



STANISLAUS REGIONAL WATER AUTHORITY

SRWA Governing Board Meeting Minutes

September 24, 2015

The Stanislaus Regional Water Authority (SRWA) Governing Board met on September 24, 2015, at the City of Modesto, 1010 10th Street, 2nd Floor Conference Room 2001, Modesto, California.

Directors Present: Chris Vierra (Ceres), Bill Zoslocki (Modesto), Gary Soiseth (Turlock)
Staff Present: SRWA: Gloriette Genereux, Phaedra Norton, Judy Rosa, Jennifer Land
Ceres: Daryl Jordan
Modesto: Larry Parlin, Adam Lindgren, Will Wong, Thomas Hedegard, Leslie Vaughn
Turlock: Michael Cooke
Others Present: RMC – Lyndel Melton, AECOM – Andrea Shephard, Black Water Consulting – Jeff Black

1. A. CALL TO ORDER - The Board meeting was called to order at 10:03 a.m.
2. PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, ANNOUNCEMENTS & PRESENTATIONS: None
3. A. SPECIAL BRIEFINGS: None
B. STAFF UPDATES
 1. Interim General Manager's Report - Michael Cooke provided an update on the two Technical Advisory Committee (TAC) meetings held since the last Board meeting. The main focus of these meetings were updating the existing CEQA documents to reflect the changes as listed below:
 - Project description (if needed)
 - Addition of offset water
 - Addition of Turlock terminal facilities
 - Ceres and Modesto not sharing site for terminal facilities due to property no longer available
 - Ceres to be at the sports complex on Hatch Road
 - Modesto's site to be determined through Water Master Plan update
 - Environmental impact of cleaning the infiltration gallery

Michael stated that by requesting additional CEQA work now, staff's hope is that this will reduce the amount needed at the backend. This was recommended by the staff at the Woodland-Davis facility. He also advised that a TID representative is now part of the TAC and has stated TID will do its part related to CEQA. TID needs to amend its permit to appropriate water from the Tuolumne River for municipal and industrial uses, which will require a complete CEQA document.

The RFP for the CEQA consultant was sent out on 9/23/15 to ten pre-qualified firms and responses are due on October 8th. The TAC will review the responses on October 12th, and an item will be included on the Board's October 22nd meeting agenda for approval of the agreement with the



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selected firm. A budget amendment will need to be brought to the Board to cover the cost of the agreement.

2. Finance Director's Report – Gloriette Genereux recommended that each cities' staff notify their finance departments about the need for the budget amendment for consultant services, and to make sure funds are available.

C. PUBLIC PARTICIPATION: None

4. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS: None

5. CONSENT CALENDAR

- A. *Motion:* Accepting the minutes of the Regular Meeting of August 27, 2015 and the Special Meeting of September 3, 2015. Motion by Vice Chair Soiseth, seconded by Director Zoslocki, unanimously approved. Vice Chair Soiseth commented that he appreciated that the minutes were very good and detailed and that going forward, he believed that would be very helpful and beneficial.

6. PUBLIC HEARINGS: None

7. SCHEDULED MATTERS

- A. Request to approve an agreement between the City of Turlock and Stanislaus Regional Authority (SRWA) for interim legal services and authorize the Board Chair to execute said agreement - Michael Cooke advised that the Board, at its September 3, 2015 meeting appointed the City of Turlock's City Attorney Phaedra Norton as the interim legal counsel for six months. The Turlock City Council approved an agreement on September 8, 2015 to provide those services, and the agreement is now before the Board for consideration.

Director Zoslocki requested the following wording changes to the agreement:

1. Scope of Services – Where appropriate, Attorney may, from time to time, recommend that the SRWA Board ~~use of special counsel and SRWA shall engage the use of special counsel when recommended by~~ Attorney.

This change was recommended so it clearly states that the Attorney would not hire special counsel outside of the Board meeting.

- 13. Professional Responsibilities – Duty of Loyalty, Ethical Conflicts of Interests – ...SRWA AND TURLOCK acknowledge their respective understanding of and waive these ~~potential~~ conflicts of interests and provide their informed written consent to Attorney's simultaneous and separate representation of each Party.

