Notice of San Luis & Delta-Mendota Water Authority
Board of Directors Telephonic Regular Meeting
Thursday, March 4, 2021, 9:30 a.m.

Join Zoom Meeting
https://us02web.zoom.us/j/87214016731?pwd=b0RXZUxmeUdBTWw3bkZ2L2JJRXdYUT09

Meeting ID: 872 1401 6731
Passcode: 301408

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NOTE: In accordance with the Governor's Executive Order (N-29-20) and the declared State of Emergency as a result of the threat of COVID-19, members of the Board of Directors, and Water Authority staff will be participating in this meeting remotely from multiple locations. This meeting will occur exclusively through Zoom. If members of the public have any problems using the call-in number during the meeting, please contact the Authority office at 209-826-9696.

NOTE FURTHER: Any member of the public may address the Board concerning any item on the agenda before or during consideration of that item, as appropriate.

Agenda

1. Call to Order/Roll Call

2. Board to Consider Additions or Corrections to the Agenda of Items, as authorized by Government Code Section 54950 et seq.

3. Opportunity for Public Comment – Any member of the public may address the Board concerning any matter not on the agenda, but within the Board's jurisdiction. Public comment is limited to no more than three minutes per person. For good cause, the Chair of the Board may waive this limitation.

Consent Calendar

Note: All matters listed on the Consent Calendar are considered to be routine and non-controversial and will be acted upon by a single action of the Board of Directors, unless a Board Member requests separate consideration of the item. If such a request is made, the item may be heard as an action item at this meeting.

4. **Board of Directors to Consider Approval of February 4, 2021 Meeting Minutes**

5. **Board of Directors to Consider Acceptance of Financial & Expenditures Reports**

6. **Board of Directors to Consider Acceptance of Staff Reports:**
   a. **O&M Budget to Actual**
   b. **Operations & Maintenance**

c. **Science Program**
d. **Activity Agreements**
e. **Procurement Activity**

Action Items

7. **Board of Directors to Consider Selection and Appointment of FY22 San Luis & Delta-Mendota Water Authority Board Officers**, Barajas

8. **Board of Directors to Consider Water Resources Committee Recommendation Regarding Adoption of Staff Recommendation for Positions on Legislation**, Petersen
   a. H.R. 644 (Calvert), REBUILD Act
   b. H.R. 737 (Valadao), RENEW WIIN Act
   c. H.R. 866 (Calvert), FISH Act
   d. S.B. 559 (Hurtado), Department of Water Resources: water conveyance systems: Canal Conveyance Capacity Restoration Fund

9. **Board of Directors to Consider Water Resources Committee Recommendation Regarding Ratification of Appointment of Federico Barajas to State and Federal Contractors Water Agency Board of Directors**, Barajas

10. **Board of Directors to Consider Water Resources Committee Recommendation Regarding Adoption of Resolution including CEQA Exemption for and Authorizing Execution of Agreement to Purchase Release of Water By and Among the Oakdale Irrigation District, the South San Joaquin Irrigation District, the San Luis & Delta-Mendota Water Authority, and the California Department of Water Resources**, Mizuno

11. **Board of Directors to Consider Finance & Administration Committee Recommendation Regarding Adoption of Resolution Modifying the Debt Management Policy Adopted Through Resolution No. 2019-437**, Arroyave

Report Items

12. Report on State and Federal Affairs, Petersen/Dennis Cardoza

13. Executive Director's Report, Barajas
    a. March 2021 Board Workshop
    b. Volta Wastewater Groundwater Wells Update
    c. May include reports on activities related to 1) CVP/SWP water operations; 2) California storage projects; 3) regulation of the CVP/SWP; 4) existing or possible new State and Federal policies; 5) Water Authority activities; 6) COVID-19 response

14. Chief Operating Officer's Report, Arroyave
    (May include reports on activities related to 1) OM&R; 2) Infrastructure Projects; 3) Water transfers, exchanges, and release program

15. Update on Water Operations and Forecasts, Boardman

16. Committee Reports:
    a. Water Resources Committee Activities, Birmingham
    b. Finance & Administration Committee Activities, Gilmore
    c. O & M Technical Committee Activities, White

17. Outside Agency/Organization Reports:
    a. State and Federal Contractors Water Agency
    b. Family Farm Alliance
    c. Farm Water Coalition
    d. Association of California Water Agencies
    e. San Joaquin Valley Water Blueprint Effort
    f. Central Valley Project Water Association

18. Board Member Reports

19. **CLOSED SESSION**

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of Litigation Pursuant to paragraph (4) of Subdivision (d) of Government Code Section 54956.9 – 3 potential cases

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant Exposure to Litigation Pursuant to Paragraph (2) or (3) of Subdivision (d) of Government Code Section 54956.9 – 2 potential cases

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Existing Litigation Pursuant to paragraph (1) of Subdivision (d) of Section 54956.9

A. Natural Resources Defense Council et al. v. de la Vega et al., U.S. District Court, E.D. Cal., Case No. 1:05-cv-01207-DAD-EPG, 9th Cir. Case No. 21-15163 (2005 DMC Contract Renewals)
B. Pacific Coast Federation of Fishermen's Associations, California Sportfishing Protection Alliance, Friends of the River, San Francisco Crab Boat Owners Association, Inc., The Institute for Fisheries Resources, and Felix Smith v. Donald R. Glaser and San Luis & Delta-Mendota Water Authority, U.S. District Court, E.D. Cal., Case No. 2:11-CV-02980-KJM-CKD (PCFFA v Glaser or GBP Citizens Suit)
C. SWRCB Water Rights Complaints: Modesto Irrigation District, State Water Contractors, San Luis & Delta-Mendota Water Authority, Interested Persons in SWRCB CDO Enforcement Proceedings and/or Petitions for Reconsideration: Pak & Young; Mussi et al. (WR Complaints)
D. Delta Stewardship Council Cases, Sacramento County Superior Court, Case No. JCCP 4758 (formerly San Luis & Delta-Mendota Water Authority and Westlands Water District v. Delta Stewardship Council, et al., Sacramento County Superior Court, Case No. 34-2013-80001500) (Delta Plan Litigation)
E. City of Fresno, et al. v. United States, U.S. Court of Federal Claims, Case No. 1:16-cv-01276-EDK (2014 Friant Breach of Contract)
F. Monterey Coastkeeper, et al. v. Central Valley Regional Water Quality Control Board, et al., Third District Court of Appeal Case No. C093513, Sacramento County Superior Court Case No. 34-2018-80002853; Environmental Law Foundation v. State Water Resources Control Board, Third District Court of Appeal Case No. C093513, Sacramento County Superior Court Case No. 34-2018-80002851; Protectores del Agua Subterranea v. State Water Resources Control Board, Third District Court of Appeal Case No. C093513, Sacramento Superior Court Case No. 34-2018-80002852 (Waste Discharge Requirement Cases)
G. North Coast Rivers Alliance v. Delta Stewardship Council, Sacramento County Superior Court, Case No. 34-2018-80002898; Central Delta Water Agency v. Delta Stewardship Council, Sacramento County Superior Court, Case No. 34-2018-80002900; Friends of the River v. Delta Stewardship Council, Sacramento County Superior Court, Case No. 34-2018-80002901; California Water Impact Network v. Delta Stewardship Council, Sacramento County Superior Court, Case No. 34-2018-80002904 (Delta Plan Amendment Cases)
H. North Coast Rivers Alliance, et al. v. San Luis & Delta-Mendota Water Authority, et al., Merced County Superior Court, Case No. 19CV-04989 (GBP Long-Term Storm Water Management Plan)
I. Pacific Coast Federation of Fishermen's Associations, et al. v. Coggins, et al., U.S. District Court, E.D. Cal., Case No. 1:20-cv-00431-DAD-EPG (ROC on LTO BiOps)
J. California Natural Resources Agency, et al. v. Coggins, et al., U.S. District Court, E.D. Cal., Case No. 1:20-cv-00426-DAD-EPG (ROC on LTO BiOps)
K. CDWR Water Operation Cases, Sacramento County Superior Court, Case No. JCCP 5117 (formerly Tehama-Colusa Canal Authority et al. v. California Department of Water Resources et al., Fresno County Superior Court, Case No. 20CECG01303) (SWP EIR Challenge)
L. AquAlliance et al. v. U.S. Bureau of Reclamation, et al., U.S. District Court, E.D. Cal., Case No. 1:20-cv-00878-DAD-EPG (Long-Term Water Transfers EIS/EIR)
M. Winnemem Wintu Tribe et al. v. State Water Resources Control Board et al., Merced County Superior Court, Case No. 19CV-04989 (GBP Waste Discharge Requirements)
N. SWRCB Administrative Hearing Office: County of San Joaquin Permit to Appropriate Water from the South Fork American River at the Freeport Regional Water Authority Facility on the Sacramento River, Pending Application A029657 (Permit Application Protest)

20. Return to Open Session

21. Report from Closed Session, if any Required by Government Code Section 54957.1

22. Reports Pursuant to Government Code Section 54954.2(a)(3)

23. ADJOURNMENT

Persons with a disability may request disability-related modification or accommodation by contacting Cheri Worthy or Sandi Ginda at the San Luis & Delta-Mendota Water Authority Office via telephone (209) 826-9696 or email [cheri.worthy@sldmwa.org or sandi.ginda@sldmwa.org] at least 3 days before a regular meeting or 1 day before a special meeting/workshop.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Section 54950 et seq. and has not been prepared with a view to informing an investment decision in any of the Authority's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the Authority's bonds, notes or other obligations and investors and potential investors should rely only on information filed by the Authority on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at https://emma.msrb.org/.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
BOARD OF DIRECTORS TELEPHONIC REGULAR MEETING
MINUTES FOR FEBRUARY 4, 2021

The Board of Directors of the San Luis & Delta-Mendota Water Authority convened at approximately 9:30 a.m. This meeting was held via teleconference/ZOOM in accordance with the Governor's Executive Order (N-29-20) and the declared State of Emergency as a result of the threat of COVID-19, with Chair Cannon Michael presiding.

Directors and Alternate Directors in Attendance Division 1

Dave Weisenberger, Alternate
Bobby Pierce, Director - Vince Lucchesi, Alternate
Anthea Hansen, Director - Kyle Perez, Alternate
Rick Gilmore, Director

Division 2

Ryan Ferguson, Alternate for Dan Errotabere
William Bourdeau, Director
John Bennett, Director
Bill Diedrich, Director (joined after agenda item 10)

Division 3

Dan McCurdy, Director
Chris White, Director - Jarrett Martin, Alternate
Cannon Michael, Director
Ric Ortega, Director

Division 4

John Varela, Director - Aaron Baker, Alternate
Gary Kremen, Director
Jeff Cattaneo, Director
Sara Singleton, Alternate for Joe Tonascia

Division 5

Bill Pucheu, Director
Tom Birmingham, Director
Manny Amorelli, Director

Authority Representatives Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer
Frances Mizuno, Special Projects Administrator
Rebecca Akroyd, General Counsel
Scott Petersen, Water Policy Director
Joyce Machado, Director of Finance
Lauren Neves, Accountant III
Darlene Neves, Supervisor of Operational Accounting
Cathy Bento, Accountant II
Stewart Davis, IT Officer

Bob Martin, Facilities O&M Director

Others in Attendance

Tom Boardman, Westlands Water District
Dennis Cardoza, Foley & Lardner LLP
Nader Noori, Bureau of Reclamation
John Wiersma, Henry Miller Reclamation District
Marguerite Patil, CCWD

1. Call to Order/Roll Call

The meeting was called to order and roll was called.

2. Board to Consider Additions or Corrections to the Agenda of Items, as authorized by Government Code Section 54950 et seq.

No additions or corrections.

3. Opportunity for Public Comment

No public comment.

CONSENT ITEMS

4. Agenda Items 4-7: Board to Consider: a) January 14, 2021 Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports, d) Treasurer's Report, c) Staff Reports.

On a motion of Director Rick Gilmore, seconded by Director David Weisenberger, the Board accepted the Meeting Minutes, Financial Expenditures Reports, Treasurer's Report, and Staff Reports. The vote on the motion was as follows:

AYES:	Weisenberger, Pierce, Hansen, Gilmore, Ferguson, Bourdeau, Bennett, White, Michael, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Amorelli
NAYS:	None
ABSTENTIONS:	None

ACTION ITEMS

Agenda Item 8: Board of Directors to Consider the Finance & Administration Committee Recommendation Regarding Executive Compensation for Various Positions.

Finance & Administration Committee Chair Rick Gilmore presented a recommendation for a 5% increase in executive compensation for the Executive Director, Chief Operating Officer,

General Counsel, Water Policy Director, and Director of Finance positions. Gilmore reported that this suggested increase is based on performance evaluations for Executive Director and General Counsel and the results from the salary survey presented at the January meeting. Gilmore reported that the increase will be encompassed within the approximately $300,000 placeholder that is currently in the FY22 proposed budget. Gilmore reported the salary and benefits for the remaining executive positions will be finalized by the Executive Director within the budget adopted by the Board. After a brief discussion, Gilmore orally reviewed the worksheet that provided the salary and benefits for the Executive Director, General Counsel, Chief Operating Officer, Water Policy Director, and the Director of Finance positions.

On a motion of Director Rick Gilmore, seconded by Director Bill Pucheu, the Board approved executive compensation for various positions. The vote on the motion was as follows:

AYES:	Weisenberger, Pierce, Hansen, Gilmore, Ferguson, Bourdeau, Bennett, McCurdy, White, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Amorelli
NAYS:	None
ABSTENTIONS:	None

5. Agenda Item 9: Board of Directors to Consider the Finance & Administration Committee and Water Resources Committee Recommendations Regarding Proposed Fiscal Year 2022 Budget and Resolution Adopting the Fiscal Year 2022 Budget.

Chief Operating Officer Pablo Arroyave provided background and reviewed the FY22 budget preparation process. Arroyave highlighted the 3% increase in salary budget from FY21. Arroyave reported that the Authority plans to develop a 5-step salary structure. General Counsel Rebecca Akroyd reviewed the Resolution adopting the FY22 Budget, which was included in the packet. Staff committed to making two minor grammatical corrections in the resolution. Arroyave highlighted changes and considerations since the O&M Committee considered the draft in October. Water Policy Director Scott Petersen briefly reviewed changes on the Activity Budget that were considered and recommended by the Water Resources Committee.

On a motion of Director Rick Gilmore, seconded by Director Tom Birmingham, the Board approved proposed Fiscal Year 2022 Budget and resolution, as amended, adopting the Fiscal Year 2022 Budget. The vote on the motion was as follows:

AYES:	Weisenberger, Pierce, Hansen, Gilmore, Ferguson, Bourdeau, Bennett, McCurdy, White, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Amorelli
NAYS:	None
ABSTENTIONS:	None

6. Agenda Item 10: Board of Directors to Consider the Finance & Administration Committee Recommendation Regarding Water Year 2021 O&M Water Rates.

Chief Operating Officer Pablo Arroyave reported that per the Finance & Administration Committee, the Authority developed proposed water year 2021 O&M rates based on a 10%, 20% and 25% Ag allocation. Arroyave reported that it was recommended by the Committee that the water rates be approved by the Board based on the 10% Ag allocation until the Authority knows the final approved allocations. Director of Finance Joyce Machado stated that the Authority surveyed the districts for estimated water year 2021 deliveries rates based on a 10%, 20% and 25% Ag allocation. Machado went on to review the budgeted costs and delivery assumptions included in the rate calculation.

On a motion of Director Rick Gilmore, seconded by Director Bill Pucheu, the Board adopted the Water Year 2021 O&M Water Rates. The vote on the motion was as follows:

AYES:	Weisenberger, Pierce, Hansen, Gilmore, Ferguson, Bourdeau, Bennett, McCurdy, White, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Amorelli
NAYS:	None
ABSTENTIONS:	None

7. Agenda Item 11: Board of Directors to Consider the Finance & Administration Committee Recommendation Regarding Modifications to Executive Director and General Counsel Performance Evaluation Process.

Executive Director Federico Barajas presented the staff memo to the Board regarding modifications to Executive Director and General Counsel Performance Evaluations. Barajas stated that proposed modifications are based on feedback received after the last performance evaluations. Barajas reported that it was requested that staff research the performance evaluation forms and processes of other similar agencies, specifically for more relevant questions and rating scales. Barajas reported that proposed modifications simplify the performance evaluation process and nature of the questions and revises the rating scale determination for performance evaluation forms.

On a motion of Director Rick Gilmore, seconded by Director Chris White, the Board approved modifications to Executive Director and General Counsel performance evaluation process. The vote on the motion was as follows:

AYES:	Weisenberger, Pierce, Hansen, Gilmore, Ferguson, Bourdeau, Bennett, Diedrich, McCurdy, White, Michael, Ortega, Varela,

	Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Amorelli
NAYS:	None
ABSTENTIONS:	None

REPORT ITEMS

8. Agenda Item 12: Presentation regarding Los Vaqueros Reservoir Expansion Project.

Special Projects Administrator Frances Mizuno introduced Marguerite Patil from Contra Costa Water District (CCWD). Marguerite Patil walked through a PowerPoint presentation, reviewing the proposed facilities, project benefits, local agency partners, options for participation, preliminary cost allocation, and other details about the Los Vaqueros Reservoir Expansion Project. Patil reported that CCWD and local agency partners intend to form a new JPA, with the target date for formation in the spring of 2021. Mizuno reported that the next steps are for the Activity Agreement members to determine if they want to continue participation in the project, and enter into the JPA.

9. Agenda Item 13: Update on Strategic Plan Implementation Progress.

Executive Director Federico Barajas reviewed the memo that was included in the packet summarizing the status of Strategic Plan implementation, and also reviewed the table that embodies and update to the 13 high priority actions that the Board identified at the beginning of this process. Barajas reported that staff has been closely monitoring and tracking these high priority items. Barajas reported that beginning in March he will meet with Authority's management team to establish and track implementation plan for the upcoming year.

10. Agenda Item 14: Report on State and Federal Affairs.

Water Policy Director Scott Petersen reported that Authority staff is working with the Foley team to schedule a virtual trip to Washington, D.C., during the week of February 22-26. Petersen reported that staff has distributed an initial set of topics for discussion and extended invitations to key members for coordination regarding meeting scheduling.

Petersen summarized a variety of actions taken by President Biden. Petersen reported that he has made a number of key nominations for Cabinet positions.

Petersen reported that Newsom's $227 billion state budget already included a $15.5 billion surplus and $22 billion in reserves, forecasting a record year for revenues while other states struggle with deficits.

Dennis Cardoza noted announcements of certain committee assignments, and events in EPA secretary confirmation hearings. Cardoza introduced Bill Ball, who thanked everyone for the opportunity to work with the Authority, and its members.

11. Agenda Item 15: Executive Director's Report.

a) **Los Banos Office Space** – Executive Director reported that four proposals in response to the RFP are under review by the review panel comprised of representatives from the City of Los Banos, Milliken Museum, Exchange Contractors, and the Authority. Selection of architectural firm is anticipated in early March. Barajas reported that the first phase of the project will include schematic drawings of a new building at no cost to the Authority at this time. Barajas reported that phase 1 deliverables will be brought to the Board for review and consideration.

b) **Sacramento Office** – Barajas reported that Sacramento staff are now officially in the new office located on Garden Hwy.

c) **San Luis Transmission Project (SLTP)** – Special Projects Administrator Frances Mizuno reported that three viable proposals were received, and the goal is to find an investor to finance 100% of the cost. Mizuno reported that she has asked Jose Gutierrez, Dana Jacobson, Reclamation, and Western to review the proposals. Mizuno reported that the goal is present the various options to the Board at a workshop to be scheduled in March.

d) **WIFIA** – Barajas reported that he was contacted by EPA regarding cost associated with the WIFIA application process, and will be discussing the details with EPA next week.

e) **Officer Elections** – Barajas reported that Officer elections will be on the March Board agenda.

12. Agenda Item 16: Chief Operating Officer's Report.

Chief Operating Officer Pablo Arroyave reported that the Authority closed on the JPP Revenue Bonds and the DHCCP Refunding Bonds, with a true-interest cost of 3.31% for the JPP bonds, and over a million dollars in savings.

Arroyave reported that staff is working closely with Reclamation to develop a DMC subsidence plan/budget for 2021.

Arroyave reported that Jones Pumping Plant Unit 5 is expected to be turned over for reassembly next week, and then the Unit Rewind work will begin on Unit 1.

Arroyave reported that staff is involved in a week-long design review workshop for rehabilitation of the O'Neill transformers.

Special Projects Administrator Frances Mizuno reported that due to the continued dry hydrology staff has started working on North of the Delta transfers. Mizuno reported that a kick-off meeting is scheduled next week with Reclamation regarding transfers.

13. Agenda Item 17: Update on Water Operations and Forecasts

Westlands Water District's Tom Boardman reported Shasta storage at just below 2.2 MAF with moderately increased inflows. Folsom storage was also low, but snowpack above the reservoir has improved 75% of average; up by 20 percentage points from mid-January. Delta flows are on the decline after peaking earlier in February. Jones pumping increased today slightly to 1900 cfs to capture some of the increased delta inflow. Further pumping increases were precluded out of concern for increased salinity in the central delta and increased Sacramento river turbidity that could trigger a delta smelt export reduction if pumping were increased too much.

Recent and projected CVP San Luis storage was discussed which included three charts. The charts showed how CVP San Luis is refilling slower than expected. Boardman also compared 2021 CVP San Luis operations to 2016 and 2020 which he noted similarities and differences.

Boardman briefly explained that DWR's Bulletin 120, to be posted during the 2nd week of February, may show that a Shasta critical year would be triggered in the 90% exceedance forecast, but not triggered in the 50% exceedance forecast. If that occurs, Boardman stated that he expects Reclamation's initial allocation announcement to show 75% for Exchange Contractors and refuges, 50% for urban contractors, zero allocation to Ag Service contractors. Boardman added that a 5% Ag allocation may be possible if the updated B120 forecast shows higher than expected runoff for northern reservoirs.

14. Agenda Item 18: Committee Reports.

a. **Water Resources Committee** – Chair Tom Birmingham reported that the committee met, and addressed agenda items.

b. **Finance & Administration Committee** – Chair Rick Gilmore reported that the committee met, and addressed agenda items.

c. **O&M Committee** – No report.

15. Agenda Item 17: Outside Agency/Organization Reports.

a. **State and Federal Contractors Water Agency (SFCWA)**

Director Rick Gilmore reported that there is an upcoming meeting scheduled for in

February 18. Executive Director Federico Barajas discussed a need to change representation, and reached out to SFCWA regarding the process. Director Tom Birmingham suggested Federico Barajas proceed as the new SFCWA representative, and ratify his appointment to the SFCWA board at the March Board meeting.

b. Family Farm Alliance (FFA)

Report included in the packet.

c. Farm Water Coalition.

No report.

d. Association of California Water Agencies

Director Bill Diedrich reported that the Ag Committee meeting is on March 2. Director John Varela reported that Region 5 presented toxicity issues in Disadvantage Communities.

e. San Joaquin Valley Water Blueprint Effort

No report.

f. CVPWA

Director Anthea Hansen reported that Financial Affairs Committee met January 15, and will meet again February 19 to discuss implications of final cost allocation, and other issues.

16. Agenda Item 18: Board Member Reports.

None.

17. Agenda Items 19-23: Closed Session Report.

Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 12:10 p.m. Upon return to open session at approximately 12:30 p.m., General Counsel Rebecca Akroyd stated that no reportable actions were taken.

18. Agenda Item 24: Reports Pursuant to Government Code Section 54954.2 (a) (3)

No reports.

19. Agenda Item 25: Adjournment.

The meeting was adjourned at approximately 12:30 p.m.

MEMO

TO: Board of Directors

FROM: Joyce Machado, Director of Finance

SUBJECT: March 2021 BOD Meeting Report - Finance
Fiscal Year - March 1, 2020 through February 28, 2021

DATE: March 4, 2021

Attached are the Financial & Expenditures Reports. The Receivable Activity Report and the Check Register Report will be provided at the April 2021 meeting.

San Luis & Delta-Mendota Water Authority
Cash Activity Detail Report - Operational
For Month Ending January 31, 2021

	Daily Interest Rates:		0.00%	0.00%	0.35%	0.35%	ST 0.37% MT 0.61%	0.42%		
	Type of Account:	Cash	CVCB	CVCB	CVCB	CVCB	Cal Trust	LAIF	Petty	
	Account #:	on Hand	Checking 0471	Payroll 0489	Transactional 0463	Muni 4858	25-10 Short/Medium Term	4-006	Cash	Total
	Cash Balance as of 12/31/20	1,078.02	(665,107.30)	10.00	15,029,280.96	1,516,767.25	19,789,811.78	12,490,535.24	1,000.00	48,163,375.95
	Receipts - Remote Deposit									
01/04/21	Deposit	0.00	0.00	0.00	172,582.08	0.00	0.00	0.00	0.00	172,582.08
01/06/21	Deposit	0.00	0.00	0.00	22,874.50	0.00	0.00	0.00	0.00	22,874.50
01/11/21	Deposit	0.00	0.00	0.00	1,071.89	0.00	0.00	0.00	0.00	1,071.89
01/19/21	Deposit	0.00	0.00	0.00	22,218.27	0.00	0.00	0.00	0.00	22,218.27
01/20/21	Deposit	0.00	0.00	0.00	10,247.41	0.00	0.00	0.00	0.00	10,247.41
01/21/21	Deposit	0.00	0.00	0.00	30,886.00	0.00	0.00	0.00	0.00	30,886.00
01/22/21	Deposit	0.00	0.00	0.00	10,000.00	0.00	0.00	0.00	0.00	10,000.00
01/25/21	Deposit	0.00	0.00	0.00	459,596.24	0.00	0.00	0.00	0.00	459,596.24
01/27/21	Deposit	0.00	0.00	0.00	15,087.59	0.00	0.00	0.00	0.00	15,087.59
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	744,563.98	0.00	0.00	0.00	0.00	744,563.98
Date	**Receipts - Wires & ACH**									
01/13/21	SLWD-O&M	0.00	0.00	0.00	68,076.70	0.00	0.00	0.00	0.00	68,076.70
01/13/21	WWD NOD transfer expense	0.00	0.00	0.00	25,276.36	0.00	0.00	0.00	0.00	25,276.36
01/15/21	Panoche WD-O&M	0.00	0.00	0.00	40,787.17	0.00	0.00	0.00	0.00	40,787.17
01/20/21	Returned P/R 1.15.21	0.00	0.00	5,042.70	0.00	0.00	0.00	0.00	0.00	5,042.70
01/21/21	BBID DHCCP prepayment	0.00	0.00	0.00	483,579.00	0.00	0.00	0.00	0.00	483,579.00
01/21/21	FWA-O&M	0.00	0.00	0.00	879,062.35	0.00	0.00	0.00	0.00	879,062.35
01/26/21	Resubmitted P/R 1.15.21	0.00	0.00	(5,042.70)	0.00	0.00	0.00	0.00	0.00	(5,042.70)
01/28/21	DOI-Closure of projects	0.00	0.00	0.00	3,778.51	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	1,500,560.09	0.00	0.00	0.00	0.00	1,500,560.09
Date	**To/From Operational / DHCCP**									
01/21/21	MUFG-DHCCP BBID & Laguna	0.00	0.00	0.00	(502,358.00)	0.00	0.00	0.00	0.00	(502,358.00)
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	(502,358.00)	0.00	0.00	0.00	0.00	(502,358.00)
		0.00	0.00	0.00	(502,358.00)	0.00	0.00	0.00	0.00	(502,358.00)
Date	**To/From Grant Funds-Trans**									
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Date	**Checks Written**									
01/06/21	Accounts Payable	0.00	0.00	0.00	(11,577.05)	0.00	0.00	0.00	0.00	(11,577.05)
01/08/21	Accounts Payable	0.00	0.00	0.00	(19,480.69)	0.00	0.00	0.00	0.00	(19,480.69)
01/14/21	Accounts Payable	0.00	0.00	0.00	(46,255.57)	0.00	0.00	0.00	0.00	(46,255.57)
01/15/21	Accounts Payable	0.00	0.00	0.00	(10,405.37)	0.00	0.00	0.00	0.00	(10,405.37)
01/19/21	Accounts Payable	0.00	0.00	0.00	(51,717.67)	0.00	0.00	0.00	0.00	(51,717.67)
01/21/21	Accounts Payable	0.00	0.00	0.00	(220,418.60)	0.00	0.00	0.00	0.00	(220,418.60)
01/22/21	Accounts Payable	0.00	0.00	0.00	(280,325.86)	0.00	0.00	0.00	0.00	(280,325.86)
01/28/21	Accounts Payable	0.00	0.00	0.00	(39,130.52)	0.00	0.00	0.00	0.00	(39,130.52)
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	(679,311.33)	0.00	0.00	0.00	0.00	(679,311.33)
Date	**ACH Payments**									
01/04/21	EDD 12/12-12/25/20 SDI & SWT	0.00	(20,002.85)	0.00	0.00	0.00	0.00	0.00	0.00	(20,002.85)
01/04/21	EDD 12/12-12/25/20 UI & ETT	0.00	(62.58)	0.00	0.00	0.00	0.00	0.00	0.00	(62.58)
01/04/21	IRS 12/12-12/25/20	0.00	(50,669.28)	0.00	0.00	0.00	0.00	0.00	0.00	(50,669.28)
01/08/21	Netsuite testing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01/15/21	EE Association	0.00	(445.00)	0.00	0.00	0.00	0.00	0.00	0.00	(445.00)
01/19/21	ICMA	0.00	(82,247.19)	0.00	0.00	0.00	0.00	0.00	0.00	(82,247.19)
01/22/21	Visa Payments	0.00	(15,132.01)	0.00	0.00	0.00	0.00	0.00	0.00	(15,132.01)
01/29/21	EE Association	0.00	(445.00)	0.00	0.00	0.00	0.00	0.00	0.00	(445.00)
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	(169,003.91)	0.00	0.00	0.00	0.00	0.00	0.00	(169,003.91)
Date	**Transfers**									
01/14/21	Funding for Payroll related ICMA ACH	0.00	82,692.19	0.00	(82,692.19)	0.00	0.00	0.00	0.00	0.00
01/21/21	12.21.20 deposit trnsfr'd from DA to WA Grant	(1,078.02)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,078.02)
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		(1,078.02)	82,692.19	0.00	(82,692.19)	0.00	0.00	0.00	0.00	(1,078.02)

San Luis & Delta-Mendota Water Authority
Cash Activity Detail Report - Operational
For Month Ending January 31, 2021

	Daily Interest Rates:		0.00%	0.00%	0.35%	0.35%	ST 0.37% MT 0.61%	0.42%		
	Type of Account:	Cash	CVCB	CVCB	CVCB	CVCB	Cal Trust	LAIF	Petty	
	Account #:	on Hand	Checking 0471	Payroll 0489	Transactional 0463	Muni 4858	25-10 Short/Medium Term	4-006	Cash	Total
	Cash Balance as of 12/31/20	1,078.02	(665,107.30)	10.00	15,029,280.96	1,516,767.25	19,789,811.78	12,490,535.24	1,000.00	48,163,375.95
Date	**Wire Payments**									
01/07/21	USBR-SL Joint Use Costs Qtr Ending 3/31/20	0.00	0.00	0.00	(3,459,965.26)	0.00	0.00	0.00	0.00	(3,459,965.26)
01/14/21	Ceridian-Funding 1/15/21 Payroll & Taxes	0.00	0.00	0.00	(337,370.80)	0.00	0.00	0.00	0.00	(337,370.80)
01/19/21	Stoel Rives-11/20 Legal Services	0.00	0.00	0.00	(3,541.80)	0.00	0.00	0.00	0.00	(3,541.80)
01/27/21	Ceridian-Funding 1/29/21 Payroll & Taxes	0.00	0.00	0.00	(340,053.63)	0.00	0.00	0.00	0.00	(340,053.63)
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	(4,140,931.49)	0.00	0.00	0.00	0.00	(4,140,931.49)
Date	**CVCB Sweep Checking/Trans Muni**									
01/04/21	Sweep from Transactional Account	0.00	289,971.14	0.00	(289,971.14)	0.00	0.00	0.00	0.00	0.00
01/05/21	Sweep from Transactional Account	0.00	170,685.39	0.00	(170,685.39)	0.00	0.00	0.00	0.00	0.00
01/06/21	Sweep from Transactional Account	0.00	59,074.50	0.00	(59,074.50)	0.00	0.00	0.00	0.00	0.00
01/07/21	Sweep from Transactional Account	0.00	2,237.94	0.00	(2,237.94)	0.00	0.00	0.00	0.00	0.00
01/08/21	Sweep from Transactional Account	0.00	12,027.21	0.00	(12,027.21)	0.00	0.00	0.00	0.00	0.00
01/11/21	Sweep from Transactional Account	0.00	87,780.57	0.00	(87,780.57)	0.00	0.00	0.00	0.00	0.00
01/12/21	Sweep from Transactional Account	0.00	102,348.28	0.00	(102,348.28)	0.00	0.00	0.00	0.00	0.00
01/13/21	Sweep from Transactional Account	0.00	2,862.65	0.00	(2,862.65)	0.00	0.00	0.00	0.00	0.00
01/14/21	Sweep from Transactional Account	0.00	(82,692.19)	0.00	82,692.19	0.00	0.00	0.00	0.00	0.00
01/15/21	Sweep from Transactional Account	0.00	1,302.27	0.00	(1,302.27)	0.00	0.00	0.00	0.00	0.00
01/19/21	Sweep from Transactional Account	0.00	82,247.19	0.00	(82,247.19)	0.00	0.00	0.00	0.00	0.00
01/20/21	Sweep from Transactional Account	0.00	84.53	0.00	(84.53)	0.00	0.00	0.00	0.00	0.00
01/22/21	Sweep from Transactional Account	0.00	138.00	0.00	(138.00)	0.00	0.00	0.00	0.00	0.00
01/25/21	Sweep from Transactional Account	0.00	15,172.01	0.00	(15,172.01)	0.00	0.00	0.00	0.00	0.00
01/29/21	Sweep from Transactional Account	0.00	575.00	0.00	(575.00)	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	743,814.49	0.00	(743,814.49)	0.00	0.00	0.00	0.00	0.00
Date	**Bank Fee/Bank Error/Adjustments**									
01/13/21	Incoming Wire Fees	0.00	0.00	0.00	(40.00)	0.00	0.00	0.00	0.00	(40.00)
01/15/21	Incoming Wire Fees	0.00	0.00	0.00	(20.00)	0.00	0.00	0.00	0.00	(20.00)
01/14/21	Change in Share Price	0.00	0.00	0.00	0.00	0.00	(19,334.14)	0.00	0.00	(19,334.14)
01/20/21	Change in Share Price	0.00	0.00	0.00	0.00	0.00	19,334.14	0.00	0.00	19,334.14
01/21/21	Incoming Wire Fees	0.00	0.00	0.00	(40.00)	0.00	0.00	0.00	0.00	(40.00)
01/28/21	Change in Share Price	0.00	0.00	0.00	0.00	0.00	(5,527.05)	0.00	0.00	(5,527.05)
01/29/21	Service Charge	0.00	0.00	(20.00)	0.00	0.00	0.00	0.00	0.00	(20.00)
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	(20.00)	(100.00)	0.00	(5,527.05)	0.00	0.00	(5,647.05)
Date	**Interest Earned**									
01/15/21	Interest Earned	0.00	0.00	0.00	0.00	0.00	0.00	19,749.12	0.00	19,749.12
01/29/21	Interest Earned	0.00	0.00	0.00	3,609.84	450.87	9,101.11	0.00	0.00	13,161.82
		0.00	0.00	0.00	3,609.84	450.87	9,101.11	19,749.12	0.00	32,910.94
	Cash Balance as of 1/31/21	0.00	(7,604.53)	(10.00)	11,128,807.37	1,517,218.12	19,793,385.84	12,510,284.36	1,000.00	44,943,081.16

Note: Daily Interest Rates are through 1/31/21

Percentage in Investment Accounts	4%	59%	37%
Target Percentage in Investment Accounts	10%	75%	15%

San Luis & Delta-Mendota Water Authority
Grant Funds Cash Activity Detail Report
For Month Ending January 31, 2021

	Non-Interest Bearing Account				
	Type of Account:	CVCB Checking	CVCB Checking Rewind	CVCB Checking City of Huron	Total
	Account #:	8778	8751	0659	
	Cash Balance as of 12/31/20	1,064,265.86	0.00	0.00	1,064,265.86
	Receipts - Remote Deposit	.			
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
Date	**Receipts - Wires & ACH**				
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
Date	**To/From**				
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
Date	**Checks Written**				
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
Date	**Wires In from**				
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
	Transfers From				
01/21/21	12.21.20 deposit trnsfr'd from DA to WA Grant	1,078.02	0.00	0.00	1,078.02
		1,078.02	0.00	0.00	1,078.02
Date	**Transfers Out - To Transactional Acct**				
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
Date	**Bank Fee/Bank Error/Adjustments**				
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
	Cash Balance as of 1/31/21	1,065,343.88	0.00	0.00	1,065,343.88

CC: DN, JM

San Luis & Delta-Mendota Water Authority
Cash Activity Detail Report - DHCCP: *Bonds, Financing Participants*
For Month Ending January 31, 2021

	Account Information:	CVCB Financing Participants	MUFG, Trustee Union Bank Series, 2013 A Escrow for Bond Defeasance @ 3/1/23	MUFG,Trustee Union Bank Series, 2013A Bonds Interest & Principal	Total
	Cash Balance as of 12/31/20	**0.00**	**3,684,098.86**	**131.75**	**3,684,230.61**
Date	**Receipts**				
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
	To/From CAR - Operational				
01/21/21	MUFG-DHCCP BBID & Laguna	502,358.00	0.00	0.00	502,358.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		502,358.00	0.00	0.00	502,358.00
	Incoming / Outgoing Funds				
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
	Interest Earned / Adjustments				
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00
	Cash Balance as of 1/31/21	**502,358.00**	**3,684,098.86**	**131.75**	**4,186,588.61**

San Luis & Delta-Mendota Water Authority

Activity Agreements Budget to Actual

Paid/Pending Comparison Summary

March 1, 2020 through January 31, 2021

FAC 3/1/21 & BOD 3/4/21

		FY Budget 3/1/20 - 2/28/21	Actual To Date Paid/Pending 3/1/20 - 1/31/21	% of Budget		Amount Remaining
03	General Membership	756,961	469,627	62.04%		287,334
05	Leg/CVP Operations	5,028,999	3,341,132	66.44%		1,687,867
06	Reallocation Agreement	0	0	0.00%		0
35	Contract Renewal Coordinator	51,868	1,717	3.31%		50,151
09	Leg/CVP Operations #3	0	0	0.00%		0
28	Yuba County Water Transfers	3,420	14,364	420.01%	1	(10,944)
22	Grassland Basin Drainage #3A	2,237,570	1,447,054	64.67%		790,516
64	SGMA - Northern Delta-Mendota Region	832,572	333,900	40.10%		498,672
65	SGMA - Central Delta-Mendota Region	832,572	356,703	42.84%		475,869
67	Integrated Regional Water Management	229,754	105,329	45.84%		124,425
68	Los Vaqueros Reservoir Expansion	43,932	12,056	27.44%		31,876
44	Exchange Contractors - 5 Year Transfer	11,206	2,580	23.03%		8,626
56	Long-Term North to South Water Transfer	172,565	118,806	68.85%		53,759
16	DHCCP	5,472	1,116	20.39%		4,356
	TOTAL	**10,206,891**	**6,204,384**	**60.79%**		**4,002,507**
	11/ 12 X 10,206,891		**$ 9,356,317**	**91.67%**		
	Budget vs. Actual		**3,151,932**			

Notes:

1. Trending over budget due to Special Projects Coordinator salary expense.

MEMO

TO: Pablo Arroyave, Chief Operating Officer
FROM: Joyce Machado, Director of Finance
SUBJECT: FY21 O&M Budget to Actual Report
DATES: 3.1.21 FAC and 3.4.21 BOD

2020 Water Year (FY 3/1/20-2/28/21) *attachment 1*
Self-funding actual expenses (paid and pending) for SLDMWA Routine O&M through January 31, 2021 are under budget by $3,759,788 or 22.22%. Contributing to this large result in positive spending is the Intertie DWR Conveyance. Excluding the Intertie Conveyance, the result would be 12% under budget.

Outstanding

2019 Water Year (FY 3/1/19-2/29/20)
The goal to complete the WY19 Final Accountings has been extended to end of March 2021.

