March 6, 2018

TO: San Luis & Delta-Mendota Water Authority Board of Directors, Alternates, and Interested Parties

FROM: Jon Rubin, Secretary (by Cheri Worthy)

RE: Thursday, March 8, 2018, 9:30 a.m.
Board of Directors’ Regular Meeting

Attached for your review in preparation of the March 8, 2018, Board of Directors’ regular meeting are the following documents:

1) Notice & Agenda

2) Material Related to Selection/Appointment of 2018 SLDMWA Officers

3) Letter to the United States Department of the Interior for Potential Sharing of Costs for Enlarging Shasta Dam and Reservoir

4) Material Related to Investment in Temperature Management

5) Material Related to Delta Smelt Science Plan

6) Operations Update and Forecasts Report

7) Self-Funding Report

Thank you, and please give us a call if you have any questions or concerns regarding this information.
Notice of San Luis & Delta-Mendota Water Authority
Board of Directors Regular Meeting
Thursday, March 8, 2018, 9:30 a.m.
SLDMWA Boardroom
842 6th Street, Los Banos, California

AGENDA

Note: All matters listed on the Consent Calendar are considered to be routine and non-controversial and will be acted upon by a single action of the Board of Directors. There will be no separate discussion unless there is a request that a specific item be removed from the Consent Calendar during consideration of Agenda Item 3. If such a request is made, the item may be heard as an action item at this meeting.

Note Further: Any member of the public may address the Board concerning any item on the agenda before or during its consideration of that matter. For each item, public comment is limited to no more than three minutes per person. For good cause, the Chair of the Board may waive this limitation.

1. Pledge of Allegiance
2. Call to Order/Roll Call
3. Board to Consider Corrections or Additions to the Agenda of Items, as authorized by Government Code Section 54950 et seq.
4. Opportunity for Public Comment – Any member of the public may address the Board concerning any matter not on the agenda, but within the Board’s jurisdiction. Public comment is limited to no more than three minutes per person. For good cause, the Chair of the Board may waive this limitation.

Consent Calendar

5. Board of Directors to Consider Approval of Minutes from its January 16, 2018, January 29, 2018, February 8, 2018, February 21, 2018 Meetings
6. Board of Directors to Consider Approval of Financial & Expenditures Reports

Action Item

7. Board of Directors to Consider Selection/Appointment of 2018 SLDMWA Officers, Rubin
8. Board of Directors to Consider Authorizing Payment of Dues to San Joaquin Valley Water Infrastructure Authority, Rubin
9. Board of Directors to Consider Appointment of Alternative to the San Joaquin Valley Water Infrastructure Authority Board of Directors, Rubin
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, Rubin
11. Board of Directors to Consider Authorizing Retention of Consultant to Analyze 2018 Shasta Reservoir Operations for Temperature Management, Rubin
12. Board of Directors to Consider Authorizing Retention of Consultant to Develop Delta Smelt Science Plan, Rubin
13. Board of Directors to Consider Resolution Authorizing Execution of 2018 Agreement for Release of Water by and among the Oakdale Irrigation District, the South San Joaquin Irrigation District, the San Luis & Delta-Mendota Water Authority, and the California Department of Water Resources, Making Findings under the California Environmental Quality Action, and Authorizing Actions Related Thereto, Mizuno

14. Board of Directors to Consider Resolution Authorizing Execution of 2018 Agreement for Release of Water by and among the Merced Irrigation District, the San Luis & Delta-Mendota Water Authority, and the California Department of Water Resources, Making Findings under the California Environmental Quality Action, and Authorizing Actions Related Thereto, Mizuno

Report Items

15. WIIN Act Section 4011 – Conversion from Water Service to Repayment, including Presentation by United States Bureau of Reclamation, Mizuno

16. Strategic Planning Effort, Rubin/Mizuno

17. Recruitment for Science Manager, Rubin


19. State Water Resources Control Board Proposed Regulation Prohibiting Wasteful Water Uses To Implement Executive Orders B-37-16 and B-40-17, Rubin