Interim General Counsel (IGC) Phaedra Norton stated that these were not material changes. She stated she would always bring these issues before the board. She stated it is her best practice to return to the Turlock City Council,

and then bring it back to the Board for approval. This would not delay the representation of legal counsel. Modesto City Attorney Adam Lindgren agreed with this practice, and stated that these requested changes would not delay the Board moving forward because these changes do not represent anything coming before the Board in the near future. Ms. Norton also stated that one other correction needed to be made on the email address of Judy Rosa as it has a typographical error (correct address is jrosa@modestogov.com).

It was moved by Vice Chair Soiseth, seconded by Director Zoslocki, and carried unanimously to accept the changes brought forth by Director Zoslocki and to also correct Judy Rosa's email in the current Agreement for interim legal services.

- B. Request to approve the Electronic Transmittal Authorization Form and authorizing the Board Secretary to obtain a completed authorization form from each current and future Director.

Michael Cooke stated by completing this proposed form the Board members are agreeing to receive the Board materials electronically. The goal is to get the information to the Board a week prior to the Board meeting, and that if it is not received, to let staff know. Also, should an email address change, it would be the responsibility of the Board member to notify SRWA staff.

It was moved by Director Zoslocki, seconded by Vice Chair Soiseth, and carried unanimously to approve the Electronic Transmittal Authorization Form, and authorize the Board Secretary to obtain a completed authorization form from each current and future Director.

- C. Review the SRWA Bylaws and Joint Powers Authority Agreement and provide direction to staff regarding any recommended changes.

Michael Cooke stated with the advancement of the project it seemed like a good time to review the Bylaws and the Joint Powers Authority Agreement (JPA) to do some updating. He stated there had already been one informal change with the meetings now being held just in Modesto due to all the Board members working in Modesto, as opposed to rotating each month to each of the cities. Another item for discussion was the unanimous voting currently required in the JPA and the Bylaws. Mr. Cooke asked the Board to provide direction to staff on any recommended changes, which are shown below:

ByLaws Recommended Changes:

Chair Vierra stated that he would like to see the voting changed from 3-0 to 2-1. Vice Chair Soiseth was in agreement with this change. A question was raised whether this change would need to go back to the cities for approval. Ms. Norton stated that since it was in the Bylaws and the JPA Agreement, an amendment to the JPA Agreement would need to go back for approval by each cities' Council.

Vice Chair Soiseth stated that the meetings being held in Modesto works for the current Board; however, there should be a caveat stating that the Board can choose an alternate meeting location as this might not be as beneficial for future Boards.

Vice Chair Soiseth also stated he was glad that the Bylaws give flexibility in meeting more than the designated fourth Thursday of the month at 10 a.m. He stated that he would prefer to meet more than once a month, the second and fourth Thursday of each month since things are moving rather quickly now. Chair Vierra recommended that the standard meeting schedule be updated to the second and fourth Thursday, with the understanding that if there were not enough agenda items, the meeting would be cancelled. IGC Norton stated that this item will be brought back to the Board as this is for discussion only, and at that time the Board can establish a starting date of the new meeting schedule.

Vice Chair Soiseth stated that it says that the Chair of the Board will be rotated on an annual basis, and he didn't feel this was necessary, that the Board could decide if it wanted to change Chairs. The change recommended is to say "the Chair of the Board shall be elected annually by the Board." It was also recommended to "add the first meeting of the year." Chair Vierra asked that this be left more flexible, and not this specific.

Vice Chair Soiseth's next recommendation was to change from records being housed at the City of Modesto offices to the City offices corresponding with the SRWA Secretary at that time, and Finance Director Genereux confirmed that the financial records should be housed with the Finance Director of the SRWA. Chair Vierra asking for some wording to be added so that when the SRWA becomes its own entity, that SRWA will hire a Finance Director and that's where the financial records will be housed.

