to show what benefits might be derived from this project for Authority members.

13. Agenda Item 15: Operations Update and Forecasts.

Tom Boardman reported Jones pumping gradually increased throughout March thanks to improved hydrology. Exports are now restricted to a fraction of the flow at Vernalis per the salmon BiOp. Pumping had been estimated in previous forecasts to be only ½ unit due to anticipated dry conditions, but now is expected to be 2-3 units through most of April and May. Near term flows at Vernalis are expected to be at least 10,000 cfs and may result in the CVP pumping 150-200 TAF more than anticipated by Reclamation when it made its allocation to Ag Service contractors. Boardman also reported that Jones would be pumping the SWP's share of export capacity from about April 10-May 31 because Banks would be unable to pump due to a scheduled aqueduct outage. Boardman responded to a question regarding COA by stating the COA accounting would be suspended during April and May because the Projects would be equally sharing the allowable export per an informal agreement between the Projects.

Boardman concluded his report by stating that many factors that affect the allocation have

improved. Factors such as 1) increased Shasta storage (535 TAF from last month), 2) increased amounts of cold water inflow to Shasta, 3) improved snowpack above Folsom, 4) high San Joaquin flows anticipated during April and May, and 4) increase storage in CVP San Luis. The improvements collectively should be sufficient to support an allocation increase to at least 35%. Boardman stated the allocation increase is not expected until at least mid-April, absent some political pressure on the process.

Boardman then responded to a question regarding the temperature of inflow to and outflow from Shasta during fish sensitive periods. Boardman concurred with the point of the question by stating that the inflow temperature is commonly higher than the release temperature.

14. Agenda Item 16: Committee Reports.

a. Water Resources Committee Activities

Committee Chair Tom Birmingham reported that the committee reviewed the strategic planning efforts, received an update on California WaterFix and science efforts, and also had a presentation on Reinitiation of Consultation.

b. Finance & Administration Committee Activities

Committee Chair Bill Pucheu reported that the committee had met that morning and approved the action items listed on the agenda.

c. O&M Technical Committee Activities

No report given.

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

a. State and Federal Contractors Water Agency (SFCWA)

Interim Executive Director/General Counsel Jon Rubin reported that the Water Authority's Notice of Withdrawal will take effect this month. Rubin also reported that Westlands Water District also issued a Notice of Withdrawal. It will be some time before SFCWA's board makes the decision to terminate, because of the many issues that need to be resolved.

b. Family Farm Alliance.

No report given.

c. Farm Water Coalition.

California Farm Water Coalition Executive Director, Mike Wade, provided the

board with an update on recent media outreach activities including and op-ed that discussed efforts in the Sacramento Valley to increase the food supply for fish by creating water diversions onto flood plains and then returning food-rich water back to the Sacramento River. In addition, Wade discussed an op-ed by Jon Rubin on raising Shasta Dam that had been submitted to the Fresno Bee as well as a public information project CFWC is working on with San Luis Canal Company and Central California Irrigation District to educate farmers in the Red Top area on efforts to reduce groundwater overdraft and subsidence.

d. Association of California Water Agencies.

Director Bill Diedrich reported that ACWA had a Workshop on March 9th to determine where ACWA will invest its resources for the 2-year term. A few of the priorities that came out of the workshop were: 1) Drinking Water Tax, 2) Groundwater Sustainability, 3) Storage Projects, and 4) Long-Term Water Efficiency. Diedrich also reported that organizationally the goals are Succession Planning to prepare for Tim Quinn's retirement in December, and financial stability.

e. San Joaquin Valley Water Infrastructure Authority. (SJWVIA)

Interim Executive Director/General Counsel Jon Rubin reported that Cannon Michael attended the March meeting, and that he did not receive any reports from Michael that required action.

16. Agenda Item 18: Monthly Staff Reports.

a. Self-Funding Report.

Supervisor of Accounting Joyce Machado reported that for WY 2017 Self-Funding actual expenses for the Water Authority Routine O&M through February 28, 2018, including DWR conveyance costs related to water pumped at the Intertie through December 2017, are over budget by \$1,253. Machado also reported that Contractor WY16 delivery and revenue reconciliations are complete, and that the Water Authority has not yet received the Bureau's PUE final Cost through 9/30/17.

Assistant Executive Director Frances Mizuno reported that she has resumed the process to determine an intertie cost recovery allocation.

b. Operations & Maintenance Report.

Assistant Executive Director Frances Mizuno reported that the Contractor is on-site for the Unit 6 rewind project, and that this is the largest undertaking that the

Authority has ever taken on. Mizuno reported that the project cost is about \$5.5 million and that this project is mostly funded by the Bureau. Mizuno also explained that there are five remaining projects that need to be funded, and that the Authority cannot depend on the Bureau to fund them. The Authority will have to explore other possibilities for funding these projects. Mizuno also reported that the Unit 1 project at O'Neill is moving along well and should be completed by mid-April.

c. Water Transfer/Exchanges/Release Program Update.

Assistant Executive Director Frances Mizuno reported that the OID/SSJID agreement for release of water is still being finalized and efforts continue with Reclamation on a release schedule. **San Luis Transmission Project.**

Assistant Executive Director Frances Mizuno reported that the Authority is continuing to work with Reclamation and Western towards a partnership with DATC to fund 100% of the SLTP. Mizuno also reported that 400 of the 600 megawatts capacity will be used for the CVP and 200 MW capacity will be retained by DATC. This project is contingent upon the DATC being able to successfully market the 200 MW capacity.. A detailed update is scheduled for the May Board meeting.

d. Sustainable Groundwater Management Report.

Assistant Executive Director Frances Mizuno reported that Woodard & Curran was selected as the consultant to update the Westside Intergrated Water Resources Plan. Mizuno also reported that the grant application that was submitted for the Prop 1 Grant was awarded to all the GSA's in the Delta-Mendota Sub-Basin for almost \$2.7 million.

e. Drainage Activity Report.

Outside Legal Counsel Gabriel Delgado reported that the April meeting of the San Joaquin Valley Drainage Authority was cancelled. Delgado also reported that the Grassland Basin Drainage Steering Committee met, and focused on the Long-Term Storm Water Management efforts.

f. Executive Director's Report.

Interim Executive Director/General Counsel Jon Rubin reported that he attended the Interagency Implementation and Coordination Group (IICG) meeting. The IICG shall have primary responsibility for support, coordination and implementation of the Adaptive Management Plan. Rubin plans on attending these meetings each time he is invited, because of the importance of this group.

17. Agenda Item 19-21: Closed Session Report.

Vice-Chair Don Peracchi adjourned the open session to address the items listed on the Closed Session Agenda at approximately 11:10 a.m. Upon return to open session at approximately 11:50 a.m., Interim Executive Director and 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 11:50 a.m.