

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
MINUTES FOR April 4, 2019**

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 - Vince Lucchesi, Alternate

Division 2

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

Division 3

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

Division 4

Garth Hall, Alternate for John Varela
Gary Kremen, Director
Joseph Tonascia, Director - Sara Singleton, Alternate

Division 5

Bill Pucheu, Director
Tom Birmingham, Director
Steve Stadler, Director - Tom Chaney, Alternate

Authority Representatives Present

Federico Barajas, Executive Director
Frances Mizuno, Assistant Executive Director
Rebecca Akroyd, General Counsel
Scott Petersen, Water Policy Director
Joyce Machado, Director of Finance
Andrew Garcia, Senior Civil Engineer

Others in Attendance

Tom Boardman, Westlands Water District
Dennis Cardoza, Foley & Lardner LLP (via teleconference)
Mike Wade, California Farm Water Coalition
Russ Freeman, Westlands Water District

John Wiersma, Henry Miller Reclamation District
Douglas DeFlitch, Friant Water Authority
Don Willard, Friant Water Authority
Steve Chedester, Exchange Contractors
Jarrett Martin, Central California Irrigation District
Ryan Ferguson, Westlands Water District
Allen Lindauer, Bureau of Reclamation
Don Wright, Water Wrights
John M. Azevedo, Patterson Irrigation District
Sara Woolf, Water Wise
Andy Sells, ACWA JPIA
Duane Stroup, Bureau of Reclamation
Martin Rauch, Rauch Communications

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.

No corrections or additions to the agenda.

4. Opportunity for Public Comment

No public comment.

CONSENT ITEMS

5. Agenda Items 5-8: Board to Consider: a) Approval of March 7, 2019 Meeting Minutes, b) Clarification of Page 6 of November 8, 2018 Meeting Minutes, c) Acceptance of the Financial & Expenditures Reports, d) Staff Reports

On a motion of Director Gary Kremen, seconded by Director Rick Gilmore, the Board approved the March 7, 2019 Meeting Minutes, Clarification of Page 6 of November 8, 2018 Meeting Minutes, Financial Expenditures Reports, and Staff Reports. The vote on the motion was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Perrachi, Bourdeau, Bennett, Stearns, Michael, Ortega, Hall, Kremen, Tonascia, Pucheu,

Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

ACTION ITEMS

6. Agenda Item 9: Board of Directors to Consider Adopting Strategic Plan Goals and Objectives.

Executive Director Federico Barajas reported that the most recent Strategic Plan workshop was held on March 21, 2019 in Santa Nella, California. Barajas reported that the document included in the packet reflects the outcome of the workshop and is ready for Board adoption. Barajas explained that upon adoption, staff will initiate an implementation plan effort and work with the consultant to produce a final multi-year Strategic Plan that will be presented to the Board for final approval and implementation.

On a motion of Director Mike Stearns, seconded by Director Rick Gilmore, the Board Adopted the Strategic Plan Goals and Objectives. The vote on the motion was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Perrachi, Bourdeau, Bennett, Stearns, Michael, Ortega, Hall, Kremen, Tonascia, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

7. Agenda Item 10: Board of Directors to Consider Adopting Support on Proposed Legislation: SB 487 and A.J.R. 8.

Water Policy Director Scott Petersen reported that SB 487 would continuously appropriate \$150 million from the General Fund to DWR to fund the program to conduct aerial surveys of the snowpack in the Trinity Alps and Sierra Nevada mountains, including hydrologic areas that drain or supply water to certain major reservoirs and lakes.

Petersen reported that A.J.R. 8 bill would put the State of California on record as requesting federal funds for Nutria eradication, which significantly impacts the San Joaquin Valley. Nutria have been seen around the Authority facilities. Petersen explained that this measure would urge the United States Congress to specifically add California to the Nutria Eradication and Control Act of 2003 and to authorize an appropriation of \$4 million to help the state implement a Nutria eradication program.

On a motion of Director Rick Gilmore, seconded by Director Steve Stadler, the Board adopted support positions on proposed legislation SB 487 and A.J.R. 8. The vote on the motion was as follows:

AYES:	McLeod, Pierce, Hansen, Gilmore, Perrachi, Bourdeau, Bennett, Stearns, Michael, Ortega, Hall, Kremen, Tonascia, Pucheu, Birmingham, Stadler
NAYS:	None
ABSTENTIONS:	None

8. Agenda Item II: Board of Directors to Consider Authorizing Expenditure of up to \$50,000 from the Technical Budget Science Studies/Efforts Funds for Joint Funding the Advancement of Section 3 of the Project Description (Governance Structure) for Proposed Voluntary Agreements for the Bay-Delta Water Quality Control Plan Update – Compass Resource Management Ltd. Proposal, Together with Other CVP Contractors.

