



**SRWA**  
STANISLAUS REGIONAL  
WATER AUTHORITY

156 S. Broadway, Ste. 270, Turlock, CA 95380

(209) 668-4142 (phone) (209) 668-5695 (fax)

## **Board Meeting Agenda**

**October 25, 2018 at 10:00 a.m.**

**156 S. Broadway, Turlock, CA, Second Floor, Yosemite Conference Room**

*Chair, Chris Vierra  
Vice Chair, Bill DeHart  
Director, Ken Lane  
Director, Gil Esquer*

*General Manager, Robert Granberg  
Interim Legal Counsel, Richard P. Shanahan  
Board Secretary, Allison Martin*

**NOTICE REGARDING NON-ENGLISH SPEAKERS:** The Stanislaus Regional Water Authority (SRWA) meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

**EQUAL ACCESS POLICY:** If you have a disability which affects your access to public facilities or services, contact the Board Secretary at the phone number set forth above. The Board is committed to taking all reasonable measures to provide access to its facilities and services. Please allow sufficient time for the Board to process and respond to your request.

**NOTICE:** Pursuant to California Government Code Section 54954.3, any member of the public may directly address the Board on any item appearing on the agenda, including Consent Calendar and Scheduled Matters, before or during the Board's consideration of the item.

**AGENDA PACKETS:** Prior to the Stanislaus Regional Water Authority Board meeting, a complete Agenda Packet (excluding any closed session materials) is available for review on the SRWA's website at [www.stanrwa.org](http://www.stanrwa.org) and in the Board Secretary's Office at 156 S. Broadway, Suite 270, Turlock, during normal business hours. Materials related to an item on this Agenda submitted to the Board after distribution of the Agenda Packet are also available for public inspection in the Board Secretary's Office at the address set forth above. Such documents may be available on the SRWA's website subject to staff's ability to post the documents before the meeting.

1. A. CALL TO ORDER
- B. SALUTE TO THE FLAG
2. RECOGNITION, APPOINTMENTS, ANNOUNCEMENTS & PRESENTATIONS: None
3. A. SPECIAL BRIEFINGS: None
- B. STAFF UPDATES
  1. General Manager Update (*Granberg*)
  2. Finance Director Report (*Lorenzi*)
- C. PUBLIC PARTICIPATION: This time is set aside for members of the public to address the Board concerning any item that has been described in the notice for the meeting, including Consent Calendar items, before or during consideration of that item. You will be allowed five (5) minutes for your comments. If you wish to speak regarding an item on the agenda, you may be asked to defer your remarks until the Board addresses the matter.

**4. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS**

- 5. CONSENT CALENDAR:** Information concerning the Consent items listed below has been forwarded to each Board member prior to this meeting for study. Unless the Chair, a Board member, or member of the audience has questions concerning the Consent Calendar, the items are approved at one time by the Board. The action taken by the Board in approving the Consent items is set forth in the explanation of the individual items.

A. *Motion:* Accept minutes of Special Meeting of August 6, 2018

**6. PUBLIC HEARINGS: None**

**7. SCHEDULED MATTERS**

- A. Approval of the amended Joint Powers Authority (JPA) for the Stanislaus Regional Water Authority (*Granberg*)

**Recommended Action:**

*Motion:* Approving the amended Joint Powers Authority (JPA) for the Stanislaus Regional Water Authority.

- B. State the Stanislaus Regional Water Authority Board's opposition to the State Water Resources Control Board's Bay-Delta Plan, Supplemental Environmental Document (SED), Phase I Amendment. (*Granberg*)

**Recommended Action:**

*Resolution:* Stating the Stanislaus Regional Water Authority Board's opposition to the State Water Resources Control Board's Bay-Delta Plan, Supplemental Environmental Document (SED), Phase I Amendment

**8. MATTERS TOO LATE FOR THE AGENDA**

**9. BOARD ITEMS FOR FUTURE CONSIDERATION**

- 10. BOARD COMMENTS:** Board members may provide a brief report on notable topics of interest. The Brown Act does not allow discussion or action by the legislative body.

**11. NEXT MEETING DATE:** November 15, 2018 Special meeting (canceling November 22, 2018 Regular meeting due to the Thanksgiving Holiday)

**12. ADJOURNMENT**



**To: SRWA Board**  
**From: Marie Lorenzi, Finance Director**  
**Subject: Financial Summary as of October 12, 2018**

Attached Financial Documents include:

Activity through 6-30-2018

1 - SRWA financial status as of 10-12-2018 for the 2017-18 fiscal year (Exhibit A)

Revenue received from the participating agencies for the year total \$2,330,183.52  
Expenses paid total \$2,799,450.65

There were sufficient unexpended revenues carried into 2017-18 from prior years to offset the difference between revenues received and expenses paid. The net balance of unexpended revenues at 6-30-2018 is \$20,717.24 (see Exhibit B)

2 - SRWA financial status - life to date through 6-30-2018 (Exhibit B)

Revenue life to date totals \$5,481,552.07  
Expenses life to date total \$5,460,834.83  
Cumulative unexpended Revenues at 6-30-2018 \$20,717.24

Activity for 6-30-2019 as of 10-12-2018

3 - SRWA financial status as of 10-12-2018 for the 2018-19 fiscal year (Exhibit C)

Revenue received from the participating agencies \$4,930,000  
Expenses paid total \$291,522.67

4 - SRWA financial status - life to date as of 10-12-2018 (Exhibit D)

Revenue life to date totals \$10,411,552.07  
Expenses life to date total \$5,752,357.50  
Cumulative unexpended Revenues \$4,659,194.57

5 - Invoices submitted but unpaid as of 10-12-2018

The following invoices are in the process of being paid at 10-12-2018 and the related costs are not included in the information presented in Exhibits A - D.

