

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
BOARD OF DIRECTORS ADJOURNED REGULAR MEETING
MINUTES FOR July 12, 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 Chair Cannon Michael presiding.

Directors and Alternate Directors in Attendance

Division 1

Jim McLeod, Director - Dave Weisenberger, Alternate
Bobby Pierce, Director
Anthea Hansen, Director
Rick Gilmore, Director

Division 2

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

Division 3

Chris White, Alternate for James O'Banion (arrived during Item 13)
Jeff Bryant, Alternate for Mike Stearns
Cannon Michael, Chair/Director - Randy Houk, Alternate
Ric Ortega, Director

Division 4

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

Division 5

Bill Pucheu, Director
Tom Birmingham, Director
Steve Stadler, Director - Tom Chaney, Alternate

Authority Representatives Present

Frances Mizuno, Interim Executive Director
Rebecca Akroyd, Deputy General Counsel
Tom Boardman, Water Resources Engineer
Tona Mederios, Director of Finance
Joyce Machado, Supervisor of Accounting
Andrew Garcia, Associate Civil Engineer
Griffin Hill, Science Intern
Diane Rathmann, Legal Counsel

Others in Attendance

John Beam, GWD Consultant
Russ Freeman, Westlands Water District
Don A. Wright, waterwrights.net
Brandon Souza, California Farm Water Coalition
Matt Hurley, Fresno Slough Water District
Eric Ruckdaschel, San Luis Canal Company
Jarrett Martin, Central California Irrigation District
Dana Jacobson, Santa Clara Valley Water District
John Wiersma, Henry Miller Reclamation District
Danny Wade, Tranquillity Irrigation District

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.

4. Opportunity for Public Comment

No public comments.

CONSENT ITEMS

5. Agenda Items 5-7: Board to Consider: a) Approval of May 17, 2018, Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports.

Interim Executive Director Frances Mizuno informed the Board there were minor corrections made to the minutes.

On a motion of Director Pucheu, seconded by Director Kremen, the Board approved Meeting Minutes, and the Financial Expenditures Reports. The vote on the motions were as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Bennett, Diedrich, Bryant, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

ACTION ITEMS

6. **Agenda Item 7: Board of Directors to Consider the Water Resources Committee Recommendation to Adopt Position on H.R. 3916, Federally Integrated Species Health (FISH) Act.**

Interim Executive Director Frances Mizuno reported that the Water Resources Committee recommended that the Board adopt a support position on H.R. 3916. Mizuno explained that the FISH Act would transfer all of the NMFS ESA responsibilities to the Fish & Wildlife Service. Mizuno concluded stating that the benefit of the Act will allow one wildlife management agency to comprehensively evaluate impacts on species interacting in a shared ecosystem and determine a holistic management approach.

On a motion of Director Birmingham, seconded by Director Gilmore, the Board adopted a support position on H.R. 3916. The vote on the motions were as follows:

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

7. **Agenda Item 8: Board of Directors to Consider the Water Resources Committee Recommendation Authorizing Execution of the Agreement for Joint Funding for Engineering Services Between Westlands Water District (WWD) and the San Luis & Delta-Mendota Water Authority (SLDMWA) Related to Coordinated Operation Agreement (COA) Review Process and Expenditure of \$60,000 from the Technical Service Contingency Budget.**

Before discussion began on agenda item 8 Directors Tom Birmingham, Don Peracchi, and Sarah Woolf recused themselves from the discussion and left the board room. Cannon Michael informed the Board that Director Birmingham had also recused himself from the Water Resources Committee meeting on this action.

Interim Executive Director Frances Mizuno reported that the Water Resources Committee recommended the Board of Directors authorize Execution of the Agreement for Joint Funding for Engineering Services between WWD and the SLDMWA related to COA Review Process and Expenditure of \$60,000 from the Technical Service Contingency Budget. Mizuno reported that the Reclamation and the Department of Water Resources are currently in the

process of reviewing the COA, and that Reclamation had previously entered into agreements with MBK Engineers for modeling work related to the COA to assist in the review process. Those previous contracts expired and Reclamation's contracting process prevented them from expeditiously entering into a new agreement to allow MBK to continue to support the process during a critical time-sensitive period. Mizuno explained that the COA review is critically important to the Authority members to ensure the COA is operated as it was originally intended. WWD agreed to contract directly with MBK Engineers for up to \$100,000 to allow MBK to continue to provide the necessary support to Reclamation. Mizuno reported that the cost of this support effort should not be solely borne by WWD, and that the Authority's contribution of \$60,000 will offset any direct funding by WWD. Other CVP Contractors have agreed to jointly fund \$40,000 of the \$100,000.

