

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
MINUTES FOR OCTOBER 4, 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
Anthea Hansen, Director - Earl Perez, Alternate
Rick Gilmore, Director - Vince Lucchesi, Alternate

Division 2

Don Peracchi, Director
William Bourdeau, Alternate
John Bennett, Director
William Diedrich, Director

Division 3

Chris White, Alternate for James O'Banion
Jeff Bryant, Alternate for Mike Stearns
Ric Ortega, Director

Division 4

Garth Hall, Alternate for John Varela
Gary Kremen, Director
Jeff Cattaneo, Alternate for John Tobias
Sara Singleton, Alternate for Joseph Tonascia

Division 5

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

Authority Representatives Present

Frances Mizuno, Interim Executive Director
Rebecca Akroyd, Interim General Counsel
Tom Boardman, Water Resources Engineer
Joyce Machado, Director of Finance
Bob Martin, Planning & Engineering Manager
Gabriel Delgado, Legal Counsel

Others in Attendance

Don A. Wright, waterwrights.net
Mike Wade, California Farm Water Coalition
Dana Jacobson, Santa Clara Valley Water District
John Wiersma, Henry Miller Reclamation District

Danny Wade, Tranquillity Irrigation District
Russ Freeman, Westlands Water District
John Beam, Consultant, Grassland Water District
Janet Gutierrez, San Luis Water District
Russell Kagehiro, Byron Bethany 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 5-6: Board to Consider: a) Approval of September 13, 2018 Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports.**

Minor corrections were made to the minutes.

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

AYES: McLeod, Hansen, Gilmore, Peracchi, Bourdeau, Bennett, Diedrich, White, Bryant, Ortega, Hall, Kremen, Cattaneo, Singleton, Pucheu, Gutierrez, Stadler

NAYS: None

ABSTENTIONS: None

ACTION ITEMS

6. **Agenda Item 7: Board of Directors to Consider Appointment of Officer Position, Treasurer.**

On a motion of Director Rick Gilmore, seconded by Director Steve Stadler, the Board

approved Appointment of Joyce Machado to the Officer Position, Treasurer. The vote on the motion was as follows:

AYES:	McLeod, Hansen, Gilmore, Peracchi, Bourdeau, Bennett, Diedrich, White, Bryant, Ortega, Hall, Kremen, Cattaneo, Singleton, Pucheu, Gutierrez, Stadler
NAYS:	None
ABSTENTIONS:	None

REPORT ITEMS

7. **Agenda Item 8: Update on Strategic Planning Effort.**

Interim Executive Director Frances Mizuno reported that the Authority will hold the next Strategic Planning workshop following the November 8, 2018 Board meeting. Both meetings will be held at Hotel Mission De Oro.

8. **Agenda Item 9: Update on Subsidence Issues in the Delta-Mendota Canal.**

Planning & Engineering Manager Bob Martin reviewed a PowerPoint presentation that provided information on the latest damage resulting from local subsidence on the Delta-Mendota Canal. Martin reviewed graphs and charts that identified the amount of subsidence that has occurred historically on the DMC, as well as new subsidence that has occurred along the DMC since 2014. Martin provided a brief description and cost information for the types of repair projects that are necessary to repair the damage that has been caused by subsidence. Martin also provided information on the subsidence repair projects that were performed by Reclamation in the 1970s, and the SLDMWA crews in 2015 and 2016.

9. **Agenda Item 10: Staff Review of Activity/Administration Budget Practice.**

Interim General Counsel Rebecca Akroyd, and Interim Executive Director Frances Mizuno gave a brief summary of the Activity/Administration Budget methodology and current practice with a proposal for some modification. Mizuno requested guidance to determine if the proposed modification is the correct approach and if so, the modifications will be incorporated into the FY20 budget. The committee members acknowledged agreement on the modifications. Mizuno also reported that staff proposes conducting a multi-stage process to improve the cost allocation process and to reduce costs. Steps include the following: 1) Review background and current practices; 2) Present and discuss suggested changes to current practice; 3) Propose and

adopt revisions to O&M and Leg/Ops budgets for FY20, reflecting any agreed-upon re-allocation of general operating costs, activity expenses, and OM&R costs; 4) Prepare new Activity Agreement for Leg/Ops budget, including agreed-upon allocation percentages for interested members; 5) Conduct cost-cutting/Activity Agreement evaluation exercise; and 6) Review Administrative Agreement and other governing documents, and consider possible amendments.

10. Agenda Item 11: Update on California WaterFix Project.

Interim General Counsel Rebecca Akroyd gave a brief update on current developments. First, a portion of the Change Petition Hearing has concluded. There are two dates on the calendar for October 10 & 11, 2018. The next step is for the Hearing Officers to announce the dates for the closing briefs. Second, the Draft Supplemental EIR/EIS was released, and public comments are due November 5, 2018. Third, appeals were filed challenging DWR's Consistency Determination to the Delta Stewardship Council. Nine parties have now filed appeals and they will be heard October 24-26, 2018. After the hearings, the Delta Stewardship Council will decide whether to approve the consistency determination.

11. Agenda Item 12: Update on State Water Resource Control Board, Update to Water Quality Control Plan for the Bay-Delta.

Interim General Counsel Rebecca Akroyd reported that the State Water Board has scheduled the adoption of Phase I of the Water Quality Control Plan for November 7, 2018.

12. Agenda Item 13: 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, including National Environmental Policy Act Compliance.

No Update.

