



1. A. **CALL TO ORDER:** Chair Soiseth called the meeting to order at 10:00 a.m.
PRESENT: Director Bublak, Director Lane, Vice Chair Vierra, Chair Soiseth
ABSENT: None
 - B. **SALUTE TO THE FLAG**
2. **RECOGNITION, APPOINTMENTS, ANNOUNCEMENTS & PRESENTATIONS:** None
3. A. **SPECIAL BRIEFINGS:** None
 - A. **STAFF UPDATES:**
 1. Interim General Manager Mike Brinton provided an update of items discussed at recent Technical Advisory Committee (TAC) meetings, including:
 - Completed tax questionnaire as part of the SRF financial application package
 - Made modifications to the Treatment Process Alternative Technical Memorandum 2
 - Continued discussions with Stanislaus County Building Department
 - Continued to coordinate and work with CVFPW (flood control) representatives on the issue of the seasonal construction constraints for the wet well construction
 - Continued preparation of Streambed Alteration Agreement permit application for CDFW
 - Continued collection of raw water samples and laboratory testing analysis of samples
 - Updated construction cost estimates for the alternative 15 mgd and 30 mgd treatment plant sizes
 - Updated the potential monthly average customer bill impact for the 30 mgd treatment plant option
 - Developed permitting schedule for treatment plant and pipeline construction
 - Met with property owner regarding access to Nazareno property
 - Completed work on new, refreshed SRWA logo
 - Prepared letter regarding wetland delineation to USACE
 - Completed review of draft IS/MND
 - Sent letter to property owners regarding on site surveys
 - Developed milestone project schedule summary
 - Prepared permit application package for CVFPB
 - Prepared documents for CVFPB detailing project phasing and construction methods
 2. Kellie Jacobs-Hunter, Finance Director, thanked Marie Lorenzi for her assistance and congratulated her on her retirement. A budget item will be presented later in this agenda.

B. CONSULTANT UPDATES:

1. Lindsay Smith of West Yost Associates provided a project status update including the following:
 - Recommended treatment trains for further evaluation
 - Initial Project capacity: 15 mgd
 - Assembly hearing on SB 373 to authorize use of design-build procurement scheduled for July 12th
 - General Manager recruitment scheduled for Board action on August 24th
 - Property acquisition
 - i. Appraisal reports completed
 - ii. Preparing written offer for Nazareno Property
 - Environmental
 - i. Wet Well IS/MND screen check
 - ii. Admin draft EIR scheduled for end of July 2017
 - iii. Fish & Wildlife Streambed Alteration Agreement
 - iv. Army Corp Section 404 Letter of Permission
 - Central Valley Flood Protection Board encroachment permit for Wet Well
 - Wildlife Conservation Board grant funding opportunities
 - Planning for Phase 2, anticipated start September 2017
 - Continued raw water sampling

C. PUBLIC PARTICIPATION: None

4. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS: None

5. CONSENT CALENDAR:

Action: Motion by Director Bublak, seconded by Director Lane, to adopt the consent calendar and approve the minutes of the Regular Meeting of May 25, 2017. Motion carried 4/0 by the following vote:

Director Lane	Director Bublak	Vice Chair Vierra	Chair Soiseth
Yes	Yes	Yes	Yes

6. PUBLIC HEARINGS: None

7. SCHEDULED MATTERS:

- A. The Board was asked to consider supporting the Association of California Water Agencies' Policy Statement on Bay-Delta Flow Requirements as taking a stance on this legislation now will directly impact the SRWA Project. Key points of the legislation were discussed and the Board agreed that it would be appropriate to take this policy position.

Discussion: None

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

Action: Resolution 2017-007 supporting the Association of California Water Agencies' (ACWA) Policy Statement on Bay-Delta Flow Requirements was introduced by Director Lane, seconded by Bublak, and carried 4/0 by the following vote:

Director Lane	Director Bublak	Vice Chair Vierra	Chair Soiseth
Yes	Yes	Yes	Yes

- B. Lyndsay Smith of West Yost Associates presented the report on the request to concur with the Executive TAC and TAC's recommendation to proceed with further evaluation of a conventional water treatment process featuring ozonation and granular media filters, and allowing consideration of such processes by proposers for the future design and construction of the water treatment plant.

