

# GOVERNING BOARD



2800 Burrel Avenue, Visalia, California 93291  
[www.tularecounty.ca.gov](http://www.tularecounty.ca.gov)

SUPERVISOR KUYLER CROCKER,  
*Alternate*

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*Vice President*

SUPERVISOR BRIAN PACHECO,  
*Alternate*

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SUPERVISOR DAVID ROGERS,  
*Director*

SUPERVISOR BRETT FRAZIER,  
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## **MERCED COUNTY**

SUPERVISOR JERRY O'BANION,  
*Director*

SUPERVISOR LLOYD PAREIRA,  
*Alternate*

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*Director*

SUPERVISOR CRAIG PEDERSEN,  
*Alternate*

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COUNCILMAN JOSE FLORES,  
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*Director*  
CITY OF AVENAL

MAYOR RAY LEON, *Alternate*  
CITY OF HURON

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*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**

COUNCILMAN ROBERT SILVA



## **EXECUTIVE DIRECTOR**

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## REGULAR MEETING OF THE BOARD OF DIRECTORS JUNE 9, 2017

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 9:02 a.m. on June 9, 2017, by President Steve Worthley.

### PRELIMINARY MATTERS

At the request of President Worthley, Recording Secretary J. Randall McFarland called the roll of Board members. The following directors were present: President Worthley, Vice President Mendes, Directors O'Banion, Verboon, Lopez, Preciado, Silva and Rogers (*arrived 9:19 a.m.*). Staff present: Executive Director Mario Santoyo. Others present (*from roll signatures*): Recording Secretary J. Randall McFarland; Megan Marks and Apao Xiong, office of the Fresno County Auditor-Controller; Jeff and Jill Aiello, 18Thirty Entertainment; Manuel Cunha Jr., Nisei Farmers League; Don Wright, freelance reporter; David Merritt, Kings River Conservation District; Ana Melendez, Assembly Member Arambula's staff; Rick Mirigian; John Anderson, Senator Cannella's staff; Jodi Raley, CCGGA-WAPA; Bill Stretch, Fresno Irrigation District; Davian O'Connan, CVP; Nicholas Sinclair, Assembly Member Jim Patterson's staff; and Stephen Spencer, AECOM.

The board and audience members joined in the Pledge of Allegiance, led by President Worthley.

President Worthley asked for consideration of the Minutes for the regular Board meeting held on May 12, 2017. Director Verboon moved, seconded by Director Lopez, that the minutes be approved. The motion carried.

### 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. Rick Mirigian informed the board about the upcoming Fight for Water VII – Building Temperance Flat, featuring boxer Jose Ramirez, to be held in late October and televised nationally from Fresno on ABC or ESPN. Executive Director Santoyo said the event would gain much national exposure for the Temperance Flat project. John Anderson, a member of Senator Cannella’s staff, reminded the board about Madera County’s initial hesitation to join the JPA because of differences among water agencies, and how that has changed. Mr. Anderson said a recent meeting of engineers he attended was marked by great interest in the Temperance Flat project, and that the Mayor of Kerman spoke in favor of the project during a Kerman City Council meeting. Bert Gomez, a community worker, addressed the board on working together on immigration issues.

## **FINANCIAL**

Megan Marks, Fresno County Auditor-Controller’s office, introduced Apao Xiong of the Auditor-Controller’s staff, who will be working with the JPA on behalf of Ms. Marks.

Ms. Marks presented a financial overview. She said the JPA has approximately \$126,000 in cash remaining for use in the new fiscal year and stated the JPA should conclude the fiscal year a little under budget.

Ms. Marks presented information on renewal of a crime insurance policy. After discussion indicated a board belief the insurance is not required, Vice President Mendes moved, seconded by Director Lopez, to not move forward with the renewal, on condition of finding such insurance isn’t required. The motion carried unanimously.

Mr. Santoyo presented information on new employee insurance. On motion of Director Silva, seconded by Director Preciado and carried unanimously, the board granted authorization for the insurance premium.

## **GUEST SPEAKER**

Dr. Joaquin Arambula, State Assembly member, addressed the board, noting that he is a strong supporter and advocate for the Temperance Flat Project. He said he expresses the need for the project and additional above-ground storage facilities at every opportunity. He expressed frustration with how the California Water Commission wrote its application regulations but noted it is now time for all concerned to do everything possible to move the project forward. He mentioned use of his website “landing page” to help valley residents contact the Water Commission and his desire to distribute a letter of project support to the area. Dr. Arambula said he has asked Speaker Rendon to visit the valley and the Temperance Flat Dam site and the speaker has agreed. The Assembly member has asked the Water Commission to schedule a public hearing in the Fresno area and offered his staff and office to assist in setting up a Sacramento briefing. On June 8, the state Budget Conference Committee of which Dr. Arambula was a member, approved \$4 million for the Friant-Kern Canal pump-back project, another \$4 million to replace domestic wells that failed during the drought and \$8 million for domestic connections to water systems as a result of failed wells. He said he believes the committee strongly supports



Temperance Flat, which he noted is vital as the Sustainable Groundwater Management Act is implemented. Board members voiced their support and thanks for Dr. Arambula's plans and positions.

