



**TELEPHONIC MEETING OF THE BOARD OF DIRECTORS
OCTOBER 21, 2020
MINUTES**

1. CALL TO ORDER

President Gene Bays, who was present, called the meeting to order at 8:30 a.m. in accordance with Governor Newsom's Executive Order N-29-20, allowing the meeting to be held via video conference. Board Members connected via video conference were Bill Koster, Jim Jasper and Kyle Perez.

2. OPPORTUNITY FOR PUBLIC COMMENT

Anthea shared that Sandra Watts and Charles Gardiner would be assisting with the video conference meeting and asked if any member of the public that joined the meeting had any public comments. There was no public comment.

3. ADDITIONS/REVISIONS TO THE AGENDA

There were no additions or revisions to the agenda.

4. CONSENT CALENDAR

The Minutes from the Board Meeting of 9/16/20, Monthly Accounting Reports as of 9/30/20, and Field Operations Report for September were provided in advance for the Board's review. The Board approved the Consent Calendar per roll call vote as follows:

Ayes:	Bays, Koster, Perez, Jasper, Lucich and Lara
Nays:	None
Abstentions:	None
Absent	Maring

Note: Board Members Lucich joined the meeting at 8:36 a.m. and Lara at 8:37, just prior to the approval of the Consent Calendar.

5. ACTION ITEMS

A. Board To Consider Resolution Certifying an Environmental Impact Report, Adopting Environmental findings and Statement of Overriding Considerations, Adopting a Mitigation Monitoring and Reporting Program Under CEQA for the Del Puerto Canyon Reservoir Project, and Approval of the Del Puerto Canyon Reservoir Project

Anthea indicated there were several members of the public that wished to make public comments and acknowledged several letters received in the preceding 24-hours commenting on the FEIR. Charles Gardiner then gave direction to the public on protocols and indicated there was a two minute window for their comments. David Froba of the Stanislaus Audubon Society commented that the Final EIR does not specifically state that mitigation should be on riparian quarter contiguous and upstream from the project. An email comment was also sent on January 24th. Alex Peltzer of Peltzer and Richardson who represents 10 Districts from the Friant division who submitted a letter the day prior and commented that the concern was the participation of the Exchange Contractors on this project and the impact it could create on supplies to Friant division contractors. Daniel Garret-Steinman who had submitted written comments the day prior, commented on behalf of the Sierra Club, Save Mt. Diablo, California Water Research, Save Del Puerto Canyon and Friends of the River. He commented that the EIR should be recirculated as more information was added after the comment period, and that the FEIR analysis of the EIR is incomplete and referred to no indication of clean energy on this project. Jim Miller, Development Manager for Diablo Grande commented on the development of a 4 lane road to Diablo Grande. Ross Middlemiss, a staff attorney for the Center of Biological Diversity who submitted comments earlier that morning, mentioned it was a quick turnaround from the release of the FEIR and requested the Board postpone the consideration until the expansive environmental documents released 8 business days prior can be fully reviewed. He also mentioned his view that extensive environmental impacts with the project. Katie Lindsay from the Center of Biological Diversity commented on the mitigation pertaining to burrowing owls. Lastly, Elias Funez, resident of Patterson and Grass Valley commented on the Native American pathway located in the area potentially planned for the reservoir placement. Anthea thanked those who made comments and shared that this project and the EIR had been worked on for over 20 months and the Board of Directors had received monthly reports on the efforts and

status of the project. She then acknowledged the tremendous work done by the team at Woodard and Curran and added her opinion that the benefits greatly outweighed the significant and unavoidable impacts listed in the Statement of Overriding Considerations. She thanked the SJRECWA and Chris White for their partnership on the project. She then asked if there were any questions from Staff or the Board. Being none, the Board then approved the requested the Board to consider the Resolution Certifying an Environmental Impact Report, Adopting Environmental findings and Statement of Overriding Considerations, Adopting a Mitigation Monitoring and Reporting Program Under CEQA for the Del Puerto Canyon Reservoir Project, and Approval of the Del Puerto Canyon Reservoir Project by roll call vote as follows:

Ayes: Bays, Koster, Perez, Jasper, Lucich and Lara
Nays: None
Abstentions: None
Absent: Maring

