



**Notice of San Luis & Delta-Mendota Water Authority
Board of Directors Regular Meeting
Thursday, June 8, 2023, 9:30 a.m.**

**SLDMWA Boardroom
842 6th Street, Los Banos
(List of Member/Alternate Telephonic Locations Attached)**

Public Participation Information

Join Zoom Meeting

<https://us02web.zoom.us/j/85721833702?pwd=NVNjNmtWWTJBSWFVb2JrMHZQdz09>

Meeting ID: 857 2183 3702

Passcode: 992980

One tap mobile

+16694449171,,85721833702#,,,,*992980# US

+16699006833,,85721833702#,,,,*992980# US (San Jose)

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Meeting ID: 857 2183 3702

Passcode: 992980

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NOTE: Any member of the public may address the Board concerning any item on the agenda before or during its consideration of that item, as appropriate. For each item, public comment is limited to no more than three minutes per person. For good cause, the Chair of the Board may waive this limitation.

NOTE FURTHER: Meeting materials have been made available to the public on the San Luis & Delta-Mendota Water Authority's website, <https://www.sldmwa.org>, and at the Los Banos Administrative Office, 842 6th Street, Los Banos, CA 93635.

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 May 4, 2023 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 Resolution Recognizing the Service and Contributions of Rick Gilmore, Former General Manager of Byron-Bethany Irrigation District, Barajas**
8. **Board of Directors to Consider Finance & Administration Committee Recommendation Regarding Acceptance of Final Fiscal Year 2021 Audited Financial Statements, Tarka**
9. **Board of Directors to Consider Water Resources Committee Recommendation Regarding Adoption of Staff Recommendation for Positions on Legislation, Petersen**
 - a. **H.R. 3675 (Boebert), Western Water Accelerated Revenue Repayment Act**
 - b. **S. 658 (Booker), EQIP Improvement Act of 2023**
 - c. **S. ____ (Feinstein), Canal Conveyance Capacity Restoration Act**
 - d. **S. ____ (Feinstein), STREAM Act**
 - e. **S. ____ (Feinstein), RAIN Act**
 - f. **A.B. 754 (Papan), Water management planning: automatic conservation plan**
 - g. **A.B. 1205 (Bauer-Kahan), Water rights: sale, transfer, or lease: agricultural lands**
10. **Board of Directors to Consider Authorizing Increase in B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement Budget of \$2.5 Million, Arroyave**

Report Items

11. Report on State and Federal Affairs, Petersen/Dennis Cardoza/Kristin Olsen
12. Executive Director's Report, Barajas
(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)
13. 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)
14. Update on Water Operations and Forecasts, Arroyave/Bureau of Reclamation
15. Committee Reports:
 - a. Water Resources Committee Activities, Bourdeau
 - b. Finance & Administration Committee Activities, Hansen
 - c. O & M Technical Committee Activities, White
16. 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. San Joaquin Valley Collaborative Action Program
 - g. Central Valley Project Water Association
17. Board Member Reports
18. **CLOSED SESSION**

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of Litigation Pursuant to paragraph (4) of Subdivision (d) of Government Code Section 54956.9 – 2 potential cases

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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. Haaland, et al., U.S. District Court, E.D. Cal., Case No. 1:05-cv-01207; 9th Cir., Case No. 21-15163 (2005 DMC Contract Renewals)
- B. Pacific Coast Federation of Fishermen's Associations, et al. v. Conant, et al., U.S. District Court, E.D. Cal., Case No. 2:11-cv-02980; 9th Cir. Case No. 23-15599 (PCFFA v. Glaser or GBP Citizen Suit)
- C. City of Fresno, et al. v. United States, U.S. Court of Appeals for the Federal Cir., Case No. 22-1994; U.S. Court of Federal Claims, Case No. 1:16-cv-01276 (2014 Friant Div. Operations)
- D. Monterey Coastkeeper, et al. v. Central Valley Regional Water Quality Control Board, et al., Sac. Co. Superior Court, Case No. 34-2018-80002853; Env't'l Law Foundation v. State Water Resources Control Board, Sac. Co. Superior Court, Case No. 34-2018-80002851; Third District Court of Appeal, Case No. C093513; Cal. Supreme Court, Case No. S279677 (Waste Discharge Requirement Cases)
- E. North Coast Rivers Alliance v. Delta Stewardship Council, Sac. Co. Superior Court, Case No. 34-2018-80002898, Third District Court of Appeal Case No. C097948 (Delta Plan Amendment Cases)
- F. North Coast Rivers Alliance, et al. v. San Luis & Delta-Mendota Water Authority, et al., Merced Co. Superior Court, Case No. 19CV-04989; Fifth District Court of Appeal, Case No. F085972 (GBP Long-Term Storm Water Management Plan)
- G. Pacific Coast Federation of Fishermen's Associations, et al. v. Raimondo, et al., U.S. District Court, E.D. Cal., Case No. 1:20-cv-00431 (ROC on LTO BiOps)
- H. California Natural Resources Agency, et al. v. Raimondo, et al., U.S. District Court, E.D. Cal., Case No. 1:20-cv-00426 (ROC on LTO BiOps)
- I. CDWR Water Operation Cases, Sac. Co. Superior Court, Case No. JCCP 5117 (formerly Tehama-Colusa Canal Authority, et al. v. California Department of Water Resources, et al., Fresno Co. Superior Court, Case No. 20CECG01303) (SWP EIR Challenge)
- J. AquAlliance, et al. v. U.S. Bureau of Reclamation, et al., U.S. District Court, E.D. Cal., Case No. 1:20-cv-00878 (Long-Term Water Transfers EIS/EIR)
- K. AquAlliance et al. v. San Luis & Delta-Mendota Water Authority, Merced Co. Superior Court, Case No. 21CV-03487 (Long-Term Water Transfers EIS/EIR Addendum)
- L. California Sportfishing Protection Alliance, et al. v. State Water Resources Control Board, et al., Sac. Co. Superior Court, Case No. 34-2021-80003761 (2021 TUCP Order)
- M. California Sportfishing Protection Alliance, et al. v. State Water Resources Control Board, et al., Sac. Co. Superior Court, Case No. 34-2021-80003763 (2021 Temp. Mgmt. Plan)

