

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
BOARD OF DIRECTORS ADJOURNED REGULAR MEETING
MINUTES FOR SEPTEMBER 12, 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 an adjourned regular meeting, with Chair Cannon Michael presiding.

Directors and Alternate Directors in Attendance

Division 1

Jim McLeod, Director - David Weisenberger
Bobby Pierce, Director
Rick Gilmore, Director

Division 2

Don Peracchi, Director
William Bourdeau, Director
Michael Linneman, Alternate for John Bennett
Bill Diedrich, Director

Division 3

Jeff Bryant, Alternate for Dan McCurdy
Cannon Michael, Director - Randy Houk, Alternate
Ric Ortega, Director - Ellen Wehr, Alternate

Division 4

John Varela, Director
Gary Kremen, Director - Richard Santos, Alternate
Jeff Cattaneo, Director
Sara Singleton, Alternate for Joseph Tonascia (arrived during item 12)

Division 5

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

Authority Representatives Present

Federico Barajas, Executive Director
Rebecca Akroyd, General Counsel
Scott Petersen, Water Policy Director
Joyce Machado, Director of Finance
Lauren Neves, Accounting Tech III
Andrew Garcia, Senior Civil Engineer

Others in Attendance

Tom Boardman, Westlands Water District
Russ Freeman, Westlands Water District
Don Wright, WaterWrights
Don Willard, Friant Water Authority (via teleconference)

Dennis Cardoza, (via teleconference)
Anthea Hansen, Del Puerto Water District (vis teleconference,
not counted towards quorum or for any vote)
Bill Patterson, Sampson, Sampson, & Patterson, LLP
Austin Ewell, Ewell Group
Mike Wade, California Farm Water Coalition
Danny Wade, Tranquillity Irrigation District
Eric Ruckdaschel, San Luis Canal Company
Garrett Haertel, San Benito County Water District
Kathleen Low, Valley Water
Jarrett Martin, Central California Irrigation District

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

Don Wright informed the Board that he is having a party on the 28th of September and invited everyone to attend.

CONSENT ITEMS

5. Agenda Items 5-8: Board to Consider: a) Approval of August 8, 2019, Meeting Minutes and Workshop Minutes, b) Acceptance of the Financial & Expenditures Reports, c) Treasurer's Report, d) Staff Reports

On a motion of Director Gary Kremen, seconded by Director Don Peracchi, the Board approved the August 8, 2019 Meeting Minutes and Workshop Minutes, Treasurer's Report, Financial Expenditures Reports, and Staff Reports. The vote on the motion was as follows:

AYES: McLeod, Pierce, Gilmore, Peracchi, Bourdeau, Linneman,
Diedrich, Bryant, Michael, Ortega, Varela, Kremen, Cattaneo,
Singleton, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

ACTION ITEMS

6. Agenda item 9: Board of Directors to Consider the Water Resources Committee Recommendation Regarding Execution of Agreement with State Water Contractors and Expenditure of up to \$125,000 from the Technical Budget to Jointly Fund CAMT Facilitation.

Water Policy Director Scott Petersen referenced Bruce DiGennaro's presentation at the August Board meeting, explaining that the 2019 Workplan identifies a \$1.7 million CSAMP budget for 2019 with a current funding shortfall of \$125,000 for management and facilitation costs. Director Tom Birmingham reported that the Water Resources Committee recommended the Board of Directors authorize execution of an agreement with the State Water Contractors and expenditure of up to \$125,000 from the Technical Budget to jointly fund CAMT/CSAMP facilitation costs.

On a motion of Director Tom Birmingham, seconded by Director Ric Ortega, the Board Approved the Execution of an agreement with State Water Contractors and the expenditure of up to \$125,000 from the Technical Budget to jointly fund CAMT facilitation. The vote on the motion was as follows:

AYES: McLeod, Pierce, Gilmore, Peracchi, Bourdeau, Linneman, Diedrich, Bryant, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

7. Agenda Item 10: Board of Directors to Consider the Finance & Administration Committee Recommendation Regarding Change to Employee Benefits Based on Benefit Survey

Executive Director Federico Barajas presented the Authority's request for employee benefit enhancements. Barajas explained that in addition to the survey used to support these benefit enhancements, the Authority verified and updated information necessary to align the Authority with other similar agencies.

The enhancement includes three additions; 1) an increase to the number of holidays from nine to eleven, which includes Martin Luther King Jr. Day and one floating holiday of the employee's choosing. Barajas explained that this is to better align the Authority with federal and state observed holidays, 2) employee vacation increase to four weeks at the completion of an employee's 15th year

rather than after year 20, 3) an increase in educational assistance from \$1,000 to \$3,000 per year. The Authority's goal is to continue to promote the continuing education benefits for individuals with the requirement that education must be work related, must be full-time employee for a year or more, and must receive a passing grade.