Bartkiewicz, Kronick & Shanahan - Aug 2018	\$ 11,288.61
Bartkiewicz, Kronick & Shanahan - Sept 2018	8,032.50
Granberg & Assoc- Sept 2018	13,250.00
Gualco - Sept 2018	4,500.00
Inferrera Construction Mgmt- Aug 2018	13,277.88
West Yost - project management - Aug 2018	278,516.90
West Yost - wet well design - Aug 2018	7,491.97
Total in payment processing at 10-12-2018	<u>\$336,357.86</u>

Notes of Interest:

Each participating agency was invoiced (and has paid) for anticipated expenses for the quarter of July - September 2018. The anticipated expenses included those related to the wet well construction. Due to the delay in starting this construction, no invoices have been received to date from Overaa Construction. The projected expenses for the wet well construction for July - September 2018 totaled just over \$3 million.

In consultation with the SRWA General Manager, it has been decided that the invoice for projected October - December 2018 project costs will not be sent to the participating agencies until the wet well construction is underway.

**Stanislaus Regional Water Authority**

For FY 2017-18 (Updated 10-12-2018)

Account Name	Original Budget	Amendments	Amended Budget 2017-18	Unaudited Actual 2017-18	Ceres	Turlock	TID	Totals for 2017-18
<b>REVENUES</b>								
Interest Income	750.00		750.00					0.00
34900_002 Agency Contribution - City of Ceres	530,575.00	7,741,997.00	8,272,572.00	1,055,176.00	1,055,176.00			1,055,176.00
34900_001 Agency Contribution- City of Turlock	526,670.00	5,363,227.00	5,889,897.00	1,160,500.00		1,160,500.00		1,160,500.00
34900_004 Agency Contribution - Turlock Irrigation District	48,630.00	1,870,773.00	1,919,403.00	114,507.52			114,507.52	114,507.52
<b>Total Revenues</b>	<b>1,106,625.00</b>	<b>14,975,997.00</b>	<b>16,082,622.00</b>	<b>2,330,183.52</b>	<b>1,055,176.00</b>	<b>1,160,500.00</b>	<b>114,507.52</b>	<b>2,330,183.52</b>
<b>EXPENDITURES</b>								
43011 Gov't Relations	19,850.00	19,000.00	103,200.00	61,735.20	30,867.60	30,867.60		61,735.20
		64,350.00						
43055_002 Consultant Audit	5,750.00		5,750.00	2,100.00	1,050.00	1,050.00		2,100.00
43060_012 Contact Services Program Mgmt	694,700.00	273,255.00	6,692,018.00	2,074,140.17	968,114.08	1,063,585.54	42,440.55	2,074,140.17
		5,667,453.00						0.00
		56,610.00						
43060_022 Contract Services - Contractor Finan Eval		42,515.00	42,515.00	0.00	0.00	0.00	0.00	0.00
43060_021 Contract Services General Manager		40,000.00	40,000.00	26,230.56	13,115.28	13,115.28		26,230.56
43196 Special Legal Counsel	53,890.00	(930.00)	553,920.00	119,990.72	59,576.80	59,576.80	837.12	119,990.72
		500,960.00						
43329 Environmental Services	212,000.00	129,050.00	341,050.00	240,243.91	116,375.47	116,375.46	7,492.98	240,243.91
43332 Permitting	56,000.00		56,000.00	6,261.17	3,130.59	3,130.58		6,261.17
51001 Property Acquisition	30,000.00		30,000.00		0.00	0.00		0.00
51800_001 Wet Well Design	65,000.00	34,980.00	99,980.00	69,237.75	22,611.76	33,233.09	13,392.90	69,237.75
51801_001 Construction Contract (Overaa)		7,297,400.00	7,297,400.00		0.00	0.00	0.00	0.00
51801_002 Construction Management (Infererra)		612,691.00	612,691.00	15,983.53	4,267.60	8,519.22	3,196.71	15,983.53
51801_006 Environmental (Horizon)		278,663.00	278,663.00	46,625.63	15,929.53	24,342.89	6,353.21	46,625.63
43105_003 Interdepartmental Admin Support								0.00
Legal	22,000.00		22,000.00	10,175.00	5,087.50	5,087.50		10,175.00
Clerical	15,000.00		15,000.00	8,038.22	4,019.11	4,019.11		8,038.22
Financial/Accounting	12,500.00		12,500.00	8,277.02	4,138.51	4,138.51		8,277.02
43106_001 Admin Support - Ceres	125,000.00		125,000.00	106,176.00	53,088.00	53,088.00		106,176.00
44001_000 Supplies	500.00		500.00	0.00	0.00	0.00		0.00
44036 Photocopies	250.00		250.00	144.17	72.09	72.08		144.17
44040_000 Postage	5,000.00		5,000.00	813.31	406.66	406.65		813.31
47010 Bank Charges	100.00		100.00		0.00	0.00		0.00
47040_000 Dues	500.00		500.00	750.00	375.00	375.00		750.00
47090_001 Testing & Recruitment - General Manager			0.00	2,426.00	1,213.00	1,213.00		2,426.00
47095_000 Training	1,000.00		1,000.00	102.29	51.15	51.14		102.29
<b>Total Expenditures</b>	<b>1,319,040.00</b>	<b>15,015,997.00</b>	<b>16,335,037.00</b>	<b>2,799,450.65</b>	<b>1,303,489.73</b>	<b>1,422,247.45</b>	<b>73,713.47</b>	<b>2,799,450.65</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(212,415.00)</b>	<b>(40,000.00)</b>	<b>(252,415.00)</b>	<b>(469,267.13)</b>	<b>(248,313.73)</b>	<b>(261,747.45)</b>	<b>40,794.05</b>	<b>(469,267.13)</b>

