

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
MINUTES FOR NOVEMBER 8, 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
Anthea Hansen, Director

Division 2

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

Division 3

Mike Stearns, Director
Chris White, Alternate for James O'Banion
Cannon Michael, Director
Ric Ortega, Director

Division 4

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

Others in Attendance

Mike Wade, California Farm Water Coalition
Dana Jacobson, Santa Clara Valley Water District
Danny Wade, Tranquillity Irrigation District
Russ Freeman, Westlands Water District
John Beam, Consultant, Grassland Water District
Allen Lindauer, Bureau of Reclamation
Ara Azhderian, Panoche Water 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.

Item 21.C was removed from the Agenda.

4. Opportunity for Public Comment

No public comments.

CONSENT ITEMS

5. Agenda Items 5-7: Board to Consider: a) Approval of September 13, 2018 Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports, c) Acceptance of the Treasurer's Report for the Quarter Ending September 30, 2018.

Minor corrections were made to the minutes.

On a motion of Director Don Peracchi, seconded by Alternate Jose Gutierrez, the Board approved the Meeting Minutes, Financial Expenditures Reports, and the Treasurer's Report. The vote on the motion was as follows:

AYES: McLeod, Hansen, Peracchi, Bourdeau, Bennett, Diedrich, Stearns, Michael, Cattaneo, Singleton, Pucheu, Gutierrez, Stadler

NAYS: None

ABSTENTIONS: None

ACTION ITEMS

6. Agenda Item 8: Board of Directors to Consider the Finance & Administration Committee Recommendation to Include Costs Related to the O&M of the DMC Pumps and Drainage Management Performed by Panoche Drainage District in the FY19 and Future O&M Budgets.

Interim Executive Director Frances Mizuno reported that this item had been brought to the O&M Technical Committee and since it was not included in the FY19 budget, and it was

brought to the Finance & Administration Committee for approval. Mizuno then gave the Board a brief history on the operation of the DMC Sump Pumps. Mizuno asked the Board to refer to the proposal from Panoche Drainage District (PDD) showing SLDMWA's obligation of \$272,403 for O&M of the DMC Sump Pumps for FY19. Mizuno added that if approved by the Board, PDD would invoice SLDMWA and this would be paid through O&M collections and allocated to all deliveries coming through JPP into the DMC. Ara Azhderian of Panoche Water District answered questions from various Board members and gave further background and explanation. Mizuno then stated that if the Board agreed these cost should be included in the O&M budget, SLDMWA would enter into an O&M agreement with Panoche Drainage District. Mizuno reported that the Finance & Administration Committee recommended that the Board of Directors approve inclusion of costs related to the O&M of the DMC Sump Pumps and Drainage Management performed by Panoche Drainage District in the FY19 and future O&M budgets, contingent on an agreement being reached and brought to the Finance & Administration Committee for approval.

Board Chair Cannon Michael recommended the Authority table this matter due to many questions and concerns by various Board members, and have the Authority develop a very detailed white paper to send out to the Board before bringing this item back to the table for a decision.

REPORT ITEMS

7. **Agenda Item 9: Update on Strategic Planning Effort.**

Interim Executive Director Frances Mizuno reported that the Authority will hold the next Strategic Planning workshop following the December 7, 2018 Board meeting, which both will be held at Hotel Mission De Oro.

8. **Agenda Item 10: Update on California WaterFix Project.**

Interim General Counsel Rebecca Akroyd reported that appeals were filed challenging DWR's Consistency Determination for the California WaterFix to the Delta Stewardship Counsel. Nine parties filed appeals, and the hearings occurred October 24-26, 2018. The Delta Stewardship Counsel is considering all the evidence during those days of hearing, and is expected to release draft findings, and then have a workshop on those draft findings November 15 & 16, 2018.

9. **Agenda Item 11: 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 Water Board met to vote on the Phase I Amendments November 7, 2018, and the Board voted to delay taking action until the December meeting. Akroyd also reported that Phase II draft amendments are expected by the end of this year.

