

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WESTLANDS WATER DISTRICT

March 21, 2017

A regular meeting of the Board of Directors of Westlands Water District was called to order by President Peracchi at the District's Five Points Office, 23050 W. Mt. Whitney, Five Points, California at 11:00 a.m.

Directors present:

Don Peracchi, President
Jim Anderson
William Bourdeau
Frank Coelho
Larry Enos
Dan Errotabere
Gary Esajian
Todd Neves
Sarah Woolf

Staff present:

Thomas Birmingham, General Manager/General Counsel
Dan Pope, Chief Operating Officer
Dave Ciapponi, Secretary
Bobbie Ormonde, Director of Finance & Administration
Philip Williams, General Counsel
Jose Gutierrez, Deputy General Manager – Resources
Johnny Amaral, Deputy General Manager – External Affairs
Russ Freeman, Supervisor of Resources
Gayle Holman, Public Affairs Representative
Steve Farmer, Supervisor of Customer Accounting
Bill Pierce, Director of Operations & Maintenance
Karen Clark, Executive Assistant
Jeff Mitchell, Special Counsel, Kronick, Moskovitz, Tiedemann & Girard

APPROVAL OF MINUTES

Director Esajian reported that a correction needed to be made on page 18 under the Grasslands Water District Exchange to reflect a 3 to 2 water exchange. There being no further additions or corrections, the minutes of the Adjourned Board Meeting of February 28, 2017 stood approved as amended.

GENERAL MANAGER'S REPORT

Water Supply

Mr. Gutierrez reported on the following with respect to water use and supply for the water year, through February, 2017:

1. Total supply was 644,093 acre-feet (AF).
2. Total use was 430,243 AF.
3. Total remaining supply was 213,850 AF.

Mr. Gutierrez directed the Board and attendees to his monthly staff memorandum.

The 2016-17 Groundwater Pumping Summary

Mr. Gutierrez reported that in January, Groundwater Management Program wells pumped approximately 1,100 AF, which was 11% of the historical average and about 6,800 AF less than last year. Non-GWMP wells pumped 4,900 AF. Total District-wide groundwater pumping was estimated at 612,000 AF through February, which was 48,000 AF less than last year's total of 660,000 AF. For the 2017-18 water contract year, staff was forecasting that 270,000 AF of groundwater may be pumped District-wide.

Delta Operations

Mr. Gutierrez reported that Jones Pumping Plant averaged 3,950 cfs in February and operated at maximum allowable capacity all month. Continued storms in February sustained high Delta inflows, which provided for sustained pumping at maximum allowable levels. In addition, Banks Pumping Plant pumped about 15,000 AF for the CVP through Joint-Point of Diversion. Pumping was reduced the last week of February due to low demands and limited pumping capacity into San Luis Reservoir. Old & Middle River limits under the Delta smelt Biological Opinions were inactive due to high flows on the Sacramento and San Joaquin River. Total Jones pumping in February was 221,000 AF. San Luis Reservoir started the month at 674,000 AF and increased storage by about 249,000 AF and finished the month at 923,000 AF.

The Water Infrastructure Improvements Act for the Nation (WIIN Act) legislation has produced water supply benefits to the CVP of approximately 166,000 AF. After January 20, the restrictions under the Delta Biological Opinions were suspended due to high flows, however, it was noted that in the last two weeks, the Delta Smelt salvaged at the pumping facilities had increased somewhat. The first level of concern was exceeded on March 13, and Reclamation did request Re-initiation of the Consultation for Temporary Increase in Incidental Take Level for this season. Fish & Wildlife Service was reviewing the request. Reclamation and DWR had planned on operations through the end of April that would maintain favorable conditions for Delta Smelt. San Joaquin River flows were expected to remain sufficiently high such that the Biological Opinions impacts were not expected through at least April. Through management and consistency with the WINN Act and ESA, it was believed that the Resources Agency and the project operators can achieve balance to continue operations at maximum allowable capacity.

DHCCP

Mr. Birmingham reported that the State of California currently anticipated seeing a final Biological Opinion Record of Decision sometime in early May.

Drainage Legislation

Mr. Amaral reported that the drainage legislation would be introduced during the week. A status report to the court was required at the beginning of April.

Water Supply Legislation/H.R. 23

Mr. Amaral reported that the water supply legislation sponsors had asked all water agencies in California to help make technical edits and other edits as necessary. Meetings continued in order to accommodate the sponsors and a final product was anticipated by the end of the week.

Water Allocation Announcement

Mr. Amaral reported that a water allocation announcement by Reclamation was anticipated at the end of the week. An allocation announcement and press release by the District would be forthcoming after that announcement.