0.00

**Stanislaus Regional Water Authority**  
Updated as of 10-12-2018

	City of Ceres	City of Turlock	TID	Project to Date Total Since Dec 2015	2015-16	2016-17	2017-18	Total
<b>Agency Contributions</b>								
Received from Agencies - 2015-16	379,561.50	347,487.50		727,049.00	727,049.00			727,049.00
Received from Agencies -2016-17	1,138,659.60	1,175,000.00	106,958.25	2,420,617.85		2,420,617.85		2,420,617.85
Received from Agencies - 2017-18	1,055,176.00	1,160,500.00	114,507.52	2,330,183.52			2,330,183.52	2,330,183.52
Interest Income	1,850.85	1,850.85		3,701.70	609.16	3,092.54		3,701.70
<b>Total Agency Contributions</b>	<b>2,575,247.95</b>	<b>2,684,838.35</b>	<b>221,465.77</b>	<b>5,481,562.07</b>	<b>727,658.16</b>	<b>2,423,710.39</b>	<b>2,330,183.52</b>	<b>5,481,552.07</b>
<b>Expenditures</b>								
Government Relations	(61,034.80)	(61,034.80)		(122,069.60)		60,334.40	61,735.20	122,069.60
Environmental Services (Phase I)	(233,484.65)	(233,484.65)	(32,520.11)	(499,489.41)	13,545.45	245,700.05	240,243.91	499,489.41
Project Management Services	(1,844,798.02)	(1,940,269.48)	(82,672.69)	(3,867,740.19)	410,015.90	1,383,584.12	2,074,140.17	3,867,740.19
Special Legal Expenses	(83,098.68)	(83,098.68)	(837.11)	(167,034.47)	12,547.49	34,496.26	119,990.72	167,034.47
Wet Well Design (West Yost)	(137,547.36)	(148,168.71)	(71,429.02)	(357,145.09)		290,180.59	69,237.75	359,418.34
Fees to Stan County-CEQA related to wet well Permitting	(1,136.63)	(1,136.62)		(2,273.25)				0.00
	(6,130.58)	(6,130.59)		(12,261.17)		6,000.00	6,261.17	12,261.17
Wet Well Construction								
Construction Management	(4,267.60)	(8,519.22)	(3,196.71)	(15,983.53)			15,983.53	15,983.53
Environmental (Phase II)	(12,449.04)	(24,851.46)	(9,325.13)	(46,625.63)			46,625.63	46,625.63
Administrative Support								
Clerical Services	(9,773.80)	(9,773.79)		(19,547.59)	4,387.50	7,121.87	8,038.22	19,547.59
Accounting Services	(11,093.34)	(11,093.34)		(22,186.68)	5,827.62	8,082.04	8,277.02	22,186.68
Interim JPA attorney	(22,662.50)	(22,662.50)		(45,325.00)	12,950.00	22,200.00	10,175.00	45,325.00
Interim General Manager	(121,991.80)	(121,991.80)		(243,983.60)	32,074.00	105,733.60	106,176.00	243,983.60
General Manager	(13,115.28)	(13,115.28)		(26,230.56)			26,230.56	26,230.56
External Audit	(3,750.00)	(3,750.00)		(7,500.00)		5,400.00	2,100.00	7,500.00
Supplies and other Miscellaneous Expenses	(2,719.53)	(2,719.54)		(5,439.06)	184.51	1,018.78	4,235.77	5,439.06
<b>Total Expenditures</b>	<b>(2,569,053.61)</b>	<b>(2,691,800.46)</b>	<b>(199,980.77)</b>	<b>(5,460,834.83)</b>	<b>491,532.47</b>	<b>2,169,851.71</b>	<b>2,799,450.65</b>	<b>5,460,834.83</b>
<i>0.00</i>								
<b>Contributions over (under) Expenditures - project to date</b>	<b>6,194.35</b>	<b>(6,962.10)</b>	<b>21,485.00</b>	<b>20,717.24</b>	<b>236,125.69</b>	<b>253,858.68</b>	<b>(469,267.13)</b>	<b>20,717.24</b>
<i>0.00</i>								

**Stanislaus Regional Water Authority**

For FY 2018-19 (Updated 10-12-2018)

Account Name	Original Budget	Amendments	Amended Budget 2018-19	Unaudited Actual 2018-19	Ceres	Turlock	TID	Totals for 2018-19
<b>REVENUES</b>								
Interest Income			0.00					0.00
34900_002 Agency Contribution - City of Ceres	5,456,850.00		5,456,850.00	1,745,000.00	1,745,000.00			1,745,000.00
34900_001 Agency Contribution - City of Turlock	8,198,150.00		8,198,150.00	2,550,000.00		2,550,000.00		2,550,000.00
34900_004 Agency Contribution - Turlock Irrigation District	2,062,360.00		2,062,360.00	635,000.00			635,000.00	635,000.00
<b>Total Revenues</b>	<b>15,717,360.00</b>	<b>0.00</b>	<b>15,717,360.00</b>	<b>4,930,000.00</b>	<b>1,745,000.00</b>	<b>2,550,000.00</b>	<b>635,000.00</b>	<b>4,930,000.00</b>
<b>EXPENDITURES</b>								
43011 Gov't Relations	37,350.00		37,350.00	9,197.50	4,598.75	4,598.75		9,197.50
43055_002 Consultant Audit	4,440.00		4,440.00	2,200.00	1,100.00	1,100.00		2,200.00
43060_012 Contact Services Program Mgmt	4,817,610.00		4,817,610.00	184,671.22	87,988.75	93,094.35	3,588.12	184,671.22
43060_022 Contract Services - Contractor Finan Eval	42,515.00		42,515.00		0.00	0.00	0.00	0.00
43060_021 Contract Services General Manager	300,000.00		300,000.00	36,402.30	18,201.15	18,201.15		36,402.30
43195 Special Legal Counsel	440,505.00		440,505.00	14,192.50	6,969.54	6,969.54	253.42	14,192.50
43329 Environmental Services	100,805.00		100,805.00	7,125.20	3,562.60	3,562.60	0.00	7,125.20
43060_023 Contract Services - Watershed Sanitary Survey	100,000.00		100,000.00					
43332 Permitting	53,500.00		53,500.00	3,225.00	1,612.50	1,612.50		3,225.00
43332_001 Permitting - Environmental Mitigation	120,000.00		120,000.00					
51001 Property Acquisition - Delivery Facilities	1,436,675.00		1,436,675.00		0.00	0.00		0.00
51001 Property Acquisition - Regional Facilities	50,700.00		50,700.00					
51800_001 Wet Well Design	46,465.00		46,465.00	13,496.00	3,599.38	7,197.42	2,699.20	13,496.00
51801_001 Wet Well Construction								
51801_001 Construction Contract (Overaa)	7,297,400.00		7,297,400.00		0.00	0.00	0.00	0.00
51801_002 Construction Management (Inferrera)	607,755.00		607,755.00	8,734.55	2,332.12	4,655.52	1,746.91	8,734.55
51801_005 Environmental (Horizon)	232,040.00		232,040.00	12,132.98	3,816.68	6,371.77	1,944.53	12,132.98
43105_003 Interdepartmental Admin Support								0.00
Legal			0.00		0.00	0.00		0.00
Clerical	12,500.00		12,500.00		0.00	0.00		0.00
Financial/Accounting	10,000.00		10,000.00		0.00	0.00		0.00
43106_001 Admin Support - Ceres			0.00		0.00	0.00		0.00
44001_000 Supplies	100.00		100.00	129.45	64.73	64.72		129.45
44035 Photocopies	200.00		200.00	15.97	7.99	7.98		15.97
44040_000 Postage	5,000.00		5,000.00		0.00	0.00		0.00
47010 Bank Charges	50.00		50.00		0.00	0.00		0.00
47040_000 Dues	750.00		750.00		0.00	0.00		0.00
47090_001 Testing & Recruitment- General Manager			0.00		0.00	0.00		0.00
47095_000 Training	1,000.00		1,000.00		0.00	0.00		0.00
<b>Total Expenditures</b>	<b>15,717,360.00</b>	<b>0.00</b>	<b>15,446,660.00</b>	<b>291,522.67</b>	<b>133,854.19</b>	<b>147,436.30</b>	<b>10,232.18</b>	<b>291,522.67</b>
<b>Revenues Over (Under) Expenditures</b>	<b>0.00</b>	<b>0.00</b>	<b>270,700.00</b>	<b>4,638,477.33</b>	<b>1,611,145.81</b>	<b>2,402,563.70</b>	<b>624,767.82</b>	<b>4,638,477.33</b>

