

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
MINUTES FOR May 17, 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
Michael Linneman, Alternate for John Bennett
William Diedrich, Director (arrived after Agenda Item II)

Division 3

Mike Stearns, Director
Chris White, Alternate for Jim O'Banion
Cannon Michael, Chair/Director
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
Jose Gutierrez, Alternate for Tom Birmingham
Steve Stadler, Director

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
Joyce Machado, Supervisor of Accounting
Gabriel Delgado, Legal Counsel

Others in Attendance

John Beam, GWD Consultant
Russ Freeman, Westlands Water District
Don A. Wright, waterwrights.net

Michael Bell, Michael Bell Consulting
Mike Wade, California Farm Water Coalition
Matt Hurley, Fresno Slough Water District
Lupe Espinoza, Assembly District 31 Candidate
Eric Ruckdaschel, San Luis Canal Company
Jarrett Martin, Central California Irrigation District
Duane Stroup, Bureau of Reclamation
Martin Rauch, Martin Rauch Consulting (via teleconference)

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

Lupe Espinoza introduced herself. She is a Candidate for Assembly District 31, and expressed her interest in learning more about water issues.

CONSENT ITEMS

5. Agenda Items 5-7: Board to Consider: a) Approval of April 5, 2018, Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports. C) Treasurer's Report for the Quarter Ending March 31, 2018.

On a motion of Director Bill Pucheu, seconded by Director Steve Stadler, the Board approved Meeting Minutes, Financial Expenditures Reports, and the Treasurer's Report. The vote on the motion was as follows:

AYES:	McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Linneman, Stearns, White, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Gutierrez, Stadler
NAYS:	None
ABSTENTIONS:	None

ACTION ITEMS

6. Agenda Item 8: Board of Directors to Consider Appointment of Interim Executive Director.

On a motion of Director Rick Gilmore, seconded by Director Gary Kremen, the Board Appointed Assistant Executive Director Frances Mizuno as the Interim Executive Director effective June 1, 2018. The vote on the motion was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Linneman, Stearns, White, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Gutierrez, Stadler

NAYS: None

ABSTENTIONS: None

7. Agenda Item 9: Board of Directors to Consider Appointment of Interim General Counsel.

On a motion of Director Rick Gilmore, seconded by Director Ric Ortega, the Board Appointed Deputy General Counsel Rebecca Akroyd as the Interim General Counsel effective June 1, 2018. The vote on the motion was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Linneman, Stearns, White, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Gutierrez, Stadler

NAYS: None

ABSTENTIONS: None

8. Agenda Item 10: Board of Directors to Consider Finance & Administration Committee Recommendation for Compensation for the Interim Executive Director and Interim General Counsel.

Director Bill Pucheu reported that the Finance & Administration Committee recommended that both Mizuno and Akroyd receive a 10% salary increase as of June 1, 2018 until the date when the Executive Director and General Counsel positions are filled. Interim Executive Director Jon Rubin provided a detailed summary on the salaries and benefits for both positions.

On a motion of Director Bill Pucheu, seconded by Director Rick Gilmore, the Board Approved Compensation for the Interim Executive Director and Interim General Counsel. The

vote on the motion was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Linneman, Stearns, White, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Gutierrez, Stadler

NAYS: None

ABSTENTIONS: None

9. Agenda Item II: Board of Directors to Consider Appointment of Officer Position, Secretary.

On a motion of Director Rick Gilmore, seconded by Director Kremen, the Board Appointed Assistant Executive Director Frances Mizuno as the Board Secretary. The vote on the motions were as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Linneman, Stearns, White, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Gutierrez, Stadler

NAYS: None

ABSTENTIONS: None

10. Agenda Item 12: Board of Directors to Authorize Retention of Search Firm for Recruitment of Executive Director.

Assistant Executive Director Frances Mizuno reported that Martin Rauch Consulting was retained to assist the Water Authority with the Strategic Planning process. Mizuno also reported that Martin Rauch Consulting will be expediting the Strategic Planning schedule to allow the Authority to expedite the Executive Director recruitment process. Mizuno requested approval to proceed with soliciting and retaining a search firm and an additional \$30,000 from the Potential Staffing Contingency Fund to complete this process.