20. State Legislative Report, Rubin

21. California Storage Projects Update
   (May include reports on activities related 1) development of Sites Reservoir, 2) development of Temperance Flat Reservoir, 3) enlarging Los Vaqueros Reservoir, 4) enlarging Shasta Reservoir, 5) improvements to/enlarging San Luis Reservoir, 6) development of Pacheco Reservoir)

22. Operations Update and Forecasts, Boardman

23. Committee Reports:
   a. Water Resources Committee Activities, Birmingham
   b. Finance & Administration Committee Activities, Pucheu
   c. O & M Technical Committee Activities, White

24. Reports on Activities of the following Agencies that are Outside of the Authority:
   a. State and Federal Contractors Water Agency
   b. Family Farm Alliance
   c. Farm Water Coalition
   d. Association of California Water Agencies
   e. San Joaquin Valley Water Infrastructure Authority

25. Monthly Staff Reports:
   a. Self-Funding, Mederios
   b. Operations & Maintenance, Mizuno
   c. Water Transfers/Exchanges/Release Program Update, Mizuno
   d. San Luis Transmission Project Update, Mizuno
   e. Westside Integrated Regional Water Management Program, Mizuno/Garcia
   f. Sustainable Groundwater Management Act, Mizuno
   g. Drainage Activity, Rathmann
   h. Executive Director’s Report, Rubin
   (May include reports on activities related to 1) CVP/SWP water operations, 2) regulation of the CVP/SWP, and 3) existing or possible new State and Federal policies)
26. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of Litigation Pursuant to paragraph (4) of Subdivision (d) of Government Code Section 54956.9 – 4 potential cases

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant Exposure to Litigation Pursuant to Paragraph (2) or (3) of Subdivision (d) of Government Code Section 54956.9 – 4 potential cases

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Existing Litigation Pursuant to paragraph (1) of Subdivision (d) of Section 54956.9

A. Natural Resources Defense Council, et al. v. Salazar et al., U.S. Court of Appeals, 9th Cir., Appeal Case No. 09- 17661;
B. Modesto Irrigation District, et al. v. State Water Resources Control Board & Woods Irrigation Company, Sacramento County Superior Court Case No. 34-2011-8000903 (Complaint for Declaratory Relief re Woods Irrigation Company)
C. San Luis & Delta-Mendota Water Authority et al. v. State Water Resources Control Board, et al., Sacramento County Superior Court Case No. 34-2013-80001486 (Dunkel Order)
F. San Luis & Delta-Mendota Water Authority and Westlands Water District v. Delta Stewardship Council, et al., Sacramento County Superior Court Case No. 34-2013-80001500 (Delta Plan Litigation). Appeals in Delta Plan Litigation:
   City of Stockton v. Delta Stewardship Council, et al. (Sacramento County Superior Court JCCP No. 4759)(Third District Court of Appeal Case No. C082994); State Water Contractors, et al. v. Delta Stewardship Council, et al. (Sacramento County Superior Court JCCP No. 4758) (Third District Court of Appeal Case No. C082944); California Water Impact Network, et al. v. Delta Stewardship Council, et al. (Sacramento County Superior Court JCCP No. 4758) (Third District Court of Appeal Case No. C082994); Central Delta Water Agency, et al. v. Delta Stewardship Council, et al. (Sacramento County Superior Court JCCP No. 4758) (Third District Court of Appeal Case No. C082994); North Coast Rivers Alliance, et al. v. Delta Stewardship Council, et al. (Sacramento County Superior Court JCCP No. 4758) (Third District Court of Appeal Case No. C082994); Save the California Delta Alliance v. Delta Stewardship Council, et al. (Sacramento County Superior Court JCCP No. 4758) (Third District Court of Appeal Case No. C082994)
G. AquAlliance, et. al., v. U.S. Bureau of Reclamation, et. al., U.S. District Court, E.D. Cal., Case No. 1:15- CV-00754 LJO BAM (Challenge to Long-Term Transfer EIR/EIS)
H. California Sportfishing Protection Alliance, et. al. v. California State Water Resources Control Board, et. al., Alameda County Superior Court Case No. RG15780498 (State WQCP/TUCP)
J. Oakdale Groundwater Alliance et al. v. Oakdale Irrigation District, Fifth District Court of Appeal Case No. F076288, appeal from Stanislaus County Superior Court, Case No. 2019380; (OID On Farm Conservation-Transfer)
K. City of Fresno, et al. v. United States, U.S. Court of Federal Claims, Case No. 16-1276L (“Friant Takings Suit”)

