

**NORTH SAN JOAQUIN WATER CONSERVATION DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS**

Lodi Library Community Room, 201 West Locust Street, Lodi CA

Monday June 29, 2015

MINUTES

1. Call to Order/Roll Call - President Valente called the meeting to order at 2:02 pm

President Joe Valente	General Counsel Roger Masuda-Absent
Vice President Tom Flinn	Assistant General Counsel-David Hobbs
Secretary David Simpson	Special Legal Counsel Jennifer Spaletta
Treasurer Hugh Scanlon	Consultant Walt Sadler
Deputy Secretary Marden Wilber-Absent	Deputy Secretary Shasta Burns

2. Correspondence/Announcements

No correspondence or announcements at this time.

WORKSHOP – DREAM PROJECT

Special Legal Counsel, Jennifer Spaletta, gave a presentation on the Demonstration Recharge Extraction and Aquifer Management (DREAM) Project for groundwater banking, extraction and export. Spaletta explained different options for a demonstration project that she defined as coupled and uncoupled. The coupled option has the recharge and extraction sites collocated while the uncoupled project has the recharge area in NSJWCD and the extraction point adjacent to the aqueduct in Stockton East Water District.

Both options use Mokelumne River water belonging to East Bay Municipal Utilities District (EBMUD) for groundwater recharge within NSJWCD. With both options, EBMUD water will be pumped through the NSJWCD South System, applied to the land surface and allowed to percolate down to the water table. EBMUD will pump groundwater from a well at the recharge site or at the aqueduct and put it into the aqueduct. Several sites for the extraction well are currently under consideration. Groundwater monitoring will be conducted to assess impacts.

Landowners in attendance expressed concern related to the high cost of the project for demonstration use. With the coupled option, much of the cost is allocated for a pipeline moving water from the extraction well to the aqueduct. Even with EBMUD paying the majority of project cost, lower cost alternatives should be explored.

There was also concern for surface application of water as opposed to injection through a well. The project will not inject water through a well, as water has to be treated to drinking water standards before injection.

Those in attendance were generally in favor of the groundwater banking concept. Those who wished to receive more information about the DREAM Project were given the opportunity to receive future information and notification. The Board also agreed to post additional information on the NSJWCD web site.

San Joaquin County Water Resources Coordinator, Brandon Nakagawa, thanked Spaletta for bringing the project together. Groundwater Consultant, Mark Williamson, spoke on the importance of letting the public know that the DREAM Project is a beneficial project for NSJWCD. President Valente asked for public and Board member comments. President Valente and Vice President Flinn spoke in support of the project.

3. Action Items

A. Approval of Minutes for the regular Meeting on May 18, 2015

Motion to approve the minutes of the May 18, 2015 regular Board Meeting by Vice President Flinn, second by Secretary Simpson. The motion passed unanimously.

B. Monthly Financial Reports and Invoice/Expense Payments

Treasurer Scanlon reviewed the financial reports and the proposed list of invoices and expenses to be paid. Treasurer Scanlon reviewed a transfer to the Tracy Lakes checking account for a check written from the Federal Government in the amount of \$53,000.00. Motion to approve the Monthly Financial Reports and to approve payments by Secretary Simpson, second by Vice President Flinn. The motion passed unanimously.

C. Tracy Lake Groundwater Recharge Project

1. Tracy Lake Current Financial Report

Treasurer Scanlon reviewed the current financial statements to the Board, and there was a Motion to Authorize a Split Adjustment from the Tracy Lakes checking account in the amount of \$57.43 and approve the Tracy Lake Financial Report by Secretary Simpson, second by Vice President Flinn. The motion passed unanimously.

D. Final Reports - South System Pump Station and Distribution System

Consultant Walt Sadler reviewed the Final Reports on the South System Pump Station, and the South System Distribution System. The South pumping plant is old, inefficient and was last operated in 2011. Similarly, the cast-in-place concrete pipeline was leaking when last used and thought to be in disrepair.