## TECHNICAL ADVISORY COMMITTEE

Chris White, Chairman of the JPA Technical Advisory Committee and General Manager of the Central California Irrigation District, reported that the technical team — including the San Luis & Delta-Mendota Water Authority, Friant Water Authority and several district managers — has prevailed in crafting an operations plan to which the parties are in full agreement. The process is a bit behind schedule but Mr. White said he is convinced the JPA will have an excellent application for state water bond funding. The operations plan centers on maximizing yield out of the \$3 billion Temperance Flat Dam and Reservoir, both through the Friant-Kern and Madera canals, and down the San Joaquin River. The plan is focused on maximizing yields to those who invest in the project, including the state and federal governments and, for demonstration purposes, one other river system. The plan depends heavily upon water exchanges to improve overall yield.

President Worthley noted that the project and bond revenue application could not move forward without agreement on an operations plan. "This is a great day," Mr. Worthley said. Mr. White said much work remains to be done.

Bill Swanson of Stantec noted he had been working on the project since 2001. He summarized the project background and then explained details of the operations plan. Mr. Swanson said the relationship between the Bureau of Reclamation and the JPA is exemplary. He termed the effort "a sprint to get to the starting line for a marathon" because of its short application process deadline and lengthy deliberation and award process. He said the operations plan illustrates the range of opportunities within the project that investors can understand. It also addresses and greatly modifies the original Reclamation feasibility study that, as prepared, created some significant doubts over whether the cost would be worth it for the water yielded, and whether all existing water commitments and supplies would be preserved. Physically, Temperance Flat would be upstream from Millerton Lake but the operations plan would preserve the existing San Joaquin River and Friant Division operation and obligations. Temperance Flat would be utilized to manage the water that would spill over Friant Dam and seek to isolate that water supply in the new reservoir, thus demonstrating the added value Temperance Flat would provide. The value of Temperance Flat is to deal with what is typical — the San Joaquin's occasional big water supply years. It would be "a large vessel" to capture large quantities of water the river can generate.

Mr. Swanson explained the Temperance Flat concept is to develop investor accounts. There would be two different basic purposes — 1) use by East Side users (via the Friant-Kern and Madera canals) and 2) use by West Side users (via the San Joaquin River and storage in San Luis Reservoir). Water arriving in Temperance Flat could be placed in investor-owned *inflow accounts*, from which the purchaser could manage the supply. Water could also be exchanged into Temperance Flat Reservoir from other river systems crossed by the Friant-Kern and Madera canals. He offered illustrations of how exchanges could function between river systems, as well as between the West Side and East Side, to boost overall supplies by utilizing Temperance Flat storage with increased flexibility. This would include opportunities for storage by West Side agencies in the new reservoir. In addition, an eco-system account could be established for investment by the state to be utilized for environmental purposes, such as wildlife refuges. That would also significantly improve the San Joaquin River's eco-system public benefits.



Thus, under the operations plan, supplies to the East Side would be maximized, aiding with compliance with SGMA. Opportunity would be created for additional West Side supplies, with conveyance down the river creating additional eco-system public benefits. Finally, the state would be provided with an opportunity to invest in an eco-system account of water for wildlife refuges, which would also create public benefits for the project. In response to a statement by Director Rogers, Mr. Swanson confirmed the project would create new conjunctive use opportunities for water storage above ground and underground, the latter including water banking. Such access to local water supplies or water from other rivers would be brought forward by investors themselves, not the JPA or existing regional water agencies. Mr. Swanson said there is a limited amount of water available and that more water cannot be created. He agreed that governance questions will remain to be framed and decided. Mr. Santoyo said a real value to investors, such as an irrigation district, would be to have actual storage to manage. Recording Secretary McFarland noted, and Mr. Swanson confirmed, that the Temperance Flat storage system would bear similarities to that used by Kings River units in Pine Flat Reservoir.

Mr. Swanson pointed out that Friant is the only dam in California that, through its conveyance to contractors and users, does not provide an environmental benefit to the river below the dam. Temperance Flat would provide such a public benefit to the San Joaquin River and it would ride on top of water made available for the San Joaquin River Restoration Program. He said East Side benefits from Temperance Flat would primarily occur during wet years but West Side benefits would be greatest in dry years when there is a need for supplemental water. That is also when the river eco-system needs water the most.

The Water Commission application must be filed by August 14, followed by a six-month review process. A year from now, the JPA will learn whether the Water Commission believes the project will have public benefits for the state. There was also discussion about an ACWA report on integration of storage, future environmental review requirements and related matters.

Mr. Santoyo then reviewed a proposed amendment to the JPA's agreement with Stantec in *Temperance Flat WSIP Scope – Modification No. 1 to Task Order No. 3*. He stated it is consistent with the JPA budget. On motion of Director Silva, seconded by Vice President Mendes and carried unanimously, the amendment was agreed to.

## **RECESS**

The President, Mr. Worthley, called a recess at 10:21 a.m. He reconvened the meeting at 10:27 a.m.