2018 Water Year (FY 3/1/18-2/28/19)
Staff plans to distribute the WY18 Final Accountings soon.

Intertie O&M Cost Recovery
WY12 Intertie True-Up: outstanding, no cost recovery
WY13 Intertie True-Up: outstanding, no cost recovery
WY14 Intertie True-Up: outstanding, no cost recovery
WY15 Intertie True-Up: outstanding, no cost recovery
WY16 Intertie True-Up: outstanding, no cost recovery
WY17 Intertie True-Up: outstanding, no cost recovery

ANNUAL R, O&M BUDGET BY COST POOLS MARCH 1, 2020 - FEBRUARY 28, 2021

						O'NEILL O&M		
	Total	UPPER	Intertie	Volta Wells	LWR/POOL	DIRECT	STORAGE	SL DRAIN
DMC	$ 7,767,111	$ 4,686,675			$ 3,080,436			
JPP	$ 3,594,969	$ 3,594,969						
WW	$ 161,164	$ 120,873			$ 40,291			
Intertie O&M / Intertie DWR Conveyance	$ 3,409,666		$ 3,409,666					
Volta Wells *(SLDMWA O&M + Monitoring)*	$ 156,834			$ 156,834				
Pool	$ 203,020				$ 203,020			
O'Neill	$ 3,036,146					$ 2,702,170	$ 333,976	
SL Drain	$ 128,214							$ 128,214
	$ 18,457,122	$ 8,402,516	$ 3,409,666	$ 156,834	$ 3,323,747	$ 2,702,170	$ 333,976	$ 128,214

R, O&M BUDGET BY COST POOLS THROUGH January 31, 2021

91.67%

					O'NEILL O&M		
	Total	UPPER	Intertie	Volta Wells	LWR	DIRECT	STORAGE	SL DRAIN
DMC	$ 7,119,852	$ 4,296,119			$ 2,823,733			
JPP	$ 3,295,388	$ 3,295,388						
WW	$ 147,734	$ 110,800			$ 36,933			
Intertie & Intertie DWR Conveyance	$ 3,125,527		$ 3,125,527					
Volta Wells *(SLDMWA O&M + Monitoring)*	$ 143,764			$ 143,764				
Pool	$ 186,101				$ 186,101			
O'Neill	$ 2,783,134					$ 2,476,989	$ 306,145	
SL Drain	$ 117,529							$ 117,529
	$ 16,919,029	$ 7,702,307	$ 3,125,527	$ 143,764	$ 3,046,768	$ 2,476,989	$ 306,145	$ 117,529

R, O&M Actual COSTS BY COST POOLS THROUGH January 31, 2021

					O'NEILL O&M		
	Total	UPPER	Intertie	Volta Wells	LWR	DIRECT	STORAGE	SL DRAIN
DMC	$ 5,861,900	$ 3,537,070			$ 2,324,830			
JPP	$ 3,098,288	$ 3,098,288						
WW	$ 118,989	$ 89,242			$ 29,747			
Intertie Maint & DWR Conveyance	$ 1,392,245		$ 1,392,245					
Volta Wells *(SLDMWA O&M + Monitoring)*	$ 8,034			$ 8,034				
Pool	$ 123,964				$ 123,964			
O'Neill	$ 2,336,578					$ 2,079,554	$ 257,024	
SL Drain	$ 219,244							$ 219,244
	$ 13,159,241	$ 6,724,600	$ 1,392,245	$ 8,034	$ 2,478,541	$ 2,079,554	$ 257,024	$ 219,244

R, O&M BUDGET vs Actual COSTS THROUGH January 31, 2021

						O'NEILL O&M		
	TOTAL	UPPER	INTERTIE & DWR Conveyance	Volta Wells	LWR/POOL	DIRECT	STORAGE	SL DRAIN
R, O&M Budget	$ 16,919,029	$ 7,702,307	$ 3,125,527	$ 143,764	$ 3,046,768	$ 2,476,989	$ 306,145	$ 117,529
R, O&M Actual	$ 13,159,241	$ 6,724,600	$ 1,392,245	$ 8,034	$ 2,478,541	$ 2,079,554	$ 257,024	$ 219,244
Difference	$ 3,759,788	$ 977,707	$ 1,733,282	$ 135,730	$ 568,227	$ 397,435	$ 49,121	$ (101,715)
	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	OVER

22.222243% under budget

subject to rounding

attachment 1

San Luis & Delta-Mendota Water Authority
DMC without CIP / E O&M
Budget to Actual Paid/Pending Comparison Summary
March 1, 2020 through January 31, 2021
FAC 3/1/21 & BOD 3/4/21

		FY Budget 3/1/20 - 2/28/21		Actual To Date Paid/Pending		% of Budget	Notes	Budget Amount Remaining
Operate & Maintain DMC	**S/F 02**	5,842,138		4,247,274		72.70%		1,594,864
Operate & Maintain Wasteways	**S/F 04**	119,046		83,448		70.10%		35,598
Mendota Pool	**S/F 05**	146,558		117,177		79.95%		29,381
Operate & Maintain JPP	**S/F 11**	2,601,571		2,167,333		83.31%		434,238
Intertie Maintenance	**S/F 12**	134,799	**A**	208,885		154.96%		(74,085)
Volta Wells Pumping	**S/F 13**	124,550		6,277		5.04%		118,273
Operate & Maintain O'Neill	**S/F 19**	2,159,728		1,619,362		74.98%		540,366
Maintain Tracy Fish Facility	**USBR 30**	229,458		318,859		138.96%		(89,401)
Maintain Fish Release Site	**USBR 32**	6,130		-		0.00%		6,130
Operate & Maintain Tracy USBR	**USBR 33**	19,187		1,590		8.29%		17,596
Operate & Maintain San Luis Drain	**S/F 41**	96,529		156,437		162.06%		(59,908)
Maintain Delta Cross Channel	**USBR 44**	58,588		16,832		28.73%		41,756
Warehousing	**52**	120,866		173,746		143.75%		(52,880)
Tracy Field Office Expense	**54**	509,168		366,433		71.97%		142,734
Direct Administrative/General Expense	**56**	1,215,544		1,273,744		104.79%		(58,200)
Indirect O & M LBAO Admin.	**58**	2,265,550		1,742,116		76.90%		523,434
TOTAL		**15,649,410**		**12,499,513**		**79.87%**		**3,149,897**

Total from Self-Funding - page 2	15,227,361	12,033,180	79.02%	3,194,181
Total from USBR - page 3	422,049	411,164	97.42%	10,885
Total from Special Projects - page 4	-	55,169		(55,169)
Totals	15,649,410	12,499,513		3,149,897
	YTD %	**91.67%**		

A. Does NOT include DWR Wheeling

San Luis & Delta-Mendota Water Authority
Self-Funding Portion of DMC
Budget to Actual Paid/Pending Comparison Summary
March 1, 2020 through January 31, 2021
FAC 3/1/21 & BOD 3/4/21

		FY Budget 3/1/20 - 2/28/21		Actual To Date Paid/Pending	% of Budget	Budget Amount Remaining
Operate & Maintain DMC	**02**	5,842,138		4,247,274	72.70%	1,594,864
Operate & Maintain Wasteways	**04**	119,046		83,448	70.10%	35,598
Mendota Pool	**05**	146,558		117,177	79.95%	29,381
Operate & Maintain TPP	**11**	2,601,571		2,167,333	83.31%	434,238
Intertie Maintenance	**12**	134,799	A	208,885	154.96%	(74,085)
Volta Wells Pumping	**13**	124,550		6,277	5.04%	118,273
Operate & Maintain O'Neill	**19**	2,159,728		1,619,362	74.98%	540,366
Operate & Maintain San Luis Drain	**41**	96,529		156,437	162.06%	(59,908)
Total Direct O & M		**11,224,919**		**8,606,192**	**76.67%**	**2,618,727**
Warehousing	**52**	117,671		167,441	142.30%	(49,770)
Tracy Field Office Expense	**54**	495,707		353,135	71.24%	142,572
Direct Administrative/General Expense	**56**	1,183,408		1,227,519	103.73%	(44,110)
Indirect O & M LBAO Admin.	**58**	2,205,655		1,678,893	76.12%	526,762
Total Indirect Allocated to O & M		**4,002,442**		**3,426,988**	**85.62%**	**575,454**
Total SLDMWA O&M		**15,227,361**		**12,033,180**	**79.02%**	**3,194,181**

A. Does NOT include DWR Wheeling

San Luis & Delta-Mendota Water Authority
USBR Service Agreement portion of DMC
Budget to Actual Paid/Pending Comparison Summary
March 1, 2020 through January 31, 2021
FAC 3/1/21 & BOD 3/4/21

		FY Budget 3/1/20 - 2/28/21	Actual To Date Paid/Pending	% of Budget	Budget Amount Remaining
Maintain Tracy Fish Facility	**30**	229,458	318,859	138.96%	(89,401)
Maintain Fish Release Site	**32**	6,130	-	0.00%	6,130
Operate & Maintain Tracy USBR	**33**	19,187	1,590	8.29%	17,596
Maintain Delta Cross Channel	**44**	58,588	16,832	28.73%	41,756
Total Direct USBR Facilities		**313,363**	**337,281**	**107.63%**	**(23,919)**
Warehousing	**52**	3,195	3,610	112.97%	(415)
Tracy Field Office Expense	**54**	13,461	7,613	56.56%	5,848
Direct Administrative/General Expense	**56**	32,136	26,464	82.35%	5,671
Indirect O & M LBAO Admin.	**58**	59,895	36,196	60.43%	23,699
Total Indirect Allocated USBR Facilities		**108,687**	**73,883**	**67.98%**	**34,804**
TOTAL USBR FACILITIES		**422,049**	**411,164**	**97.42%**	**10,885**

San Luis & Delta-Mendota Water Authority
DMC Indirect Cost Allocated to Special Projects
March 1, 2020 through January 31, 2021
FAC 3/1/21 & BOD 3/4/21

		Allocated To Date
Special Projects allocated		
Indirect allocated to Special Projects		
Warehousing	**52**	2,696
Tracy Field Office Expense	**54**	5,685
Direct Administrative/General Expense	**56**	19,761
Indirect O & M LBAO Admin.	**58**	27,028
Total Indirect Allocated to SPECIAL PROJECTS		**55,169**

TOTAL INDIRECT ALLOCATED TO SPECIAL PROJECTS	**55,169**

San Luis & Delta-Mendota Water Authority
DMC WITH CIP / E O & M
Budget to Actual Paid/Pending Comparison Summary
March 1, 2020 through January 31, 2021
FAC 3/1/21 & BOD 3/4/21

		FY Budget 3/1/20 - 2/28/21		Actual To Date Paid/Pending		% of Budget	Notes	Budget Amount Remaining
Capital Improvement Projects	**CIP 25**	6,238,400		6,692,895		107.29%		(454,495)
Extra Ordinary O&M	**EO&M 26**	3,880,803		2,246,732		57.89%		1,634,072
Participatory Grants	**PAT 45**	-		-		0.00%		-
Operate & Maintain DMC	**S/F 02**	5,842,138		4,247,274		72.70%		1,594,864
Operate & Maintain Wasteways	**S/F 04**	119,046		83,448		70.10%		35,598
Mendota Pool	**S/F 05**	146,558		117,177		79.95%		29,381
Operate & Maintain JPP	**S/F 11**	2,601,571		2,167,333		83.31%		434,238
Intertie Maintenance	**S/F 12**	134,799	**A**	208,885		154.96%		(74,085)
Volta Wells Pumping	**S/F 13**	124,550		6,277		5.04%		118,273
Operate & Maintain O'Neill	**S/F 19**	2,159,728		1,619,362		74.98%		540,366
Maintain Tracy Fish Facility	**USBR 30**	229,458		318,859		138.96%		(89,401)
Maintain Fish Release Site	**USBR 32**	6,130		-		0.00%		6,130
Operate & Maintain Tracy USBR	**USBR 33**	19,187		1,590		8.29%		17,596
Operate & Maintain San Luis Drain	**S/F 41**	96,529		156,437		162.06%		(59,908)
Maintain Delta Cross Channel	**USBR 44**	58,588		16,832		28.73%		41,756
Warehousing	**52**	140,801		186,204		132.25%		(45,403)
Tracy Field Office Expense	**54**	593,146		392,706		66.21%		200,439
Direct Administrative/General Expense	**56**	1,416,025		1,365,069		96.40%		50,956
Indirect O & M LBAO Admin.	**58**	2,639,210		1,867,023		70.74%		772,187
TOTAL		**26,446,667**		**21,694,102**		**82.03%**		**4,752,565**

Total from Self-Funding - page 2	15,227,361	12,033,180	79.02%	3,194,181
Total from USBR - page 3	422,049	411,164	97.42%	10,885
Total from Special Projects - page 4	-	55,169		(55,169)
Total from EO&M	10,797,257	9,194,589	85.16%	1,602,668
Totals	26,446,667	21,694,102		4,752,565

YTD % **91.67%**

A Does NOT include DWR Wheeling

San Luis & Delta-Mendota Water Authority
DMC WITH CIP / E O & M With Indirect Allocated
Budget to Actual Paid/Pending Comparison Summary
March 1, 2020 through January 31, 2021
FAC 3/1/21 & BOD 3/4/21

			Actual Paid/Pending Expense	% Direct Labor to Total Labor	Allocated Indirect Based on Direct Labor %	Total Expense Direct & Indirect	
Operate & Maintain DMC	S/F	02	4,247,274	42.37%	1,614,626	5,861,900	*
Operate & Maintain Wasteways	S/F	04	83,448	0.93%	35,541	118,989	*
Mendota Pool	S/F	05	117,177	0.18%	6,788	123,964	*
Operate & Maintain Jones Pumping P	S/F	11	2,167,333	24.43%	930,955	3,098,288	*
Intertie Maintenance	S/F	12	208,885	1.50%	57,299	266,183	*
Intertie DWR Conveyance	S/F	12	1,126,062			1,126,062	*
Volta Wells Pumping	S/F	13	6,277	0.05%	1,757	8,034	*
Operate & Maintain O'Neill	S/F	19	1,619,362	18.82%	717,216	2,336,578	*
Maintain Tracy Fish Facility	USBR	30	318,859	1.91%	72,701	391,560	
Maintain Fish Release Site	USBR	32	-	0.00%	-	-	
Operate & Maintain Tracy USBR	USBR	33	1,590	0.02%	694	2,284	
Operate & Maintain San Luis Drain	S/F	41	156,437	1.65%	62,807	219,244	*
Maintain Delta Cross Channel	USBR	44	16,832	0.01%	488	17,320	
CIP		25	6,692,895	0.00%	-	6,692,895	
EO&M & Scada Project		26	2,246,732	6.69%	254,962	2,501,694	
SPECIAL PROJECTS		XX		1.45%	55,169	55,169	
				100.00%			
Warehousing		52	186,204		3,811,002	22,820,163	
Tracy Field Office Expense		54	392,706				
Direct Administrative/General Expense		56	1,365,069				
Indirect Administrative/General Expense		57	-			(9,194,589)	less CIP&EO&M
Indirect O & M LBAO Admin.		58	1,867,023			(411,164)	less USBR Facilities
Total Indirect to be Allocated				3,811,002		(55,169)	less Special Projects
TOTAL			**22,820,163** includes intertie DWR conveyance			13,159,241	*SLDMWA O&M Costs

March 4, 2021

To: Pablo Arroyave, Chief Operating Officer

From: Bob Martin, Facilities O&M Director

Subject: O&M Report for February 2021

Operations Department

The C.W. "Bill" Jones Pumping Plant (JPP) operated at two units from February 1st to 16th. Pumping was increased to three units on the 16th and four units on the 19th due to available water. Pumping was decreased to three units on the 23rd, two units on the 25th, and to one unit on the 26th due to Delta outflow conditions.

As of February 23rd, pumping for the month of January at the JPP was 99,929 acre-feet. The O'Neill Pump/Generating Plant (OPP) pumped 77,560 acre-feet and no water was generated. No water was conveyed through the Delta-Mendota Canal/California Aqueduct Intertie Plant (DCI).

The Federal share in San Luis Reservoir on February 23rd was 475,509 acre-feet as compared to 514,437 acre-feet on February 23rd, 2020.

As of February 23rd, releases from Friant Dam ranged from 345 to 299 cfs and flows entering the Mendota Pool ranged from 141 to 77 cfs. Flows of 140 to 75 cfs were released passed Mendota Dam for the San Joaquin River Restoration Program (SJRRP).

Canal Operations staff members performed open channel and closed-pipe flow measurements, routine patrols, bi-weekly meter readings, water samples, well soundings, and meter maintenance during the month of February.

Control Operations staff performed the following switching/clearance placements for the month of February:

- JPP Unit 4; Exciter brush replacement and cleaning
- OPP Unit 1; Confined space rescue training

Civil Maintenance Department

The Civil Maintenance crews worked on the following projects for the month of February:

- Grading of DMC, Intake Channel, SLD and Wasteway operating roads
- Mitigate oil spill from abandoned waste oil containers near DMC Check 21
- Install Plexiglas barriers at Tracy Admin Office (TAO) and Tracy Warehouse
- Transport JPP Unit 5 rotor fan to sandblast/paint building and thrust bridge to JPP Machine Shop
- Erosion repair and embankment rebuilding on DMC

- Install tamper-proof locking mechanisms on roadway gates to Los Banos Field Office (LBFO) and extended height of wing fencing
- Installation of stairs and handrails to DMC turnout gates and meters
- Maintenance and repairs to float lines, signs, fences, and gates
- Garbage collection on DMC and Wasteways

Plant Maintenance Department

Electrical/C&I Staff:

- JPP Unit 5 reassembly
- Repairs to outlets and lighting at Los Banos Admin Office (LBAO)
- Investigate loss of power at DMC Check 16
- Tracy 13.8kV switchgear protective relay updates and testing
- Replace JPP 100-ton crane festoon cable
- DMC Check 21 level detector calibration and adjustments
- TAO electrical distribution breaker replacement

Mechanical Staff:

- JPP Unit 5 rewind support and reassembly: Re-plumbed hydraulic lines to rotor brakes, installed rotor, thrust bearing bridge, thrust runner, coupled shaft, and began alignment checks
- Adjust OPP Unit 4 discharge pipe Dresser coupling

Confined Space Rescue training and certification provided by outside contractor at O'Neill Plant the week of February 22nd. Rescue team trained and certified includes O'Neill electrical and mechanical staff, Civil Maintenance staff, and Planning staff.

USBR Support Services

Water Authority crews performed the following work at USBR facilities for the month of February:

- Tracy Electrical PM's on TFCF Primary Louver Crane and Holding Tank Hoist
- Investigate high pressure pump water hammer

Engineering Department

The Engineering staff worked on the following projects during the month of February:

- JPP Unit 5 Rewind project
- JPP Unit 5 Excitation armature repair
- JPP flow control for the newly installed plant evaporative cooling unit
- JPP switchgear buildings relay settings update
- JPP Excitation slip ring brush holder upgrade to constant pressure type
- JPP Breaker Failure Relay SET-352 troubleshooting
- JPP and OPP Security System PM
- JPP Unit 3 CT Upgrade
- JPP butterfly valve accumulator tank 5-year inspections
- OPP fall protection and confined space improvements
- OPP vane control accumulator tanks 5-year inspection
- Anode replacement projects for DCI and OPP
- DMC subsidence correction project
- DMC bathymetric survey of problem areas

- DMC MP115.90 flowmeter evaluation
- Upper DMC communication upgrades
- DMC MP76.05 flowmeter communication
- DMC MP115.90 flowmeter
- RO&M Exam reports and recommendations
- Presentation for Los Banos High School Power/Engineering class
- TFCF engineering support for pumps and associated piping

Land Management Activity Summary

The Engineering staff issued (1) access permit during the month of February:

- Access permit P2102009 was issued to PG&E to recoat the gas line crossing located at DMC Milepost 32.61 (Howard Road).

The Engineering staff was involved with the following land management projects during the month of February:

- Widren Water District well discharge project, well adjustment
- Corral Hollow Bridge Replacement
- Tracy Hills Utility Crossing at MP15.08
- Koster Road bridge guardrail modifications

Safety Department

The Safety Department worked on the following items this month:

- JHA support for the crews
- Schedule of annual hearing tests
- Conduct Weekly Safety Tailgate talks with Maintenance and Operations crews
- Sent out Weekly Safety Tailgate Topics – SLDMWA COVID-19 Prevention Standard Procedures, Job Hazard Assessment, Roadside Safety, Caught In Between/Struck By hazards.
- Provided Safety Message for Monthly Newsletter – COVID-19 Vaccine Information
- Completed SLDMWA's COVID-19 Prevention Plan Roll Out Procedures and visited worksites to review procedures with employees
- Coordinated and oversaw Permit Required Confined Space Rescue Training at O'Neill Pumping Plant.

Work & Asset Management Department

The Work & Asset Management Department worked on the following items this month:

EAM/Financial Software Replacement Project

- End users entering data for Accounts Receivable, processing Accounts Payable, creating service orders, entering Timesheets and Purchase orders and processing inventory, both receiving and checkouts.
- SuitePeople HR went live on 2/17/2021.
- Testing in process in the Projects module in preparation to setup FY22 EO&M Projects.
- The implementation team continues developing searches and reports to assist the end users.

- The implementation team is supporting the end users as they step through their daily work processes and continues working with the NetSuite, Shepherd, and PyanGo teams to fine-tune the system.

Contracts in Process

- CMAS Vehicle purchases initiated this month for approved FY22 Vehicle Replacements
- Researching Sourcewell Cooperative Agreement for purchase of approved FY22 Heavy Equipment Replacements.

Ongoing:

- Purchasing in support of the O&M crews, to maintain warehouse stock, and locate & purchase disinfecting supplies & protective gear to comply with COVID-19 protocols
- Warehouse receiving, stocking, and distribution
- Fleet and property management
- Net Suite WAM invoicing/Bill Pays through Accounting
- Janitorial cleaning & disinfecting per COVID-19 guidelines
- Contract Management/Administration Activities

Information Technology Department

The Information Technology Department worked on the following items this month:

- Installation of new services/contracts with AT&T (Completed Feb 10)
- Un-Wired bandwidth increase February 16th
- Netsuite
    - Upgrade planning meetings
    - Online training, User and Administration
    - Post GO LIVE support
    - Email boxes for all employees
- Continuing support for our “Work at Home” users
- Assist with February FAC, WRC and BOD meetings with Zoom
- Desktop support calls.
- Email server upgrade preparations
- Sacramento Office move completed (Feb 5th)
- Planning for laptop refresh
- Began planning process to evaluate upgrading/replacing copiers
- Contacted document management vendor to look at potential of deployment
- Researched concurrent license install for new version of RX Logix software to be installed for C&I Technicians
- Adjustments to ZIX
- Symantec Enterprise Security – purchased / renewed licenses and installed
- Installed McCrometer Server awaiting McCrometer software install / Config

Human Resources Department

The Human Resources Department worked on the following items this month:

General Administrative Activities:

- Recruitments:
  - Special Programs Manager (re-advertised) currently reviewing applicants
  - Heavy Equipment Operator (recruiting continued)
  - Contract Specialist – offer made, accepted, started on February 22nd.
- SuitePeople (NetSuite) implementation
- Background checks for PIV cards (continuing)

Trainings/ Conferences:

- Stephanie, Leslie & Laures continued to view webinars for ensure compliance with new legislation as it pertains to COVID-19
- Stephanie, Leslie & Laures viewed weekly webinars hosted by the JPIA for COVID-19
- Completion and Implementation of COVID Prevention Plan with Safety Officer.

Government Reporting:

- Handbook update to incorporate updates/changes to California Family Rights Act (CFRA) which took effect 1/1/2021 (on-going).
- Completion of Affirmative Action Report for YE2020
- Annual queries with FMCSA for all Class A drivers

Ongoing:

- FMLA notices/follow ups
- COBRA notices/follow ups
- Worker's Comp follow ups
- Monthly safety points distribution
- Health benefits eligibility/employee assistance
- Maintain OSHA logs for calendar year
- Wellness program

EXTRAORDINARY O&M & CAPITAL PROJECTS

DELTA-MENDOTA CANAL (DMC)

Bridge Abutment Repair at MP 92.73

Status: Project is on hold. The 6-inch pipe owned by PG&E that crosses under the bridge, adjacent to the abutment, is the main transmission line for the City of Dos Palos. All parties have agreed that it would be a safety hazard to conduct work with the gas line in place. SLDMWA & Reclamation prepared and mailed an official letter of non-compliance to PGE on February 22. The letter informs PG&E that their gas line is impeding O&M of the bridge and canal liner and advised them that the terms of their agreement state that their facility can not interfere with Reclamation's facility. Coordination efforts will continue however the project shall remain on hold until gas line has been realigned.

DMC Subsidence Mitigation

Status: The USBR Denver Office (TSC) issued a formal design data request in December and SLDMWA continues to gather data this month. Data deliverable is anticipated in March. It is a significant amount of data to gather, and requires significant resources to accomplish. Reclamation provided a scope of work for Geotechnical exploration required on canal to support TSC. SLDMWA will begin developing formal RFP for the geotechnical work in March, while Reclamation concurrently works on the environmental clearance documents. The contract could be awarded as early as April. Reclamation approved the pump submittal for the supply contract for the two additional pumps at the Intertie Pumping Plant. The installation of the government furnished items will be completed by UNICO Services. Mobilization is scheduled to occur in September 2021, with completion scheduled by March 2022.

DMC Flowmeter Upgrade Program

Status: Meters are currently being manufactured by McCrometer. The first 20 meters have been received, with the balance of meters expected to be delivered by May.

C.W. "BILL" JONES PUMPING PLANT (JPP)

JPP Excitation Cabinet & Control Panel Refurbishment **(1800333) FY2018 Project**

Status: No activity this month. USBR Denver Office engineering staff continue to work on the design of the static system. USBR is expecting to deliver the 90% design to the Water Authority in March.

JPP Unit No. 5 Rewind

Status: The repair to the coil in slot 58 was completed and tested. One of the rotor poles had a low voltage reading during one of the acceptance tests; this pole was removed, sent to the NEC factory in Texas and overhauled. After it was overhauled and reinstalled in the rotor the reading was still slightly out of tolerance. After consulting with USBR Denver it was decided that the specification could be modified allowing this exception. Reassembly of JU5 is in progress and performance testing is scheduled for March 15 to March 19.

JPP Unit No. 1 Rewind

Status: The Notice to Proceed was sent to National Electric Coil (NEC) in November. The agreement with DHR Hydro Services was executed in November to perform the project management of the NEC contract. Production of the stator core laminations is currently underway in Poland.

EXTRAORDINARY O&M & CAPITAL PROJECTS

JPP/OPP/DCI Fire Protection Systems Assessment

Status: Water Authority awarded a contract to FRA to perform a systems assessment in January 2021. The site surveys and exchange of documents are complete. Final reports for each facility are expected to be completed by April 2021.

O'NEILL PUMPING/GENERATING PLANT (OPP)

Design New Access Opening near Pump Bowl **(1800332) FY2018 Project**

Status: No Activity this month. The design phase of this project has been proposed for FY22 EO&M budget. SLDMWA plans to contract the design of new pump bowls through the original manufacturer, Fairbanks Morse. The new pump bowls will incorporate two cast in 'windows' for access hatches to provide safer, easier maintenance. The design phase will include the approval of the design modification and the Technical Specifications necessary to manufacture the new bowls.

Main Transformers Rehabilitation/Replacement Project **(2001247)**

Status: 90% Design was reviewed with TSC, CVO, and MP-250, with only minor items noted such as missing drawings, contract clauses, and device pictures. The 90% cost estimate has also been provided by TSC.

Arc Flash Hazard Analysis, Facility Rating, & Protective Relays Reviews (Electrical Equipment Periodic Reviews) **(2001994)**

Status: The draft for the Facility Rating Review is currently in peer review. TSC has started work on the Arc Flash Hazard Analysis and the Protective Relays Review.

TRACY FACILITIES (TFO)

TFO Domestic Water Treatment Plant Replacement (**2000158**)

Status: No activity this month. Engineering review of the water treatment plant data has begun. A topographic drawing was prepared to address the flooding issue of the existing treatment building and will include underground utility coordination.

San Luis & Delta-Mendota Water Authority
OPERATIONS SUMMARY

NOTE: ALL FIGURES ARE IN ACRE FEET

	January-2021	January-2020
JONES PUMPING PLANT - PUMPED	70,850	256,214
DCI PLANT - PUMPED	0	28,278
DCI PLANT - RETURNED	0	0
O'NEILL P/G PLANT - PUMPED	60,628	199,515
O'NEILL P/G PLANT - GENERATED	0	0
DMC DELIVERIES	1,709	5,090
RIVER/WELL/RECYCLE WATER INTO DMC	10,034	887
MENDOTA POOL DELIVERIES	23,211	30,094
SHASTA RESERVOIR STORAGE	2,128,700	3,482,200
SAN LUIS RESERVOIR STORAGE	1,059,893	1,517,673
SLR FEDERAL SHARE	415,956	573,228

	January-2021	January-2020
*SAN LUIS UNIT DELIVERIES	8,421	1,342
SAN LUIS UNIT WELL WATER	0	0
SAN FELIPE UNIT DELIVERIES	10,733	4,525

Jones Pumping Plant monthly average = 4,167 cfs

*January 2020 figure does not include Westlands Water District

San Luis & Delta-Mendota Water Authority
Monthly Deliveries
January 2021

To: Adam Hoffman; Erma Leal; Gabe Mora; Katrina Buelna; Liz Kiteck; Mark Rhodes; Marta Rivas; Melody Hernandez; Sheryl Carter; Sonya Nechanicky; Stacey Smith; Tim Blair; Tom Boardman; Joyce Machado; Wes Harrison

From: Chauncey Lee, Water Operations Superintendent, 530-228-4504 (cell)

Date:2/18/21

Revised: 2/22/21

District/Other	Total Available Water into System (INCOMING) (Acre Feet)	AG/Refuge Deliveries (Acre Feet)	M & I Deliveries (Acre Feet)	Total Deliveries (OUTGOING) (Acre Feet)
Total Pumped @ Jones Pumping Plant	**70,850**			
Total Pumped @ DCI	**0**			
Total Reversed @ DCI	**0**			
City of Tracy		0	0	0
Byron Bethany I.D.		2	0	2
West Side I.D.		0	0	0
Banta Carbona I.D.		0	0	0
West Stanislaus I.D.		0	0	0
Patterson I.D.		216	0	216
Del Puerto W.D.		227	0	227
Central California I.D. - above check #13		22	0	22
San Luis W.D.- above check #13		0	0	0
Volta Wildlife Mgmt. Area (Fish & Game)		651	0	651
Fish & Wildlife (Volta) Santa Fe - Kesterson		0	0	0
Grasslands W.D. (Volta)		0	0	0
Total Pumped @ O'Neill PP	**(60,628)**			
Total Generated @ O'Neill PP	**0**			
Central California I.D. - below check #13		12	0	12
Grasslands W.D. (76.05-L)		0	0	0
Fish & Game Los Banos Refuge (76.05-L)		35	0	35
Fish & Wildlife Kesterson (76.05-L)		80	0	80
Freitas Unit (76.05-L)		80	0	80
Salt Slough Unit (76.05-L)		67	0	67
China Island (76.05-L)		34	0	34
San Luis W.D. - below check #13		68	0	68
Panoche W.D.		2	2	4
Eagle Field W.D.		9	0	9
Oro Loma W.D.		0	0	0
Mercy Springs W.D.		0	0	0
Firebaugh Canal W.D. (D.M.C.)		202	0	202
River and Groundwater well pump-in	7,914			
North Valley Regional Recycled Water Program	2,120			
Change in Canal Storage	(66)			
Wasteway Flushing and Spill	(45)			
Total Available in Delta-Mendota Canal	20,145			
TOTAL DELIVERY FROM DELTA-MENDOTA CANAL	**(1,709)**	**1,707**	**2**	**1,709**
Theoretical DMC Delivery to Mendota Pool	18,436			
Total DMC Metered Delivery to MP	15,988			
Estimated (Loss) or Gain in DMC	(2,448)			
Estimated % Loss or Gain in DMC	-3.46%			

San Luis & Delta-Mendota Water Authority
Monthly Deliveries
January 2021

District/Other	Total Available Water into System (INCOMING) (Acre Feet)	AG/Refuge Deliveries (Acre Feet)	M & I Deliveries (Acre Feet)	Total Deliveries (OUTGOING) (Acre Feet)
Estimated DMC Inflow to MP	15,988			
Mendota Pool Groundwater Well Pump-In	10			
(+)SJRR Releases into Mendota Pool	8,700			
(+)Kings River Flood Releases into the Mendota Pool	0			
Mendota Pool Delivery Information				
Exchange Contractors:				
Central California Irrigation District (CCID)		1,924	0	1,924
Columbia Canal Company (CCC)		0	0	0
Firebaugh Canal Water District (FCWD)		44	0	44
San Luis Canal Company (SLCC)		0	0	0
Refuge:				
Conveyance Losses		907	0	907
Calif Dept of F/G-LB Unit (CCID)		388	0	388
Calif Dept of F/G-LB Unit (SLCC)		480	0	480
Calif Dept of F/G-Salt Slough Unit (CCID)		721	0	721
Calif Dept of F/G-China Island Unit (CCID)		363	0	363
US Fish & Wildlife-San Luis Refuge (SLCC)		3,920	0	3,920
US Fish & Wildlife-Freitas (CCID)		866	0	866
US Fish & Wildlife-Kesterson (CCID)		866	0	866
Grasslands WD (CCID)		0	0	0
Grasslands WD (SLCC)		1,055	0	1,055
Grasslands (Private)		128	0	128
San Luis WD Conveyance (CCID)		0	0	0
San Joaquin River Restoration:				
SJRR		8,549	0	8,549
Other: (see MP Operations Report)		3,000	0	3,000
Total Available Water in Mendota Pool	24,698			
TOTAL DELIVERY FROM MENDOTA POOL	**(23,211)**	**23,211**	**0**	**23,211**
*Estimated (Loss) or Gain in Mendota Pool	(1,487)			
*Estimated % Loss or Gain in Mendota Pool	-6.02%			
Total System Delivery	(24,920)			
***Total Estimated System (Loss) or Gain**	**(3,935)**			
***Total Estimated % System Loss or Gain**	**-4.50%**			

Special Notes:

The report was revised due to changes in the CCID refuge deliveries.

Jones Pumping Plant
January - 2021

Date	# OF UNITS	TIME ON/OFF	AVG DAILY CFS
1	1	CONTINOUSLY	835
2	1	CONTINOUSLY	834
3	1	CONTINOUSLY	836
4	1	CONTINOUSLY	840
5	1	CONTINOUSLY	831
6	1	CONTINOUSLY	830
7	1	CONTINOUSLY	827
8	1	CONTINOUSLY	826
9	1	CONTINOUSLY	826
10	1	CONTINOUSLY	828
11	1	CONTINOUSLY	831
12	1	CONTINOUSLY	835
13	1	CONTINOUSLY	832
14	1	CONTINOUSLY	832
15	1	CONTINOUSLY	835
16	1	CONTINOUSLY	834
17	1	CONTINOUSLY	834
18	1	CONTINOUSLY	829
19	1	CONTINOUSLY	830
20	1 to 2	0001	1647
21	2	CONTINOUSLY	1658
22	2	CONTINOUSLY	1657
23	2	CONTINOUSLY	1659
24	2	CONTINOUSLY	1660
25	2	CONTINOUSLY	1645
26	2	CONTINOUSLY	1656
27	2	CONTINOUSLY	1667
28	2	CONTINOUSLY	1665
29	2	CONTINOUSLY	1665
30	2	CONTINOUSLY	1665
31	2	CONTINOUSLY	1668
		AVG CFS for the month	**1152**

NON-PROJECT WATER CREDITS REPORT

(ALL FIGURES IN ACRE FEET)

January 2021 WA Credits

To: Adam Hoffman; Adam Scheuber; Anthea Hansen; Kelley Geyer; Bobby Pierce; Brandon Kelley; Chris Eacock; David Weisenberger; Erma Leal; Frances Mizuno; Gabe Mora; Ian Uecker; Janet Gutierrez; Jarrett Martin; Jason Dean; Jeff Bryant; Juan Cadena; Katrina Buelna; Lon Martin; Lydia Sosa; Margaret Howe; Margie Lowe; Mark Rhodes; Marta Rivas; Melody Hernandez; Reza Shahcheraghi; Rick Gilmore; Sandra Reyes; Sheryl Carter; Siqing Liu; Stacey Smith; Wes Harrison

From : Chauncey Lee, Water Operations Superintendent, 530-228-4504 (cell)

Date: 2/18/21

CREDITS UNDER WARREN ACT CONTRACTS

Turnout	Start Meter Reading	End Meter Reading	Factor	Adjust	District	Total	Less 5%	Month	Year
3.32-R1	0	0	1	0	BBID	0	0	0	0
3.32-R2	0	0	1	0	BBID	0	0	0	0
3.32-R3	2,303	2,304	1	(1)	BBID	0	0	0	1,768
13.31-L	4,804	4,804	1	0	BBID	0	0	0	0
14.26-R	5,217	5,217	1	0	BBID	0	0	0	0
15.11-R	1,988	1,988	1	0	BBID	0	0	0	346
20.42-L	25,253,849	26,711,298	1	0	BCID	1,663	(83)	1,580	13,360
20.42-L	25,253,849	26,711,298	1	0	USBR/FWA	2,810	0	2,810	9,957
21.12-L	990	990	1.01	0	DPWD	0	0	0	0
21.86-L	769	769	1	0	DPWD	0	0	0	0
24.38-L	2,004	2,126	1.04	0	DPWD	127	(6)	121	360
29.95-R	1,221	1,254	0.87	0	DPWD	29	(1)	28	256
30.43-L	7,422	7,422	1	0	DPWD	0	0	0	0
30.43-R	2,123	2,123	0.92	0	DPWD	0	0	0	0
30.95-L	1,916	1,916	1.03	0	DPWD	0	0	0	0
31.31-L1	51,219	52,290	1	0	WSTAN	1,071	(54)	1,017	5,213
31.31-L2	51,219	52,290	1	0	DPWD	0	0	0	0
31.31-L3	51,219	52,290	1	0	PID	0	0	0	0
31.60-L	8,182	8,182	0.93	0	DPWD	0	0	0	0
32.35-L	1,794	1,794	0.86	0	DPWD	0	0	0	0
33.71-L	748	748	0.94	0	DPWD	0	0	0	0
36.80-L	1,844	1,844	1	0	DPWD	0	0	0	0
37.10-L	3,294	3,294	0.94	0	DPWD	0	0	0	0
37.32-L	2,653	2,653	0.91	0	DPWD	0	0	0	0
42.50-R	1,034	1,034	0.96	0	DPWD	0	0	0	0
42.53-L	5,670,913	5,751,449	1	0	PID	1,209	(60)	1,149	6,508
42.53-L	5,670,913	5,751,449	1	0	DPWD	0	0	0	0
42.53-L	5,670,913	5,751,449	1	0	USBR/FWA	640	0	640	11,549
43.22-L	55	55	1	0	DPWD	0	0	0	0
48.97-L	1,748	1,951	0.95	0	SLWD	193	(10)	183	963
50.46-L	4,109	4,109	1.07	0	DPWD	0	0	0	0
51.00-R	296	296	0.89	0	DPWD	0	0	0	0
51.66-L	337	337	0.98	0	DPWD	0	0	0	0
52.40-L	1,331	1,331	0.94	0	DPWD	0	0	0	0
58.28-L	2,012	2,077	1.02	0	SLWD	66	(3)	63	871
58.60-L	917	917	0.96	0	DPWD	0	0	0	0
58.73-R	370	392	1	0	DPWD	22	(1)	21	81
64.85-L	1,662	1,662	0.72	0	DPWD	0	0	0	0
						UPPER DMC SUB TOTAL		***7,612***	***51,232***

NON-PROJECT WATER CREDITS REPORT

(ALL FIGURES IN ACRE FEET)

January 2021 WA Credits

CREDITS UNDER WARREN ACT CONTRACTS									
Turnout	Start Meter Reading	End Meter Reading	Factor	Adjust	District	Total	Less 5%	Month	Year
78.31-L	4,469	4,469	1.08	0	SLWD	0	0	0	0
79.12-R	4,911	4,943	0.91	0	SLWD	29	(1)	28	294
79.13-L	2,656	2,703	1	0	SLWD	47	(2)	45	385
79.13-R	4,544	4,569	1.08	0	SLWD	27	(1)	26	158
79.60-L	10,533	10,733	0.84	0	SLWD	168	(8)	160	1,707
80.03-L	334	375	0.94	0	SLWD	39	(2)	37	261
80.03-R	646	652	1.05	0	SLWD	6	0	6	14
98.60-R	10,801	10,802	1	(1)	PANOCHE/MS	0	0	0	0
98.74-L	5,695	5,695	1.14	0	PANOCHE/MS	0	0	0	0
99.24-L	10,493	10,493	0.92	0	PANOCHE/MS	0	0	0	0
100.70-L	6,211	6,211	1	0	PANOCHE/MS	0	0	0	0
102.04-R	1,598	1,598	1	0	WIDREN WD	0	0	0	567
							LOWER DMC SUB TOTAL	***302***	***3,386***
							WARREN ACT CONTRACT CREDIT TOTAL	***7,914***	***54,618***