19. Return to Open Session / Report from Closed Session, if any Required by Government Code Section 54957.1

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

21. 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, 842 6th Street, P.O. Box 2157, Los Banos, California, via telephone at (209) 826-9696, or via email at cheri.worthy@sldmwa.org or sandi.ginda@sldmwa.org. Requests should be made as far in advance as possible before the meeting date, preferably 3 days in advance of regular meetings or 1 day in advance of special meetings/workshops.

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/>.

SLDMWA BOARD OF DIRECTORS REGULAR MEETING
TELEPHONIC LOCATIONS
June 8, 2023

2180 Enrico Avenue
Firebaugh, CA 93622

7357 W. Tenaya Ave
Fresno, CA 93723

5700 Almaden Expressway
San Jose, CA 95123

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY BOARD OF
DIRECTORS REGULAR MEETING
MINUTES MAY 4, 2023

The Board of Directors of the San Luis & Delta-Mendota Water Authority convened at approximately 9:30 a.m. at 842 6th Street in Los Banos, California, with Chair Cannon Michael presiding.

Directors and Alternate Directors in Attendance

Division 1

Bobby Pierce, Director
Anthea Hansen, Director
Ed Pattison, Director - Lea Emmons, Alternate

Division 2

Ross Franson, Director

Division 3

Chris White, Alternate for Dan McCurdy
Jarrett Martin, Director (arrived during item 3)
Cannon Michael, Director (left after item 4)
Ric Ortega, Director

Division 4

Jim Beall, Alternate for Richard Santos (via ZOOM)
Steve Wittry, Director
Joe Tonascia, Director - Joyce Machado, Alternate

Division 5

Kirk Teixeira, Turner Island Water District
Manny Amorelli, Director

Authority Representatives Present

Federico Barajas, Executive Director
Rebecca Akroyd, General Counsel
Rebecca Harms, Deputy General Counsel
Scott Petersen, Water Policy Director
Ray Tarka, Director of Finance
Bob Martin, Facilities O&M Director
Jaime McNeill, Engineering Manager
Chauncey Lee, O&M Manager
Seth Harris, Water Operations Superintendent (Water Master)
Stewart Davis, IT Officer

Others in Attendance

Mitch Partovi, Water Agency
Chase Hurley, Pacheco Water District
Mike Wade, Farm Water Coalition (via ZOOM)
Dana Jacobson, Valley Water (via ZOOM)
Vince Gin, Valley Water (via ZOOM)

Dennis Cardoza, Foley & Lardner, LLP (via ZOOM)
Bill Ball, Foley, Foley & Lardner, LLP (via ZOOM)
Kristin Olsen, Calstrat (via ZOOM)
Steve Stadler, San Luis Water District (via ZOOM)

1. Call to Order/Roll Call

The meeting was called to order by Chair Cannon Michael 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. Agenda Items 3-4: Closed Session Report.

Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 9:34 a.m. Upon return to open session at approximately 10:24 a.m., Chair Cannon Michael stated that no reportable actions were taken, and handed over the gavel to Director Anthea Hansen, who acted as Chair for the remainder of the meeting.

4. Agenda Item 5: Opportunity for Public Comment

No public comment.

CONSENT ITEMS

5. Agenda Items 6-9: Board to Consider: a) March 9, 2023 Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports, c) Treasurer’s Report, d) Staff Reports.

On a motion of Director Joe Tonascia, seconded by Alternate Director Chris White, the Board accepted the March 9, 2023 Meeting Minutes with a minor correction, Financial Expenditures Reports, Treasurer’s Report, and Staff Reports. The vote on the motion was as follows:

AYES:	Pierce, Hansen, Pattison, Franson, White, Jarrett Martin, Ortega, Beall, Wittry, Tonascia, Teixeira, Amorelli
NAYS:	None
ABSTENTIONS:	None

ACTION ITEMS

6. Agenda Item 10: Board of Directors to Consider Water Resources Committee Recommendation Regarding Appointment to State and Federal Contractors Water Agency Board of Directors.

Executive Director Federico Barajas reviewed the memo included in the packet and reported that staff and the Water Resources Committee recommend the appointment of Director Ed Pattison as representative to the State and Federal Contractors Water Agency (SFCWA) Board of Directors to fill the Authority's vacant SFCWA Director seat.