On a motion of Director Gilmore, seconded by Director Stadler, the Board Approved the Execution of the Agreement for Joint Funding for Engineering Services between WWD and the SLDMWA Related to COA Review Process and Expenditure of \$60,000 from the Technical Service contingency budget. The vote on the motions were as follows:

AYES:	McLeod, Pierce, Hansen, Gilmore, Bennett, Diedrich, Bryant, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Stadler
NAYS:	None
ABSTENTIONS:	None

8. Agenda Item 9: Board of Directors to Consider Authorizing Execution of Delta-Mendota Subbasin Coordination Agreement.

Interim General Counsel Rebecca Akroyd reported that twenty-three GSAs have been formed in the Delta-Mendota Subbasin, and that these agencies have been coordinating since August 2017 to develop a coordination agreement pursuant to SGMA, as well as a cost sharing agreement to share the cost of coordination. Akroyd reported that the Authority has entered into two activity agreements with ten of its members to provide Authority staff time and resources to facilitate coordination and to develop information and take actions required for developing a GSP for the Northern and Central DM Region. Akroyd reported that the Cost Sharing Agreement describes the mechanisms for sharing the costs of participating in a GSP group and coordination with other GSA's as required by SGMA. Akroyd concluded stating that by signing the Cost Sharing Agreement, the agencies and GSP Group Representatives commit to reimburse the Water Authority for any costs and expenses related to coordination under SGMA.

On a motion of Director Tom Birmingham, seconded by Director Ortega, the Board Approved Execution of the Delta-Mendota Subbasin Coordination Agreement and the Cost-Sharing Agreement for Delta-Mendota Subbasin Coordination. The vote on the motions were as follows:

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

9. Agenda Item 10: Board of Directors to Consider Authorizing Execution of Cost Sharing Agreement for Delta-Mendota Subbasin Coordination.

This agenda item was covered under agenda item 9.

10. Agenda Item 11: Board of Directors to Consider Authorizing Execution of Memorandum of Agreement Regarding Coordination on the Establishment of an Implementing Agency for the Temperance Flat Reservoir Project and Preconstruction Project Activities.

Interim Executive Director Frances Mizuno reported that the California Water Commission (CWC) has now approved the final scores for the proposed storage projects and Temperance Flat received score of 73 which places the project in the “Rank 2” category and is eligible for full funding of \$171.33m. The project proponents have a desire to establish a mechanism for collaboration on preconstruction activities related to the Project, including the development of a new implementing governance entity agency such as a JPA. This mechanism is to enter into a MOA. The proposed parties that may execute the MOA are the San Luis & Delta-Mendota Water Authority, Friant Water Authority, San Joaquin River Exchange Contractor Authority, Westlands, and the Fresno Irrigation District. The MOA activities included are: 1) Work on establishment of the Project JPA, 2) Serve as the lead non-federal group representing the Project until the Project JPA or other implementing entity if formed, 3) Coordinate on Project-related matters with federal, state, and local agencies whose approvals will be needed in order to carry out the Project or that have jurisdiction over matters related or necessary to the Project, 4) Coordinate, fund, and manage such other Project-related preconstruction activities as may be deem necessary. Mizuno concluded explaining that the MOA has a term of one-year and has no financial obligation without each Parties’ Board approval on specific activity recommended by the MOA Coordination Group, and each party will have a representative on

the Coordination group.