	TOTAL GROSS PUMP-IN	***CREDIT***	
TOTAL (BYRON BETHANY IRRIGATION DISTRICT)	***0***	***0***	***1,768***
TOTAL (BANTA CARBONA IRRIGATION DISTRICT)	***0***	***0***	***346***
TOTAL (DEL PUERTO WATER DISTRICT)	***178***	***170***	***697***
TOTAL (WEST STANISLAUS IRRIGATION DISTRICT)	***1,071***	***1,017***	***2,822***
TOTAL (PATTERSON IRRIGATION DISTRICT)	***1,209***	***1,149***	***6,508***
TOTAL (SAN LUIS WATER DISTRICT)	***575***	***548***	***4,653***
TOTAL (PANOCHE WATER DISTRICT)	***0***	***0***	***0***
TOTAL (MERCY SPRINGS WATER DISTRICT)	***0***	***0***	***0***
TOTAL (WIDREN WATER DISTRICT)	***0***	***0***	***567***
Other Warren Act Conveyance Credit Totals			
Del Puerto Water District:	***0***	***0***	***0***
Banta Carbona Irrigation District:	***1,663***	***1,580***	***13,360***
West Stanislaus Irrigation District:	***0***	***0***	***2,391***
Byron Bethany Irrigation District:	***0***	***0***	***1,768***
Patterson Irrigation District:	***0***	***0***	***0***
San Joaquin River Restoration Pump Back BCID:	***2,810***	***2,810***	***9,957***
San Joaquin River Restoration Pump Back PID:	***640***	***640***	***11,549***

Notes: 3.32-R, 20.42-L, 31.31-L and 42.53-L are River water

MENDOTA POOL OPERATIONS
2021
ALL FIGURES IN ACRE-FEET

To: Adam Hoffman; Bill Pipes; Cheryl Lassotovitch; Danny Wade; Donna Hanneman; Emily Thomas; Erma Leal; Steve Brueggemann; Gabe Mora; Hallie Rajkovich; Janet Gutierrez; Jason Dean; Jason Smith; Jeff Gallmann; Joy Kelley; Katarina Buelna; Linda Colella; Liz Kiteck; Margie Lowe; Mark Rhodes; Marta Rivas; Melody Hernandez; Amy Oliveira; Rebecca Heilman; Rick Yribarren; Sonya Nechanicky; Stacey Smith; Steven Stadler; Ted Baker; Tom Boardman; Joyce Machado; Wes Harrison; William Halligan

Prepared by: Chauncey Lee, Water Operations Superintendent, 530-228-4504 (cell)

Date: 2/18/20

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
FCWD	0												0
CCID	0												0
FRESNO SLOUGH	0												0
TPUD	0												0
JAMES I.D.	0												0
MEYERS	11												11
M.L. DUDLEY & INDART [1]	87												87
MID VALLEY* (Kings River)	0												0
REC. DIST. 1606	0												0
STATE FISH & WILDLIFE	1,838												1,838
TRACTION	786												786
UNMETERED	80												80
Total	**2,704**												**2,704**
COELHO FAMILY TRUST [2]	198												198
TRANQUILITY I.D.	0												0
WESTLANDS LATERAL-6	0												0
WESTLANDS LATERAL-7	0												0
CARVALHO TRUST	0												0
TOTAL	3,000	0	0	0	0	0	0	0	0	0	0	0	3,000

NUMBERS SHOWN IN **BOLD** WERE REVISED AFTER DISTRIBUTION OF REPORT

1 aka COELHO-GARDNER-HANSEN 2 aka TERRA LINDA FARMS

Article 215 Water	**Kings River Water**

Duck Clubs (Percent Full)

BECK	120	PATOS	COLE	TRANQUILITY	1 ACRE
0%	100%	100%	0%	100%	100%

Jan, 2021
DMC Inflow 15,988 AF
James Bypass Flows 0 AF

Feb, 2021
DMC Inflow AF
James Bypass Flows 0 AF

Mar, 2021
DMC Inflow AF
James Bypass Flows 0 AF

Apr, 2021
DMC Inflow AF
James Bypass Flows 0 AF

May, 2021
DMC Inflow AF
James Bypass Flows 0 AF

June, 2021
DMC Inflow A.F
James Bypass Flows 0 AF

July, 2021
DMC Inflow AF
James Bypass Flows AF

Aug, 2021
DMC Inflow AF
James Bypass Flows 0 AF

Sept, 2021
DMC Inflow AF
James Bypass Flows 0 AF

Oct, 2021
DMC Inflow AF
James Bypass Flows 0 AF

Nov, 2021
DMC Inflow AF
James Bypass Flows 0 AF

Dec, 2021
DMC Inflow AF
James Bypass Flows 0 AF

MENDOTA POOL WELL PUMP IN
2021
(ALL FIGURES IN ACRE-FEET)

Adam Hoffman; Anthony Coelho; Bill Pipes; Cheryl Lassotovitch; Chris White; Danny Wade; Darrell Vincent; Donald McCurdy; Erma Leal; Gabe Mora; Hilda Urbano; James Merrill; Janet Gutierrez; Jason Dean; Jeff Bryant; Jim Stillwell; Joyce Machado; Juan Pacheco; Katrina Buelna; Ken Carvalho; Margie Lowe; Mark Rhodes; Marta Rivas; Melody Hernandez; Rick Yirbarren; Rod Wade; Sophia Pulido; Stacey Smith; Steven Stadler; Wes Harrison; Will Halligan

Prepared by: Chauncey Lee, Water Operations Superintendent, 530-228-4504 (cell)

Date: 2/18/21

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
COELHO FAMILY TRUST [1]	0												0
M.L. DUDLEY & INDART [2]	0												0
FORDEL	10												10
COELHO WEST	0												0
CASACA VINYARDS	0												0
DPF	0												0
SOLO MIO	0												0
BAKER FARMS	0												0
FARMERS W.D.	0												0
MEYERS	0												0
MEYERS BANKED	0												0
SILVER CREEK	0												0
TRANQUILITY I.D.	0												0
FCWD	0												0
YRIBARREN FARMS	0												0
CARVALHO TRUST	0												0
ETCHEGOINBERRY	0												0
FRESNO SLOUGH W.D.	0												0
LSK-1	0												0
TOTAL	10	0	0	0	0	0	0	0	0	0	0	0	10

NUMBERS SHOWN IN **BOLD** WERE REVISED AFTER DISTRIBUTION OF REPORT

[1] aka TERRA LINDA FARMS

[2] aka COELHO-GARDNER-HANSEN

Spill Back Credit

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
James ID (per C. Lee)	156												156
James ID (per JID)	32												32
Variance	124	0	0	0	0	0	0	0	0	0	0	0	124

TABLE 19: GOVERNOR EDMUND G. BROWN CALIFORNIA AQUEDUCT
SAN LUIS FIELD DIVISION MONTHLY DELIVERIES

JANUARY 2021

REACH TOTALS	POOL	INFLOW INTO AQUEDUCT	CUSTOMERS	AMOUNT IN AF
R3A			Parks & Rec. @ San Luis Reservoir	1
10734			Santa Clara Valley Water District	8540
			Casa de Fruta (Santa Clara Valley Water District)	0
			San Benito Water District	2193
R3	13		DFG @ O'Neill Forebay	75
	13		Parks & Rec. @ O'Neill Forebay	0
126	13		DWR Water Truck at O'Neill 0 AF for Cattle Program @ O'Neill Forebay	1
	13		San Luis Water District	50
R4	14		City of Dos Palos	63
	14		Pacheco Water District	0
	14		San Luis Water District	705
2325	14		Panoche Water District	35
	15		San Luis Water District	430
	15		Panoche Water District	229
	15		Westlands Water District	863
R5	16		DFG @ Lat. 4L (Pilibos)	0
	16		DFG @ Lat. 4L	0
	16		DFG @ Lat. 6L	0
	16		DFG @ Lat. 7L	0
4420	16		Westlands Water District	817
	17		Westlands Water District	748
	18		City of Coalinga	390
	18		Pleasant Valley Pumping Plant	1177
	18	234	Westlands Water District	1288
R6	19		Alta Gas	0
	19		City of Huron (P&R-Area 11) @ Lat. 22R	0
	19		DWR Water Truck @ 22R/F&G @ Lat.22R	0
1044	19		Lemoore N.A.S. thru WWD 29L & 30L	84
	19		Kings County thru WWD 30L	0
	19		Westlands Water District	960
	20		City of Huron @ Lat. 23R	52
	20		Kings County thru WWD 31L,32L,33L,34L,35L,36L	0
	20		Westlands Water District	438
1241	21		City of Avenal	146
	21		Kings County thru WWD 37L,38L	0
	21		Westlands Water District	605
19890		234	<---TOTALS--->	19890

Flood Water Inflows:
Pool 18 234 AF

TOTALS BY CUSTOMERS

Pacheco Water District	0
San Luis Water District	1185
Panoche Water District	264
Westlands Water District	6896
AltaGas	0
City of Huron @ LAT. 23R	52
City of Huron (P&R/Area 11 @ 22R)	0
Lemoore N.A.S. thru WWD @ 29L & 30L	84
Kings County thru WWD Laterals in Pools 19 - 21	0
City of Avenal	146
City of Dos Palos	63
City of Coalinga	390
DFG @ O'Neill Forebay	75
Pacheco Tunnel	10733
DFG @ Lateral 4L & 6L & 7L	0
DWR Water Truck @ 22R/F&G @ Lat.22R	0
Parks & Recreation	1
0 AF for DWR Water Truck at O'Neill, 0 AF for Cattle Program @ O'Neill Reservoir	1
Customers Total:	**19890**

Pool 12 - Reach 2B
VA Turnout Use AF = 0

DWR 3137(Rev.9/15)

19890

Monthly Availability Report

CW "Bill" Jones Pumping Plant

January - 2021

Unit #	Max Hours	Scheduled Outages (1)	%	Unscheduled Outages (2)	%	Over-all Availability %	Starts Pump	Comments
Unit-1	744	0.0	0.00%	0.0	0.00%	100.00%	1	
Unit-2	744	8.1	1.09%	0.0	0.00%	98.91%	0	1) Brush repalcement
Unit-3	744	0.0	0.00%	0.0	0.00%	100.00%	0	
Unit-4	744	0.0	0.00%	0.0	0.00%	100.00%	0	
Unit-5	744	744.0	100.00%	0.0	0.00%	0.00%	0	1) Unit Rewind and Rotor Rehab
Unit-6	744	85.4	11.48%	0.0	0.00%	88.52%	0	1) AM
Total	4464	837.5	19%	0.0	0.00%	81.00%	1	

Notes:

(1) Planned maintenance

(2) Emergency outages and maintenance performed with less than 24 hours advance notice

Monthly Availability Report

O'Neill Pump/Generating Plant

January - 2021

Unit #	Max Hours	Scheduled Outages (1)	%	Unscheduled Outages (2)	%	Over-all Availability %	Starts		Comments
							Pump	Gen	
Unit-1	744	0.0	0.00%	0.0	0.00%	100.00%	0	0	
Unit-2	744	0.0	0.00%	0.0	0.00%	100.00%	1	0	
Unit-3	744	0.0	0.00%	0.0	0.00%	100.00%	1	0	
Unit-4	744	0.0	0.00%	0.0	0.00%	100.00%	1	0	
Unit-5	744	0.0	0.00%	0.0	0.00%	100.00%	0	0	
Unit-6	744	0.0	0.00%	0.0	0.00%	100.00%	0	0	
Total	4464	0.0	0%	0.0	0.00%	100.00%	3	0	

Notes:

(1) Planned maintenance

(2) Emergency outages and maintenance performed with less than 24 hours advance notice

Monthly Availability Report

DCI Pumping Plant

January - 2021

Unit #	Max Hours	Scheduled Outages (1)	%	Unscheduled Outages (2)	%	Over-all Availability %	Starts Pump	Comments
Unit-1	744	0.0	0.00%	0.0	0.00%	100.00%	0	
Unit-2	744	0.0	0.00%	0.0	0.00%	100.00%	0	
Unit-5	744	0.0	0.00%	0.0	0.00%	100.00%	0	
Unit-6	744	0.0	0.00%	0.0	0.00%	100.00%	0	
Total	2976	0.0	0%	0.0	0.00%	100.00%	0	

Notes:

(1) Planned maintenance

(2) Emergency outages and maintenance performed with less than 24 hours advance notice

STAFF MEMORANDUM

TO: Board Members and Alternates

FROM: Scott Petersen, Water Policy Director

DATE: March 4, 2021

RE: Update on Science Program

SUMMARY

The San Luis & Delta-Mendota Water Authority's ("Water Authority") current science commitments for Fiscal Year 22 (March 1, 2021 – February 28, 2022) may be considered in three categories. First, the Water Authority re-budgeted $245,252 in the current budget to fund eight activities and/or studies previously authorized to be funded. Second, the Water Authority began the year with approximately $4,628 in funds remaining from the State and Federal Contractors Water Agency ("SFCWA") to fund one study initially authorized by SFCWA and transferred to the Water Authority for funding and management. Third, the Water Authority has budgeted $450,000 in the current budget for science studies. More detail regarding the various science commitments is provided below. In total, the Water Authority started the current fiscal year with approximately $924,089 available to fund science, of which $644,089 has been obligated.

1. Previous Commitments - $245,252 in FY 22 Budget

Subject	Description of Work / Objective(s)	FY 22 Budget
Delta Coordination Group Summer Fall Habitat Action Structured Decision Making Facilitation Support	Funds support facilitation and assistance with Delta Coordination Group Structured Decision Making for Delta Coordination Group recommendations to Reclamation and DWR related to Summer Fall Habitat Actions in the Biological Opinions and State Incidental Take Permit	$21,000
Joint Funding of Delta Smelt Structured Decision Making Phase 3	This funding would support management and technical analyses required to conduct Phase 3 for the CSAMP Delta Smelt Structure Decision Making (SDM) project. Technical analyses would include modeling and the application of other analytical tools to evaluate the consequences of proposed management actions for Delta Smelt as well as the evaluation of potential consequences to other resource values including water supply and	$30,000

	agriculture. Phase 3 is scheduled to occur from September 2020 to September 2021.	
Joint Funding for Hanson Environmental as CAMT Technical Support	This funding would support continued CAMT participation by Dr. Charles Hanson through a contract with the State Water Contractors. Dr. Hanson assists in the development of various workplans and products, including Charters, presentations, whitepapers, and other materials to support collaborative science.	$30,000
Development of eDNA monitoring tool for detection of Delta Smelt	Goal to develop an accepted eDNA monitoring tool for species detection in tidally mixed aquatic ecosystems in the Delta, and to advance eDNA aquatic monitoring towards a state-of-science that can be applied in the context of scientific, policy, and regulatory decision-making	$63,000
Sacramento-San Joaquin Delta Fallowing Pilot Evapotranspiration Monitoring Program	Study between April 1, 2018 and September 30, 2018 of consumptive use on between 2,000 and 4,000 acres in the legal Delta during the 2018 irrigation season. Goal to identify a method of reliable measurement of the reduction in consumptive use associated with temporary crop idling on lands within the legal Delta.	$7,000
Interior Delta Export Effects Study	Study of specific data gaps related to export operation effects on juveniles salmonids. Goal to fill information gaps on juvenile salmonid survival in the south Delta to update salmonid loss models, optimize survival for salmonids near salvage facilities, and support water reliability through enhanced coordinated operations. Last year, the Study didn't receive its anticipated Proposition 1 grant to go to scale, so Authority funding provided for the study to continue and provide capacity for a grant application for the recent Proposition 1 grant funding notification, which was recently awarded.	$25,000
Delta Smelt Incidental Take Limit Research	Funds support the evaluation of differences in salvage between pre- and post-BiOp conditions and the determination of how much variance in salvage can be explained by each of the predictor variables. Support provided to ICF Jones & Stokes, Inc., through a cost share with SWC.	$14,252
CAMT Facilitation	Funds support facilitation and assistance with CAMT and CSAMP meetings. Main contracts with Essex Partnership (Bruce DiGennaro) and Hansen Environmental (Chuck Hansen) held by SWC.	$55,000

2. SFCWA-Funded Studies Being Managed by the Water Authority - $4,628 Remaining

Subject	Description of Work / Objective(s)	SFCWA Funds Remaining
Measuring Impact of Control of yellow Starthistle in the Northern Sac. Valley and Superior California on Watershed Runoff and Groundwater Levels	Study of the water benefits of yellow Starthistle (YST) control. If there appears to be replicable water supply benefit from YST removal, will prepare plan of recommended YST removal in California that results in increased runoff and/or improved groundwater levels.	$4,628

3. New Science - $450,000 in FY 22 Budget

Subject	Description of Work / Objective(s)	FY 22 Budget
Science Studies/Efforts		$450,000
None Approved to date	None approved to date	--

FUTURE SCIENCE PROGRAM DIRECTION

The recently released federal Biological Opinions require annual scientific review of the Reasonable and Prudent Measures scientific panel review in years 4 and 8 of the implementation of the Biological Opinions.

It is anticipated that increased engagement on scientific studies to prepare sufficient scientific bodies of knowledge on the adaptive management provisions of the new biological opinions will be necessary from public water agencies in order to adequately prepare for the 4- and 8-year scientific review of the implementation of the new Biological Opinions. Staff is coordinating with CSAMP/CAMT, as well as Reclamation, NOAA Fisheries and U.S. FWS to determine anticipated annual scientific investments necessary to prepare for the scientific panels.

Authority staff is planning to focus on key areas for the 2021 and future budgets, in order to assist in the development of a more coordinated science strategy between public water agencies and state and federal agencies who fund the scientific enterprise. Specifically, these recommended areas are:

- Technical Support for Authority Engagement in Regulatory Processes
- Steelhead Monitoring and Protection
- Delta Smelt Structured Decision Making Scientific Expertise
- CSAMP/CAMT Support
- Delta Coordination Group Support
- Development of Voluntary Agreement Science Plan

- Permit Streamlining

Technical Support for Authority Engagement in Regulatory Processes
The Authority has need of additional biological expertise to provide comments and a higher level of engagement with regulatory entities, including the State Water Resources Control Board, NOAA Fisheries, the U.S. Fish and Wildlife Service, California Department of Fish and Wildlife and others. Specifically, Authority staff is proposing to issue an RFQ for scientific and biological support services and to establish contracting authority with a number of consultants for on-demand services centered on the areas of expertise of the respective consultant and staffing availability.

Steelhead Monitoring and Protection
The status of steelhead population trends continues to pose a threat to water supply reliability for south-of-Delta Central Valley Project contractors. Significant data gaps exist in the scientific body of knowledge regarding steelhead, including a method for estimating population levels and continued support of the I/E ratio in state level regulatory proposals. Steelhead species receive less funding than other scientific research, indicating an opportunity where the Authority could add value to the scientific enterprise. Specifically, there is a need for better data analysis and synthesis for steelhead.

Delta Smelt Structured Decision Making Scientific Expertise
Compass Resources, who manages the Delta Smelt Structured Decision Making process, has identified a need for a biologist for biological resource support, including literature searches that would better inform the SDM process. The Authority and the State Water Contractors are jointly funding this expertise.

CSAMP/CAMT Support
The Authority has remained engaged in CSAMP/CAMT and has jointly funded facilitation support, technical support and scientific studies related to management actions associated with project operations.

Delta Coordination Group Support
Authority staff is a member of the Delta Coordination Group (DCG), a group formed this year pursuant to Reclamation's Proposed Action and the Incidental Take Permit for the Coordinated Operations of the Central Valley Project and State Water Project. The DCG is charged with providing recommendations to Reclamation/DWR pertaining to Summer-Fall Habitat Actions for delta smelt.

Development of Voluntary Agreement Science Plan
The Authority has previously funded facilitation of the Governance, Science and Adaptive Management Working Group and staff is proposing to continue that commitment through contributing funds for the development of the Science Plan for implementation of the Voluntary Agreements.

MEMORANDUM

TO: SLDMWA Board of Directors, Alternates

FROM: Scott Petersen, Water Policy Director
Joe McGahan, Regional Drainage/Westside Watershed Coalition Coordinator

DATE: March 4, 2021

RE: Activity Agreements – Staff Report for February 2021

This memorandum serves as the Staff Report for February 2021 regarding specified[1] Water Authority activities not separately addressed on the Board meeting agenda.

1. Integrated Regional Water Management (IRWM) Activity Summary

San Joaquin River Funding Area (SJRFA)

Work is underway for one of the projects approved under the Phase 2 SJRFA Disadvantaged Community Involvement Program (DACIP). Phase 2 focuses on projects for DAC technical assistance and capacity building. SLDMWA staff had previously coordinated with the City of Newman on the Newman Environmental Wetland System (NEWS) project. Contra Costa Water District, as the SJRFA DACIP grantee, is coordinating with the City of Newman and SLDMWA staff to move the project forward. CCWD also coordinated the timely submission of required quarterly reports and invoicing for the project due at the end of February.

Tulare-Kern Funding Area (TKFA)

SLDMWA staff also continues to coordinate with DWR regarding the development of the Westside-San Joaquin IRWM Region Grant Agreement for the Proposition 1 Round 1 funding, which includes funding for four projects within the SJRFA and one project within the TKFA.

General Westside-San Joaquin Integrated Regional Water Management Plan (IRWMP)

SLDMWA staff participated in a webinar on the benefits of integrating IRWM and SGMA programs. For example, SGMA projects were added to IRWM updates in a few of the IRWM Regions highlighted in the webinar. Some webinar participants shared that IRWM groups provide good sources of contact for SGMA outreach. It was also pointed out that integrating IRWM and SGMA provides more opportunity for grant funding. With SLDMWA supporting both IRWM and

[1] For the sake of completeness, this includes those Activity Agreements that have been approved by the Board of Directors, but not yet signed by all interested members and/or participants (i.e., the Los Vaqueros Expansion Project Activity Agreement, the Exchange Contractors 2019-2023 Transfer Program Activity Agreement, and the Westside-San Joaquin Integrated Regional Water Management Activity Agreement).

SGMA activities in the Westside-San Joaquin Region and Delta-Mendota Subbasin, respectively, staff will continue to leverage opportunities for integrating project goals and outreach efforts.

2. Sustainable Groundwater Management Activity (SGMA) Activity Summary

Northern and Central Delta-Mendota Regions

The first draft of the upcoming Water Year 2020 (Oct. 1, 2019 -Sep. 30, 2020) Annual Report was sent to Northern and Central Management Committees at the beginning of March. The Coordination Committee will provide feedback on the draft for the Woodard & Curran and Provost & Pritchard teams at the March 8th Committee meeting.

Those comments will be incorporated in time for the March 25th Northern and Central Management Committees to review and make final recommendations. Those recommendations will be incorporated into the final version of the report, which is due for submittal to the Department of Water Resources by April 1, 2021.

County representatives in the Northern and Central Regions continue discussing a process for having GSAs screen well permit applications. GSA representatives in Stanislaus County are still waiting to do a test run of their review process once a new well application is received. A similar meeting for Merced County was held in early February. Merced County officials intend to hold meetings with individual GSAs as they look to possibly rewrite the county's well ordinance. The ordinance rewrite could occur as soon as the middle of the year. Fresno County officials are reviewing a legal decision before deciding how to proceed on this topic.

General SGMA Activities

SLDMWA staff finalized task orders for Fiscal Year 2022 with consultants on a variety of tasks for SGMA implementation. In addition to the continuation of staff augmentation activities and a well census and inventory for the Northern and Central Regions, GSI Environmental Inc. will begin a subsidence characterization and project feasibility study for the Subbasin. The study will be supported by funds from the Subbasin's Proposition 68 Sustainable Groundwater Management (SGM) grant.

Subbasin GSAs have started to collect seasonal high groundwater level data for representative monitoring sites. The seasonal high monitoring period is February-April. These data will be incorporated into the next Annual Report.

The first of three planned inter-basin coordination meetings is scheduled for this week. The Subbasin's Facilitation Support Services (FSS) program provides support for inter-basin coordination efforts through a program with DWR and facilitators from Stantec. Representatives from the Delta-Mendota Subbasin are meeting with counterparts from the Chowchilla, Madera, and Merced Subbasins. The first meeting will focus on development of goals, schedule, roles, and ground rules; identifying and defining SGMA terminology of regional importance; and identifying topics and developing an agenda for the next meeting.

3. Drainage Activity Summary

Grassland Basin Drainage Management Steering Committee Activity Summary
Prepare for the February meeting of the Grassland Basin Drainers Steering Committee. Prepare final FY 22 budget. Lead ZOOM GBD Steering Committee meeting. Develop profile of the San Luis Drain to develop operations plan related to managing discharge from the San Luis Drain. Prepare new task orders for consultants.

Research information related to the San Luis Drain O&M agreement between the Water Authority and Panoche Drainage District.

Review Regional Board comments on Drainage Management Plan.

Begin development of response required by the Regional Board on fish tissue data available in Mud Slough and the San Joaquin River between Salt Slough and the Merced River. Coordinate review with Panoche Drainage District.

Prepare monitoring data to respond to request by Contra Costa stakeholders. Manage field monitoring including data reporting and EDD and QAPP requirements. Begin preparation of annual report. Review storm flow issues and provide guidance to field personnel. Review and prepare invoice letters to admin staff.

Coordinate work related to the agreement with Newman Land Company and State Fish and Wildlife for restoration of Mud Slough to conditions prior to the Grassland Bypass Project. Work is ongoing to submit permit application in January and circulate CEQA documents. Coordinate additional data needed regarding paleontology. Ongoing monitoring for discharges from the Grassland Bypass Project and data entry continued. Work to administer the Prop 84 grant for the Long-Term Storm Water Plan and reuse area upgrades continued. Continue to manage monitoring plan.

Activities also included management of the Third Party Group for the Grassland Drainage Area Coalition to implement the Irrigated Lands Program. Support was provided to farmers for completing their paperwork requirements. Review draft revisions to groundwater management plan. Prepare paper work for mailing to members for reporting.

San Joaquin Valley Drainage Authority Activity Summary
Follow up calls and emails were answered to assist farmers in completing their paperwork requirements. Manage field monitoring program and provide update of the management plan to the Regional Board. Review invoices from consultants and prepare letters to admin staff. Continue to update membership database.

Organize and participate in ZOOM SJVDA meeting on February 2, 2021. Prepare materials for the February 2, 2021 SJVDA meeting. Prepare revisions to FY 21-22 SJVDA budget.

Assemble and distribute FY 21-22 Task Orders to consultants.

Participate in group conference calls regarding surface and groundwater management plans. Prepare outreach plan. Meet with Regional Board and consultants on status of compliance issues including monitoring and management plans.

Prepare mailing to farmer members regarding need for continuing education for nitrogen plan self-certification. Respond to phone calls regarding the new reporting requirements resulted in significant number of phone calls to respond to questions. Work included consultants revising the web portal so farmers could report on line. Prepare reports due to the Regional Board.

Prepare 2021 monitoring plan update. Prepare annual chlorpyrifos and diazinon report.

Management continued for the Prop 84 Real Time Management Program Grant for compliance with the San Joaquin River Salt and Boron TMDL. Follow up and direct field work in northerly stations.

MEMORANDUM

TO: SLDMWA Board of Directors, Alternates

FROM: Federico Barajas, Executive Director

DATE: February 26, 2021

RE: Selection/Appointment of FY22 San Luis & Delta-Mendota Water Authority Board Officers

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The Water Authority's Joint Exercise of Powers Agreement (JPA) provides for the selection of a Chairman, Vice Chairman, Secretary, and Treasurer. In contrast to the Treasurer, who serves at the pleasure of the Board[1], "[t]he chairman, vice chairman, and secretary . . . hold office for a period of one year commencing the first meeting of each Fiscal Year." JPA, Art. 17. The Water Authority's Fiscal Year 2022 begins March 1, 2021.

ISSUE FOR DECISION

Who the Board should appoint as Chair, Vice Chair, and Secretary for Fiscal Year 2022.

RECOMMENDATION

The Board appoint a Chair and Vice Chair. Staff proposes that Federico Barajas continue to serve as Secretary.

BACKGROUND INFORMATION

1. <u>Chair</u>

The Chair is selected from the membership of the Board. The Chair serves as the presiding officer at all Board meetings, has a right to vote on all matters coming before the Board, and is a voting member of both the Water Resources Committee and Finance and Administration Committee. The Chair appoints members and alternate members of the Committees and Subcommittees, appoints from within each Committee and Subcommittee chairs, and has the right to call special meetings. Cannon Michael has served as Chair since March 2018.

[1] The Water Authority's Director of Finance, Joyce Machado, has served as Treasurer since October 2018.

2. Vice Chair

The Vice Chair is also selected from the membership of the Board. The Vice Chair serves as the presiding officer of Board meetings in the absence of the Chair. Like the Chair, the Vice Chair has a right to vote on all matters coming before the Board, and is a voting member of both the Water Resources Committee and Finance and Administration Committee. William Bourdeau has served as Vice Chair since March 2020.

3. Secretary

The Secretary may be but is not required to be a Director. In practice, the Water Authority's Executive Director has filled the Secretary role, with assistance from the Water Authority's Executive Secretary. The Secretary is responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority. Executive Director Federico Barajas has served as Secretary since January 2019.

MEMORANDUM

TO: Water Resources Committee and Alternates, Board of Directors and Alternates

FROM: Scott Petersen, Water Policy Director

DATE: March 1, 2021

RE: Water Resources Committee to Consider Recommendation to Board of Directors to Adopt Staff Recommendation for Positions on Legislation

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Recommendation

Recommend to the Board of Directors to adopt the following positions on federal legislation:

- Adopt a position of "Support" on H.R. 644 (Calvert), REBUILD Act
- Adopt a position of "Support" on H.R. 737 (Valadao), RENEW WIIN Act
- Adopt a position of "Support" on H.R. 866 (Calvert), FISH Act
- Adopt a position of "Support" on S.B. 559 (Hurtado), Department of Water Resources: water conveyance systems: Canal Conveyance Capacity Restoration Fund.

Summary

H.R. 644 (Calvert) – REBUILD Act

RECOMMENDATION: SUPPORT

OBJECTIVE: Improve Central Valley Project Water Supply for Member Agencies
Improve Water Infrastructure Affecting Authority Member Agencies

Summary

This bill authorizes (1) the assignment to states of federal environmental review responsibilities under relevant federal environmental laws for projects funded by, carried out by, or subject to approval by federal agencies; and (2) states to assume all or part of those responsibilities.

Each responsible federal official who is authorized to assign such responsibility must promulgate regulations that establish requirements relating to information required to be contained in state applications to assume those responsibilities.

An official may approve an application only if (1) public notice requirements have been met, (2) the state has the capability to assume the responsibilities, and (3) the head of the state agency having

primary jurisdiction over the projects enters into a written agreement with an official to assume the responsibilities and to maintain the financial resources necessary to carry them out.

The officials must audit state compliance with federal laws for which responsibilities are assumed. The officials may terminate the responsibilities assigned to states after providing notice to states of any noncompliance and an opportunity to take corrective action.

Status

H.R. 644 was introduced in the House of Representatives on February 1, 2021 and has been referred to the House Natural Resources Committee.

Importance to the Authority

This legislation would extend the National Environmental Policy Act delegation authority granted under the FAAST Act to other state agencies, leading to more streamlined environmental review processes for projects that require both CEQA and NEPA analysis. This streamlined review could expedite project delivery without negatively impacting public information and notice requirements and reduce the costs associated with environmental permitting of project development and delivery.

Pros:

- Joint CEQA/NEPA review by California state agencies could reduce project development costs and expedite project delivery with little to no impact on public information requirements and environmental impacts.

Cons:

- None identified at this time.

Committee Options

Option 1

Recommend that the Board authorize the Executive Director and delegated staff to express support to H.R. 644 (Calvert), REBUILD Act

Fiscal Impact: Unknown. May result in decreased environmental permitting costs and expedited project delivery timelines for projects that currently require joint CEQA/NEPA review by state and federal agencies by granting authority for a joint analysis by a single agency to be completed.

Business Analysis: Reduce costs associated with project delivery for member agencies.

Option 2

Take no action.

Fiscal Impact: Unknown. SLDMWA may be subject to additional costs associated with water supply, storage or conveyance infrastructure.

Business Analysis: SLDMWA and its member agencies could be subject to additional costs resulting from environmental permitting for project delivery.

H.R. 737 (Valadao) – RENEW WIIN Act

RECOMMENDATION: SUPPORT

OBJECTIVE: Restore Central Valley Project Water Supply for Member Agencies
Improve Water Infrastructure Affecting Authority Member Agencies

Summary

The bill would extend the authorities under the Water Infrastructure Improvements for the Nation Act of 2016 providing operational flexibility, drought relief, and other benefits to the State of California.

Status

H.R. 737 was introduced in the U.S. House of Representatives on February 2, 2021 and has been referred to the House Natural Resources Committee.). Additional key cosponsors include the 10 Members of the California Republican Congressional delegation.

Importance to the Authority

The bill extends Subtitle J of the Water Infrastructure Improvements for the Nation (WIIN) Act of 2016, legislation that provides key operational provisions for the Central Valley Project and funding for water storage and conveyance projects, water recycling, desalination, and environmental restoration projects, and authorized the contract conversions and prepayment completed by many Authority member agencies. Importantly, the authorities provided by the WIIN Act expire at the end of this calendar year.

Pros:

- The legislation would extend beneficial provisions of the WIIN Act, including the water storage account funding, water recycling funding, and operations provisions, for 10 years. If enacted, the legislation would provide opportunities to continue to fund Authority and member agency projects, including the restoration of the conveyance capacity of the Delta-Mendota Canal and an expansion of San Luis Reservoir.

Cons:

- None identified at this time.

Committee Options

Option 1

Recommend that the Board authorize the Executive Director and delegated staff to express support to H.R. 737, Renew WIIN Act.

Fiscal Impact: Unknown. Federal funding provided through WIIN Act authorities could reduce member fees for key Authority projects and additional water supplies provided by operational provisions could increase year-to-year water supply reliability.

Business Analysis: Unknown.

Option 2

Take no action.

Fiscal Impact: Unknown. SLDMWA may be subject to lower federal funding for projects, reduced allocations or lost water supply resulting from expired authorities.

Business Analysis: SLDMWA may be subject to reduced allocations or lost water supply resulting from expired authorities.

H.R. 866 (Calvert) – To amend the Endangered Species Act of 1973 to vest in the Secretary of the Interior functions under that Act with respect to species of fish that spawn in fresh or estuarine waters and migrate to ocean waters, and species of fish that spawn in ocean waters and migrate to fresh waters.

RECOMMENDATION: SUPPORT

OBJECTIVE: Restore Central Valley Project Water Supply for Member Agencies

Summary

This bill gives the Fish and Wildlife Service (FWS) the sole authority to protect endangered or threatened species that are anadromous species (species of fish that spawn in fresh or estuarine waters and that migrate to ocean waters) or catadromous species (species of fish that spawn in ocean waters and migrate to fresh waters). Currently, the FWS shares this authority with the National Marine Fisheries Service.

Status

H.R. 866 was introduced in the House of Representatives on February 5, 2021, and has been referred to the House Natural Resources Committee. Additional key cosponsors include: Tom McClintock (CA-04), Jim Costa (CA-16), David Valadao (CA-21), Devin Nunes (CA-22), and Mike Simpson (ID-02).

Importance to the Authority

This bill would shift Endangered Species Act management for anadromous and catadromous species from NOAA Fisheries to the Fish and Wildlife Service, making a single resource agency responsible for the management of Endangered Species Act compliance for all species impacting water supply reliability through implementation of the Biological Opinions for the Long-Term Operations of the Central Valley Project and State Water Project.

Pros:

- The bill would increase efficiencies of species management efforts and likely reduce conflicting management requirements that arise when multiple agencies have responsible charge over species management efforts, like those experienced in 2016 when FWS was urging releases from Shasta Dam for salinity control

Cons:

- None identified at this time.

Committee Options

Option 1

Recommend that the Board authorize the Executive Director and delegated staff to express support to H.R. 866, To amend the Endangered Species Act of 1973 to vest in the Secretary of the Interior functions under that Act with respect to species of fish that spawn in fresh or estuarine waters and migrate to ocean waters, and species of fish that spawn in ocean waters and migrate to fresh waters.

Fiscal Impact: Unknown. Potentially reduce costs associated with Endangered Species Act program.

Business Analysis: Reduce costs associated with recovery of listed species.

Option 2

Take no action.

Fiscal Impact: Unknown. SLDMWA may be subject to additional costs/water supply impacts due to conflicting species management efforts.

Business Analysis: SLDMWA and its member agencies could be subject to additional costs resulting from regulatory requirements.

S.B. 559 (Hurtado) – Department of Water Resources: water conveyance systems: Canal Conveyance Capacity Restoration Fund.

RECOMMENDATION: SUPPORT

OBJECTIVE: Improve Water Infrastructure Affecting Authority Member Agencies

Summary

This bill would establish the Canal Conveyance Capacity Restoration Fund in the State Treasury to be administered by the department. The bill would require all moneys deposited in the fund to be expended, upon appropriation by the Legislature, in support of subsidence repair costs, including environmental planning, permitting, design, and construction and necessary road and bridge upgrades required to accommodate capacity improvements. The bill would require the department to expend from the fund, upon appropriation by the Legislature, specified monetary amounts to restore the capacity of 4 specified water conveyance systems, as prescribed, with 2 of those 4 expenditures being in the form of a grant to the Friant Water Authority and to the San Luis and Delta-Mendota Water Authority. The bill would make these provisions inoperative on July 1, 2030, and would repeal the provisions as of January 1, 2031.

Status

S.B. 559 was introduced in the California Senate on February 18, 2021. Additional key coauthors include: Andreas Borgeas, Anna Caballero, Adam Gray, Rudy Salas, and Jim Patterson.

Importance to the Authority

This bill would establish the Canal Conveyance Capacity Restoration Fund in the State Treasury. Funds deposited into the Fund would be used to support subsidence repair costs of up to one-third of the total cost of subsidence repair costs to the Delta-Mendota (DMC), San Luis, and Friant-Kern Canals, and the California Aqueduct. This would provide up to a $187 million grant to the Water Authority for subsidence mitigation along the DMC and up to $194 million for repairs along the San Luis Canal.

Pros:

- The bill would provide up to a one-third cost share of state grant funds for capacity restoration of key conveyance for Authority member agencies.

Cons:

- None identified at this time.

Committee Options

Option 1

Recommend that the Board authorize the Executive Director and delegated staff to express support to S.B. 559, Department of Water Resources: water conveyance systems: Canal Conveyance Capacity Restoration Fund.

Fiscal Impact: Unknown. Reduce costs associated with infrastructure finance.

Business Analysis: Reduce costs associated with infrastructure finance.

Option 2

Take no action.

Fiscal Impact: Unknown. SLDMWA may be subject to additional costs associated with infrastructure development/repair.

Business Analysis: SLDMWA and its member agencies could be subject to additional costs resulting from infrastructure construction/repair.

Guidelines for Taking Positions on Legislation

A number of controversial bills are introduced each year in the Congress and in the California Legislature. It is important to understand how the Authority takes positions on legislation.

Policy

By Agenda Item 9, dated December 12, 2019, the Board adopted the Fiscal Year 2021 Objectives.

Water Authority's Positions on Legislation

The Water Authority takes positions on legislation that, if enacted, would impact Water Authority members, consistent with Water Authority Board adopted Goals and Objectives. The Water Authority may take the following positions on legislation: Oppose, Support, Oppose Unless Amended, Support if Amended, Not Favor, Favor, Not Favor Unless Amended, Favor if Amended, and Watch (neutral). The Water Authority's staff testifies and advocates with legislators and staff through meetings and member agency contacts on all positions except Watch, Favor and Not Favor. For Favor and Not Favor positions, written communication of the Water Authority's position is provided to the legislator. Nothing in this section should be read to preclude the Executive Director or his or her delegee from taking an informal support or informal oppose position on behalf of the Water Authority that is consistent with adopted legislative or policy objectives, or to preclude the Executive Director from communicating a position on emergency legislation after obtaining the concurrence of the Chair, or the Chair's designee, provided that the Executive Director informs the Board regarding such positions on emergency legislation no later than the next regularly scheduled Board meeting.

Amendment Development Process

If the Water Authority takes an Oppose Unless Amended or Support if Amended position, the Water Authority will typically discuss the concepts for the amendments at the meeting. Then Water Authority

staff, in consultation with Committee and/or Board Members as needed, will develop the amendments after the meeting.

Information Sharing

To provide adequate information to the entire Water Authority membership, the Water Authority provides legislative updates, posts positions and other information on our website, and sends out advisories and alerts on key legislation.