## **FINANCIAL**

Megan Marks, Fresno County Auditor-Controller's office, reviewed the JPA's recommended budget for fiscal year 2017-18. (*A copy is attached.*) The budget anticipates revenues of \$606,010 and authorizes appropriations of \$631,470 with revenue in excess of appropriations totaling \$25,460. The anticipated fund balance on June 30, 2018, is \$101,396. On motion of Director Rogers, seconded by Director O'Banion and carried unanimously, the 2017-18 budget was agreed to.

Ms. Marks discussed proposals received for audit services. Price Paige and Company Accountancy Corporation provided the best proposal and the arrangement will cost about \$8,000 in each of the next two years. Director O'Banion moved, seconded by Vice President Mendes and carried unanimously, the Price Paige proposal was accepted and Executive Director Santoyo was authorized to execute the contract.



Executive Director Santoyo reviewed the proposal received and contacts made with firms for expanded public relations services. Two Sacramento firms were considered along with a Clovis firm. The latter, 18Thirty Entertainment, is owned and operated by Jeff and Jill Aiello of Clovis. The firm specializes in video and television production as well as marketing campaigns. Comments by board members were supportive. On motion of Director Lopez, seconded by Director Rogers and carried unanimously, the board authorized the JPA's engagement of 18Thirty Entertainment with the Executive Director given discretion to assign and define scope of projects in which they are involved.

## **ORGANIZATIONAL**

Executive Director Santoyo reported there has been feedback to letters sent to the Friant Water Authority and San Luis and Delta-Mendota Water Authority regarding JPA board membership. The SLDMWA is interested. A meeting with Friant officials to discuss the matter was postponed and is in the process of being rescheduled.

A draft Conflict of Interest Code recommended by the County of Tulare, introduced last month by Mr. Santoyo, is being worked upon by the Tulare County Counsel's office.

## **EXECUTIVE DIRECTOR'S REPORT**

Mr. Santoyo again stressed the importance of board interaction with California Water Commission members before CWC meetings and public comment periods.

The JPA has tentatively set a Sacramento legislative day for June 21-22.

The JPA hosted Acting Commissioner of Reclamation Alan Nickleson June 8 on a Millerton Lake boat tour to the site of Temperance Flat Dam. The commissioner is very close to the Interior secretary and quite encouraging about the project. Mr. Santoyo also spoke with the commissioner about the Bureau of Land Management wild and scenic rivers proposal.

An exchange of documentation on quarterly expenditures by Reclamation and the JPA is required under the agreement between the agencies. Mr. Santoyo will work with Ms. Marks to develop the reports.

## **OTHER BUSINESS**

The proposed Washington, D.C. trip is planned tentatively for June 26-29 but it remains uncertain whether or not the Interior secretary will be available. The new operations plan will be ready for discussion whenever the trip takes place.

Word has been received that the administration has stopped all federal efforts on the wild and scenic rivers proposal.

The Fresno Council of Governments eastern city representative funding matter was discussed. A second round of contributions will be sought.

## **OUTREACH**

President Worthley expressed appreciation for Senator Feinstein's interaction during a recent luncheon in which the JPA had a table.



Christine Souza, an associate editor of the California Farm Bureau Federation's *Ag Alert*, was escorted on a tour to the Temperance Flat Dam site by Mr. Santoyo in advance of an article she was preparing. Other information she subsequently requested was provided.

President Worthley and Vice President Mendes spoke during the fifth annual infrastructure update of the American Council of Engineering Companies in Fresno May 25.

The Valley PBS three-part water documentary series, "Tapped Out," was well received. It was written and produced by Jeff Aiella, to whom President Worthley extended thanks.

Mr. Santoyo discussed outreach efforts with California Citrus Mutual, the Fresno County Farm Bureau, Fresno Chamber of Commerce and other organizations to ask their memberships to flood the California Water Commission with letters of support for Temperance Flat Project funding. A generic letter was crafted to assist those efforts.

## REPORTS FROM DIRECTORS

Director Preciado if copies of "Tapped Out" could be sent to the California Water Commission, perhaps via Assembly Member Arambula.

Director Lopez said the Orange Cove city manager is leaving to take a new position in Parlier on June 20.

Director Verboon apologized for being unable to attend the last Water Commission meeting.

Director Silva said a number of valley elected officials met in Fresno with Matt Rogers, valley director for Senator Harris. President Worthley and Mr. Santoyo had similar meetings.

Director Lopez said an invitation has been extended to Senate President Pro Tem DeLeon to meet in Orange Cove.

## NEXT MEETING

The JPA's next board meeting will begin at 9:00 a.m. Friday, July 14, 2017, at the board chambers of the Fresno Irrigation District, 2907 South Maple Avenue, Fresno, California. President Worthley will be absent. Vice President Mendes will chair the meeting.

## ADJOURNMENT

There being no further business to come before the meeting, the same was adjourned at 11:03 a.m. on motion of Director Lopez, seconded by Vice President Mendes and carried unanimously.

Respectfully submitted,

A handwritten signature in blue ink that reads "J. Randall McFarland".

J. Randall McFarland  
Recording Secretary