

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING  
MINUTES FOR December 8, 2016**

The Board of Directors of the San Luis & Delta-Mendota Water Authority convened at approximately 9:35 a.m. at 842 6th Street, in Los Banos, California for a regular meeting, with Chairperson Mike Stearns presiding.

**Directors and Alternate Directors in Attendance**

**Division 1**

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

**Division 2**

Don Peracchi, Director  
Sarah Woolf, Director (joined after Item 7)  
John Bennett, Director  
William Diedrich, Director

**Division 3**

Michael Stearns, Director & Chairperson - Jeff Bryant, Alternate  
Chris White, Alternate for James O'Banion (joined after Item 9)  
Randy Houk, Alternate for Cannon Michael  
Mike Gardner, Alternate for Ric Ortega

**Division 4**

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

**Division 5**

Jose Gutierrez, Alternate for Tom Birmingham  
Steve Stadler, Director - Thomas W. Chaney, Alternate

**Authority Representatives Present**

Diane Rathmann, Legal Counsel  
Gabriel Delgado, Legal Counsel  
Jason Peltier, Executive Director  
Jon Rubin, General Counsel  
Tona Mederios, Director of Finance  
Ara Azhderian, Water Policy Administrator  
Tom Boardman, Water Resources Engineer  
Frances Mizuno, Assistant Executive Director  
Paul Stearns, O&M Manager

## Others in Attendance

Mike Wade, California Farm Water Coalition  
Don Wright  
Larry Freeman, San Joaquin River Exchange Contractors Water Authority  
Jarrett Martin, Central California Irrigation District  
Chase Hurley, Henry Miller Reclamation District  
Steve Prevostini, Patterson Irrigation District  
Dana Jacobson, Santa Clara Valley Water District  
Ben Fenters, Provost & Pritchard  
Janet Gutierrez, San Luis Water District  
John Beam, Consultant – Grasslands Water District  
Eric Ruckdaschel, San Luis Canal Company  
Matt Hurley, Fresno Slough Water District

### 1. Call to Order/Roll Call

Chairperson Michael Stearns called the meeting to order.

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

There were no additions or corrections to the agenda.

### 3. Opportunity for Public Comment

There was no public comment.

## CONSENT ITEMS

### 4. Board to Consider a) Approval of November 10, 2016 Meeting Minutes, b) Acceptance of the Financial & Expenditures Report, c) Acceptance of the Treasurer's Report for the Quarter Ending 9/30/16, d) Recommendation by the Finance and Administration Committee to Accept the Disposition of the DWR – San Luis Joint Use Credit, Calendar Years 2011-2014

On motion of Director Don Peracchi, seconded by Director Rick Gilmore, the Board of Directors approved the items on the consent calendar. The vote on the motion was as follows:

AYES: McLeod, Gilmore, Hansen, Peracchi, Bennett, Diedrich,  
Stearns, Houk, Gardner, Kremen, Santos, Cattaneo,  
Gutierrez, Stadler

NAYS: None

ABSTENTIONS: None

## ACTION ITEMS

**5. Board to Consider Water Resources Committees Recommendation to Authorize the Authority to Pursue a Proposition 1 Application for a Disadvantage Community Involvement Grant for the San Joaquin River Funding Region in Cooperation with the Region's Five Other Regional Water Management Groups**

Water Policy Administrator Ara Azhderian informed the Board that on Monday this subject was discussed with the Water Resources Committee, and the Committee recommended that the Board authorize the Authority to pursue a Proposition 1 application for a Disadvantage Communities Involvement grant for the San Joaquin River funding region in cooperation with the region's other regional water management groups.

Azhderian explained that the Westside's primary regional concerns include management of water supply, reliability, and quality, reuse, recycling, and discharge of agricultural drain water, and water use efficiency. The current draft of the Westside-San Joaquin Integrated Water Resources Plan is undergoing revision to comport with Proposition 1 and other guidelines promulgated since it was last approved by the Authority's Board of Directors. Azhderian also stated that the Westside-San Joaquin Region spans the Westside of both the San Joaquin River and Tulare Lake Proposition 1 funding regions. For purpose of this Request for Proposals (RFP), the Authority is soliciting proposals to prepare a Prop 1 grant application only for disadvantaged communities (DAC) within the San Joaquin River (SJR) funding region as another organization has taken lead in the Tulare funding region. The SJR funding region contains 5 other Regional Water Management Groups (RWMGs) that have expressed interest in participating in the preparation of a Prop 1 DAC grant application. While the Authority is initiating this effort to prepare the grant, it intends to work in close coordination with our fellow SJR RWMGs.