The Water Authority's legislative department is available to provide specific information on bills on request and Board Members are encouraged to communicate Water Authority positions on priority legislation in meetings with legislative staff, consistent with Water Authority policy. The Water Authority's Water Policy Director appreciates being informed by Water Authority members of positions taken by Water Authority members on legislation.

AUTHENTICATED
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INFORMATION
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117TH CONGRESS
1ST SESSION

H. R. 644

To amend the National Environmental Policy Act of 1969 to authorize assignment to States of Federal agency environmental review responsibilities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 1, 2021

Mr. CALVERT introduced the following bill; which was referred to the Committee on Natural Resources

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A BILL

To amend the National Environmental Policy Act of 1969 to authorize assignment to States of Federal agency environmental review responsibilities, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Reducing Environmental Barriers to Unified Infrastructure and Land Development Act of 2021" or the "REBUILD Act".

SEC. 2. ASSIGNMENT TO STATES OF FEDERAL ENVIRONMENTAL REVIEW RESPONSIBILITIES.

Title I of the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) is amended by adding at the end the following new section:

"SEC. 106. ASSIGNMENT TO STATES OF ENVIRONMENTAL REVIEW RESPONSIBILITIES WITH RESPECT TO CERTAIN PROJECTS IN THE STATE.

"(a) ASSUMPTION OF RESPONSIBILITY.—

"(1) IN GENERAL.—Subject to the other provisions of this section, with the written agreement of the responsible Federal official and a State, which may be in the form of a memorandum of understanding, the responsible Federal official may assign, and the State may assume, the responsibilities of the responsible Federal official under this Act with respect to one or more covered Federal projects of the responsible Federal official within the State.

"(2) ADDITIONAL RESPONSIBILITY.—If a State assumes responsibility under paragraph (1) the responsible Federal official may assign to the State, and the State may assume, all or part of the responsibilities of the responsible Federal official for environmental review, consultation, or other action required under any Federal environmental law per-

taining to the review or approval of covered projects of the responsible Federal official.

"(3) PROCEDURAL AND SUBSTANTIVE REQUIREMENTS.—A State shall assume responsibility under this section subject to the same procedural and substantive requirements as would apply if that responsibility were carried out by the responsible Federal official.

"(4) FEDERAL RESPONSIBILITY.—Any responsibility of the responsible Federal official not explicitly assumed by the State by written agreement under this section shall remain the responsibility of the responsible Federal official.

"(5) NO EFFECT ON AUTHORITY.—Nothing in this section preempts or interferes with any power, jurisdiction, responsibility, or authority of an agency, other than the agency of the responsible Federal official for a covered Federal project, under applicable law (including regulations) with respect to the project.

"(b) STATE PARTICIPATION.—

"(1) APPLICATION.—Not later than 180 days after the date of enactment of this section, each responsible Federal official shall promulgate regulations that establish requirements relating to infor-

mation required to be contained in any application of a State to assume responsibility under this section with respect to covered Federal projects of the responsible Federal official, including, at a minimum—

"(A) the projects or classes of projects for which the State anticipates exercising the authority that may be granted under this section;

"(B) verification of the financial resources necessary to carry out the authority that may be assigned under this section; and

"(C) evidence of the notice and solicitation of public comment by the State relating to assumption of responsibility under this section by the State, including copies of comments received from that solicitation.

"(2) PUBLIC NOTICE.—

"(A) IN GENERAL.—Each State that submits an application under this subsection shall give notice of the intent of the State to submit such application not later than 30 days before the date of submission of the application.

"(B) METHOD OF NOTICE AND SOLICITATION.—The State shall provide notice and solicit public comment under this paragraph by

publishing the complete application of the State in accordance with the appropriate public notice law of the State.

"(3) SELECTION CRITERIA.—A responsible Federal official may approve the application of a State under this section only if—

"(A) the regulatory requirements under paragraph (2) have been met;

"(B) the responsible Federal official determines that the State has the capability, including financial and personnel, to assume the responsibility; and

"(C) the head of the State agency having primary jurisdiction over covered projects with respect to which responsibility would be assigned to the State pursuant to the application enters into a written agreement with the responsible Federal official described in subsection (c).

"(4) OTHER FEDERAL AGENCY VIEWS.—If a State applies to assume a responsibility of a responsible Federal official that would have required the responsible Federal official to consult with another Federal agency, the responsible Federal official shall

solicit the views of the Federal agency before approving the application.

"(c) WRITTEN AGREEMENT.—A written agreement under this section shall—

"(1) be executed by the Governor of the State or the head of the State agency referred to in subsection (b)(3)(C);

"(2) be in such form as the responsible Federal official may prescribe; and

"(3) provide that the State—

"(A) agrees to assume all or part of the responsibilities of the responsible Federal official described in subsection (a);

"(B) expressly consents, on behalf of the State, to accept the jurisdiction of the Federal courts for the compliance, discharge, and enforcement of any responsibility of the responsible Federal official assumed by the State;

"(C) certifies that State laws (including regulations) are in effect that—

"(i) authorize the State to take the actions necessary to carry out the responsibilities being assumed; and

"(ii) are comparable to section 552 of title 5, United States Code, including pro-

viding that any decision regarding the public availability of a document under those State laws is reviewable by a court of competent jurisdiction; and

"(D) agrees to maintain the financial resources necessary to carry out the responsibilities being assumed.

"(d) JURISDICTION.—

"(1) IN GENERAL.—The United States district courts shall have exclusive jurisdiction over any civil action against a State for failure to carry out any responsibility of the State under this section.

"(2) LEGAL STANDARDS AND REQUIREMENTS.—A civil action under paragraph (1) shall be governed by the legal standards and requirements that would apply in such a civil action against the responsible Federal official had the responsible Federal official taken the actions in question.

"(3) INTERVENTION.—The responsible Federal official shall have the right to intervene in any action described in paragraph (1).

"(e) EFFECT OF ASSUMPTION OF RESPONSIBILITY.—A State that assumes responsibility under subsection (a) shall be solely responsible and solely liable for carrying out, in lieu of the responsible Federal official, the

responsibilities assumed under subsection (a), until the termination of such assumption of responsibility.

"(f) LIMITATIONS ON AGREEMENTS.—Nothing in this section permits a State to assume any rulemaking authority of the responsible Federal official under any Federal law.

"(g) AUDITS.—

"(1) IN GENERAL.—To ensure compliance by a State with any agreement of the State under subsection (c) (including compliance by the State with all Federal laws for which responsibility is assumed under subsection (a)), for each State participating in the program under this section, the responsible Federal official shall conduct—

"(A) semiannual audits during each of the first 2 years of the effective period of the agreement; and

"(B) annual audits during each subsequent year of such effective period.

"(2) PUBLIC AVAILABILITY AND COMMENT.—

"(A) IN GENERAL.—An audit conducted under paragraph (1) shall be provided to the public for comment for a 30-day period.

"(B) RESPONSE.—Not later than 60 days after the date on which the period for public

comment ends, the responsible Federal official shall respond to public comments received under subparagraph (A).

"(h) REPORT TO CONGRESS.—Each responsible Federal official shall submit to Congress an annual report that describes the administration of this section by such official.

"(i) TERMINATION BY RESPONSIBLE FEDERAL OFFICIAL.—The responsible Federal official with respect to an agreement with a State under this section may terminate the agreement, and any responsibility or authority of the State under this section with respect to such agreement, if—

"(1) the responsible Federal official determines that the State is not adequately carrying out the responsibilities assumed by the State under this section;

"(2) the responsible Federal official provides to the State—

"(A) notification of the determination of noncompliance; and

"(B) a period of at least 30 days during which to take such corrective action as the responsible Federal official determines is nec-

essary to comply with the applicable agreement; and

"(3) the State, after the notification and period provided under subparagraph (B), fails to take satisfactory corrective action, as determined by the responsible Federal official.

"(j) DEFINITIONS.—In this section:

"(1) COVERED FEDERAL PROJECT.—The term 'covered Federal project' means—

"(A)(i) except as provided in clause (ii) and subparagraph (B), any project that is funded by, carried out by, or subject to approval or disapproval by a responsible official, including any project for which a permit or other authorization by a responsible Federal official is required; and

"(ii) in the case of projects funded, carried out by, or subject to review, approval, or disapproval by the Secretary of the Army, and except as provided in subparagraph (B), includes only such projects of the Corps of Engineers; and

"(B) the preparation of any statement required by section 102(2)(C).

"(2) RESPONSIBLE FEDERAL OFFICIAL.—The term 'responsible Federal official' means—

"(A) the Secretary of the Interior;

"(B) the Secretary of Transportation;

"(C) the Administrator of the Environmental Protection Agency;

"(D) the Secretary of the Army; and

"(E) the head of a Federal agency, with respect to the preparation of statements under section 102(2)(C) for major Federal actions (as that term is used in that section) of the agency.".

○

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117TH CONGRESS
1ST SESSION

H. R. 737

To extend the authorities under the Water Infrastructure Improvements for the Nation Act of 2016 providing operational flexibility, drought relief, and other benefits to the State of California.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 2021

Mr. VALADAO (for himself, Mr. MCCARTHY, Mr. CALVERT, Mr. GARCIA of California, Mr. ISSA, Mrs. KIM of California, Mr. LAMALFA, Mr. MCCLINTOCK, Mr. NUNES, Mr. OBERNOLTE, and Mrs. STEEL) introduced the following bill; which was referred to the Committee on Natural Resources

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A BILL

To extend the authorities under the Water Infrastructure Improvements for the Nation Act of 2016 providing operational flexibility, drought relief, and other benefits to the State of California.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Responsible, No-Cost Extension of Western Water Infrastructure Improvements Act" or the "RENEW WIIN Act".

SEC. 2. EXTENSION OF AUTHORITY.

Subtitle J of the Water Infrastructure Improvements for the Nation Act (Public Law 114–322) is amended—

(1) in section 4007 (43 U.S.C. 390(b) note), in subsection (i), by striking "January 1, 2021" and inserting "January 1, 2031"; and

(2) in section 4013 (43 U.S.C. 390(b) note)—

(A) in the first sentence, by striking "the date that is 5 years after the date of its enactment" and inserting "December 31, 2031"; and

(B) in paragraph (1), by striking "10 years after the date of its enactment" and inserting "on December 31, 2036".

○

SENATE BILL No. 559

Introduced by Senator Hurtado
(Principal coauthor: Assembly Member Patterson)
(Coauthors: Senators Borgeas and Caballero)
(Coauthors: Assembly Members Gray and Salas)

February 18, 2021

An act to add and repeal Section 140.5 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 559, as introduced, Hurtado. Department of Water Resources: water conveyance systems: Canal Conveyance Capacity Restoration Fund.

Under existing law, the United States Bureau of Reclamation operates the federal Central Valley Project and the Department of Water Resources operates the State Water Project to supply water to persons and entities in the state. Existing law requires the Friant-Kern Canal to be of such capacity as the department determines necessary to furnish an adequate supply of water for beneficial purposes in the area to be served by the canal.

This bill would establish the Canal Conveyance Capacity Restoration Fund in the State Treasury to be administered by the department. The bill would require all moneys deposited in the fund to be expended, upon appropriation by the Legislature, in support of subsidence repair costs, including environmental planning, permitting, design, and construction and necessary road and bridge upgrades required to accommodate capacity improvements. The bill would require the department to expend from the fund, upon appropriation by the Legislature, specified monetary amounts to restore the capacity of 4 specified water conveyance systems, as prescribed, with 2 of those 4

expenditures being in the form of a grant to the Friant Water Authority and to the San Luis and Delta-Mendota Water Authority. The bill would make these provisions inoperative on July 1, 2030, and would repeal the provisions as of January 1, 2031.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) The human right to water is an important state policy enacted in 2013. Climate change may impact the ability of existing water infrastructure to continue to provide safe, affordable, and reliable water.

(b) The Legislature, recognizing that chronic groundwater overpumping was leading to undesirable impacts such as subsidence, enacted the Sustainable Groundwater Management Act (Part 2.74 (commencing with Section 10720) of Division 6 of the Water Code) in 2015.

(c) Subsidence has impacted the ability of state and regional water conveyance infrastructure to reliably deliver water to the San Joaquin Valley and southern California.

(d) A significant number of the communities that rely on water delivered by infrastructure of statewide or regional importance are considered disadvantaged or severely disadvantaged.

(e) These communities, particularly throughout the San Joaquin Valley, face adverse impacts associated with subsidence and loss of water supply, including loss of job opportunities and job security.

(f) Disadvantaged communities, particularly in southern California, face increasing costs to ensure access to high-quality water and to maintain water supply reliability.

(g) The Friant-Kern Canal, Delta-Mendota Canal, San Luis Canal, and California Aqueduct are the state's main state and regional water conveyance infrastructure that delivers water for agricultural, municipal, and industrial use, refuge water supplies, and groundwater recharge in the San Joaquin Valley and in southern California.

(h) This water is delivered through a series of regional canals and aqueducts that traverse through the San Joaquin Valley for delivery and continue to southern California.

(i) At least 5,000,000 people in the state, including approximately 1,250,000 people living in disadvantaged communities, receive water from the Friant-Kern Canal, Delta-Mendota Canal, and San Luis Canal.

(j) The State Water Project provides approximately three-fourths of California's disadvantaged communities with some or all of their water supplies.

(k) Over 750,000 acres of farmland receive water from the State Water Project and nearly 2,500,000 acres of productive cropland are served water through the Friant-Kern Canal, Delta-Mendota Canal, and San Luis Canal.

(*l*) Climate change has increased the variability of the hydrologic cycle and reduced the availability of surface water supplies to a smaller number of years, which increases the need for conjunctive use of groundwater to manage reductions in surface water supplies. An increase in groundwater pumping has caused significant land subsidence that has affected the ability of regional water conveyance infrastructure to convey water. In some areas, the water conveyance infrastructure has dropped in elevation an average of one inch per month since 2014.

(m) The total cost to repair these regional water conveyance structures is approximately $2,300,000,000 over 10 years.

(n) Restoring water conveyance capacity is a necessary step to improving water resilience and to protect critical regional water infrastructure from the impacts of drought and climate change, which will improve the accessibility of safe and reliable drinking water and other beneficial uses of water.

(o) The Sustainable Groundwater Management Act (Part 2.74 (commencing with Section 10720) of Division 6 of the Water Code) will help to protect investments made to restore water conveyance capacity.

(p) It is of paramount importance that the primary state and regional water conveyance infrastructure in the state be protected from subsidence, and that conveyance be restored whenever economically, environmentally, and technically feasible.

SEC. 2. Section 140.5 is added to the Water Code, to read:

140.5. (a) The Canal Conveyance Capacity Restoration Fund is hereby established in the State Treasury. The department shall administer the fund.

(b) All moneys deposited in the fund shall be expended, upon appropriation by the Legislature, in support of subsidence repair costs, including environmental planning, permitting, design, and construction and necessary road and bridge upgrades required to accommodate capacity improvements.

(c) Moneys expended from the fund for each individual project specified in subdivision (d) shall not exceed one-third of the total cost of each individual project. The total amount expended from the fund for all of the projects specified in subdivision (d) shall not exceed seven hundred eighty-five million dollars ($785,000,000).

(d) The department shall expend from the fund, upon appropriation by the Legislature, all of the following, consistent with subdivision (b):

(1) Three hundred eight million dollars ($308,000,000) for a grant to the Friant Water Authority to restore the capacity of the Friant-Kern Canal.

(2) One hundred eighty-seven million dollars ($187,000,000) for a grant to the San Luis and Delta-Mendota Water Authority to restore the capacity of the Delta-Mendota Canal.

(3) One hundred ninety-four million dollars ($194,000,000) to restore the capacity of the San Luis Field Division of the California Aqueduct.

(4) Ninety-six million dollars ($96,000,000) to restore the capacity of the San Joaquin Division of the California Aqueduct.

(e) This section shall become inoperative on July 1, 2030, and, as of January 1, 2031, is repealed.

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MEMORANDUM

TO: SLDMWA Water Resources Committee Members, Alternates
SLDMWA Board of Directors, Alternates

FROM: Federico Barajas, Executive Director

DATE: February 24, 2021

RE: Ratification of the Appointment of Federico Barajas to State and Federal Contractors Water Agency Board of Directors

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BACKGROUND

The San Luis & Delta-Mendota Water Authority (SLDMWA) is entitled to fill three Director positions on the State and Federal Contractors Water Agency (SFCWA) Board of Directors. Most recently, Rick Gilmore, Anthea Hansen, and Jon Rubin have filled the three seats, with Hansen and Rubin serving since April 2018. When Rubin was appointed in 2018, he was serving as Interim Executive Director of SLDMWA.

In early 2021, current Executive Director Federico Barajas was reminded that Rubin remained on the SFCWA Board on behalf of SLDMWA. Barajas sought confirmation from the SLDMWA Board Chair and SFCWA representatives Gilmore and Hansen that it would be preferable for SLDMWA's Executive Director to serve on the SFCWA Board. To continue the tradition of having SLDMWA's Executive Director fill one of the three SFCWA Director positions, on February 2, 2021, Barajas then transmitted a letter to SFCWA announcing the replacement of Rubin with Barajas on the SFCWA Board. In the February 2021 SLDMWA Board meeting, the SLDMWA Board requested an opportunity to ratify Barajas's appointment.

ISSUE FOR DECISION

Whether the Water Resources Committee should recommend, and the Board of Directors should approve, ratification of the appointment of Federico Barajas to the SFCWA Board of Directors.

RECOMMENDATION

Staff recommends ratification of the appointment of Federico Barajas to the SFCWA Board of Directors.

ANALYSIS

Article III, Section 2 of the SFCWA bylaws state in relevant part:

> . . . . Each Director of the Agency shall be a director, officer, or employee of the appointing member agency ("Member"). For Members that are joint powers agencies, the Directors appointed by those Members may be directors, officers, or employees of the joint powers agency or of any public agency that is a member of that joint powers agency. . . .
>
> Directors and Alternates shall have no fixed term of office, but each shall serve on the Board at the pleasure of the appointing Member and may be replaced at any time by the appointing Member by providing a written notice of replacement to the Secretary of the Agency.

When the Water Authority last appointed Directors to the SFCWA Board, in April 2018, it did so following discussion during a report item in the Water Authority Board meeting. No formal action was taken.

Ratifying Barajas's appointment will allow the Water Authority Board to confirm that Barajas should replace Rubin on the SFCWA Board. Management staff will ensure that future changes in SFCWA appointment, if any, will occur after formal action.

MEMORANDUM

TO: SLDMWA Water Resources Committee/Board of Directors, Alternates

FROM: Frances Mizuno, Special Projects Administrator

DATE: February 24, 2021

RE: Resolution Including CEQA Exemption for and Authorizing Execution of Agreement to Purchase Release of Water By and Among the Oakdale Irrigation District, South San Joaquin Irrigation District, and San Luis & Delta-Mendota Water Authority, and California Department of Water Resources

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BACKGROUND

The Water Authority has previously entered into Agreements for release of water by Oakdale and South San Joaquin Irrigation Districts (OID/SSJID) with the last one in 2018. These agreements allow for OID/SSJID to make available water at Goodwin Dam for release by the Bureau of Reclamation for additional fishery enhancement pulse flow on the Stanislaus River during the April/May period. The Water Authority and the Department of Water Resources (DWR) agree to pay OID/SSJID for the released water. The released water supports additional pumping at the Delta pumps at an inflow to export ratio of 1:1 where 50% of the water is available to DWR at the Banks Pumping Plant and the remaining 50% at Jones Pumping Plant (Jones). The supplemental CVP Water pumped at Jones was made available to Authority members that agree to pay for the water.

In 2021, there may be an opportunity for OID/SSID to make available up to 100,000 acre-feet for an April/May Stanislaus River pulse flow release. Under this proposal, the cost to be paid to OID/SSJID for the release water will be $250/AF. The release is subject to approval by Reclamation and DWR. The water released would be shared by the Water Authority (50%) and DWR (50%). The Water Authority's share of the release would be made available to all member agencies that participate in the purchase of this water through a Letter Agreement with the Water Authority.

ISSUE FOR DECISION

Whether the Water Resources Committee should recommend, and the Board of Directors should adopt the Resolution including CEQA exemption for and authorizing execution of an Agreement to Purchase Release of Water By and Among the Oakdale Irrigation District, South San Joaquin

Irrigation District, and San Luis & Delta-Mendota Water Authority, and Department of Water Resources.

RECOMMENDATION

Staff recommends adoption of the proposed Resolution.

ANALYSIS

Adopting the Resolution would allow Water Authority members to pursue low cost supplemental water in a year where the CVP water allocation is expected to be very low and is currently at a 55% and 5% allocation for M&I and Ag water service Contractors respectively. If the Resolution is not adopted, the Water Authority would miss out on this opportunity.

Funding the supplemental instream fishery releases and delivery of any supplemental CVP allocation resulting from the Agreement to Water Authority members would have no significant adverse environmental effects. The "project" is categorically exempt from the California Environmental Quality Act because it will result in the provision of supplemental instream fishery flows pursuant to 14 California Code of Regulations Section 15301(i) and in the ongoing operation of the existing system within established parameters, without change in operation or expansion of use pursuant to 14 California Code of Regulations, section 15301 (Class 1). Ongoing delivery and receipt of water for M&I and agricultural purposes will continue with no expansion of service and no new facilities constructed because water will be delivered and received for existing beneficial uses through existing facilities.

BUDGET

All costs related to the purchase will be paid by members participating in the purchase and therefore there is no impact to the Water Authority's budget.

ATTACHMENTS

1. Proposed Resolution
2. Agreement for Release of Water By and Among the Oakdale Irrigation District, the South San Joaquin Irrigation District, the San Luis & Delta-Mendota Water Authority, and the California Department of Water Resources

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2021-___

RESOLUTION INCLUDING CEQA EXEMPTION FOR AND AUTHORIZING EXECUTION OF AGREEMENT TO PURCHASE RELEASE OF WATER BY AND AMONG THE OAKDALE IRRIGATION DISTRICT, THE SOUTH SAN JOAQUIN IRRIGATION DISTRICT, THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, AND THE CALIFORNIA DEPARTMENT OF WATER RESOURCES

WHEREAS, the San Luis & Delta-Mendota Water Authority ("Water Authority") agricultural water service contractor members received an initial allocation of 5% of their full contractual supply for irrigation and 55% for municipal and industrial ("M&I") for the 2021 water year, and current projections show that subsequent increases in allocations, if any, will be made later in the season and are expected to be minimal; and

WHEREAS, the Board of Directors of the Water Authority (the "Board") has considered a draft of that certain Agreement to Purchase Release of Water by and Among the Oakdale Irrigation District ("OID"), the South San Joaquin Irrigation District ("SSJID"), the San Luis & Delta-Mendota Water Authority, and the California Department of Water Resources ("DWR") ("2021 OID-SSJID Agreement"), a copy of which has been presented to the Board, is attached to this Resolution as **Exhibit A**, and is on file with the Secretary hereof; and

WHEREAS, the 2021 OID-SSJID Agreement provides flow in the Stanislaus and lower San Joaquin Rivers that will be in addition to flow that otherwise would occur in the absence of the voluntary sale, which increment of increased flow will be pumped at a 1:1 ratio pursuant to Section 4001(b)(7)(C) of the WIIN Act; and

WHEREAS, the releases resulting from the 2021 OID/SSJID Agreement will be managed, in coordination with fishery and wildlife agencies, during the April-May period to optimize benefits for out-migrating salmonid species; and

WHEREAS, under current conditions such released water is expected to be available for pumping at the State and Federal Delta export facilities on the basis of 50% available to the CVP and 50% available to the State Water Project ("SWP"), subject to any applicable restrictions or limitations imposed by Federal and State agencies with jurisdiction over CVP or SWP operations but contingent upon such agencies allowing for a 1:1 export ratio during the April-May period; and

WHEREAS, Reclamation expects to make the CVP share of water captured at the Delta facilities from the OID-SSJID releases available as supplemental allocation to CVP agricultural and M&I contractors that are members of the Water Authority based upon each such CVP contractor's election to participate and agreement to accept the terms upon which the supplemental allocation will be made available by Reclamation, including payment of a premium to the Water Authority in the amount of $250/acre foot for each acre foot released under the 2021 OID-SSJID Agreement; and

WHEREAS, execution and implementation of the 2021 OID-SSJID Agreement is in the public interest of the Water Authority because it will help meet CVP obligations under the Water Quality Control Plan, improve the water supply available to its Members and because availability of the Supplemental Allocation south of the Delta will generate additional revenues to assist the Water Authority in implementing its obligation to operate and maintain the Delta-Mendota Canal and related facilities required by its Agreement with Reclamation during a year of severely reduced water allocation and budget constraints related to such reductions; and

WHEREAS, the Water Authority has determined that its execution and performance of the 2021 OID-SSJID Agreement, including funding the supplemental instream fishery releases and delivering to its Members any supplemental CVP allocation (collectively, the "Project") resulting from the 2021 OID-SSJID Agreement will have no significant adverse environmental effects; and

WHEREAS, the Project is categorically exempt from the California Environmental Quality Act because it will result in the provision of supplemental instream fishery flows pursuant to 14 California Code of Regulations Section 15301(i) and in the ongoing operation of the existing system within established parameters, without change in operation or expansion of use pursuant to 14 California Code of Regulations, section 15301 (Class 1). Ongoing delivery and receipt of water for M&I and agricultural purposes will continue with no expansion of service and no new facilities constructed because water will be delivered and received for existing beneficial uses through existing facilities.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:

Section 1. The facts stated in the recitals above are true and correct, and the Board so finds and determines.

Section 2. The Executive Director and the Chief Operating Officer are hereby authorized and directed to execute the 2021 OID-SSJID Agreement substantially in the form presented to the Board and on file with the Secretary hereof, subject to such additions, deletions and other revisions as the Executive Director shall approve prior to execution.

Section 3. The Executive Director, Chief Operating Officer, and any Water Authority employees, consultants, or agents directed by the Executive Director or Chief Operating Officer hereby are further authorized and directed to take such additional steps, and to execute such additional documents, as may be required or reasonably necessary or convenient for completing and implementing the 2021 OID-SSJID Agreement as authorized by this Resolution.

PASSED, APPROVED AND ADOPTED this 4th day of March, 2021, by the Board of Directors of the San Luis & Delta-Mendota Water Authority.

_____

Cannon Michael, Chairman
SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

Attest:

_____

Federico Barajas, Secretary

*****

I hereby certify that the foregoing Resolution No. 2021-_ was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at the meeting thereof held on the 4th day of March, 2021.

_____

Federico Barajas, Secretary

AGREEMENT FOR RELEASE OF WATER BY AND AMONG THE OAKDALE IRRIGATION DISTRICT, THE SOUTH SAN JOAQUIN IRRIGATION DISTRICT, THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, AND THE CALIFORNIA DEPARTMENT OF WATER RESOURCES

SWPAO #_____

This Agreement is entered into this ____ day of _____, 2021, by and among the Oakdale Irrigation District ("OID"), the South San Joaquin Irrigation District ("SSJID") (collectively, the "Districts"), the San Luis & Delta-Mendota Water Authority ("SLDMWA"), and the Department of Water Resources ("DWR") of the State of California.

RECITALS

WHEREAS, DWR owns, operates, and maintains water collection, storage, conveyance, and delivery facilities, including but not limited to the State Water Project ("SWP"), and delivers water to 29 water service contractors located throughout California; and

WHEREAS, Districts are California irrigation districts operating under and by virtue of Division 11 of the California Water Code; and

WHEREAS, SLDMWA is a California joint power authority operating under and by virtue of Section 6500, et seq., of the California Government Code; and

WHEREAS, SLDMWA is comprised of 27 member agencies representing approximately 2,100,000 acres of land within the western San Joaquin Valley, San Benito, and Santa Clara Counties; and

WHEREAS, 24 of SLDMWA's 27 member agencies receive water from the federal Central Valley Project ("CVP") under water service, exchange/settlement, or refuge contracts; and

WHEREAS, Districts are co-owners of certain water rights on the Stanislaus River, including pre-1914 appropriative rights to divert water from the Stanislaus River, and various post-1914 appropriative rights to store water from the Stanislaus River in various reservoirs; and

WHEREAS, DWR's current forecast for the San Joaquin Valley Water Supply Index is _____with runoff, precipitation, and snowpack _____; and

WHEREAS, CVP agricultural water service contractors South-of-Delta have received an allocation of _____ and the State Water Project Contractors ("SWPC") have received an allocation of _____;

NOW, THEREFORE, the Districts, SLDMWA, and DWR, on the terms and conditions herein set forth, agree as follows:

AGREEMENT

1. DEFINITIONS: The following definitions shall govern this Agreement:

(a) "Parties" means the Districts, SLDMWA, and DWR.

(b) "Delivery" means the Districts' water made available to the United States Bureau of Reclamation ("USBR") at Goodwin Dam in April and May of 2021. USBR will then release the water at Goodwin Dam on the schedule developed pursuant to Paragraph 14 of this Agreement. This definition is intended to include the grammatical variations of the term "delivery" including "deliver" and "delivered," where such term is used in reference to water.

(c) "Base flow" means flows released by USBR from Goodwin Dam necessary to meet terms, conditions, or other regulatory requirements applicable to operations of Central Valley Project facilities on the Stanislaus River.

2. TERM: This Agreement shall become effective upon execution by all Parties and shall terminate on December 31, 2021 or upon final payment by SLDMWA and DWR of all costs attributable to this Agreement, whichever occurs later.

3. WATER AVAILABLE FOR PURCHASE: Pursuant to this Agreement:

(a) Upon request by USBR and DWR, the Districts agree to make up to 100,000 acre-feet of water available at Goodwin Dam from April 1 to May 31 of 2021 pursuant to Section 4001(b)(7) of the Water Infrastructure Improvements for the Nation Act, Pub. Law 114-322 (130 Stat. 1852-53). No water shall be released under this Agreement, and DWR and SLDMWA shall not be obligated to pay for any flows released, unless the release of water, as provided under this Agreement the contacts for DWR and SLDMWA listed in Paragraph 23 have approved both the release and Delivery.

(b) The water made available for Delivery will be released by USBR in accordance with the requirements set forth in Paragraph 14. The water released will be made available to USBR and DWR and will be shared equally, 50/50, pursuant to a separate operations agreement between DWR and USBR.

(c) If either USBR or DWR cannot pump its share of the released water, then the other may pump the additional water for the benefit of its contractors provided that it is willing to pay for the additional water and provided the Party pumping the additional water has obtained prior written agreement from the other Party that the pumping will not adversely impact the non-pumping Party's operations.

4. COMPLIANCE WITH APPLICABLE LAWS AND OBTAINING APPROVALS:

(a) The Districts, in making the water available as described in Paragraph 3, shall comply with all applicable laws and regulations, including but not limited to the California Environmental Quality Act ("CEQA"), National Environmental Policy Act ("NEPA"), California Endangered Species Act, and Federal Endangered Species Act. The Districts shall secure any required consent, permits, reports, and orders, and shall provide DWR and USBR with copies prior to Delivery under this Agreement.

(b) The Districts and SLDMWA are entering into this Agreement based on the determination of the Districts and of SLDMWA, as described below, that the Delivery is categorically exempt from CEQA because it will result in the provision of supplemental instream fishery flows pursuant to 14 California Code of Regulations, section 15301 ("CEQA Guidelines § 15301"), subsection (i), and in the ongoing operation of the existing system without change in operation or expansion of use pursuant to CEQA Guidelines § 15301.

(c) The Districts shall be responsible for obtaining any approval from any relevant government entities that the Districts determine in their discretion is necessary for providing the Delivery. The Districts shall email to DWR and USBR any submissions related to this Agreement that the Districts make with any government entity.

(d) SLDMWA has determined the Delivery is categorically exempt from CEQA because it will result in the provision of supplemental instream fishery flows pursuant to CEQA Guidelines § 15301, subsection (i), and in the ongoing operation of the existing system without change in operation or expansion of use pursuant to CEQA Guidelines § 15301.

(e) Upon execution by all Parties of this Agreement, DWR will file a Notice of Exemption based on CEQA Guidelines § 15301 for operation of an existing facility with the State Clearinghouse.

(f) If any of the Parties is required to pay a fine or civil penalty for any of its actions related to this Agreement, then that Party alone shall be responsible for paying the fine or penalty.

5. PURCHASE PRICE: SLDMWA and DWR agree to pay to the Districts Two hundred and fifty dollars ($250) per acre-foot for up to 100,000 acre-feet of water delivered.

6. WATER QUALITY: The Districts make no warranty or representations as to the quality or fitness for use of the Delivery.

7. **WATER MEASUREMENT AND DELIVERY**: DWR and SLDMWA shall pay the Districts to provide up to 100,000 acre-feet to USBR in Goodwin Dam. The payment shall be based on the actual flows released by USBR from Goodwin Dam in excess of the Base Flow. For the purposes of this Agreement, the flow volume for which Districts will be paid in accordance with Paragraph 5 will be measured as the Goodwin releases exceeding the Base Flow. Through concurrence with the National Marine Fisheries Service ("NMFS"), the timing of the releases may be shifted. A Delivery that is released from Goodwin Dam shall be measured on a daily basis by USBR at the Goodwin Gauge and confirmed by USBR and DWR. The Districts and SLDMWA acknowledge that USBR shall be responsible for determining the flow and schedule of the Delivery and that DWR shall be responsible for verifying the flow and schedule of the Delivery.

8. **WATER INFRASTRUCTURE FOR IMPROVEMENTS TO THE NATION ACT ("WIIN ACT")**: One purpose of this sale is to assist USBR in meeting the 31-day April through May flow objectives in the 2006 State Water Resources Control Board's Water Quality Control Plan for the Bay-Delta, as required by section 4001, subsection (b)(7) of the WIIN Act. This sale will result in flow that is in addition to flow that otherwise would occur in the absence of the voluntary sale, under WIIN Act Section 4001, subsection (b)(7)(C). It is the Parties' expectation that, pursuant to WIIN Act section 4001, subsection (b)(7), the water made available will be subject to an inflow to export ratio of 1:1. (See Paragraph 13).

9. **PAYMENT**:

(a) The Districts shall invoice SLDMWA and DWR fifty percent (50%) each of the cost for the Delivery for up to a total of 100,000 acre-feet provided at the price identified in Paragraph 5 above, after USBR and DWR have confirmed the amount of water released by USBR from Goodwin Dam in accordance with Paragraph 7.

(b) SLDMWA shall remit payment within sixty (60) days of receipt of the invoice.

(c) The Districts shall submit: (1) an original of each invoice to the DWR contact listed in Paragraph 22 (Notices), and (2) a copy of each invoice to the DWR Accounting Office, Contracts Payable Unit, P.O. Box 94236, Sacramento, California, 94236-0001. DWR shall pay undisputed invoices within forty-five (45) days of the date such invoices are received by the State Water Project Analysis Office, pursuant to the Prompt Payment Act as specified in Government Code, Chapter 4.5 (commencing with section 927).

10. **INTEREST**: SLDMWA shall pay the Districts interest at an annual interest rate of ten (10) percent on any charges that remain unpaid sixty (60) days beyond the due date. DWR shall pay the Districts late payment penalties in accordance with the Prompt Payment Act.

11. DISTRICTS' LIMITING CONDITIONS: The Districts' obligation to make available the quantity of water specified in Paragraph 3 of this Agreement will, at all times, be subject and subordinate to the following conditions:

(a) The terms and conditions of their water rights as they currently exist;

(b) The 1988 Agreement and Stipulation with USBR;

(c) The Tulloch Enhancement Agreement with PG&E, as it now exists and as modified from time to time;

(d) The Goodwin Agreement, as it now exists and as modified from time to time;

(e) The terms and conditions of Federal Energy Regulatory Commission licenses, as they now exist, and as they may be amended and/or renewed upon relicensing, including but not limited to those licenses held for Tulloch and Goodwin Dams;

(f) The rights of landowners, within the boundaries of OID or SSJID, to the beneficial use of their respective District's water as relates to the delivery of water purchased pursuant to this Agreement;

(g) Applicable federal and state laws now in existence, and as modified from time to time, which may affect the Districts' rights or obligations; and

(h) The rights of the cities of Lathrop, Manteca, Escalon, and Tracy pursuant to each city's Water Supply Development Agreement with SSJID.

The conditions described in (a)-(h), inclusive, above, are collectively referred to as the Districts' Limiting Conditions. Nothing in this Agreement shall be construed so as to contradict, conflict with, or otherwise be contrary to the provisions of any of the Districts' Limiting Conditions; and in the event of any conflict between any of the Districts' Limiting Conditions and this Agreement, the Districts' Limiting Condition(s) shall control, and Districts shall not be deemed to be in violation of this Agreement by any modifications of the Agreement, including reduced supply for SLDMWA and DWR, that may be required to ensure compliance with any of the Districts' Limiting Conditions.

12. USBR LIMITING CONDITION: The obligations of Districts to deliver water to USBR at Goodwin Dam under this Agreement, and of SLDMWA and DWR to pay for such Delivery, are at all times subject to the USBR's concurrence with this Agreement and for the use of USBR's facilities as may be necessary for the Districts to make the Delivery. If the Districts do not obtain this approval from USBR, this Agreement shall automatically terminate and SLDMWA and DWR shall only be liable for the quantity of water Districts released pursuant to Paragraph 7 and will have no further obligations under this Agreement.

13. SLDMWA and DWR LIMITING CONDITIONS: The obligations of SLDMWA and DWR to pay for Delivery is subject to DWR and USBR having capacity at Banks Pumping Plant and/or Jones Pumping Plant to pump the additional SWP or CVP water and pursuant to section 4001 of the WIIN Act, which allows for a Vernalis flow-to-combined CVP and SWP pumping ratio of 1:1 ("1:1 Ratio"). If DWR and USBR are unable to pump additional SWP or CVP water made available at Banks Pumping Plant or Jones Pumping Plant, the Parties may attempt to reschedule the Delivery within the April 1 – May 31 period, or in the alternative, any Party may elect to terminate this Agreement by providing notice to the other Parties consistent with Paragraph 22, or the Parties can meet and agree to a new release and diversion rate for the released water. If this Agreement is terminated, SLDMWA and DWR shall only be obligated to pay Districts for the quantity of water Districts released pursuant to Paragraph 7 prior to the Agreement terminating.

14. DELIVERY:

(a) Consistent with this Agreement and specifically Paragraph 7, the Districts will make the Delivery available at Goodwin Dam on a schedule developed in consultation with the Districts, USBR, DWR, and NMFS. The delivery of the water by the Districts will occur only after USBR, DWR, the Districts, and SLDMWA meet and receive assurances from USBR and DWR that the water to be released will be diverted at the 1:1 Ratio. If the water to be released cannot be diverted at the 1:1 Ratio, then pursuant to Paragraph 13 or 22, the Parties can reschedule the water or meet and confer to determine what water will be released, diverted and paid for, or terminate this Agreement. The two goals of the Delivery are to assist USBR in the April-May Pulse Flow period, and to have additional SWP and CVP water made available at Banks Pumping Plant and Jones Pumping Plant as a result of the Delivery.

(b) No subsequent changes to the schedule, regulatory conditions, or other intervening matters, including litigation and stream adjudication brought by third parties, or actions of any state or federal agency exercising jurisdiction or claiming an interest and/or right to reduce and/or modify operations and/or quantities of water otherwise available to the Districts, or diversions outside the control of Districts which may hereafter be authorized for others from the North, Middle, or South Forks of the Stanislaus River, or any action, legislation, ruling, or determination adverse to the Districts affecting the Agreement and beyond the reasonable control of the Districts, shall release the Parties from their obligations under this Agreement, except as further specified in Paragraph 15.

15. WATER SUPPLY REDUCTIONS: The Districts may reduce the Delivery for any of the following reasons: the Districts' Limiting Conditions arise; failure of facilities; intervening acts, including litigation and stream adjudication brought by third parties, or actions of any state or federal agency exercising jurisdiction or claiming an interest and/or right to reduce and/or modify operations and/or quantities of water otherwise available to the Districts; diversions outside the control of Districts which may hereafter be authorized for others from the North, Middle or South Forks of the Stanislaus River; and any action, legislation, ruling or determination adverse to the Districts affecting the

Agreement and beyond the reasonable control of the Districts. Districts shall make good faith efforts to avoid such reductions, but SLDMWA and DWR agree that Districts shall not be liable for reductions of supply in this Agreement due to the above-stated causes. SLDMWA and DWR shall have no obligation to pay for water not delivered because of a reduction caused by factors listed in this Paragraph.

16. **APPROVALS AND COSTS**: SLDMWA and DWR are solely responsible for any payment for Delivery after the USBR release of Delivery from Goodwin Dam. This Paragraph survives termination or expiration of this Agreement.

