



**REGULAR MEETING OF THE BOARD OF DIRECTORS
AUGUST 18, 2021
MINUTES**

1. CALL TO ORDER

President Gene Bays called the meeting to order at 8:34 a.m. Board Members present were Zach Maring, Jim Jasper, Jarod Lara and Kyle Perez, Bill Koster and participating via Zoom was Board Member Pete Lucich.

2. OPPORTUNITY FOR PUBLIC COMMENT

There was no public comment.

3. ADDITIONS/REVISIONS TO THE AGENDA

Anthea requested to add Action Item VI.E. pertaining to the purchase of District vehicles. There were no other additions or revisions to the Agenda.

4. CONSENT CALENDAR

The Minutes from the Board Meeting of 7/14/21, Monthly Accounting Reports as of 7/31/21, and Field Operations Report for July 2021 were provided in advance for the Board's review. The Board approved the Consent Calendar per roll call vote as follows:

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

5. CLOSED SESSION

Conference with Special Legal Counsel – Existing Litigation

Upon return from Closed Session, the Board approved the Terms of a Draft Agreement for Conveyance and Exchange of Water with West Stanislaus ID and also a related amendment to the existing Conveyance Agreement changing the pricing of the conveyance terms.

Conference with Legal Counsel – Existing Litigation

There was nothing to report on this item.

6. ACTION ITEMS

A. Board to Receive Independent Auditors Report on the District's Audited Financial Statements for the Fiscal Year Ended February 28, 2021

Anthea provided the Draft Audited Financial Statements for the Fiscal Year Ended February 28, 2021 and introduced Jeremy Ware of JWT & Associates, LLP who gave the Board a presentation on the Audit. After review and discussion, the Board approved the Independent Auditors Report on the District's Audited Financial Statements for the Fiscal Year Ended February 28, 2021 per roll call vote as follows:

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

B. Board to Approve Correction to the Minutes of June 16, 2021

Anthea reported that the June 16, 2021 Minutes were in error with respect to the Districts Representative and Alternate Representative on the SJDVA. A correction to the minutes was approved via roll call vote as follows:

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

C. Board to Ratify Staff Approval of a Letter Agreement with SLDMWA as to the Terms for Participation in CVP Transfer for Supplemental Supply from Stockton East Water District

Anthea provided a Letter Agreement with SLDMWA which outlined the Terms for Participation in a CVP Transfer for Supplemental Supply from Stockton East Water District. The Bureau approved this transfer the day prior and in advance of the approval and in order to start moving water the next week, the Water Authority requested that the agencies in Stanislaus and San Joaquin counties which were eligible to receive water from Stockton East Water District sign indicating their willingness to participate. Anthea indicated that previous guidance from the Board regarding acquisition of limited supplemental supplies was relied upon when executing the Letter Agreement. She reviewed the terms and the Board approved the Letter Agreement with SLDMWA as to the Terms for Participation in CVP Transfer for Supplemental Supply from Stockton Easter Water District via roll call vote as follows:

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

D. Board to Review and Consider Resolution Authorizing Execution of the Fist Amended and Restated Los Vaqueros Reservoir Project Activity Agreement

Anthea provided a memo pertaining to the Los Vaqueros Reservoir Project Activity Agreement and shared that Maureen Martin from Contra Costa Water District was present via Zoom to assist with any questions on the Project. Anthea gave an overview of the District's participation in the Expansion Project throughout the years and how participation in this Project could benefit the District by offering flexibility on moving CVP water as well as storage capabilities. After review and Discussion, the Board approved the Resolution Authorizing Execution of the Fist Amended and Restated Los Vaqueros Reservoir Project Activity Agreement via roll call vote as follows:

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

E. Board to Consider Budget Approval of Expenditure for the Purchase of Two District Vehicles

Anthea reminded the Board that Paul Stearns, O&M Manager of the SLDMWA would be joining the Del Puerto Water District Staff on September 7th with the title of Deputy General Manager-Water Operations. Adam Scheuber's new title will be Deputy General Manager-Water Resources. She also requested a budget item to have 2 vehicles purchased to replace a truck and add a vehicle to the fleet for Paul. After review and discussion, the Board approved a budget expenditure of \$80,000 to \$110,000 from reserves for the purchase of 2 vehicles and the selling of the old vehicle first via a bid to landowners, via roll call vote as follows:

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

Anthea asked if any members of the public had any questions or comments on the Action Items or the Managers Report. Being none, the meeting continued.