On motion of Director Richard Santos, seconded by Director Don Peracchi, the Board unanimously authorized the Authority to pursue a Proposition 1 application for a Disadvantage Communities Involvement grant for the San Joaquin River funding region in cooperation with the region's five other regional water management groups. The vote on the motion was as follows:

AYES:	McLeod, Gilmore, Hansen, Peracchi, Woolf, Bennett, Diedrich, Stearns, Houk, Gardner, Kremen, Santos, Cattaneo, Gutierrez, Stadler
NAYS:	None
ABSTENTIONS:	None

**6. Board to Consider Supporting Use, in Substantially the Format Presented, of the Executive Director and General Counsel Performance Plan Forms**

Executive Director Jason Peltier gave a brief history of the reasons for developing these forms and asked the Board to support them as presented. On motion of Director Rick Gilmore, seconded by Director Woolf, the Board unanimously approved to support use of the Executive Director and General Counsel Performance Plan Forms, in substantially the format presented. The vote on the motion was as follows:

AYES:	McLeod, Gilmore, Hansen, Peracchi, Woolf, Bennett, Diedrich, Stearns, White, Houk, Gardner, Kremen, Santos, Cattaneo, Gutierrez, Stadler
NAYS:	None
ABSTENTIONS:	None

**7. Board to Consider Water Resources Committee Recommendation to Authorize the Authority to Fund, in Partnership with Glenn-Colusa Irrigation District, a Genetic Mark-Capture Project to Improve Vital Rates Estimation of Winter-Run Salmon**

Water Policy Administrator Ara Azhderian informed the Board that on Monday this subject was discussed with the Water Resources Committee, and the Committee recommended that the Board authorize the Authority to fund, in partnership with Glenn-Colusa Irrigation District, a genetic mark-capture project to improve vital rates estimation of winter-run salmon. Azhderian reported that spawning success among in-river adult winter-run is presently inferred from an estimate of juveniles reaching the Red Bluff Diversion Dam. An improved estimate of spawner abundance and other important metrics can be obtained by incorporating genetic techniques in to existing monitoring activities. Effectively, genetic methods can link adult winter-run encountered at the Keswick trap and in carcass surveys with juvenile outmigrants through genotypes. These procedures enable specific vital rate metrics to be generated such as the number of contribution breeders and the relative juvenile recruitment of hatchery and /or natural-origin fish that spawned in-river.

Azhderian also reported that GCID will contract with Cramer Fish Sciences to use genetic mark-capture, parentage, and related methods, to characterize reproductive success among individuals and hatchery contribution to in-river juvenile winter-run production. Contract costs are not to exceed \$100,000. The proposed costs would be split 50-50 with the GCID, with the Authority's share being allocated to the existing Fiscal Year-End 2017 LegOps 1

technical support science budget.

On motion of Richard Santos, seconded by Director Gary Kremen, the Board unanimously approved to authorize the Authority to fund, in partnership with Glenn-Colusa Irrigation District, a genetic mark-capture project to improve vital rates estimation of winter-run salmon. The vote on the motion was as follows:

AYES:	McLeod, Gilmore, Hansen, Peracchi, Woolf, Bennett, Diedrich, Stearns, White, Houk, Gardner, Kremen, Santos, Cattaneo, Gutierrez, Stadler
NAYS:	None
ABSTENTIONS:	None

**8. Board to Consider Water Resources Committee Recommendation to Authorize the Authority to Fund, in Partnership with the Northern California Water Association and Metropolitan Water District of Southern California, a Floodplain Food Production Pilot Program in the Sacramento Valley**

Water Policy Administrator Ara Azhderian reported that this proposal is essentially an expansion and acceleration of the Prop 1 floodplain food production pilot program grant application previously authorized by the Board. To build on the existing food production momentum, NCWA will contract with water districts to incentivize participation in the Pilot Program by covering the additional water management expenses related to the activity. The goal of the Pilot Program is to demonstrate the efficacy of producing food through floodplain inundation by enlisting up to 10,000 acres of rice fields into the Program in winter/spring of 2017. Contract costs are not to exceed \$400,000. The proposed costs would be split 25% NCWA, 50% MWD, and 25% Authority, with the Authority's share being allocated to the existing Fiscal Year-End 2017 LegOps 1 technical support budget.

On motion of Director Gary Kremen, seconded by Director Richard Santos, the Board unanimously approved to authorize the Authority to fund, in partnership with Northern California Water Association and Metropolitan Water District of Southern California, a floodplain food production pilot program in the Sacramento Valley. The vote on the motion was as follows:

AYES:	McLeod, Gilmore, Hansen, Peracchi, Woolf, Bennett, Diedrich, Stearns, White, Houk, Gardner, Kremen, Santos, Cattaneo, Gutierrez, Stadler
NAYS:	None
ABSTENTIONS:	None

## **REPORT ITEMS**

### **9. 2017 Operations, Communication, and Outreach Plan**

Mike Wade of the California Farm Water Coalition reported that CFWC has a comprehensive communications plan underway designed to anticipate potential news stories and circulate information that the broader agricultural industry can use in their contacts with the media. This activity is an integral part of the 2016 CFWC Strategic Plan, which includes, 1) Unity with similar groups and partner with other organizations on farm water information development and messaging, 2) Emphasize proactive messaging over reactive in order to drive the discussion on farm water issues, 3) Increase production of fact sheets and info graphs aimed at the general public, 4) Improve and expand social media strategies including communications with other agricultural-related organizations.