17. **LITIGATION COSTS**: Districts agree to defend their own interests in any litigation or regulatory action challenging the validity of Districts' water rights. The Parties shall each defend their own interests in litigation or regulatory action involving this Agreement, including environmental compliance and purchase of the Delivery. All Parties agree to reasonably cooperate with each other in the defense of any litigation that may be filed as a result of this Agreement. This Paragraph survives termination or expiration of this Agreement.

18. **EXPENSES:** Districts shall be responsible for all expenses, including but not limited to legal, environmental, or engineering consultants' fees, expenses incurred to obtain any and all necessary approvals and to satisfy all environmental requirements, including CEQA and/or NEPA, required to effectuate the Agreement, and expenses incurred to defend against any litigation challenging the Agreement or the approvals, water rights, or environmental reviews associated with the Agreement. This Paragraph survives termination of this Agreement.

19. **COOPERATION**: To the extent reasonably required, each Party to this Agreement shall, in good faith, assist the other Parties in obtaining all such necessary approvals and preparation of required environmental documents. The Parties agree to cooperate and assist each other in good faith in meeting such requirements of regulatory agencies as may be applicable to performance of any terms of the Agreement.

20. **WAIVER OF RIGHTS**: Any waiver, at any time, by any Party of its rights with respect to a breach, default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default, or matter with respect to this Agreement.

21. **ASSIGNMENT**: No party may assign its rights or obligations under this Agreement, in whole or in part, without prior written consent of all Parties hereto. Any attempted assignment of this Agreement, in whole or in part, without the prior written consent of all Parties hereto is void.

22. **TERMINATION:** Any party may elect to terminate this Agreement upon notice to the Parties by electronic mail consistent with Paragraph 23. That party providing the termination shall provide the other parties with the specific grounds on which it wishes to terminate the agreement. Termination of this Agreement is effective immediately upon actual electronic mail receipt of notice by the Parties.

23. **NOTICES**: All notices that are required, either expressly or by implication, to be given by any Party to the other under this Agreement shall be signed for by Districts and SLDMWA and DWR by such officers as they may, from time, authorize in writing to so act.

Any notices to Parties required by this Agreement shall be hand-delivered or mailed by United States first-class postage prepaid, or delivered by electronic mail followed by written notice sent by U.S. mail, and addressed as follows:

OAKDALE IRRIGATION DISTRICT

Steve Knell, General Manager/Secretary
Oakdale Irrigation District
1205 East "F" Street
Oakdale, CA 95361
Email: srknell@oakdaleirrigation.com
Phone: (209) 847-0341

SOUTH SAN JOAQUIN IRRIGATION DISTRICT

Peter Rietkerk, General Manager
South San Joaquin Irrigation District
11011 East Highway 120
Manteca, CA 95336
Email: prietkerk@ssjid.com
Phone: (209) 249-4645

SAN LUIS & DELTA- MENDOTA WATER AUTHORITY

Federico Barajas, Executive Director
P.O. Box 2157
Los Banos, CA 95635
Email: Federico.barajas@sldmwa.org
Phone: (209) 826-9696

CALIFORNIA DEPARTMENT OF WATER RESOURCES

Anna Fock, Chief, State Water Project Analysis Office
Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236-0001
Email: anna.fock@water.ca.gov
Phone: (916) 653-0190

John Leahigh, Water Operations Executive Manager
Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236-0001
Email: john.leahigh@water.ca.gov
Phone: (916) 650-2447

Notice shall be deemed given by operation of any of the following, whichever occurs earliest:

(a) Two (2) calendar days following mailing via regular or certified mail, return receipt requested,

(b) One (1) business day after deposit with any one-day delivery service assuring "next day" delivery,

(c) Upon actual receipt of notice, or

(d) Upon transmission, if by facsimile.

The Parties shall promptly give written notice to each other of any change of address and mailing or shipment to the addresses stated herein shall be deemed sufficient unless written notification of a change of address has been received.

24. **APPROVALS**: Where the terms of this Agreement provide for action to be based upon a judgment, approval, review, or determination of any Party, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

25. **DISPUTE RESOLUTION**: In the event of any dispute regarding interpretation or implementation of this Agreement, the Director of DWR and authorized representatives from the Districts and SLDMWA shall endeavor to resolve the dispute by meeting within thirty (30) days after the request of a Party to resolve the dispute. If the dispute remains unresolved after such meeting, the Parties shall use the services of a mutually acceptable consultant in an effort to resolve the dispute. Parties involved in the dispute shall share the fees and expenses of said consultant equally. If a consultant cannot be agreed upon, or if the consultant's recommendations are not acceptable to the Parties, and unless the Parties otherwise agree, the matter may be resolved by litigation and any Party may, at its option, pursue any available legal remedy including, but not limited to, injunctive and other equitable relief.

26. **OTHER AGREEMENTS**: Nothing contained within this Agreement restricts the ability of the Districts to provide water services and sales to others as authorized by law which do not unreasonably interfere with Districts' obligations under this Agreement.

27. **ENTIRE AGREEMENT**: This Agreement constitutes the entire Agreement between the Districts, SLDMWA, and DWR, and supersedes any oral agreement, statement, or promise between them relating to the subject matter of the Agreement. Any amendment of this Agreement, including oral modifications, must be reduced to writing and signed by all Parties to be effective.

28. **COUNTERPARTS**: This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement shall not be effective until the

execution and delivery between each of the Parties of at least one full set of counterparts. The Parties authorize each other to detach and combine original signature pages and consolidate them into a single identical original. Any one of such completely executed counterparts shall be sufficient proof of this Agreement.

29. SIGNATURE CLAUSE:

(a) The signatories represent that they have appropriate authorization to enter into this Agreement on behalf of the Party for whom they sign.

(b) If required by internal governing rules of OID, SSJID, or SLDMWA, that Party, as appropriate, shall deliver to DWR a copy of its Board of Directors resolution and/or other documentation authorizing that Party to enter into this Agreement.

30. GENERAL INTERPRETATION: The terms of this Agreement have been negotiated by the Parties hereto and the language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent. This Agreement shall be construed without regard to any presumption or rule requiring construction against the Party causing such instrument or any portion thereof to be drafted, or in favor of the Party receiving a particular benefit under the Agreement. No rule of strict construction will be applied against any Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first above written.

PARTIES:

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

By: _____
Federico Barajas, Executive Director

Date: _____

CALIFORNIA DEPARTMENT OF WATER RESOURCES

By: _____
Ted Craddock, Deputy Director, State Water Project

Date: _____

OAKDALE IRRIGATION DISTRICT

By: _____
Steve R. Knell, General Manager

Date: _____

SOUTH SAN JOAQUIN IRRIGATION DISTRICT

By: _____
Peter Rietkerk, General Manager

Date: _____

MEMORANDUM

TO: SLDMWA Finance & Administration Committee Members, Alternates
SLDMWA Board of Directors, Alternates

FROM: Pablo Arroyave, Chief Operating Officer

DATE: February 24, 2021

RE: Resolution Modifying the Debt Management Policy Adopted through Resolution No. 2019-437

BACKGROUND

On March 7, 2019 (via Resolution 2019-437), the Water Authority adopted a Debt Management Policy that establishes policies and procedures for the issuance and management of bonds, notes, installment purchase agreement to support certificates of participation, lines of credit, commercial paper, and other forms of indebtedness.

In the Water Authority's October 21, 2020 Special Board Meeting, Directors provided direction to staff to begin work on developing a policy that would govern the Board's financing of future extraordinary operation and maintenance (EO&M) projects and capital improvement projects (CIPs). Because the Debt Management Policy referenced above already includes provisions that govern the Authority's issuance of debt, the most efficient way to address the Board's direction is to propose modifications to the Debt Management Policy.

Water Authority staff discussed possible areas of revision in the January and February 2021 Finance & Administration Committee Meetings, and requested proposed revisions from Committee members in advance of the March 2021 Committee and Board meetings.

ISSUE FOR DECISION

Whether the Finance & Administration Committee should recommend, and the Board of Directors should adopt the proposed resolution modifying the Debt Management Policy adopted through Resolution No. 2019-437.

RECOMMENDATION

Staff recommends the Finance & Administration Committee recommend, and the Board of Directors adopt the proposed resolution modifying the Debt Management Policy adopted through Resolution No. 2019-437.

ANALYSIS

When the Board provided direction, Directors indicated it would be helpful to have a policy that clarifies when the Authority should finance a project via self-funding (e.g. funding over a short period) versus issuing debt. Authority consultants on current debt financing projects identified several factors as relevant to that determination, including useful life of the asset, cost and rates, and timing.

Committee Members have proposed a number of proposed modifications, including the following (references are to new page numbering):

- **Throughout**: Add section headings and table of contents to improve readability and make minor grammatical corrections and definitional references.
- **Page 2, ¶ 2**: Add maintaining reasonable credit quality as a stated intent.
- **Page 2, ¶ 3**: Modify paragraph to read as follows:
    - The Authority believes that Debt can provide an equitable means of financing projects if (i) it meets the intent of equitable treatment of all Authority member agencies and operation, and maintenance, and replacement ("OM&R") rate payers; (ii) it provides for an effective means of paying for assets over their useful lives in lieu of paying for the assets over a much shorter period with cash, helping to stabilize rates and avoid sharp increases in water users' OM&R rates, or charges paid by member agency land owners; (iii) can help to match payments over time with the life of the asset (the concept of intergenerational equity); (iv) is fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (v) if there are other important policy reasons therefor.
- **Page 2, ¶ 5**: Add language to refer to long-term debt, defined as debt that has a final maturity longer than five years from the date of issuance. Add language to clarify that long-term debt may be used for "other improvements" that are "including in the Authority's Capital Improvement Program . . . with useful lives of five-years or longer…"
- **Page 2, ¶ 5**: Add the following statement: "Generally speaking, the Authority shall ensure that the term of any long-term bonds issued does not exceed the useful life of the asset it is financing (e.g. an asset with a useful life of five years should be financed with debt that has a final maturity within the five year life)."
- **Page 3, ¶ 2**: Remove definition of long-term debt, in light of redline moving definition to page 2, paragraph 1. Add language identifying factors the Board will consider when making a decision to issue debt
    - Useful life. Generally, assets with short useful lives (e.g., software, computers, passenger vehicles, etc.) would be funded through cash ("pay-as-you-go") funding.
    - Cost and impact on rates. Debt may be used to fund large expenditures that will result in long-lived assets to help mitigate near-term rate impacts, as well as help ensure that future users will fund a portion of the cost of the asset (i.e., inter-generational equity.)

  - Timing. Some projects may be dictated by regulatory mandates or emergencies, where the need to place an asset into service quickly and the Authority may not have sufficient cash flow to meet the funding need. In this case, the Authority could issue debt to provide time to generate sufficient funding.
  - Self-funding. Prior to issuing debt, the Board will assess the ability and desire of the Authority's Contractors and others who pay for water deliveries to provide "self-funding." Some agencies may prefer to finance their share of a major project with existing funds, their own financing, or increases in local rates and charges, rather than participating in a bond issue by the Authority. The Authority will allow agencies who prefer to "self-fund" the ability to do so as long as such self-funding does not affect the schedule or impede the Authority's ability to make payments for the project. The Authority will provide the opportunity for the agencies to make such a decision before issuing debt on behalf of those entities who would prefer the Authority undertake a borrowing. If an agency elects to self-fund its properly allocable share of debt the Authority may assess and collect from the self-funding agency a reasonable fee for the management of cash payments and other administrative actions necessary to effectuate such self-funding for a period of time that corresponds to the planning, design, and construction for which the self-funding covers. Such fee shall be subject to review and approval of the self-funding agency to ensure the fee does not exceed the reasonable costs to the Authority of providing the cash management service.

- **Page 4, ¶ 1**: Add specific reference to MSRB's EMMA system in bullet regarding appropriate repositories.
- **Page 4, ¶ 3**: Replace reference to Assistant Executive Director with reference to Chief Operating Officer and add language to clarify that reference to disbursements is to "disbursements of bond proceeds."
- **Page 4, ¶ 4**: Replace reference to proceeds of any debt to proceeds of any borrowing.
- **Page 5, ¶ 3**: Add provision requiring compliance with relevant provisions of California law.
- **Page 5, ¶ 7**: Replace reference to bond sale with "issuance of Debt."
- **Page 6, ¶ 4**: Add language to Lines of Credit discussion to explain that lines of credit may be used to manage cash flow during a fiscal year.
- **Page 6, ¶ 5**: Add language to Commercial Paper discussion to explain that written report will summarize the amount of commercial paper outstanding and interest rates paid in addition to other information already required.
- **Page 7, ¶ 2**: Add provision prohibiting the Authority from entering into interest rate swap agreements**.**
- **Page 7, ¶ 5**: Add language requiring Director of Finance to report to the Board, no less than annually, a ten-year projection of capital expenditures and associated impacts on O&M rates.
- **Page 8, ¶ 1**: Add language to Competitive Bid Method discussion indicating that bids will generally be electronically transmitted offers, but may be hand-delivered bids.

- **Page 8, ¶ 3**: Make various clarifying edits to discussion regarding Negotiated Bid Method.
- **Page 9, ¶ 1**: Add language to Maturity discussion to reference tax-exempt debt and to require Board action under certain circumstances.
- **Page 10, ¶ 1**: Add language to Credit Enhancement discussion to provide examples of credit enhancements.
- **Page 10, ¶ 3**: Add language to Rating Agencies discussion to remove reference to current rating on one bullet, and add reference in later line item.
- **Page 10, ¶ 4 – Page 11**: Add language indicating that the Authority will target "a minimum of" 3% net present value savings. Add additional language to require advance refunding transactions to meet an efficiency threshold of at least 80%, and to replace reference to undesirable covenants with "outdated or restrictive covenants." Remove subparagraphs as policy sets quantitative objectives for refunding and the opportunity to refund bonds for other purposes.
- **Page 11, ¶ 1**: Add language to Reinvestment of Debt proceed to clarify that bond debt referenced is tax-exempt.
- **Page 12, ¶ 1**: Add language requiring posting on EMMA of certain information.
- **Page 13, ¶ 1**: Add clarifying language to Debt Database Management discussion regarding uses.

In addition, staff is proposing the following corrections and clarifying amendments:

- **Page 2, ¶ 1**: Remove reference to "the Settlement Agreement between the Authority and the SEC (the 'SEC Settlement Agreement')," which was included in the Policy in error.
- **Page 2, ¶ 3**: Change references from "O&M rate payers and "O&M rates" to "OM&R rate payers" and "OM&R rates," consistent with terminology in the Authority's Transfer Agreement.
- **Page 2, ¶ 4**: Replace sentence authorizing the Board to waive provisions of the policy with the following sentence: "The Board may determine that the incurrence of Debt by the Authority need not comply with the provisions of this Policy for reasons stated in the resolution or motion authorizing such Debt or the staff report or other materials considered by the Board in connection therewith."
- **Page 2, ¶ 6**: Add new paragraph that reads as follows:
    - For purposes of any long-term debt anticipated to be repaid from OM&R revenues collected pursuant to the Transfer Agreement, the Authority may issue debt for "OM&R" or "Capital Improvements," each as defined in the Transfer Agreement. For purposes of any long-term debt anticipated to be repaid from revenues collected by the Authority pursuant to an activity, project, or other agreement, the Authority may issue debt for the purposes authorized in the activity, project, or other agreement.

ATTACHMENTS

1. Resolution 2019-437, including Exhibit
2. Proposed Resolution, including Exhibit

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2019-437

RESOLUTION ADOPTING SAN LUIS & DELTA-MENDOTA WATER AUTHORITY DEBT MANAGEMENT POLICY

WHEREAS, the San Luis & Delta-Mendota Water Authority (the "Authority") is a joint powers agency organized under Section 6500, et seq., of the Government Code of the State of California and, as such, is a public entity.

WHEREAS, Government Code section 8855(i) requires the issuer of any proposed debt issue of local government to adopt a local debt policy prior to the sale of any debt issue.

WHEREAS, the Authority desires to adopt a Debt Management Policy to establish policies and procedures for the issuance and management of bonds, notes, installment purchase agreements to support certificates of participation, lines of credit, commercial paper, and other forms of indebtedness of the Authority.

WHEREAS, the purpose of the Debt Management Policy is to identify Debt Management Policy objectives, improve the quality of decision making processes, provide a basis for the determination of the appropriate structures, diversify the Authority's debt portfolio (to the extent such is cost effective) to support its financial needs, and demonstrate a commitment to best practices in municipal debt management planning and execution.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

Section 1. The facts stated in the recitals above are true and correct, and the Board so finds and determines.

Section 2. The Board hereby approves that certain document entitled "San Luis & Delta-Mendota Water Authority Debt Management Policy," dated March 7, 2019, a copy of which is attached to this resolution as Exhibit 1, has been presented to the Board, and is on file with the Secretary hereof.

Section 3. The San Luis & Delta-Mendota Water Authority Debt Management Policy shall remain in effect from year to year, until and unless it is revoked or modified by the Board.

PASSED AND ADOPTED this 7th day of March, 2019.

Cannon Michael, Chairman

Attest:

Federico Barajas, Secretary

*****

I hereby certify that the foregoing Resolution was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at a regular meeting thereof held on the 7th day of March, 2019.

Federico Barajas, Secretar

ADOPTED: March 7, 2019
REVISED: N/A

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
POLICY FOR DEBT MANAGEMENT

Section I. Introduction

Purpose and Overview

This Debt Management Policy (the "Policy") establishes policies and procedures for the issuance and management of bonds, notes, installment purchase agreement to support certificates of participation, lines of credit, commercial paper, and other forms of indebtedness ("Debt") of San Luis & Delta-Mendota Water Authority (the "Authority"). The purpose of the Policy is to identify Debt policy objectives, improve the quality of decision making processes, provide a basis for the determination of the appropriate structures, diversify the Authority's Debt portfolio (to the extent such is cost effective) to support its financial needs and to demonstrate a commitment to best practices in municipal debt management planning and execution.

The Board of Directors of the Authority (the "Board") may, in its sole discretion, approve Debt that deviates from this Policy, upon the recommendation of management after consultation with the Authority's Municipal Advisor. The failure of the Authority to comply with any provision of this Policy shall not affect the authorization or the validity or enforceability of any Debt that is otherwise issued in accordance with law. The Authority shall conduct an annual review and evaluation of the Policy. As appropriate, the Authority shall amend the Policy to be consistent with changes in the federal and state securities laws, pronouncements, rules, and regulations of the Internal Revenue Service ("IRS"), the Municipal Securities Rulemaking Board ("MSRB"), the Securities and Exchange Commission ("SEC"), the Settlement Agreement between the Authority and the SEC (the "SEC Settlement Agreement") and such other matters as the Executive Director, or assigned designee deems necessary or desirable.

The Authority's overarching goal in issuing Debt is to respond to, and provide for the funding of capital projects and other financing needs of the Authority and its member agencies while ensuring that Debt is issued and managed prudently. Further, it is the intent of the policy to maintain a sound financial position.

The Authority believes that Debt can provide an equitable means of financing projects if (i) it meets the intent of equitable treatment of all Authority member agencies and operation and maintenance ("O&M") rate payers; (ii) it provides for an effective means of paying for assets over their useful lives in lieu of paying for the assets over a much shorter period with cash and thereby avoiding sharp spikes in water users' O&M rates, or charges paid by member agency land owners (the concept of intergenerational equity); (iii) it is fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (iv) if there are other important policy reasons therefor.

The Board may waive any of the provisions of this Policy.

Purpose for Borrowing

The Authority shall issue debt solely for the purpose of financing the cost of adding to or making improvements to the Authority's facilities, including Bureau of Reclamation facilities or other state or federal facilities used to provide water to the Authority or its members, land acquisition, the acquisition of long-term water supplies, capacity in water supply, other improvements in accordance with the Authority's Capital Improvement Program ("CIP"), including costs of environmental review, design, acquisition, and/or construction of new facilities, or other Board-approved program or for the refunding of prior debt.

The Authority may issue interim debt (such debt that the Authority expects to have outstanding temporarily until longer term financing may be issued), short term debt (such debt that has a final maturity of not more than five years from its date of issuance) and long-term debt (such debt that has a final maturity of more than five years from its date of issuance). The Authority will not issue Debt to fund improvements or to acquire capital assets without express approval of the Board. The Authority shall issue Debt only as provided for in this Policy.

Roles and Responsibilities

The Executive Director has delegated to the Director of Finance authority and primary responsibility for debt management. The Director of Finance shall:

- Provide for the issuance of Authority debt at the lowest cost, commensurate with risk;
- Monitor the available debt capacity of the Authority;
- Consistent with Board approvals, provide for the issuance of Authority debt at appropriate intervals and in reasonable amounts as required to fund approved capital expenditures;
- Recommend to the Board the method and manner of sale of Authority debt;
- Monitor opportunities to refund debt and recommend such refunding as appropriate to reduce costs or to achieve other Policy objectives;
- Comply with all IRS, MSRB, and SEC rules and regulations governing the issuance of debt;
- Maintain a current database with all outstanding debt;
- Provide for the timely payment of principal and interest on all debt;
- Comply with all terms and conditions, and disclosure required by the legal documents governing the debt issued;
- Submit to the Board all recommendations to issue debt in accordance with the Policy;
- If required by a Continuing Disclosure Certificate, distribute on a timely basis to appropriate repositories information regarding the Authority's financial condition and affairs at such times and in the form required by law, regulation and general practice;
- Comply with any Disclosure Policy adopted by the Authority;
- Provide for the frequent distribution of pertinent information to the rating agencies; and
- Apply and promote prudent fiscal practices.

Internal Controls

In order to comply with CDIAC rules and regulations promulgated pursuant to SB 1029 the following internal controls shall be followed:

The Executive Director, Assistant Executive Director, and Director of Finance and the Authority's designated project manager for the project shall share responsibility to assure that disbursements are made only after each request for disbursement is substantiated with appropriate invoices, requisitions and other supporting documentation. Each of the aforementioned shall thoroughly review any request for disbursement and may request further documentation as may be deemed appropriate.

Proceeds of any debt shall be managed and accounted for in accordance with its governing documents and this Policy. No disbursements shall be made without the written approval of the Director of Finance and the Executive Director. All draw requests shall be provided to the Authority by the designated project manager for the project with the consent of the Director of Finance. Approval shall only be provided when the Director of Finance is in receipt of all appropriate certifications with supporting invoices from suppliers and or contractors evidencing appropriate expenses in connection with the project.

The Authority shall also comply with Government Code Section 5852.1 by disclosing specified good faith estimates in a public meeting prior to the authorization of the issuance of bonds.

Section II. Legal Governing Principles

In the issuance and management of debt, the Authority shall comply with all legal constraints and conditions imposed by federal, state and local law. The following section highlights the key governing documents and certain debt limitations.

Governing Law

Federal Tax Law – The Authority shall issue and manage debt in accordance with the limitations and constraints imposed by federal tax law, to maximize its ability to issue tax-exempt debt. Such constraints include, but are not limited to, private activity tests, review of eligible projects, spend-down tests, and arbitrage rebate limitations. In the discretion of the Board, taxable debt may be issued, however, if the requirements of federal tax law for tax-exempt Debt are not met.

Securities Law – The Authority shall comply with the applicable requirements of federal and state securities laws in offering Authority debt and the Authority shall comply with securities law requirements in providing ongoing disclosure to the securities markets.

Governing Legal Documents

The Authority's issuance of debt is restricted in part by the Amended and Restated Joint Exercise of Powers Agreement, Administration Agreement, and any relevant Authority policies or resolutions (the "Debt Governing Documents"). The Authority shall comply with all limitations imposed under the Debt Governing Documents, so long as such are in full force and effect.

Permitted Debt by Type

The Authority may legally issue both short-term and long-term debt, using the debt instruments described below. The Director of Finance, in consultation with the Authority's Bond Counsel and Municipal Advisor shall determine the most appropriate instrument for a proposed bond sale.

JPA Revenue Bonds – The Authority would typically finance through the issuance of Authority revenue bonds or notes. These Authority bonds or notes would be secured by the general revenues of the Authority or payments received from members and others under activity agreements or other agreements.

Certificates of Participation – As an alternative, Certificates of Participation ("COP") provide debt financing through a lease, installment sale agreement or contract of indebtedness which are payable from net revenues, under the terms and conditions specified in the related governing documents.

Revenue Notes – The Authority may issue short-term indebtedness secured by revenues. The revenue notes will have a final maturity not exceeding five years from the date of issuance, unless expressly approved by the Board of Directors.

Refunding Revenue Bonds – The Authority is authorized to issue refunding revenue bonds to refund outstanding Authority indebtedness pursuant to the State of California local agency refunding revenue bond law (Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California).

Lines of Credit - The Authority may enter into financing arrangements with banks or other financial institutions providing for a source of funds that can be readily accessed by the Authority for capital needs.

Commercial Paper – The Authority may establish a commercial paper program ("Commercial Paper Program"). A Commercial Paper Program may be utilized and commercial paper notes may be issued from time to time to provide financing for projects, subject to the conditions that the projects and project financing will have prior approval from the Board. The Authority's commercial paper shall be payable from Authority specified revenues. The Director of Finance shall provide a written report to the Board twelve months following the initial issuance of commercial paper notes and annually thereafter so long as there is any commercial paper outstanding. The report shall summarize the status of projects financed with commercial paper; and identifying any long-term Debt issued to refund commercial paper notes.

Private Placements/Direct Loans - In the event the Authority chooses to proceed with a bank facility, or private placement of any form of Debt from a non-governmental entity, the Authority may issue a request for proposal from responsible and credit-worthy financial institutions. The request for bids shall include a description of the project and terms and conditions of the financing in accordance with prudent financial and industry standards. In awarding any Debt to a bank, or other financial institution, the Authority may consider interest rates, other fees, proposed terms and conditions, the experience of various banks as well as the ability of the proposed bank to close the transaction in a timely manner. The Authority will evaluate such

loans on a case-by-case basis.

Government Sponsored Direct Loans - The Authority may enter into loan agreements with federal or state agencies. The Authority will evaluate such loans on a case-by-case basis. Prior to entering into such loan, the Authority may consider alternative forms of Debt, interest rates, other fees, proposed terms and conditions, the history of completing such loans by the federal or state agency, the availability of likelihood of obtaining funding and the ability of the proposed government agency to close the transaction in a timely manner.

Other Obligations - There may be special circumstances when other forms of financing are appropriately utilized by the Authority. The Authority will evaluate such proposed transactions on a case-by-case basis. Such other forms include, but are not limited to, grant anticipation notes and judgment or settlement obligation bonds.

Ethical Standards Governing Conduct

Authority Directors, Authority staff, and Authority consultants, service providers, and underwriters shall adhere to standards of conduct as stipulated by the California Political Reform Act, as applicable. All debt financing participants shall maintain the highest standards of professional conduct at all times, in accordance with:

- MSRB Rules, including Rule G-37, shall be followed at all times;
- Debt financing participants will assist the Authority staff in achieving its goals and objectives as defined in this Policy; and
- All debt financing participants shall make cooperation with the Authority staff a high priority.

Section III. Integration of Capital Planning and Debt Activities

Evaluating Capital Improvement Program Spending

The Authority shall develop a financial model to evaluate the impact of capital program spending, operations and maintenance costs, and debt service on its financial condition.

Towards that end, the Director of Finance shall oversee the ongoing maintenance of quantitative modeling that includes, but is not limited to, the following:

- Historic and projected cash flows;
- Historic and projected capital expenditures;
- Historic and projected operating costs;
- Historic and projected fund balances, including the Enterprise Fund, General Membership Fund, Special Revenue Funds, Private Purpose Trust Funds, Agency Funds, and Debt Service Reserve Funds, if any;
- Historic and projected debt service coverage, if applicable;
- Projected revenue requirements; and
- Projected rates and charges.

Section IV. Transaction-Specific Policies

Method of Sale for Publicly Offered Debt

Unless otherwise authorized by the Board, and because of the complexity of the Authority's credit, the issuance and sale of all Authority debt shall generally be achieved through a negotiated process. Unless otherwise justified and deemed necessary upon the recommendation of the Director of Finance, after consultation with the Municipal Advisor, the Authority will utilize a request for proposal process to select an underwriter, or underwriters, in connection with the sale of publicly offered Debt.

Competitive Bid Method – Upon Board approval, at the recommendation of the Director Finance, after consultation with the Municipal Advisor, the Authority shall sell debt on a competitive basis. Such bids may take the form of hand- delivered or electronically transmitted offers to purchase the bonds. Authority debt issued on a competitive bid basis will be sold to the bidder proposing the lowest true interest cost to the Authority provided the bid conforms to the official notice of sale.

Negotiated Bid Method – A negotiated bond issue will provide for the sale of debt by negotiating the terms and conditions of the sale, including price, interest rates, credit facilities, underwriter or remarketing fees, and takedown. The Board will provide by Resolution specific parameters (not-to-exceed amounts for principal, true interest cost and underwriting compensation) for the pre-approval of the negotiated sale of debt. The final terms of the negotiated bond issue will be reported to the Board upon completion of the transaction.

If bonds are sold on a negotiated basis, the negotiations of terms and conditions shall include, but not be limited to, prices, interest rates, underwriting or remarketing fees, and underwriting spreads. The Authority, with the assistance of its Municipal Advisor, shall evaluate the terms offered by the underwriter(s). Guidelines with respect to price, interest rates, fees, and underwriting spreads shall be based on prevailing terms and conditions in the marketplace for comparable issuers.

If more than one underwriter is included in the negotiated sale of debt, the Authority shall establish appropriate levels of liability, participation and priority of orders. Such levels shall be based upon Authority policy with regards to the underwriting responsibility among the team members (Authority Staff, Municipal Advisor, Bond Counsel, and Disclosure Counsel), the desired allocation of total fees, and the desired distribution of bonds. Guidelines for establishing liability, participation, and priority of orders shall be based on prevailing terms and conditions in the marketplace for comparable issuers.

The Authority shall, with the assistance of its Municipal Advisor, oversee the bond allocation process. The bond allocation process shall be managed by the lead underwriter, with the following requirements:

- The bonds are allocated fairly among members of the underwriter(s), consistent with the

previously negotiated terms and conditions;
- The allocation process complies with all MSRB regulations governing order priorities and allocations;
- The lead underwriter shall submit to the Director of Finance a complete and timely account of all orders, allocations, and underwriting activities with the investor names identified as appropriate.

The Director of Finance shall require a post-sale analysis and reporting for each negotiated bond sale. The Municipal Advisor or the lead underwriter may perform such analysis. A post-sale analysis will include, but not be limited to:

- Summary of the pricing, including copies of the actual pricing wires;
- Results of comparable bond sales in the market at the time of the Authority's pricing;
- Detailed information on orders and allocation of bonds, by underwriting firm;
- Detailed information on final designations earned by each underwriter; and
- Summary of total compensation received by each underwriter.

Structural Elements

Maturity – The Authority may issue tax-exempt debt with an average life no greater than or equal to federal tax code requirements. Unless expressly approved by the Board at the recommendation of the Director of Finance after consultation with the Municipal Advisor and Bond Counsel the final maturity of fixed rate debt should be no longer than 35 years and the final maturity of variable rate debt should be no longer than 40 years. Factors to be considered to determine the final maturity of debt include: the average useful life of the capital assets being financed, relative level of interest rates, intergenerational equity and the year-to-year differential in interest rates. The Authority may not issue taxable debt with a final maturity longer than 50 years unless expressly approved by the Board at the recommendation of the Director of Finance after consultation with the Municipal Advisor and Bond Counsel.

Maturity Structure – The Authority's long-term debt may include serial and term bonds. Other maturity structures may also be considered if they are consistent with prudent financial management practices.

Coupon Structure – Debt may include par, discount, and premium bonds. Discount and premium bonds must be demonstrated to be advantageous relative to par bond structures, taking into consideration market conditions and opportunities. For variable rate debt, the variable rate may be based on one of a number of commonly used interest rate indices and the index will be determined at the time of pricing.

Variable Rate Debt – The Authority is authorized to issue variable rate debt including, but not limited to, public market indexed notes, indexed notes, or loans placed directly with financial institutions and other alternative variable rate and market access products as well as traditional variable rate demand obligations backed by bank liquidity facilities and unhedged floating rate debt. Prior to the issuance of variable rate debt, the savings and other possible advantages and disadvantages compared to a fixed rate borrowing shall be evaluated and a comparative analysis

presented to the Board. Issuance of variable rate debt may be approved by the Board at the recommendation of the Director of Finance after consultation with the Municipal Advisor and Bond Counsel. Unless expressly approved by the Board, the Authority will not have, as of the date of issuance of any variable rate debt, a percentage of variable rate debt outstanding greater than 20% of the total principal amount of all debt outstanding.

Debt Service Structure – Debt service may be structured primarily on an approximate level (combined annual principal and interest) basis. Certain individual Debt issues, such as refunding Debt, or Debt issued to achieve a specific policy objective, may have debt service that is not level. However, on an aggregate basis, debt service should be structured primarily on a level basis.

Redemption Features – In order to preserve flexibility and refinancing opportunities, Authority debt will generally be issued with call provisions. Upon approval by the Board, the Authority may issue Debt with calls that are shorter than traditional and/or non-callable debt when warranted by market conditions and opportunities. For each transaction, the Authority will evaluate the efficiency of call provision alternatives.

Credit Enhancement – The Authority may competitively procure credit enhancement for a sale of Debt if the Director of Finance, in consultation with the Municipal Advisor and the lead underwriter, determines that to do so is in the Authority's financial interest.

Debt Service Reserve Funds – The Authority may provide for debt service reserve funds to secure Authority debt when necessary and recommended by the Director of Finance in consultation with the Municipal Advisor and the lead underwriter.

Section V. Communication and Disclosure

Rating Agencies

The Authority, with the assistance of its Municipal Advisor, may secure one or more credit ratings on all Debt from any of the four major nationally recognized statistical rating organizations, provided it is economic to do so. The Authority shall seek to maintain its credit ratings once received through prudent fiscal management and consistent communications with the rating analysts. The Director of Finance shall manage relationships with the rating analysts assigned to the Authority's credit, using both informal and formal methods to disseminate information. Communication with the rating agencies shall include:

- Full disclosure on an annual basis of the financial condition of the Authority; which can be satisfied by providing the rating agencies then current rating on any debt of the Authority with the Authority's audited financial statements and continuing disclosure filings.
- Upon request of a ratings agency or when in the judgment of the Director of Finance as appropriate, a formal presentation, to the rating agencies, covering economic, financial, operational, and other issues that impact the Authority's credit;
- Timely disclosure of major financial events that impact the Authority's credit;
- Timely dissemination of the Financial Statements, following its acceptance by the

Authority's Board; and
- Full and timely distribution of any documents pertaining to the sale of bonds.

Section VI. Refunding Policies

The Director of Finance, with the assistance of the Municipal Advisor shall evaluate refinancing Debt to maximize savings and minimize the cost of funds as market opportunities arise. A net present value analysis will be prepared that identifies the economic effects of any refunding to be proposed to the Board. The Authority shall target a 3% net present value savings for current and 5% for advanced refunding transactions. Upon the advice of the Director of Finance, with the assistance of the Municipal Advisor and Bond Counsel, the Authority will consider undertaking refunding for other than economic purposes, such as to restructure debt, change the type of debt instruments being used, or to retire a bond issue and indenture in order to remove undesirable covenants.

Coupon on Refunded Bond – The Director of Finance may take into consideration whether the coupon on the refunded bond is significantly higher or lower than the most common outstanding bond coupons of approximately five percent.

General Interest Rate Environment – The Director of Finance may take into consideration whether the available refunding bond interest rates are generally high or generally low relative to long-term averages of historical rates.

General Interest Rate Outlook – The Director of Finance may take into consideration the general outlook for future interest rates, as derived from economic forecasts, market forecasts, implied forward rates, or other sources.

Debt Management Considerations – The Director of Finance may take into consideration debt management issues such as cost and staff efficiencies associated with combining multiple refunding bond issues or combining refunding and new money bond issues.

Call Date – The Director of Finance may take into consideration the amount of time between the pricing/closing date of the refunding debt and the call date of the debt to be refunded.

Final Maturity Date – The Director of Finance may take into consideration the amount of time remaining until the final maturity of the Debt to be refunded.

Section VII. Reinvestment of Debt Proceeds

General – The Authority shall comply with all applicable Federal, State, and contractual restrictions regarding the use and investment of Debt proceeds. This includes compliance with restrictions on the types of investment securities allowed, restrictions on the allowable yield of some invested funds, as well as restrictions on the period over which some bond proceeds may be invested. To the extent that a bond issue is credit enhanced, the Authority shall adhere to the investment guidelines of the credit enhancement provider. Funds generated from the sale of land shall be used in accordance with the applicable bond covenants and documents. Bond counsel

will be consulted to provide legal advice regarding the use of proceeds from the sale of Authority lands purchased with bond debt.

Requirements of Debt Governing Documents – The Authority will comply with all terms and conditions of the appropriate legal documents related to each series of debt; including, but not limited to Permitted Investments in the Indenture.

Section VIII. Creation and Maintenance of Funds

The Authority maintains several different funds integral to the long-range financial planning process. Each of these funds is held for a specific purpose and can generally be categorized as either a proprietary, governmental, or fiduciary fund. The Authority will comply with all requirements and limitations created under its Debt Governing Documents.

Section IX. Post-Issuance Compliance

Tax Compliance /Arbitrage Liability Management

The Authority shall minimize the cost of arbitrage rebate and yield restrictions while strictly complying with tax law. Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the Authority shall solicit the advice of Bond Counsel, Tax Counsel, and other qualified experts about arbitrage rebate calculations. The Authority shall contract with a qualified third-party for preparation of the arbitrage rebate calculation.

The Authority shall maintain an internal system for tracking expenditure of bond proceeds and investment earnings. The expenditure of bond proceeds shall be tracked in the financial accounting system by issue. Investment may be pooled for financial accounting purposes and for investment purposes. When investment of bond proceeds are co-mingled with other investments, the Authority shall adhere to IRS rules on accounting allocations.

Continuing Disclosure

The Authority shall comply with the requirements of any Continuing Disclosure Certificate executed by the Authority at the time bonds are issued. Annual information provided by the Authority shall mirror certain selected information in any Authority Official Statement at the time of a primary offering. Annual financial information required by such Continuing Disclosure Certificate, if any, will be sent by the Authority or its designated consultant, to all Nationally Recognized Municipal Information Depositories (NRMSIRs) designated by the SEC and to the State Information Depository (SID), if one exists. In addition to annual disclosure, to the extent required by the Continuing Disclosure Certificate the Authority shall provide ongoing information about certain enumerated events, as defined by regulation, (“Material Events”) to the NRMSIRs and to the SID.

The Authority may engage a firm to assist it in ensuring timely completion and filing of annual reports and in identifying, and making timely filings with respect to, the occurrence of reportable enumerated events.

Legal Covenants

The Authority shall comply with all covenants and conditions contained in governing law and any legal documents entered into at the time of a bond offering, including but not limited to rate covenants.

State Reporting Requirements

Pursuant to Government Code section 8855(k), the Authority will submit annual debt transparency reports for any debt issued on or after January 21, 2017 every year until the later date on which the debt is no longer outstanding or the proceeds have been fully spent.

Section X. Debt Database Management

The Authority shall maintain complete information on its Debt portfolio, in a spreadsheet or database program format. The information in the database shall include, but not be limited to, the following:

- Issue Name
- Initial Issue Par Amount
- Dated Date of the Issue
- Principal Maturity Amounts
- Coupon Rate by Maturity
- Amount Outstanding
- Call Provisions
- Purpose of the Issue
- Credit Enhancer, if any
- Competitive or Negotiated Sale
- Names of Underwriter(s)

The Authority shall use the debt database for the following purposes:

- Generate reports
- Gross annual debt service
- Net annual debt service
- Refunding Analyses
- Output to Fund Accounting System

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2021-___

RESOLUTION MODIFYING THE DEBT MANAGEMENT POLICY ADOPTED THROUGH RESOLUTION NO. 2019-437

WHEREAS, the Board of Directors of the San Luis & Delta-Mendota Water Authority (the "Board" and the "Water Authority," respectively), pursuant to the Water Authority's procedures and the California Government Code, from time to time, may adopt policy for the administration of the Water Authority; and

WHEREAS, Government Code section 8855(i) requires the issuer of any proposed debt issue of local government to adopt a local debt policy prior to the sale of any debt issue; and

WHEREAS, on or about March 7, 2019, the Board adopted Resolution No. 2019-437, which approved that certain document entitled "San Luis & Delta-Mendota Water Authority Debt Management Policy," dated March 7, 2019; and

WHEREAS, the Board, by adoption of this Resolution, desires to modify the San Luis & Delta-Mendota Water Authority Debt Management Policy.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:

Section 1. The facts stated in the recitals above are true and correct, and the Board so finds and determines.

Section 2. The Board hereby approves that certain document entitled "San Luis & Delta-Mendota Water Authority Debt Management Policy," dated March 4, 2021, a copy of which is attached to this resolution as **Exhibit 1**, has been presented to the Board, and is on file with the Secretary hereof.