0.00

**Stanislaus Regional Water Authority**  
Updated as of 10-12-2018

	City of Ceres	City of Turlock	TID	Project to Date Total Since Dec 2015	Actuals Thru 6/30/2018	Actuals For 2018-19	Total
<b>Agency Contributions</b>							
Received from Agencies - 2015-16	379,561.50	347,487.50		727,049.00	727,049.00		727,049.00
Received from Agencies - 2016-17	1,138,659.60	1,175,000.00	106,958.25	2,420,617.85	2,420,617.85		2,420,617.85
Received from Agencies- 2017-18	1,055,176.00	1,160,500.00	114,507.52	2,330,183.52	2,330,183.52		2,330,183.52
Received from Agencies- 2018-19	1,745,000.00	2,550,000.00	635,000.00	4,930,000.00		4,930,000.00	4,930,000.00
Interest Income	1,850.85	1,850.85		3,701.70	3,701.70		3,701.70
					0.00		0.00
<b>Total Agency Contributions</b>	<b>4,320,247.95</b>	<b>5,234,838.35</b>	<b>856,465.77</b>	<b>10,411,552.07</b>	<b>5,481,552.07</b>	<b>4,930,000.00</b>	<b>10,411,552.07</b>
<b>Expenditures</b>							
Government Relations	(65,633.55)	(65,633.55)	0.00	(131,267.10)	(122,069.60)	(9,197.50)	(131,267.10)
Environmental Services (Phase I)	(237,047.25)	(237,047.25)	(32,520.11)	(506,614.61)	(499,489.41)	(7,125.20)	(506,614.61)
Project Management Services	(1,932,786.77)	(2,033,363.83)	(86,260.81)	(4,052,411.41)	(3,867,740.19)	(184,671.22)	(4,052,411.41)
Special Legal Expenses	(90,068.22)	(90,068.22)	(1,090.53)	(181,226.97)	(167,034.47)	(14,192.50)	(181,226.97)
Wet Well Design (West Yost)	(141,146.74)	(155,366.13)	(74,128.22)	(370,641.09)	(359,418.34)	(13,496.00)	(372,914.34)
Fees to Stan County-CEQA related to wet well Permitting	(1,136.63)	(1,136.62)	0.00	(2,273.25)			
	(7,743.08)	(7,743.09)	0.00	(15,486.17)	(12,261.17)	(3,225.00)	(15,486.17)
Wet Well Construction							
Construction Management	(6,599.72)	(13,174.74)	(4,943.62)	(24,718.08)	(15,983.53)	(8,734.55)	(24,718.08)
Environmental (Phase II)	(16,265.72)	(31,223.23)	(11,269.66)	(58,758.61)	(46,625.63)	(12,132.98)	(58,758.61)
Administrative Support							
Clerical Services	(9,773.80)	(9,773.79)	0.00	(19,547.59)	(19,547.59)		(19,547.59)
Accounting Services	(11,093.34)	(11,093.34)	0.00	(22,186.68)	(22,186.68)		(22,186.68)
Interim JPA attorney	(22,662.50)	(22,662.50)	0.00	(45,325.00)	(45,325.00)		(45,325.00)
Interim General Manager	(121,991.80)	(121,991.80)	0.00	(243,983.60)	(243,983.60)		(243,983.60)
General Manager	(31,316.43)	(31,316.43)	0.00	(62,632.86)	(26,230.56)	(36,402.30)	(62,632.86)
External Audit	(4,850.00)	(4,850.00)	0.00	(9,700.00)	(7,500.00)	(2,200.00)	(9,700.00)
Supplies and other Miscellaneous Expenses	(2,792.25)	(2,792.24)	0.00	(5,584.48)	(5,439.06)	(145.42)	(5,584.48)
<b>Total Expenditures</b>	<b>(2,702,907.80)</b>	<b>(2,839,236.76)</b>	<b>(210,212.95)</b>	<b>(5,752,357.50)</b>	<b>(5,460,834.83)</b>	<b>(291,522.67)</b>	<b>(5,752,357.50)</b>
<b>Contributions over (under) Expenditures - project to date</b>	<b>1,617,340.16</b>	<b>2,395,601.60</b>	<b>646,252.82</b>	<b>4,659,194.57</b>	<b>20,717.24</b>	<b>4,638,477.33</b>	<b>4,659,194.57</b>