Water Policy Director Scott Petersen reported the State Water Contractors (SWC) have requested that the CVP contractors engage Compass Resource Management Ltd. to facilitate and advance the governance and science project description for submittal to the State Water Resources Control Board as part of the voluntary agreements proposal development. The proposal from Compass is \$90,000 and is broken down into three phases: 1) Development of a Governance Draft, 2) Development of a Science draft, and 3) A full draft of Section 3.

Peterson reported that SWC have requested that this work be funded by the CVP contractors because the SWC indicated they have contributed \$150,000 towards the VA development process, including \$50,000 towards facilitation costs and \$100,000 towards Delta analyses. Petersen reported that staff has requested a cost-share from other CVP contractors who are participating in the proposed voluntary agreement submittal, and at this time the Tehama Colusa Canal Authority and Friant Water Authority are expected to share costs with the Authority on this effort.

On a motion of Director Tom Birmingham, seconded by Alternate Director Garth Hall, the Board authorized expenditure of up to \$50,000 from the Technical Budget Science Studies/Efforts Funds for joint funding the advancement of Section 3 of the Project Description (Governance Structure) for Proposed Voluntary Agreements for the Bay-Delta Water Quality Control Plan Update – Compass Resource Management Ltd. Proposal, together with other CVP Contractors. The vote on the motion was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Perrachi, Bourdeau, Bennett, Stearns, White, Michael, Ortega, Hall, Kremen, Tonascia, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

REPORT ITEM

9. Agenda Item 12: Presentation of Refund by Association of California Water Agencies Joint Power Insurance Authority.

ACWA/JPIA CEO Andy Sells presented a refund check of \$107,108 to the Water Authority for Authority's low experience rating for liability, workers' compensation programs and providing extensive safety training classes with high staff participation in the professional development program.

10. Agenda Item 13: Discuss Mission/Vision Statement and Core Values.

Executive Director Federico Barajas reported that the Mission, Vision, and Values statements were not finalized in the Strategic Plan workshops. Barajas requested that the Board submit comments on the Mission, Vision, and Values statements, included in the packet, by close of business April 19, 2019.

Martin Rauch briefly summarized the Mission, Vision, and Values statements that were developed and based upon feedback from previous Strategic Plan workshops. Rauch reported that after the comments are received, a draft document will be brought back to the Board for adoption.

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

Water Policy Director Scott Petersen discussed involvement in federal hearings regarding California issues.

Dennis Cardoza highlighted SB 1 as being of significant concern to water users in California. Cardoza asked that the staff review SB 1 with member agencies, and bring it back to the Board for a position at the May Board meeting.

12. Agenda Item 15: Update on Water Policy/Resources Activities.

Water Policy Director Scott Petersen reported that since the last board meeting Reclamation has reached out to parties who have standing to become Cooperating Agencies,

including the Authority, to participate in the NEPA process for the reinitiation of consultation on long-term CVP and SWP operations (ROC on LTO). The Authority has provided the signed MOU to Reclamation, and will be participating as a Cooperating Agency.

Petersen also reported the State Water Resources Control Board is proposing a State Wetland Definition and Procedures for Discharges of Dredged or Fill Material to Waters of the State, for inclusion in the forthcoming Water Quality Control Plan for Inland Surface Waters Enclosed Bays, Estuaries, and Ocean Waters of California. Petersen reported that the Procedures consist of four major elements: 1) a wetland definition, 2) framework for determining if a feature that meets the wetland definition is a water of the state, 3) procedures for submittal, review and approval of applications for Water Quality Certifications and Waste Discharge Requirements for dredge or fill activities. Peterson reported that staff is gathering more information, and will provide an update soon.

13. Agenda Item 16: Update on California Storage Projects.

Executive Director Federico Barajas provided a brief update on BF Sisk Raise. Barajas reported that the Authority continues to work with Reclamation to embark upon the exercise of developing a scope of work. Barajas reported the plan is that Reclamation will come back to Authority staff in the next two weeks with a specific outline delineating some of the things that the Authority requested Reclamation to do as part of the \$25,000 fund agreement that was signed.

Assistant Executive Director Frances Mizuno provided a brief update on Los Vaqueros Reservoir expansion project. Mizuno reported that the Activity Agreement has been executed, which will allow the Authority to sign the joint funding agreement with Contra Costa Water District.

Director Garth Hall reported that Valley Water is continuing to work on environmental documents regarding the Pacheco Reservoir project.

14. Agenda Item 17: Update on Water Operations and Forecasts.

Westlands Water District's Tom Boardman reported that Jones pumping averaged at about 1800 cfs since CVP San Luis filled during the second week of March. Pumping was temporarily reduced to 800 cfs on April 1 for a predator experiment and trash rack repairs. Pumping is expected to resume at 1800 by April 4, but will be limited by the Inflow/Export ratio RPA that began on April 1. The SWP pumped near its capacity during much of March as SWC recharged groundwater basins and filled southern reservoirs. Due to the I/E ratio, Banks has reduced its pumping to about 1700 cfs.