On a motion of Director Peracchi, seconded by Director Bennett, the Board Authorized Execution of the Memorandum of Agreement Regarding Coordination on the Establishment of an Implementing Agency for the Temperance Flat Reservoir Project and Preconstruction Project Activities. The vote on the motions were as follows:

AYES: McLeod, Pierce, Gilmore, Peracchi, Woolf, Bennett, Diedrich, Bryant, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: Hansen

REPORT ITEMS

II. Agenda Item 12: Update on Changes to the Board of Directors, Water Resources Committee, and Finance and Administration Committee Membership.

Chair Cannon Michael announced that on the Board of Directors Ellen Wehr has replaced Mike Gardner as an Alternate in Division 3. Michael also announced changes to the Finance & Administration Committee: Sarah Woolf has replaced Don Peracchi in Division 2, and Rick Gilmore has replaced Bill Pucheu as the Committee Chair.

12. Agenda Item 13: Update on Strategic Planning/Executive Director Recruitment Effort.

Interim Executive Director Frances Mizuno reported an update provided by Martin Rauch regarding the proposed next steps for the strategic planning process and re-evaluation of services and cost allocation. Mizuno reported that the staffing analysis was initiated, but because of the number of open issues and the attrition of senior staff, was put on hold pending completion of the strategic plan and hiring of a new Executive Director. Mizuno reported that the Authority will hold additional facilitated Strategic Plan workshops. The next proposed workshop will follow the August 9th Board meeting. Mizuno reported that as part of the Strategic Planning process, there will be a review of the Activity Budget cost allocation methodology. Mizuno concluded that Cannon Michael will recommend an Ad Hoc Board/Staff working group to evaluate and as necessary recommend other cost allocation options.

13. Agenda Item 14: Update on California WaterFix Project.

Interim General Counsel Rebecca Akroyd reported that on June 12, 2018 the Department

of Water Resources submitted its administrative draft supplemental environmental document on WaterFix to the Water Board. A public draft of the supplemental EIR is expected soon and at that point there will be a comment period. Akroyd also reported that rebuttal testimony for Part II of the State Water Board's Change Petition proceeding was submitted on July 10, 2018, and that Part II rebuttal will begin on August 2, 2018.

14. Agenda Item 15: Update on State Water Resource Control Board, Update to Water Quality Control Plan for the Bay-Delta.

Interim General Counsel Rebecca Akroyd reported that on July 6, 2018 the State Board issued new documents pertaining to both Phase I and Phase II plan amendments. The Phase I Plan amendment is focused on San Joaquin River flows and southern Delta salinity. The Phase II Plan amendment is focused on the Sacramento River and its tributaries, Delta eastside tributaries, Delta outflows, and interior Delta flows.

Phase I: The Water Board released a final draft update for the San Joaquin River Flows and Southern Delta Salinity Plan Amendment, with a Substitute Environmental Document. The Water Board has noticed a public meeting for August 21, 2018 and August 22, 2018 where it will consider adoption of the Phase I Amendment and supporting proposed final SED. The public may provide oral comments during the meeting, and may submit written comments on the changes by July 27, 2018.

Phase II: The Water Board released a new document entitled "July 2018 Framework for the Sacramento/Delta Update to the Bay-Delta Plan." The framework focuses on the Sacramento River and its tributaries, Delta eastside tributaries, Delta outflows, and interior Delta flows. The Water Board has indicated that a draft proposed plan and staff report analyzing alternatives for Phase II will be release later this year for public review and comment.

Akroyd reported that the Authority plans to submit comments. Director Tom Birmingham suggested the Authority schedule a workshop so that all member agencies have the opportunity to participate in the comment process.

15. Agenda Item 16: 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 General Counsel Rebecca Akroyd reported on Reclamation's Initial Actions formally known as Track 1. Akroyd reported the goals for near-term actions are to improve water supply in a way that does not cause additional adverse effects to listed species. Near-term actions

include changes to I:E Ratio and OMR Flexibility. The final Environmental Assessment and Endangered Species Act consultation are expected by the end of 2018. The long-term goals are to improve water supply, power, and re-operate for listed species due to low populations, new information as a result of drought, and new information due to collaborative science. Long-term actions include new storage, sustainable regulatory requirements, and temperature management. Akroyd concluded by reporting that she met with Reclamation's Project Manager Katrina Harrison and she expressed the need for additional support in this process.