Section 3. The San Luis & Delta-Mendota Water Authority Debt Management Policy, as modified by this Resolution, shall remain in effect from year to year, until and unless it is revoked or modified by the Board.

PASSED, APPROVED AND ADOPTED this 4th day of March, 2021, by the Board of Directors of the San Luis & Delta-Mendota Water Authority.

_____

Cannon Michael, Chairman
San Luis & Delta-Mendota Water Authority

Attest:

_____

Federico Barajas, Secretary

*****

I hereby certify that the foregoing Resolution No. 2021-_ was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at the meeting thereof held on the 4th day of March, 2021.

_____

Federico Barajas, Secretary

ADOPTED: March 7, 2019
REVISED: N/A
PROPOSED REVISIONS: February 24, 2021

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
POLICY FOR DEBT MANAGEMENT

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Section I. Introduction

A. Purpose and Overview

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This Debt Management Policy (the "Policy") establishes policies and procedures for the issuance and management of bonds, notes, installment purchase agreements to support certificates of participation, lines of credit, commercial paper, and other forms of indebtedness ("Debt") of San Luis & Delta-Mendota Water Authority (the "Authority"). The purpose of the Policy is to identify Debt policy objectives, improve the quality of decision making processes, provide a basis for the determination of the appropriate structures, diversify the Authority's Debt portfolio (to the extent such is cost effective) to support its financial needs and to demonstrate a commitment to best practices in municipal debt management planning and execution.

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The Board of Directors of the Authority (the "Board") may, in its sole discretion, approve Debt that deviates from this Policy, upon the recommendation of management after consultation with the Authority's Municipal Advisor ("Municipal Advisor"). The failure of the Authority to comply with any provision of this Policy shall not affect the authorization or the validity or enforceability of any Debt that is otherwise issued in accordance with law. The Authority shall conduct an annual review and evaluation of the Policy. As appropriate, the Authority shall amend the Policy to be consistent with changes in ~~the~~ federal and state securities laws, pronouncements, rules, and regulations of the Internal Revenue Service ("IRS"), the Municipal Securities Rulemaking Board ("MSRB"), the Securities and Exchange Commission ("SEC")~~, the Settlement Agreement between the Authority and the SEC (the "SEC Settlement Agreement")~~ and such other matters as the Executive Director, or assigned designee deems necessary or desirable.

The Authority's overarching goal in issuing Debt is to respond to, and provide for the funding of capital projects and other financing needs of the Authority and its member agencies while ensuring that Debt is issued and managed prudently. Further, it is the intent of the policy to maintain a sound financial position and reasonable credit quality.

The Authority believes that Debt can provide an equitable means of financing projects if (i) it meets the intent of equitable treatment of all Authority member agencies and operation, ~~and~~ maintenance, and replacement ("O&M~~M~~R") rate payers; (ii) it provides for an effective means of paying for assets over their useful lives in lieu of paying for the assets over a much shorter period with cash, helping to stabilize rates and avoid ~~and thereby avoiding~~ sharp ~~spikes~~ increases in water users' O~~&~~M&R rates, or charges paid by member agency land owners; (iii) can help to match payments over time with the life of the asset (the concept of intergenerational equity); (iv~~iii~~) ~~it~~ is fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (~~i~~v) if there are other important policy reasons therefor.

The Board may ~~waive any of the provisions of this Policy.~~determine that the incurrence of Debt by the Authority need not comply with the provisions of this Policy for reasons stated in the resolution or motion authorizing such Debt or the staff report or other materials considered by the Board in connection therewith.

Purpose for Borrowing

The Authority shall issue long-term debt (that is, debt that has a final maturity longer than five years from the date of issuance) solely for the purpose of financing the cost of adding to or making improvements to the Authority's facilities, including Bureau of Reclamation facilities or other state or federal facilities used to provide water to the Authority or its members, land acquisition, the acquisition of long-term water supplies, capacity in water supply, other improvements included in ~~in accordance with~~ the Authority's Capital Improvement Program ("CIP") with useful lives of five-years or longer, including costs of environmental review, design, acquisition, and/or construction of new facilities, or other Board-approved program or for the refunding of prior debt. Generally speaking, the Authority shall ensure that the term of any

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long-term bonds issued does not exceed the useful life of the asset it is financing (e.g. an asset with a useful life of five years should be financed with debt that has a final maturity within the five year life).

For purposes of any long-term debt anticipated to be repaid from OM&R revenues collected pursuant to the Transfer Agreement, the Authority may issue debt for "OM&R" or "Capital Improvements," each as defined in the Transfer Agreement. For purposes of any long-term debt anticipated to be repaid from revenues collected by the Authority pursuant to an activity, project, or other agreement, the Authority may issue debt for the purposes authorized in the activity, project, or other agreement.

The Authority may issue interim debt (such debt that the Authority expects to have outstanding temporarily until longer term financing may be issued), short term debt (such debt that has a final maturity of not more than five years from its date of issuance) and long-term debt ~~(such debt that has a final maturity of more than five years from its date of issuance)~~. The Authority will not issue Debt to fund improvements or to acquire capital assets without express approval of the Board. The ~~Authority shall issue Debt only as provided for in this Policy.~~Board shall consider the following when making its decision to issue debt:

a. Useful life. Generally, assets with short useful lives (e.g., software, computers, passenger vehicles, etc.) would be funded through cash ("pay-as-you-go") funding.
b. Cost and impact on rates. Debt may be used to fund large expenditures that will result in long-lived assets to help mitigate near-term rate impacts, as well as help ensure that future users will fund a portion of the cost of the asset (i.e., inter-generational equity.)
c. Timing. Some projects may be dictated by regulatory mandates or emergencies, where the need to place an asset into service quickly and the Authority may not have sufficient cash flow to meet the funding need. In this case, the Authority could issue debt to provide time to generate sufficient funding.
d. Self-funding. Prior to issuing debt, the Board will assess the ability and desire of the Authority's Contractors and others who pay for water deliveries to provide "self-funding." Some agencies may prefer to finance their share of a major project with existing funds, their own financing, or increases in local rates and charges, rather than participating in a bond issue by the Authority. The Authority will allow agencies who prefer to "self-fund" the ability to do so as long as such self-funding does not affect the schedule or impede the Authority's ability to make payments for the project. The Authority will provide the opportunity for the agencies to make such a decision before issuing debt on behalf of those entities who would prefer the Authority undertake a borrowing. If an agency elects to self-fund its properly allocable share of debt the Authority may assess and collect from the self-funding agency a reasonable fee for the management of cash payments and other administrative actions necessary to effectuate such self-funding for a period of time that corresponds to the planning, design, and construction for which the self-funding covers. Such fee shall be subject to review and approval of the self-funding agency to ensure the fee does not exceed the reasonable costs to the Authority of providing the cash management service.

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B. Roles and Responsibilities

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The Executive Director has delegated to the Director of Finance authority and primary responsibility for debt management. The Director of Finance shall:

- Provide for the issuance of Authority debt at the lowest cost, commensurate with risk;
- Monitor the available debt capacity of the Authority;
- Consistent with Board approvals, provide for the issuance of Authority debt at appropriate intervals and in reasonable amounts as required to fund approved capital expenditures;
- Recommend to the Board the method and manner of sale of Authority debt;
- Monitor opportunities to refund debt and recommend such refunding as appropriate to reduce costs or to achieve other Policy objectives;
- Comply with all IRS, MSRB, and SEC rules and regulations governing the issuance of debt;
- Maintain a current database with all outstanding debt;
- Provide for the timely payment of principal and interest on all debt;
- Comply with all terms and conditions, and disclosure required by the legal documents governing the debt issued;
- Submit to the Board all recommendations to issue debt in accordance with the Policy;
- If required by a Continuing Disclosure Certificate, distribute on a timely basis to appropriate repositories, including the MSRB's Electronic Municipal Market Access ("EMMA") system, information regarding the Authority's financial condition and affairs at such times and in the form required by law, regulation and general practice;
- Comply with any Disclosure Policy adopted by the Authority;
- Provide for the frequent distribution of pertinent information to the rating agencies; and
- Apply and promote prudent fiscal practices.

C. Internal Controls

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In order to comply with California Debt and Investment Advisory Commission ("CDIAC") rules and regulations promulgated pursuant to SB 1029 the following internal controls shall be followed:

The Executive Director, ~~Assistant Executive Director~~Chief Operating Officer, and Director of Finance and the Authority's designated project manager for the project shall share responsibility to assure that disbursements of bond proceeds are made only after each request for disbursement is substantiated with appropriate invoices, requisitions and other supporting documentation. Each of the aforementioned shall thoroughly review any request for disbursement and may request further documentation as may be deemed appropriate.

Proceeds of any ~~debt~~ borrowing shall be managed and accounted for in accordance with its governing documents and this Policy. No disbursements shall be made without the written approval of the Director of Finance and the Executive Director. All draw requests shall be provided to the Authority by the designated project manager for the project with the consent of the Director of Finance. Approval shall only be provided when the Director of Finance is in receipt of all appropriate certifications with supporting invoices from suppliers and or contractors evidencing appropriate expenses in connection with the project.

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The Authority shall also comply with Government Code Section 5852.1 by disclosing specified good faith estimates in a public meeting prior to the authorization of the issuance of bonds.

Section II. Legal Governing Principles

In the issuance and management of debt, the Authority shall comply with all legal constraints and conditions imposed by federal, state and local law. The following section highlights the key governing documents and certain debt limitations.

A. Governing Law

California Law – State law dictates certain requirements when issuing debt and certain statutes must be followed for any issuance or refunding.

Federal Tax Law – The Authority shall issue and manage debt in accordance with the limitations and constraints imposed by federal tax law, to maximize its ability to issue tax-exempt debt. Such constraints include, but are not limited to, private activity tests, review of eligible projects, spend-down tests, and arbitrage rebate limitations. In the discretion of the Board, taxable debt may be issued, however, if the requirements of federal tax law for tax-exempt Debt are not met.

Securities Law – The Authority shall comply with the applicable requirements of federal and state securities laws in offering Authority debt and the Authority shall comply with securities law requirements in providing ongoing disclosure to the securities markets.

B. Governing Legal Documents

The Authority's issuance of debt is restricted in part by the Amended and Restated Joint Exercise of Powers Agreement, Administration Agreement, and any relevant Authority policies or resolutions (the "Debt Governing Documents"). The Authority shall comply with all limitations imposed under the Debt Governing Documents, so long as such are in full force and effect.

C. Permitted Debt by Type

The Authority may legally issue both short-term and long-term debt, using the debt instruments described below. The Director of Finance, in consultation with the Authority's Bond Counsel and Municipal Advisor shall determine the most appropriate instrument for a proposed ~~bond sale~~issuance of Debt.

JPA Revenue Bonds – The Authority would typically finance through the issuance of Authority revenue bonds or notes. These Authority bonds or notes would be secured by the general revenues of the Authority or payments received from members and others under activity agreements or other agreements.

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Certificates of Participation – As an alternative, Certificates of Participation ("COP") provide debt financing through a lease, installment sale agreement or contract of indebtedness which are payable from net revenues, under the terms and conditions specified in the related governing documents.

Revenue Notes – The Authority may issue short-term indebtedness secured by revenues. The revenue notes will have a final maturity not exceeding five years from the date of issuance, unless expressly approved by the Board of Directors.

Refunding Revenue Bonds – The Authority is authorized to issue refunding revenue bonds to refund outstanding Authority indebtedness pursuant to the State of California local agency refunding revenue bond law (Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California).

Lines of Credit - The Authority may enter into financing arrangements with banks or other financial institutions providing for a source of funds that can be readily accessed by the Authority for capital needs and/or to manage cash flow during a fiscal year.

Commercial Paper – The Authority may establish a commercial paper program ("Commercial Paper Program"). A Commercial Paper Program may be utilized and commercial paper notes may be issued from time to time to provide financing for projects, subject to the conditions that the projects and project financing will have prior approval from the Board. The Authority's commercial paper shall be payable from Authority specified revenues. The Director of Finance shall provide a written report to the Board twelve months following the initial issuance of commercial paper notes and annually thereafter so long as there is any commercial paper outstanding. The report shall summarize (1) the status of projects financed with commercial paper; (2) the amount of commercial paper outstanding and interest rates paid; and (3) identify~~ing~~ any long-term Debt issued to refund commercial paper notes.

Private Placements/Direct Loans - In the event the Authority chooses to proceed with a bank facility, or private placement of any form of Debt from a non-governmental entity, the Authority may issue a request for proposal from responsible and credit-worthy financial institutions. The request for bids shall include a description of the project and terms and conditions of the financing in accordance with prudent financial and industry standards. In awarding any Debt to a bank, or other financial institution, the Authority may consider interest rates, other fees, proposed terms and conditions, the experience of various banks as well as the ability of the proposed bank to close the transaction in a timely manner. The Authority will evaluate such loans on a case-by-case basis.

Government Sponsored Direct Loans - The Authority may enter into loan agreements with federal or state agencies. The Authority will evaluate such loans on a case-by-case basis. Prior to entering into such loan, the Authority may consider alternative forms of Debt, interest rates, other fees, proposed terms and conditions, the history of completing such loans by the federal or state agency, the availability of likelihood of obtaining funding and the ability of the proposed government agency to close the transaction in a timely manner.

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Other Obligations - There may be special circumstances when other forms of financing are appropriately utilized by the Authority. The Authority will evaluate such proposed transactions on a case-by-case basis. Such other forms include, but are not limited to, grant anticipation notes and judgment or settlement obligation bonds.

Interest Rate Swaps – The Authority shall not enter into interest rate swap agreements

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D. Ethical Standards Governing Conduct

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Authority Directors, Authority staff, and Authority consultants, service providers, and underwriters shall adhere to standards of conduct as stipulated by the California Political Reform Act, as applicable. All debt financing participants shall maintain the highest standards of professional conduct at all times, in accordance with:

- Municipal Securities Rulemaking Board ("MSRB") Rules, including Rule G-37, shall be followed at all times;
- Debt financing participants will assist the Authority staff in achieving its goals and objectives as defined in this Policy; and
- All debt financing participants shall make cooperation with the Authority staff a high priority.

Section III. Integration of Capital Planning and Debt Activities

A. Evaluating Capital Improvement Program Spending

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The Authority shall develop a financial model to evaluate the impact of capital program spending, operations and maintenance costs, and debt service on its financial condition.

Towards that end, the Director of Finance shall oversee the ongoing maintenance of quantitative modeling that includes, but is not limited to, the following:

- Historic and projected cash flows;
- Historic and projected capital expenditures;
- Historic and projected operating costs;
- Historic and projected fund balances, including the Enterprise Fund, General Membership Fund, Special Revenue Funds, Private Purpose Trust Funds, Agency Funds, and Debt Service Reserve Funds, if any;
- Historic and projected debt service coverage, if applicable;
- Projected revenue requirements; and
- Projected rates and charges.

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- The Director of Finance shall report to the Board, no less than annually, a ten-year projection of capital expenditures and associated impacts on O&M rates.

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Section IV. Transaction-Specific Policies

A. Method of Sale for Publicly Offered Debt

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Unless otherwise authorized by the Board, and because of the complexity of the Authority's credit, the issuance and sale of all Authority debt shall generally be achieved through a negotiated process. Unless otherwise justified and deemed necessary upon the recommendation of the Director of Finance, after consultation with the Municipal Advisor, the Authority will utilize a request for proposal process to select an underwriter, or underwriters, in connection with the sale of publicly offered Debt.

Competitive Bid Method – Upon Board approval, at the recommendation of the Director Finance, after consultation with the Municipal Advisor, the Authority ~~shall~~ may sell debt on a competitive basis. Such bids ~~may~~ shall generally be ~~take the form of hand- delivered or~~ electronically transmitted offers to purchase the bonds, but may take the form of hand-delivered bids. Authority debt issued on a competitive bid basis will be sold to the bidder proposing the lowest true interest cost to the Authority provided the bid conforms to the official notice of sale.

Negotiated Bid Method – A negotiated bond issue will provide for the sale of debt by negotiating the terms and conditions of the sale, including price, interest rates, credit facilities, underwriter or remarketing fees, and takedown. The Board will provide by Resolution specific parameters (not-to-exceed amounts for principal, true interest cost and underwriting compensation) for the pre-approval of the negotiated sale of debt. The final terms of the negotiated bond issue will be reported to the Board upon completion of the transaction.

If bonds are sold on a negotiated basis, the negotiations of terms and conditions shall include, but not be limited to, prices, interest rates, underwriting or remarketing fees, expenses, and underwriting spreads. The Authority, with the assistance of its Municipal Advisor, shall evaluate the terms offered by the underwriter(s). Guidelines with respect to price, interest rates, fees, and underwriting spreads, including expenses, shall be based on prevailing terms and conditions in the marketplace for comparable issuers.

If more than one underwriter is included in the negotiated sale of debt, the Authority shall establish appropriate levels of liability, participation and priority of orders. Such levels shall be based upon Authority policy with regards to the underwriting responsibility among the underwriting/syndicate team members ~~(Authority Staff, Municipal Advisor, Bond Counsel, and Disclosure Counsel)~~, the desired allocation of total underwriting fees, and the desired distribution of bonds. ~~Guidelines for establishing liability, participation, and priority of orders shall be based on prevailing terms and conditions in the marketplace for comparable issuers.~~

The Authority shall, with the assistance of its Municipal Advisor, oversee the bond allocation process. The bond allocation process shall be managed by the lead underwriter, with the following requirements:

- The bonds are allocated fairly among ~~members of the underwriter(s)~~investors, consistent with the previously negotiated terms and conditions;
- The allocation process complies with all MSRB regulations governing order priorities and allocations;

- The lead underwriter shall submit to the Director of Finance a complete and timely account of all orders, allocations, and underwriting activities with the investor names identified as appropriate.

The Director of Finance shall require a post-sale analysis and reporting for each negotiated bond sale. The Municipal Advisor or the lead underwriter may perform such analysis. A post-sale analysis will include, but not be limited to:

- Summary of the pricing, including copies of the actual pricing wires;
- A summary of market conditions, including on the day of sale;
- Results of comparable bond sales in the market at or around the time of the Authority's pricing;
- Detailed information on orders and allocation of bonds, by investor, by maturity~~by underwriting firm~~;
- Detailed information on final designations earned by each underwriter; and
- Summary of total compensation received by each underwriter.

B. Structural Elements

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Maturity – The Authority may issue tax-exempt debt with an average life no greater than or equal to federal tax code requirements. Unless expressly approved by the Board at the recommendation of the Director of Finance after consultation with the Municipal Advisor and Bond Counsel the final maturity of ~~fixed~~ tax-exempt ~~rate~~ debt should be no longer than 35 years ~~and the final maturity of variable rate debt should be no longer than 40 years~~. Factors to be considered to determine the final maturity of debt include: the average useful life of the capital assets being financed, relative level of interest rates, intergenerational equity and the year-to-year differential in interest rates. The Authority may not issue taxable debt with a final maturity longer than 50 years. The Board, ~~unless expressly approved by the Board~~ at the recommendation of the Director of Finance after consultation with the Municipal Advisor and Bond Counsel, may approve maturities longer than outlined if market conditions and other policy considerations warrant.

Maturity Structure – The Authority's long-term debt may include serial and term bonds. Other maturity structures may also be considered if they are consistent with prudent financial management practices.

Coupon Structure – Debt may include par, discount, and premium bonds. Discount and premium bonds must be demonstrated to be advantageous relative to par bond structures, taking into consideration market conditions and opportunities. For variable rate debt, the variable rate may be based on one of a number of commonly used interest rate indices and the index will be determined at the time of pricing.

Variable Rate Debt – The Authority is authorized to issue variable rate debt including, but not limited to, public market indexed notes, indexed notes, or loans placed directly with financial institutions and other alternative variable rate and market access products as well as traditional variable rate demand obligations backed by bank liquidity facilities and unhedged floating rate

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debt. Prior to the issuance of variable rate debt, the savings and other possible advantages and disadvantages compared to a fixed rate borrowing shall be evaluated and a comparative analysis presented to the Board. Issuance of variable rate debt may be approved by the Board at the recommendation of the Director of Finance after consultation with the Municipal Advisor and Bond Counsel. Unless expressly approved by the Board, the Authority will not have, as of the date of issuance of any variable rate debt, a percentage of variable rate debt outstanding greater than 20% of the total principal amount of all debt outstanding.

Debt Service Structure – Debt service may be structured primarily on an approximate level (combined annual principal and interest) basis. Certain individual Debt issues, such as refunding Debt, or Debt issued to achieve a specific policy objective, may have debt service that is not level. However, on an aggregate basis, debt service should be structured primarily on a level basis.

Redemption Features – In order to preserve flexibility and refinancing opportunities, Authority debt will generally be issued with call provisions. Upon approval by the Board, the Authority may issue Debt with calls that are shorter than traditional and/or non-callable debt when warranted by market conditions and opportunities. For each transaction, the Authority will evaluate the efficiency of call provision alternatives.

Credit Enhancement – The Authority may competitively procure credit enhancement (e.g. letter of credit, line of credit, bond insurance) for a sale of Debt if the Director of Finance, in consultation with the Municipal Advisor and the lead underwriter, determines that to do so is in the Authority's financial interest.

Debt Service Reserve Funds – The Authority may provide for debt service reserve funds to secure Authority debt when necessary and recommended by the Director of Finance in consultation with the Municipal Advisor and the lead underwriter.

Section V. Communication and Disclosure

A. Rating Agencies

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The Authority, with the assistance of its Municipal Advisor, may secure one or more credit ratings on all Debt from any of the four major nationally recognized statistical rating organizations, provided it is economic to do so. The Authority shall seek to maintain its credit ratings once received through prudent fiscal management and consistent communications with the rating analysts. The Director of Finance shall manage relationships with the rating analysts assigned to the Authority's credit, using both informal and formal methods to disseminate information. Communication with the rating agencies shall include:

- Full disclosure on an annual basis of the financial condition of the Authority; which can be satisfied by providing the rating agencies ~~then current rating on any debt of the Authority~~ with the Authority's audited financial statements and continuing disclosure filings.
- Upon request of a ratings agency or when in the judgment of the Director of Finance as appropriate, a formal presentation, to the rating agencies, covering economic, financial,

operational, and other issues that impact the Authority's credit;
- Timely disclosure of major financial events that impact the Authority's credit and financial position;
- Timely dissemination of the Financial Statements, following ~~its~~ acceptance by the Authority's Board; and
- Full and timely distribution of any documents pertaining to the sale of bonds.

Section VI. Refunding Policies

The Director of Finance, with the assistance of the Municipal Advisor shall evaluate refinancing Debt to maximize savings and minimize the cost of funds as market opportunities arise. A net present value analysis will be prepared that identifies the economic effects of any refunding to be proposed to the Board. The Authority shall target a minimum of 3% net present value savings for current and 5% for advanced refunding transactions. Advance refunding transactions should meet an efficiency threshold of at least 80%. Upon the advice of the Director of Finance, with the assistance of the Municipal Advisor and Bond Counsel, the Authority will consider undertaking a bond refunding for other than economic purposes, such as to restructure debt, change the type of debt instruments being used, or to retire a bond issue and indenture in order to remove ~~undesirable~~ outdated or restrictive covenants.

~~**Coupon on Refunded Bond** – The Director of Finance may take into consideration whether the coupon on the refunded bond is significantly higher or lower than the most common outstanding bond coupons of approximately five percent.~~

~~**General Interest Rate Environment** – The Director of Finance may take into consideration whether the available refunding bond interest rates are generally high or generally low relative to long-term averages of historical rates.~~

~~**General Interest Rate Outlook** – The Director of Finance may take into consideration the general outlook for future interest rates, as derived from economic forecasts, market forecasts, implied forward rates, or other sources.~~

~~**Debt Management Considerations** – The Director of Finance may take into consideration debt management issues such as cost and staff efficiencies associated with combining multiple refunding bond issues or combining refunding and new money bond issues.~~

~~**Call Date** – The Director of Finance may take into consideration the amount of time between the pricing/closing date of the refunding debt and the call date of the debt to be refunded.~~

~~**Final Maturity Date** – The Director of Finance may take into consideration the amount of time remaining until the final maturity of the Debt to be refunded.~~

Section VII. Reinvestment of Debt Proceeds

General – The Authority shall comply with all applicable Federal, State, and contractual restrictions regarding the use and investment of Debt proceeds. This includes compliance with

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restrictions on the types of investment securities allowed, restrictions on the allowable yield of some invested funds, as well as restrictions on the period over which some bond proceeds may be invested. To the extent that a bond issue is credit enhanced, the Authority shall adhere to the investment guidelines of the credit enhancement provider. Funds generated from the sale of land shall be used in accordance with the applicable bond covenants and documents. Bond counsel will be consulted to provide legal advice regarding the use of proceeds from the sale of Authority lands purchased with tax-exempt bond debt.

Requirements of Debt Governing Documents – The Authority will comply with all terms and conditions of the appropriate legal documents related to each series of debt; including, but not limited to Permitted Investments in the Indenture.

Section VIII. Creation and Maintenance of Funds

The Authority maintains several different funds integral to the long-range financial planning process. Each of these funds is held for a specific purpose and can generally be categorized as either a proprietary, governmental, or fiduciary fund. The Authority will comply with all requirements and limitations created under its Debt Governing Documents.

Section IX. Post-Issuance Compliance

A. Tax Compliance /Arbitrage Liability Management

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The Authority shall minimize the cost of arbitrage rebate and yield restrictions while strictly complying with tax law. Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the Authority shall solicit the advice of Bond Counsel, Tax Counsel, and other qualified experts about arbitrage rebate calculations. The Authority shall contract with a qualified third-party for preparation of the arbitrage rebate calculation.

The Authority shall maintain an internal system for tracking expenditure of bond proceeds and investment earnings. The expenditure of bond proceeds shall be tracked in the financial accounting system by issue. Investments may be pooled for financial accounting purposes and for investment purposes. When investment of bond proceeds are co-mingled with other investments, the Authority shall adhere to IRS rules on accounting allocations.

B. Continuing Disclosure

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The Authority shall comply with the requirements of any Continuing Disclosure Certificate executed by the Authority at the time bonds are issued. Annual information provided by the Authority shall mirror certain selected information in any Authority Official Statement at the time of a primary offering. Annual financial information required by such Continuing Disclosure Certificate, if any, will be sent by the Authority or its designated consultant, to all Nationally Recognized Municipal Information Depositories (NRMSIRs) designated by the SEC and to the State Information Depository (SID), if one exists, and posted on EMMA. In addition to annual disclosure, to the extent required by the Continuing Disclosure Certificate the Authority shall

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provide ongoing information about certain enumerated events, as defined by regulation, ("Material Events") to the NRMSIRs and to the SID and posted on EMMA.

The Authority may engage a firm to assist it in ensuring timely completion and filing of annual reports and in identifying, and making timely filings with respect to, the occurrence of reportable enumerated events.

C. Legal Covenants

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The Authority shall comply with all covenants and conditions contained in governing law and any legal documents entered into at the time of a bond offering, including but not limited to rate covenants.

D. State Reporting Requirements

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Pursuant to Government Code section 8855(k), the Authority will submit annual debt transparency reports for any debt issued on or after January 21, 2017 every year until the later date on which the debt is no longer outstanding or the proceeds have been fully spent.

Section X. Debt Database Management

The Authority shall maintain complete information on its Debt portfolio, in a spreadsheet or database program format. The information in the database shall include, but not be limited to, the following:

- Issue Name
- Initial Issue Par Amount
- Dated Date of the Issue
- Principal Maturity Amounts
- Coupon Rate by Maturity
- Amount Outstanding
- Call Provisions
- Purpose of the Issue
- Credit Enhancer, if any
- Competitive or Negotiated Sale
- Names of Underwriter(s)

The Authority shall use the debt database for the following purposes:

- Generate reports
- Calculate Gross annual debt service
- Calculate Net annual debt service
- Refunding Analyses
- Provide accounting ~~O~~output to the Fund Accounting System

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Westlands Water District

MEMORANDUM

TO: SLDMWA BOARD OF DIRECTORS

FROM: TOM BOARDMAN, WATER RESOURCES ENGINEER

SUBJECT MARCH OPERATIONS UPDATE

DATE: FEBRUARY 26, 2021

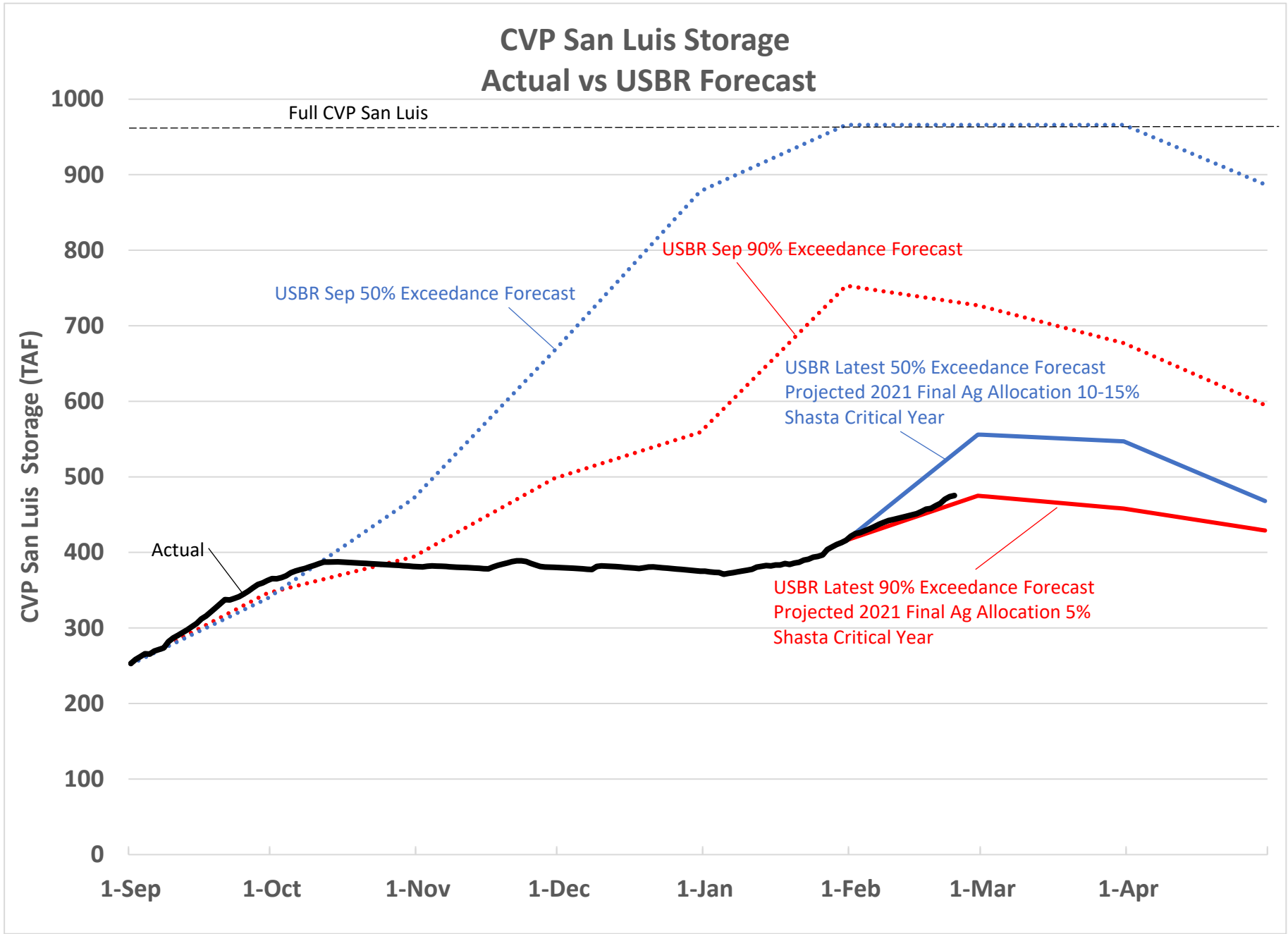
Project Operations

- Jones pumping reached nearly 80% of capacity for a few days during mid-February but has since slipped to near minimum levels due to rapidly declining delta inflow. Increased delta outflow requirements per D1641 will constrain exports until wetter conditions return.
- Banks averaged about 2,300 cfs during February. SWP exports are expected to trail CVP exports during the next few weeks as Project operators balance the export sharing between the Projects; currently about 15-20 TAF in favor of the CVP.
- Sac Valley precipitation is less than 50% of average for February. Although dry conditions are projected through the first week of March, the long-range forecast shows some hope of increased precipitation by mid-month.
- The current storage in Shasta is about 2.7 MAF with inflows declining due to dry conditions. Precipitation during February at the dam is 30% of average. Reclamation's latest forecast shows the carry over storage to be 1.4 MAF and 2.2 MAF under dry and median conditions, respectively.
- Folsom storage is at 342 TAF which is about halfway to the projected maximum storage of 661 TAF shown in Reclamation's latest conservative forecast. The current snowpack above the reservoir is at about 70% of average.
- CVP demands were about 40 TAF during February; about 30% of the 15-year average.

2021 San Luis Operations and Allocation Outlook

The current storage in CVP San Luis is about 477 TAF and is trending closer to Reclamation's conservative operations forecast. The attached San Luis projection graphs show the CVP share near its apex storage of 500 TAF if conditions remain dry. Under median conditions, the CVP share will refill to about 630 TAF before drawing down by late March. Both projections include an estimated 260 TAF of rescheduled water. As such, Reclamation's recent allocation announcement reflects that less than half of the current CVP San Luis storage is available to support 2021 allocations.

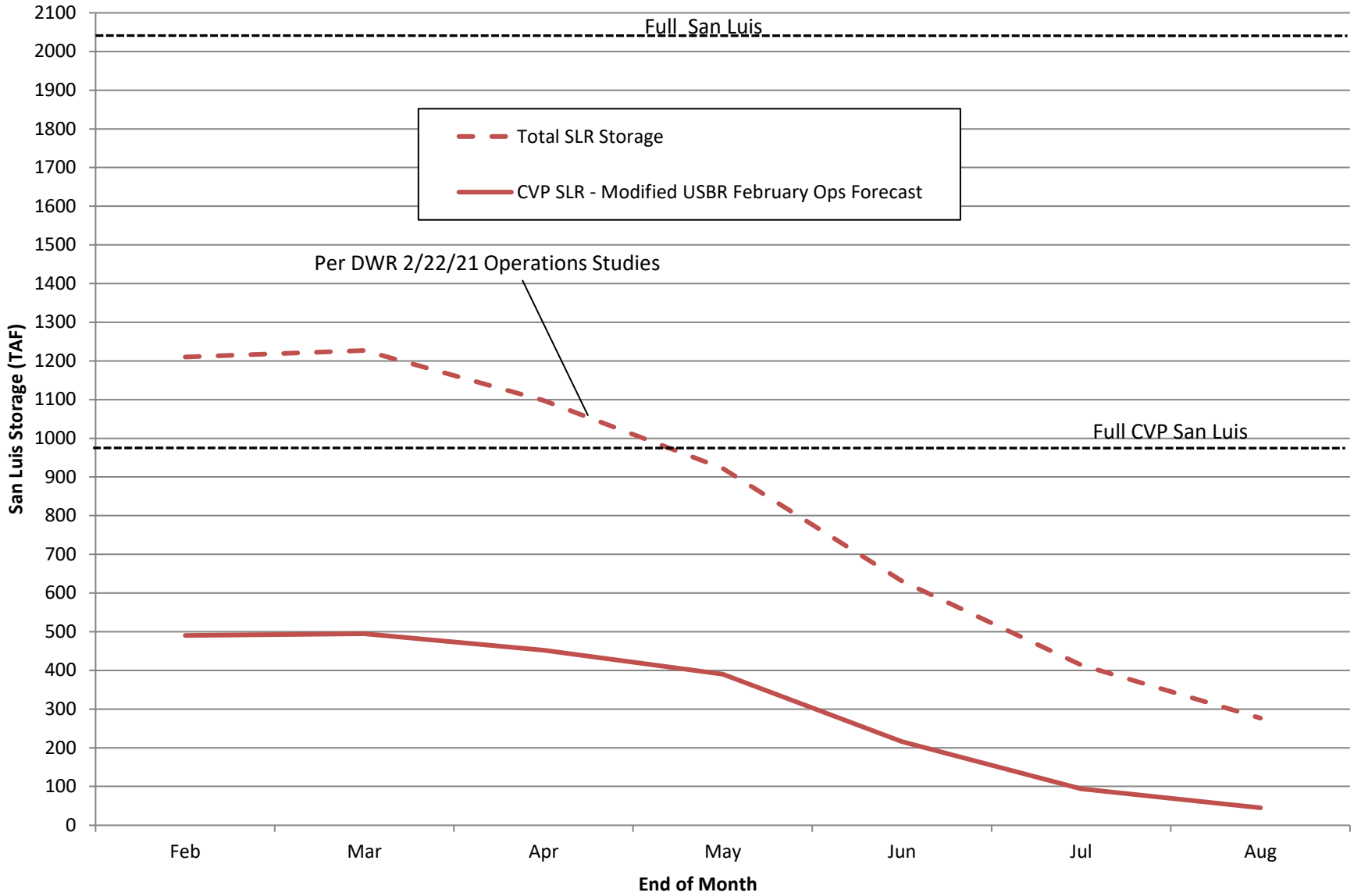
With the return of median hydrology by mid-March and minimal export reductions for fish protections, the Ag and Urban allocations could increase by 5-10%. However, the increases would not likely occur until mid to late May due to April and May export uncertainties related to the BiOps.



T.Boardman, WWD
2/24/2021

2020-21 San Luis Storage Projection

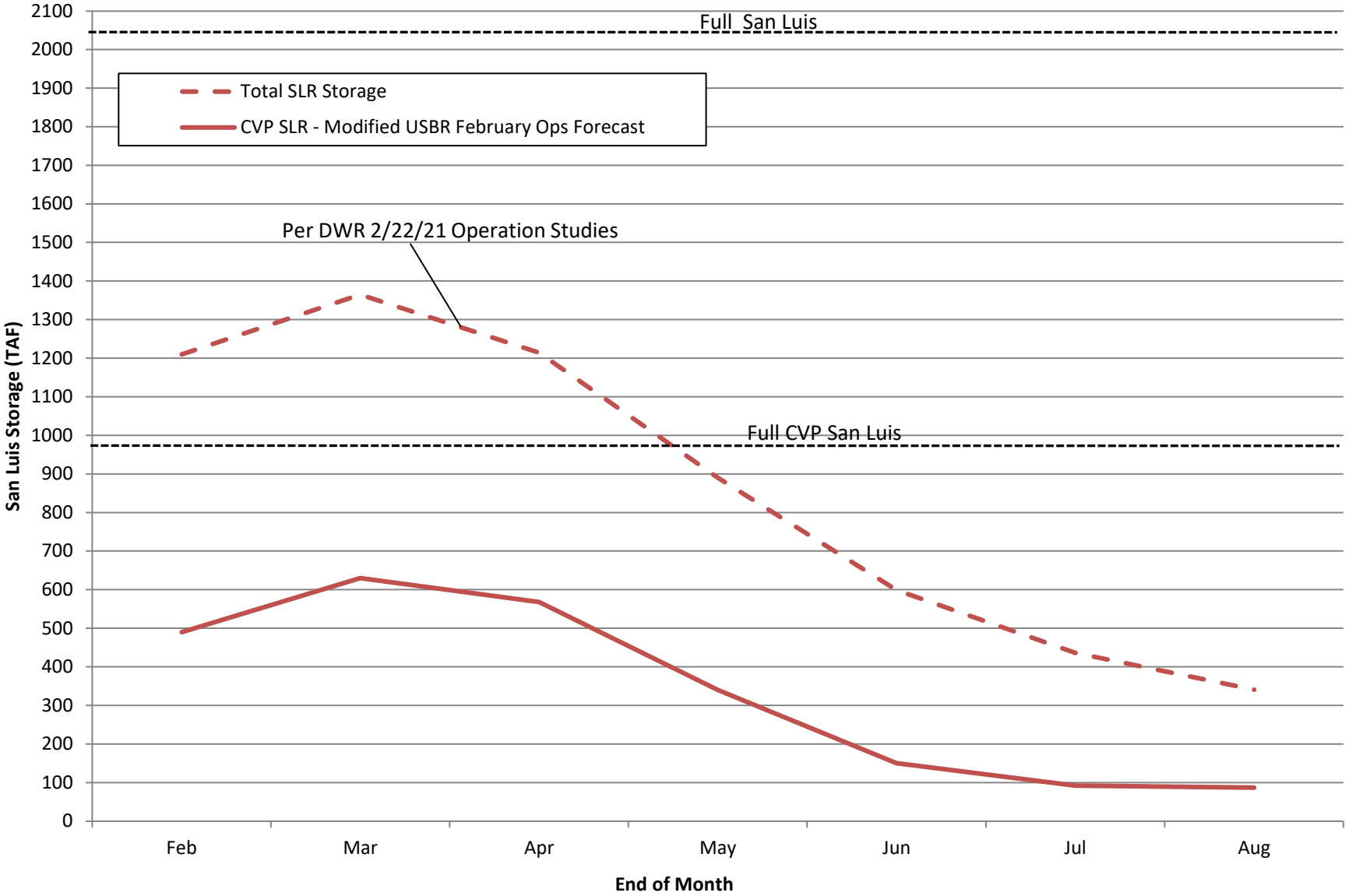
90% Exceedance Hydrology



T. Boardman, WWD
2/24/2021

2020-21 San Luis Storage Projection

50% Exceedance Hydrology



T. Boardman, WWD
2/24/2021

San Luis & Delta-Mendota Water Authority
Monday, March 1, 2021, 10:00 a.m.

