



# STANISLAUS REGIONAL WATER AUTHORITY

## SRWA Governing Board Special Meeting Minutes

July 16, 2015

The Stanislaus Regional Water Authority (SRWA) Governing Board held a special meeting on July 16, 2015, at City of Modesto, 1010 10<sup>th</sup> Street, 2<sup>nd</sup> Floor Conference Room 2001, Modesto, California.

Directors Present: Chris Vierra (Ceres), Bill Zoslocki (Modesto), Gary Soiseth (Turlock)

Staff Present: SRWA: Steve Stroud, Rolly Stevens, Gloriette Genereux, Judy Rosa

Ceres: Michael Brinton, Toby Wells

Modesto: Larry Parlin, Jack Bond

Turlock: Michael Cooke, Garner Reynolds, Roy Wasden, Phaedra Norton, Amy Bublak,

Others Present: Stanislaus County Board – Vito Chiesa, Terry Withrow; TID - Joe Alamo (Board), Tou Her, Del Puerto Water District - Anthea Hansen, CHG Structural - Brad Hawn; City of Hughson – Raul Mendez, MID Board– Jake Wenger, and additional attendees from the public

I. Call to Order - The special Board meeting was called to order at 5:00 p.m.

II. Public Comments – None

III. Unfinished Business

- a. Consider adoption of the terms and conditions of the Water Sales Agreement (WSA) for the transfer of water between the Turlock Irrigation District (TID) and the Stanislaus Regional Water Authority (SRWA) (Action Item) – Michael Cooke gave a presentation on the background of the project and the specifics of the Water Sales Agreement being proposed for adoption. Michael stated that this project will provide a surface water supply that is currently not available, and TID will have a recycled water supply which they don't have right now, which will decrease the pumping of groundwater.

Michael stated that the Board is being asked to vote on the WSA that the TID Board unanimously approved on the morning of Tuesday, July 14<sup>th</sup>, and the Turlock City Council voted Tuesday night to provide the 2,000 acre-feet of water to TID in consideration for this agreement.

Chair Vierra asked what would happen if one of the cities decided not to participate, and Michael stated that the joint powers agreement (JPA) requires all three cities must agree on items brought before them to pass.

Chair Vierra also asked if this agreement would limit the SRWA from receiving raw water from other sources, and Michael Cooke stated the JPA agreement does not limit the SRWA from receiving raw water from other sources.

Vito Chiesa and Terry Withrow from Stanislaus County and Jake Wenger from MID Board supported the project and moving the WSA forward. They talked about the benefits to the region, and how it will help the water quality issues as well as increase the water table.

Joe Alamo, TID Board member also wanted to express his feelings that this is a win-win situation. He stated he believes this agreement relieves TID's concerns about the North Valley Regional Recycled Water Project (NVRWP) and he said that this shows TID and the SRWA are working together.

Chair Vierra commended staff that has worked on bringing this agreement to the Board and how glad he is here to be part of something that is very important for our region.

Director Zoslocki agreed that this is a historic effort, and commended staff also. He stated that he was struggling with some language in the agreement. He stated it was not about the water portion of the agreement, and supports Turlock's effort to negotiate with TID. His concern is related to the North Valley Recycled Water Project (NVRWP) that is listed in the agreement. Since the NVRWP is not part of the agreement, the reference may cause it to be penalized in the future is becoming an issue. He stated that July 31, 2015 is an important date as the NVRWP partners will be meeting with the State Water Resources Control Board to get through one of the two final major environmental issues related to the project. He stated this current agreement is giving up some rights after that date. If there is no mention of the NVRWP in this agreement before the Board, he doesn't believe there would be a problem with it. But there is a reference, and Modesto staff believes the agreement is not at a point where they are comfortable as it is currently written. He stated he will not be able to approve it today.

He stated Modesto first saw the agreement on Tuesday, and it would be very helpful that when changes to the agreement are made, they are tracked, so staff will not have to compare the previous version to the new version. He stated Modesto staff needs a few more days to review. He referenced the Board meeting next week, and that he would hope it could get resolved by then. He recommended that extra time is taken on the agreement so it is done correctly.

Vice Chair Soiseth stated that he believe Section 4.(o) is the sticking point for Modesto, and Director Zoslocki affirmed that. He stated that he believes we need to continue to move forward. He stated the agreement was posted the previous Friday and all staffs were made aware of the agreement posting. Gary stated that he believes there is a need for clarification of the agreement language, not any modification. He stated Turlock has put forth 2,000 acre-feet of recycled water to help keep moving this project forward. He stated that they are not just doing it for the surface water project, but also for the NVRWP, as they want to see that project go forward because it is a great project for our region. He stated as far as he knows there is no aspect of this agreement that hasn't been discussed before; at least most of it has been on paper before as part of the previous drafts (3, 4, 5, and now #6). He stated there are about a dozen or so modifications received from TID as Draft #6. It has now been narrowed down to Section 4.(o) in the current agreement. He doesn't want this to delay progression as there is some wiggle room in the agreement. He believes clarification in the agreement can be allowed later on.