27. Return to Open Session

28. Report from Closed Session, if any Required by Government Code Section 54957.1

29. Reports Pursuant to Government Code Section 54954.2(a)(2)

30. ADJOURNMENT

Persons with a disability may request disability-related modification or accommodation by contacting Cheri Worthy or Felicia Luna at the San Luis & Delta-Mendota Water Authority Office, 842 6th Street, P O Box 2157, Los Banos, California, telephone: 209/826-9696 at least 3 for regular or 1 for special day(s) before the meeting date.
MEMORANDUM

TO: Board of Directors, Alternates
FROM: Jon Rubin, Interim Executive Director, General Counsel
DATE: March 5, 2018
RE: SLDMWA FY19 Officers

This memorandum provides information on the San Luis & Delta-Mendota Water Authority officer positions.

I. **Chair/Vice Chair**

a. **Roles and Responsibilities**

*Joint Powers Agreement*

The Chair is the presiding officer at all board meetings. The Vice Chair serves in the absence of the Chair. The Chair and Vice Chair have the right to vote on all matters coming before the Board. Both the Chair and Vice Chair shall be selected from the membership of the Board.

*Resolutions*

The Chair and the Vice Chair are voting members of the Water Resources Committee and Finance and Administration Committee. The Chair appoints members and alternate members to the Committees and Subcommittees, appoints from within each Committee and Subcommittee chairs, and has the right to call special meetings.
Practical Role

The Chair and Vice Chair help set the culture of the Water Authority. They have been instrumental in unifying the positions of the diverse interests that exist within the members. The Chair and Vice Chair, upon request by the Executive Director, have provided guidance on addressing issues, setting approaches, etc.

b. Time commitment (may require more time then prior Chairs/Vice Chairs)

Attend meetings of the Board of Directors, Water Resources Committee and Finance and Administration Committee. The Chair and Vice Chair must be available, periodically, to discuss possible items for meeting agenda, to assist with discussing issues.

II. Secretary

a. Roles and Responsibilities

The Board appoints the Secretary, who may be but is not required to be a Director. The Secretary is responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority. Historically, the Executive Director has served as the Secretary.

b. Time commitment

Attend meetings of the Board of Directors, Committees and Subcommittees.

III. Treasurer/Auditor

a. Roles and Responsibilities

Joint Powers Agreement

The Board appoints the Treasurer/Auditor. The Treasurer/Auditor is the depositary of funds and shall have custody of all money of the Authority, from whatever source. The Treasurer must be bonded, perform the duties as specified in and in accordance with Government Code Section 6505.5, and shall draw all warrants and pay demands against the Authority approved by the Board. The treasurer and the auditor shall serve at the pleasure of the Board. Historically, the Director of Finance has served as the Treasurer/Auditor.

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1 The Board of Directors created the additional officer position of Auditor, pursuant to the JPA. That position has been a “joint” position, and as stated above has been held by the Director of Finance.
Practical Roles

Treasurer maintains control over cash management, including (1) preparing and presenting the quarterly “Treasurer Report” to Finance and Administration Committee and Board of Directors, (2) ensuring investment policy compliance, (3) ensuring checks and wires to the Water Authority are timely received and deposited into proper accounts, (4) ensuring Water Authority checks and wires are paid timely, per authorized requests and approvals, (5) managing and performing debt service transactions on outstanding Note/Bond, if any, (6) reviewing cash activity daily, and (7) reviewing and signing checks, both accounts payable and payroll.

Auditor provides internal control management, including by (1) ensuring proper coding of transactions and safekeeping of cash assets, and (2) providing guidance to staff on transaction analysis & posting.

