

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
BOARD OF DIRECTORS ADJOURNED REGULAR MEETING
MINUTES FOR DECEMBER 7, 2017**

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 Director Rick Gilmore presiding.

Directors and Alternate Directors in Attendance

Division 1

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

Division 2

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

Division 3

Mike Stearns, Director
Chris White, Alternate for James O'Banion

Division 4

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

Division 5

Bill Pucheu, Director
Tom Birmingham, Director
Steve Stadler, Director - Thomas W. Chaney, Alternate

Authority Representatives Present

Jason Peltier, Executive Director
Frances Mizuno, Assistant Executive Director
Jon Rubin, General Counsel
Rebecca Akroyd, Deputy General Counsel
Tom Boardman, Water Resources Engineer
Diane Rathmann, Legal Counsel

Others in Attendance

John Beam, GWD Consultant
Juan Cadena, Panoche Water District
Janet Gutierrez, San Luis Water District
Rodney Wade, Tranquillity Irrigation District
Ara Azhderian, Panoche Water District

Don Wright, Waterwrights.net
Russ Freeman, Westlands Water District
Erick Johnson, The Water Agency, Inc.

1. Pledge of Allegiance

The Pledge of Allegiance was recited.

2. Call to Order/Roll Call

Director Rick Gilmore called the meeting to order. Roll was called.

3. 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.

4. Opportunity for Public Comment

Director Jim McCloud expressed concern with regulatory constraints on in-Delta dredging.

CONSENT ITEMS

5. Agenda Items 5-6: Board to Consider: a) Approval of November 9, 2017 Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports

On motion of Director Don Peracchi, seconded by Bill Pucheu, the Board approved the Consent Items with typographical corrections to the minutes.

The vote on the motions were as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Bourdeau,
Linneman Diedrich, Stearns, White, Varela, Kremen,
Cattaneo, Singleton, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

REPORT ITEMS

6. Agenda item 7: California WaterFix Update.

Executive Director Jason Peltier reported that the Governor may make an announcement by the end of the year informing the public that the California WaterFix will proceed in stages with the initial stage begin State-only and a future phase for the benefit of the CVP. Peltier also reported that efforts to find a viable option for CVP involvement have not been successful.

7. Agenda Item 8: Update on State Water Resources Control Board, Bay-Delta Water Quality Control Plan Update.

General Counsel Jon Rubin reported that the State Water Resources Control Board is currently working to complete Phase I within the next month or so and Phase II within the first six months.

8. Agenda Item 9: Update on Delta Stewardship Council, Delta Plan Update and Related Activities.

General Counsel Jon Rubin introduced the item. Deputy General Counsel Rebecca Akroyd followed, explaining that the Delta Stewardship Council is considering updates and new Delta Plan recommendations or regulations regarding strategic investment in Delta levees, for a new and improved infrastructure relating to Delta water conveyance, storage, and the operation of both, and Delta Plan performance measures.

9. Agenda Item 10: 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.

Executive Director Jason Peltier reported that the United States Bureau of Reclamation continues to hold meetings focusing on the range of issues related to the Reinitiation of Consultation on Long-Term Operations of the Central Valley and State Water Projects. General Counsel Jon Rubin reviewed the brain-storming effort Reclamation is pursuing on the issues.

10. Agenda Item 11: San Luis Transmission Project.

Assistant Executive Director Frances Mizuno reported that the Authority is proceeding under the MOU with Duke American Transmission and Reclamation to proceed with the construction of a new 62 mile, 230 –kilovolt electric transmission line.

11. Agenda Item 12: California Storage Projects Update.

Director Gary Kremen presented on the Pacheco Reservoir Expansion Project. Kremen explained that the existing Pacheco Reservoir is small - approximately 5,000 acre-feet but has the potential to be enlarged to 140,000 acre-feet. The estimated cost is currently almost \$1 billion. Kremen identified the following potential benefits of the project: 1) critical habitat for Steelhead, 2) Delta-refuge supply, 3) emergency water storage, improved water reliability, 4) increased operational flexibility, 5) flood risk reduction, particularly for disadvantaged

communities, and 6) recreational use. Kreman recognized that the project is one of the 10 or 11 projects coming before the California Water Commission hearing for Prop One funds next week.

Executive Director Jason Peltier gave a brief report on the Los Vaqueros Reservoir Expansion Project.

Peltier reminded the Board that there will be a workshop following the Board meeting regarding Temperance Flat.

12. Agenda Item 13: Update on FY19 Activity Budget Development.

Executive Director Jason Peltier provided an overview of the process being followed for the development of the FY19 Activity Budget. Assistant Executive Director Frances Mizuno reported that the Water Resources Committee requested that a budget workshop be scheduled in December.

13. Agenda Item 14: Operations Update and Forecasts.

Water Resources Engineer Tom Boardman reported that C.W. “Bill” Jones and Harvey O. Banks pumping plants have been at capacity since late November, thanks to increase Delta inflow and the fall X2 requirement ending November 30. Pumping is expected to remain at capacity for the near future, but may be reduced if a significant storm causes a spike in Delta turbidity levels. Through a response to a question raised, it was explained that opportunity exists for a reduction in export restrictions when OMR controlled due to the provisions of the WINN Act.

