



1. A. **CALL TO ORDER:** Chair Soiseth called the meeting to order at 10:03 a.m.
PRESENT: Director Bublak, Director Lane, Vice Chair Vierra, Chair Soiseth
ABSENT: None
- B. **SALUTE TO THE FLAG**
2. **RECOGNITION, APPOINTMENTS, ANNOUNCEMENTS & PRESENTATIONS:** None
3. A. **SPECIAL BRIEFINGS:** None
- B. **STAFF UPDATES:**
 1. Interim General Manager Mike Brinton provided an update of items discussed at recent Technical Advisory Committee (TAC) meetings, including:
 - Completed staff report and presentation on initial project capacity, project cost and residential customer rate impacts
 - Coordinated with Horizon regarding wet well environmental documentation and permitting
 - Submitted permit application letter to Central Valley Flood Protection Board
 - Finalized letter for permanent pipeline easement through state property
 - Completed May and June Status Reports
 - Continued analysis of raw water samples
 - Completed appraisals for the easements/fee title needed for wet well construction
 - Finalized job description and request for proposals for the General Manager position
 - Talked with the Wildlife Conservation Board about the Streamflow Enhancement grant funding opportunity
 - Prepared scope and budget for the bridge period between Project Phases 1 and 2
 - Received unanimous approval at Assembly committee hearing on SB 373
 - Finalized Treatment Process Technical Memo No. 2
 - Discussed extent and timing of the required Watershed Sanitary Survey with Division of Drinking Water
 - Met with Division of Financial Assistance staff to discuss Drinking Water State Revolving Fund (SRF) loan application
 - Attended State Water Resources Control Board and California Water Commission meetings regarding grant and loan updates
 2. Kellie Jacobs-Hunter, Finance Director, reported no formal update at this time.

C. CONSULTANT UPDATES:

1. Gerry Nakano West Yost Associates provided a project status update including the following:
 - Recommendation of Initial Project Size
 - Assembly hearing on SB 373 to authorize use of design-build procurement
 - Actively recruiting for General Manager, applications due August 4.
 - Prepared Phase 1-2 “Bridge” Program Management Scope of Work
 - Discussing the Phase 2 Work Tasks
 - Complete property appraisals needed for wet well construction and operation
 - Continued environmental documentation
 - Submitted environmental permits applications for wet well construction
 - Completed two Project Fact Sheets which are available on the SRWA website

D. PUBLIC PARTICIPATION: None

4. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS: None

5. CONSENT CALENDAR:

- A. **Motion:** Adopting the Consent Calendar and approving the Minutes of the Special Meeting of July 7, 2017. Motion by Director Bublak, seconded by Vice Chair Vierra, carried 4/0 by the following vote:

Director Lane	Director Bublak	Vice Chair Vierra	Chair Soiseth
Yes	Yes	Yes	Yes

- B. **Motion:** Approving Amendment No. 4 to the Agreement for Program Management Services with West Yost Associates for services required to bridge the period between Phase 1 and Phase 2 of the Project, as set forth in Attachment A, in an amount not to exceed Two Hundred Seventy-Three Thousand Two Hundred Fifty-Five and No/100ths Dollars (\$273,255.00) which includes a twenty percent (20%) contingency

- C. **Resolution 2017-010:** Appropriating \$273,255 to account number 950-53-552.43060_012 “Contract Services-Program Management Services” to be funded via contributions from SRWA participating agencies

Director Lane	Director Bublak	Vice Chair Vierra	Chair Soiseth
Yes	Yes	Yes	Yes

6. PUBLIC HEARINGS: None

7. SCHEDULED MATTERS:

- A. Toby Wells, Ceres City Manager, welcomed the large turnout and provided an overview of the Project Drivers, which include:
 - 100% dependent on ground water
 - Degrading groundwater water quality
 - Groundwater depletion
 - Increasingly stringent drinking water regulations

- Ongoing and increasingly significant new costs with continued sole reliance on groundwater

Michael Cooke, Turlock Director of Municipal Services, added information regarding the wells currently in service and those that have been deactivated. There will be new State regulations that will affect one-third of the wells, resulting in either abandoning them or adding expensive treatment plans. Adding new well sites will still be needed even with surface water supply.