The JPA provides:  All of the privileges and immunities from liability, exemptions from laws, ordinances and rules which apply to the activity of officers, agents, or employees of any of the Members when performing their respective functions shall apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this Agreement. None of the officers, agents, or employees appointed by the Board shall be deemed by reason of their employment by the Board to be employed by any of the Members or by reason of their employment by the Board to be subject to any of the requirements of such Members.

Recommended Action:

The Board of Directors appoint a Chair and Vice Chair.

The Board of Directors on January 29, 2018 appointed the interim Executive Director as the Secretary and the Director of Finance has served and staff proposes that she continue to serve as the Treasurer/Auditor.
March 9, 2018

**VIA Electronic Mail**

David Murillo, Regional Director  
United States Bureau of Reclamation  
2800 Cottage Way  
Sacramento, CA 95825-1898

Email: DMurillo@usbr.gov

Re: Shasta Lake Water Resources Investigation

Dear Regional Director Murillo:

As I have recently discussed with your staff, the San Luis & Delta Mendota Water Authority is interested in discussing with the United States Bureau of Reclamation the potential for sharing of costs associated with Shasta Lake Water Resources Investigation (Shasta Dam and Reservoir Enlargement).

The CALFED Record of Decision, dated August 28, 2000, stated that expanding water storage capacity is critical to the successful implementation of all aspects of the CALFED Program. The CALFED Record of Decision identified five potential projects for further study that would increase water storage capacity, one of which was Shasta Dam and Reservoir Enlargement. The benefit of increased water storage, including through Shasta Dam and Reservoir enlargement, has been often recognized since the issuance of the 2000 CALFED Record of Decision, including by the California Legislature. The Water Authority concurs with the statements that recognize the significance of new storage. For that reason, the Water Authority is willing to consider becoming a local partner, entering into an MOU and ultimately a formal agreement for the sharing of costs for the Shasta Dam and Reservoir Enlargement.

If you have any questions, please do not hesitate to call.

Regards,

Jon D. Rubin, Interim Executive Director/General Counsel

cc: Alicia Forsythe (AForsythe@USBR.Gov)  
Richard Welsh (RWelsh@USBR.Gov)  
John Menniti (JMenniti@USBR.Gov)
MEMORANDUM

TO: Board of Directors, Alternates

FROM: Jon Rubin, Interim Executive Director, General Counsel

DATE: March 5, 2018

RE: Shasta Temperature

Background

On February 20, 2018, the United States Bureau of Reclamation announced the initial water supply allocations for the Central Valley Project. For the Water Authority members, Reclamation allocated just 20 percent of contract totals to the agricultural water service contractors and 70 percent of the contract totals to municipal and industrial contactors. At the time, storage in CVP reservoirs were at or in excess of 100 percent of historical averages. (Trinity: 100%, Shasta: 105%, Folsom: 104%, New Melones: 135% and Millerton: 101%).

Reclamation constrained the initial allocations, in part, because of concerns the National Marine Fisheries Service (NMFS) had with proposed Shasta Reservoir operations. NMFS has been proposing that Reclamation significantly reduce Keswick releases to maintain high Shasta Reservoir levels through the summer and use reductions in CVP and SWP pumping to meet Delta requirements (e.g., outflow). NMFS’ concerns apparently derive from its relatively new temperature-related winter run Chinook egg mortality model, which predicts the higher Shasta Reservoir levels are needed to allow Reclamation to maintain lower water temperature in the Sacramento River below Shasta Reservoir through the fall and thus protect eggs.
Last year, the Water Authority contracted with Dr. James Anderson, of the University of Washington, to review the new NMFS egg mortality model. Dr. Anderson is a nationally respected biological/ecological modeler, particularly in salmonids. Dr. Anderson found that the model incorrectly assumed cold water was needed for an extended period of time to avoid egg mortality. Dr. Anderson found the critical temperature was only needed during the hatching phase of the incubation life stage. Dr. Anderson developed an improved egg mortality model incorporating the finding on incubation-stage-specific temperature requirements. Taking into consideration the array of redds that are constructed throughout the summer months, Dr. Anderson’s model resulted in a period of about 3 months that the cold water would be needed, not the 5.5 months that NMFS has determined as necessary. Dr. Anderson’s finding and model are written in a paper that has been submitted for publication.