Boardman also reviewed two San Luis storage projection charts under 90% and 50% exceedance conditions. The charts showed that CVP San Luis is projected to fill by early 2018, but the SWP share may not fill. If the SWP does not fill, the CVP will have the opportunity to store water in unused SWP storage space. It was also mentioned that demands continue to track above normal. If sustained dry conditions continue throughout December and demands remain high, Boardman estimates that CVP San Luis may not fill as projected in January as shown on the 90% exceedance chart.

Boardman concluded his report with a discussion about the 150 TAF rescheduling cap and the tradeoffs between increasing the cap vs bolstering 2018 allocations if the CVP stores water in the SWP share.

14. Agenda Item 15: Committee Reports

a. Water Resources Committee Activities

Executive Director Jason Peltier reported that the Budget was the main focus of the December meeting.

b. Finance & Administration Committee Activities

Chair Bill Pucheu reported that the Finance & Administration Committee (FAC) reviewed the O&M Budget that was recommended to them by the O&M Technical Committee. Assistant Executive Director reported that the FAC recommended approval of the O&M Budget, and therefore it was sent out for 30-day review. After considering comments received, Mizuno plans on presenting it to the Board of Directors in February.

c. O&M Technical Committee Activities

No report given.

15. Agenda Item 16: Reports on Activities of the Following Agencies that are Outside of the Authority.

a. State and Federal Contractors Water Agency

Executive Director Jason Peltier reported on ways SFCWA is filling in the science gaps. One example Peltier highlighted is a study of the Butte Creek Spring-run Chinook Salmon otolith. The otolith contains detailed information on the life of a fish. California Fish & Wildlife collected many of the Otoliths but this collection is stored, and has not been studied. SFCWA is recommending its Board approves funding this project.

b. Family Farm Alliance

Executive Director Jason Peltier reported that the Family Farm Alliance annual meeting is coming up the first part of next year in Reno.

c. Farm Water Coalition

No report given.

d. Association of California Water Agencies

Director Bill Diedrich reported that ACWA's Board of Directors approved a change in its bylaws, which created a standing, formal Agriculture Committee. The ACWA president will be appointing members to the committee following receipt of Region recommendations early next year.

e. San Joaquin Valley Water Infrastructure Authority

Executive Director Jason Peltier reported that the San Joaquin Valley Water Infrastructure Authority is asking for \$50,000, which will be presented for consideration during the Water Authority's budgeting process.

16. Agenda Item 17: Monthly Staff Reports

a. Self-Funding Report

Assistant Executive Director Frances Mizuno reported that the WY2017 Self-Funding actual expenses for SLDMWA Routine O&M through October 31, 2017, including DWR conveyance costs related to water pumped at the Intertie through September 2017, and under budget by \$369,054. Mizuno also reported that the WY2016 Draft Accountings (with a few exceptions) were mailed out for review. Mizuno then acknowledged the passing of Guy Wamocha the Supervisor of Accounting stating what a beloved dedicated employee he was.

b. Operations & Maintenance Report

Assistant Executive Director Frances Mizuno reported that due to subsidence related flow restrictions in several areas of the upper DMC, the Intertie has been utilized during the five unit operations at the C.W. "Bill" Jones Pumping Plant to help manage water levels in the upper DMC. Mizuno reported that 10,465 acre feet were pumped at the Intertie and no water was reversed into the DMC.

c. Water Transfer/Exchange Update

No Report given.

d. SGMA Report

Assistant Executive Director Frances Mizuno reported the Authority is assisting our member agencies in managing the Delta-Mendota Subbasin work related to SGMA. Andrew Garcia has requested the committee meet in December to take action for approval of the contract agreement with Woodard & Curran for GSP development and program management. Mizuno also reported that Woodard & Curran submitted the Prop. 1 Sustainable Groundwater Planning Grant application.

e. Drainage Activity Report

Legal Counsel Diane Rathmann reported that the Westside Watershed Coalition and the San Joaquin Valley Drainage Authority will consider and respond to the State Boards Proposed Order for the Eastside Coalition. Rathmann also reported that the Grasslands Basin Drainers are working on a Long Term Storm Water Plan.

f. Executive Director's Report

Executive Director Peltier said he attended the Grasslands Water District CVPIA celebration. Enactment of CVPIA was not something he expected to celebrate, but the Act has improved waterfowl habitat. Peltier also reported that the National Marine

Fisheries Service will be hard pressed to justify use of its temperature control model this year. Peltier also reported that the Authority will host a tour with Friant staff and directors. They will be touring the C.W. "Bill" Jones Plant and related facilities.

17. Agenda Item 19-21: Closed Session Report

Director Rick Gilmore adjourned the open session to address the items listed on the Closed Session Agenda at approximately 11:50 a.m. Upon return to open session at approximately 1:00 p.m., General Counsel Jon Rubin reported that the Board met in closed session to receive advice from counsel and there were no reportable actions taken.

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

No reports given.

19. Agenda Item 23: Adjournment

The meeting was adjourned at approximately 1:05 p.m.