7. MANAGER'S REPORT

Anthea reported that the main focus of the State and Federal Water Agencies at the moment was operations of the Projects and trying to keep the water moving within the system.

8. WATER OPERATIONS & SUPPLY

A. CVP/SWP Operations

Anthea provided a letter written to the State Water Resources Control Board from the SLDMWA, TCCA, Friant and SWC regarding the Protection of Stored Water and Enforcement of California's Water System and shared that although she did not have any specific updates, the SWRCB adopted curtailment orders which affect 5,000 of the 6,000 water rights holders in the state, even some pre-1914 water rights holders. The orders called for a curtailment of any diversion of natural flow. Fortunately, this would not impact any water currently stored. The orders are effective for one year, unless they are rescinded. She added that there is a lot of effort amongst water rights holders on how to work with the State Board to put processes in place so in the event that a storm system comes through or an opportunity to capture water is present and still allow the projects to meet their obligations, that they can quickly react and do that. Anthea believed that next year will be a dire year, even if a normal hydrological winter were to happen, as the system is severely depleted and there are a lot of signs in place that show it will take some time to recover. She also indicated that there was currently a tremendous amount of coordination between the SWP and the CVP to keep water flowing, including temporary and emergency orders from the SWRCB that have allowed the State and Federal Projects to exchange water to help bolster negative CVP Storage in San Luis Reservoir.

Adam provided the Board with some aerial pictures of the California Aqueduct and reported that he was investigating a leak he had spotted while checking on some turnouts. Upon taking pictures and sending them to the Department of Water Resources, it was discovered that there was a much bigger issue. It appeared there was a previous leak in the same area in 1997 where the Aqueduct had to be completely drained and repaired immediately and indicated that they performed the same repairs for this leak as well, this time using a coffer dam. The handouts showed an enormous fleet of vehicles, personnel, and equipment required to make those repairs.

B. Monthly Supply/Use/Completed Transactions Summary Report as of 7/31/21

Adam provided the Supply/Use/Completed Transactions Summary and reported in-District use for the month of July at 7,551 AF. Total current use for the year was 26,980 AF. Total estimated for rescheduling into 2022-23 was 18,457 AF. Anthea added that the Mapes Ranch transfer was also included in the Report but noted that this summary was very preliminary, as the Mapes Ranch transfer could be moved over the course of many months. The Board's guidance was to acquire as much water as possible now in anticipation of worsening conditions in 2022.

C. 2021-22 Additional Supplies Update

Anthea provided an email regarding the OID/SSJID transfer and explained that it had not been approved, and reviewed with the Board a report showing various additional supply scenarios. After review and discussion of fulfilling the remainder of Additional Supplies ordered by customers, as well as discussion of several customers who are in dire need of supplies and wanted to order Late Additional Supplies, Staff suggested that those customers who subscribe for Late Additional Supplies would receive their full request but with no rebates. The Board suggested Staff reach out to only those customers that were in dire need of water and that the rate should be \$675/AF, paid in advance, and the water would not be able to be rescheduled or refundable.

D. Landholding / Licensing Updates

Anthea provided a list of recent landholding changes in the District and shared that longtime landowner and former Director Fred Vogel had recently sold his property to existing landowners, the Sandhu family. She also reported that a foreclosure notice had been received on two district parcels located on Zacharias Road, which were previously protected by a bankruptcy filing. Those parcels had unpaid District assessments. She was currently working on ensuring the District was paid for those assessments either from the bankruptcy creditor committee or as part of the foreclosure. Another parcel of land by with delinquent assessments had passed the one -year mark, which left two more years of the three-year timeframe for a District foreclosure process.