16. Agenda Item 17: Update on California Storage Projects.

Assistant Executive Director Frances Mizuno reported that the California Water Commission process has concluded on the Prop 1 Funding for Storage Projects and Pacheco Reservoir Los Vaqueros Reservoir, and Shasta received full funding. In addition, WIIN Act funding for storage projects will be requested for these projects as well.

17. Agenda Item 18: Update on Operations Update and Forecasts.

Water Resources Engineer Tom Boardman reported Jones pumping had recently increased to 4 units, and is expected to increase to 5 units early next week when increase Shasta releases reach the Delta. Reclamation expects to maintain 5 units into the fall.

Shasta and Folsom storage is tracking very close to Reclamation's latest operations schedule, but lower than expected pumping early this month may cause CVP San Luis storage to decrease to about 300 TAF by the end of August. Boardman reviewed charts showing projected San Luis storage.

Boardman also mentioned that DWR has been receiving complaints of low water levels by the South Delta Water Agency. Persistent low water level problems in the southern delta will be an issue that Project operators may be dealing with this summer in order to capture Yuba County Water Agency transfer water via Joint Point of Diversion pumping at Banks.

18. Agenda Item 19: Update on WIIN Act Sec. 4011

Interim Executive Director Frances Mizuno reported that Reclamation provided her with a list of all the contractors that have submitted a letter of request for Contract Conversion, and if the contractors that submitted do not see their names on the list please follow-up with Reclamation. Mizuno concluded reporting that Reclamation's goal is to have all of the contracts completed by August of 2019.

19. Agenda Item 20: Report on State and Federal Affairs

Interim Executive Director Frances Mizuno reported that she has asked Dennis Cardoza to put together a summary document on a monthly basis, and on a quarterly basis to participate by phone. Mizuno reported that H.R. 3281 will authorize the Secretary of the Interior to facilitate the transfer to non-Federal ownership of appropriate projects or facilities, and for other purposes. Mizuno reported that the bill is expected to pass the House of Representatives, but the question is whether it will pass the Senate.

20. Agenda Item 21: Committee Reports.

a. Water Resources Committee Activities

Committee Chair Tom Birmingham reported that the committee meet last Monday, and referred the board to the agenda behind tab 13.

b. Finance & Administration Committee Activities

Committee Chair Bill Pucheu, reported that the committee had meet that morning and approved the action item listed on the agenda. Supervisor of Accounting Joyce Machado reported that department staffing was discussed along with other financial items.

c. O&M Technical Committee Activities

Committee Chair Chris White reported that the O&M Committee participated in a tour/meeting on May 21, 2018. The committee toured the facilities, and reviewed the proposed FY2020/2021 Project List, the 10-year plan, and vehicle & heavy equipment replacement 10-year plans.

21. Agenda Item 22: Reports on Activities of the Following Agencies that are Outside of the Authority.

a. State and Federal Contractors Water Agency (SFCWA)

Director Anthea Hansen reported that she attended the June meeting, and gave a brief summary. Interim Executive Director Frances Mizuno reported that as part of the wind down, two projects were turned over to the Authority with the agreement that SFCWA would fund them. The Authority is in the process of finalizing those transfer fund agreements. There were two projects funded by the Authority, and those contracts have been fully executed.

b. Family Farm Alliance.

Chair Cannon Michael reported that the Family Farm Alliance is looking for support on HR 3281, and that Senator Barrasso is putting some ESA Reform legislation forward, and Dan Keppen would appreciate letters of support.

c. Farm Water Coalition.

Brandon Souza from the California Farm Water Coalition reported they have been working with the Department of Water Resources regarding the recent NRDC blog and other media pushback on district farmgate delivery reporting compliance. Souza also thanked Andrew Garcia in his efforts in the process of completing the new DM SGMA website, which should be up and running in the next few weeks.

d. Association of California Water Agencies.

Director Bill Diedrich reported that ACWA is very deep into hiring a new Executive Director. Diedrich also reported that the Ag Committee is going to have two workshops the first on September 12, and the second September 19.