Notice of Water Resources Committee Regular Telephonic Meeting and Joint Water Resources Committee Regular Telephonic Meeting-Special Board Workshop

Join Zoom Meeting
https://us02web.zoom.us/j/86951473201?pwd=OXBYRmFUR2kwUWVZQXVaYnQwSjM3QT09

Meeting ID: 869 5147 3201
Passcode: 378614
One tap mobile
+16699006833,,86951473201#,,,,*378614# US (San Jose)
+13462487799,,86951473201#,,,,*378614# US (Houston)

Dial by your location
+1 669 900 6833 US (San Jose)
+1 346 248 7799 US (Houston)
+1 253 215 8782 US (Tacoma)
+1 929 436 2866 US (New York)
+1 301 715 8592 US (Washington DC)
+1 312 626 6799 US (Chicago)

Meeting ID: 869 5147 3201
Passcode: 378614
Find your local number: https://us02web.zoom.us/u/kbzLbalGZU

NOTE: In accordance with the Governor's Executive Order (N-29-20) and the declared State of Emergency as a result of the threat of COVID-19, members of the Water Resources Committee, Board of Directors, and Water Authority staff will be participating in this meeting remotely from multiple locations. This meeting will occur exclusively through ZOOM. If members of the public have any problems using the call-in number during the meeting, please contact the Authority office at 209-826-9696.

NOTE FURTHER: Any member of the public may address the Water Resources Committee/Board concerning any item on the agenda before or during consideration of that item, as appropriate.

Because the notice provides for a telephonic regular meeting of the Water Resources Committee ("WRC") and a joint telephonic regular WRC Meeting/Special Board Workshop, Board Directors/Alternates may discuss items listed on the agenda; however, only WRC Members/Alternates may correct the agenda or vote on action items.

Agenda

1. Call to Order/Roll Call

2. Water Resources Committee to Consider Additions and Corrections to the Agenda for the Water Resources Committee Meeting only, as Authorized by Government Code Section 54950 *et seq*.

3. Opportunity for Public Comment – Any member of the public may address the Water Resources Committee/Board concerning any matter not on the agenda, but within the Committee's or Board's jurisdiction. Public comment is limited to no more than three minutes per person. For good cause, the Chair of the Water Resources Committee may waive this limitation.

ACTION ITEMS

4. **Water Resources Committee to Consider Approval of the February 1, 2021 Meeting Minutes**

5. **Water Resources Committee to Consider Recommendation to Board of Directors to Adopt Staff Recommendation for Positions on Legislation**, Petersen

   A. H.R. 644 (Calvert), REBUILD Act
   B. H.R. 737 (Valadao), RENEW WIIN Act
   C. H.R. 866 (Calvert), FISH Act
   D. S.B. 559 (Hurtado), Department of Water Resources: water conveyance systems: Canal Conveyance Capacity Restoration Fund.

6. **Water Resources Committee to Consider Recommendation to Board of Directors to Ratify Appointment of Federico Barajas to State and Federal Contractors Water Agency Board of Directors**, Barajas

7. **Water Resources Committee to Consider Recommendation to Board of Directors to Adopt Resolution including CEQA Exemption for and Authorizing Execution of Agreement to Purchase Release of Water By and Among the Oakdale Irrigation District, the South San Joaquin Irrigation District, the San Luis & Delta-Mendota Water Authority, and the California Department of Water Resources,** Mizuno

REPORT ITEMS

8. Executive Director's Report, Barajas
   A. March 2021 Board Workshop
   B. Volta Wastewater Groundwater Wells Update
   C. May include reports on activities within the Water Resources Committee's jurisdiction related to 1) CVP/SWP water operations; 2) California storage projects; 3) regulation of the CVP/SWP; 4) existing or possible new State and Federal policies; 5) Water Authority activities; 6) COVID-19 response

9. Update on Water Policy/Resources Activities, Petersen
   (May include reports on activities related to 1) Reinitiation of Consultation on Long-Term Operations of the Central Valley Project and State Water Project, including environmental compliance; 2) State Water Resources Control Board action; 3) San Joaquin River Restoration Program; 4) Delta conveyance; 5) Reclamation action; 6) Delta Stewardship Council action; 7) San Joaquin Valley Water Blueprint)

10. Update on Water Operations and Forecasts, Boardman

11. Committee Member Reports

12. Closed Session

    CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
    Initiation of Litigation Pursuant to paragraph (4) of Subdivision (d) of Government Code Section 54956.9 – 3 potential cases

    CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
    Significant Exposure to Litigation Pursuant to Paragraph (2) or (3) of Subdivision (d) of Government Code Section 54956.9 – 2 potential cases

    CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
    Existing Litigation Pursuant to paragraph (1) of Subdivision (d) of Section 54956.9

    A. Natural Resources Defense Council et al. v. de la Vega et al., U.S. District Court, E.D. Cal., Case No. 1:05-cv-01207-DAD-EPG, 9th Cir. Case No. 21-15163 (2005 DMC Contract Renewals)
    B. Pacific Coast Federation of Fishermen's Associations, California Sportfishing Protection Alliance, Friends of the River, San Francisco Crab Boat Owners Association, Inc., The Institute for Fisheries Resources, and Felix Smith v. Donald R. Glaser and San Luis & Delta-Mendota Water Authority, U.S. District Court, E.D. Cal., Case No. 2:11-CV-02980-KJM-CKD (PCFFA v Glaser or GBP Citizens Suit)
    C. SWRCB Water Rights Complaints: Modesto Irrigation District, State Water Contractors, San Luis & Delta-Mendota Water Authority, Interested Persons in SWRCB CDO Enforcement Proceedings

and/or Petitions for Reconsideration: Pak & Young; Mussi et al. (WR Complaints)

D. Delta Stewardship Council Cases, Sacramento County Superior Court, Case No. JCCP 4758 (formerly San Luis & Delta-Mendota Water Authority and Westlands Water District v. Delta Stewardship Council, et al., Sacramento County Superior Court, Case No. 34-2013-80001500) (Delta Plan Litigation)

E. City of Fresno, et al. v. United States, U.S. Court of Federal Claims, Case No. 1:16-cv-01276-EDK (2014 Friant Breach of Contract)

F. Monterey Coastkeeper, et al. v. Central Valley Regional Water Quality Control Board, et al., Third District Court of Appeal Case No. C093513, Sacramento County Superior Court Case No. 34-2018-80002853; Environmental Law Foundation v. State Water Resources Control Board, Third District Court of Appeal Case No. C093513, Sacramento County Superior Court Case No. 34-2018-80002851; Protectores del Agua Subterranea v. State Water Resources Control Board, Third District Court of Appeal Case No. C093513, Sacramento Superior Court Case No. 34-2018-80002852 (Waste Discharge Requirement Cases)

G. North Coast Rivers Alliance v. Delta Stewardship Council, Sacramento County Superior Court, Case No. 34-2018-80002898; Central Delta Water Agency v. Delta Stewardship Council, Sacramento County Superior Court, Case No. 34-2018-80002900; Friends of the River v. Delta Stewardship Council, Sacramento County Superior Court, Case No. 34-2018-80002901; California Water Impact Network v. Delta Stewardship Council, Sacramento County Superior Court, Case No. 34-2018-80002904 (Delta Plan Amendment Cases)

H. North Coast Rivers Alliance, et al. v. San Luis & Delta-Mendota Water Authority, et al., Merced County Superior Court, Case No. 19CV-04989 (GBP Long-Term Storm Water Management Plan)

I. Pacific Coast Federation of Fishermen's Associations, et al. v. Coggins, et al., U.S. District Court, E.D. Cal., Case No. 1:20-cv-00431-DAD-EPG (ROC on LTO BiOps)

J. California Natural Resources Agency, et al. v. Coggins, et al., U.S. District Court, E.D. Cal., Case No. 1:20-cv-00426-DAD-EPG (ROC on LTO BiOps)

K. CDWR Water Operation Cases, Sacramento County Superior Court, Case No. JCCP 5117 (formerly Tehama-Colusa Canal Authority et al. v. California Department of Water Resources et al., Fresno County Superior Court, Case No. 20CECG01303) (SWP EIR Challenge)

L. AquAlliance et al. v. U.S. Bureau of Reclamation, et al., U.S. District Court, E.D. Cal., Case No. 1:20-cv-00878-DAD-EPG (Long-Term Water Transfers EIS/EIR)

M. Winnemem Wintu Tribe et al. v. State Water Resources Control Board et al., Merced County Superior Court, Case No. 19CV-04989 (GBP Waste Discharge Requirements)

N. SWRCB Administrative Hearing Office: County of San Joaquin Permit to Appropriate Water from the South Fork American River at the Freeport Regional Water Authority Facility on the Sacramento River, Pending Application A029657 (Permit Application Protest)

13. Return to Open Session

14. Report from Closed Session, if any, Required by Government Code Section 54957.1

15. Reports Pursuant to Government Code Section 54954.2(a)(3)

16. ADJOURNMENT

Persons with a disability may request disability-related modification or accommodation by contacting Cheri Worthy or Sandi Ginda at the San Luis & Delta-Mendota Water Authority Office via telephone (209) 826-9696 or email [cheri.worthy@sldmwa.org or sandi.ginda@sldmwa.org] at least 3 days before a regular meeting or 1 day before a special meeting/workshop.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Section 54950 et seq. and has not been prepared with a view to informing an investment decision in any of the Authority's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the Authority's bonds, notes or other obligations and investors and potential investors should rely only on information filed by the Authority on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at https://emma.msrb.org/.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
WATER RESOURCES COMMITTEE REGULAR TELEPHONIC MEETING
AND JOINT WATER RESOURCES COMMITTEE REGULAR
TELEPHONIC MEETING - SPECIAL BOARD WORKSHOP MINUTES
FEBRUARY 1, 2021

The Telephonic Water Resources Committee and Joint Telephonic Water Resources Committee Regular Meeting and Special Board Workshop of the San Luis & Delta-Mendota Water Authority convened at approximately 10:00 a.m. This meeting was held via teleconference/ZOOM in accordance with the Governor's Executive Order (N-29-20) and the declared State of Emergency as a result of the threat of COVID-19, with Committee Chair Tom Birmingham presiding.

Water Resources Committee Members Present

Ex-Officio

Cannon Michael

Division 1

Anthea Hansen, Alternate

Division 2

Bill Diedrich, Member - Lon Martin

Division 3

Chris White, Member

Division 4

Vincent Gin, Member - Jeff Cattaneo, Alternate

Division 5

Tom Birmingham, Member

Board of Directors Present

Division 1

Anthea Hansen, Director

Division 2

Bill Diedrich, Director - Lon Martin, Alternate

Division 3

Chris White, Director – Jarrett Martin, Alternate

Cannon Michael, Director

Division 4

Jeff Cattaneo, Director

Sara Singleton, Alternate

Division 5
Tom Birmingham, Director

Authority Representatives Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer
Scott Petersen, Water Policy Director
Rebecca Akroyd, General Counsel
Frances Mizuno, Special Projects Administrator
Stewart Davis, IT Officer

Others Present

Tom Boardman, Westlands Water District
Dana Jacobson, Valley Water
Russ Freeman, Westlands Water District

1. Call to Order

Committee Chair Tom Birmingham called the meeting to order.

2. The Water Resources Committee to Consider Additions or Corrections to the Agenda of Items, as authorized by Government Code Section 54950 et seq.

No additions or corrections.

3. Opportunity for Public Comment

No public comment.

4. Water Resources Committee to Consider Approval of the January 11, 2021 Meeting Minutes.

Chair Tom Birmingham pronounced the January 11, 2021 meeting minutes approved without correction.

5. Executive Director's Report.

A. **SLTP Update** - Special Projects Administrator Frances Mizuno reported that the Authority has been meeting with Reclamation and Western Area Power Administration regarding the three proposals that were received, and the goal is to find an investor to finance 100% of the cost.

Mizuno reported that the goal is make a recommendation to the Board in March. Alternate Member Jeff Cattaneo requested a workshop to discuss various options. Executive Director Federico Barajas agreed to set up a workshop instead of bringing the package to the Board in March.

B. **Jones Pumping Plant Unit Rewind Project Financing** - Chief Operating Officer Pablo Arroyave reported that the financial advisors and bond counsel had an effective strategy for marketing the JPP Bonds alongside the much larger DHCCP refunding debt. Arroyave reported that the end result was three different maturity of bonds 5 year, 10 year, and 25 year. Arroyave reported that the overall result was a true interest cost of 3.31% with an annual debt service of $452 thousand, which is a total reduction in total debt service of over a million dollars. Arroyave reported that the deal is expected to close and fund February 4, 2021. Committee Chair Tom Birmingham thanked Authority staff and consultants for a job well done.

C. **B.F. Sisk Dam Raise Project** – Executive Director Federico Barajas reported that the Authority has been coordinating with Reclamation on the development of the Biological Assessment that is required in order to initiate the ESA consultation for this project.

6. Update on Water Policy/Resources Activities.

Water Policy Director Scott Petersen reported that on January 20, 2021, President Biden signed an Executive Order: "Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis", with a fact sheet attached that included a non-exclusive list of agency actions that heads of the relevant agencies will review in accordance with the Executive Order. Importantly, the NOAA Fisheries and U.S. Fish and Wildlife Service Biological Opinions on the Long-Term Operation of the Central Valley Project and State Water Project were both included in the list of agency actions for review. Petersen reported that it's unclear what this agency review will analyze, but staff will be engaged.

Petersen reported on the Water Blueprint reporting that Phase II of Sunding's EIA will analyze solution sets being developed with the Technical Committee and others, those solution sets will ultimately be added to the EIA to illustrate reduced economic impacts. Petersen reported that a critical part will be project proponents' evaluation and development of these activities in coordination with the Blueprint. Petersen reported that these solution sets will ideally have input and support from the coalition of interest groups formally engaging in the SJV Water Collaborative Action. Petersen reported that Stanford University is working in coordination with the Blueprint, Central Valley Community Foundation, Fresno State, NGOs and others are convening to create a collaborative solution to the water issues we face in the SJV. Petersen reported that on December

17, 2020, the Plenary Group of the San Joaquin Valley Water Collaborative Action Program held its second Zoom meeting. Petersen reported that the Plenary Group took several key action steps to move the collaborative forward and discussed several important information items, and unanimously approved an interim governance structure that includes a Plenary Group, Steering Group, and Planning Group.

7. Agenda Item 11: Update on Water Operations and Forecasts

Westlands Water District's Tom Boardman reported that inflows to Shasta were limited to 65 TAF during the recent storms because of low snow elevations. Folsom storage was also low, but snowpack above the reservoir has improved to 76% of average; up by 20%from mid-January. Delta flows have peaked and are declining by about 1,500 cfs per day. Project operators limited pumping increases to a small amount since the storms arrived last week out of concern for increased salinity in the central Delta and increased Sacramento River turbidity that could trigger a delta smelt related export reduction.

Recent and projected CVP San Luis storage was discussed which included three charts. The charts showed how the CVP share of San Luis is refilling slower than expected. Boardman also compared 2021 CVP San Luis operations to 2016 and 2020 and noted similarities and differences.

Boardman briefly explained that DWR's Bulletin 120, to be posted during the 2nd week of February, may show that a Shasta critical year would be triggered in the 90% exceedance forecast, but not triggered in the 50% exceedance forecast. If that occurs, Boardman stated that he expects Reclamation's initial allocation announcement to show 75% for Exchange Contractors and refuges, 50% for urban contractors, zero allocation to ag Service contractors. Boardman added that a 5% ag allocation may be possible if the updated B120 forecast shows higher than expected runoff for northern reservoirs.

8. Agenda Item 12: Committee Member Reports.

No Committee Member Reports.

9. Agenda Item 13: Closed Session

Committee Chair Tom Birmingham adjourned the open session to address the items listed on the Closed Session Agenda at approximately 11:00 a.m. Upon return to open session at approximately 11:15 a.m., General Counsel Rebecca Akroyd reported that there were no reportable actions taken in closed session.

10. Reports Pursuant to Government Code Section 54954.2

None.

11. Adjournment

The meeting was adjourned at approximately 11:16 a.m.

MEMORANDUM

TO: SLDMWA Water Resources Committee Members and Alternates

FROM: Scott Petersen, Water Policy Director

DATE: February 1, 2021

RE: Update on Water Policy/Resources Activities

BACKGROUND

This memorandum is provided to briefly summarize the current status of various agency processes regarding water policy activities, including but not limited to the (1) Reinitiation of Consultation on Long-Term Operations ("ROC on LTO"), (2) State Water Resources Control Board Action, including the Bay-Delta Water Quality Control Plan update, (3) San Joaquin River Restoration Program, (4) Delta Conveyance, (5) Delta Stewardship Council, and (6) Water Blueprint for the San Joaquin Valley.

POLICY ITEMS

Reinitiation of Consultation on Long-Term Operations of the Central Valley Project and State Water Project

In August 2016, the Bureau of Reclamation and California Department of Water Resources (DWR) requested reinitiation of consultation with NOAA Fisheries, also known as National Marine Fisheries Service (NMFS) and the U.S. Fish and Wildlife Service (FWS) due to multiple years of drought, low populations of listed species, and new information developed as a result of ongoing collaborative science efforts over the last 10 years.

On Jan. 31, 2019, Reclamation transmitted its Biological Assessment to the Services. The purpose of this action is to continue the coordinated long-term operation of the CVP and SWP to optimize water supply delivery and power generation consistent with applicable laws, contractual obligations, and agreements; and to increase operational flexibility by focusing on nonoperational measures to avoid significant adverse effects to species.

The biological opinions carefully evaluated the impact of the proposed CVP and SWP water operations on imperiled species such as salmon, steelhead and Delta smelt. FWS and NMFS documented impacts and worked closely with Reclamation to modify its proposed operations to minimize and offset those impacts, with the goals of providing water supply for project users and protecting the environment.

Both FWS and NMFS concluded that Reclamation's proposed operations will not jeopardize threatened or endangered species or adversely modify their critical habitat. These conclusions

were reached for several reasons – most notably because of significant investments by many partners in science, habitat restoration, conservation facilities including hatcheries, as well as protective measures built into Reclamation's and DWR's proposed operations.

On Oct. 21, 2019, FWS and NMFS released their biological opinions on Reclamation's and DWR's new proposed coordinated operations of the CVP and SWP.

On Dec. 19, 2019, Reclamation released the final Environmental Impact Statement analyzing potential effects associated with long-term water operations for the CVP and SWP.

On Feb. 18, 2020, Reclamation approved a Record of Decision that completes its environmental review for the long-term water operations for the CVP and SWP, which incorporates new science to optimize water deliveries and power production while protecting endangered species and their critical habitats.

On January 20, 2021, President Biden signed an Executive Order: "Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis", with a fact sheet[1] attached that included a non-exclusive list of agency actions that heads of the relevant agencies will review in accordance with the Executive Order. Importantly, the NOAA Fisheries and U.S. Fish and Wildlife Service Biological Opinions on the Long-Term Operation of the Central Valley Project and State Water Project were both included in the list of agency actions for review. It's unclear what this agency review will analyze, but staff will be engaged.

Reclamation Directives and Standards

Documents out for Comment

There are currently no draft documents out for review.

State Water Resources Control Board (State Water Board) Activity

Documents out for Comment

State Wetland Definition and Procedures for Discharges of Dredged or Fill Material to Waters of the State"

Background

On April 2, 2019, the State Water Board adopted the "State Wetland Definition and Procedures for Discharges of Dredged or Fill Material to Waters of the State" (Procedures). On January 26, 2021, the Superior Court in San Joaquin Tributaries Authority v. California State Water Resources Control Board issued a judgment and writ "enjoining the State Water Board from applying, via the Water Quality Control Plan for Inland Surface Waters and Enclosed Bays [and Estuaries], the 'State Wetland Definition and Procedures for Discharges of Dredged or Fill Material to Waters of the State' adopted by the State Water Board on April 2, 2019, to waters other than those for which water quality standards are required by the Federal Clean Water Act (33 U.S.C. Section 1251 et seq.)." The Superior Court's decision upheld the adoption of the Procedures as part of the (1) California Ocean Plan and (2) Inland Surface Waters and Enclosed Bays and Estuaries Water Quality Control Plan (ISWEBE Plan) for "waters of the United States"

[1] https://www.whitehouse.gov/briefing-room/statements-releases/2021/01/20/fact-sheet-list-of-agency-actions-for-review/

as defined by the Clean Water Act. The Superior Court rejected the other challenges to the Procedures that were raised by the petitioner. In response to the Superior Court's decision, State Water Board staff has ceased efforts to prepare an item for public notice and comment and Board consideration to incorporate the Procedures into the ISWEBE Plan for non-federal waters.

The Superior Court decision addresses only the scope of the State Water Board's authority to adopt water quality control plans under Water Code section 13170. It does not restrict the State Water Board's authority to regulate the discharge of dredged or fill material to all waters of the state pursuant to the Board's other regulatory tools, including its authority to adopt state policy for water quality control under Water Code section 13140.Accordingly, the Superior Court's decision did not impair the Water Boards' authority to regulate discharges of dredged or fill material to all waters of the state, including waters of the state that are not also waters of the United States, except to the extent that such regulation is via a water quality control plan.

In Resolution No. 2019-0015, which adopted the Procedures, the State Water Board referred to its authority to adopt state policies for water quality control pursuant to Water Code section 13140, in addition to its authority to adopt water quality control plans pursuant to Water Code section 13170.Therefore, State Water Board staff is preparing an item for public notice and comment for Board consideration at the April 6, 2021 meeting to confirm that its April 2, 2019 action relied, in part, on Water Code section 13140 and that the Procedures are therefore effective for all waters of the state as a state policy for water quality control. The State Water Board will also consider giving direction to staff as to how to appropriately incorporate the Procedures into the ISWEBE Plan to regulate waters of the United States. Because the substantive provisions of the Procedures were subject to two written comment periods and numerous opportunities for public participation, the State Water Board will not be reconsidering the substantive provisions of the Procedures. The State Water Board's action will confirm whether the Procedures should continue to be applied to non-federal waters as a state policy for water quality control. Because the State Water Board referred to Water Code section 13140 when it adopted the Procedures, staff will continue to apply the Procedures as a state policy applicable to all waters of the state, but not via the ISWEBE Plan, pending State Water Board direction on April 6, 2021.

Submission of Comments

The State Water Board will accept both written and oral comments on only the proposed resolution (attached, "Exhibit A") and whether the Procedures are in effect as state policy for water quality control. Written comments or evidence that are unrelated to the proposed resolution, including comments regarding the substantive provisions of the Procedures, will not be accepted. Written comments must be received no later than 12:00 p.m. (noon) on Monday, March 8, 2021. The State Water Board will not accept any additional written comments after the written comment deadline.

Recommendations for an Effective Water Rights Response to Climate Change

On February 4, 2021, the Division of Water Rights (Division) released a report on climate change. The report outlines staff recommendations to make water availability analysis more robust, and actions to support an effective water rights response to climate change within the existing water rights framework in California. The report and related material are available on the Division's climate change webpage[2]

State Board staff is identifying data needs and recommendations to incorporate climate change into water rights permitting policies, procedures, and methodologies. The report makes several recommendations, some of which may introduce uncertainty into the water permitting process. Staff is working with other water users to draft and submit a comment letter and will coordinate with member agencies on the effort.

Submission of Comments

The Division invites the public and other stakeholders to provide input on the report by March 10, 2021. Please email questions and comments to Jelena Hartman at jelena.hartman@waterboards.ca.gov.

Bay Delta Water Quality Control Plan Update

The State Water Board is currently considering updates to its 2006 Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary ("Bay Delta Plan") in two phases (Plan amendments). The first Plan amendment is focused on San Joaquin River flows and southern Delta salinity ("Phase I" or "San Joaquin River Flows and Southern Delta Salinity Plan Amendment"). The second Plan amendment is focused on the Sacramento River and its tributaries, Delta eastside tributaries (including the Calaveras, Cosumnes, and Mokelumne rivers), Delta outflows, and interior Delta flows ("Phase II" or "Sacramento/Delta Plan Amendment").

During the December 12, 2018 Water Board Meeting, the Department of Water Resources ("DWR") and Department of Fish and Wildlife presented proposed "Voluntary Settlement Agreements" ("VSAs") on behalf of Reclamation, DWR, and the public water agencies they serve to resolve conflicts over proposed amendments to the Bay-Delta Plan update.[3] The State Water Board did not adopt the proposed VSAs in lieu of the proposed Phase 1 amendments, but as explained below, directed staff to consider the proposals as part of a future Delta-wide proposal.

[2] https://www.waterboards.ca.gov/waterrights/water_issues/programs/climate_change/

[3] Available at https://water.ca.gov/-/media/DWR-Website/Web-Pages/Blogs/Voluntary-Settlement-Agreement-Meeting-Materials-Dec-12-2018-DWR-CDFW-CNRA.pdf.

Phase 1 Status: The State Water Board adopted a resolution[4] to adopt amendments to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary and adopt the Final Substitute Environmental Document during its December 12, 2018 public meeting.

Phase 2 Status: In the State Water Board's resolution adopting the Phase 1 amendments, the Water Board directed staff to assist the Natural Resources Agency in completing a Delta watershed-wide agreement, including potential flow and non-flow measures for the Tuolumne River, and associated analyses no later than March 1, 2019. Staff were directed to incorporate the Delta watershed-wide agreement as an alternative for a future, comprehensive Bay-Delta Plan update that addresses the reasonable protection of beneficial uses across the Delta watershed, with the goal that comprehensive amendments may be presented to the State Water Board for consideration as early as possible after December 1, 2019. As the State Water Board further refines this update, there will be opportunity for public comment.

The effort has made significant progress since an initial framework was presented to the State Water Board on December 12, 2018.

On March 1, 2019, the California Department of Water Resources and the Department of Fish and Wildlife submitted documents[5] to the State Water Board that reflect progress since December to flesh-out the previously submitted framework to improve conditions for fish through targeted river flows and a suite of habitat-enhancing projects including floodplain inundation and physical improvement of spawning and rearing areas.

Since the March 1 submittal, significant work has taken place to develop the package into a form that is able to be analyzed by State Water Board staff for legal and technical adequacy. On June 30, 2019, a status update with additional details was submitted to the Board for review. Additionally, on February 4, 2020, the State team released a framework for the Voluntary Agreements to reach "adequacy", as defined by the State team.

Further work and analysis is needed to determine whether the agreements can meet environmental objectives required by law and identified in the State Water Board's update to the Bay-Delta Water Quality Control Plan.

[4]Available at https://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2018/rs2018_0059.pdf.
[5] Available at http://resources.ca.gov/docs/voluntary-agreements/2019/Complete_March_1_VA_Submission_to_SWRCB.pdf

California Water Commission Activity

The California Water Commission is accepting screening information for water storage projects that provide Proposition 1, Chapter 8 public benefits in the Water Storage Investment Program. This process does not involve any immediate funding. If the Commission finds a project is feasible, the project would be included in a pool of projects for the Commission's consideration if funding becomes available. The Commission would also need to decide to proceed with a rulemaking process and another solicitation in the future before a full project application could be submitted and reviewed.

Any project submitted through the screening process needs a finding of feasibility by the Commission no later than the December 2021 regularly scheduled Commission meeting. It is recommended and encouraged that project proponents submit screening proposals to Commission staff no later than October 22, 2021.

Information needed for the screening process includes, at a minimum, the statutory requirements found in Water Code 79757:

- Completed feasibility studies and draft environmental documentation made available for public review;
- Information that describes how the project will advance the long-term objectives of restoring ecological health and improve water management for beneficial uses of the Delta; and
- Commitments for at least 75% of the nonpublic benefit cost share of the project.

Additional information about the project and how it aligns with the Program's regulations may be submitted. If a project proponent wishes to understand the feasibility components of the Program, the Regulations and the Technical Reference are instructive.

If the Commission moves forward with additional regulations and a second solicitation, only projects successful in the screening process would be eligible to apply.

Delta Conveyance

The purpose of the Delta conveyance project is to make the State Water Project more reliable by enabling it to operate in a more fish-friendly way with the added point of diversion, but also over the long-term, to protect the State Water Project against earthquakes, sea level rise, and the extreme storm events that are anticipated with climate change.

Scoping Summary Report Addendum Published

DWR recently published an addendum to the Scoping Summary Report for the Delta Conveyance Project, originally published in July 2020. It provides a summary of comments received after the official close of the California Environmental Quality Act (CEQA) scoping period on April 17, 2020 through December 14, 2020. Consistent with the contents of the original Scoping Summary Report, the Addendum includes the comments DWR continued to receive after scoping that

pertain to the alternatives considered and the scope of analysis in the Environmental Impact Report (EIR). The Scoping Summary Report Addendum can be accessed on the Delta Conveyance Environmental Planning page on DWR's website.

DWR Approves Modifications to Soil Investigations Project

Consistent with the need to evaluate the alternatives in the Delta Conveyance Project EIR, DWR has approved modifications to the soil investigations that were originally approved in July of 2020. Before considering the approval of the modifications, DWR prepared an addendum to the Final Initial Study/Mitigated Negative Declaration (IS/MND) for the soil investigations in the Sacramento-San Joaquin Delta (Delta). DWR considered both the Final IS/MND that was adopted in July 2020 and the Addendum prior to approving the project modifications. The approved modified soil investigation activities, as evaluated in the Addendum, include the removal and replacement of geotechnical investigation sites not previously evaluated in the Final IS/MND. DWR has determined and documented that these changes will not result in any new potentially significant impacts and no subsequent EIR or negative declaration is required. To access a copy of the Addendum and associated Notice of Determination, visit the Delta Conveyance Environmental Planning page on DWR's website.

EXHIBIT A

D R A F T

STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2021-

CONFIRMATION THAT THE "STATE WETLAND DEFINITION AND PROCEDURES FOR DISCHARGES OF DREDGED OR FILL MATERIAL TO WATERS OF THE STATE" ARE IN EFFECT AS STATE POLICY FOR WATER QUALITY CONTROL

WHEREAS:

1. On April 2, 2019, the State Water Resources Control Board (State Water Board) adopted Resolution No. 2019-0015 adopting the "State Wetland Definition and Procedures for Discharges of Dredged or Fill Material to Waters of the State" and approving and adopting the accompanying Substitute Environmental Document, which was prepared in accordance with the regulatory provisions applicable to the State Water Board's California Environmental Quality Act certified regulatory programs, California Code of Regulations, title 23, sections 3775 through 3781.

2. On May 1, 2019, the San Joaquin Tributaries Authority (SJTA) filed a petition for writ of mandate in Sacramento superior court. On May 20, 2019, SJTA filed an amended petition. One of SJTA's claims was that "[t]o the extent the Procedures regulate waters of the state not covered by the Clean Water Act (i.e., waters of the state that are not waters of the United States) through a statewide water quality control plan, the Board has exceeded its authority under Water Code section 13170 because these waters are not waters for which water quality standards are required under the Clean Water Act." (Amended Pet., ¶ 56.)

3. On January 26, 2021, the Superior Court in *San Joaquin Tributaries Authority v. California State Water Resources Control Board* issued a judgment and writ "enjoining the State Water Board from applying, via the Water Quality Control Plan for Inland Surface Waters and Enclosed Bays [and Estuaries], the 'State Wetland Definition and Procedures for Discharges of Dredged or Fill Material to Waters of the State' [("Procedures")] adopted by the State Water Board on April 2, 2019, to waters other than those for which water quality standards are required by the Federal Clean Water Act (33 U.S.C. Section 1251 et seq.)." The Superior Court's decision upheld the adoption of the Procedures as part of the (1) California Ocean Plan and (2) Inland Surface Waters and Enclosed Bays and Estuaries Water Quality Control Plan (ISWEBE Plan) for "waters of the United States" as defined by the Clean Water Act. The Superior Court rejected the other challenges to the Procedures that were raised by the petitioner. In response to the Superior Court's decision, State Water Board staff has ceased efforts to prepare an item for public notice and comment and Board consideration to incorporate the Procedures into the ISWEBE Plan for non-federal waters.

4. The Superior Court decision addresses only the scope of the State Water Board's authority to adopt water quality control plans under Water Code section 13170. It does not restrict the State Water Board's authority to regulate the discharge of dredged or fill material to all waters of the state pursuant to the Board's other regulatory tools, including its authority to adopt state policy for water quality control under Water Code section 13140. Accordingly, the Superior Court's decision did not impair the Water Boards' authority to regulate discharges of dredged or fill material to all waters of the state, including waters of the state that are not also waters of the United States, except to the extent that such regulation is via the ISWEBE Plan. The court found inclusion in the California Ocean Plan separately authorized under Water Code section 13170.2.

5. In Resolution No. 2019-0015, which adopted the Procedures, the State Water Board referred to its authority to adopt state policies for water quality control pursuant to Water Code section 13140, in addition to its authority to adopt water quality control plans pursuant to Water Code section 13170. The purpose of this Resolution is for the State Water Board to provide clarification regarding Resolution No. 2019-0015 by confirming that its April 2, 2019 action relied, in part, on Water Code section 13140 and that the Procedures are therefore effective for all waters of the state as state policy for water quality control. In the alternative, this Resolution is for the State Water Board to adopt the Procedures as state policy for water quality control.

The State Water Board's Authority to Adopt State Policies for Water Quality Control under Water Code section 13140

6. The State Water Board is authorized to adopt state policy for water quality control. (Water Code § 13140.) The components of state policy for water quality control include all or any of the following: (1) water quality principles and guidelines for long-range resource planning, including ground water and surface water management programs and control and use of recycled water, (2) water quality objectives at key locations for planning and operation of water resource development projects and for water quality control activities, and (3) other principles and guidelines deemed essential by the State Water Board for water quality control. (Wat. Code, § 13142.)

7. State policy for water quality control may supersede conflicting provisions in regional water quality control plans where the State Water Board determines it is appropriate. (*WaterKeepers Northern California v. State Water Resources Control Bd.* (2002) 102 Cal.App.4th 1448, 1460.)

8. The permissible contents of water quality control plans pursuant to Water Code section 13170 overlap with the permissible contents of policies for water quality control pursuant to Water Code section 13140. In some cases, the State Water Board acts under the authority of both Water Code sections 13170 and 13140.

9. Pursuant to Water Code, section 13146, "State offices, departments and boards, in carrying out activities which affect water quality, shall comply with state policy for water quality control unless otherwise directed or authorized by statute, in which case they shall indicate to the state board in writing their authority for not complying with such policy." This section applies to the Regional Water Boards. (*Cf. State Water Resources Control Bd.* Cases (2006) 136 Cal. App. 4th 674, 730 [interpreting analogous language in Water Code section 13247 as applying to the State Water Board].)

The State Water Board's April 2, 2019 Adoption of the Procedures

10. In 2008, the State Water Board resolved that, "The State Water Board will take action to ensure the protection of the vital beneficial services provided by wetlands and riparian areas through the development of a statewide policy to protect wetlands and riparian areas (Policy) that is watershed-based." (Resolution No. 2008-0026)

11. An informal, preliminary draft entitled "Water Quality Control Policy for Wetland Area Protection and Dredge and Fill Permitting" was released in March 2012.

12. The Procedures were first released for public comment and a Board hearing in 2016. The notice described "Proposed Amendments to the California Ocean Plan and Inland Surface Waters, Enclosed Bays, and Estuaries of California Plan to Include Procedures for Discharges of Dredged or Fill Materials to Waters of the State (Formerly Known as the Wetlands Policy)."

13. The staff report stated, "the decision was made to convert the policy into a plan amendment to both the existing Water Quality Control Plan for Ocean Waters and forthcoming Water Quality Control Plan for Inland Surface Waters and Enclosed Bays and Estuaries of California. . . . In addition, by adopting the Procedures as amendments to water quality control plans, they will automatically supersede any conflicting provisions in the Regional Water Quality Control Boards' (Regional Water Boards) water quality control plans and will apply to the State and Regional Water Boards (collectively, Water Boards)." (Staff Report, p.1.) [citations omitted]

14. The State Water Board did not receive any comments specifically regarding the scope of the Water Board's authority under Water Code section 13170 or 13140 or whether the Procedures would continue to be a freestanding policy.

15. The Procedures were released for a second public comment period and Board hearing in 2017. The 2017 draft of the Procedures also stated that the Procedures would be included in the Ocean Plan and the ISWEBE. Again, the State Water Board did not receive any comments specifically regarding the scope of the Water Board's authority under Water Code section 13170 or 13140 or whether the Procedures would continue to be a freestanding policy.

16. In developing, considering, and adopting the Procedures, the State Water Board complied with the applicable procedural requirements applicable to actions taken under both Water Code sections 13140 and 13170 and provided additional public participation opportunities to afford the public with a reasonable opportunity to participate in the consideration of the Procedures. The State Water Board held hearings on July 19, 2016 and September 6, 2017 after appropriate notice. (Wat. Code, § 13147.)

17. During the formulation of the Procedures, the State Water Board consulted with concerned federal, state, and local agencies. (Wat. Code, § 13144.)

18. The State Water Board notified all the affected Regional Water Boards and afforded them an opportunity to submit recommendations. (Wat. Code, § 13147.)

19. The State Water Board intended for the Procedures to apply to all waters of the state, including waters of the state that are not also waters of the United States. For example, the introduction states an intent to bring uniformity to Water Boards' regulation of discharges of dredged or fill material to all waters of the state. (Procedures, page 1, lines 30-31.) The jurisdictional framework also refers to the broad scope of waters of the state as including all waters of the United States. (*Id.* at page 2, line 40.) The application procedures also apply to "all applications of discharges of dredged or fill material to waters of the state." (*Id.* at page 4, lines 105-107.) The desire to apply the same regulatory process to federal and non-federal waters is well-documented in the accompanying staff report.

20. The staff report analyzed the potential environmental impacts of applying the Procedures to all waters of the state.

21. In the response to comments submitted on the July 21, 2017 draft, the State Water Board stated "The Procedures will be included in a state policy for water quality control, the Water Quality Control Plans for Inland Surface Waters and Enclosed Bays and Estuaries and Ocean Waters of California." (Response to 2017 comments, pp. 24, 54, 361.)

22. On April 2, 2019, the State Water Board adopted Resolution 2019-0015 adopting the "State Wetland Definition and Procedures for Discharges of Dredged or Fill Material to Waters of the State" and approving and adopting the accompanying Substitute Environmental Document, which was prepared in accordance with the Provisions applicable to the State Water Board's certified exempt regulatory programs, California Code of Regulations, title 23, sections 3777 through 3779. Resolution 2019-0015 stated that "The State Water Board is authorized to adopt a state policy for water quality control. (Water Code § 13140.)"

23. Although a specific citation was inadvertently omitted from Resolution 2019-0015, the State Water Board was authorized by Water Code section 13170.2 to incorporate the Procedures into the water quality control plan for Ocean Waters.

24. Footnote 1 of the Procedures states that "These Procedures will be incorporated into the Water Quality Control Plans for (1) Inland Surface Waters Enclosed Bays and Estuaries and (2) Ocean Waters of California. Because the Procedures will already have been adopted, future incorporation of the Procedures, as adopted, into the water quality control plans will be considered non-substantive amendments."

25. The Office of Administrative Law (OAL) approved the Procedures on August 28, 2019. The Procedures went into effect nine months afterward, on May 28, 2020.

26. The State Water Resources Control Board issued a Notice of Decision on August 30, 2019.

The Water Quality Control Plan for Inland Surface Waters, Enclosed Bays, and Estuaries of California

27. On December 1, 2020, the State Water Board established the Water Quality Control Plan for Inland Surface Waters, Enclosed Bays, and Estuaries of California (ISWEBE Plan) as a single planning document to contain all the water quality control plan provisions adopted by the State Water Board relating to inland surface waters, enclosed bays, estuaries, and coastal lagoons of the state, including waters of the United States and all other surface waters of the state. The State Water Board's resolution stated an intention for the ISWEBE Plan to also be used by the State Water Board in the future on a case-by-case basis to include state policies for water quality control.