Flood releases are occurring from both Shasta and Folsom as both reservoirs are on track to fill later this spring. Boardman also stated that the snow pack in the San Joaquin basin is reportedly more than 2017 levels at elevations below 8000 feet. Triggered by the Above Normal or Wet year classification this year in the Sacramento basin, the Projects will be required to meet a fall X2 requirement per the delta smelt BiOp. Meeting the requirement could involve additional releases from Shasta and Folsom and export cuts in September and October. With dry conditions this fall, the X2 requirement could reduce the amount CVP San Luis fills in 2020 which would cause reductions in possible 2020 allocations.

Boardman concluded his report with a review of factors that support a 100% Ag allocation. The rationale including abundant snow pack in the San Joaquin basin, likely flood flows to the Mendota Pool, and delayed draw down in CVP San Luis will be presented to Reclamation staff in an effort to persuade Reclamation to increase the allocation as soon as possible.

15. Agenda Item 18: Executive Director's Report.

Executive Director Federico Barajas reported that the Authority is looking at two dates in May to have the Shasta/McCloud River tour/Board workshop. After a brief discussion May 30 was decided on for the tour/workshop, and Water Policy Director Scott Petersen will provide the logistics to the Board. Barajas indicated the tour/workshop will help inform future policy discussions regarding storage in general.

Barajas updated the Board on the DMC Subsidence mitigation effort that staff is having ongoing discussions with Reclamation on establishing a scope of work, and that Reclamation has expressed the availability of experts out of Denver Technical Services Center for this project. Staff is working with Reclamation to put together a project management plan.

Barajas also reported on ROC on LTO stating that the MOU was signed for the Authority to be a Cooperating Agency in the NEPA process. Barajas informed the BOD that those member agencies that have an interest in participating as cooperating agencies under NEPA will have to coordinate and signed MOU with Reclamation. Due to legal constraints the Authority is precluded from sharing the documents with other members who don't have cooperating-agency status.

16. Agenda Item 19: Committee Reports.

a. Water Resources Committee Activities

No report given. Director Steve Stadler expressed the need for regular Water Resources Committee meetings.

b. **Finance & Administration Committee Activities**

No report given.

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

No report given.

17. **Agenda Item 20: Reports on Activities of the Following Agencies that are Outside of the Authority.**

a. **State and Federal Contractors Water Agency (SFCWA)**

Director Rick Gilmore reported that the SFCWA board met on March 22, 2019. Gilmore reported that there are still two issues that remain in wrapping down SFCWA, 1) Tule Red, and 2) CalPERS.

b. **Family Farm Alliance (FFA)**

No report given.

c. **Farm Water Coalition.**

Mike Wade reported that they are working with Authority staff on getting out an Op Ed placed with a publisher on the San Luis Transmission Project, and hope to get that placed soon. Wade also reported that they completed an informational brochure for the Exchange Contractors, and it will be released tomorrow.

d. **Association of California Water Agencies.**

No report given.

e. **San Joaquin Valley Water Infrastructure Authority. (SJWVIA)**

No report given.

18. **Agenda Item 21: Monthly Staff Reports.**

a. **Water Transfer/Exchanges/Release Program Update.**

Assistant Executive Director Frances Mizuno reported that the Authority had executed the Exchange Contractor Water Transfer Program Activity Agreement, and was waiting for one more signature on the Activity Agreement. Mizuno reported that with the 55% allocation Authority members will have over 60,000 acre feet available.

Mizuno reported that the Yuba Transfer most likely will not happen this year.

b. **San Luis Transmission Project Update**

Assistant Executive Director Frances Mizuno reported that DATC is going through their processes to be in a position to provide 100% funding for construction at SLTP by the

4th quarter of 2019. Mizuno reported that they just filed an application to FERC to establish the rate schedule for the project. Mizuno also reported that the FERC application allows them to become a western customer and allows them to remarket the excess capacity to other folks.

c. Activity Agreement Update.

General Counsel Rebecca Akroyd provided documents, which were included in the packets, that were requested by members of the Board to provide clarification on the status of various Activity Agreements.

19. Public Comment:

No public comment.

20. Agenda Items 22-24: Closed Session Report.

Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 10:55 a.m. Upon return to open session at approximately 11:30 a.m., General Counsel Rebecca Akroyd stated that no reportable actions were taken.

21. Agenda Item 25: Reports Pursuant to Government Code Section 54954.2

No reports given.

22. Agenda Item 26: Adjournment.

The meeting was adjourned at approximately 11:35 a.m.