9. RESOURCE MANAGEMENT ACTIVITIES

A. Westside Integrated Regional Water Management (IRWM) Activities

Anthea asked if there was any member of the public that had any comments or questions. Being none, she provided the SLDMWA Activity Agreements – Staff Report for the Board to review.

B. SJVDA/Westside San Joaquin River Watershed Coalition Report(s)
Anthea reported that she had formerly notified the Drainage Authority that Director Maring would be replaced by Director Lara. She added that Adam Scheuber was working on getting the delinquent form filers to turn in their FEP/NMP forms by the end of the month, and that she would be sending notices to those still not in compliance after that date that water deliveries will be paused until all forms are turned in. Adam reported that at last month's meeting, the tracking of nitrates in groundwater and discussion of implementing the Nitrate Control Program was the main focus.

C. Sustainable Groundwater Management Activities
Anthea provided a DWR/SWRCB Assessment Q&A, the Agenda to the June 24th GSA Zoom Meeting, Water Quality Monitoring Sample Report, and Preliminary Well Review Maps for the Board's review.

1. County Well Permitting Process
Anthea provided a Draft Stanislaus County Well Permit 30-Day Review Request and reported that Merced County was also in discussions with their GSAs to inform them of a proposed new process, which is similar to that of Stanislaus County. She reported that the Counties are wanting to solidify their responsibility to permit wells only as to the construction requirements of the well and to shift the GSP compliance responsibility of the wells to the GSAs. She shared that about 6 of these permits had come across her desk, and that when indicating compliance with the GSP, she was placing a footnote explaining that the GSP had not yet been reviewed or approved by DWR, and the well may be subject to any future requirements of the GSP as administered by the DM-II GSA. Her concern is to protect the District from any future liability that could arise as a result of an approval or non-approval of the well or activities of the well owner in the future.

D. Remote Telemetry Project – Update
There was nothing to report on this item.

E. ADLP / SRF Loan Program Update
There was nothing to report on this item.

10. FINANCIAL MATTERS

A. Funding Plans to Advance Participation in Storage Projects - Discussion
Anthea asked members of the public if there were any public comment or questions. Being none, Anthea reported that the approval of the Los Vaqueros Activity Agreement and the progressing status of other opportunities to participate in storage projects such as the DPCR, Orestimba Creek Recharge & Recovery Project, and potentially the expansion of B.F. Sisk Dam, really brings the need to forward a discussion on how the District should approach funding for participation in these projects. She suggested having long-term funding strategies in place, such as issuing bonds but not utilizing all of the abilities of those bonds at one time, would be beneficial to the District. She indicated that she will bring this discussion back to the Board in the near future.

B. CVP Financial Matters
Anthea reported that one of the main focuses of CVPWA Financial Affairs Committee currently was to ensure all of the construction rate overpayments are repaid to the Contractors.

11. SUPPLY DEVELOPMENT PROGRAMS

A. Orestimba Creek Recharge & Recovery Project – Update
Anthea asked members of the public if there was any public comment or questions before continuing. Being none, Anthea provided the Orestimba Creek Project weekly meeting Agenda along with revised Agreement for Services from Provost & Pritchard which included increased costs for Applied Earthworks. She reported that a field meeting the week prior with the Bureau and SLMDWA went very well. Progress on the environmental, Geotech and site work was also going well. She believed that design will be at 60% by September and final cost would be better estimated at that time. She predicted that the District's share of local costs would estimate to be in the \$2 million-dollar range. A majority of the project would be funded through grants. She shared that one of the challenges to grant funding for this project is the strict deadlines within the schedule.

