

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
MINUTES FOR MARCH 8, 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
Anthea Hansen, Director - Earl Perez, Alternate
Rick Gilmore, Director - Vince Lucchesi, Alternate

Division 2

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

Division 3

Chris White, Alternate for James O'Banion
Cannon Michael, Director - Randy Houk, Alternate
Mike Gardner, Alternate for Ric Ortega

Division 4

John Varela, Director - Garth Hall, Alternate
Gary Kremen, Director - Richard Santos, Alternate
Jeff Cattaneo, Alternate for John Tobias

Division 5

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

Authority Representatives Present

Jon Rubin, Interim Executive Director & General Counsel
Rebecca Akroyd, Deputy General Counsel
Tom Boardman, Water Resources Engineer
Joyce Machado, Supervisor of Accounting
Gabriel Delgado, Legal Counsel
Andrew Garcia, Associate Civil Engineer

Others in Attendance

John Beam, GWD Consultant
Russ Freeman, Westlands Water District
John Wiersma, Henry Miller Reclamation District
Mario Manzo, Bureau of Reclamation
Quentin Branch, Bureau of Reclamation

Barbara Hidleburg, Bureau of Reclamation
Nina Hawk, Santa Clara Valley Water District
Don A. Wright, waterwrights.net

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.

January 29, 2018, and February 8, 2018 meeting minutes were removed from the agenda.

4. Opportunity for Public Comment

Director Jim McLeod informed the Board that he has a copy of the documentary “Tapped Out,” and if anyone would like a copy he will bring it to the next meeting.

CONSENT ITEMS

5. Agenda Items 5-6: Board to Consider: a) Approval of January 16, 2018, and February 21, 2018 Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports.

On a motion of Director Sarah Woolf, seconded by Director Peracchi, the Board approved the January 16, 2018, and February 21, 2018 meeting minutes, and also approved the Financial Expenditures Reports. The vote on the motions were as follows:

AYES:	McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Bennett, Diedrich, White, Michael, Gardner, Varela, Kremen, Cattaneo, Pucheu, Birmingham, Stadler
NAYS:	None
ABSTENTIONS:	None

ACTION ITEMS

6. Agenda Items 7: Board of Directors to Consider Selection/Appointment of 2018 SLDMWA Officers.

Interim Executive Director/General Counsel Jon Rubin informed the Board that the

Authority is continuing the practice of presenting the officers before the Board on an annual basis. Rubin stated that on January 29, 2018 the Board appointed the Interim Executive Director as the Secretary, and that, because the Board considered and maintained that the Director of Finance as the Treasurer/Auditor, there was no recommendation regarding those positions. Two officer positions were presented to the Board for consideration: 1) Chair, and 2) Vice Chair. Director Gary Kremen made a motion to appoint Cannon Michael as Chair, and Don Peracchi as Vice-Chair, the motion was seconded by Director Rick Gilmore.

The vote on the motion was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Bennett, Diedrich, White, Michael, Gardner, Varela, Kremen, Cattaneo, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

7. Agenda Item 8: Board of Directors to Consider Authorizing Payment of Dues to San Joaquin Valley Water Infrastructure Authority.

Interim Executive Director/General Counsel Jon Rubin recommended the Board authorize the Water Authority to pay the dues to San Joaquin Valley Water Infrastructure Authority (SJVWIA) for FY July 1, 2017-June 30, 2018 in the amount of \$50,000. Information was also provided in the packets about the planning that the SJVWIA is undergoing for its next Fiscal Year. On a motion of Alternate Chris White, seconded by Director John Varela, the Board approved Payment of Dues to San Joaquin Valley Water Infrastructure Authority.

The vote on the motions was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Bennett, Diedrich, White, Michael, Gardner, Varela, Kremen, Cattaneo, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

8. Agenda Item 9: Board of Directors to Consider Appointment of Alternate to the San Joaquin Valley Water Infrastructure Authority Board of Directors.

Interim Executive Director/General Counsel Jon Rubin explained to the Board that Jason Peltier's departure left a vacancy for the Water Authority's Alternate on the San Joaquin Valley

Water Infrastructure Authority Board of Directors. On a motion of Director Tom Birmingham, seconded by Director Rick Gilmore, the Board appointed Chris White as Cannon Michaels' Alternate to the San Joaquin Valley Water Infrastructure Authority Board of Directors.