B. Board to Review and Consider Adoption of a Policy for Debt Management

Anthea reported that in order to move forward with the Contract Conversion, which was successfully approved on September 28, 2020, a prerequisite item required by CoBank was for the District to adopt a formal Debt Management Policy, which was provided and presented to the Board. After review and discussion, Anthea asked if there was any members of the public that wished to comment on this item. Being none, president Bays moved forward and asked the Board if they wished to approve the policy, and asked for a motion and a second. The Board approved the adoption of a Policy for Debt Management by roll call vote as follows:

Ayes: Bays, Koster, Perez, Jasper, Lucich and Lara
Nays: None
Abstentions: None
Absent: Maring

C. Board to Consider Resolution Authorizing the Financing of the District's Repayment Obligation Pursuant to the Contract Between the United States and Del Puerto Water District Providing for Water Service for Delta Division and Facilities Repayment, Approving the Form of an Installment Purchase Agreement and Directing Execution and Delivery of all Necessary Financing Documents, and Providing for Other Matters Properly Related Thereto

Anthea reported that this item was related to the financing for the contract conversion construction obligation that the District will be paying off. She shared that the District was within the 60 day time period after which the contract was executed and needed to perfect the payoff of the District's construction obligation with the Bureau of Reclamation. The draft Resolution and the Installment Purchase Agreement between Del Puerto Water District and CoBank were provided to the Board in advance were reviewed and discussed. She indicated the District counsel Alan Doud suggested the second sentence in the second paragraph to read "The President, Vice President, General Manager, or any other person authorized by the Board or designee thereof is hereby authorized and directed to execute and deliver the Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by General Counsel, including without limitation such changes as are necessary and appropriate to conform the Installment Purchase Agreement to the term sheet of June 18, 2020." Anthea asked if there were any questions or comments from the Board or the public. Being none, after review and discussion, the Board approved the Resolution Authorizing the Financing of the District's Repayment Obligation Pursuant to the Contract Between the United States and Del Puerto Water District Providing for Water Service for Delta Division and Facilities Repayment, Approving the Form of an Installment Purchase Agreement and Directing Execution and Delivery of all Necessary Financing Documents, and Providing for Other Matters Properly Related Thereto with the suggested changes recommended by District Counsel Alan Doud by roll call vote as follows:

Ayes: Bays, Koster, Perez, Jasper, Lucich and Lara
Nays: None
Abstentions: None
Absent: Maring

D. Board to Consider Removal of APN's 021-015-020 (18 ac) and 021-015-022 (6 ac) from District Service

Anthea shared that parcels 021-15-020 and 021-015-022, owned by TID and MID are currently occupied by an electrical substation. After speaking with both districts, they agreed that water service was not needed nor required and requested to have their parcels removed from service from Del Puerto Water District. After

discussion, it was approved by roll call vote to remove APN's 021-015-020 (18 ac) and 021-015-022 (6 ac) from District service as follows:

Ayes:	Bays, Koster, Perez, Jasper, Lucich and Lara
Nays:	None
Abstentions:	None
Absent	Maring

6. MANAGER'S REPORT

Anthea reported that a few days prior, the Association of California Water Agencies issued a roadmap to achieving the Voluntary Agreements to Governor Newsom and called the State to come to the table to resolve litigation between the Federal Government, public Water Agencies and non-governmental organizations regarding their incidental take permits and biological opinions. Their second call to action was then to call on the Governor to convene all the parties into this voluntary agreement process and to advance the implementation of the Water Quality Control Plan through the Voluntary Agreements rather than the unimpaired flows approach. Their third call to action was to support all of the agencies involved that have proposed early implementation projects that would improve fish and wildlife and work with the projects to include funding assistance and streamline permitting. Due to all the litigation regarding the biological opinion and state's incidental take permit, this item has been paused. She also reported that the State Water Project and its contractors were moving forward with amendments to the SWP Contracts, but they specifically relate to water management actions under the contracts and have dropped the concept of amending the contracts to extend them for purposes of specifically funding the conveyance project. The Department of Water Resources is moving forward with their validation action with the courts to validate their ability to issue bonds to fund Delta Conveyance and the costs associated with that. At the moment Del Puerto WD does not anticipate participation in the Delta Conveyance Project.