### **10. Update on SFCWA**

Executive Director Jason Peltier discussed an analytical tool developed by Val Conner, which presents a global view of weaknesses and opportunities that the SFCWA science program has and how it's viewed by others.

Peltier reported that the SFCWA science team attended the Biannual Delta Science conference in Sacramento. It had over 1000 attendees, 700 different presentations, and the SFCWA team is preparing a summary of the conference.

Peltier reported that the proposed 2017 SFCWA Strategic Objective is to develop and implement a Science Program Communication Strategy that strengthens the scientific foundation for environmental management of the Delta.

### **II. Update on DHCCP Funding**

Executive Director Jason Peltier explained the options available to those with interests in the DHCCP 2009A Note proceeds. Peltier explained that for those districts that have in obligation under 2013A Bonds, the districts can either apply their Note proceeds interest towards planning costs or have their interest placed into an escrow account and applied towards principal-related obligations under the Bonds. And, for those districts without an interest in the bonds, they can either apply their interest towards planning costs or have their interest refunded to them. Peltier also discussed the two principle agreements that are being developed for consideration by the Water Authority. General Counsel Jon Rubin provided additional detail on the draft agreements and the anticipated timing for finalizing and executing them.

## **12. Update On Proposed In-Delta Pilot Fallowing Program**

Assistant Executive Director Frances Mizuno reported that the Authority is working with the State Water Contractors to implement a 2017 In-Delta Pilot Fallowing Program. The pilot program proposal is to have growers in the Delta fallow up to 5000 acres of land. Land surface water consumption will be monitored using atmospheric measurements to measure and calculate site specific evapotranspiration rates. Mizuno explained that the initial interest of the Authority and SWC was due to the potential for transfer water and to continue to foster good relationships with the Delta interests. However, at this point, any water created from the fallowing program will accrue to the Projects. The cost for monitoring and terms for payment for fallowing has yet to be determined.

## **13. Update on Board Policy & Procedures**

Executive Director Jason Peltier gave a brief review of the progress on completing the Policies and Procedures Manual. Peltier stated that the deadline was originally the first of the year, but in order to complete it accurately and have the Board review it the deadline will be the new fiscal year.

General Counsel Jon Rubin reviewed the draft Policies and Procedures Manual that was included in the Board packet. Rubin emphasized that the Authority is committed to being accessible, transparent and accountable with regard to its operations and business practices. Rubin explained that this manual consolidates the policies and procedures of greatest concern to the Board and to the operations and business practices. Assistant Executive Director Frances Mizuno stressed how important it is to get input from the Board of Directors.

## **14. Update on Water Quality Control Plan**

General Counsel Jon Rubin updated the Board of the efforts by the State Water Resources Control Board to update the Water Quality Control Plan for the Bay-Delta. Rubin began by describing the documents the State Water Board recently released for Phase 1, which are: 1) a document that proposes updates to the San Joaquin River flows and southern Delta salinity objectives, and 2) the substitute environmental document that is intended to identify the environmental impacts of the proposed updates. Rubin informed the Board that the State Water Board has requested written comments on both documents by January 17, 2017. The State Board is holding a series of hearings. The Authority has indicated a desire to provide oral

comments and is set to do so on January 3<sup>rd</sup>. The Authority is also working on written comments and expect to file those on or before the due date. Next, Rubin described a draft scientific basis report the State Water Board also recently released for review. A workshop was held and written comments are due on the 16<sup>th</sup> of December. Oral comments were provided, and the Authority anticipates to file written comments. Rubin explained that the report is intended to help guide the State Water Board, as it proposes updates to the objectives that are the subject of Phase 2 and prepares a substitute environmental document for that phase. Rubin outlined the types of changes identified in the report, which the State Water Board staff believes are supported by science.

**15. Committee Reports**

**a. Water Resources Committee Activities**

No report provided

**b. Finance & Administration Committee Activities**

No report provided

**c. O&M Technical Committee Activities**

No report provided

**16. Self-Funding Report**

Director of Finance Tona Mederios reported that the Disposition of the DWR – San Luis Joint Use Credit was approved by the Board earlier in the meeting, and refunds will be distributed.