On a motion of Director Bobby Pierce, seconded by Director Jarrett Martin, the Board appointed Director Ed Pattison to the State and Federal Contractors Water Agency Board of Directors. The vote on the motion was as follows:

AYES:	Pierce, Hansen, Pattison, Franson, White, Jarrett Martin, Michael, Ortega, Beall, Wittry, Tonascia, Teixeira, Amorelli
NAYS:	None
ABSTENTIONS:	None

7. Agenda Item II: Board of Directors to Consider Water Resources Committee Regarding Adoption of Staff Recommendation for Positions on the following Legislation:

Water Policy Director Scott Petersen reported and provided staff and Water Resources Committee recommended positions for consideration on the following legislation:

- a. **H.R. 872 (Calvert)**, Federally Integrated Species Health (FISH) Act
- b. **H.R. 2419 (Costa)**, Canal Conveyance Capacity Restoration Act
- c. **H.R. 2671 (Costa)**, To amend the Water Infrastructure Finance and Innovation Act of 2014 with respect to budgetary treatment of certain amounts of financial assistance, and for other purposes.
- d. **AB 939 (Pellerin)**, Santa Clara Valley Water District
- e. **AB 1469 (Kalra)**, Santa Clara Valley Water District
- f. **AB 1594 (Garcia)**, Medium- and heavy-duty zero-emission vehicles: public agency utilities
- g. **AB 345 (Wilson)**, Habitat Restoration: flood control: advance payment
- h. **SB 493 (Min)**, Air pollution: alternative vehicles and electric and hydrogen infrastructure
- i. **SB 550 (Grove)**, Water markets
- j. **SB 659 (Ashby)**, California Water Supply Solutions Act of 2023
- k. **AB 754 (Papan)**, Water management planning: automatic conservation plan
- l. **AB 1205 (Bauer-Kahan)**, Water rights: sale, transfer, or lease: agricultural lands

On a motion of Director Ric Ortega, seconded by Director Bobby Pierce, the Board adopted the staff-recommended support and favor positions on legislation (H.R. 872, H.R. 2419, H.R. 2671, AB 939, AB 1469, AB 1594, AB 345, SB 493, SB 550, SB 659, AB 1205). The vote on the motion was as follows:

AYES: Pierce, Hansen, Pattison, Franson, White, Jarrett Martin, Ortega, Beall, Wittry, Tonascia, Teixeira, Amorelli
NAYS: None
ABSTENTIONS: None

After a motion made by Alternate Director Chris White, and a second by Director Joe Tonascia, the vote on the motion regarding oppose on legislation (AB 754) failed for lack of an 85% affirmative vote.

AYES: Pierce, Hansen, Pattison, Franson, White, Jarrett Martin, Ortega, Wittry, Tonascia, Amorelli
NAYS: None
ABSTENTIONS: Teixeira, Beall

8. Agenda Item 12: Board of Directors to Consider Water Resources Committee Recommendation Regarding Adoption of Resolution Authorizing Award of Contract, Execution of Construction Agreement for O’Neill Pumping-Generating Plant Power Transformer Rehabilitations, and Expenditure of Up To \$3.2 Million from the FY22 and FY23, EO&M Budgets; CEQA Exemption.

Executive Director Federico Barajas introduced the item. Engineering Manager Jaime McNeill reviewed the memo included in the packet. McNeill reported that last year, the Authority solicited for the rehabilitation project and received one proposal. McNeill reported that in August 2022, the Water Resources and Finance & Administration Committees recommended, and the Board adopted Resolution No. 2022-507 authorizing award of contract pending successful negotiation on technical aspects of the proposal. McNeill reported that negotiations were ultimately unsuccessful, and the proposer withdrew their proposal. McNeill reported that on January 3, 2023 the contract was resolicited, and the Authority received one proposal from Cal Electro Inc. (CEI). McNeill reported that the proposal included all documents as required per the solicitation. McNeill reported that during the evaluation phase, evaluators requested a few clarifications regarding the proposal, and after obtaining clarifications from CEI, the Technical Proposal Evaluation Committee (TPEC) evaluated the proposal and its clarifications, and CEI received a passing score of 724/800 (90%). McNeill reported that the proposed expenditure of up to \$3.2M will be funded utilizing budgeted funds from Fiscal Year 2022 and 2023 EO&M budgets. McNeill reported that \$1.66M will be funded from FY22, and \$1.54M from FY23. Superintendent of Water Operations Seth Harris reviewed the Operations Plan and answered board member questions.

On a motion of Director Ric Ortega, seconded by Director Jarrett Martin, the Board approved resolution authorizing award of contract, execution of construction agreement for O’Neill Pumping-Generating Plant power transformer rehabilitations, and expenditure of up to \$3.2 million from the FY22 and FY23, EO&M budgets; CEQA exemption. The vote on the motion was as follows:

AYES: Pierce, Hansen, Pattison, Franson, White, Jarrett Martin, Ortega, Beall, Wittry, Tonascia, Teixeira, Amorelli
NAYS: None
ABSTENTIONS: None

9. Agenda Item 13: Board of Directors to Consider Finance & Administration Committee Recommendation Regarding OM&R Rate Setting Methodology/Practice.

