

# GOVERNING BOARD



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

### TULARE COUNTY

SUPERVISOR STEVE WORTHLEY,  
*President*  
SUPERVISOR KUYLER CROCKER,  
*Alternate*

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*Vice President*  
SUPERVISOR BRIAN PACHECO,  
*Alternate*

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*Alternate*

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COUNCILMAN JOSE FLORES,  
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CONTRACTORS WATER AUTHORITY  
DAN POPE, *Alternate*  
WESTLANDS WATER DISTRICT

CANNON MICHAEL, *Director*  
SAN LUIS & DELTA-MENDOTA  
WATER AUTHORITY

JASON PELTIER, *Alternate*  
SAN LUIS & DELTA-MENDOTA  
WATER AUTHORITY

JASON PHILLIPS, *Director*  
FRIANT WATER AUTHORITY  
JEFFREY PAYNE, *Alternate*  
FRIANT WATER AUTHORITY

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TABLE MOUNTAIN RANCHERIA  
ANGELA KARST, *Alternate*  
TABLE MOUNTAIN RANCHERIA

### MEMBER AT LARGE

ROBERT SILVA, *Director*  
♦

### EXECUTIVE DIRECTOR

MARIO SANTOYO  
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## REGULAR MEETING OF THE BOARD OF DIRECTORS JANUARY 12, 2018 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 January 12, 2018, by President Steve Worthley. It was noted that the JPA's December 2017 meeting was cancelled.

### PRELIMINARY MATTERS

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

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 Rogers, O'Banion (*arrived 9:06 a.m.*), Verboon, Lopez, Preciado, Pope (*alternate for Chedester*), Payne (*alternate for Phillips*) and Silva. Staff present: Executive Director Mario Santoyo.

Others present (*from roll signatures*): Recording Secretary J. Randall McFarland; Megan Marks, office of the Fresno County Auditor-Controller; Eli Cruz, SJWWIA; Manuel Cunha Jr., Nisei Farmers League; Kathy Mahan, Congressman Costa's office; Nicholas Sinclair, Assemblyman Patterson's office; Jodi Raley, CCGGA-WAPA; Ana Melendez, Assemblyman Arambula's office; Julianne Phillips, Kings County; Christina Beckstead, Madera County Farm Bureau; Lacey Kuiakui, Merced County; Masood Mesbah and Stephen Spencer, AECOM; Rick Hoelzel, Kings River Conservation District; and Gloria Preciado, Avenal.

President Worthley asked for consideration of the Minutes for the regular Board meeting held on November 17, 2017. Alternate Director Dan Pope noted that he had been present at the meeting. Director Silva moved, seconded by Vice President Mendes, that the minutes be approved as corrected. The motion carried unanimously.



## 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. There were no public comments.

## FINANCIAL

Megan Marks, office of the Fresno County Auditor-Controller (which serves as the JPA Treasurer), presented the financial report. She said as of December 31, 2017, the JPA had received administrative revenue in the amount of \$407,586, or 81% of budgeted anticipations, and had administratively expended \$160,701, or 34% of the administrative budget. FY 2018 engineering revenues as of December 31, 2017, were \$94,640, 95% of anticipations; engineering expenditures amounted to \$199,836, 100% of the budgeted amount. The JPA's cash balance on December 31, 2017 was \$309,452. Remaining appropriations for FY 2018 as of December 31, 2017, amounted to \$283,924 with total budgeted cash remaining of \$25,524. *(A copy of the financial report is on file.)* The JPA audit will be presented in February. The board asked Ms. Marks to have the audit bound for presentation.

President Worthley stated that budget preparation will be beginning. He noted that the JPA will be going into a different type of year than has been experienced since the Authority's formation. He appointed an ad hoc committee consisting of himself along with Vice President Mendes and Director Lopez to report back with budget recommendations.

It was noted that a need for legal services had arisen abruptly during a misunderstanding between the JPA and California Water Commission staff, resulting in the necessity for a course of action to be decided upon quickly to meet an unexpected time constraint regarding the JPA's Temperance Flat application under the Water Storage Investment Program. The services of Kahn, Soares and Conway were secured. An invoice from Kahn, Soares and Conway in the amount of \$19,455 was presented. On motion of Director Lopez, seconded by Director O'Banion and carried unanimously, authorization was granted to pay the invoice with the understanding that the JPA will work with the project investors group for reimbursement.

Executive Director Santoyo provided an update on initial discussions January 11 with the investor group regarding the Stantec Engineering contract and associated costs for the period beginning in August 2017 and continuing through June 2018. He said he came away with the understanding that the investors group would be considering this afternoon whether it would handle the expense. Alternate Director Payne said the investors group desires that there be understanding among all parties to see the project through. Mr. Santoyo said two issues to be considered involve the thought that the project's direct beneficiaries should pay the engineering costs in question and that since the JPA is the WSIP funding applicant the consultants need to coordinate between the JPA and beneficiaries. Mr. Payne said he did not believe anything had been concluded during the January 11 meeting.



## **ORGANIZATIONAL**

President Worthley noted that the JPA's initial two-year board terms for representatives of cities, water districts, Tribal interests and the public at-large were beginning to expire. The two-year terms began when individual directors came on the board. He noted the ability to raise their shares of the membership assessments among a broader base of municipalities has proven difficult for the cities of Orange Cove and Avenal. The president appointed Vice President Mendes and Directors Lopez, Silva and Verboon to serve on an ad hoc committee to frame recommendations.

The JPA's Conflict of Interest Code was accepted December 17, 2017. Board members all agreed they would file separate Form 700 reports for the JPA along with other agencies and boards they represent. Mr. Santoyo said it appears no JPA consultants meet the criteria requiring filing of a report.