Vice Chair Soiseth asked if there needed to be language added to talk about how other entities might become a part of the SRWA. IGC Norton stated that the changes being suggested now are more on the technical side and that in approximately six months the JPA Agreement needs to be looked at holistically about where the project is at, and at that time, the addition of other entities can be addressed. She stated that Woodland-Davis does have participating agencies that are not part of the JPA. She stated at that time there would be a need to hire special counsel to make sure the Board is headed down the right path and being given the options they need to make informed decisions.

Chair Vierra stated that he would even like to go a step further to protect the founding JPA members so when other agencies join, the rate payers of the founding agencies that originally paid for the project will be compensated for some of their costs. Vice Chair Soiseth agreed that this should be added as a standardized way that any agency wanting to join would be treated the same. IGC Norton stated that this issue would be brought back at the appropriate time for discussion.

Vice Chair Soiseth asked that under Article IV Governing Board of Directors that 2 a. be removed as it refers to a tie, and since the Board has an odd number of members there would be no tie. He also recommended under Article VI. Officers that letter "f" be added stating that the Board Chair is the official spokesperson of the SRWA instead of the General Manager.

Vice Chair Soiseth also asked that the voting rights of the Board be confirmed, so that what can be voted on by the Board and what needs to go back to the cities' Councils for final approval.

Michael Cooke summarized the recommended changes:

- Page 3 #13 – which decisions by the SRWA are binding, and which need to go to the cities' Councils for final approval
- Page 3 #2a and b – to be stricken
- Page 4 – Article V
 - 3 – change regular meetings to be held now on the second and fourth Thursday of the month, and strike – which will be scheduled on a rotating basis.
 - 4 – strike – rotated in the following order
 - 5 – change voting from unanimous to simple majority
- Page 4 – Article VI.1 – strike – on a rotating basis
- Page 5 – Article VI
 - add "VI.1.f" Board Chair is the official spokesperson for the SRWA
 - 5.j – strike City of Modesto offices and add "SRWA Secretary's respective City offices
 - 6.b. – strike – in, and replace with "no later than January", and adding in "until such time as the SRWA has its own Finance Director"
- General provision to protect the founding JPA members.

A question was asked about the Bylaws referencing the City of Modesto Policies and Procedures for purchases. IGC Norton stated that she would make sure the provisions are followed, because when the JPA was formed, it made sense to use Modesto Policies and Procedures because it's a charter City and there were some advantages to that.

Vice Chair Soiseth asked about the JPA Agreement that has similar language and inconsistencies that needs to be changed for consistency. IGC Norton stated the changes will be shown in track changes so they are easily identified. Once the changes are adopted, the JPA Agreement will be taken back to the cities' Councils for consideration.

On page 13 of the JPA Agreement it was agreed to remove the City Manager's specific names and just list the titles.

8. MATTERS TOO LATE FOR THE AGENDA: None
9. BOARD ITEMS FOR FUTURE CONSIDERATION – Replacement of General Manager.
Michael Cooke stated that with Steve Stroud transitioning out at the end of the year, he recommended the possibility of hiring a consultant to be a program manager. The cost would be increased and the workload is expected to increase also. Michael will discuss with the TAC members prior to bringing back to the Board.

Vice Chair Soiseth recommended TAC also develop a list of facilities that the Board members could tour and talk with Board members from the facilities at a future date, and bring back some options at the next meeting.
10. BOARD COMMENTS – IGC Norton advised that with the RFPs for CEQA consultants are due on 10/8, and an agreement being brought back to the Board, and also the review of the JPA Agreement, there is a need for special counsel to be brought on board. She would like to bring that back to the Board at its next meeting, and also the budget amendment. She also asked the Board to consider cancelling the October 22 meeting and calling a special meeting on October 29 as she will not be available on October 22 due to vacation scheduled and feels it's necessary that she be at the next meeting.
11. NEXT MEETING DATE: October 22, 2015 was cancelled and a special meeting will be called on October 29, 2015.
12. CLOSED SESSION: None
13. ADJOURNMENT: The meeting adjourned 11:03 a.m.