

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY  
BOARD OF DIRECTORS SPECIAL MEETING  
MINUTES FOR JANUARY 9, 2020**

The Board of Directors of the San Luis & Delta-Mendota Water Authority convened at approximately 9:30 a.m. at Hotel Mission De Oro, 13070 State Hwy 33, in Santa Nella, California for a special meeting, with Chair Cannon Michael presiding.

**Directors and Alternate Directors in Attendance**

**Division 1**

Bobby Pierce, Director  
Anthea Hansen, Director  
Rick Gilmore, Director - Vince Lucchesi, Alternate

**Division 2**

William Bourdeau, Director  
John Bennett, Director  
Bill Diedrich, Director

**Division 3**

Jeff Bryant, Alternate for Dan McCurdy  
Chris White, Director - Jarrett Martin, Alternate  
Cannon Michael, Director  
Ellen Wehr, Alternate for Ric Ortega

**Division 4**

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

**Division 5**

Bill Pucheu, Director  
Tom Birmingham, Director  
Steve Stadler, Director

**Authority Representatives Present**

Federico Barajas, Executive Director  
Pablo Arroyave, Chief Operating Officer  
Frances Mizuno, Assistant Executive Director  
Rebecca Akroyd, General Counsel  
Scott Petersen, Water Policy Director  
Joyce Machado, Director of Finance  
Lauren Neves, Accountant III  
Darlene Neves, Accountant II  
Stephanie Harris, HR Coordinator  
Cheri Worthy, Executive Secretary

**Others in Attendance**

Tom Boardman, Westlands Water District  
Dennis Cardoza (via teleconference)  
Mike Wade, California Farm Water Coalition  
Russ Freeman, Westlands Water District  
Kristi Robinson, Water Wise  
John Wiersma, Henry Miller Reclamation District  
Joe McGahan, Summers Engineering (via Teleconference)  
Brian Nash, Richardson & Company, LLP (via Teleconference)  
Don Willard, Friant Water Authority  
Eric Ruckdaschel, San Luis Canal Company  
Adam Scheuber, Del Puerto Water District  
Diane Rathmann, Legal Counsel  
Kevin Assemi, Maricopa Orchards  
Michael Peters, Kaweah Pump, Inc.

**1. Pledge of Allegiance**

In absence of a flag, the Board took a moment to consider the United States.

**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.**

General Counsel Rebecca Akroyd informed the Board that Agenda Item 9 would be removed from the Agenda.

**4. Opportunity for Public Comment**

No public comment.

**CONSENT ITEMS**

**5. Agenda Items 5-7: Board to Consider: a) Approval of December 12, 2019, Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports, c) Staff Reports.**

On a motion of Director John Varela, seconded by Director Tom Birmingham, the Board approved the December 12, 2019 Meeting Minutes, Financial Expenditures Reports, and Staff Reports. The vote on the motion was as follows:

AYES: Pierce, Hansen, Gilmore, Bourdeau, Bennett, Diedrich, Bryant,

White, Michael, Wehr, Varela, Kremen, Cattaneo, Singleton,  
Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

## ACTION ITEMS

### 6. **Agenda Item 8: Board of Directors to Consider Finance & Administration Committee Recommendation Regarding Approval of the FY21 and Preliminary FY22 O&M Budget including Salary Adjustments.**

Assistant Executive Director Frances Mizuno gave a brief overview of the changes made to the FY2021 O&M Budget presented in November. Mizuno explained that these changes included: 1) the addition of a special projects administration position, 2) a proposed salary increase of 2.3% for all employees and a 5% increase for the Executive Director and General Counsel, 3) and a \$500,000 placeholder in the budget to address DMC subsidence.

With Assistant Executive Director Frances Mizuno out of the room, Executive Director Federico Barajas discussed bringing Mizuno back to fill the Special Projects Administrator position part-time after retirement, to work on special projects including WIFIA, SLTP, LVE, and water transfers.

On a motion of Director Rick Gilmore, seconded by Director Bill Pucheu, the Board approved the FY21 and Preliminary FY22 Budget including salary adjustments. The vote on the motion was as follows:

AYES: Pierce, Hansen, Gilmore, Bourdeau, Bennett, Diedrich, Bryant,  
White, Michael, Wehr, Varela, Kremen, Cattaneo, Singleton,  
Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

### 7. **Agenda Item 10: Board of Directors to Consider Finance & Administration Committee Recommendation Regarding FY18 and FY19 Audited Financial Statements.**

Outside Auditor Brian Nash reviewed the FY18 and FY19 Audited Financial Statements by phone. During his presentation, Nash reviewed the financial statement, explained changes, and reviewed various footnotes.

Director Birmingham raised a concern that the audit was in draft, and not final form, and that the management representation letter had not yet been signed; other Directors agreed with this concern. Yet other Directors indicated their comfort with accepting the draft audit,

consistent with past practice.

Director Rick Gilmore made a motion to defer action on the audit until finalization, seconded by Director Kremen. After additional discussion and clarification that no changes were expected, Director Gilmore withdrew his motion.

Director Rick Gilmore made a motion, seconded by Director Anthea Hansen, to accept the FY18 and FY19 Audited Financial Statements as presented. The motion failed. The vote on the motion was as follows:

AYES:	Hansen, Gilmore, Diedrich, White, Wehr, Stadler
NAYS:	Pierce, Bourdeau, Bennett, Bryant, Michael, Varela, Kremen, Cattaneo, Singleton, Birmingham
ABSTENTIONS:	None

Next, on a motion of Director Rick Gilmore, seconded by Director Tom Birmingham, the Board approved deferring acceptance of the audit until after the audit was finalized and reviewed by the Finance & Administration Committee. During the discussion, Nash, staff, and the Directors all complemented and thanked the finance department staff for their work in completing the audits. The vote on the motion was as follows:

AYES:	Pierce, Hansen, Gilmore, Bourdeau, Bennett, Diedrich, Bryant, White, Michael, Wehr, Kremen, Varela, Cattaneo, Singleton, Birmingham, Stadler
NAYS:	None
ABSTENTIONS:	None

## REPORT ITEM

### 8. **Agenda Item II: Report on State and Federal Affairs.**

Water Policy Director Scott Petersen reported that a number of draft Reclamation Directives and Standards have been released for comment, including: Implementation of Historic Preservation Responsibilities for Operation, Maintenance and Replacement of Project Works.