**DRAFT Minutes**  
**Special Board Meeting**  
**August 6, 2018**

1. A. **CALL TO ORDER:** Chair Vierra called the meeting to order at 2:04 p.m.  
 PRESENT: Director Esquer, Vice Chair DeHart, Chair Vierra  
 ABSENT: Director Lane
  - B. **SALUTE TO THE FLAG**
2. **RECOGNITION, APPOINTMENTS, ANNOUNCEMENTS & PRESENTATIONS:** None
3. A. **SPECIAL BRIEFINGS:** None
  - B. **STAFF UPDATES:**
    1. General Manager Robert Granberg provided an update on major TAC and Program Management team activities for the months of June and July. Responses to public comments on the Draft Environmental Impact Report (DEIR) are being finalized and published. Met with State Water Board staff regarding State Revolving Fund and met with lobbyists to ensure money is on track and in place. Met with contractor for the Wet Well construction project and working on submittal review. Preparing for Golden Shovel Groundbreaking event at the project site.
  - C. **PUBLIC PARTICIPATION:** None
4. **DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS:** None
5. **CONSENT CALENDAR:**

Chair Vierra requested Item 5B be pulled from the Consent Calendar and heard as a Scheduled Matters item due to the related discussion in Scheduled Matters Item 7C.

Action: Motion by Director DeHart, second by Director Esquer, adopting and approving the amended Consent Calendar. Motion carried by the following vote:

Director Esquer	Director Lane	Vice Chair DeHart	Chair Vierra
Yes	Absent	Yes	Yes

  - A. Accepting the minutes of the Special Meeting of May 31, 2018
  - B. *Item removed for separate consideration and heard under Scheduled Matters*
  - C. Accepting the Stanislaus Regional Water Authority's audited Financial Statements for the fiscal year ended June 30, 2017 and related reports
6. **PUBLIC HEARINGS:** None
7. **SCHEDULED MATTERS:**
  - A. Debra Lilly from Horizon Water and Environment requested to certify the Final Environmental Impact Report (EIR) for the Surface Water Supply Project; adopt CEQA

Findings of Fact and Statement of Overriding Considerations; adopt Mitigation Monitoring and Reporting Plan; approve Project; and direct staff to file CEQA Notice of Determination.

**Discussion:**

Vice Chair DeHart asked about the potential legal risk for encountering endangered species at the project location.

Debra Lilly responded with an evaluation of the potential for impacts on special status species, including endangered species, in compliance with the California Department of Fish and Wildlife and to be monitored during the project.

Vice Chair DeHart was satisfied by the response from Debra Lilly.

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

**Action:** Resolution 2018-009 Motion by Director DeHart, second by Director Esquer, certifying the Final Environmental Impact Report (EIR) for the Surface Water Supply Project; adopting CEQA Findings of Fact and Statement of Overriding Considerations; adopting Mitigation Monitoring and Reporting Plan; approving Project; and directing staff to file CEQA Notice of Determination. Motion carried by the following vote:

Director Esquer	Director Lane	Vice Chair DeHart	Chair Vierra
Yes	Absent	Yes	Yes

- B. General Manager Granberg requested to approve the Request for Qualifications (RFQ) in substantially the form as presented at this meeting and authorize the General Manager to finalize, sign, and issue the RFQ on behalf of the SRWA for the Raw Water Pump Station, Raw and Finished Water Pipelines and Water Treatment Plant Project elements.

**Discussion:**

Lindsay Smith from West Yost presented the procurement background which allows for use of traditional design-build procurement for this project, and presented the selection criteria.

Vice Chair DeHart inquired regarding the specific information staff will be evaluating for financial qualifications.

Lindsay Smith responded that staff will ensure all firms have a strong financial background, and will provide bonds, proper insurance, and financial statements for the last five years.

Lindsay Smith discussed the procurement process and pre-qualification schedule.

Vice Chair DeHart inquired about the fixed price of the project and if there will be change orders.

Lindsay Smith responded that negotiated change orders will be allowed in certain circumstances within the confines of the contract.

Vice Chair DeHart stated that he will expect updates on the financial status as the project proceeds.

Chair Vierra mentioned that the project contractor and the local improvement contractors will be coordinating on the project and working together on testing to make sure everyone goes online together. Chair Vierra said that the goal is a successful project.

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

Action: Motion by Director DeHart, second by Director Esquer, approving the Request for Qualifications (RFQ) in substantially the form as presented at this meeting and authorizing the General Manager to finalize, sign, and issue the RFQ on behalf of the SRWA for the Raw Water Pump Station, Raw and Finished Water Pipelines and Water Treatment Plant Project elements. Motion carried by the following vote:

Director Esquer	Director Lane	Vice Chair DeHart	Chair Vierra
Yes	Absent	Yes	Yes

C. Finance Director Marie Lorenzi requested to adopt the Annual Budget for the Stanislaus Regional Water Authority for the 2018-19 Fiscal Year and adopt a minimum cash reserve target for 2018-19.

Discussion:

Marie Lorenzi presented the Fiscal Year 2018-19 SRWA annual budget, which includes project expenses that were approved by the SRWA Board, administrative expenses and anticipated funding needs.

Chair Vierra inquired on the outcome of the project if a City's Council chose not to move ahead with a property acquisitions.

General Manager Granberg responded that the water conveyance pipelines would be redesigned if one city did not approve the property acquisitions.

Chair Vierra stated that he would like to see the property acquisitions move forward as soon as possible.

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

Action: Resolution 2018-010 adopting the Annual Budget for the Stanislaus Regional Water Authority for the 2018-19 Fiscal Year and adopting a minimum cash reserve target for 2018-19 was introduced by Director DeHart, seconded by Director Esquer and carried by the following vote:

Director Esquer	Director Lane	Vice Chair DeHart	Chair Vierra
Yes	Absent	Yes	Yes

Consent Calendar Item 5B

5B. Approving the Engagement Letter for professional auditing services with Maze & Associates Accountancy Corporation in an amount not to exceed \$4,440 for the fiscal year 2017-18 audit with two (2) optional one-year extensions.