Social Media Campaign

Mr. Amaral reported that the District was on course to exceed its expectations concerning the District's social media campaign.

Aerial Tour

Mr. Amaral conducted an aerial tour of the Central Valley Project and a walking tour of Jones Pumping Plant for several reporters. It was anticipated that several articles would be forthcoming as a result of that tour.

OUTSIDE AGENCY ACTIVITIES

FFA Director Errotabere reported on the activities of the Alliance.

SLDMWA Mr. Birmingham stated that Cannon Michael had been selected as the new Chair of the Authority after Mike Stearns retired.

SFCWA No report was given.

LEGAL AFFAIRS COMMITTEE

Mr. Williams reported that the San Luis & Delta-Mendota Water Authority and the District provided a comment letter to the State Water Resources Control Board regarding the 2016 Bay-Delta Plan Phase 1 Amendment and Substitute Environmental Document. He directed the Board's and the public's attention to the copy of the comment letter and outlined Phase 1 which focused on San Joaquin River flows and Delta salinity.

OPERATIONS & MAINTENANCE COMMITTEE

Mr. Pierce reported that staff continues to work on a plan to control and remove aquatic growth and sediment in the Coalinga Canal. At the direction of the committee, staff contacted a company that would chemically treat the canal to prohibit aquatic growth and a proposal for costs would be forthcoming. He also stated that for the fiscal year, the Operations & Maintenance Division completed 74 pipeline repairs, which was an increase over prior years.

Director Esajian left the meeting.

WATER POLICY COMMITTEE

Summary of Comments Received on Proposed Sale of District Land

Mr. Freeman reported that after the previous board meeting, only one outstanding comment remained which was received from the City of Mendota over concern regarding the land between the city limits and San Bernardino Avenue being developed for solar. The City of Mendota expressed interest in purchasing the land from the District. The developer had agreed to confine the scope of their project to west of San Bernardino Avenue and staff recommended that the Board authorize staff to continue to negotiate with the City of Mendota with the same conditions the District requires on the sale of any land. After discussion, the Board directed staff to enter into negotiations with the City of Mendota for the sale of land.

Sustainable Groundwater Management Act Update

Mr. Gutierrez reported that the District's consultant continues to work on the groundwater model and staff expected to receive preliminary results next month. If staff is satisfied with the work, the District would hold workshops with water users to discuss the results shortly thereafter.

FINANCE & ADMINISTRATION COMMITTEE

Voting Process and Assessment Methodology

Mr. Pope reported that at the last board meeting, the Board directed staff to evaluate the requirements to effectively adopt a new assessment methodology with the goal of implementing it prior to the upcoming election in August. He noted that, upon further review, the Water Code requires the District to assess all lands and prepare an assessment book within 90 days of the beginning of its fiscal year. For the District, the fiscal year commenced on March 1, 2017, so the District would need to complete its assessment book by May 26, 2017. He further stated that considering those dates and the requirements of Proposition 218 when changing the assessment methodology, the District would need to notice landowners of the revised or new assessment by April 7, 2017.

District staff had engaged with a consultant, CH2M Hill, to evaluate potential scenarios for the assessment methodology, as Proposition 218 requires. The consultants stated to the District that they would not be able to complete the necessary work by April 7, 2017. Nonetheless, Mr. Pope stated the District's consultant would review the District's costs and obligations and create an analysis of appropriate criteria. That analysis would be reviewed by the Finance & Administration Committee when completed later this year.

As a result, Mr. Pope stated that the Board had three options available to conduct its election within this current timeframe; 1) continue the District's current benefit assessment methodology, 2) adopt the County's valuations for lands, or 3) abandon/cancel the current benefit assessment and, by default then, switch to a one acre-one vote methodology.

A question was asked concerning whether the Board could take action for a one acre-one vote methodology for the upcoming election while the assessment analysis was being determined. Mr. Birmingham stated that should the Board take action for a one acre-one vote methodology for this year, it would require that the District abandon the existing assessment for the current year and staff had already processed the necessary procedures to collect through assessments the cost to repay the District's 1963 Repayment Contract. Should the District move forward to collect that assessment, then under the Water Code and District Bylaws that would be evidence of values and calculation of votes. Should the District not collect the assessment and go to one acre-one vote, it would be necessary for the District to recover those costs to cover the District's 1963 Repayment Contract through other means which would affect water rates. This issue was being raised because action of this kind would have ramifications that the Board would ultimately want to consider.