Petersen reported that there will be a hearing on January 9, 2020 in the House Transportation and Infrastructure Committee on the Water Resources Development Act, it's anticipated that the House will limit their bill to Army Corp of Engineers only, and the Senate is likely to include Reclamation policy that the Senate Energy and Natural Resources Committee reaches agreement on.

Petersen reported that Authority staff are organizing a tour with State Water Resources

Control Board members Sean McGuire and Laurel Firestone, with a focus on Authority infrastructure, broader CVP issues, the irrigated lands program, and SGMA, and it has been scheduled for January 16, 2020.

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

Executive Director Federico Barajas gave a brief update on the B.F. Sisk Raise Project, reporting that modeling is underway. Barajas reported that there will be a meeting with MBK to look at actual outputs from the modeling scenarios. Barajas reported that a meeting is scheduled with DWR (SWP Operations Office) to discuss the project and the different operational scenarios.

Assistant Executive Director Frances Mizuno reported that current activity related to the Los Vaqueros Reservoir Expansion Project is with the various workshops regarding the terms of the JPA. Mizuno reported that the goal is to have the JPA package ready by July 2020 to allow the Boards of the Local Agency Participants to consider joining the JPA, and to have the of formation of the JPA by the end of the year.

**10. Agenda Item 13: Update on Infrastructure Projects.**

Assistant Executive Director Frances Mizuno reported that there will be a San Luis Transmission Project Workshop in February regarding changes to rates related to Project Use Energy with San Luis Transmission Project. Mizuno reported that the project will proceed with Duke Energy only, because American Transmission Company has decided not to pursue the San Luis Transmission Project.

**11. Agenda Item 14: Update on Water Transfers/Exchanges/Release Program.**

Assistant Executive Director Frances Mizuno reported that staff has started the coordination process to prepare for possible water transfers needed in 2020.

**12. Agenda Item 15: Water Operations and Forecasts.**

Westlands Water District's Tom Boardman reported that the current storm was helping to sustain Jones pumping at 4200 cfs and Banks at 2000 cfs. The total allowable pumping began to be restricted by the OMR limit as mandated by the salmon BiOp. Boardman warned that Jones may have to reduce its pumping in the near future as the CVP is exported slightly more than its 60% of allowable pumping per the amended COA.

All CVP reservoirs are at near their seasonal maximum levels due to flood control, so

needed precipitation from future storms should come as either rain in the San Joaquin basin and/or as snow fall above the rim reservoirs.

Referencing two charts showing projected CVP San Luis refill, Boardman stated that CVP San Luis storage has refilled to 450 TAF and is not expected to refill without above normal hydrology.

Boardman concluded his report with a brief review to the allocation table shown in his written report to the Board.

**13. Agenda Item 16: Update on Drainage Activity**

Joe McGahan reported that conference calls were held with USBR and Contra Costa Interests (CCI) on the Use Agreement and Draft Environmental Assessments December 17-23, 2019. McGahan reported that comment letters were received by USBR on the draft EA for the Use Agreement on December 23, 2019 from Contra Costa Water District, Contra Costa County, The Bay Institute, Volker Law Offices for Winneman Wintu Tribe et al, and the Planning and Conservation League et al. McGahan reported that the US Fish & Wildlife Service issued a letter of concurrence on December 16, 2019, and NMFS issued a letter of concurrence December 27, 2019, and the USBR responded to comments and issued FONSI December 31, 2019.

McGahan reported that the USBR and the Authority signed a new Use Agreement on December 31, 2019 which included: 1) term reduced from 10 years to 6 months to allow further discussions with CCI, 2) a more detailed monitoring program, 3) a better defined process for determining when there would be storm discharges, 4) a commitment to make good faith efforts to achieve a 2 ppb monthly mean selenium goal in Mud Slough and San Joaquin River, and 5) a commitment to manage salinity in a manner similar to the way it has been managed during the 2010 Use Agreement. That is to discharge salt loads similar to the loads in the last years of the 2009 UA and well below the SJR TMML.

**14. Agenda Item 17: Executive Director's Report.**

Executive Director Federico Barajas reported that comments on Reclamation's rescheduling guidelines are due tomorrow, January 10, 2020.

Barajas also reported that Authority staff will be attending the Water User's Conference.

**15. Agenda Item 18: Committee Reports.**

No reports.

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

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

No update.

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

Report provided in the packet.

**c. Farm Water Coalition.**

Mike Wade provided a brief update regarding efforts to prepare an Authority communications plan. Wade also discussed participation in the ACWA VA workgroup and FWC's role with the San Joaquin Valley blueprint effort.

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

Director Bill Diedrich reported that there will be an ACWA Workshop at the end of the month.

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

No update.

**17. Agenda Item 20: Board Member Reports.**

No reports.

**18. Public Comment:**

No public comment.

**19. Agenda Items 21-23: Closed Session Report.**

Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 11:45 a.m. Upon return to open session at approximately 12:05 p.m., General Counsel Rebecca Akroyd stated that no reportable actions were taken.

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

No reports given.

**21. Agenda Item 25: Adjournment.**

The meeting was adjourned at approximately 12:05 p.m.