

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY  
BOARD OF DIRECTORS ADJOURNED REGULAR MEETING  
MINUTES FOR JANUARY 11, 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  
Earl Perez, Alternate for Anthea Hansen  
Rick Gilmore, Director - Vince Lucchesi, Alternate

**Division 2**

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

**Division 3**

Jeff Bryant, Alternate for Mike Stearns  
Chris White, Alternate for James O'Banion  
Cannon Michael, Director - Randy Houk, Alternate  
Ric Ortega, Director (joined during Item 10) - Mike Gardner, Alternate

**Division 4**

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

**Division 5**

Bill Pucheu, Director  
Tom Birmingham, Director - Jose Gutierrez, Alternate  
Steve Stadler, Director (joined after Item 12) - Thomas W. Chaney, Alternate  
(joined during Item 8)

**Authority Representatives Present**

Frances Mizuno, Assistant Executive Director  
Jon Rubin, General Counsel  
Rebecca Akroyd, Deputy General Counsel  
Tona Mederios, Director of Finance  
Tom Boardman, Water Resources Engineer  
Darlene Neves, Accountant II  
Diane Rathmann, Legal Counsel  
Gabriel Delgado, 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  
Mike Wade, Farm Water Coalition  
Alan Becker, Fresno State  
John Wiersma, Henry Miller Reclamation District  
Jon Reiter, Grower

### 1. Pledge of Allegiance

The Pledge of Allegiance was recited.

### 2. Call to Order/Roll Call

Chair Cannon Michael called the meeting to order, and recognized that Santa Clara Valley Water District elected Richard Santos as their new Board Chair. Roll was called.

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

General Counsel Jon Rubin stated that Item 19 j of the closed session list was inadvertently left on the agenda but should have been removed

### 4. Opportunity for Public Comment

No public comment.

## CONSENT ITEMS

### 5. Agenda Items 6: Board to Consider: Approval of the Financial & Expenditures Reports

On motion of Director Varela, seconded by Director Birmingham, the Board approved the Consent Item.

The vote on the motions were as follows:

AYES: McLeod, Pierce, Perez, Gilmore, Peracchi, Woolf, Linneman

Bennett, Diedrich, Bryant, White, Michael, Gardner, Varela,  
Kremen, Cattaneo, Tonascia, Pucheu, Birmingham

NAYS: None

ABSTENTIONS: None

## ACTION ITEMS

### 6. Agenda Items 5: Board to Consider: Approval of December 7, 2017 Meeting Minutes

On a motion of Director Birmingham, seconded by Director Peracchi, the Board approved the December 7, 2017 meeting minutes with a minor correction.

The vote on the motions were as follows:

AYES: McLeod, Pierce, Perez, Gilmore, Peracchi, Woolf, Linneman  
Bennett, Diedrich, Bryant, White, Michael, Gardner, Varela,  
Kremen, Cattaneo, Tonascia, Pucheu, Birmingham

NAYS: None

ABSTENTIONS: None

## REPORT ITEMS

### 7. Agenda item 7: California WaterFix Update.

General Counsel Jon Rubin gave a brief update, reporting that the State is supposed to make a statement about WaterFix in the next 30-days.

### 8. 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 updating the Bay-Delta Plan. Its current schedule for completion of both Phase I and Phase II of the update was reported as follows: Final environmental document and proposed changes for Phase I are scheduled for release in the spring, with the State Water Board considering action by mid-year, and for Phase II a planned spring release of a draft substitute environmental document and draft updates, the final environmental document and proposed changes in the fall, and State Water Board action in late 2018.

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

Deputy General Counsel Rebecca Akroyd reported that the Delta Stewardship Council is considering updates to the Delta Plan relating to Delta water conveyance and performance measures. Akroyd reported that the Authority is preparing comments on the draft environmental document regarding the updates to the Delta Plan which will be submitted by January 22, 2018.

**10. 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.**

General Counsel Jon Rubin reported that the Bureau of Reclamation plans to prepare a draft programmatic environmental impact statement on long-term operations of the Central Valley Project, State Water Project, and Related Facilities. The Bureau proposes to evaluate alternatives that maximize water deliveries and optimize marketable power generation. The Authority is preparing written comments to submit by February 1, 2018.

Rubin informed the Board that the Water Resources Committee (WRC) requested staff make the draft available to the Board prior to filing the comments. It was agreed that the draft would be circulated to the Board no later than January 19, that comments on the draft would be requested by January 23, and that the Board will have an opportunity to discuss the comments prior to filing.

**11. Agenda Item 11: Update on Water Bond Initiatives, Including the Water Supply and Water Quality Act of 2018**

General Counsel Jon Rubin reported on the Water Bond that may appear on the November 2018 statewide California ballot. Rubin informed the Board that the Bond would allow for investment of billions of dollars in California water infrastructure, including key categories like: 1) safe drinking water, 2) Sustainable Groundwater Management, 3) fish and wildlife habitat conservation, 4) infrastructure repair, and many other important water management programs. The bond would benefit individual water users, the environment, and agriculture. Rubin informed the Board that the Water Resources Committee (WRC) requested staff prepare an analysis on the benefits of the Bond to our members, and bring it back to the WRC to consider a position the Authority should take on this Bond.

**12. Agenda Item 12: California Storage Projects Update**

Assistant Executive Director Frances Mizuno reported that she has scheduled a briefing at the Water Users Conference regarding Santa Clara Valley's Pacheco Reservoir Expansion Project. Garth Hall and others will make presentations.