The vote on the motion was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Bennett, Diedrich, White, Michael, Gardner, Varela, Kremen, Cattaneo, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

9. Agenda Item 10: Board of Directors to Consider Authorizing Sending Letter to the United States Department of the Interior for Potential Sharing of Costs for Enlarging Shasta Dam and Reservoir.

Interim Executive Director/General Counsel Jon Rubin gave a brief summary of a draft letter regarding Shasta Lake Water Resources Investigation. Rubin explained that the purpose of the letter was to express a level of interest in the Shasta Dam and Reservoir enlargement. Rubin noted that the letter would not commit the Authority to any financial obligations.

On a motion of Director John Bennett, seconded by Director Tom Birmingham, the Board authorized sending a letter to the United States Department of the Interior for Potential Sharing Cost for Enlarging Shasta Dam and Reservoir.

The vote on the motion was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Bennett, Diedrich, White, Michael, Gardner, Varela, Kremen, Cattaneo, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

10. Agenda Item 11: Board of Directors to Consider Authorizing Retention of Consultant to Analyze 2018 Shasta Reservoir Operations for Temperature Management.

Interim Executive Director/General Counsel Jon Rubin reported that the Authority would like to retain at least one, possibly several, consultants to assist with our analysis of temperature operations at Shasta. Rubin explained that the recommended action is that the Board of Directors

authorize the Authority to take actions and incur costs necessary to: 1) run an egg mortality model prepared by Dr. Jim Anderson, 2) analyze the output of the model runs, and 3) have consultant(s) available for some discussions with agency staff. On a motion of Director Tom Birmingham, seconded by Director Bill Pucheu, the Board authorized retention of a consultant(s) as discussed, provided the amount does not exceed \$25,000.

The vote on the motion was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Bennett, Diedrich, White, Michael, Gardner, Varela, Kremen, Cattaneo, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

II. Agenda Item 12: Board of Directors to Consider Authorizing Retention of Consultant to Develop Delta Smelt Science Plan.

Interim Executive Director/General Counsel Jon Rubin reported that the Collaborative Adaptive Management Team (CAMT) 2018 Workplan includes the development of a Delta Science Plan intended to help direct research and monitoring efforts, and to increase the understanding of the effects of various management actions. Rubin also reported that the State Water Contractors are authorized to pay for one-half of Phase 1 costs. On a motion of Director Tom Birmingham, seconded by Director Gary Kremen, the Board authorized the Water Authority to pay one-half of the costs for Phase 1 of the Delta Smelt Science Plan provided that the total costs do not exceed \$55,000.

The vote on the motions were as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Bennett, Diedrich, White, Michael, Gardner, Varela, Kremen, Cattaneo, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

12. Agenda Item 13: Board of Directors to Consider Resolution Authorizing Execution of 2018 Agreement for Release of Water By and Among the Oakdale Irrigation District (OID), the South San Joaquin Irrigation District (SSJID), the San Luis & Delta-Mendota Water Authority (SLDMWA), and the California Department of Water Resources (DWR), Making

Findings Under the California Environmental Quality Act, and Authorizing Actions Related Thereto.

Interim Executive Director/General Counsel Jon Rubin reported that in 2018 there may be an opportunity for OID/SSID to make available up to 100,000 acre-feet for an April/May Stanislaus River pulse flow release. In addition, Merced Irrigation District may have a similar project for a pulse flow release of up to 15,000 acre-feet of water for the Merced River. Under both proposals, the cost per acre-foot for the release would be \$200, and the releases would be subject to approval by Reclamation and DWR. The costs would be shared by Water Authority and DWR. Half the release would be made available to all member agencies that participate in the water.

On a motion of Director Rick Gilmore, seconded by Director Sarah Woolf, the Board approved the Resolution Authorizing 2018 Agreement for Release of Water By and Among the OID, SSJID, SLDMWA, and DWR, Making Findings Under the California Environmental Quality Act, and Authorizing Actions Related Thereto.