Reclamation is considering whether to operate, as proposed by NMFS, or whether alternatives are available that might provide better protections for fish while having less adverse impacts to water operations and supply. Running Dr. Anderson’s egg mortality model with the NMFS proposal and the potential alternatives and analyzing the results (by Dr. Anderson and likely other consultants), will assist Reclamation in its decision for the 2018 operation.

**Recommended Action:**

The Board of Directors authorize the Water Authority to take actions necessary to (1) run the improved egg mortality model with the NMFS proposal and alternatives, and (2) analyze the output of the model runs; provided the amount does not exceed $25,000.00.

Total Contingency for Direct Funding: $200,000.00
MEMORANDUM

TO: Board of Directors, Alternates
FROM: Jon Rubin, Interim Executive Director, General Counsel
DATE: March 5, 2018
RE: Delta Smelt Science Plan

Background

The Collaborative Adaptive Management Team (“CAMT”) 2018 Workplan includes development of a Delta Smelt science plan to inform management decisions related to Delta Smelt. The plan is to utilize an adaptive management framework that identifies specific monitoring, research, modeling, and evaluation activities designed to assess the effects of ambient conditions and management actions on Delta Smelt.

Phase 1 of this effort includes Tasks 1 and 2 of the overall scope: Develop Draft Framework and Objectives for Science Plan, and Characterize Existing Knowledge and Decision-relevant Uncertainties. The second phase would complete the science plan, including developing a monitoring and evaluation approach, implementation plan, and science plan. Both phases are proposed to be completed in 2018. The total cost is projected to be approximately $150,000, with Phase 1 not to exceed $55,000.

The Delta Smelt science plan is intended to help direct research and monitoring efforts and ultimately increase the understanding the effects of various management actions. CAMT has identified Dr. Denise Reed as the desired leader for this effort. State and federal agencies have expressed a willingness to fund at least $75,000 of the total $150,000, but they will not be able to contract within the next few months. The
expectation is that the state and federal agencies will fund the second phase. The State Water Contractors are authorized to pay for one-half of Phase 1 costs.

**Recommended Action:**

The Board of Directors authorize 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 $55,000.00.

Total Contingency for Coordinated Science: $350,000.00.
MEMORANDUM

TO: JON RUBIN, INTERIM EXECUTIVE DIRECTOR
FROM: TOM BOARDMAN, WATER RESOURCES ENGINEER
SUBJECT: MARCH PROJECT OPERATIONS UPDATE
DATE: FEBRUARY 28, 2018

Project Operations

- Declining delta inflow during February forced Jones pumping to drop from 65% capacity early in the month to about 20% currently. Exports have been limited by a delta outflow standard (X2) for about the past 3 weeks. The X2 standard will continue to constrain pumping with persistent dry conditions. Under average hydrology, export restrictions will likely resume per the OMR limit under the BiOps.

- The SWP pumped nearly equal to the CVP during February under the informal agreement that the Projects split the available pumping when limited by the BiOps or D1641. Even with continued dry conditions, SWP and CVP exports may increase a bit in March because of a reduced delta outflow standard.

- Current Millerton releases per the San Joaquin River Restoration Program are being recaptured from the lower San Joaquin River at about 90 cfs. Reclamation’s latest estimate shows about 5 TAF being recaptured during February.

- San Joaquin flow at Vernalis has been at about 2,300 cfs during most of February as required by D1641. A significant portion of the flow requirement was being met using New Melones water. New Melones releases will drop by early March when the Vernalis flow requirement reduces to about 1,400 cfs for the month.

- Shasta storage increased to 3,409 TAF; an increase of 70 TAF since last month. Current releases are at the 3,250 cfs minimum to conserve storage and preserve the limited cold water pool. Contrary to the latest DWR runoff forecast, the California-Nevada River Forecast Center is projecting that a Shasta Critical year could occur with a 90% exceedance hydrology.