Discussion:

Marie Lorenzi presented the Maze & Associates Accountancy Corporation Engagement Letter. Per the SRWA Bylaws, Maze & Associates Accountancy Corporation must be used as they have an agreement with City of Turlock for professional auditing services. Marie Lorenzi stated the compensation amount for auditing services is included in the SRWA fiscal year 2018-19 budget. A three-year agreement was selected for the auditing service due to probable revisions of construction fees.

Vice Chair DeHart likes a progressive evaluation in the best interests of the SRWA.

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

Action: Resolution 2018-008 adopting the Annual Budget for the Stanislaus Regional Water Authority for the 2018-19 Fiscal Year and adopting a minimum cash reserve target for 2018-19 was introduced by Director DeHart, seconded by Director Esquer and carried by the following vote:

Director Esquer	Director Lane	Vice Chair DeHart	Chair Vierra
Yes	Absent	Yes	Yes

- 8. MATTERS TOO LATE FOR THE AGENDA: None
- 9. BOARD ITEMS FOR FUTURE CONSIDERATION: None
- 10. BOARD COMMENTS:

Vice Chair DeHart commended Allison Martin to her supervisor, Director Michael Cooke, for her excellent service as the SRWA Board Secretary.

- 11. NEXT MEETING DATE: August 23, 2018 Regular meeting
- 12. ADJOURNMENT: Motion by Director DeHart, second by Director Esquer, to adjourn at 2:49 p.m. Motion carried 4/0.

*Respectfully submitted,*

DRAFT

Allison Martin, Board Secretary



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From: Robert Granberg, General Manager

Prepared by: Robert Granberg, General Manager

**1. ACTION RECOMMENDED:**

Motion: Approving the amended Joint Powers Authority (JPA) for the Stanislaus Regional Water Authority

**2. DISCUSSION OF ISSUE:**

On December 15, 2015, the SRWA Board approved amendments to the SRWA Joint Powers Agreement and Bylaws and directed staff to initiate the process of updating and restating the JPA Agreement in anticipation of the next phase of the project. Since that time, the SRWA has made significant advancements towards implementing a new Regional Surface Water Supply Project for the Cities of Turlock and Ceres. Included in that effort is an application with the State Water Resources Control Board (SWRCB) to secure a low interest loan under the State Revolving Loan Fund (SRF).

As part of the preliminary review by SWRCB staff, a review of the JPA was completed to determine how the SRWA would provide financial security to back any future SRF loan. The SWRCB raised concerns regarding the SRWA's ability to issue and secure long-term debt. Further, the SWRCB was concerned with a provision in the JPA that allows either City to voluntarily withdraw from the SRWA. Legal Counsel, in consultation with the SWRCB legal counsel, completed edits of the JPA to address concerns over the SRWA's ability to issue any debt instrument, including loans and installment sale agreements.

In addition, SRWA participants desire the ability to provide for alternate Directors to serve on the Board. The revised JPA Agreement provides for alternate Directors and clarifies how the Directors and their alternates function on the Board. The Amendment also defines the JPA Agreement term and termination conditions.

The Turlock and Ceres City Councils approved the amended JPA Agreement on July 24, 2018 and August 13, 2018; respectively. The amended JPA Agreement is included as Attachment A. While approval by the SRWA Board is not required (because SRWA is not a party to the agreement), SRWA staff is presenting the amended JPA Agreement to the Board for its review, acceptance, and acknowledgment.

**3. FISCAL IMPACT / BUDGET AMENDMENT:**

N/A

4. **GENERAL MANAGER'S COMMENTS:**

Recommend acceptance and acknowledgment.

5. **ENVIRONMENTAL DETERMINATION:**

N/A

6. **ALTERNATIVES:**

Do not accept and acknowledge the amended JPA Agreement. However, because the amended JPA Agreement already has been approved by each of the cities, the amended Agreement is binding on SRWA even without its acceptance and acknowledgment.

AMENDMENT

TO DRINKING WATER SUPPLY PROJECT JOINT EXERCISE OF POWERS AGREEMENT  
BETWEEN THE CITIES OF CERES AND TURLOCK

THIS AMENDMENT TO AGREEMENT is made this July 1, 2018, between the City of Ceres, a general law city, and the City of Turlock, a general law city, who agree as follows:

**1. Recitals.** This Amendment is made with reference to the following background recitals:

1.1. On December 15, 2015, the Participants entered into the Amended Drinking Water Supply Project Joint Exercise of Powers Agreement Between the Cities of Ceres and Turlock for the Purpose of Creating a Joint Powers Authority Responsible for Decisions in Certain Matters Pertaining to the Municipal and Industrial Water Supply Programs for the Aforementioned Public Entities (the "Agreement"), which is on file in the Authority office. Capitalized terms used in this Amendment will have the meanings as set forth in the Agreement.

1.2. The Authority plans to apply to the State of California for a loan under the State Revolving Fund program to fund the costs to design and construct the Project. The Authority and Participants desire to amend the Agreement to clarify and enhance the financial position of the Authority and to better secure any future loan agreement.

1.3. The Participants have reconsidered the desirability of providing for alternates to serve on the Authority Governing Board and have decided to revise the Agreement to so provide and to update and clarify the Governing Board provision.

1.4. The Participants therefore now desire to amend the Agreement as set forth below.

**2. Amendments to Agreement.** The Participants amend the Agreement as follows:

2.1. Article I, section E is amended to read:

E. "Bonds" mean and include bonds, certificates of participation, installment purchase agreement, installment sale agreement, loan, or other evidence of indebtedness issued by the Authority under the Act or other applicable law.

2.2. Article IV is amended to read:

**ARTICLE IV. TERM AND TERMINATION:**

A. Term: This Agreement will become effective upon the date of its execution by all of the Participants and shall continue in full force and effect until terminated as provided below.

B. Termination Before Bonds: Prior to Governing Board approval of any Bonds, either Participant may terminate this Agreement and dissolve the Authority upon giving the other Participant and the Board 90-days prior written notice of termination. In the event of any such termination, each Participant shall be and remain (post-termination) obligated for its share of all liabilities and expenses of the Authority incurred prior to the effective date of such termination. Upon Governing Board receipt of any notice of termination under this section, the Authority shall be prohibited from approving or issuing any Bonds.