Consultant Neal Colwell with KSN presented options for repairing the South System. Colwell estimated the complete pumping plant will cost \$1.74 million dollars and pump 40 cfs. Two variable frequency pumps, a concrete structure, fish screen and discharge pipe are needed.

Motion to accept the report on the South System and to allow KSN to share the Tech Memorandum with San Joaquin County by Secretary Simpson, second by Vice President Flinn. Roll Call: Flinn; Aye, Simpson; Aye, Scanlon; Aye, Valente; Aye, Wilber; Absent. The motion passed unanimously.

E. Agreement with Advanced Pipeline Services for CCTV Inspection of the South System Distribution System

Consultant Walt Sadler reviewed the current status of the project. Previous low bidders were sent packets with the bond request and Sadler has received final bids. The low bid was \$.80 cents/foot, plus the cost of the payment bond. Motion to execute pipeline services agreement pending approval of a budget by Vice President Flinn, second by Secretary Simpson. Motion passed unanimously.

Consultant Sadler also gave a brief update on the Tracy Lakes Project construction, which has been slowed by high water levels in the river. The unforeseen event was the result of large releases of water under State order. Ford Construction is expected to complete the project on schedule.

F. Action to Adopt the Resolution No. 2015-07, Approving Proposition 4 Appropriation Limit for FY 2015-2016

Assistant General Counsel David Hobbs reviewed the Proposition with the Board. Motion to Approve Proposition 4 Appropriation Limit for FY 2015-2016 by Secretary Simpson, second by Vice President Flinn. Roll Call: Flinn; Aye, Simpson; Aye, Scanlon; Aye, Valente; Aye, Wilber; Absent. The motion passed unanimously.

G. Action to Adopt Resolution No. 2015-08, to Amend Board Policy Manual Section 23, Bid Requirements

Motion to Approve Resolution No. 2015-08, to Amend Board Policy Manual Section 23, Bid Requirements by Secretary Simpson, second by Vice President Flinn. Roll Call: Flinn; Aye, Simpson; Aye, Scanlon; Aye, Valente; Aye, Wilber; Absent. The motion passed unanimously.

H. Consideration and Adoption of FY 2015-2016 NSJWCD Budget

Vice President Flinn presented the 2015-2016 Budget proposal. The Budget Committee developed three scenarios based on water availability. Since there is no guarantee of water availability in 2016, the Board agreed to review the budget every three months. Motion to adopt FY 2015-2016 NSJWCD "6 Months of Water" budget by Treasurer Scanlon, second by Secretary Simpson. Roll Call: Flinn; Aye, Simpson; Aye, Scanlon; Aye, Valente; Aye, Wilber; Absent. The motion passed unanimously.

I. Update on AB 647 (Eggman). Special Counsel Spaletta gave the Board a handout with the current language in the bill. The bill will require the State to consider groundwater recharge as a "beneficial use" of water. The bill is moving and has gone to the Senate. Motion to have Special Counsel Spaletta prepare a letter of support for AB 647, on NSJWCD letterhead, for President Valente's signature, moved by Secretary Simpson, second by Treasurer Scanlon. The motion passed unanimously.

4. Discussion Items- None at this time.
5. Director and Staff Reports
 - A. Presidents Report – No Report at this time.
 - B. General Counsel Masuda - Substitute David Hobbs had nothing to report at this time.
 - C. Consultant Sadler – Suggested a Subcommittee meeting for a time frame to move forward with the South System Project.
 - D. Committee Reports

Vice President Flinn requested a discussion of NSJWCD Operating Policy on the next Agenda, specifically the logistics of how NSJWCD will sell water.
6. Public Comment on Items Not on the Agenda - No Public Comment.
7. Closed Session - No Closed session at this meeting.
8. Motion to Adjourn to June 29, 2015
Moved by Treasurer Scanlon, second by Vice President Flinn. Motion passed unanimously. Meeting adjourned at 4:30 pm.

ATTEST:

APPROVED:

David Simpson, Secretary

Joe Valente, President