Director of Finance Raymond Tarka presented the item. Tarka reported that based on a request of the Finance & Administration Committee (FAC), staff modeled an alternate approach to calculate rates under an adjusted rate setting model which would include a minimum participation of 25% during rate setting rather than solely upon true up. Tarka reported that historically, minimum participation amounts have been applied during final accountings after actual water deliveries for the water year are known. The Board discussed various options to proceed and agreed with the FAC to include minimum participation along with allocation and survey data in rate setting consistently for all water years.

On a motion of Director Joe Tonascia to include minimum participation along with allocation and survey data consistently for all water years, seconded by Alternate Director Chris White, the vote on the motion was as follows:

AYES: Pierce, Hansen, Pattison, Franson, White, Jarrett Martin, Ortega, Beall, Wittry, Tonascia, Teixeira, Amorelli
NAYS: None
ABSTENTIONS: None

10. Item 14: Board of Directors to Consider Acceptance of Delta-Mendota SGMA Coordination Committee Recommendation Regarding \$225,200 Increase to Activity Agreement (Fund 63) Budget for SGMA Support Services for the Delta-Mendota Subbasin.

Water Policy Director Scott Petersen reported that in late 2022, the Authority issued a Request for Proposals (RFP) to provide for the design of an ISWM Network in the D-M Subbasin. Petersen reported that the proposal, by Luhdorff & Scalmanini Consulting Engineers (LSCE), is for \$25,200. Petersen reported that the Authority has an existing Master Services Agreement with LSCE that was executed in March 2019 and staff is proposing to execute a new task order with LSCE under that Master Services Agreement for these services. Petersen reported that these services would be funded through the awarded grant funds, but were not included in the adopted FY 24 budget in Fund 63. Petersen reported that in December 2020, the D-M Subbasin parties submitted 6 Groundwater Sustainability Plans to DWR for review and approval, and in March 2023, DWR provided a letter indicating that DWR deemed the GSPs “Inadequate” for a number of reasons detailed in the letter transmitting the determination. Petersen reported that in response to the Inadequate determination, the regulatory authority for approving the

GSPs has shifted from DWR to the State Water Resources Control Board (SWRCB), and on April 4, the SWRCB held an informational hearing on the process to address the six basins that have been deemed inadequate. Petersen reported that in response to the inadequate determination, the D-M Coordination Committee has been meeting to develop a plan to address the deficiencies identified by DWR. the Coordination Committee met on April 24, 2023, and voted to recommend that the Authority Board approve a budget increase to the Fund 63 budget and an amendment to Task Order F24-AA63-001-EKI in the amount of \$200,000 to address deficiencies identified by DWR in its inadequate determination letter.

On a motion of Director Bobby Pierce, seconded by Director Ric Ortega, the Board approved the \$225,200 increase to Activity Agreement (Fund 63) Budget for SGMA Support Services for the Delta-Mendota Subbasin. The vote on the motion was as follows:

AYES: Pierce, Hansen, Pattison, Franson, White, Jarrett Martin, Ortega, Beall, Wittry, Tonascia, Teixeira, Amorelli

NAYS: None

ABSTENTIONS: None

REPORT ITEMS

II. Agenda Item 15: Report on State and Federal Affairs.

Water Policy Director Scott Petersen reported that staff is currently working on the development of a second education and advocacy trip to Washington, DC, and are targeting June for this trip. Petersen reported that they are planning to incorporate member agencies in this trip and asked the Board to let the Authority know if their agency is interested in coordinating/participating for this trip.

Petersen reported that President Biden signed an environmental justice (EJ) executive order (EO) seeking to toughen EPA and other agencies' reporting, analytical and other mandates aimed at limiting communities' adverse impacts. Petersen reported that the EO also creates a new White House Office of Environmental Justice at the Council for Environmental Quality to oversee the Administration's "whole-of-government" approach to EJ, including how the National Environmental Policy Act (NEPA) will be used to further EJ in federal decision making.

Petersen reported that the Biden Administration sent a proposed rule determining how federal agencies manage the ESA, from listing decisions to critical habitat designations, to the White House Office of Information and Regulatory Affairs for their review last month. Petersen reported that FWS and National Marine Fisheries Service (NMFS) share ESA responsibilities for different species and jointly submitted the proposals to the White House office, which is part of the Office of Management and Budget (OMB). Petersen reported that several ESA reforms were first announced by the Biden Administration nearly two years ago, and when finalized, the revised rules will also reverse ESA rulemakings completed during the Trump Administration.

On April 19, the House Committee on Natural Resources received testimony and was able to question Interior Secretary Deb Haaland on a number of issues related to the President's FY 2024 budget request. Representatives Bentz, McClintock and Duarte did a good job asking questions associated with water management actions and funding for key projects and secured a commitment from the Secretary to work together on the topic.

Petersen reported that a new analysis by both the Congressional Budget Office and the U.S. Department of the Treasury suggest that the debt ceiling could be breached as soon as June 8.

Dennis Cardoza, and Bill Ball provided additional information on federal affairs.

Petersen reported California's budget enters its climactic phase this month with Governor Newsom and lawmakers are at odds over closing a projected shortfall of \$22.5 billion. Petersen reported that Governor Newsom is expected to present his updated budget proposal May 12.