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, including National Environmental Policy Act Compliance.

Interim General Counsel Rebecca Akroyd reported that the President issued a Presidential Memorandum to promote reliable water supply in the West, which affects the timeline of the ongoing Reinitiation of Consultation (ROC) on Long-Term Operations (LTO). Akroyd reported that the final Biological Assessments are due January 31, 2019, and final BiOps for ROC & LTO are due June 15, 2019.

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

Interim Executive Director Frances Mizuno gave a brief update on the Los Vaqueros Reservoir. Mizuno reported that the Authority entered into a MOU December 12, 2011 regarding CalFed Bay-Delta Program Studies on the expansion of Los Vaqueros Reservoir with Contra Costa Water District (CCWD) amongst other Water Agencies. The participation in the MOU required a payment of \$100,000, which was included in FY17 Leg Ops 1 budget, and paid October 31, 2016. Since the Authority entered into the MOU, individual member agencies (Byron Bethany I.D., Del Puerto W.D., Grasslands W.D., San Luis W.D., Santa Clara Valley W.D., and Westlands W.D.) also entered into the MOU to seek potential storage/conveyance benefits directly for their respective districts. Mizuno reported that the MOU participants have determined potential benefits from the project and have drafted a proposed CCWD Cost Share Agreement for Los Vaqueros Reservoir Expansion Project Planning. Mizuno reported that the total cost under this draft Cost Share Agreement is \$2,833,036. The proposal is to share the cost equally amongst all Local Agency Partners (LAP's), and there is a total of 14 MOU participants that are potential LAP's.

Mizuno explained that the Authority has 4 relevant considerations: 1) Whether individual Members will participate in the Cost Share Agreement on their own, through the Authority via an Activity Agreement, or both, 2) Whether the benefits are worthwhile to continue participation, 3) Whether participation for south-of-Delta CVP-wide benefits should be through Reclamation rather than the Authority, 4) and Whether Reclamation is also participating to provide Level IV

refuge water supply. It is anticipated that Reclamation will fund up to 25% of the construction cost (WIIN Act limitation) through a negotiated Agreement with the new JPA for cost share and use of the facilities.

Interim Executive Director Frances Mizuno also gave a brief update on Temperance Flat Reservoir. Mizuno reported that there is now a Temperance Flat Reservoir JPA. The Exchange Contractors and Friant Water Authority have entered into the JPA. They are still waiting to see if the Authority, Westlands Water District, and/or the City of Fresno will be entering as well. Mizuno reported that the Authority entering into the JPA would be determined by interest by Member Agencies in an Activity Agreement to enter into the JPA and invest in the Temperance Flat Reservoir.

Interim Executive Director Frances Mizuno also gave a brief report on Shasta Reservoir. Mizuno reported that Westlands Water Districts Board approved Westlands to fund the completion of a CEQA/EIR. Mizuno reported that there may be a request to have the Authority participate as the lead agency and she will bring this question to the Board once she has gathered more information.

Lastly, Interim Executive Director Frances Mizuno gave a brief report on San Luis Reservoir. Mizuno reported that Reclamation is trying to get funding to include a dam raise for water supply benefits as part of the scheduled Safety of Dams work for the San Luis Reservoir.

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

Water Resource Engineer Tom Boardman reported delta operations were fairly routine this fall in that pumping is declining as upstream releases drop to conserve storage. Absent any storms during November, Jones pumping is expected to be about 2-3 units (1800-2600 cfs). Current pumping is at 4 units, but will drop to 3 units on 11/10 due to a controlling delta outflow requirement. Jones pumping could be slightly higher amidst reduced upstream releases as SWP pays back about 155 TAF it owes to the CVP under the COA accounting. Banks pumping was reported to be about 1500 cfs; down from 2500 cfs earlier in the week.

Based on Reclamation's latest operations projections, Shasta is may fill under average conditions while filling to 3.5 MAF with dry conditions.

