



Minutes
Regular Board Meeting
June 20, 2019

1. A. **CALL TO ORDER:** Chair Vierra called the meeting to order at 3:39 p.m.
PRESENT: Chair Vierra, Vice Chair Esquer (arrived at 3:47pm), Director Durossette,
Director Bublak
ABSENT: None

- B. **SALUTE TO THE FLAG**

2. **RECOGNITION, APPOINTMENTS, ANNOUNCEMENTS & PRESENTATIONS:** None

3. A. **SPECIAL BRIEFINGS:** None

- B. **STAFF UPDATES:**

1. Gerry Nakano from West Yost provided an update on Major TAC and PM Team Work Focus Areas, including the evaluation of submitted proposals from the three short-listed Design-Build Teams, the coordination of Wet Well construction, the completion of SRF loan application packages, and continued support of the TID Water Rights Petition. Design-Build project teams were interviewed in May by TAC members and the management team, wherein project proposals were evaluated and additional information and clarification was requested. Upcoming milestones and tasks for the TAC and PM Team include continuing the wet well wall forms and concrete pours, evaluating the Design-Build Team proposals and requesting approval from the SRWA Board to begin negotiations at the July SRWA Board meeting, completing the SRF Financial Application package, developing finance plans, amending the SRWA/TID water sales agreement and awarding the Design-Build contract in September.

Director Bublak asked when the Design-Build proposals will be made public.

Gerry Nakano answered that the TAC is currently reviewing the Design-Build proposals and a request will be brought to the SRWA Board at the meeting in July for the TAC to enter into negotiations with the recommended Design-Build Team.

General Manager Robert Granberg stated that the Design-Build project proposals contain confidential company financial information that could hinder the negotiation process if revealed at this time.

Director Bublak asked if the recommended Design-Build Team proposal will be presented in closed session at the July SRWA Board meeting and if the proposals will be distributed prior to the SRWA Board meeting for review before making a decision.

General Manager Robert Granberg answered that he will have to consult with legal counsel regarding what information can be shared outside of the review committee.

Director Bublak asked when the final cost of the project will be revealed.

General Manager Robert Granberg answered that the final cost of the project will be revealed in September, after negotiations with the selected design-build contractor.

Chair Vierra asked Municipal Services Director Michael Cooke if the City of Turlock completed the Proposition 218 process to increase water rates to fund the Regional Surface Water Supply Project.

Municipal Services Director Michael Cooke answered that the City of Turlock completed the Proposition 218 process in December of 2017, with a projected total Project estimate of \$278 million of which Turlock is projected to contribute \$172 million. The City of Turlock is currently in the second year of rate increases.

General Manager Robert Granberg stated that the SRWA Regional Surface Water Supply Project received the Water Smart grant for \$750,000 for the 2019/20 Fiscal Year. SRWA staff will apply for the Water Smart grant next year as well.

Chair Vierra spoke to Congressman Josh Harder regarding the grant funds awarded and was assured that more assistance could be provided in the near future.

Citizen Milt Trieweiler inquired regarding the amount of Proposition 68 funding secured by Assemblyman Heath Flora for the Project.

Ceres City Manager Toby Wells answered that Assemblyman Heath Flora secured \$30 million in grant funding through Proposition 68 for the Project.

Chair Vierra said other elected officials have toured the Project and are hoping to help with additional funding.

2. General Manager Robert Granberg provided an update on financial activity as of May 31, 2019. The revenue and expenses were reviewed.

C. PUBLIC PARTICIPATION: None

4. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS: None

5. CONSENT CALENDAR:

Action: Motion by Vice Chair Esquer, second by Director Durossette, adopting the consent calendar and approving the minutes of the Regular Meeting of April 18, 2019, and the revised minutes of the Special Meeting of August 6, 2018. Motion carried by the following vote:

Director Bublak	Director Durossette	Vice Chair Esquer	Chair Vierra
Yes	Abstain	Yes	Yes

6. PUBLIC HEARINGS: None

7. SCHEDULED MATTERS:

- A. General Manager Robert Granberg requested to adopt the Annual Budget for the Stanislaus Regional Water Authority for the 2019-20 Fiscal Year and adopt a minimum cash reserve target for 2019-20.