Petersen reported that the State Water Resources Control Board issued a Notice of Availability of the second revised draft Initial Biological Goals for Lower San Joaquin River Flow Objectives for review and comment. Petersen reported that written comment letters must be received by 12:00 pm on Friday, May 12, 2023.

Petersen reported that the California Water Plan team will begin a series of virtual workshops on the California Water Plan Update 2023 resource management strategies (RMSs). Petersen reported that the first workshop will collect public input on the draft Watershed Management RMS.

Petersen reported that on April 28, the California Air Resources Board voted to approve the Advanced Clean Fleets regulation. This means local government fleets must transition to 100% zero emission medium heavy-duty trucks by 2035.

Kristin Olsen provided additional information on state affairs.

12. **Agenda Item 16: Executive Director's Report.**

- a. **New Board Member Tour**- Executive Director Federico Barajas reported that a new Board member tour is scheduled for May 15, 2023.
- b. **Strategic Plan Workshop** – Executive Director Federico Barajas reported that the second Strategic Plan Workshop is scheduled for June 21, 2023.
- c. **Metropolitan Water District (Met)** – Executive Director Federico Barajas reported that Met owns land in the Delta and are in the process of developing a Wetland Restoration Program, and are requesting a letter of support from the Authority.

13. **Agenda Item 17: Chief Operating Officer's Report**

- a. **Hyacinth** - Facilities O&M Director Bob Martin reported that Mendota Pool Hyacinth control coordination meetings will be reconvening soon.

- b. **FY25 OM&R Budget Process** - Facilities O&M Director Bob Martin reported that the budget process has begun, and the Operations Maintenance Technical Committee Tour is scheduled for Monday, May 22, 2023.
- c. **Power Outage** - Facilities O&M Director Bob Martin reported that there was a complete PG&E power outage this morning at O'Neill. Martin reported that due to this outage there was a spill into the Volta Wasteway.

14. Agenda Item 18: Update on Water Operations and Forecasts

Executive Director Federico Barajas introduced Liz Kiteck from the Central Valley Operations Office (CVO) of the Bureau of Reclamation to provide an overview of CVP water operations and the latest forecasts. Kiteck reviewed storage levels for various CVP facilities, and highlighted that the federal share of San Luis Reservoir was expected to remain full for the rest of May. Kiteck further reported on excess conditions in the Delta, and contractor demands.

15. Agenda Item 19: Committee Reports.

- a. **Water Resources Committee** – No report.
- b. **Finance & Administration Committee** – Chair Anthea Hansen reported that the committee met and addressed agenda items.
- c. **O&M Committee** – Chair Chris White reported that there is an upcoming O&M Committee Tour scheduled May 22, 2023.

16. Agenda Item 20: Outside Agency/Organization Reports.

- a. **State and Federal Contractors Water Agency (SFCWA)** – Executive Director Federico Barajas reported that the next SFCWA meeting is June 15, 2023, with the board to discuss CalPERS obligations and refunds.
- b. **Family Farm Alliance (FFA)** – Report included in the packet.
- c. **Farm Water Coalition** – Mike Wade reported that they have been working with Authority staff on several newsletters, and multiple other outreach efforts including the Colorado River.
- d. **Association of California Water Agencies** – Executive Director Federico Barajas reported that the Spring ACWA Conference is next week.
- e. **Water Blueprint for the San Joaquin Valley (WBSJV)** - Water Policy Director Scott Petersen reported that the Blueprint Board met on February 15, approving the execution of a contract with the Hallmark Group for association management services and authorizing the Communications Committee to work with the Advocacy Committee to develop a

Communications Plan to guide communications for the organization.

- f. **SJV CAP** - Water Policy Director Scott Petersen reported the CAP Plenary authorized the formation and the development of charters for five work groups, who will be tasked with creating priorities to implement various provisions of the approved Term Sheet.
- g. **CVPWA** – No report.

17. Agenda Item 21: Board Member Reports.

No reports.

18. Agenda Item 22: Reports Pursuant to Government Code Section 54954.2(a)(3)

No report.

19. Agenda Item 23: Adjournment.

The meeting was adjourned at approximately 12:03 p.m.



MEMO

TO: Board of Directors

FROM: Darlene Neves, Supervisor of Operational Accounting
Raymond Tarka, Director of Finance

SUBJECT: June 2023 BOD Meeting Report - Finance
Fiscal Year - March 1, 2023 through February 29, 2024

DATE: June 8, 2023

Attached are the Financial & Expenditures Reports.