7. WATER OPERATIONS & SUPPLY

A. CVP/SWP Operations

Anthea reported that the comment period closed a few days ago on the District's effort to get a long term transfer exchange approval from the State Water Resources Control Board to do the exchanges that use the California Aqueduct and the DMC to enable deliveries to some customers that are in both Districts. A petition to gain a 15-year approval was noticed by the State Board and the comment period ended on October 19th. She was not aware of any comments being made and did not believe it would be an issue getting approved. Anthea reported that San Luis Reservoir started the month with 972 TAF and was currently at 948 TAF. Due to the reconciliation of shared accounts, federal storage now showed 385 TAF, which was an increase of 23 TAF since the beginning of October with pumps running at 3,400 cfs due to outflow requirements. Another unit will be dropped to 2700 cfs as of that morning.

B. Monthly Supply/Use/Completed Transactions Summary Report as of 9.30.20

Adam reported in-district use for the month of September at 4,545 AF and transfers out of 250 AF, for a total of 4,795 AF of use in September. In-District use forecasted for the year is 79,639 AF, and a total of 15,731 AF is estimated for rescheduling into 2021-22. Anthea asked if there were any questions from the Board pertaining to Water Operations and Supply. Being none, the meeting continued.

C. Landholding/Licensing Updates

There was nothing to report on this item

8. RESOURCE MANAGEMENT ACTIVITIES

A. Westside Integrated Regional Water Management (IWRM) Activities

Anthea reported that in the San Joaquin River funding area, the Prop 1 round 1 implementation draft grant agreement between DWR and the receiving agencies was close to finalized. NVRRWP will receive \$30,000 to \$40,000 of this grant and CCID will receive \$800,000 of funding for the Orestimba Creek Recharge and Recovery Project. She also reported that the Orestimba Creek Recharge and Recovery Project received early funding approval.

B. SJVDA/Westside San Joaquin River Watershed Coalition Report(s)

Adam provided the Agenda to the October 6th meeting which included the financial reports to give the Board an idea of what activities they are currently being worked on. He also reported an increase of pyrithioids and the Coalition was planning on doing outreach to try and figure out how to slow it down as they were successful in

the past. Also included in the packet were paperwork requirement updates for the coming year and a Paperwork Status Update for District customers who had yet to provide their reports. Board Member Koster asked why E.coli showed up in the reports and Adam explained the natural occurrences that take place in showing up on all water sources.

C. Sustainable Groundwater Management Activities

Adam provided a summary of the Northern & Central Delta Mendota GSP Implementation which showed the District as completing the data submission required. Also provided was a GSP Implementation 3 month look ahead for the Board's review. Adam also reported on the Prop 68 Implementation Grant opportunity which had funding available for proposed implementation projects completed by 2024. He believed the Orestimba Creek Expansion was a potential for this grant. A summary of other projects expressing interest was also provided.

D. Remote Telemetry Project – Update

A Staff report summarizing the activities that had taken place to date with the Water Smart Grant that was received in 2017 to help facilitate this project was provided and reviewed. Adam reported that hardware had been installed in two turnouts (46.83L and 47.37-L) and that he had been receiving data from both locations. Reports on the data were being drafted for water users to have access to that information. User interface still needed work and should have it finalized by the end of November 2020.

9. FINANCIAL MATTERS

A. 2021 DRAFT Water Rates

Anthea provided and reviewed a CVP Schedule of Irrigation Cost of Service Draft Water Rates for 2021 (Schedule A-2A) from the Bureau of Reclamation.

B. OPEB Funding Update for CERBT 1st Quarter Ending 9.30.20

Minnie provided and reviewed the OPEB Funding Update for CERBT 1st Quarter Ending 9.30.20.

C. Update on Delinquency Sale Process for APN 026-013-017

Anthea reported that Staff was moving forward with the Delinquency Sale process on parcel 026-013-017 after several attempts to work with the owner to collect the assessments for 2019 and 2020.

D. CVP Financial Matters

Anthea provided the CVPWA Financial Affairs Committee Meeting Notes from the July 17, 2020 meeting and noted that the main topics being discussed were the True-Up and the CVPIA Restoration Fund. She also reported that the Bureau of Reclamation was working on the implementation of the final cost allocation for the CVP into the 2021 rates.