Director Zoslocki asked for clarification from General Counsel Stevens, if there could be clarifications after the agreement is signed. Rolly stated that if the agreement is approved tonight, it stands as it is written. Rolly stated that 4.(o) when returned in Draft #6 had significant language added, and it is not clearly written. To change that under this agreement once it's signed, there's not an Amendment procedure in it, but it would require signatures by all parties. If one of the parties said no to a requested change, then it isn't changed because approving the agreement is a permanent step.

Tou Her from TID stated that the TID Board approved a resolution stating that TID staff would take a final negotiated agreement for the TID Board's approval. He stated he would take that clarification and the final negotiated agreement back to the TID Board. He stated that there's room available in the resolution that was approved.

Vice Chair Soiseth stated we've found our single point of friction he believes and agrees that a little more time for clarification on 4.(o) is good. He believes that this is good for the Turlock Subbasin, and all agree with that. He recommended the agreement be approved tonight, and then the staffs from the cities and TID can work on the wording changes needed, and present those to the SRWA Board at its regular meeting on 7/23 for final negotiation.

Director Zoslocki again asked for clarification from General Counsel Stevens. Rolly stated that the SRWA Board is being asked to approve this agreement in total tonight, so the motion would be the agreement minus 4.(o) to be introduced at some later time. Essentially the SRWA Board would be approving a different agreement than what was approved by the TID Board. Ultimately, the SRWA Board would be approving the whole agreement over again at its 7/23 meeting after updated 4.(o) language was agreed upon by all parties.

Vice Chair Soiseth asked that Turlock's City Attorney Phaedra Norton provide an opinion. She stated that the SRWA Board could approve the agreement stating that further negotiations are needed regarding 4.(o). She stated there is the paragraph that was adopted by the TID Board. In the interim there have been some discussions about modification to that paragraph, and there are 13 words that are in disagreement, or need further negotiation in 4.(o). She read the original language approved by TID and stated that Modesto recommended changes, and when those changes were presented to TID, TID added 13 additional words, which are:

"and the Final Environmental Impact Report for the North Valley Regional Recycled Water Program..."

Vice Chair Soiseth reminded the Board members the purpose and objectives of the SRWA are in general:

The Cities of Ceres, Modesto, and Turlock (Participants) are interested in finding and evaluating surface water supply options and facilities to serve municipal and industrial water to the customers within their service areas.

He believes that the staff can work through the concerns of the 13 additional words and bring an updated agreement to the Board on 7/23. Chair Vierra asked if this updated agreement will need to go back to TID Board. Gary stated that TID is taking back to its Board whatever the SRWA votes on subject to final approval.

Tou Her stated that there has already been some clarification words that have been approved by TID. If SRWA approves the presented agreement and even with the clarification language, TID staff will take it back to its Board for approval and make that the final negotiated agreement. He stated that the following language takes care of the concerns:

“Absent except for a separate agreement between the City of Modesto and the District.”

Tou believes this language should satisfy the concerns of the City of Modesto.

A motion was made by Vice Chair Soiseth to adopt the terms and conditions of the Water Sales Agreement for the transfer of water between the Turlock Irrigation District and the Stanislaus Regional Water Authority, subject to further negotiations on 4.(o).

At 4:45 p.m. a five- minute break was taken at the request of Director Zoslocki to talk with staff.

The Board reconvened at 4:50 p.m. and Chair Vierra reopened the meeting.

Director Zoslocki requested that the cities’ staff meet with TID to work out the language issues, and then bring the updated agreement to the Board on 7/23/15. He stated this would be in the best interest of the City of Modesto. Otherwise, he would not be seconding the motion.

Chair Vierra seconded the motion. Vice Chair Soiseth made several comments related to Director Zoslocki’s request, explaining how he believes the above motion covers his concerns.

Chair Vierra called for the vote, which was 2-1, and the motion did not pass.

A motion was made by Director Zoslocki to have cities’ staff work with TID to work out the language issues, and bring the updated agreement to the SRWA Board at its 7/23/15 meeting for potential action. Motion was seconded by Vice Chair Soiseth, unanimously approved.

- IV. Matters Too Late for the Agenda – None
  
- V. Adjournment – The meeting adjourned at 6:00 p.m.

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