

**MINUTES
OF THE REGULAR MEETING OF THE
SAN JOAQUIN RIVER EXCHANGE CONTRACTORS WATER AUTHORITY
HELD FRIDAY, OCTOBER 4, 2019 AT 9:00 A.M.**

The Board of Directors of the *San Joaquin River Exchange Contractors Water Authority (SJRECWA)* met in Regular Session on Friday, October 4, 2019 in the Board Room of the *San Joaquin River Exchange Contractors Water Authority*, 541 “H” Street, City of Los Banos, County of Merced, State of California. The following persons were present:

REPRESENTATIVES:

Central California Irrigation District (CCID):

James O’Banion, Chairman; Jarrett Martin, Manager

San Luis Canal Company (SLCC):

David Pruitt, Alternate Director; John Wiersma, Manager

Firebaugh Canal Water District (FCWD):

Mike Stearns, Director

Columbia Canal Company (CCC):

Chris Cardella, Director; Randy Houk, Manager

STAFF MEMBERS:

Chris White, Executive Director; Steve Chedester, Director of Policy & Programs; Joann White, Director of Finance and Administration; Darlene O’Brien, Administrative Assistant and Adam Hoffman, Water Resources Specialist

PRESENT:

Paul Minasian, Minasian, Meith, Soares, Sexton & Cooper LLP; Mike Henry, Consultant; Rick Iger, Provost & Pritchard Consulting Group; Nikki Griffin, Landowner; Michael Peters, Kaweah Pump & Well Drilling; Danielle Duncan, Wonderful Orchards; Don Wright, Journalist; David Cory, Consultant (arrived 9:08 a.m.); and Andy Neal (arrived 10:05 a.m.)

CALL TO ORDER:

Chairman O’Banion opened the meeting at 8:57 a.m.

APPROVAL OF MINUTES:

The unapproved minutes from the September 6, 2019 Board meeting were presented. A motion was made by Director Stearns to approve the minutes as mailed. The motion was seconded by Director Cardella and unanimously carried.

WATER REPORT:

Water Resources Specialist, Adam Hoffman provided the Four Entities Water Report which included the following data: Exchange Contractors' total demands: 1,938 c.f.s., with 1,499 c.f.s. from the Mendota Pool and 439 c.f.s from the Delta Mendota Canal (DMC). He then stated the Friant Dam releases into the San Joaquin River is 380 c.f.s., with 208 c.f.s. at Gravelly Ford. There is 126 c.f.s. entering the Mendota Pool from the San Joaquin River, with 104 c.f.s. going past Sack Dam as part of the San Joaquin River Restoration Program flows.

Mr. Hoffman next reported on various reservoir storage: Shasta – 3,414,093 a.f.; Millerton – 345,569 a.f.; and San Luis Reservoir – 1,264,609 a.f., noting that the Federal share in the San Luis Reservoir is 462,201 a.f., with the State project water at 802,408 a.f. Pine Flat is 548,532 a.f. of storage and the Los Banos Creek Detention Dam is at 20,253 a.f.

The upper San Joaquin Basin has combined storage of 391,764 a.f., which is about 135% of average. The accumulated full natural flow into Shasta Lake is 128% of average.

The following Delta Operations data was then provided: inflows are 23,640 c.f.s. with exports up to 9,675 c.f.s. The Jones Pumping Plant is at 3,463 c.f.s. and the Banks Pumping Plant is pumping 5,992 c.f.s., with the Outflow Index at 11,699 c.f.s and 40% of Inflow Diverted and the Controlling Factor at Fall X2.

Additional data for informational purposes was included in his report as follows: Current Reservoir Conditions, San Luis Reservoir Storage Levels, Shasta Dam Operations, Millerton Lake Daily Operation's Report, and Daily CVP Water Supply Report.

PUBLIC PARTICIPATION:

The Executive Director introduced members of the public.

APPROVAL OF EXPENDITURE LIST:

Joann White presented the September 2019 Expenditure List for review.

Director Stearns made a motion to approve the Expenditure List as presented. The motion was seconded by Director Cardella and passed unanimously.

FINANCE COMMITTEE UPDATE:

Financial Report for September 2019:

Joann White next provided the September 2019 Financial Report and highlighted the revenue and expenses for the General, Water Transfer, Water Resources Plan, and San Joaquin Valley Drainage Authority Budget Comparisons. An outline of the Cash Activity Report was then presented.