Director Tom Birmingham asked if there is a cap on the vacation accrual. Barajas reported that there is a cap of 480 hours. Birmingham asked why so high, and asked that Authority staff look into adjusting this number to a more reasonable cap of approximately 240 hours. Barajas agreed to take a look at this issue and bring it back to the Finance & Administration Committee.

On a motion of Director Ric Ortega, seconded by Director John Varela the Board approved the change to employee benefits based on benefit survey. The vote on the motion was as follows:

- AYES: McLeod, Pierce, Gilmore, Peracchi, Bourdeau, Linneman, Diedrich, Bryant, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Stadler
- NAYS: Birmingham
- ABSTENTIONS: None

8. Agenda Item 11: Board of Directors to Consider the Finance and Administration Committee Recommendation Regarding FY17 Audited Financial Statements

Bill Patterson of Sampson, Sampson, & Patterson, LLP presented the FY17 audited financial statements. Patterson stated that since the audit showed comparative financials, the Management's Discussion and Analysis was required to show three years of comparison. Mr. Patterson reviewed the FY17 audited financial statements in detail, and described a prior period adjustment that was made. Patterson also responded to questions regarding subsequent events. Finance Director Joyce Machado gave a brief update on the audit process.

On a motion of Director Bill Pucheu, seconded by Director Steve Stadler the Board Approved the FY17 Audited Financial Statements. The vote on the motion was as follows:

- AYES: McLeod, Pierce, Gilmore, Peracchi, Bourdeau, Linneman, Diedrich, Bryant, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Stadler
- NAYS: None
- ABSTENTIONS: None

9. Agenda Item 12: Board of Directors to Authorize Execution of Consultant Agreement for Preparation of Storm Water Resources Plan (SWRP) for the Westside-San Joaquin

Integrated Regional Water Management (IRWM) Region and Expenditure of up to \$106,000 from the Westside-San Joaquin IRWM Activity Agreement Budget

Senior Civil Engineer Andrew Garcia explained that the execution of the Consultant Agreement and expenditure of the Activity Agreement budget funds will ensure that a compliant and successful SWRP is developed for the Westside-San Joaquin IRWM Region by early 2020. Garcia reported that this will allow the Region and any of its overlying stakeholders to qualify for current, and future grant funding opportunities related to stormwater capture.

On a motion of Director Bill Pucheu, seconded by Director Steve Stadler the Board authorized execution of a consultant agreement for preparation of a Storm Water Resources Plan for the Westside-San Joaquin Integrated Regional Water Management (IRWM) Region and Expenditure of up to \$106,000 from the Westside-San Joaquin IRWM Activity Agreement Budget. The vote on the motion was as follows:

AYES:	McLeod, Pierce, Gilmore, Peracchi, Bourdeau, Linneman, Diedrich, Bryant, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Stadler
NAYS:	None
ABSTENTIONS:	None

REPORT ITEM

10. Agenda Item 13: Briefing on Voluntary Agreements.

Water Policy Director Scott Petersen gave a brief status update on Voluntary Agreements relating to the Water Quality Control Plan update explaining that development continues, but many components are in flux. Petersen reported that the various workgroups are updating documents for a key October determination as to the legal and scientific adequacy of the proposed Voluntary Agreements. Petersen then reported on proposed timelines, should the adequacy determination be positive and the agreements executed.

II. Agenda Item 14: Briefing on CSAMP/CAMT Funding.

Water Policy Director Scott Petersen reported that the annual cost of CSAMP/CAMT is about \$1.7 million, and currently State Water Contractors and the Authority have jointly funded expenditures including facilitation costs. Petersen reported that there is a need for a more equitable funding model to spread the cost among the participants and to ease contracting requirements from state and federal agency contracting procedures in order to have a more flexible annual science program. Petersen explained that more flexibility is needed, for example,

with respect to 1) the ability to execute contracts with consultants in a timely manner, and 2) the administration of the contract and management of deliverables. Frances Brewster explained the need for more consistent and reliable funding to help fund studies. Petersen reported that the Water Resources Committee recommended that Authority staff work with the State Water Contractors on a proposed budget for the next fiscal year, and bring it back to the Board.

12. Agenda Item 15: Briefing on San Joaquin Valley Water Blueprint.

Water Policy Director Scott Petersen introduced Austin Ewell, who provided a brief update on the San Joaquin Valley Water Blueprint. Ewell updated the Board on the status, funding, socio-economic report, and possible inclusion in the Governor's Water Resiliency Plan.