San Luis & Delta-Mendota Water Authority

Receivable Activity Report (Does Not Include Water Payment Transactions)

Month Ending April 30, 2023

	MEMBERS	OTHER	TOTAL RECEIVABLE
RECEIVABLE BALANCE MARCH 31, 2023	\$ 993,237.64	\$ 7,125.00	\$ 1,000,362.64
Billings:			
Central Delta-Mendota Region JPA		15,341.27	15,341.27
Cobra - Various Employees		2,763.26	2,763.26
DWR-IRWM P1R1 Grant		789,474.35	789,474.35
San Joaquin Valley Drainage Authority		4,619.12	4,619.12
State of CA Depart of Tax & Fee Admin - Diesel Fuel Refund		1,085.61	1,085.61
USBR - Emergency Services Contracts		56,731.15	56,731.15
Volta Wells PG&E Costs - Various Districts		116.27	116.27
TOTAL BILLINGS	\$ -	\$ 870,131.03	\$ 870,131.03
Collections:			
Central Delta-Mendota Region JPA		15,341.27	15,341.27
Cobra - Various Employees		1,865.13	1,865.13
DWR-IRWM P1R1 Grant		789,474.35	789,474.35
Membership - FY24 1st Installment	367,538.54		367,538.54
San Joaquin Valley Drainage Authority		4,619.12	4,619.12
State of CA Depart of Tax & Fee Admin - Diesel Fuel Refund		1,085.61	1,085.61
Volta Wells PG&E Costs - Various Districts		116.27	116.27
TOTAL COLLECTIONS	\$ 367,538.54	\$ 812,501.75	\$ 1,180,040.29
RECEIVABLE BALANCE APRIL 30, 2023	\$ 625,699.10	\$ 64,754.28	\$ 690,453.38

San Luis & Delta-Mendota Water Authority
SLDMWA
A/R Aging Summary-Sorted by Category
As of April 30, 2023

ID	Customer	Current	(30)	(60)	(90)	(>90)	Category	Total
CAMP-MEMB	CAMP-MEMB Camp 13 Drainage District	\$0.00	\$0.00	\$26,093.50	\$0.00	\$0.00	MEMBERSHIP	\$26,093.50
PDD-MEMB	PDD-MEMB Panoche Drainage District	\$0.00	\$0.00	\$115,991.83	\$0.00	\$0.00	MEMBERSHIP	\$115,991.83
PERE M	PERE M Madeline Pereira	\$0.00	\$0.00	\$0.00	\$0.00	(\$1.00)	MEMBERSHIP	(\$1.00)
PERR AMK	PERR AMK AMK Pereira, LLC	\$0.00	\$0.00	\$0.00	\$0.00	(\$1.00)	MEMBERSHIP	(\$1.00)
PWD-MEMB	PWD-MEMB Pacheco Water District	\$0.00	\$0.00	\$30,976.00	\$0.00	\$0.00	MEMBERSHIP	\$30,976.00
SLWD-MEMB	SLWD-MEMB San Luis Water District	\$0.00	\$0.00	\$0.00	(\$10.00)	\$0.00	MEMBERSHIP	(\$10.00)
WWD-MEMB	WWD-MEMB Westlands Water District	\$0.00	\$0.00	\$452,722.77	\$0.00	(\$73.00)	MEMBERSHIP	\$452,649.77
		\$0.00	\$0.00	\$1.84	\$0.00	\$0.00	MISC	\$1.84
		\$0.00	\$0.00	\$896.29	\$0.00	\$0.00	MISC	\$896.29
SWC	SWC State Water Contractors	\$0.00	\$7,125.00	\$0.00	\$0.00	\$0.00	MISC	\$7,125.00
USBR-SERVICES	USBR-SERVICES U.S. Bureau of Reclamation	\$0.00	\$0.00	\$56,731.15	\$0.00	\$0.00	USBR-SERVICES	\$56,731.15
Total		\$0.00	\$7,125.00	\$683,413.38	(\$10.00)	(\$75.00)		\$690,453.38