C. Termination After Bonds: After Governing Board approval of any Bonds, this Agreement may be terminated and the Authority may be dissolved only pursuant to a dissolution agreement approved by the city council of each Participant under section D. The Authority shall not be dissolved until all Bonds and other liabilities of the Authority have been discharged or assumed in accordance with this Agreement and the dissolution agreement. During the outstanding term of any Bonds, this Agreement shall not be terminated unless (i) the indebtedness is first paid off in full, or (ii) the indebtedness is assigned to and assumed by one or both of the Participants or a responsible successor entity and there is alternate security for repayment of the remaining indebtedness in a form and manner approved by Authority bond counsel as lawful and adequately protecting the interests of any holders of evidence of indebtedness of the Authority, and the Authority's creditors consent to such assignments and assumptions.

D. Dissolution Agreement: As provided in section C, this Agreement may be terminated and the Authority may be dissolved pursuant to a dissolution agreement approved by the city council of each Participant that terminates the Agreement and provides for the (i) dissolution of the Authority, (ii) utilization, distribution, transfer, and assignment of the Authority funds, assets, and property (including any completed or partially constructed Project Facilities), and (iii) transfer, assignment, and assumption of the rights, liabilities, and obligations of the Authority. If, at the time of dissolution, the Authority has completed any Project Facility, then the dissolution agreement also must provide for one of the Participants or a responsible successor entity to own and assume the rights, liabilities, and obligations to continue the operation and maintenance of the Project Facility or Facilities. Upon dissolution of the Authority pursuant to a dissolution agreement approved pursuant to this section, the funds, assets, property, rights, liabilities, and obligations of the Authority shall be utilized, distributed, transferred, and assigned as provided by the dissolution agreement.

2.3. Article V, section A is amended to read:

A. Governing Board. The Authority shall be governed by a legislative body known as the Governing Board. The Governing Board shall consist of four Directors, with two appointed by each Participant. Each Director shall be entitled to one vote. Each Participant shall appoint two representatives to serve as Directors and one alternate Director. Each representative and alternate must be a city council member of the appointing Participant. An alternate Director shall have the authority to act in the absence or unavailability of a Director or in the event that a Director has a conflict of interest that precludes participation by the Director in a particular matter. Each Participant shall give written notice to the Secretary of the names of its Directors and



alternate Director and of any changes. The Secretary shall maintain a list of the current Directors and alternate Directors. Each of the Directors and alternate Directors shall hold office from the time of their appointment by the Participant until the earlier of the following: resignation of the Director or alternate Director from the Governing Board; the Director or alternate Director ceases to be a member of the Participant city council; the Participant city council removes the Director or alternate Director; or, the Participant appoints a successor Director or alternate Director. Upon the occurrence of any vacancy in the position of a Participant's Director or alternate Director, the Participant shall appoint a successor. Directors and alternate Directors shall serve at the pleasure of their appointing city council and may be removed at any time, with or without cause, at the sole discretion of the city council. The Governing Board may from time to time designate an individual or individuals to serve as an ex officio Director in a nonvoting, advisory capacity. Any such ex officio Director shall not participate in any closed session meeting of the Governing Board.

2.4. Article IX, sections A and B are amended to read:

A. The Governing Board and every officer, employee, and official of the Authority shall be limited in the making of expenditures to the amount of the appropriations allowed by the budget as adopted by the Governing Board or as may be revised by the Governing Board, in accordance with procedural rules for expenditures and obligations of funds as adopted by the Governing Board.

B. Except as otherwise provided by law, warrants issued and expenditures made in excess of any budget appropriation are not a liability of the Authority or a liability for any Participant.

2.5. Article XXXIII is amended to read:

#### ARTICLE XXXIII. ISSUANCE OF BONDS:

The Authority shall have the power to approve, issue, and sell Bonds in accordance with the Act or other applicable law for the purpose of raising funds to finance or refinance the Project or to carry out or implement any other powers or purposes authorized by this Agreement.

3. No Effect on Other Provisions. Except for the amendments in section 2, the remaining provisions of the Agreement are unaffected and remain in full force and effect.

CITY OF CERES

CITY OF TURLOCK

By:

  
\_\_\_\_\_  
City Manager

By:

  
\_\_\_\_\_  
City Manager

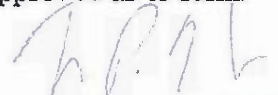
Attest:

  
\_\_\_\_\_  
City Clerk *Reso No. 2018-80; 8/13/2018*

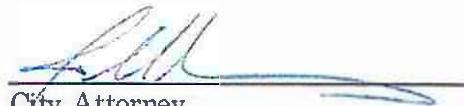
Attest:

  
\_\_\_\_\_  
City Clerk

Approved as to form:

  
\_\_\_\_\_  
City Attorney

Approved as to form:

  
\_\_\_\_\_  
City Attorney



From: Robert Granberg, General Manager

Prepared by: Robert Granberg, General Manager

**1. ACTION RECOMMENDED:**

Resolution: Stating the Stanislaus Regional Water Authority Board's opposition to the State Water Resources Control Board's Bay-Delta Plan, Supplemental Environmental Document (SED), Phase 1 Amendment

**2. DISCUSSION OF ISSUE:**

The State Water Resources Control Board (SWRCB) is responsible for developing and modifying the Bay-Delta Water Quality Control Plan which establishes water quality control measures needed to provide reasonable protection of beneficial uses of water in the Bay-Delta Watershed. The SWRCB implements the Bay-Delta Plan through water rights and other measures.

The SWRCB is in the process of developing and implementing updates to the Bay-Delta Plan, including flow objectives for priority tributaries to the Delta. The Stanislaus, Tuolumne and Merced Rivers are all tributaries to the San Joaquin River and are included in Phase 1. Turlock Irrigation District (TID), as well as Modesto Irrigation District, Merced Irrigation District, Oakdale Irrigation District, and South San Joaquin Irrigation District will all be adversely impacted by the recommendations contained in the update to the Bay-Delta Plan.