## **WATER STORAGE INVESTMENT PROGRAM (WSIP)**

President Worthley reported on the December meeting of the California Water Commission during which tremendous support was voiced for the Temperance Flat Project and its WSIP funding application. He said Bill Swanson of Stantec effectively and completely utilized the CWC-allotted 15-minute period for an introductory presentation and overview, and thanked Executive Director Santoyo for his efforts in arranging other presentations of support.

Mr. Santoyo reported on subsequent events and activities regarding the CWC staff and the JPA's application for WSIP funding. He noted that the JPA's application calculated and offered an excellent project public benefit ratio of 2.84. During a January 10 meeting with CWC staff members, the JPA unexpectedly learned that the WSIP reviewers had difficulty interpreting all JPA modeling results and could not validate the JPA's flow findings, and thus tentatively assigned a public benefit ratio of 0.00. As 50% of benefits must be based upon ecosystems (and all based on flows associated with the project), unless the CWC staff validates the JPA application's flow findings, the project would be granted no funding. Applicants are to be officially notified of their project's validated benefit ratios February 1. Under an appeal process, the JOA will have only until February 23 to file a 20-page appeal document (with unlimited attachments). Stantec engineers have already begun to deal with the CWC staff findings. The JPA will also be permitted to address members of the Water Commission about the application. The CWC is to respond to any appeals April 20. A public review process is to begin May 25 with final scores to be posted June 27. Maximum conditional eligibility is to be announced and early funding from state bond proceeds awarded July 24. The process is running longer than expected because of the difficult process created by the staff. The issue has become the JPA's top priority. President Worthley said the biggest disappointment is that the CWC staff has created an adversarial, rather than a collaborative, process. The solution, Mr. Santoyo observed, will be two-pronged, involving both extensive technical data as well as direct efforts directed at informing Water Commission members reflecting the project's importance.

Mr. Swanson, in a detailed presentation about the issue's technical needs, stated that the JPA application for Temperance Flat is by no means alone. He said the JPA's representatives were informed by CWC staff members January 10 that the upcoming February 1 project benefit responses are expected to allege that all 11 remaining WSIP applications are defective, poorly prepared and contain no benefits. He said the CWC staff had chosen to operate under very narrow rules and has had difficulty understanding many application elements, particularly the water modeling. It is important to note that



the CWC staff has not actually concluded the 11 projects lack public benefits. The unfortunate result of the CWC staff positions, when they become public February 1, is likely to be a “firestorm” of protest CWC notification of a highly technical process being aired in a very public forum. Mr. Swanson summarized how Stantec had used CALSIM modeling in connection with a “gaming” tool created to mimic all Temperance Flat operations. The CWC staff could not match up the gaming tool’s results with the CALSIM output “and that’s where they stopped.” Stantec believes the CWC staff must be provided with more detail about how CALSIM and the Temperance Flat gaming model work and provide data. Stantec will observe the same CWC rules and will (1) verify all data was collected and handled correctly; (2) prepare a data mapping process for the CWC staff; (3) provide comparisons of water temperature data provided by CALSIM and the gaming tool as well as explaining differences and whether differences are significant; and (4) correct any deviations that are discovered. The CWC staff also does not feel that net effects on the ecosystem were fully addressed. Stantec will supplement its analysis of effects on the ecosystem, including salmon, by addressing San Joaquin River reaches downstream of the Merced River. He summarized many other technical concerns raised by the CWC staff — including ecosystems, economics, least-cost alternatives, Delta water quality and regional recreation. He offered summaries of what Stantec is considering as a response to each issue. Mr. Swanson said, “Our frustration with the process should not and will not be directed at the staff. The staff are qualified people. They are doing the job they believe they are told to do. ... We want to work with them as collaboratively, and in as much of a partnership as we can, and treat them professionally and respectfully. We don’t like the process they’ve adopted but we’re not in a position to change it.” Mr. Swanson also provided an overview of the CWC’s upcoming process schedule. He added that what concerns him the most is that applicants have been provided by the commission staff with only a single chance to make its case. The process is currently in what should be a discovery phase in which there should be dialogue between the regulators and the applicants to resolve questions and any misunderstandings, but there is no dialogue.

Executive Director Santoyo noted the importance of making the best possible use of limited available time and proposed that a steering committee be authorized to make discretionary decisions necessary to keep the JPA’s activities in regard to the WSIP application moving. Director Rogers moved, seconded by Director Lopez, that the president, vice president, executive director and a director from one of the member authorities selected at the discretion of the President be authorized to make decisions necessary to advance the application process, with any authorized expenditures for engineering-related costs not to exceed \$250,000. The motion carried unanimously.

Mr. Santoyo said Mr. McFarland would be assigned to craft language that could be used by the JPA if needed in response to the Water Commission’s formal February 1 WSIP public benefits response.

## **EXECUTIVE DIRECTOR’S REPORT**

The importance of JPA involvement at the next Water Commission meeting was stressed. President Worthley said he would attempt to make a brief appearance.

Mr. Santoyo said a letter had been sent to Brenda Burman, the new commissioner of Reclamation, with a request for a meeting.

A meeting scheduled with Senator Feinstein in San Francisco had to be postponed because of the Senator’s illness. It has not yet been rescheduled.



## **OUTREACH AND PUBLIC RELATIONS**

Mr. Santoyo reported he had spoken to an ag lenders group about the Temperance Flat Project.

## **REPORTS FROM DIRECTORS**

There were no reports.

## **NEXT MEETING**

The JPA's next board meeting is scheduled to begin at 9:00 a.m. Friday, February 9, 2018, 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 10:55 a.m.

Respectfully submitted,

A handwritten signature in blue ink, which appears to read "J. Randall McFarland".

J. Randall McFarland  
Recording Secretary