On a motion of Director Bill Pucheu, seconded by Director Rick Gilmore, the Board authorized the retention of a search firm and an additional \$30,000 from the Potential Staffing Contingency fund for Recruitment of Executive Director. The vote on the motions were as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Linneman, Diedrich, Stearns, White, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Gutierrez, Stadler

NAYS: None

ABSTENTIONS: None

REPORT ITEMS

11. **Agenda Item 13: Strategic Planning Effort.**

Assistant Executive Director Frances Mizuno reported that since the Water Authority learned of Interim Executive Director/General Counsel Jon Rubin's departure, she has been working with Cannon Michael and Martin Rauch Consulting to expedite the Strategic Planning process to assist in the recruitment of the Executive Director. Martin Rauch gave a brief summary of the proposed expedited process to set goals and priorities of the Authority. Rauch reported that the goal is to provide this information in time for an early July recruitment. Mizuno explained that confidential interviews with Board members and others will be conducted by Martin Rauch Consulting during the period of May 21-31. Mizuno also reported that on the June 7 Board meeting date, the Authority will hold a Special Board Workshop for the strategic planning process from 9 a.m.-4 p.m. to develop basic direction, goals, objectives, and priorities to help in the completion of a Strategic Plan and assist in the Executive Director recruitment.

12. **Agenda Item 14: California WaterFix Project Update.**

No report given.

13. **Agenda Item 15: San Luis Transmission Economic Analysis Update.**

Assistant Executive Director Frances Mizuno introduced Mike Bell from Mike Bell Management Consulting (MBMC). Mike Bell provided a brief background on himself. Bell gave an overview of a Power Point Presentation, which was included in the Board packet, of MBMC's review of the Strategic Resources Advisors' (SRA) Analysis on the Economic Viability of the San Luis Transmission Project. MBMC concluded that if the Authority determines the payback scenarios as analyzed by SRA and agreed to by MBMC are reasonable, it would make sense to proceed with project planning and contract negotiations.

14. **Agenda Item 16: 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 Resources Control 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 spring of 2018. Phase II is on a compressed schedule, and is scheduled to be completed by the end of

2018.

15. Agenda Item 17: 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 reported on Reclamation's three track process. Track 1: evaluate actions that can be accomplished in a short period of time, potentially including modifications on restrictions on south Delta pumping to increase water supply. This track should be analyzed by the end of this fiscal year. Track 2: Reclamation is looking at a programmatic environmental impact statement (EIS) for analyzing potential modifications to the continued long-term operation of the federal CVP that maximize water deliveries, and to increase operational flexibility by addressing the status of listed species, which Reclamation is looking to complete by the spring of next year. Track 3: Reclamation will analyze projects/activities such as new or modified infrastructure, habitat restoration, other stressors, and/or regulatory changes, but this analysis is on a longer timeline.

Rubin also reminded the Board that the Authority met in January with Reclamation where Reclamation expressed the need for support for this process, and the Board previously approved \$100,000 to assist Reclamation in this effort. The contract for a consultant for this assistance is now in place and the consultant is available to Reclamation.

16. Agenda Item 18: California Storage Projects Update.

Assistant Executive Director Frances Mizuno reported that the California Water Commission approved the Prop 1 Funding for Storage Projects. Pacheco Reservoir and Los Vaqueros Reservoir received full funding. The Sites Reservoir did well, but Temperance Flat did not do as well. Director Gary Kremen and Mizuno informed the Board that there will be a Workshop on June 4, 2018 on the Pacheco Reservoir Enhancement Project at the Authority office. Deputy General Counsel Rebecca Akroyd reported that support for the Temperance Flat MOU has decreased and member agencies interested in the gaming process are looking to engage directly through an Authority contract with Stantec.

17. Agenda Item 19: Operations Update and Forecasts.

Water Resources Engineer Tom Boardman reported Jones pumping will vary between one and three units through May as the inflow/export ratio continues to restrict exports as required

by the salmon BiOp. The SWP owes the CVP about 15 TAF under the export sharing account. As such, Jones will be pumping a greater share of the allowable exports through at least May. However, with the Aqueduct outage extended into June because of lining repair complications, Jones could be pumping more than the SWP well into June. The Intertie is being used to wheel up to 900 cfs for SWP during the Aqueduct outage.