Boardman also reported that CVP San Luis will fill next year under average hydrology if fish exports cuts are not too severe. Under 90% exceedance conditions, the CVP share will fall short of filling by nearly 200 TAF. Possible Ag allocation for next year could be 25-45%. An Allocation greater than 50% is possible if the San Joaquin basin is wet during late spring.

Boardman responded to various questions from Board members by stating: 1) The SWP

COA debt to the CVP is firm and it is unlikely that Reclamation will agree to a lesser amount, 2) High demands during October were related to increased Ag and refuge deliveries, 3) CVP San Luis was estimated to have filled 3 out of the past 10 years.

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

Interim Executive Director Frances Mizuno reported that on October 24, 2018 she sent out an email to all the Authority members regarding the status on the WIIN Act Contract Conversion process. Mizuno reported that Reclamation has received their delegation of authority for contracts of less than 100,000 acre-feet from the Commissioner, but is still waiting on another delegation of authority for larger contracts from the Assistant Secretary of Interior.

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

Dennis Cardoza reported on the 2018 Midterm Election results.

15. Agenda Item 17: Update on San Joaquin River Restoration Program Activities

Assistant Executive Director Frances Mizuno reported that Reclamation is working on several parts of the Restoration Program particularly on the Recapture and Recirculation Plan. Mizuno reported that Reclamation has environmental documents that they are finalizing as well as a separate group that is working on drafting the plan itself. The Authority has provided comments on the draft environmental documents. Mizuno reported that the Authority has met with Reclamation regarding their development of an accounting tool, and has participated in meetings on developing the plan itself to make sure this plan does not impact the water supply for contractors.

16. Agenda Item 18: Committee Reports.

a. Water Resources Committee Activities

Chair Cannon Michael reported that the Committee met on Monday, November 5, 2018.

b. Finance & Administration Committee Activities

Interim Executive Director reported that the Committee met on Monday, November 5, 2018, and reviewed and recommended the FY20 and Preliminary FY21 O&M Budget for Board Approval, and it will be brought to the Board at the January meeting for review and comments.

c. O&M Technical Committee Activities

Alternate Chris White reported that the Committee met on October 22, 2018,

and approved the FY20 and Preliminary FY21 O&M Budget.

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

- a. **State and Federal Contractors Water Agency (SFCWA)**
No report given.
- b. **Family Farm Alliance.**
No report given.
- c. **Farm Water Coalition.**
Mike Wade gave a brief update on the Powerhouse Science Center being built in Sacramento.
- d. **Association of California Water Agencies.**
Director Bill Diedrich encouraged the Board members to attend the Agriculture Committee meeting at ACWA.
- e. **San Joaquin Valley Water Infrastructure Authority. (SJVWIA)**
Chair Cannon Michael reported that there is a meeting of the SJVWIA Friday, November 9, 2018.

18. **Agenda Item 20: Monthly Staff Reports.**

- a. **Self-Funding Report.**
No report given.
- b. **Operations & Maintenance Report.**
No report given.
- c. **Water Transfer/Exchanges/Release Program Update.**
No report given.
- d. **San Luis Transmission Project Update**
Interim Executive Director Frances Mizuno reported that the Authority, Reclamation, and DATC have met with State Water Contractors and DWR on the opportunity to participate in this project. Mizuno reported that a decision regarding DWR' participation should be made by the end of the year.
- e. **Science Program Activity Update**
No report given.
- f. **Westside Integrated Regional Water Management Program**
No report given.
- g. **Sustainable Groundwater Management Report.**
No report given.
- h. **Drainage Activity Report.**
No report given.
- i. **Executive Director's Report.**
Mizuno reminded the Board that she will be on vacation November 16-30, 2018.

19. **Agenda Item 21-23: Closed Session Report.**

Chair Cannon Michael 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 12:20 p.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 action to employ an Executive Director was taken and reported the Board voted to approve that action. No other reportable actions were taken.

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

No reports given.

21. **Agenda Item 25: Adjournment.**

The meeting was adjourned at approximately 12:20 p.m.