10. SUPPLY DEVELOPMENT PROGRAMS

A. North Valley Regional Recycled Water Program – Update

Anthea provided the May to July 2020 Progress Report and shared that on September 22, 2020, the City of Turlock approved the final change order with Ranger Pipelines and passed a resolution to deem the project complete. The final contract total on the NVRWP was \$28,325,528.16. She also reported that the City of Turlock had requested an extension on the final date to submit its request to the SRF Loan and once that occurs and the loan is drawn on, a final amortization schedule will be available. She believed this would create a rate much lower than first expected.

B. Orestimba Creek Recharge & Recovery Project – Update

Adam reported that a meeting with the contractor Provost & Pritchard took place to get an overview of the path this project would be taking. He shared that the plans for the expansion included pipelines to divert water from Orestimba Creek, when available, and improved pipelines from the DMC to the recharge-ponds and would move forward with the environmental work pertaining to this design. A main point of interest was trying to figure out how to recover that water once it's charged into the aquifer. Adam asked if there were any questions. Being none, the meeting continued.

C. Del Puerto Canyon Reservoir Project – Update

Anthea provided the July 2020 and October 2020 Progress Reports and shared that in addition to the recent finalized environmental document and project approval, the Federal Feasibility Report was scheduled to go to the Commissioner of Reclamation sometime in the coming week for approval. The goal was to get the

recommendation to the Secretary of the Interior for a finding of Federal Feasibility, which would enable the project to be eligible for Federal funding (up to 25%) through the Water Infrastructure Improvements in Nation (WIIN) Act. Staff had also been assisting Reclamation and their efforts on NEPA and predicted that the USBR would have that finalized by April 2021. She also reported that Staff had been working on perfecting the Financial Assistance Agreement, which is an agreement between Reclamation and the District which would allow access to the residual federal funding that was made available through Congress last year for Feasibility studies. Knowledge of another \$1.5 million for Feasibility Studies had been noted and potentially a larger block of funding for 2021 to continue in the efforts of getting through all the steps needed to determine feasibility of the project. Anthea also shared that the Army Corps of Engineers agreed to be a cooperating agency with Reclamation under NEPA and shared a letter confirming this action.

D. Los Vaqueros Reservoir Expansion Project - Update

Anthea provided some recent updates on the Project and reported that District was engaging in several meetings and workshops that CCWD had been holding pertaining to the Joint Powers Agreement, cost allocations and modeling.

E. BF Sisk Dam Raise Project - Update

Anthea reported that their Environmental Documents had already been through their comment period and that the proponents were in the process of addressing those comments.

11. ADMINISTRATIVE ACTIVITIES

A. Office Building Expansion Project – Update

Anthea shared that completion of the expansion was expected to be by the end of November 2020. A report showing costs incurred to date was provided and reviewed with the Board.

B. Contract Conversion Update

There was nothing to report on this item.

12. SLDMWA Report

A. SLDMWA Minutes, Reports and Issues Updates

Anthea provided the SLDMWA Minutes for the 9/17/20 meeting, O&M report for September, and Memos on the update of the Science Program, adoption of a Resolution Making Single Source Findings and authorizing the purchase of Flowmeters and discussions pertaining to the Jones Pumping Plant Project financing and reported that the Water Authority was currently working on the Jones Pumping Plant Project where the refurbishment of the pumps was underway and the method of funding the remaining two units was being decided. They were also leading on the CEQA side as a lead agency for the raise of the BF Sisk Dam.

13. ARTICLES/CORRESPONDENCE/PUBLIC OUTREACH

Family Farm Alliance's Executive Director's Report for October, BOR's CVP Contract Conversion Completion News Release, a Final EIR Released on DPWCR article, and Modesto Bee's Congressional District 10 candidate's articles were provided for the Board's review. Anthea also shared that a successful safety-distanced retirement party for Frances Mizuno was given by Federico Barajas.

14. CLOSED SESSION

There was nothing to report for closed session.

15. ITEMS TO DISCUSS PURSUANT TO GOVERNMENT CODE 54954.2

16. ADJOURNMENT

Being no further business, the meeting was adjourned at 11:33 a.m.

Respectfully submitted,



Anthea G. Hansen
Secretary