Discussion:

General Manager Robert Granberg summarized the main points of the annual budget, which include the continuation of existing contracts that are allocated appropriately between the City of Turlock, the City of Ceres and TID. The Design-Build contract was not included in the annual budget as the cost has not been finalized. A financial plan will be discussed at the SRWA Board Meeting in September including a budget amendment to include the Project costs.

Director Bublak expressed concerns with the following items:

- Project obligations
- Water rate increases
- Time to explore alternatives
- Projected cost of the project versus the actual proposal costs
- Information sharing

Chair Vierra discussed the following items:

- Commitment to existing obligations
- The City of Ceres' dedication to the Project
- Adoption of water rate increases through the Prop 218 process in 2017
- Timeline to determine final Project approval
- Confidential nature of Project proposals

Chair Vierra opened public participation.

Citizen Milt Trieweiler inquired about the following items:

- Tiered-rate versus a fixed-rate water consumption fee
- Process to alter current water rate increases if Project cost is lower than expected

Citizen David Fransen inquired about the following items:

- Consideration of alternatives to the Project
- Interest of surrounding cities in the Project
- Funding obligations

Chair Vierra closed public participation.

Action: Resolution 2019-005 Motion by Director Durossette, second by Vice Chair Esquer, adopting the Annual Budget for the Stanislaus Regional Water Authority for the 2019-20 Fiscal Year and adopting a minimum cash reserve target for 2019-20. Motion carried by the following vote:

Director Bublak	Director Durossette	Vice Chair Esquer	Chair Vierra
Abstain	Yes	Yes	Yes

- B. General Manager Granberg requested to designate the General Manager to be the Authorized Representative for acting on behalf of the SRWA on matters related to the Financial Assistance Application and Funding Agreement with the State Water Resources Control Board.

Discussion:

Director Bublak inquired about a system of checks and balances.

General Manager Robert Granberg answered that the Finance Director manages the finances and the designation appoints the General Manager as signatory.

Chair Vierra opened public participation. There being no public response, Chair Vierra closed public participation.

Action: Resolution 2019-006 Motion by Director Durossette, second by Vice Chair Esquer, designating the General Manager to be the Authorized Representative for acting on behalf of the SRWA on matters related to the Financial Assistance Application and Funding Agreement with the State Water Resources Control Board. Motion carried by the following vote:

Director Bublak	Director Durossette	Vice Chair Esquer	Chair Vierra
Yes	Yes	Yes	Yes

- C. General Manager Granberg requested to accept a permanent non-exclusive easement and temporary construction easement from the City of Ceres for the purpose of constructing a finished water pipeline and conveying potable water from the SRWA Water Treatment Plant to the City of Ceres Terminal Reservoir.

Discussion:

Vice Chair Esquer inquired about the notary form.

Ceres City Manager Toby Wells spoke to the validity of the form.

Director Bublak inquired about costs for the easement.

General Manager Robert Granberg stated there are no recording fees or charges from the City of Ceres to accept the easement.

Chair Vierra opened public participation. There being no public response, Chair Vierra closed public participation.

Action: Resolution 2019-007 Motion by Vice Chair Esquer, second by Director Durossette, accepting a permanent non-exclusive easement and temporary construction easement from the City of Ceres for the purpose of constructing a finished water pipeline and conveying potable water from the SRWA Water Treatment Plant to the City of Ceres Terminal Reservoir. Motion carried by the following vote:

Director Bublak	Director Durossette	Vice Chair Esquer	Chair Vierra
Yes	Yes	Yes	Yes

8. MATTERS TOO LATE FOR THE AGENDA: None

9. BOARD ITEMS FOR FUTURE CONSIDERATION: None

10. **BOARD COMMENTS:**

Several Board Members cannot attend the Regular SRWA Board Meeting on July 18, 2019. The SRWA Board Secretary will poll the SRWA Board Members for a Special Meeting date.

11. **NEXT MEETING DATE:** July 18, 2019 Regular Meeting (cancelled - Special Meeting will be held)

12. **ADJOURNMENT:** Motion by Director Durossette, second by Director Bublak, to adjourn at 4:49 p.m. Motion carried 4/0.

Respectfully submitted,



Allison Martin, Board Secretary