Executive Director White gave a brief summary in the context of the Exchange Contractors' Strategic Plan regarding the Water Resources Plan (WRP) budget specifically the Del Puerto Canyon Reservoir (DPCR) project. He next explained that as a result of a delay in receiving WIIN Act funding, he proposed to the Finance Committee an additional cash call to cover the expenses of the DPCR project through the end of the year. As a result, the Finance Committee did recommend the additional cash call of \$450,000. Following discussion, Director Stearns made a motion to increase the fourth quarter dues to cover the shortfall of the WIIN Act funds. The motion was seconded by Alternate Director Pruitt and passed unanimously.

Next, Director Cardella made a motion to approve the Financial Report as presented. The motion was seconded by Director Stearns and passed unanimously.

Auditor Proposal for Years 2019, 2020, and 2021:

Joann White provided a review of the audit proposal received from Cuttone & Mastro Certified Public Accountants (CPA) for a three-year term. She said that the proposed fee for each year was \$8,950. A motion was made by Director Cardella and seconded by Alternate Director Pruitt for approval of the audit proposal for a three-year term from Cuttone & Mastro CPA. The motion was unanimously carried.

Proposed 2020 Draft Budget:

Executive Director White presented the proposed 2020 Budget and asked for it to be reviewed in the next 30 days at each of the member entity boards and to be brought back at the next Board meeting for approval.

The Finance Committee meeting minutes of August 30, 2019 were provided for informational purposes.

EXECUTIVE DIRECTOR'S REPORT:

San Joaquin River Restoration Program (SJRRP) – Executive Director White reported that we are currently on the 30% design process on Mendota Pool Control Structure and Fish Screen with completion of this phase for December/January timeframe, and work continues with U.S. Bureau of Reclamation (Reclamation) on the Memorandum of Agreement (MOA). Regarding CCC's siphon under the river, SJRRP has now proposed a relocation agreement in which CCC has determined unacceptable. We will continue to work on this issue.

Manager Wiersma indicates that the design team has made good progress in the redesign of the Sack Dam facilities which has the potential to mitigate the subsidence cost issue.

Legislative – The Executive Director summarized the recent Washington D.C. trip during the week of September 16th. The Exchange Contractors, along with Friant Water Authority, San Luis & Delta-Mendota Water Authority, Westlands Water District and Tehama-Colusa Canal Authority came together as a united front to press for legislative action on the WIIN Act, various water projects, approval process funding and thanking our delegation for weighing in on SB1.

Assemblyman Adam Gray will be touring the Exchange Contractors' area on October 15, 2019. The Exchange Contractors PAC has scheduled a fundraiser that evening following the tour at Woolgrowers Restaurant.

Water Transfers – The term sheet that was approved at the last Board meeting has been forwarded to Valley Water and we are currently working with Reclamation to determine approval process and the initiation of environmental work for return of the water. Board has also approved the Rosedale Rio-Bravo Water Storage District and Triangle T Water District transfer agreements, which have been forwarded to Reclamation's Fresno office with backup documentation for her approval.

Water Resources Plan (WRP) – The Executive Director reported on the Los Banos Creek Reservoir, noting that they are working to confirm projected work and the cost proposal.

Other Items -

- *Drainage* – There is a JPA in place, agreement is being circulated for final review and signature; staff is currently working on budget and staffing.

DIRECTOR OF POLICY & PROGRAM REPORT:

Steve Chedester provided a report on the following issues:

San Joaquin River Restoration Program (SJRRP) –

- *State Lands Commission* – Continuing to report our effort to obtain from Reclamation new modeling of water surface elevations in Reach 3.
- *Mendota Pool Bypass* – Meeting with the grant's officer regarding tasks in Jacobs' scope of work that are not clearly identified in the Financial Assistance Agreement (FAA) and working on a modification at the local level. There will also be a landowner meeting on October 11th for Reach 2B.

Temperance Flat Reservoir Authority – A technical memo is now being developed; comments are due on the memo with Stantec to deliver a final draft on October 25.

Re-initiation of Consultation on Long Term Operations (ROC on LTO) – We are hoping to see some progress by mid-month.

Voluntary Settlement Agreements (VA): The three main subgroups (water/assets, biological/environmental targets, and governance/legal/policy) continue to draft their respective portions of the VA, which will be provided to the State by mid-October. If all goes well, the scientific basis report will be sent to peer review in November.

San Joaquin Valley Water Blueprint – Currently working on an economic study of the valley to determine the impacts of water supply deficit.

