

**Minutes of Wednesday, June 7, 2017**  
**North Delta Water Agency Board of Directors Meeting**  
14120 Grand Ave. (Walnut Grove Community Church), Walnut Grove

**Call to Order**

Chairman Mello called the board of directors meeting to order at 9:30 a.m. on Wednesday, June 7, 2017. A quorum was determined at that time. Those present:

Directors

Steve Mello, Division 1  
Topper van Loben Sels, Division 2  
Jack Kuechler, Division 3  
Tom Hester, Division 5

Staff

Melinda Terry, Manager  
Cindy Tiffany, Assistant Manager  
Rebecca Smith, Downey Brand  
Gary Kienlen, MBK Engineers

Others

See attached sign-in sheet.

**Closed Session**

The board adjourned into closed session to confer with legal counsel on two items: State Water Resources Control Board proceedings regarding Petition for Changes in Water Rights of Department of Water Resources and U.S. Bureau of Reclamation for the California WaterFix Project and consider initiation of litigation pursuant to subdivision (c) of Section 549569.

The board reconvened in open session at 10:11 am and Chairman Mello announced there were no reportable actions taken during closed session.

**Legal Report**

Downey Brand sent a demand letter to Dept. of Fish and Wildlife for payment of fiscal year 2016-17 assessment amount. If full payment is not received by June 30<sup>th</sup> then Downey Brand will pursue legal options to collect payment pursuant to Board authorization approved in May.

*WaterFix Petition Hearing*

Rebecca Smith reported that the Waterfix hearings are nearing the end of Phase I of the proceedings with additional sur-rebuttal testimony starting on June 15th. Phase II cannot begin until biological opinions are released and EIR/EIS is certified by DWR which are both expected to occur by the end of the month. Phase II is focused on fisheries and other environmental impacts with new evidence and testimony presented by numerous fishing and environmental organizations.

In response to question about the timeline for filing a CEQA lawsuit, Rebecca reported that once the EIR/EIS is certified, there is a 30-day clock to file a CEQA challenge. The challenge must be based on the administrative record which is all of the prior comment letters submitted on the project.

**Engineering Report**

Gary Kienlen distributed water quality graphs, noting salinity levels are currently well within the Contract criteria at all NDWA monitoring locations. Due to continuing snowmelt outflow is still higher than average.

Michael George reported that as of June 1st the CVP and SWP projects were pumping at 8,000 cfs, and the cross channel was closed.

### **Manager Report**

Melinda distributed a revised version of the Delta flows resolution requested by the Association of California Water Agencies. Per her recommendation the Board agreed to postpone decision on the resolution until the next meeting so that Kevin O'Brien could participate in the discussion and any additional revisions.

June 30, 2017 is the final date to form a Groundwater Sustainability Agency.

### **Approval of the Minutes**

No additions or corrections were made to the May 3, 2017 minutes.

**MOTION** by Director Kuechler to approve the May 3, 2017. Seconded by Director van Loben Sels, and unanimously approved by a voice vote. (AYES: Mello, Kuechler, van Loben Sels, and Hester)

### **Director Elections**

The Board reviewed and approved Resolution number 2017-01 calling for a general district election on November 7, 2017.

**MOTION** by Director Kuechler to approve resolution Number 2017-01. Seconded by Director van Loben Sels, and unanimously approved by a voice vote. (AYES: Mello, Kuechler, van Loben Sels, and Hester)

### **Approval of Annual Budget**

Cindy presented the proposed fiscal year 2017-18 NDWA budget, including a document disclosing employee compensation as required by PERS and a one-time expenditure for MBK to develop a new database for storing all of NDWA's parcel and assessment roll information. After discussing anticipated issues that will require legal action, the Board decided to increase the legal budget by \$25,000, bringing total expenditures to \$1,191,643.90 with \$206,106.95 net income to go into reserves. Melinda informed the Board that CCVFCA has agreed to review the Service Agreement and consider potential changes in cost-sharing provisions pursuant to NDWA's request. The goal is to finalize a new draft by September for approval by both boards.

**MOTION** by Director Kuechler to approve the proposed FY 2017-2018 budget as presented. Seconded by Director van Loben Sels and approved by a roll call vote. (AYES: Mello, van Loben Sels, Kuechler, Hester)

### **Adoption of the 2017-2018 Assessment Rate**

Gary Kienlen presented the maximum assessment rates allowed according to Agency policy authorizing annual increases by either 3% or the Consumer Price Index, whichever is higher. He explained that if the base rate is increased by 3%, then the base rate for FY 2017-18 would be \$3.57 per acre and the maximum per acre rate would be \$9.27. The final June 2017 Consumer Price index has not been released yet, but may be higher than 3%. To cover increased legal and engineering expenses and to build the reserve, the Directors agreed to increase all rate categories to the maximum allowed, including the minimum per parcel rate.

**MOTION** by Director Kuechler to adopt Resolution 2017-02 authorizing an increase of annual assessment rates to the maximum allowed (3%) or CPI, whichever is greater, once CPI is released. Seconded by Director Mello, and approved by a roll call vote. (AYES: Mello, Kuechler, Hester, van Loben Sels)

**MOTION** by Director Kuechler to approve the Yolo County resolution governing the collection of NDWA assessments by the county. Seconded by Director van Loben Sels, and approved by a roll call vote. (AYES: Mello, Kuechler, Hester, van Loben Sels)

**Delta Activities Report**

*SWRCB/Delta Watermaster*

Delta Watermaster Michael George provided an update on activities and extension of deadlines related to SB 88 water diversion measuring requirements, the consumptive use study, and thanked the board for helping in contacting property owners who had failed to file annual water use report in 2015 as it greatly reduced his enforcement list to only eleven.

*Delta Habitat Projects*

The Watermaster asked if the board knew what the specific concerns folks have with the Fremont Weir Modification project. Melinda responded, citing several issues raised in comment letters submitted by both NDWA and the California Central Valley Flood Control Association expressing concerns with constructing a gate that would be operated to comply water supply ESA mitigation obligations rather than operating the bypass as a flood control facility, the need for a change of use petition to allow diversion of up to 6,000 cfs of CVP/SWP project water into the bypass, increased vegetation growth from more frequent and longer duration inundation, and other adverse impacts.

**Adjournment**

Chairman Mello adjourned the meeting at 12:17 p.m.

Respectfully submitted by Cindy Tiffany, Assistant Manager