**17. Operations & Maintenance Report**

Assistant Executive Director Frances Mizuno provided a brief summary of pumping at the C.W. “Bill” Jones Pumping Plant during the month of November. Mizuno also reported that flows to the Mendota Pool from the DMC were shut off on November 24<sup>th</sup> to facilitate the dewatering of the Mendota Pool for work on the Mendota Dam. The lower DMC below Check #14 has also been partially dewatered to facilitate work for the Los Banos Creek/DMC Connection Project, trash rack replacement at Firebaugh Canal Water District’s milepost 109.45-R turnout, and the Doppler flow meter installation upstream of Check #21. Mizuno closed with an update on the Jones Pumping Plant Unit Rewind Project. The Authority has requested funding from Reclamation for the project. The Authority and Reclamation are evaluating funding/repayment



options available for this project.

## **18. Operations Update**

Tom Boardman reported that C.W. “Bill” Jones Pumping Plant was at capacity for about 10 days during November. Unexpected pumping reductions were imposed because of salinity concerns and concerns with COA debt. Pumping at the Harvey O. Banks pumping plant was disproportionately higher than pumping at the Jones Pumping Plant due to the balance of COA-related storage releases in that the recent storms have favored Shasta and Folsom basins more than Oroville. Shasta storage was reported to be about 300 TAF below its flood control level – well within the range of potentially spilling given that Shasta gained 800 TAF during December 2015. Reservoir management releases appear imminent from Folsom with storage only 60 TAF remaining in its conservation storage space.

Boardman reviewed charts showing projected refill operations for San Luis reservoir under 90% and 50% exceedance conditions. Both charts showed that Reclamation will pay back “borrowed” water and begin storing Project water for 2017 by the end of December. The charts also showed that (1) under 90% exceedance conditions, the CVP will not have sufficient water to meet contractual obligations (approximately a 200 TAF shortfall at the end of August), but (2) under 50% exceedance conditions, all minimum contractual obligations are projected to be met and a 10-15% allocation to the south of the Delta agricultural water service contractors.

## **19. Water Policy Administrator Report**

Water Policy Administrator Ara Azhderian reported that at a recent meeting hosted by Reclamation, FWS and NMFS discussed how their agencies intend to approach regulating 2017 CVP operations under their respective biological opinions. FWS staff explained that essentially the FWS will continue to implement the 2008 BiOp but, in areas where they have discretion, it is their intention to allow as much pumping as possible as long as environmental conditions warrant. For NMFS staff explained that they are currently working with Reclamation to modify the temperature management provision in the 2009 BiOp to provide for even cooler temperatures than are currently required, and aim to have a draft of the revised temperature criteria ready in January 2017.

Azhderian reported that the Authority submitted written comments on Reclamation’s draft environmental impact statement for the long-term proposal to augment flows on the lower Klamath River. The Authority expressed concerns regarding the breadth of alternatives,

description of scientific uncertainty, water supply modeling outputs, and support upon legal authorities.

Azhderian also reported that ACWA hosted a forum to discuss improving involvement of its agriculture members, and trying to improve its engagement on Ag issues. ACWA has developed an online survey looking for input from Ag interests. Azhderian encouraged the Authority's members and others to participate in this survey.

## **20. Executive Director's Report**

Executive Director Jason Peltier gave an overview of the Activity Budget Preparation Timeline. Peltier reported that with the transition of the Federal Legislature there are a lot of names floating around related to the water side some we know some we don't it's a black box right now. One thing we do know is that the plan on Inauguration Day is that the Commissioner will step down and David Murillo will step in as acting Commissioner until the new Commissioner is confirmed by the senate. Peltier announced that Mark Cowin is retiring at the end of the year, but he will stay on in some capacity to help with the California Water Fix. Peltier informed the Board that he and Jason Phillips have been organizing and holding some small meetings to try to address and deal with the request of David Murillo to work on optimizing the system for next year.

## **21. Drainage Activity**

### **a. Grassland Basin Drainage Activity Report**

Legal Counsel Diane Rathmann reported that Joe McGahan is focusing on trying to come up with a storm water management plan and is going to be meeting and coordinating with Grassland Water District.

### **b. Westside Regional Drainage Plan Report**

No report was provided.

### **c. San Joaquin Valley Drainage Authority**

Legal Counsel Diane Rathmann reported that the Regional Board is being very aggressive in implementing its Irrigated Lands Program, and is going out issuing notices of violation to land owners who have not complied with providing reports.

**22. Closed Session Report**

Chairman Stearns adjourned the open session to address the items listed on the Closed Session Agenda at approximately 12:11 p.m. Upon return to open session at approximately 12:30 p.m., General Counsel Jon Rubin reported that the Board met in closed session to discuss items listed on the agenda for closed session and there were no other reportable actions.

**23. Reports Pursuant to Government Code Section 54954.2**

There were no reports given.

**24. Adjournment**

The date of the next Regular Board meeting is January 12, 2017. The meeting was adjourned at approximately 12:35 p.m.