

Governing Board

TULARE COUNTY

SUPERVISOR STEVE WORTHLEY,
President
SUPERVISOR ALLEN ISHIDA,
Alternate

FRESNO COUNTY

SUPERVISOR BUDDY MENDES,
Vice President
SUPERVISOR BRIAN PACHECO,
Alternate

MADERA COUNTY

SUPERVISOR DAVID ROGERS,
Director
SUPERVISOR RICK FARINELLI,
Alternate

MERCED COUNTY

SUPERVISOR JERRY O'BANION,
Director
SUPERVISOR JOHN PEDROZO,
Alternate

KINGS COUNTY

SUPERVISOR DOUG VERBOON,
Director
SUPERVISOR CRAIG PEDERSEN,
Alternate

EASTERN CITIES

MAYOR VICTOR LOPEZ,
Director
CITY OF ORANGE COVE
MAYOR NATHAN MAGSIG,
Alternate
CITY OF CLOVIS

WESTERN CITIES

MAYOR PRO TEM ALVARO PRECIADO,
Director
CITY OF AVENAL
MAYOR SYLVIA CHAVEZ, *Alternate*
CITY OF HURON

WESTERN WATER AGENCIES

STEVE CHEDESTER,
Director
SAN JOAQUIN RIVER EXCHANGE
CONTRACTORS WATER AUTHORITY
DAN POPE, *Alternate*
WESTLANDS WATER DISTRICT

TRIBAL MEMBERS

DAN CASAS,
Director
ANGELA KARST, *Alternate*
TABLE MOUNTAIN RANCHERIA

MEMBER AT LARGE

MAYOR ROBERT SILVA



EXECUTIVE DIRECTOR

MARIO SANTOYO
Telephone
(559) 779-7595
E-Mail
msantovo@sivwia.org

SAN JOAQUIN VALLEY WATER INFRASTRUCTURE AUTHORITY

REGULAR BOARD MEETING

OCTOBER 14, 2016 – 9:00 A.M.

FRESNO IRRIGATION DISTRICT OFFICE

2907 South Maple Avenue, Fresno

MINUTES

CALL TO ORDER

The regular monthly meeting of the San Joaquin Valley Water Infrastructure Authority (JPA) was called to order at 9:05 a.m. on October 14, 2016, by President Steve Worthley.

PRELIMINARY MATTERS

At the request of President Worthley, Acting Recording Secretary J. Randall McFarland called the roll of the Board members. The following Board members were present: President Worthley, Vice President Mendes, Directors O'Banion, Lopez, Silva, Chedester, Preciado and alternate Karst. Staff present: Executive Director Mario Santoyo. Attached is the sign-in sheet of others present.

The board and audience members joined in the Pledge of Allegiance.

President Worthley asked for consideration of the Minutes for the regular Board meeting held on September 9, 2016. Director Alvaro Preciado noted he was absent from the meeting. Upon motion of Director Silva, seconded by Director Mendes, it was approved by the Board that the Minutes for September 9, 2016, be adopted as corrected.

PUBLIC COMMENT

President Worthley stated that at this time, members of the public could speak about any item of concern not appearing on the agenda, provided it was within the jurisdiction of the JPA. He said the total amount of time allocated for this public comment period would be determined by the Chair and each individual would be limited to three minutes. It was noted that matters presented during this public comment period may not be discussed or acted upon by the board at this time.

John Anderson, representing Senator Anthony Cannella, complimented the Authority on presentations made at a briefing for legislative staff members.

FINANCIAL

Megan Marks, Fresno County Auditor-Controller's office, distributed copies of the JPA's treasurer's report for the month ended September 30, 2016 (*a copy of which is attached.*) The JPA has collected about \$43,000 in contributions this year and has expended \$42,000 of its budget. Less than \$69,000 in cash remains available to the JPA.

Ms. Marks presented unaudited financial statements for the JPA's first year. The Board of Directors previously decided the initial period of statements for audit would be 18 months. There will be an audit next year. The unaudited Statement of Net Position as of June 30, 2016, showed cash and investments of \$338,794. Receivables included \$38,055 in contributions and \$148 in interest; total assets were \$376,997. Total liabilities amounted to \$20,211. The

Authority's unrestricted total net position was \$356,786. The Treasurer's Report for September 2016 showed a cash balance of \$320,407. That includes budgeted appropriations of \$251,633, leaving total cash availability remaining at \$68,774.

Ms. Marks presented information on general liability and other insurance coverages along with the different options for which quotes were received. Director Lopez moved, seconded by Vice Chairman Mendes to accept the quotes, not including extra liability and terrorist coverage. Motion carried.

Executive Director Santoyo presented a timeline on the JPA's California Water Commission application process. The process is aiming for submission of the application in July 2017. A review and scoring of application will follow, after which project funding will begin to occur in March 2018. The next important milestone will be a Water Commission meeting on October 18 when additional changes or adoption of regulations will occur. It is possible that the current accelerated application schedule could be a major problem for the JPA and include possible JPA future fund shortfalls against what might actually be needed. More funding for the JPA will certainly be needed. President Worthley said the Board is going to need to adopt some sort of continuing funding program. Vice President Buddy Mendes termed the JPA effort a great race to the starting blocks, followed by the actual beginning of the marathon. Mr. Worthley said after the application process is completed it may not be necessary for the Board to meet monthly but he stressed the Board's engagement in the process will continue to be vital. Mr. Santoyo stressed the additional need for the JPA to remain engaged on the federal side.