B. Del Puerto Canyon Reservoir Project – Update
Anthea provided the Woodard & Curran Monthly Progress Report and a letter from the Department of the Interior to Chairwoman Kaptur pertaining to BOR's funding recommendations for the WIIN Act on water storage projects,

one of which was the DPCR. The funding being recommended for was for \$15,000,000 and will further allow continuation of work related to ESA Consultations, environmental work, permitting, Section 404 permit applications, and several other tasks that need to occur within the next 18 to 24 months. The WIIN Act Funding still has to be congressionally appropriated, but once received, a 75% local match must be available. Anthea was focused on accessing options to present to the Board on how to come up with the local cost share and perhaps finding partnerships with other agencies was an option. She reported that funding coming out in October under the State's Drought Resiliency Program might be a potential option, in addition to second round Prop 1 Storage funding.

C. Los Vaqueros Reservoir Expansion Project - Update

Anthea provided a LVRE General Managers Meeting power point presentation for the Board's review. This item was discussed in item 6.D.

D. BF Sisk Dam Raise Project – Update

Anthea reported that conversations continued on how participating Agencies will allocate and pay for the raise of B.F. Sisk Dam which creates extra storage, and how they might be able to direct and own the capacity rights to that storage in San Luis Reservoir. She added that if the District decided to participate in this project, discussions on how to fund the District's share of the construction would need to occur simultaneously.

E. Pacheco Reservoir Expansion – Update

There was nothing to report on this item.

F. Ceres-DPWD-Turlock Discussions on Advancing Recycled Water into NVRWP Facilities

Anthea reported that the City of Ceres will be sending a Conceptual Project Description and Estimated Costs for improving their pumping stations and capabilities to deliver an additional 1 mgd to Turlock. They believed they could implement the project for less than \$1 million and could result in an extra 800 to 1,000 AF a year in the near term. She believed once agreements were drafted and approved by the Board, the project could be up and running by next year.

12. ADMINISTRATIVE ACTIVITIES

A. 2021 Election Update

Anthea asked if there were any comments from the public. Being none, she reported that she had notified the Stanislaus County Clerk of Directors Pete Lucich, Bill Koster and Jarod Lara's willingness to be appointed for another term. No other applications had been filed by the filing deadline.

B. City of Patterson's Zacharias and Baldwin Ranch Master Plan - Update

Anthea shared that this project has been going on for a long time, with two different areas of land proposed to be annexed to the City of Patterson. The District did not receive any notices in November when the second area was added, which was within the District's' boundaries (other Agencies did not receive notices either). She sent a comment letter that notified the City and the Landowners that service to other neighboring parcels that had a shared turnout would have to be dealt with and decommissioning of any facilities would be the responsibility of the owner. She copied LAFCO on this letter. Typically, lands would continue to get service from the District if under agricultural production, but no contact has been made by the landowner in that regard. She indicated that any communication pertaining to this matter would be shared with the Board.

C. Staffing Update

Anthea shared that Paul Stearns will start on September 7th. His office should be ready for him by that time as well as a stack of pending projects.

13. SLDMWA Report

A. SLDMWA Minutes, Reports and Issues Updates

Anthea provided the SLMWA Minutes, O&M Report, and an Update on Science Program Report for the Board to review.

14. ARTICLES/CORRESPONDENCE/PUBLIC OUTREACH

Anthea shared a memo from the Family Farm Alliance on the Biden Administration Developments, a letter from the American Society of Civil Engineers awarding the NVRWP the 2020 ASCE Sacramento Section Outstanding

Wastewater Treatment Award, a Department of the Interior report on the Kern Canal, and an article mentioning DPCR on Congressman Harder's securing federal funding for the Project.

15. CLOSED SESSION

There was no closed session.

16. ITEMS TO DISCUSS PURSUANT TO GOVERNMENT CODE 54954.2

There was nothing to report on this item.

17. ADJOURNMENT

Being no further business, the meeting was adjourned at 12:27 a.m.

Respectfully submitted,



Anthea G. Hansen
Secretary