SAN JOAQUIN RIVER RESTORATION PROGRAM (SJRRP):

Staff and legal counsel have worked with the SJRRP in developing a Memorandum of Agreement between Reclamation and the Exchange Contractors and its member entities for the SJRRP Reaches 2B and 3 improvements and projects. The Board was asked for a motion to preliminarily approve the MOA prior to its presentation to the member entity boards.

Director Cardella made a motion to approve the MOA contingent upon approval by the member entity boards. The motion was seconded by Director Stearns and passed unanimously.

SUBSIDENCE ANALYSIS IN WESTERN MADERA AND MERCED COUNTIES – UPDATE:

Manager Wiersma reported that a term sheet has been received from Connelly Clayton and his attorney which meets the requirements as had been requested. It will now be brought to SLCC's board for their review and approval.

WATER RESOURCES PLAN (WRP) – UPDATE:

Del Puerto Creek Reservoir Project: Mr. White asked Andy Neal to provide an update on the recent activities with the reservoir project. Mr. Neal reported that the Administrative Draft Environmental Impact Report (EIR) has been submitted for internal review; currently working with Reclamation on their interface with the Army Corp of Engineers; subconsultants have completed sections of the EIR pertaining to the biological, cultural and Indian Trust Assets. On the engineering side, work continues on the inlet/outlet structure and the pumping plant. Continuing to coordinate with Stanislaus County on the road relocation and with PG&E and WAPA on the utility relocation.

BAY-DELTA WATER QUALITY AND REGIONAL WATER QUALITY CONTROL BOARD (RWQCB) REPORT:

CV-SALTS: Consultant David Cory reported that CV-SALTS Basin Plan Amendment is still awaiting a decision from the State Water Resources Control Board (SWRCB). The SWRCB is expected to hold an adoption hearing in mid-October. The environmental justice groups are actively urging the board to reject the amendments and remand the matter back to the Regional Board for further consideration. The State Water Resources Control Board (SWRCB) is working to develop resolution language that will instruct the Regional Board on how it expects the basin plan to be implemented.

Grassland Bypass Project: The current use agreement expires at the end of this year. The Grassland Area Farmers are in the process of developing new environmental documents to transition into a storm water related project. In December, the Regional Board will consider revisions to the Grassland Area Waste Discharge Requirements.

LEGISLATIVE REPORT:

State: Executive Director White discussed Dominic DiMare's monthly report, highlighting the Governor's veto of SB 1.

Federal: The Executive Director presented Nancy Williams' report, noting the appropriations process and additional funding.

ATTORNEY'S REPORT:

Legal counsel reviewed the following issues:

- JPA/Drainage
- Cross-Delta Conveyance
- Voluntary Settlement Agreements (VSA)
- Subsidence Issues
- Friant Court of Claims Litigation – oral argument set for November in Washington, D.C.

FOUR ENTITIES' MANAGER REPORTS:

Columbia Canal Company:

Manager Houk reported that CCC continues to run water and the harvest season is winding down.

San Luis Canal Company:

Manager Wiersma reported that water deliveries were average for this time of year; getting ready for maintenance season and working on a pre-emergent program in maintaining the aquatic weeds. He added that SLCC has four capital projects going out to bid.

Central California Irrigation District:

Manager Martin reported that September deliveries were good; starting to drop off but refuge delivery has picked up; continuing to deliver water to the Red Top/Triangle T area; and getting ready for winter maintenance. Bids are in for the Russell Avenue bridge construction starting on November 1st.

Firebaugh Canal Water District:

Director Stearns reported that FCWD continues to work on the design for canal lining project and the on-farm water conservation projects will be addressed by their board at the October meeting. The Drainage JPA has scheduled a tour for the SJRIP for their members.

INFORMATIONAL:

Important Dates to Remember –

- Adam Gray Tour – October 15th
- ACWA Fall Conference – December 2-6
- Exchange Contractors GSA Meeting – December 13th (Hearing to adopt GSP)

There being no further business, Chairman O'Banion adjourned the meeting to at 10:51 a.m.

JAMES O'BANION, CHAIRMAN

Attest a true record of proceedings had
And taken at the foregoing meeting, our
Presence thereat and our consent thereto.

CHRIS WHITE, SECRETARY

DAVID PRUITT, ALTERNATE DIRECTOR

MIKE STEARNS, DIRECTOR

CHRIS CARDELLA, DIRECTOR