The vote on the motion was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Bennett, Diedrich, White, Michael, Gardner, Varela, Kremen, Cattaneo, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

13. Agenda Item 14: Board of Directors to Consider Resolution Authorizing Execution of 2018 Agreement for Release of Water By and Among the Merced Irrigation District (MID), the San Luis & Delta-Mendota Water Authority (SLDMWA), and the California Department of Water Resources (DWR), Making Findings Under the California Environmental Quality Act, and Authorizing Actions Related Thereto.

This item was discussed under agenda item 13. Interim Executive Director/General Counsel Jon Rubin informed the Board that there is a need for further discussion with MID that will take place as soon as tomorrow.

On a motion of Director Tom Birmingham, seconded by Director Don Peracchi, the Board approved the Resolution Authorizing 2018 Agreement for Release of Water By and Among the MID, SLDMWA, and DWR, Making Findings Under the California Environmental Quality Act, and Authorizing Actions Related Thereto.

The vote on the motion was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Peracchi, Woolf, Bennett, Diedrich, White, Michael, Gardner, Varela, Kremen, Cattaneo, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

REPORT ITEMS

14. **Agenda Item 15: WIIN Act Section 4011 – Conversion from Water Service to Repayment, Including Presentation by United States Bureau of Reclamation.**

Contract Repayment Specialist/Project Manager Barbara Hidleberg walked through a PowerPoint presentation, explaining that Section 4011 of the WIIN Act allows districts to make a request to Reclamation to convert their water service contract to a repayment contract. Hidleberg and USBR Deputy Manager Mario Manzo also discussed contract negotiations, and how the financing of Central Valley Project infrastructure will be impacted by Section 4011 of the WIIN Act.

15. **Agenda Item 16: Update on Strategic Planning.**

Interim Executive Director/General Counsel Jon Rubin reported that the Request for Proposals went out in January. Six proposals from consultants were received by the February 28th deadline and staff was in the process of evaluating the proposals. Chair Cannon Michael reported that he will convene a small group of directors to assist with the review and evaluation of the proposals.

16. **Agenda Item 17: Recruitment for Science Manager.**

Interim Executive Director/General Counsel Jon Rubin reported that the position was advertised and the Authority received six applications for the position of Science Manager. After a lengthy discussion, the Board decided to hold off hiring a Science Manager until the Strategic Plan is completed, and in the meantime have the Authority explore utilizing Westlands and Santa Clara staff as a short-term resolution.

17. **Agenda Item 18: 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.**

Interim Executive Director/General Counsel Jon Rubin reported that Reclamation is continuing with the three track process. Rubin expressed the intent to retain a consultant, which will be paid by the Authority to help support Reclamation particularly with tracks one and two. Reclamation would provide direction, and the consultant would be providing the work product directly to Reclamation. The estimated cost to provide such support is more than \$100,000 and the funds are included in the budget.

18. Agenda Item 19: State Water Resources Control Board Proposed Regulation Prohibiting Wasteful Water Users to Implement Executive Orders B-37-16 and B-40-17.

Deputy General Counsel Rebecca Akroyd reported that the State Water Board's proposed regulations for "Water Conservation and the Prevention of Waste and Unreasonable Use" would prohibit certain water use practices by determining them wasteful and unreasonable. Akroyd reported that comments were provided taking the approach that the Proposed Regulations are unlawful, and extend well beyond the State Water Board's authority, and the Water Authority urges the State Water Board to decline to adopt the proposed regulations.

19. Agenda Item 20: State Legislative Report

Interim Executive Director/General Counsel Jon Rubin highlighted: 1) activity related to AB1427, 2) SB623 water tax bill that would impose a tax on drinking water, and 3) SB998 addresses when water providers shut-off water. Rubin also reported that ACWA is also engaged in these issues.

20. Agenda Item 21: California Storage Projects Update.

Interim Executive Director/General Counsel Jon Rubin reported the Authority submitted a supportive comment letter on the February 2018 Draft Feasibility Report for the Los Vaqueros Reservoir Expansion Project, Phase 2.