Mr. Reiter stated that for the upcoming election, the District should leave vacant the four seats up for election until the assessment analysis was completed and reviewed. He stated that several landowners felt there was inequity in the voting method and did not want to go forward with another election with the same inequity. By delaying the election until after the assessment analysis, the Board could determine a different voting methodology.

Director Neves replied that it was his opinion that the Board had acted to the best of its ability to evaluate the current voting process and was currently addressing the issues brought forward by hiring a consultant to create an engineering assessment study for Board review.

Upon the question, Mr. Ciapponi stated that if the Board did not conduct an election, then the Fresno County Board of Supervisors could fill the vacancies on the Board. Mr. Birmingham added that if the Board did not fill the vacancies within the time prescribed by law, the County could set and call the election and require the District to conduct the election anyway or fill the vacancies depending on several factors. An election or appointment would need to take place in the timeframe for the beginning of the new terms. There was no option to defer an election until some future date.

Adoption of Revised Salary Schedule

Ms. Ormonde reported that an analysis was conducted of the salary code for the Office Assistant class description, which shows that it continues to lag below the labor market based on salary surveys conducted from 2015 through 2017. It was recommended that the salary code for the Office Assistant classification be changed from a salary code 9 to a salary code 10. It was intended for this modification to be included in the salary schedule adopted in conjunction with the District's 2017-2018 Recommended Budget. The modification to the Office Assistant class description on the Salary Schedule impacts two District employees

A motion was duly made and seconded to adopt the revised Salary Schedule, effective March 1, 2017. After the vote, Mr. Birmingham announced that the Board approved the action, with the vote as follows:

President Peracchi: Aye

Director Anderson: Aye

Director Bourdeau: Aye

Director Coelho: Aye

Director Esajian: Absent

Director Enos: Aye

Director Errotabere: Aye

Director Neves: Aye

Director Woolf: Aye

Policy for Use of Electronic Devices During Board and Committee Meetings

Mr. Williams reported that the draft proposed policy on the use of electronic devices during board and committee meetings was presented to the Finance & Administration Committee for consideration. He continued to review the proposed policy with the Board and stated the need for the policy to protect Board directors and staff and also provide for the use of electronic devices as a District resource.

A motion was duly made and seconded to adopt the policy for use of electronic devices during board and committee meetings. After the vote, Mr. Birmingham announced that the Board approved the action, with the vote as follows:

President Peracchi: Aye

Director Anderson: No

Director Bourdeau: No

Director Coelho: Aye

Director Esajian: Absent

Director Enos: Aye

Director Errotabere: Aye

Director Neves: Aye

Director Woolf: Aye

Accounts Payable Reports

Director Enos reported that the Committee had reviewed the cash disbursements after the February 2017 meeting and the March 2017 payables and found that they were in order and recommended payment.

A motion was duly made and seconded to approve the accounts payable reports. After the vote, Mr. Birmingham announced that the Board approved the accounts payable reports, with the vote as follows:

President Peracchi: Aye

Director Anderson: Aye

Director Bourdeau: Aye

Director Coelho: Aye

Director Esajian: Absent

Director Enos: Aye

Director Errotabere: Aye

Director Neves: Aye

Director Woolf: Aye

Investments and Financial Reports

Ms. Ormonde reported on the District's investments and financial statements.

AD HOC INTERIM WATER SUPPLY COMMITTEE

Mr. Gutierrez reported that the Ad Hoc Interim Water Supply Committee met to discuss projects that would increase the District's deliveries for the Mendota Pool and Kings River. Staff continues to work on those projects and were proceeding with design on the Lateral 7 variable frequency drive project which will upgrade the pump stations to deliver water at low flow rates while still moving forward on the water inter-connection between Lateral 6, 5 and 4. A general update on additional projects would be provided at the Water User Workshop.

CLOSED SESSION

Upon returning from closed session, Mr. Williams reported that while in Closed Session the Board provided instruction to real property negotiators.

RATIFICATION OF EMPLOYMENT CONTRACT FOR CHIEF OPERATING OFFICER

Mr. Birmingham stated that it was necessary for the Board to ratify an employment contract for the Chief Operating Officer.

A motion was duly made and seconded to approve the ratification of an employment contract for the Chief Operating Officer. After the vote, Mr. Birmingham announced that the Board approved the action, with the vote as follows:

President Peracchi: Aye

Director Anderson: Aye

Director Bourdeau: Aye

Director Coelho: Aye

Director Esajian: Absent

Director Enos: Aye

Director Errotabere: Aye

Director Neves: Aye

Director Woolf: Aye

Bobbie Ormonde, Assistant Secretary