- Folsom storage slipped to 533 TAF or about 109% of the 15 year average. Although the projected inflow remains low due to a dismal snowpack, releases have been about 3,000 cfs in efforts to meet the delta outflow requirement per D1641. Releases are scheduled to drop by early March when the outflow standard is reduced.

- CVP demands were about 226 TAF during February which is about 160% of the 15 year average. The demand included about 65 TAF that was transferred to SWP contractors.
2017 Operations Outlook

Rescheduled Water
With CVP San Luis at about 840 TAF, it is unlikely that the reservoir will refill again this year. As such, no foregone pumping will be imputed to the allowable cap of 150 TAF this year. Also, districts will have an unlimited period to deliver rescheduled water, but the rescheduled water must be the first water delivered ahead of 2018 Project water.

Project Allocation
Reclamation recently allocated only 20% to Ag Service contractors based upon projections of unusually low amounts of cold water in Shasta and historically low snow pack survey results. Reclamation’s operations forecast supporting the allocation projects Jones pumping at only 400 cfs during April-June and gradually increasing to slightly more than 1 unit (1,100 cfs) June-August. Reclamation states that the extremely low spring and summer pumping is limited by restricted Shasta releases for cold water management and the need to hold Folsom’s water level up enough to maintain access for urban contractors during late 2018.

The attached San Luis storage charts show the expected total storage dropping below 200 TAF by late August under both 90% and 50% exceedance forecasts. In addition to the uncertainty of Exchange Contractor/ Refuge demands linked to a possible Shasta Critical year, the SWP storage projections vary widely in DWR’s latest suite of operations studies. As such, the San Luis low point storage projections should be considered tentative until hydrology estimates improve later this spring.

The Ag allocation under 90% exceedance conditions is not expected to increase from the current 20%. Based on the level of conservatism shown by Reclamation in its initial allocation, the final allocation is not expected to exceed 30-35% under average conditions for the remainder of winter/spring.
2018 San Luis Storage Projection
50% Exceedance Hydrology

San Luis Storage (TAF)

End of Month

Feb Mar Apr May Jun Jul Aug Sep Oct

T. Boardman, SLDMWA
2/28/2018
MEMO

TO: Frances Mizuno, Assistant Executive Director
FROM: Tona Mederios, Director of Finance
SUBJECT: Self-Funding
DATE: March 8, 2018

- **2018 Water Year** (Fiscal Year 3/1/18-2/28/19) attachment 1
  Self-Funding O&M Water Rates were approved by BOD action on February 21, 2018. Contractors have been provided notice of the approved rates and have also been provided the updated Advance Payment Form. Attached are the approved WY2018 O&M Rates for your use.

- **2017 Water Year** (Fiscal Year 3/1/17-2/28/18) attachment 2
  Self-Funding actual expenses (paid & pending) for SLDMWA Routine O&M through January 31, 2018, including DWR conveyance costs related to water pumped at the Intertie through December 2017, are over budget by $23,135.

- **2016 Water Year** (Fiscal Year 3/1/16-2/28/17)
  There are a few outstanding WY2016 Draft Accountings remaining to be completed. Staff is working to complete these reconciliations

**Outstanding**

*Intertie O&M Cost Recovery*
- WY12 Intertie True-Up: outstanding, no cost recovery
- WY13 Intertie True-Up: outstanding, no cost recovery
- WY14 Intertie True-Up: outstanding, no cost recovery
- WY15 Intertie True-Up: outstanding, no cost recovery

Frances Mizuno has resumed the process to determine an intertie allocation.
SLDMWA WY 2018 SELF-FUNDING O&M WATER RATES (FY 3/1/18 - 2/28/19)

Rates based on the following
WY18 supply assumptions:

AG 35%
M & I 75%
Refuge 100%
Exchange/Water Rights 100%

Adjustments to Base Supplies include:
Rescheduled Water
Transfers
Exchanges
Pump Ins

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### 2017 WATER YEAR ALLOCATION

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### ANNUAL O&M BUDGET BY COST POOL MARCH 1, 2017 - FEBRUARY 28, 2018

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