Boardman briefly reviewed storage and release conditions at Shasta and Folsom followed by a discussion of the factors that could support an allocation increase. With CVP San Luis higher than projected by USBR, and temperature operations in the upper Sacramento River near agreement between Reclamation and NMFS, Boardman estimated that the resulting increase in summer exports should be enough to support at least a 45% allocation, and possibly 50-55% by June if Sac Valley depletions stabilize around normal levels.

18. Agenda Item 20: Committee Reports.

a. Water Resources Committee Activities

Chair Cannon Michael reported that the committee met on Monday.

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

Chair Cannon Michael reported that the O&M Committee has scheduled a tour/meeting on Monday.

19. Agenda Item 21: 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 Authority withdrew its Notice of Withdrawal from SFCWA. Rubin reported that the wind down has begun with a reduction in staff, and SFCWA will contract with Bruce DiGennaro as the Executive Director to complete this process.

b. Family Farm Alliance.

No report given.

c. Farm Water Coalition.

California Farm Water Coalition Executive Director Mike reported that Del

Puerto Water District received ACWA's prestigious Clair A. Hill Water Agency Award for Excellence for its innovative North Valley Regional Recycled Water Program and the Authority issued a press release congratulating Del Puerto for this honor.

d. Association of California Water Agencies.

Director Bill Diedrich commended Anthea Hansen on her speech when she accepted the Clair A. Hill Water Agency Award for Excellence for Del Puerto. Diedrich also encouraged those that go to AWCA to attend the Ag Committee meeting. Chair Cannon Michael thanked Bill Diedrich for all his hard work.

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

Interim Executive Director/General Counsel Jon Rubin reported that the Authority continues its efforts to better understand the SJVWIA specifically the activities that the SJVWIA may undertake after the Prop 1 application process.

20. Agenda Item 22: Monthly Staff Reports.

a. Self-Funding Report.

Supervisor of Accounting Joyce Machado reported that for WY 2017 Self-Funding actual expenses for the Routine O&M budget through February 28, 2018, including DWR conveyance costs related to water pumped at the Intertie through February 2018, are over budget by \$19,567. Machado reported that 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 O'Neill unit rehabilitation work is towards the end, and they are now performing the final alignment. Mizuno also reported that the Unit 6 rewind project is progressing well.

c. Water Transfer/Exchanges/Release Program Update.

Assistant Executive Director Frances Mizuno reported that the OID/SSJID Release of Water Program started May 8, and runs through the end of May. Mizuno reported that the Exchange Contractors transfers are going well.

d. Westside Integrated Regional Water Management Program

Assistant Executive Director Frances Mizuno covered this in Agenda Item 20 e.

e. Sustainable Groundwater Management Report.

Assistant Executive Director Frances Mizuno reported that Senior Civil Engineer Andrew Garcia has been doing a tremendous job coordinating these efforts. There have been three public meetings this week with a large public turnout.

f. **Drainage Activity Report.**

Legal Counsel Gabriel Delgado reported that the May meeting of the San Joaquin Valley Drainage Authority focused on CVSALTS. Delgado also reported that the Grassland Basin Drainage Steering Committee meeting for May was cancelled.

g. **Executive Director's Report.**

Interim Executive Director/General Counsel Jon Rubin reported that he was involved in an activity with the Delta Stewardship Council's ongoing effort to understand science investment in the Delta, which is called the Science Funding Initiative. Rubin also reported on the IICG explaining that the IICG has primary responsibility for support, coordination and implementation of the Adaptive Management Plan. Rubin also reported that he has been participating in the meetings, which allows the Water Authority to engage with the scientists. Rubin also reported that many feel that the IICG should focus mainly on WaterFix.

21. Agenda Item 23-25: 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 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.

22. Agenda Item 26: Reports Pursuant to Government Code Section 54954.2

No reports given.

23. Agenda Item 27: Adjournment.

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