Mizuno also reported that the Authority had a workshop regarding Temperance Flat. The Authority will prepare an Activity Agreement for the Authority members who would like to enter into the MOU. The Activity Agreement should be ready to be presented at the February Board meeting. Funding is proposed in the budget for next year.

**13. Agenda Item 13: Update on Proposed Activity Budget Cost Allocation Adjustments**

Assistant Executive Director Frances Mizuno and General Counsel Jon Rubin presented to the Board of Directors the concept of combining three activity funds, Leg Ops 1, Leg Ops 2, and DIPS and creating one new fund to reduce the amount of administrative work associated with allocating and tracking costs. Mizuno presented information, as requested by the Water Resources Committee, showing the trend to help the Board determine if this concept makes sense.

**14. Agenda Item 14: Update on Draft FY19 Activity Budget Development.**

Assistant Executive Director Frances Mizuno and General Council Jon Rubin provided a detailed review of the FY19 Draft Activity Budget.

**15. Agenda Item 15: Operations Update and Forecasts.**

Water Resources Engineer Tom Boardman reported that C.W. "Bill" Jones Pumping Plant and Harvey O. Banks Pumping Plant have been sharing the allowable pumping permitted under a -5,000 cfs OMR restriction that went into effect January 1 per the salmon BiOp. Prompted by the recent increase in Delta inflow, Reclamation has prepared an analysis that shows the Central Valley Project (CVP) and State Water Project (SWP) could operate with OMR at -6,250 cfs, accordance to the WIIN Act. Boardman reported that Reclamation's analysis was being reviewed by the State and Federal fish agencies.

Boardman also reviewed two San Luis storage projection charts under 90% and 50% exceedance conditions. The 50% exceedance chart showed that CVP San Luis is projected to fill by late January, but based on increased pumping during the holidays, the reservoir is expected to fill also under 90% exceedance conditions. 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 return in February, CVP San Luis

could begin a sustained draw down.

The rescheduling cap was then discussed including a statement that Reclamation is firmly against increasing the 150 TAF rescheduling cap and intends to bolster 2018 allocations with any additional export and benefit of borrowing SWP SLR storage.

Boardman concluded his report with an estimation that the initial ag allocation in February will be between 25-35% and a final allocation later in the spring of 40-45% under average conditions.

**16. Agenda Item 16: Committee Reports**

**a. Water Resources Committee Activities**

Chair Tom Birmingham reported that the Water Resources Committee met and discussed Water Bond Initiatives, Strategic Planning, Reinitiation of Consultation, Activity Budget Cost Allocation Adjustments, and Draft FY19 Activity Budget.

**b. Finance & Administration Committee Activities**

Chair Bill Pucheu reported that the Finance & Administration Committee met, and discussed the Draft FY19 Activity Budget, and reviewed the WY15 Financial Audit. Director of Finance Tona Mederios gave a brief report on the WY15 Financial Audit stating that she found no exceptions, and it will be presented to the Finance & Administration Committee, and the Board in February. Mederios also introduced the new Supervisor of Accounting Joyce Machado.

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

No report given.

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

**a. State and Federal Contractors Water Agency**

No report given.

**b. Family Farm Alliance**

No report given.

**c. Farm Water Coalition**

California Farm Water Coalition Executive Director Mike Wade provided an update on a project CFWC has been working on to highlight the partnerships between Westside water districts and the area's wildlife refuges. Wade distributed copies of a new brochure titled, "San Joaquin Valley Landscapes," which shows how smart

investments by water users can have both water supply and ecosystem benefits. Wade will provide a more detailed presentation at the February board meeting.

**d. Association of California Water Agencies**

General Counsel Jon Rubin offered Authority support to any Director/Alternate that plans on attending the Annual Conference in D.C. February 27-March 1, 2018.

**e. San Joaquin Valley Water Infrastructure Authority**

No Report given.

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

**a. Self-Funding Report**

Director of Finance Tona Mederios reported that Self-Funding actual expenses are under budget by about \$500,000. Mederios also reported that the WY16 Draft Accounting were mailed out on January 10, 2018 for a 30-day review. Mederios concluded with reporting that the WY15 Final Accountings are near completion and will be mailed out soon.

**b. Operations & Maintenance Report**

Assistant Executive Director Frances Mizuno reported that the Authority is on target to bring the O&M Budget and Salaries to the Board for approval at the February Board meeting. The proposed draft was circulated for review to all rate payers and two comment letters were received. The first one was from Friant Water Authority and comments were mainly pertaining to our budget process. A meeting will be scheduled with Friant to address their concerns. The second letter was Panoche Drainage District in regards to O&M costs related to the DMC sump pumps. Mizuno will be working to respond to Panoche's comments over the course of the next few months.

**c. Water Transfer/Exchange Update**

Assistant Executive Director Frances Mizuno reported that due to the dry fall she would start working on water transfers with Northern California transfer partners. Mizuno reported that she plans on setting up a meeting with possible sellers at the Water Users Conference.

**d. SGMA Report**

Assistant Executive Director Frances Mizuno reported that the contract agreement with Woodard & Curran for GSP development was approved for the Joint North and Central GSP areas.

**e. Drainage Activity Report**

Legal Counsel Diane Rathmann reported that the Grassland Basin Drainage Steering Committee is working on developing and submitting comments to the State Water Resources Control Board on the Proposed Changes to the Eastern San Joaquin River Watershed General Order.

**f. Executive Director's Report**

No report given.

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

Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 11:20 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.

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

No reports given.

**21. Agenda Item 23: Adjournment**

The meeting was adjourned at approximately 12:25 p.m.