21. Agenda Item 22: Operations Update and Forecasts.

Tom Boardman reported that C.W. "Bill" Jones Pumping Plant was limited by the export/inflow ratio of 35% in accordance with Decision 1641. Boardman expected that total exports would be curtailed to meet an OMR limit of -3500 cfs during the next five days because the salvage facilities had exceeded a specified density trigger for winter run salmon. The necessary export cut of about 500 cfs was expected to be taken at the Harvey O. Banks Pumping Plant since the SWP owes the CVP about 10 TAF under the informal export sharing account. Boardman

indicated that the recent storms have improved the April 1 snow pack to about 30% of normal; an increase from 20% last month. The resulting Shasta unimpaired inflow has increased to about 3.2 MAF, which is the threshold that triggers a Shasta critical year. Boardman also briefly reviewed Reclamation's assumptions that supported the initial Ag allocation of 20%. Since CVP San Luis Reservoir has drawn down by about 140 TAF, there will be no time restrictions on using the allowable 150 TAF of rescheduled water. Boardman concluded his report by stating that a possible allocation increase is not likely to occur before early April due to the level of conservatism apparent at Reclamation's staff level. With political pressure, the increase might occur earlier.

22. Agenda Item 23: Committee Reports.

a. Water Resources Committee Activities

Committee Chair Tom Birmingham reported that the February meeting was cancelled.

b. Finance & Administration Committee Activities

Committee Chair Bill Pucheu reported that the February meeting was cancelled.

c. O&M Technical Committee Activities

No report given.

23. Agenda Item 24: Reports on Activities of the Following Agencies that are Outside of the Authority.

a. State and Federal Contractors Water Agency (SFCWA)

Interim Executive Director/General Counsel Jon Rubin reported that the Authority gave its notice to withdraw from the SFCWA as of February 13th effective April 14th. Rubin reported that the Authority is working on smooth transition of the science program, and trying to protect the Authority from any additional liabilities.

b. Family Farm Alliance.

No report given.

c. Farm Water Coalition.

No report given.

d. Association of California Water Agencies.

Director Bill Diedrich reported the new ACWA Ag Committee would be meeting on Friday, March 9, 2018 to work out policy. Diedrich reported on an outreach alert went out regarding the SB623 a water tax bill, and asked the member agencies to respond.

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

Interim Executive Director/General Counsel Jon Rubin reported that the Authority is looking into the budgeting process of the SJVWIA for next year to better understand what they are focusing on, and intended to bring the information to the Board in April.

24. **Agenda Item 25: Monthly Staff Reports.**

a. **Self-Funding Report.**

Supervisor of Accounting Joyce Machado reported that the Self-Funding O&M Water Rates were approved by BOD action on February 21, 2018. Machado reported that Contractors have been provided the updated Advance Payment Form. Machado also reported that Self-Funding actual expenses for SLDMWA Routine O&M through January 31, 2018 are over budget by \$23,135.

b. **Operations & Maintenance Report.**

No report given.

c. **Water Transfer/Exchange Update.**

No report given.

d. **San Luis Transmission Project.**

No report given.

e. **Sustainable Groundwater Management Report.**

Andrew Garcia reported that six groundwater sustainability plans (GSPs) are being developed for the Delta-Mendota region. Garcia also reported on activities related to the Westside Integrated Regional Water Management Plan (WIRWMP) and various grant opportunities for funding groundwater sustainability work and WIRWMP projects.

f. **Drainage Activity Report.**

Outside Counsel Gabriel Delgado reported that the Grassland Basin Drainage Steering Committee did not meet in February. Delgado also reported that the San Joaquin Valley Drainage Authority met, and discussed routine items, had a lengthy discussion on focused on East San Joaquin Order.

g. **Executive Director's Report.**

No report given.

25. Agenda Item 26-28: Closed Session Report.

Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 11:40 a.m. Upon return to open session at approximately 12:15 p.m., Interim Executive Director and General Counsel Jon Rubin reported that the Board met in closed session to receive advice from counsel and there were no reportable actions taken.

26. Agenda Item 29: Reports Pursuant to Government Code Section 54954.2

No reports given.

27. Agenda Item 30: Adjournment.

The meeting was adjourned at approximately 12:15 p.m.