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

Chair Cannon Michael reported that there was confusion that the Authority was withdrawing from SJWVIA, but that was not the intention and that has been communicated to the SJWVIA.

22. Agenda Item 23: Monthly Staff Reports.

a. Self-Funding Report.

Supervisor of Accounting Joyce Machado reported that for WY 2018 Self-Funding actual expenses for the Water Authority Routine O&M through May 31, 2018 are under budget by \$921,336. There has been no payment to DWR for water conveyance via the Intertie and that has contributed to the large resulting positive spending. Machado reported that for WY 2017 delivery and revenue reconciliations are in progress. For WY 2016, staff is working to complete all the remaining financial reconciliations and the final allocation of known costs. Machado also reported that the Authority has not yet received BOR's PUE final costs through 9/30/17.

b. Operations & Maintenance Report.

Assistant Executive Director Frances Mizuno reported that the Unit 6 rewind project is progressing well, and that the Authority is on schedule and within budget. Mizuno also reported that during final alignment at O'Neill an issue was found, and the

thrust collar and runner were sent to Unico. The collar and runner were re-installed on the unit and alignment checks were made by Hydro Consulting and Maintenance Services (HCMS). It was determined that the unit still had run-out that was beyond tolerance and HCMS determined the cause was in the upper shaft, and it was transported to a precision machine shop for repair.

c. **Water Transfer/Exchanges/Release Program Update.**

Assistant Executive Director Frances Mizuno reported the Authority has initiated discussions with the Exchange Contractors to negotiate a new 5-year agreement as the current agreement terminates this year. Mizuno also reported that the OID/SSJID Release Program was completed.

d. **San Luis Transmission Project Update**

Interim Executive Director Frances Mizuno reported there are no current updates at this time.

e. **Science Program Activity Update**

Interim Executive Director Frances Mizuno introduced Science Intern Griffin Hill. Hill reported that he has been managing the Authority's science contracts including those inherited from SFCWA. Hill also reported that he distributes a weekly Delta Conditions Report. This report tracks biotic and abiotic conditions, regulatory actions, and water deliveries, bringing together a wide array of information into one document.

f. **Westside Integrated Regional Water Management Program**

Senior Civil Engineer Andrew Garcia reported that the Disadvantaged Community Involvement Program grant application for \$3.1 million has been reviewed and approved by DWR. Garcia reported that Contra Costa Water District (CCWD) and the Department of Water Resources are in the process of finalizing the grant agreement and CCWD is preparing sub-agreements to act as the mechanism for individual RWMG's to receive grant funds in accordance with the state requirements.

g. **Sustainable Groundwater Management Report.**

Senior Civil Engineer Andrew Garcia reported that on June 11, Zachary Roy began work as the Water Resources Coordinator for the Authority. He will focus on GIS maps and tools for GSP development, individual agencies, and for future planning and reporting requirements.

h. **Drainage Activity Report.**

Legal Counsel Diane Rathmann reported that the San Joaquin Valley Drainage Authority met earlier this month, and has been focused on getting all the Irrigated Lands

reports. They are also addressing challenges to changes in the Eastside Order, which will be discussed in closed session. Rathmann also reported that the Grassland Basin Drainage Steering Committee met, and that the drainage discharges are currently meeting their targets.

i. **Executive Director's Report.**

Interim Executive Director Frances Mizuno reported that she has been the Interim Executive Director since June 1, which is keeping her very busy. Mizuno asked if anyone feels there is anything she is missing, or anything more she should be doing to please let her know.

23. Agenda Item 24-26: Closed Session Report.

Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 11:15 a.m. Upon return to open session at approximately 11:50 a.m., Interim Executive Director Frances Mizuno reported that the Board met in closed session to receive advice from counsel. Interim General Counsel Rebecca Akroyd reported that the decision to intervene in an action was taken, reported the vote on that action, and indicated that the particulars would, once formally commenced, be disclosed to any person upon inquiry. No other reportable actions were taken.

24. Agenda Item 27: Reports Pursuant to Government Code Section 54954.2

No reports given.

25. Agenda Item 28: Adjournment.

The meeting was adjourned at approximately 11:55 a.m.