



**Minutes
Regular Board Meeting
August 15, 2019**

1. A. **CALL TO ORDER:** Chair Vierra called the meeting to order at 3:31 p.m.
PRESENT: Chair Vierra, Vice Chair Esquer, Director Durossette, Director Bublak
ABSENT: None
- B. **SALUTE TO THE FLAG**
2. **RECOGNITION, APPOINTMENTS, ANNOUNCEMENTS & PRESENTATIONS:** None
3. A. **SPECIAL BRIEFINGS:** None
- B. **STAFF UPDATES:**
 1. General Manager Robert Granberg provided an update on Major TAC and PM Team Work Focus Areas, including entering into negotiations with CH2M Hill Engineers, Inc. on the Design-Build Contract for the Regional Surface Water supply project, managing the oversight of the wet well construction, developing the SRF Loan Application packages, and resolving the Bureau of Reclamation water rights petition protest. For the Design-Build Contract Negotiations, staff is working through the alternative design concepts with CH2M Hill Engineers, Inc. County encroachment permit conditions are being finalized. Staff met with the Division of Drinking Water on Drinking Water Permit Requirements and schedule. At the wet well construction site, the concrete structure is complete and temporary pumping equipment is being installed to test the infiltration gallery capacity and the quality of water through the infiltration gallery compared to the water from the river. For the Bureau of Reclamation Protest, the Bureau is seeking a refill agreement for impacts to the Central Valley Project. Meetings are being held between TID, SRWA and the Bureau of Reclamation to resolve the request. Upcoming milestones and tasks include completing the Design-Build negotiations, completing the SRF application packages, completing the interim finance plans, resolving the Bureau of Reclamation water rights protest and bringing the Design-Build contract to the SRWA Board in September for review and possible approval.

Chair Vierra asked about the refill agreement and how that will impact the project.

Tou Her from TID answered that the Bureau is claiming water that would have gone to the river is being diverted to SRWA and, during certain years when the reservoir needs to be filled, water is not being released down the river and is not available to the Bureau for their purposes. If that occurs, the amount of water that was not released would be credited to the Bureau. The impact of the refill agreement is being discussed as well as other alternatives. The next meeting with the Bureau of Reclamation will be held on September 4, 2019, or September 5, 2019.

Vice Chair Esquer shared his concerns with the water right protest and suggested slowing down the award of the design-build contract until water right issues are resolved.

General Manager Granberg said that it is possible to wait on the design-build contract award but the costs may need to be renegotiated if there is a delay.

2. Finance Director Marie Lorenzi provided an update on financial activity at the Special SRWA Board meeting on August 1, 2019, and no further update was needed as there was no activity. An update will be provided at the next meeting.

C. PUBLIC PARTICIPATION: None

4. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS: None

5. CONSENT CALENDAR:

Action: Motion by Director Durossette, second by Vice Chair Esquer, approving the minutes for the Special Meeting of August 1, 2019. Motion carried by the following vote:

Director Bublak	Director Durossette	Vice Chair Esquer	Chair Vierra
Abstain	Yes	Yes	Yes

Action: Motion by Vice Chair Esquer, second by Director Durossette, accepting the Stanislaus Regional Water Authority's audited Financial Statements for the fiscal year ended June 30, 2018 and related reports. Motion carried by the following vote:

Director Bublak	Director Durossette	Vice Chair Esquer	Chair Vierra
Yes	Yes	Yes	Yes

6. PUBLIC HEARINGS: None

7. SCHEDULED MATTERS:

- A.** General Manager Robert Granberg discussed the Regional Surface Water Supply Project funding and financing.

Discussion:

Lindsay Smith from West Yost updated the SRWA Board on the funding strategy, and provided an overview of funding sources, grant programs and loans. The State Revolving Fund (SRF) Loan Application was also discussed.

General Manager Robert Granberg discussed project financing, comparing the 2017 project cost estimate to the 2019 project cost update.

Rick Brandis from Brandis Tallman LLC presented interim financing options until the SRF funding is received, which could be anywhere from 6 to 18 months. Bridge loans can be a direct placement loan with one purchaser and pay interest only on the loan for three years with a balloon payment at the end of the third year. If the grant/SRF money comes in quicker, the loan can be paid off with no pre-penalty. If the funding is not received after three years, the cities can issue 30-year bonds to pay off the balloon payment. Each City will need to approve a funding plan prior to executing the SRF loan.

Director Durossette asked if the interim financing would change the projected rates that were provided to residents.

Rick Brandis answered that the interim financing was projected utilizing the current rate schedule so it would not change the expected rates. If funding is not received in three years, the interim financing would transition to a regular loan.

Director Bublak asked if each of the grants that SRWA is receiving have an administrative cost that lowers the amount we receive for the project.

Lindsay Smith answered that there is just one grant with fees due to the need for loans to be sold.

Chair Vierra opened public participation. There being no public response, Chair Vierra closed public participation.

8. **MATTERS TOO LATE FOR THE AGENDA:** None
9. **BOARD ITEMS FOR FUTURE CONSIDERATION:** None
10. **BOARD COMMENTS:** None
11. **NEXT MEETING DATE:** September 19, 2019 Regular Meeting
12. **ADJOURNMENT:** Motion by Director Bublak, second by Vice Chair Esquer, to adjourn at 4:10 p.m. Motion carried 4/0.

Respectfully submitted,



Allison Martin, Board Secretary