13. Agenda Item 14: Update on California Storage Projects.

Interim Executive Director Frances Mizuno reported that the Temperance Flat Reservoir MOA group is working on an agreement and bylaws to form a Temperance Flat Reservoir Joint Powers Authority (JPA), and the current drafts were included in the packet. Mizuno reported that these documents were reviewed by Authority staff, and comments were provided. Mizuno also reported that the Authority's participation will depend on the outcome of the gaming exercises to determine potential benefits for Authority members from the project. An action will be brought to

the Board for the Authority to join the JPA if members deriving benefits from the project elect to enter into an Activity Agreement to fund such participation.

14. Agenda Item 15: Update on Operations Update and Forecasts.

Water Resources Engineer Tom Boardman reported Jones is pumping at capacity and is expected to continue through at least October. CVP operators are having to hold Shasta releases higher than they desire in response to pressure by fish agencies to protect salmon. Sustained higher releases may allow the SWP to capture unused CVP water in the Delta later in October.

Shasta carryover storage was just above 2.4 MAF, which is considered to be about average. Boardman also reported that CVP San Luis storage filled by 71 TAF during September and concluded his report with a review of San Luis storage projection charts. The charts showed that CVP San Luis will fill in early 2019 under normal hydrology, but may fall short of filling by 120 TAF under 90% exceedance conditions.

15. Agenda Item 16: Update on WIIN Act Sec. 4011

Interim Executive Director Frances Mizuno reported that Reclamation has been coordinating with TCCA and the Authority in preparation for contract conversion negotiations for those contractors that have submitted their request under the WIIN Act to convert water service contracts to 9(d) repayment contracts. Mizuno reported that Reclamation held a CVP wide Technical Committee Session with Contractors on September 26, 2018. Reclamation anticipates beginning CVP wide negotiations as early as mid to late October. Mizuno also reported that the Authority will continue to monitor the negotiations but will not participate in negotiations on behalf of the members.

16. Agenda Item 17: Report on State and Federal Affairs

Dennis Cardoza reported on Shasta Dam Raise, Regulatory & Legislative ESA reforms, and the State Water Resources Control Board. Cardoza also reported that AB 747 was signed by the Governor.

17. Agenda Item 18: Committee Reports.

a. Water Resources Committee Activities

Interim Executive Director Frances Mizuno reported that the committee did not meet this month.

b. Finance & Administration Committee Activities

Committee Chair Rick Gilmore reported that the Finance Committee met this month.

c. O&M Technical Committee Activities

Committee Chair Chris White reported that the next O&M Technical Committee meeting is scheduled for October 22, 2018 to consider the FY20 O&M Budget.

18. Agenda Item 19: Reports on Activities of the Following Agencies that are Outside of the Authority.

a. State and Federal Contractors Water Agency (SFCWA)

Anthea Hansen reported that the next meeting will be October 18, 2018.

b. Family Farm Alliance.

No report given.

c. Farm Water Coalition.

Mike Wade reported that the Farm Water Coalition has been working with ACWA regarding the unimpaired flows proposed that the State Board may impose. Wade also reported that the Farm Water Coalition serves on the Board of Clean Water & Jobs for California, which is a coalition of a business, agriculture, labor, public water agencies, and others joining together on the common goal of improving California's water infrastructure.

d. Association of California Water Agencies.

Director Bill Diedrich reported that Region 6 & 7 San Joaquin Valley Water Forum is October 12, 2018. Diedrich also reported the ACWA's new Executive Director is Dave Eggerton. He is currently the General Manager for Calaveras County Water District, and his start date is November 1, 2018.

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

Director Chris White reported that the SJWIA is doing internal strategic planning to revise its Mission Statement.

19. Agenda Item 20: Monthly Staff Reports.

a. Self-Funding Report.

Interim Executive Director Frances Mizuno gave a brief update on the audit schedule.

b. Operations & Maintenance Report.

Planning & Engineering Manager Bob Martin gave a brief update on the JPP Unit 6 Rewind Project, and the unit trip issues with Units 2 & 3.

c. Water Transfer/Exchanges/Release Program Update.

No report given.

d. San Luis Transmission Project Update

No report given.

e. Science Program Activity Update

Interim General Counsel Rebecca Akroyd reported that Science Intern Griffin Hill's last day was September 27, 2018, and his last science monthly update is in the packet. Akroyd reported that he had been covering several activities, and that the Authority will need assistance from its member agencies to help monitor some of these activities until the science position can be filled. Akroyd also reviewed a summary of the Technical Budget. Interim Executive Director Frances Mizuno asked if the Delta Conditions Report was valuable, and after discussing it with the Board it was decided to discontinue it.

f. Westside Integrated Regional Water Management Program

No report given.

g. Sustainable Groundwater Management Report.

No report given.

h. Drainage Activity Report.

Legal Counsel Gabriel Delgado reported that the challenges to the East San Joaquin Revised Order were pending before the Sacramento Superior Court. An amended petition was filed by one of the challenging parties. The hearing on the motions to intervene, including motions from the Drainage Authority are scheduled for October 26, 2018.

i. Executive Director's Report.

Interim Executive Director Frances Mizuno reported that at the request of the Board, that in the future the pre-packet will be posted two ways: 1) by agenda item, and 2) full packet. Mizuno also reported that she will be on vacation November 16-30, and would like to schedule a budget workshop November 13, 2018.

20. Agenda Items 21-23: Closed Session Report.

Vice-Chair Don Peracchi adjourned the open session to address the items listed on the Closed Session Agenda at approximately 11:40 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 no reportable actions were taken.

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

No reports given.

22. Agenda Item 25: Adjournment.

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