The TAC and Project Management (PM) Team have continued to refine and evaluate available water treatment processes for the SRWA Surface Water Supply Project. A summary of major topics discussed in TM 2 and during the workshops, as well as an outline of the TAC and PM Team's findings, was provided and discussed, including:

- Initial Source Water Sampling and Bench Testing Results
- Winter 2017 and Historical Tuolumne River Flows
- Development of Refined Treatment Train Alternatives
- Comparison of Unit Processes and Treatment Trains
- Risk Assessment and Recommendations

The PM Team provided assessments of the relative probability of such issues arising under each alternative. Based on TAC and PM Team discussion of these risks, in conjunction with comparison of planning-level cost information, the TAC identified the following treatment process requirements:

1. Select a treatment train that utilizes ozone treatment
2. Select a treatment train that utilizes free chlorine for secondary disinfection (i.e., do not utilize chloramines)
3. Do not pursue direct filtration further

Based on TAC feedback on March 30, 2017, two treatment train alternatives (conventional treatment with pre-ozonation [Train 1], and membrane filtration with ozonation [Train 6]) were initially identified for further consideration, including an assessment of estimated operation and maintenance costs and a more detailed evaluation of the risks of exceeding regulatory limits for disinfection byproducts. The PM Team then developed additional information which indicated that treatment Train 6 could present significant risks associated with compliance with regulatory limits for disinfection byproducts, in addition to having higher estimated operation and maintenance costs than Train 1.

After presentation and discussion of this information on May 16, 2017, the TAC and PM Team agreed that further evaluation of treatment processes should include Train 1 and Train 2 (which differs from Train 1 only in the relative sequence of ozonation in the treatment process) and variants thereof. Such evaluation will include the development of preliminary design criteria, site layouts and construction schedules; and development of refined cost estimates for operation and maintenance.

The estimated water treatment plant capital costs of the two alternatives initially recommended for further evaluation (Trains 1 and 6) are within approximately four percent

(4%) of one another. Monthly single family water bills for the same alternatives were estimated to be within approximately one percent (1%) of one another.

Although narrowing the acceptable alternatives to Trains 1 and 2 necessarily limits the types of proposals which may be developed by Design-Build proposers, it is expected that ongoing source water sampling and bench testing activities will identify acceptable variations of Trains 1 and 2 that will encourage innovation and price competition among proposers.

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

Action: **Motion** by Vice Chair Vierra, seconded by Director Lane, to concur with the Executive TAC and TAC's recommendation to proceed with further evaluation of a conventional water treatment process featuring ozonation and granular media filters, and allowing consideration of such processes by proposers for the future design and construction of the water treatment plant. Motion carried 4/0 by the following vote:

Director Lane	Director Bublak	Vice Chair Vierra	Chair Soiseth
Yes	Yes	Yes	Yes

- C. Lyndsay Smith of West Yost Associates presented the report on the request to declare intention to seek reimbursement for expenditures paid prior to the issuance of the obligations or the approval by the State Water Board (Drinking Water State Revolving Fund (SRF) Program) for the SRWA Surface Water Supply Project (Project) funds in the maximum principal amount of \$275,654,000.

Discussion: This Board action is required as part of the application process with SRF to obtain low-interest loan funding. The tax questionnaire is used by SRF to determine whether SRWA Participating Cities are eligible to receive funds from tax-exempt revenue bond sales. The cost estimate is a high-level number and does not include all the Project costs. It is a best-guess estimate so the State understands the quantity of bonds that would have to be sold for this Project. West Yost will present cost specifics for the Board's consideration in July or August.

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

Action: **Resolution 2017-008** declaring intention to seek reimbursement of water supply project expenditures from the Drinking Water State Revolving Fund Program was introduced by Director Lane, seconded by Vice Chair Vierra, and carried 4/0 by the following vote:

Director Lane	Director Bublak	Vice Chair Vierra	Chair Soiseth
Yes	Yes	Yes	Yes

- D. Marie Lorenzi presented the report requesting the adoption of the Annual Budget for the Stanislaus Regional Water Authority for the 2017-18 Fiscal Year and adopting a minimum cash reserve target for 2017-18.

Discussion: Marie presented a breakdown of the Project's projected revenue and expenditures for FY 2017-18. A total of \$1.3 million in allocations was shown for Participating Cities and the Turlock Irrigation District. In addition to the budget, this action will also authorize the Finance Director to adjust the 2017-18 appropriations related to consultant contracts without bringing formal action back before the Board. If any of these contracts are amended beyond the approved contract amount at June 30, 2017, that action would also require a budget adjustment. A target reserve for the SRWA of three months' of expenditures is being recommended.

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

Action: Resolution 2017-009 adopting the Annual Budget for the Stanislaus Regional Water Authority for the 2017-18 Fiscal Year and adopting a minimum cash reserve target for 2017-18 was introduced by Director Bublak, seconded by Lane, and carried 4/0 by the following vote:

Director Lane	Director Bublak	Vice Chair Vierra	Chair Soiseth
Yes	Yes	Yes	Yes

- 8. **MATTERS TOO LATE FOR THE AGENDA:** None
- 9. **BOARD ITEMS FOR FUTURE CONSIDERATION:** None
- 10. **BOARD COMMENTS:** None
- 11. **NEXT MEETING DATE:** July 27, 2017 - Regular Meeting
- 12. **CLOSED SESSION:** None
- 13. **ADJOURNMENT:** Motion by Director Bublak, seconded by Director Lane, to adjourn at 10:28 a.m. Motion carried 4/1.

Respectfully submitted,



Tish Foley, Board Secretary