13. Agenda Item 16: Report on State and Federal Affairs.

Water Policy Director Scott Petersen reported that the "Waters of the United States" or "WOTUS" rule is expected to be released imminently. Petersen reported that the Natural Resources Conservation Service made a funding announcement of \$300 million for the Regional Conservation Partnership Program, which was expanded in the last farm bill to make it more applicable to utilization by irrigation districts to address groundwater sustainability issues. Petersen reported that Congress is back in session this week, and that Authority staff are travelling to Washington DC next week with Friant Water Authority and the San Joaquin River Exchange Contractors Water Authority to advocate for our legislative priorities, including a focus on FY20 funding bills.

Dennis Cardoza reported that the Sacramento Bee is reporting that Governor Newsom is leaning towards SBI being made into a two-year bill. Director Tom Birmingham commended Scott Petersen for playing a key role in these efforts.

14. Agenda Item 17: Water Policy/Resources Activities.

Water Policy Director Scott Petersen provided a brief ROC on LTO update, reporting that a strike team continues to work on ensuring consistency and that the best available science is represented in the Biological Opinions.

15. Agenda Item 18: California Storage Projects.

Executive Director Federico Barajas gave a brief update on the San Luis Reservoir project, reporting that discussion on operational scenarios is underway. Barajas reported that Reclamation's Regional Office received the concurrence letter from the Commissioner to initiate feasibility study for Additional Project Benefits in Conjunction with Safety of Dams Modification

on B.F. Sisk Dam.

16. Agenda Item 19: Water Operations and Forecasts.

Westlands Water District's Tom Boardman reported that Jones pumping is about 80% of capacity but will increase to capacity by noon since maintenance work at O'Neill Pumping Plant was postponed. Banks is reduced by about 60% as the SWP meets its share of the fall X2 requirement that began September 1 and because of a recently identified lining problem on the California Aqueduct. The unofficial plan by the Projects is for the SWP to meet the fall X2 RPA as written in the 2008 delta smelt BiOp while the CVP will target its operations to meet a modified X2 objective during September and October. The modified X2 operation will help avoid significant Jones pumping restrictions during October.

Both Shasta and Folsom storage is about 30% above the 15-year average. Shasta has about 3.6 MAF in storage and will have to release 400 TAF over the next three months to meet flood requirements that go into effect December 1.

Boardman concluded his report with a brief review of 3 charts showing 1) how much Reclamation under projected CVP San Luis low point and 2) refill projections under dry and normal hydrology.

17. Agenda Item 20: Executive Director's Report.

Executive Director Federico Barajas reported that Chris White has been appointed to replace Jim O'Banion as Director, and Jarrett Martin will serve as the Alternate.

Barajas reported that Authority staff is continuing to work on the San Joaquin Valley Water Infrastructure Authority issues that were raised last month.

Barajas reported that the Bureau announced Kristin White will serve as acting Central Valley Operations Office Manager upon Jeff Rieker's departure this Friday, September 13th.

18. Agenda Item 21: Committee Reports.

a. Water Resources Committee Activities

No report.

b. Finance & Administration Committee Activities

Chair Cannon Michael announced that William Bourdeau filled the Division 2 vacancy.

c. O&M Technical Committee Activities

No report.

19. Agenda Item 22: Reports on Activities of the Following Agencies that are Outside the Authority.

a. State and Federal Contractors Water Agency (SFCWA)

Director Rick Gilmore reported that the next meeting is scheduled for September 19, 2019.

b. Family Farm Alliance (FFA)

Report provided in the packet.

c. Farm Water Coalition.

Mike Wade reported that staff has been focused heavily on SBI messaging over the last few months.

d. Association of California Water Agencies.

Director Bill Diedrich reported that the fall ACWA conference is coming up in December, and to participate in the committee meetings folks need to arrive on Monday.

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

No report.

20. Agenda Item 23: Monthly Staff Reports.

a. Water Transfer/Exchanges/Release Program Update

No report.

b. San Luis Transmission Project

No report.

c. SGMA Activity Agreements

Senior Civil Engineer Andrew Garcia reminded the Board that the Authority has two activity agreements both the Northern and Central SGMA's services activity agreements, and staff has been working on a single GSP for those two groups. Garcia reported that the draft GSP is now complete and out for public comment.

21. Agenda Item 24: Board Member Reports

Director Tom Birmingham reported that Curtis Creel, the General Manager of Kern County Water Agency is retiring, and recommended the Authority prepare a resolution, and the Golden Bucket award for him at the next Board meeting.

Chair Cannon Michael attended the screening of "Beyond the Brink" at UC Merced, and

encouraged folks to see it.

Director Bill Diedrich complemented Andrew Garcia's work on SGMA.

22. Public Comment:

No public comment.

23. Agenda Items 25-27: 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 11:25 a.m., General Counsel Rebecca Akroyd stated that no reportable actions were taken.

24. Agenda Item 23: Reports Pursuant to Government Code Section 54954.2

No reports given.

25. Agenda Item 24: Adjournment.

The meeting was adjourned at approximately 11:30 a.m.