Lyndsay Smith, West Yost Associates, reviewed the project goals and subject benefits:

- Improved water quality
- Improved supply reliability with a diversified water portfolio
- Provide in-lieu aquifer recharge to support groundwater sustainability
- Increased operational flexibility
- Provide environmental benefits to the Tuolumne River aquatic species

The Project phases include:

- Intake & Pump Station
- Treatment Plant
- Transmission Mains, 7.25 miles to Turlock, 5 miles to Ceres
- Local Facilities

Other project benefits include:

- Reliable conjunctive-use system
- Drought resilient water supplies
- Reliable water quality
- Decreases hardness and mineral content
- Benefits to the agriculture community
- Potential to provide water to disadvantaged communities and other regional partners

Projected capital costs are estimated at \$288 million, from inspection to construction completion in 2022, assuming the following:

- 15 mgd initial raw water pumping and WTP capacity
- 45 mgd raw water transmission main capacity
- 15 mgd Ceres finished water transmission main capacity
- 30 mgd Turlock finished water transmission main capacity
- Conventional treatment process with ozone
- Planning-level estimate for WTP and soft costs
- Includes Ceres and Turlock local facility costs
- Construction mid-point June 1, 2020
- 2 percent annual inflation
- 5 percent construction contingency

Residential customer rate impacts are at the planning level only. These costs are not meant to be cost of services, only used to compare alternatives of treatment plant configurations and other impacts. Groundwater only rates are based on current regulations.

Funding opportunities were reviewed and could include Drinking Water State Revolving Fund Loan Program, Prop 1 Grants, US Bureau of Reclamation WaterSMART Grant. Any grants would reduce the customer rate impact.

Next steps of the Project include moving forward on environmental issues, land acquisition, predesign, funding applications, and water rights modifications. In 2018, construction of wet well and water rights modifications to begin quality raw water sampling. In 2019, permitting, procurement, design, financing, wet well construction, and local facilities design. In 2020, permitting, design, and construction through to 2022 when commissioning and operations begins.

Board Comments:

Chair Soiseth commented that the cost of water in our region is on par with other areas in the State. Residential rates will increase regardless, but this Project brings long-term stability by providing surface water. He stated the vision is to include smaller rural communities like Keyes, Denair, Hilmar, and Hughson.

Vice Chair Vierra commented that cities don't have the option to do nothing. Current water rates assume that nothing changes, but requirements for drinking water quality continues to impact those cities.

Director Bublak encouraged those present to keep open conversations with the community to strengthen the partnership in this Project.

Director Lane expressed appreciation for the Project updates and encouraged other cities to partner so they can have sustainable water also.

Public Comments:

Chair Soiseth welcomed representatives from the County, State Water Resources Control Board, TID, and other potential Project partners and opened public participation.

Jim Bruger, Denair MAC Board, asked about the projected size for the Turlock tank. It will be 2.5 million gallons.

Michael Franz, Director of TID, stated this Project will bring stability and economic success to this region, allowing the District to increase water flows in the Tuolumne River and maintain a critical habitat for salmon. He commented on the additional threat to this Project by the State Water Board's SED.

James Maughn, State Waterboards Division of Finance, encouraged the project and described the financing available. There are good loan terms and grants available through them. They also consult with Federal agencies to identify funding. Matt McCarthy, Water Rights Issues, stated early consultation is helpful to understand the types of water rights necessary for the project.

Action: Motion by Director Lane, seconded by Director Bublak, concurring with the recommendations of the Executive Technical Advisory Committee (Exec TAC) and the Staff Technical Advisory Committee (TAC) to plan for an initial 15 million gallons per day (mgd) capacity water treatment plant that will provide approximately 10 mgd of treated surface water supply to the City of Turlock (Turlock) and 5 mgd to the City of Ceres (Ceres)

Director Lane	Director Bublak	Vice Chair Vierra	Chair Soiseth
Yes	Yes	Yes	Yes

8. **MATTERS TOO LATE FOR THE AGENDA:** None
9. **BOARD ITEMS FOR FUTURE CONSIDERATION:** None
10. **BOARD COMMENTS:** None
11. **NEXT MEETING DATE:** August 24, 2017 - Regular Meeting
12. **CLOSED SESSION:** None
13. **ADJOURNMENT:** Motion by Director Lane, seconded by Director Bublak, to adjourn at 10:51 a.m. Motion carried 4/1.

Respectfully submitted,



Tish Foley, Board Secretary