**San Luis & Delta-Mendota Water Authority
Cash Activity Detail Report - Operational
For Month Ending April 30, 2023**

Daily Interest Rates:		0.00%	0.00%	0.75%	0.75%	4.02%	3.40%	4.72%	4.80%	4.79%	2.89%		
Type of Account:	Cash	CVCB	CVCB	CVCB	CVCB	Cal Trust	Cal Trust	Cal Trust	Cal Trust	Cal Trust	LAIF	Petty	Total
Account #:	on Hand	Checking	Payroll	Transactional	Emergency Reserve	2510 Short Term 201	2510 Medium Term 202	2510 Blck Rck Fed 205	2510 Liquidity 203	2510 Blck Rck LEAF 204	4-006	Cash	
Cash Balance as of 3/31/2023		0.00	(277,729.70)	5,000.00	3,852,211.42	1,956,724.30	513,609.39	476,906.35	7,062,038.39	7,072,030.82	4,599,046.87	1,000.00	32,333,832.14
Date	Wire Payments												
04/05/23	Ceridian-funding 4/7/23 PR & Taxes	0.00	0.00	0.00	(383,874.06)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(383,874.06)
04/05/23	National Electric Coil-JPP Unit 3	0.00	0.00	0.00	(1,300,989.37)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,300,989.37)
04/19/23	Ceridian-funding 4/21/23 PR & Taxes	0.00	0.00	0.00	(386,988.78)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(386,988.78)
04/27/23	Shepherd OU-License	0.00	0.00	0.00	(960.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(960.00)
04/27/23	USBR-Power thru April	0.00	0.00	0.00	(1,684,115.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,684,115.00)
		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	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	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	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	(3,756,927.21)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(3,756,927.21)
Date	CVCB Sweep Checking/Trans Muni												
04/03/23	Sweep from Transactional Account	0.00	24,507.41	0.00	(24,507.41)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/04/23	Sweep from Transactional Account	0.00	110,228.56	0.00	(110,228.56)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/05/23	Sweep from Transactional Account	0.00	32,960.97	0.00	(32,960.97)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/06/23	Sweep from Transactional Account	0.00	73,846.94	0.00	(73,846.94)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/07/23	Sweep from Transactional Account	0.00	97,037.25	0.00	(97,037.25)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/10/23	Sweep from Transactional Account	0.00	11,133.88	0.00	(11,133.88)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/11/23	Sweep from Transactional Account	0.00	232,952.25	0.00	(232,952.25)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/12/23	Sweep from Transactional Account	0.00	74,913.85	0.00	(74,913.85)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/13/23	Sweep from Transactional Account	0.00	17,280.03	0.00	(17,280.03)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/14/23	Sweep from Transactional Account	0.00	46,049.20	0.00	(46,049.20)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/17/23	Sweep from Transactional Account	0.00	32,814.25	0.00	(32,814.25)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/18/23	Sweep from Transactional Account	0.00	911,864.50	0.00	(911,864.50)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/19/23	Sweep from Transactional Account	0.00	543,339.67	0.00	(543,339.67)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/20/23	Sweep from Transactional Account	0.00	28,132.70	0.00	(28,132.70)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/21/23	Sweep from Transactional Account	0.00	97,783.22	0.00	(97,783.22)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/24/23	Sweep from Transactional Account	0.00	(127,868.94)	0.00	127,868.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/25/23	Sweep from Transactional Account	0.00	37,690.86	0.00	(37,690.86)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/26/23	Sweep from Transactional Account	0.00	10,005.19	0.00	(10,005.19)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/27/23	Sweep from Transactional Account	0.00	7,507.70	0.00	(7,507.70)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
04/28/23	Sweep from Transactional Account	0.00	27,268.25	0.00	(27,268.25)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	2,289,447.74	0.00	(2,289,447.74)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Date	Bank Fee/Bank Error/Adjustments												
04/04/23	Service Charge Reversal	0.00	0.00	0.00	12.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.00
04/05/23	Change in share price	0.00	0.00	0.00	0.00	0.00	513.61	2,925.80	0.00	0.00	0.00	0.00	3,439.41
04/12/23	Change in share price	0.00	0.00	0.00	0.00	0.00	0.00	(1,950.54)	0.00	0.00	0.00	0.00	(1,950.54)
04/14/23	Analysis Charges	0.00	(61.15)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(61.15)
04/14/23	Incoming Wire Fees	0.00	0.00	0.00	(20.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(20.00)
04/17/23	Incoming Wire Fees	0.00	0.00	0.00	(40.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(40.00)
04/19/23	Incoming Wire Fees	0.00	0.00	0.00	(40.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(40.00)
04/20/23	Change in share price	0.00	0.00	0.00	0.00	0.00	0.00	(975.26)	0.00	0.00	(707.16)	0.00	(1,682.42)
04/26/23	Change in share price	0.00	0.00	0.00	0.00	0.00	0.00	1,462.90	0.00	0.00	707.16	0.00	2,170.06
04/28/23	Incoming Wire Fees	0.00	0.00	0.00	(20.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(20.00)
04/28/23	Change in share price	0.00	0.00	0.00	0.00	0.00	(0.01)	(975.27)	0.00	0.00	0.00	0.00	(975.28)
		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	(61.15)	0.00	(108.00)	0.00	513.60	487.63	0.00	0.00	0.00	0.00	832.08
Date	Interest Earned												
04/14/23	Interest Earned	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,996.83	0.00	30,996.83
04/28/23	Interest Earned	0.00	0.00	0.00	1,681.14	1,141.20	1,627.15	1,238.16	27,419.02	27,556.90	27,847.70	0.00	88,511.27
		0.00	0.00	0.00	1,681.14	1,141.20	1,627.15	1,238.16	27,419.02	27,556.90	27,847.70	30,996.83	0.00
		0.00	(332,289.23)	5,000.00	1,753,898.51	2,207,920.30	515,750.14	478,632.14	7,089,457.41	7,099,587.72	7,100,842.00	4,630,043.70	30,549,842.69

Note: Daily Interest Rates are through 4/30/2023

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**San Luis & Delta-Mendota Water Authority
Grant and USBR Funds Cash Activity Detail Report
For Month Ending April 30, 2023**

Non-Interest Bearing Account		CVCB Checking Grants	CVCB Checking DMC Subsidence Correction Funding	CVCB Checking USBR Rewind	CVCB Checking IRWM P1R1	Total
Account #:		8778	1787	8751	0659	
Cash Balance as of 3/31/2023		243,343.91	0.00	0.00	73,914.84	317,258.75
Date	Receipts - Remote Deposit					
04/10/23	Deposit	0.00	0.00	0.00	789,474.35	789,474.35
		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	789,474.35	789,474.35
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
Date	Checks Written					
		0.00	0.00	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	0.00	0.00
Date	Transfers From					
		0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00
Date	Transfers Out - To Transactional Acct					
04/12/23	To fund Accounts Payable	0.00	0.00	0.00	(789,474.35)	(789,474.35)
		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	(789,474.35)	(789,474.35)
Date	Bank Fee/Bank Error/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	0.00	0.00	0.00
Cash Balance as of 4/30/2023		243,343.91	0.00	0.00	73,914.84	317,258.75