Mr. Santoyo reported on tax deductible contributions to the JPA from private entities. Legal counsel's opinion was definitive but would require a letter from IRS and would be costly to obtain. Discussion followed. The board decided not to pursue a letter to the IRS unless such correspondence is necessary.

ORGANIZATIONAL

Executive Director Santoyo presented a report on outreach effort to the Friant Water Authority and other water agencies and interests that have been initiated in search of funding for the supplemental feasibility studies and analysis needed to develop additional data and information for the bond funding application. Mr. Worthley and Mr. Mendes have held talks with the FWA, as has Mr. Santoyo, to answer Friant's questions and address concerns. A spot for an East Side water agency remains open on the JPA Board.

Mr. Santoyo said the San Luis and Delta-Mendota Water Authority has expressed interest in participating (through Chris White, General Manager of the Central California Irrigation District) on the Technical Advisory Committee. Mr. White reported (by telephone) that the SLDMWA is interested in participating and is willing to contribute \$20,000 for studies.

TECHNICAL ADVISORY COMMITTEE

Chris White, Technical Advisory Committee (TAC) Chairman, reported the TAC reviewed the JPA's written comments to the California Water Commission's staff. He characterized the JPA's set of comments as very important. He said they propose a slight change in the climate change portion of the required analysis. The JPA is asking that the issue be changed from an analysis of anticipated 2070 conditions to a sensitivity analysis in the reservoir. The TAC also discussed the project application vision document.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Santoyo said he had been accompanied by Director Lopez at the September 16 California Water Commission meeting in Sacramento. He again stressed importance of the October 18 California Water Commission meeting, and how vital it is for JPA Board members to also attend. The Commission plans to deal with climate change, environmental mitigation and compliance obligations,

management of public benefits, and project scoring and normalization, all of which have been raised by the TAC. Director Lopez reported he had told the Commission of the JPA's concerns about the tight time schedule and costly analysis demands proposed by the California Water Commission staff.

Mr. Santoyo noted the Water Commission's acting Executive Officer, Rachel Ballanti, is leaving; she has provided great staff balance for the Commission.

Mr. Santoyo reported on support letters for the Temperance Flat Project, including one involving Congressman Costa that was addressed in conjunction with the Friant Water Authority. He said more letters to the California Water Commission are needed from public agencies and other valley interests.

Under the JPA's partnership with the Bureau of Reclamation, Michelle Denning, Regional Planning Officer for USBR's Mid-Pacific Region, said Reclamation has identified and prepared a report on extensive differences between what has been prepared regarding the feasibility for the Temperance Flat project and what the California Water Commission is requiring. The draft regulations are not consistent with principles within the former federal-state Calfed partnership. The Commission's requirement for 2070 climate change data was not vetted before being incorporated in the bond funding application requirements. President Worthley noted that the Water Commission staff had indicated previously that due to the shortened time frame it had adopted, less detail in applications would be received. Ms. Denning said Reclamation is preparing a first quarter report on expenditures under its agreement with the JPA. She added there is no update on the status of the Bureau of Land Management proposal for a Wild and Scenic River designation involving the Temperance Flat Reservoir site on the San Joaquin River.

Mr. Santoyo said because more analysis must be undertaken for the Water Commission application process on Temperance Flat's feasibility, more costs are anticipated. The JPA must assist Reclamation in obtaining more funding. Within some sidebars, Reclamation may be able to provide some additional funding. It will also be crucial for other water providers to be at the table to consider funding for other projected Temperance Flat Project benefits. Mr. Worthley cited the valley's growing groundwater issue and the many new state mandates under the Sustainable Groundwater Management Act as being of vital importance. Other potential activities and projects were discussed.

OTHER BUSINESS:

Executive Director Santoyo said a Washington, D.C., trip that had been planned for early October had to be cancelled because key individuals with whom the JPA intended to meet were not available. The JPA is working with Fresno County's lobbyist to reschedule meetings and the trip. Leave-behind informational documents are being prepared.

OUTREACH

A briefing was conducted for Legislative staff members and a similar program is being planned for Congressional staff.

REPORTS FROM DIRECTORS

Director Rogers encouraged participation by Board members in Water Commission meetings and other JPA outreach.

Director Lopez noted the JPA's outreach to the new Mexican Consul in Fresno. Mr. Santoyo reported on recent tours he provided to the Consul.

NEXT MEETING

Because the next regular meeting date would fall on Veterans Day, the Board by consensus changed the next meeting to begin at 9:00 a.m. November 10, 2016, at the board chambers of the Fresno Irrigation District, 2907 South Maple Avenue, Fresno, California.

ADJOURNMENT

There being no further business to come before the meeting, the same was adjourned by President Worthley at 10:28 a.m.

Respectfully submitted,



J. Randall McFarland
Acting Recording Secretary