28. As a result of the judgment and writ issued on January 26, 2021 described in Finding 3, the State Water Board staff has ceased efforts to prepare an item for public notice and comment and Board consideration to incorporate the Procedures into the ISWEBE Plan for non-federal waters.

Notice of and Comment on Adoption of this Resolution

29. The adoption of this resolution is not subject to CEQA because there is no effect on the environment. The regulations applicable to the State Water Board's certified exempt regulatory programs set forth in California Code of Regulations, title 23, Chapter 27 are not applicable because Chapter 27 "does not apply if the board determines that the activity is not subject to CEQA." (Cal. Code of Regs., tit. 23, § 3720(b).)

30. Even if this action is subject to CEQA, the State Water Board has already complied with the regulations applicable to its certified exempt regulatory programs. The State Water Board approved the Substitute Environmental Document in Resolution No. 2019-0015. In the Substitute Environmental Document, which was prepared in accordance with the Provisions applicable to the State Water Board's CEQA certified regulatory programs, California Code of Regulations, title 23, sections 3775 through 3781, that accompanied the Procedures, the State Water Board considered the effects to the environment that would result from applying the Procedures to all waters of the state.

31. In developing, considering, and adopting this resolution, the State Water Board complied with the applicable procedural requirements applicable to actions taken under Water Code section 13140.

32. The State Water Board held a written comment period regarding adoption of this resolution from February 5, 2021, through March 8, 2021.

33. The State Water Board noticed an April 6, 2021 hearing regarding adoption of this resolution in accordance with Water Code, section 13147. The State Water Board received oral comments at the April 6, 2021 hearing.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Confirms that because its April 2, 2019 action relied, in part, on Water Code section 13140, the Procedures were also intended to act as state policy for water quality control for all waters of the state. Accordingly, the Procedures should continue to be applied to non-federal waters as state policy for water quality control, but not via the ISWEBE.

2. Finds that, if a court determines that the State Water Board's April 2, 2019 action was not sufficient to adopt state policy for water quality control for all waters of the state, this resolution expressly adopts the Procedures as state policy for water quality control for all waters of the state, and accordingly the Procedures operate as state policy for water quality control for all waters of the state from at least the date of this resolution.

3. Determines that it is appropriate for the Procedures, as state policy for water quality control, to supersede any conflicting provisions in regional water quality control plans because one of the primary objectives of the Procedures was to establish procedures for regulation of discharges of dredged or fill material to all waters of the state, including those outside of federal jurisdiction. Superseding is also necessary to establish a uniform regulatory approach for all waters of the state and to strengthen regulatory effectiveness and improve consistency across all Water Boards. Because Water Code, section 13146 requires State offices, departments, and boards, which

includes Regional Water Boards, to comply with state policy for water quality control, superseding any conflicting provisions in regional water quality control plans will improve clarity regarding the Procedures' applicability.

4. Determines that any statements regarding inclusion of the Procedures in a water quality control plan in the Procedures, staff report, and response to comments do not preclude the Procedures from also acting as state policy for water quality control.

5. Approves and adopts the following revisions to the documents adopted on April 2, 2019 and authorizes the Executive Director or designee to revise the documents adopted on April 2, 2019 accordingly:

    a. Revise the cover page of the Procedures to state, "State Policy for Water Quality Control: State Wetland Definition and Procedures for Discharges of Dredged or Fill Material to Waters of the State" and "[For Inclusion in the Water Quality Control Plan for Ocean Waters of California and the Water Quality Control Plan for Inland Surface Waters and Enclosed Bays and Estuaries for Waters of the United States]."

    b. Revise footnote 1 of the Procedures to state, "NOTE: These Procedures will be incorporated into the Water Quality Control Plans for (1) Inland Surface Waters Enclosed Bays and Estuaries **for waters for which water quality standards are required by the Federal Water Pollution Control Act and acts amendatory thereof or supplementary thereto** and (2) Ocean Waters of California. ~~**Because the Procedures will already have been adopted, f**~~**F**uture incorporation of the Procedures, as adopted, into the water quality control plans will be considered non-substantive amendments. At that time, formatting and other organizational edits necessary for incorporation into the water quality control plans will be addressed.]"

    c. Revise the brackets on page 1, lines 31-21 of the Procedures to reflect that the effective date of the Procedures was May 28, 2020.

    d. Revise page 2 of the Staff Report, from "the decision was made to convert the policy into a plan amendment" to state, "the decision was made to also adopt the Procedures as a plan amendment."

    e. Revise all references in the Procedures and Staff Report to the incorporation of the Procedures into the ISWEBE Plan to limit the incorporation to waters of the United States, and add that "and the Procedures are also adopted as state policy for water quality control."

6. Authorizes the Executive Director or designee to submit this resolution, the Procedures and Staff Report as revised in accordance with paragraph 5, and the administrative record to OAL for review and approval of inclusion in

California Code of Regulations, tit. 23, Division 3, Chapter 22 and to U.S. EPA for informational purposes.

7. Authorizes the Executive Director or designee to make minor, non-substantive modifications to the language of the Procedures and the supporting documentation if State Water Board staff or OAL determines that such changes are needed for clarity or consistency, and inform the State Water Board of any such changes.

8. Directs staff to propose any appropriate incorporation of the Procedures into the ISWEBE Plan to regulate waters of the United States at a future meeting of the State Water Board.

CERTIFICATION

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on April 6, 2021.

_____

Jeanine Townsend
Clerk to the Board

San Luis & Delta-Mendota Water Authority
Monday, March 1, 2021, 12:00 p.m.

Notice of Telephonic Finance & Administration Committee Regular Meeting and Joint Telephonic Finance & Administration Committee Regular Meeting-Special Board Workshop

Join Zoom Meeting
https://us02web.zoom.us/j/81057713115?pwd=UXVEWDhJOHhXUWI1YldTSjByN1QzQT09

Meeting ID: 810 5771 3115
Passcode: 693555
One tap mobile

+16699006833,,81057713115#,,,,*693555# US (San Jose)
+13462487799,,81057713115#,,,,*693555# US (Houston)

Dial by your location
+1 669 900 6833 US (San Jose)
+1 346 248 7799 US (Houston)
+1 253 215 8782 US (Tacoma)
+1 301 715 8592 US (Washington DC)
+1 312 626 6799 US (Chicago)
+1 929 436 2866 US (New York)

Meeting ID: 810 5771 3115
Passcode: 693555
Find your local number: https://us02web.zoom.us/u/kdb3w6MRfz

NOTE: In accordance with the Governor's Executive Order (N-29-20) and the declared State of Emergency as a result of the threat of COVID-19, members of the Finance & Administration Committee, Board of Directors, and Water Authority staff will be participating in this meeting remotely from multiple locations. This meeting will occur exclusively through ZOOM. If members of the public have any problems using the call-in number during the meeting, please contact the Authority office at 209-826-9696.

NOTE FURTHER: Any member of the public may address the Finance & Administration Committee/Board concerning any item on the agenda before or during consideration of that item, as appropriate.

Because the notice provides for a special telephonic meeting of the Finance & Administration Committee ("FAC") and a joint special telephonic FAC Meeting/Special Board Workshop, Board Directors/Alternates may discuss items listed on the agenda; however, only FAC Members/Alternates may correct the agenda or vote on action items.

Agenda

1. Call to Order/Roll Call

2. Finance & Administration Committee to Consider Additions or Corrections to the Agenda for the Finance & Administration Committee Meeting only, as Authorized by Government Code Section 54950 et seq.

3. Opportunity for Public Comment – Any member of the public may address the Finance & Administration Committee/Board concerning any matter not on the Agenda, but within the Committee's or Board's jurisdiction. Public comment is limited to no more than three minutes per person. For good cause, the Chair of the Finance & Administration Committee may waive this limitation.

ACTION ITEMS

4. **Finance & Administration Committee to Consider Approval of the February 1, 2021 Meeting Minutes**

5. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Adopt Resolution Modifying the Debt Management Policy Adopted through Resolution No. 2019-437**

REPORT ITEMS

6. FY21 Activity Agreements Budget to Actual Report through 1/31/21

7. FY21 O&M Budget to Actual Report through 1/31/21

8. Procurement Activity Report

9. Executive Director's Report, Barajas

    a. March 2021 Board Workshop
    b. (May include reports on activities within the Finance & Administration Committee's jurisdiction related to 1) CVP/SWP water operations; 2) California storage projects; 3) regulation of the CVP/SWP; 4) existing or possible new State and Federal policies; 5) Water Authority activities; 6) COVID-19 response)

10. Committee Member Reports

11. Reports Pursuant to Government Code Section 54954.2(a)(3)

12. ADJOURNMENT

Persons with a disability may request disability-related modification or accommodation by contacting Cheri Worthy or Sandi Ginda at the San Luis & Delta-Mendota Water Authority Office via telephone (209) 826-9696 or email [cheri.worthy@sldmwa.org or sandi.ginda@sldmwa.org] at least 3 days before a regular meeting or 1 day before a special meeting/workshop.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Section 54950 et seq. and has not been prepared with a view to informing an investment decision in any of the Authority's bonds, notes, or other obligations. Any projections, plans, or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the Authority's bonds, notes, or other obligations and investors and potential investors should rely only on information filed by the Authority on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at https://emma.msrb.org/.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
TELEPHONIC FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING AND
JOINT TELEPHONIC FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING / SPECIAL BOARD WORKSHOP
MINUTES FOR FEBRUARY 1, 2021

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority convened at approximately 12:00 p.m. This meeting was held via teleconference/ZOOM in accordance with the Governor's Executive Order (N-29-20) and the declared State of Emergency as a result of the threat of COVID-19, with Chair Rick Gilmore presiding.

Members and Alternate Members in Attendance

Ex Officio
Cannon Michael
Division 1
Rick Gilmore, Member - Anthea Hansen, Alternate
Division 2
Bobbie Ormonde, Member
Division 3
Chris White, Member - Jarrett Martin, Alternate
Division 4
Sara Singleton, Member - Dana Jacobson, Alternate
Division 5
Bill Pucheu, Member
Friant Water Authority
Jason Phillips, Member

Board of Directors Present

Division 1
Anthea Hansen, Director
Rick Gilmore, Director
Division 2
None
Division 3
Chris White, Director - Jarrett Martin, Alternate
Cannon Michael, Director
Division 4
Sara Singleton, Alternate
Division 5
Bill Pucheu, Director

Authority Representatives Present

Federico Barajas, Executive Director
Rebecca Akroyd, General Counsel
Pablo Arroyave, Chief Operating Officer
Scott Petersen, Water Policy Director
Joyce Machado, Director of Finance
Lauren Neves, Accountant III
Frances Mizuno, Special Projects Administrator
Stewart Davis, IT Officer

Others in Attendance

Don Willard, Friant Water Authority
Minnie Moreno, Del Puerto Water District

1. Call to Order/Roll Call

Chair and Member Rick Gilmore called the meeting to order at approximately 12:00 p.m.

2. Additions or Corrections to the Agenda

There were no additions or corrections.

3. Opportunity for Public Comment

There was no public comment.

4. Finance & Administration Committee to Consider Approval of the January 11, 2021 Meeting Minutes.

Member Jason Phillips stated Friant Water Authority requested they be part of the DMC subsidence cost allocation discussion during the January meeting and asked that the minutes be amended to reflect this request. Member Sara Singleton noted that in item 5, the ayes and noes are correctly delineated but unanimously needs to be removed from the narrative as that does not correctly reflect the action. Member Bill Pucheu moved to approve the January 11, 2021 meeting minutes as amended. The motion was seconded by Member Chris White and passed unanimously. The Committee action is reported as follows:

AYES:	Michael, Gilmore, Ormonde, White, Singleton, Pucheu, Phillips
NOES:	None
ABSTENTIONS:	None

5. Finance & Administration Committee to Consider Recommendation to Board of Directors to Accept the Treasurer's Report for the Quarter Ending December 31, 2020.

Director of Finance Joyce Machado presented the Treasurer's report for the quarter ending 12/31/20. Operational cash totaled $48,826,405.23 while DHCCP cash totaled $4,100,256.30. Member Chris White made the motion to accept the Treasurer's Report for the quarter ending December 31, 2020. The motion was seconded by Member Sara Singleton and passed unanimously. The Committee action is reported as follows:

AYES:	Michael, Gilmore, Ormonde, White, Singleton, Pucheu, Phillips
NOES:	None
ABSTENTIONS:	None

6. Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Executive Compensation for Various Positions.

Member Rick Gilmore presented a recommendation for a 5% increase in executive compensation for the Executive Director, Chief Operating Officer, General Counsel, Water Policy Director, and Director of Finance positions. This suggested increase is based on performance evaluations for Executive Director and General Counsel and the results from the salary survey presented at the January meeting. The increase will be encompassed within the $300,000 placeholder that is currently in the FY22 proposed budget. Member Rick Gilmore made the motion to recommend to the Board to approve executive compensation as recommended. The motion was seconded by Ex Officio Member Cannon Michael and passed. The Committee action is reported as follows:

AYES:	Michael, Bourdeau, Gilmore, White, Pucheu, Singleton
NOES:	Ormonde
ABSTENTIONS:	Phillips

7. Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Water Year 2021 O&M Water Rates.

Director of Finance Joyce Machado presented the proposed water year 2021 O&M water rates. Machado stated that the Authority surveyed the districts for estimated water year 2021

deliveries based on a 10%, 20% and 25% Ag allocation. Machado went on to review the budgeted costs and delivery assumptions. It was recommended by the Committee that the water rates be approved by the Board based on the 10% Ag allocation until the Authority knows the final approved allocations. Member Bill Pucheu made the motion to approve Water Year 2021 O&M Water Rates. The motion was seconded by Member Rick Gilmore and passed unanimously. The Committee action is reported as follows:

AYES:	Michael, Gilmore, Ormonde, White, Singleton, Pucheu, Phillips
NOES:	None
ABSTENTIONS:	None

8. Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Modifications to Executive Director and General Counsel Performance Evaluation Process.

Executive Director Federico Barajas presented the staff memo to the Committee members. Barajas stated that the memo is based on feedback received from the committee after the last performance evaluations. It was requested that staff research the performance evaluation forms and processes of other similar agencies, specifically for more relevant questions and rating scales. The proposed performance evaluation forms simplify the process and nature of the questions and revises the rating scale determination. Ex Officio Member Cannon Michael made the motion to approve modifications to Executive Director and General Counsel performance evaluation process. The motion was seconded by Member Bill Pucheu and passed unanimously. The Committee action is reported as follows:

AYES:	Michael, Gilmore, Ormonde, White, Singleton, Pucheu, Phillips
NOES:	None
ABSTENTIONS:	None

REPORT ITEMS

9. Discussion regarding Modifications to Debt Management Policy.

General Counsel Rebecca Akroyd briefly reviewed the suggested edits to the Debt Management Policy from Friant Water Authority. Akroyd then stated she would be sending out

a Word version of the document that will include the suggested edits from Friant. The Authority is requesting that any members and agencies provide feedback no later than February 19, 2021.

10. FY21 Activity Agreements Budget to Actual Report through 12/31/20.

Director of Finance Joyce Machado reported on the Budget to Actual Comparison Summary for December 31, 2020 for the member-funded activities. Machado stated that for the ten-month period, the budget was trending positive with overall spending through December 31, 2020 at 57.4% of the approved budget.

11. FY21 O&M Budget to Actual Report through 12/31/20.

Director of Finance Joyce Machado reported to the Committee that for WY20 the self-funded routine O&M expenses through December 31, 2020 were under budget by $2,964,839. Machado stated that a big contributor to the positive spending is the Intertie DWR conveyance. The WY18 and WY19 final accountings and the Intertie O&M cost recovery remain outstanding. The goal to complete the WY19 final accountings has been extended to the end of March 2021 and staff plans to distribute the WY18 final accountings by the end of February 2021.

12. Procurement Activity Report.

Director of Finance Joyce Machado presented the procurement activity for the period of January 7th through January 27th. On January 12th, the Authority executed a contract with Fire and Risk Alliance for fire protection assessment of all plants. The contract amount was $161,100 and the funding source was from the EO&M approved budget. There were no contract change orders executed during this period.

13. Executive Director's Report.

Executive Director Federico Barajas reviewed the Authority's plan to incorporate the salary survey in to the FY22 salary increase determinations, as well as the plan to incorporate a 5-step salary structure process. Barajas explained that based on the action taken under agenda item #6, the executive salary increase will be covered under the 3% salary placeholder and the remaining funds will be allocated per the results of the salary survey. Positions within 5% of the average salary results will receive the CPI and other positions with the greatest disadvantage on salaries would receive a greater percentage than the CPI amount.

Once the placeholder has been allocated, Barajas will be working with the HR Director to create a 5-step salary structure process and benefits package. This is intended to be a multi-year approach in order to increase salaries into the average range based on the salary survey.

Barajas then provided an update on the FY22 budget approval process. He stated that a memo has been provided to the Board of Directors describing the approval process the Authority will be taking for the FY22 budget. He then referred to General Counsel Rebecca Akroyd to walk through the Board Budget memo.

Lastly, Barajas updated the committee that staff recently heard from EPA on the WIFIA loan application. EPA incurred some costs during the Jones Pumping Plant WIFIA application review process and will be sending the Authority an invoice for reimbursement of these costs.

14. Committee Member Reports.

No reports given.

15. Reports Pursuant to Government Code Sec 54954.2

No reports given.

16. Agenda Item 13: Adjournment.

The meeting was adjourned at approximately 1:13 p.m.

Family Farm ALLIANCE SM

MEMORANDUM

TO: **SLDMWA BOARD OF DIRECTORS**

FROM: DAN KEPPEN, EXECUTIVE DIRECTOR

SUBJECT: EXECUTIVE DIRECTOR'S REPORT

DATE: MARCH 1, 2021

This memo is intended to keep you apprised as to what is happening behind the scenes on policy issues the Family Farm Alliance is engaged in. In the past month, our efforts have focused on working with new Biden administration, preparing and advocating for a stimulus infrastructure package that includes Western water provisions, and conducting our 2021 "virtual" annual conference. These issues and other matters important to our members are further discussed in this memo.

BIDEN ADMINSTRATION DEVELOPMENTS

1. Confirmation of Cabinet Positions: Overview

Biden Cabinet nominees with important roles that impact Western farmers and ranchers are steadily being confirmed by the U.S. Senate. Importantly, the Senate last week voted to confirm former Iowa Gov. Tom Vilsack to Secretary of the U.S. Department of Agriculture (USDA). He was the Secretary of Agriculture during the Obama Administration. Other recently confirmed Cabinet members whose leadership will have bearing on Western irrigators include Energy Secretary Jennifer Granholm and Transportation Secretary Pete Buttigieg. Various Senate committees held confirmation hearings for additional cabinet or cabinet-level positions in the Biden Administration, including Rep. Deb Haaland (D-NM) to be Secretary of the Interior, and Michael Regan to be Administrator of the environmental Protection Agency (EPA). Several committees also held votes to advance the nomination of Neera Tanden to be Director of the Office of Management and Budget.

The Family Farm Alliance's West-wide, primarily rural membership works closest with the Departments of Agriculture and Interior (which houses the Bureau of Reclamation, Fish and

Wildlife Service, Bureau of Land Management, among other agencies) and the Environmental Protection Agency. Senior appointed officials in these departments play an important role in directing and implementing policies that have a real bearing on the well-being of Western farmers and ranchers.

2. Senate Confirms Vilsack as Secretary of Agriculture

The Senate by a 92-7 vote on February 23 confirmed Tom Vilsack to lead USDA for the second time. He is the ninth member of President Biden's Cabinet to be confirmed by the Senate. Mr. Vilsack previously served for eight years as head of USDA under former President Obama. Mr. Vilsack, 70, earlier received bipartisan praise from the Senate Agriculture Committee and his nomination was unanimously advanced. Most agricultural organizations have been supportive of Mr. Vilsack's return to USDA. Secretary Vilsack during his February 2 confirmation hearing emphasized to the Senate Agriculture, Nutrition and Forestry Committee that he will work to stabilize trade policy, focus on climate change and work with Congress on efforts to achieve President Biden's goal of "zero emission" agriculture. Secretary Vilsack believes this can be accomplished through more farmland conservation and encouraging carbon markets to give farmers a financial incentive.

3. Rep. Haaland's Confirmation Hearing for Secretary of the Interior

President Biden's nominee for Secretary of the Interior, Rep. Deb Haaland (D-NEW MEXICO) endured a two-day confirmation hearing before the Senate Energy and Natural Resources (ENR) Committee last week. As an enrolled member of the Pueblo of Laguna in New Mexico, Rep. Haaland would be the first Native American to be elevated to the office of Secretary at the Department of the Interior, if she is confirmed by the Senate. In her opening statement at her confirmation hearing on February 23rd, Rep. Haaland noted that fossil energy does and will continue to play a major role in America for years to come.

Committee Ranking Member John Barrasso (R-WYOMING) and other Senate Republicans during the course of the two-day hearing raised concerns over Rep. Haaland's early endorsement of the Green New Deal, her participation in protests against the Dakota Access pipeline, and her position on other issues surrounding oil and gas development and banning the practice of fracking on federal lands. They did not appear to be fully satisfied with Rep. Haaland's responses at the hearing. Senator Steve Daines (R-MONTANA) in the weeks leading up to the hearing threatened to stall the nomination by placing a hold preventing her from advancing through a procedural vote and instead forcing a more time-consuming cloture vote. However, Rep. Haaland has garnered the support of progressives, Native American, and major environmental groups, as well as House Natural Resource Committee Chairman Raul Grijalva (D-AZ). Chairman Grijalva's committee is charged with oversight of many Interior Department matters.

If Senate Republicans are united in their opposition to Rep. Haaland, it will only take one Senate Democrat's opposition to prevent the confirmation. All eyes prior to the hearing were on Chairman

Manchin, who hails from a carbon energy production state. The hearing wrapped up without a vote. Afterward, Senator Manchin announced that he would vote in favor of confirming Rep. Haaland to lead the Interior Department.

4. Tanden Confirmation in Jeopardy

Rep. Haaland appeared to have escaped the plight of Ms. Neera Tanden, President Biden's choice to lead the White House Office of Management and Budget (OMB). Ms. Tanden's confirmation is now in jeopardy after Sen. Manchin and Sen. Susan Collins (R-ME) said they would not support her. Ms. Tanden has been one of President Biden's most controversial nominees, in part because of her scathing Tweets against political opponents, regardless of their political affiliation, including Senators Bernie Sanders (I-VT) and Mitch McConnell (R-KY). Senator Collins criticized Mr. Tanden for deleting tweets in the days before her nomination was announced and said that "raises concerns about her commitment to transparency." Ms. Tanden apologized for the tweets in two recent hearings, and her defenders have pointed to her deep policy expertise and experience. She cannot afford to lose any Democratic support with a 50-50 Senate.

5. Committee Advances EPA Administrator Nominee

On February 9, the Senate Environment and Public Works (EPW) Committee voted 14-9 to advance Michael Regan's nomination to be Administrator of the EPA, clearing the way for full Senate consideration of his confirmation. His written testimony suggests he will employ a centrist, consensus-driven approach in his new position, if confirmed by the full Senate. Mr. Regan started his career at the EPA, serving in the Clinton and Bush Administrations until 2008. Regan then spent eight years at the Environmental Defense Fund, where he ultimately became the associate vice president for clean energy and a Southeast regional director. He has served as Secretary of the North Carolina Department of Environmental Quality since 2017. Mr. Regan's confirmation by the full Senate is imminent.

6. USDA Role in Biden Climate Change Initiative

The Biden administration is evaluating options for using USDA's Commodity Credit Corporation (CCC) to quickly launch its ambitious food and farm agenda without relying on appropriations from a closely divided Congress. The CCC – established in the Depression-era - is authorized to borrow $30 billion from the U.S. Treasury for the purpose of stabilizing the farm economy. Former President Donald Trump used the CCC as means of paying farmers for coronavirus relief and mitigating for trade impacts. President Biden's team is looking at their creative opportunities to apply the fund for a whole new agenda. One option could be using the agency to create a "carbon bank" that pays farmers and ranchers to sequester greenhouse gases in their farmland soil.

The Biden Administration also plans to raise the figure it will use to assess the damage that greenhouse gas pollution inflicts on society to $51 per ton of carbon dioxide. This rate is seven times higher than that used by the Trump Administration. This so-called "social cost of carbon"

could reach as high as $125 per ton once the Biden administration completes a more rigorous analysis. The final figure will be incorporated into federal agency decisions, including purchasing, pollution control requirements, and which types of infrastructure are permitted in the future.

7. Role of Farmers and Ranchers in Climate Programs

Many Western producers are anxious about President Biden's executive order to protect 30% of the country's land and waters by 2030, the so-called "30x30" initiative. Senate Republicans have expressed concerns about how 30x30 will affect production agriculture and resource development, including on federal land. Mr. Vilsack at his confirmation hearing pledged to "aggressively" seek advice from farmers about how best to involve agriculture in the new administration's climate change policies. One of those groups of farmers is Solutions from the Land (SfL), a nationwide network of agricultural leaders that seeks to mobilize public demand and support for solutions from the land. SfL last month released a report, "21st Century Agriculture Renaissance", written by farmers, ranchers, foresters and other land stewards in partnership with climate, energy and conservation experts. It seeks to stimulate empathy and action towards the many roles that farmers must take on for them to be successful and for all to live and grow. The report features a write-up and video by Family Farm Alliance President Pat O'Toole on sustainable water management on his family's Ladder Ranch. Mr. O'Toole represents the Alliance on the SfL board of directors, and he shared the link to report with Mr. Vilsack, who responded in an encouraging way.

DEVELOPMENTS IN CONGRESS

8. House Passes COVID Stimulus Package

With the second impeachment trial of former President Donald Trump behind them, House Democrats moved fast to enact a new COVID-19 relief package in recent weeks. Democrats employed the little-used budget reconciliation process to quickly pass a massive COVID relief package recommended by nine House committees before an earlier round of unemployment insurance benefits runs out on March 14. On February 22, President Biden issued a proclamation remembering the 500,000 Americans lost to COVID–19. Congressional activity on the COVID-19 front accelerated after the Senate last month voted to acquit former President Donald Trump on the House's charge of inciting the Jan. 6 insurrection at the Capitol. The 57-43 vote marks the first time since 1868 that a majority of the Senate voted to convict a president on an impeachment charge. But it still fell short of the two-thirds majority needed to secure a conviction. Mr. Trump's attorneys argued that it was unconstitutional to try a former president for impeachment and said the House managers did not meet the standard for an incitement charge.

The House passed the massive COVID stimulus package last Friday, setting the stage for a Senate vote on a package that will likely look much different. Senate Democratic leaders are working on the changes to the package that will be needed to get all 50 Senate Democrats and Independents on board. Budget reconciliation only requires a simple majority vote in the Senate - overriding the 60-vote requirement for most bills to be considered in the Senate. The House will need to vote

again on an amended Senate passed bill.

Included in budget reconciliation recommendations approved by the House committees are mandatory funding, program changes, and tax policies aimed primarily at mitigating the continuing effects of the Covid-19 pandemic. The package includes $350 billion to states, localities, tribes and territories in flexible funding to "replace revenue that was lost, delayed, or decreased" as a result of the COVID-19 pandemic (as of January 27, 2020), as well as other costs related to responding to or mitigating the impacts of the pandemic and addressing negative economic impacts. Notably, the package provides $1,400 in direct payments to certain individuals and dependents and additional transportation and agricultural funding, including $1 billion for racial justice provisions for farmers. Also of import, the Senate parliamentarian ruled Thursday that Democrats would be deemed out of order if they include a $15 minimum wage hike in their coronavirus relief package, a major blow to Senate Budget Committee Chair Bernie Sanders (I-Vt.) and progressives. House Democrats still included the minimum wage provisions on their version of the COVID-19 bill on Friday. However, according to *POLITICO*, the Senate decision means Democrats need to find another route to increasing the minimum wage.

The Republican Study Committee (RSC) – the largest conservative caucus in the House - authored a three-page memo to conservatives to outline "all the left-wing items Democrats are hoping the public won't find about." *Fox News* first obtained a copy of the fact sheet that was widely circulated last week. Among the provisions generating angst among the GOP are $1,400 stimulus checks going to mixed-status families with undocumented immigrants; allowing Planned Parenthood to receive Paycheck Protection Program funds designed to keep small businesses afloat; and nearly $600 million for additional emergency paid family leave for federal employees and U.S. Postal Service workers, according to the RSC memo.

9. Alliance Supports Special Districts Assistance Legislation

The National Special Districts Coalition (NSDC) – comprised of state special districts associations in California, Colorado, Florida, Oregon and Utah – along with 126 national, state, nonprofit and private business organizations – including the Family Farm Alliance – last month formally expressed support of the *Special Districts Provide Essential Services Act* (S.91/H.R.535). In a letter to House and Senate leadership, these organizations, who are the voice of more than 30,000 special districts across the country, urged Congress to include the needs of special districts in future COVID-19 relief aid legislation. Special districts – like irrigation and water districts - are independent local governments that provide critical infrastructure and essential services. S.91 / H.R. 535 would provide these districts certain access to future Coronavirus relief funding. Even as the anticipated fiscal impact of the pandemic on special districts tops $30.5 billion nationwide, many districts have not been able to access federal assistance to help their communities respond to and recover from the spread of the virus. The legislation would allocate critically needed financial relief to special districts that have experienced unforeseen expenditures, decreases in revenue, or both, as a result of the COVID-19 health crisis.

10. Congress Gears Up to Move Infrastructure Package

Democrat leaders in Congress have responded to President Joe Biden's plea last month for Congress to move quickly on a large infrastructure improvement plan. President Biden leveraged his observations from an earlier two-hour call with Chinese President Xi Jinping. "If we don't get moving, they're going to eat our lunch," he told reporters. China plans to invest billions of dollars in rail projects, automobile manufacturing and environmental improvements.

Committees in both house of the Democrat-led Congress last week initiated hearings that were seen by many as the official start of the legislative process required to pass a massive infrastructure stimulus package by July Fourth. Top House Democrats are also preparing to tee up an overhauled version of congressional earmarks, a legislative tool that was banned in 2011 due to claims that it led to wasteful spending. The work could start quickly, with infrastructure and spending bills as prime vehicles.

Bloomberg News reports that House Appropriations Committee Chair Rosa DeLauro (D-Conn.) will be releasing details of what the next generation of earmarks will look like "in coming weeks". Sen. Patrick Leahy (D-Vt.), chair of the Senate appropriations panel, is also preparing for a return to earmarks. Earmarks are seen by some as a way that contributes to bipartisan compromise. For President Joe Biden, getting member buy-in through earmarked funds could smooth the ability to pass a massive infrastructure package, *Bloomberg* opines. The Freedom Caucus and the Republican Study Committee both recently released statements in opposition to a revived use of earmarks.

a. House T&I Subcommittee Debates Price Tag

The House Transportation and Infrastructure (T&I) Subcommittee on Water Resources and Environment held a hearing last week to study the need for water infrastructure upgrades, from wastewater and drinking water facilities to pipes and other equipment. The Subcommittee probed both legislative and funding solutions, including the use of existing tools within federal agencies, in dealing with the current state of clean water systems, the backlog of water infrastructure major maintenance and replacement needs, and the challenges many cash-strapped communities are facing when paying for such upgrades. The infrastructure package price tag was a point of contention between committee Democrats and Republicans. Much of the discussion centered on provisions in last Congress' H.R. 2, the *Moving Forward Act*. That $1.5 trillion bill from Chairman Peter DeFazio passed the House last year but stalled in the Republican-led Senate. Included in that overarching infrastructure bill were provisions from H.R. 1497, the *Water Quality Protection and Job Creation Act of 2019*, which Rep. Napolitano co-sponsored with more than 50 House members, including Chairman DeFazio.

b. Senate Committee Hearing on "Build Back Better"

The Senate Environment and Public Works (EPW) Committee last week held a hearing on the "Build Back Better" COVID recovery initiative, President Biden's broad outline for infrastructure, clean energy, COVID recovery and economic stimulus. Republican and Democrat Senators said during the hearing they're hoping to craft a bipartisan bill that invests in aging transportation infrastructure and expands the nation's electric vehicle infrastructure. EPW Committee Chair Tom Carper (D-Del.) earlier in the month said he plans to pass two major infrastructure bills out of his committee by Memorial Day. On the surface transportation bill specifically, Carper said his goal is to "beat the record" for moving it through committee. In addition, Senator Carper said the committee would focus on water infrastructure legislation and intends to advance a version of the Water Resources Development Act by the end of May.

Any transportation infrastructure bill that comes out of these efforts may turn into a legislative vehicle to move a broader infrastructure package and could attract bipartisan support in the current highly partisan political atmosphere in Washington. Senator Carper, EPW Committee Ranking Member Shelley Moore Capito (R-WV) and President Biden have advocated a bipartisan approach. However, others, including Vermont Democrat Senator Bernie Sanders has advocated that infrastructure and climate policies could be folded into a second budget reconciliation bill, which would allow Democrats to bypass filibusters by Senate Republicans with a simple majority vote. Chairman Tom Carper (D-Del.) has similarly downplayed talk of moving infrastructure through reconciliation.

c. Valadao Introduces WIIN Act Extension Legislation

Representative David G. Valadao (R-CALIFORNIA) last month introduced the *Responsible, No-Cost Extension of Western Water Infrastructure Improvements*, or RENEW WIIN*, Act*, a clean extension of operations and storage provisions of the WIIN Act (P.L. 114-322). The RENEW WIIN Act would extend the general and operations provisions of Subtitle J of the WIIN Act and extend the provision requiring consultation on coordinated operations of the Central Valley Project and State Water Project in California. The legislation would also extend the authorization of appropriations for water storage projects that the Secretary of the Interior finds feasible. The RENEW WIIN Act is supported by the entire Republican delegation of California, and some of California's largest water organizations, including the Fresno Irrigation District, Friant Water Authority, Westlands Water District, and San Luis & Delta-Mendota Water Authority.

d. Family Farm Alliance Efforts

As reported in the January 2021 "Monthly Briefing", over 200 urban and rural water districts urged President-elect Joe Biden and congressional leadership last month to address aging Western water infrastructure in any potential infrastructure or economic recovery package. The effort was spearheaded by the Family Farm Alliance, ACWA, California Farm Bureau, National Water Resources Association and Western Growers Association. In separate letters to President-elect

Biden and congressional leaders, the coalition said existing Western water infrastructure is in desperate need of rehabilitation and improvement. Most of the federal water projects in the West were built more than 50 years ago and were not designed with the present and future population demands and climate conditions in mind. The coalition is working with stakeholders from several Western states and Western Congressional offices to encouraged federal investment in a diversified water management portfolio that enhances water supply and quality for urban and environmental uses while keeping water flowing to Western farms.

11. House Democrats Fast-Track Public Lands Package

House Democrats with support from President Biden last week quickly passed legislation along partisan lines that would permanently protect public lands and waters in Colorado, California, and Washington by designating approximately 1.5 million acres of wilderness and incorporating more than 1,000 river miles into the National Wild and Scenic Rivers System. H.R. 803, the *Protecting America's Wilderness and Public Lands Act* also contains provisions to create and maintain additional recreational access by authorizing new trails, services, and facilities.

House Republicans strenuously protested the bill and the process used to advance it. They claim that if H.R. 803 had gone through regular order, it would have come before the Committee on Natural Resources for hearings and a markup. House Democrats, they say, bypassed this procedure and sent the legislation straight to the Committee on Rules. During a hearing before the Rules Committee last week, House Democrats struck down every Republican outdoor recreation and wildfire amendment, including one offered by Rep. Russ Fulcher (R-IDAHO) and others that would have prevented agency secretaries from superseding water law or water rights that individual states have already established. The western states are governed by a senior water rights doctrine usually determined by a state water engineer or board. Rep. Bruce Westerman, Ranking Member of the House Committee on Natural Resources, led Republicans on the House floor in opposing H.R. 803 last Thursday evening. The House on Friday passed H.R. 803 largely along party lines, 227-200.

12. Wild and Scenic and Conservation Corps Legislation

Several bills aimed at protecting Western land and waters have also been introduced in the Senate, including a bill authored by Oregon Democrats Ron Wyden and Jeff Merkley that would add nearly 4,700 miles of rivers and streams in Oregon to the national Wild and Scenic Rivers system – the largest Wild and Scenic Rivers effort in the nation's history. Sen. Wyden and Rep. Joe Neguse (D-CO) have also reintroduced the "21st Century Civilian Conservation Corps Act," modeled after the initiative of the same name in the Roosevelt Administration's "New Deal" era that provided employment and job training to 3 million out-of-work Americans between 1933 and 1942. The companion bills would establish a $9 billion account to hire and train individuals for jobs in the outdoors planting trees, constructing trails, controlling invasive species, restoring wetlands, and building parks. The bills authors have said these new jobs are needed for rural and tribal areas to fully recover from the COVID pandemic while supporting the restoration of public lands and

forests across the country. Along the same lines, President Biden recently signed an executive order that called for the Interior and Agriculture Departments to develop the logistics for the creation of a "climate conservation corps" with objectives that also match up with the newly reintroduced legislation.

13. Snake River Dam Removal

Rep. Mike Simpson (R-ID) has proposed a sweeping $33.5 billion plan to save the Pacific Northwest's salmon that includes breaching four Army Corps of Engineers' dams on the Lower Snake River in Eastern Washington State. The proposal also offers a framework that would remake the region's energy system and replace power production and barging lost from the breached dams. Rep. Simpson plans to draft legislation to include in President Biden's infrastructure stimulus package planned for later this year. The regions' stakeholders, and even the Congressman, say the entire proposal will be a heavy lift politically. The Idaho Grain Producers and Idaho Farm Bureau Federation have already expressed full-throated opposition.

Much of the media coverage to date has implied widespread support for the proposal, particularly from tribes, fishing and environmental groups, and some Northwest governors. However, the story on the ground may be a different one. Four Pacific Northwest Republican House members introduced a resolution to reaffirm the country's support for hydropower. Rep. Cathy McMorris Rodgers opposes removing the dams. And she was joined last month in a resolution of support for existing and new hydropower by Republican Reps. Dan Newhouse and Jaime Herrera Beutler in Washington state and Russ Fulcher in Idaho. Northwest RiverPartners (NWRP), a not-for-profit, member-driven organization representing community utilities, farmers, ports, and businesses across the region, issued a balanced but firm public statement on Rep. Simpson's proposal. NWRP believes the case for breaching to save salmon lacks scientific rigor. In addition, they point to a growing body of science suggests warming, acidifying oceans are the driving factor behind worldwide declines in marine fish populations, including salmon. NWRP does believe Rep. Simpson's plan has the best of intentions and deserves to be vetted among Northwest stakeholder groups.

ALLIANCE INITIATIVES

14. 2021 Family Farm Alliance "Virtual" Annual Conference

Our first (and hopefully, last) virtual annual conference was held February 18 and 19. Throughout the two days, audience participating hovered between 150 and 200. The reaction from participants was very positive and encouraging, but honestly, I think everyone wishes we could have met in person in Reno. The silver lining of having a virtual event is that we were able to get participating from four Members of Congress, which was a first for us. If you didn't have a chance to participate, we have made recordings of the event available. Links to each day's events, along with the agenda and associated time stamps are provided below.

Session Link for February 18 (Day 1)

0:00:10	Welcome – Alliance President Pat O'Toole
0:15:00	U.S. Senator Michael Bennet (D-CO)
0:21:50	Q&A moderated by Alliance Executive Director Dan Keppen
0:49:40	Reclamation Roundtable
0:52:22	Opening Remarks of Interior Deputy Commissioner Camille Touton
0:59:45	Regional Director Roundtable Discussion
1:57:00	Q&A moderated by Dan Keppen
2:12:58	U.S. Representative Dan Newhouse (R-WA)
2:24:00	U.S. Representative Jim Costa (D-CA)
2:37:16	Q&A moderated by Dan Keppen
2:46:45	Washington, D.C. Roundtable
3:32:35	Past Commissioner of Reclamation, Brenda Burman

Session Link for February 19 (Day 2)

0:00:00	Welcome - Pat O'Toole
0:14:00	Food and Agriculture Climate Alliance(FACA) Panel
1:30:27	The 2020 Western Wildfire Season: How did we get here, what have we learned, and how do we prepare for 2021?
1:36:55	CA State Senator Brian Dahle (R- Lassen County)
3:05:30	Pat O'Toole introduction
3:14:05	U.S. Senator John Barrasso (R-WY)
3:19:50	Pat O'Toole introduction
3:25:00	Principal Deputy Assistant Secretary Tanya Trujillo, U.S. Department of Interior
3:41:15	Q&A moderated by Dan Keppen
3:51:00	Closing remarks - Pat O'Toole

This is a quick summary of just a few of the issues the Alliance has been engaged in. Please do not hesitate to contact me at ***dan@familyfarmalliance.org*** *if you would like further information about what the Alliance is doing to protect water for Western irrigated agriculture.*