On September 15, 2016, the SWRCB released a Revised Draft Substitute Environmental Document (SED) and draft proposed changes to the Bay-Delta Plan for public comment. The cornerstone of the SED is the concept of requiring "unimpaired flows" in the tributaries to the San Joaquin River. For the past 100+ years, the irrigation districts have operated dams that limit or "impair" the natural flow of the rivers. These dams prevent flooding and store water in reservoirs for the irrigation season. The SWRCB theorizes that by allowing rivers to flow as if they were "unimpaired" by the dams, fishery conditions will improve in the Bay- Delta. Therefore, the SED proposes requiring the irrigation districts to release initially 40% more water in February through June each year; this will severely limit the amount of water the irrigation districts can store for the irrigation season.

If the recommendations contained in the SED are implemented, there are a number of adverse impacts to the Cities of Ceres and Turlock and to the region as a whole. Adverse impacts include, but are not limited to the following:

- The fallowing of agricultural land
- Lower agricultural production and reduction in the economic multiplier effect of crop production
- Increased groundwater pumping to make up for the loss of surface irrigation water
- Declining aquifer levels
- Declining groundwater quality
- Challenges in complying with the requirements of the Sustainable Groundwater Management Act of 2014
- Potential impact to TID's ability to deliver water for the SRWA's Surface Water Treatment Plant, especially in drought years

The region's cities and irrigation districts are urging the State Water Resources Control Board to pursue a comprehensive solution that prioritizes non-flow measures to protect native fish species before requiring flow increases that threaten the region's economic vitality.

**3. FISCAL IMPACT / BUDGET AMENDMENT:**

N/A

**4. GENERAL MANAGER'S COMMENTS:**

Recommend approval.

**5. ENVIRONMENTAL DETERMINATION:**

N/A

**6. ALTERNATIVES:**

Do not approve the passing of the proposed Resolution. This alternative is not recommended because an adequate supply of surface water is critical to the region's hydrology and economy.



**BEFORE THE BOARD OF THE STANISLAUS REGIONAL WATER AUTHORITY**

**IN THE MATTER OF STATING THE STANISLAUS } RESOLUTION NO. 2018-  
REGIONAL WATER AUTHORITY BOARD'S }  
OPPOSITION TO THE STATE WATER RESOURCES }  
CONTROL BOARD'S BAY-DELTA PLAN, }  
SUPPLEMENTAL ENVIRONMENTAL DOCUMENT, }  
(SED) PHASE 1 AMENDMENT }**

**WHEREAS**, the State Water Resources Control Board's (SWRCB) Bay-Delta Plan, Phase 1 Draft Substitute Environmental Document (SED) issued in December 2012 proposed the release of 35 percent unimpaired flow on the Stanislaus, Tuolumne, and Merced rivers from February to June each year for environmental benefit; and

**WHEREAS**, the Draft SED failed to engage a serious technical analysis of environmental, social, economic, educational and cultural impacts of the region; and

**WHEREAS**, the SWRCB, after a hearing in March 2013 and submittal of comments regarding the adequacy and sustainability of the SED, has now revised and increased the recommendations of the Draft SED to 40 percent unimpaired flows, with the ultimate intention of finalizing the SED and updating the Bay-Delta Water Quality Control Plan for adoption at a date to be determined; and

**WHEREAS**, the unimpaired flow proposal contained in the SED will create "significant and unavoidable" lasting impacts that will harm the socioeconomic welfare of our region under Phase 2; and

**WHEREAS**, the unimpaired flow proposal contained in the SED threatens the efforts of the City of Turlock and the City of Ceres, partners in the Stanislaus Regional Water Authority, to obtain a reliable supply of treated surface water for the region; and

**WHEREAS**, the City of Turlock and the City of Ceres, like most communities in this multi-county region, are entirely dependent on groundwater for their drinking water supplies, and have experienced declines in both aquifer levels and in potable water quality; and

**WHEREAS**, groundwater impacts of flows described in the SED include increased groundwater pumping at a time when California is working to implement the landmark Sustainable Groundwater Management Act. The SED estimates additional and significant groundwater impacts resulting from an increased reliance on groundwater pumping. The reduced surface water deliveries proposed in the SED will severely hamper the ability to conjunctively use surface water deliveries to provide adequate groundwater recharge; and

**WHEREAS**, there is reasonable and significant doubt that the flows described in the SED will benefit native fish populations or promote ecosystem restoration. The SED focuses narrowly on flows as a solution to environmental concerns while ignoring non-flow alternatives such as predator suppression and fish habitat restoration. Such non-flow management measures are often less costly and more effective; and

**WHEREAS**, agriculture, made possible by irrigation, is the cornerstone of our local economy and provides a significant number of jobs, as crops grown locally are processed in Stanislaus County at a number of manufacturing facilities; and

**WHEREAS**, the City of Turlock and City of Ceres are located in a region that is among the most economically challenged in the entire state with some of the highest unemployment rates, a multitude of health challenges, and the lowest educational achievement rates in all of California.

**WHEREAS**, the City of Turlock and City of Ceres have and will continue to make significant investment in diversifying their drinking water sources to include the use of water from the Tuolumne River. With the implementation of the SED, the use of river water for drinking water is threatened, leaving our communities even more vulnerable to the impacts of drought and potentially stranding significant investment in these vital assets.

**NOW, THEREFORE, BE IT RESOLVED** that the Stanislaus Regional Water Authority strongly opposes the SED Phase 1 amendment and urges the State Water Resources Control Board to pursue a comprehensive solution, which takes into account, rather than dismisses, the impacts listed above and opposes any action by the SWRCB that does not take these factors into account and opposes any plan that does not directly address these items and unless its impacts are fully mitigated.

**PASSED AND ADOPTED** at a regular meeting of the Board of the Stanislaus Regional Water Authority this 25th day of October, 2018, by the following vote:

AYES:  
NOES:  
NOT PARTICIPATING:  
ABSENT:

ATTEST:

\_\_\_\_\_  
Allison Martin, Board Secretary