San Luis & Delta-Mendota Water Authority
Cash Activity Detail Report - JPP Unit Rewinds Bond 2021A
For Month Ending April 30, 2023

		Account Information:	CVCB Bond 2021A	US Bank Bond 2021A	Total
		Cash Balance as of 3/31/2023	0.00	454,157.69	454,157.69
Date	Payment Receipts				
			0.00	0.00	0.00
			0.00	0.00	0.00
			0.00	0.00	0.00
Date	To/From CAR - Operational				
			0.00	0.00	0.00
			0.00	0.00	0.00
			0.00	0.00	0.00
Date	Incoming / Outgoing Funds				
			0.00	0.00	0.00
			0.00	0.00	0.00
			0.00	0.00	0.00
Date	Interest Earned / Adjustments				
			0.00	0.00	0.00
			0.00	0.00	0.00
			0.00	0.00	0.00
		Cash Balance as of 4/30/2023	0.00	454,157.69	454,157.69

San Luis & Delta-Mendota Water Authority
SLDMWA
A/P Register
April 1, 2023 - April 30, 2023

Account Type	Date	Document	Vendor	Paid
ACCOUNTS PAYABLE				
Vendor Bill Payment	4/5/2023	38167	5500 ACWA/JPIA - Workers Comp/Property Program	\$73,711.26
Vendor Bill Payment	4/5/2023	38168	2362 CALTRONICS BUSINESS SYSTEMS	\$30.18
Vendor Bill Payment	4/5/2023	38169	9602 CORE & MAIN LP dba R&B COMPANY	\$11,050.16
Vendor Bill Payment	4/5/2023	38170	2611 DIEPENBROCK ELKIN	\$2,394.00
Vendor Bill Payment	4/5/2023	38171	3499 FAMILY FARM ALLIANCE	\$25,000.00
Vendor Bill Payment	4/5/2023	38172	4004 GILTON SOLID WASTE MANAGEMENT INC. / O'Neill	\$97.08
Vendor Bill Payment	4/5/2023	38173	4531 HIXCO	\$1,596.66
Vendor Bill Payment	4/5/2023	38174	4500 HOLT OF CALIFORNIA	\$16,780.21
Vendor Bill Payment	4/5/2023	38175	6026 KRONICK MOSKOVITZ ET AL	\$3,878.07
Vendor Bill Payment	4/5/2023	38176	6500 LINNEMAN LAW, LLP	\$11,165.75
Vendor Bill Payment	4/5/2023	38177	25518 LOS BANOS PROPERTY MANAGEMENT SERVICES	\$8,524.80
Vendor Bill Payment	4/5/2023	38178	10262 MATRIX SCIENCES INTERNATIONAL INC./SOUTH DAKOTA AGRI	\$9,315.00
Vendor Bill Payment	4/5/2023	38179	7030 MCMASTER-CARR	\$733.76
Vendor Bill Payment	4/5/2023	38180	7570 NAPA AUTO PARTS-LOS BANOS / 15111	\$229.16
Vendor Bill Payment	4/5/2023	38181	15066 PAPE MACHINERY INC. / 353006	\$217,662.00
Vendor Bill Payment	4/5/2023	38182	25529 PG&E 0664015301-8	\$116.27
Vendor Bill Payment	4/5/2023	38183	6805 RELX INC. DBA LEXISNEXIS	\$208.00
Vendor Bill Payment	4/5/2023	38184	10325 SHRED-IT, C/O STERICYCLE, INC.	\$408.24
Vendor Bill Payment	4/5/2023	38185	10002 SORENSEN'S ACE HARDWARE	\$175.55
Vendor Bill Payment	4/5/2023	38186	10601 TURLOCK IRRIGATION DISTRICT	\$97.22
Vendor Bill Payment	4/5/2023	38187	11042 ULINE	\$32.39
Vendor Bill Payment	4/5/2023	38188	11029 UNITED PARCEL SERVICE	\$112.41
Vendor Bill Payment	4/5/2023	38189	11552 VERIZON WIRELESS	\$214.65
Vendor Bill Payment	4/5/2023	38190	12123 WOODARD & CURRAN INC.	\$48,868.48
WIRE	4/5/2023	24024	7581 NATIONAL ELECTRIC COIL COMPANY, L.P.	\$1,300,989.37
ACH	4/5/2023		VISA PAYMENT	\$21,152.99
ACH	4/7/2023	24039	5004 ICMA RETIREMENT TRUST	\$94,392.26
ACH	4/7/2023	24040	25536 SLDMWA EE ASSOCIATION	\$420.00
Vendor Bill Payment	4/12/2023	38191	25687 AAA BUSINESS SUPPLIES & INTERIORS	\$385.44
Vendor Bill Payment	4/12/2023	38192	1041 ACWA/JPIA - Insurance Premiums	\$194,267.69
Vendor Bill Payment	4/12/2023	38193	10048 ALHAMBRA / LBFO 9459721	\$153.31
Vendor Bill Payment	4/12/2023	38194	25552 ALHAMBRA / SLDM PUMP 4914649	\$463.36
Vendor Bill Payment	4/12/2023	38195	25615 AT&T MOBILITY 287314028407	\$1,043.10
Vendor Bill Payment	4/12/2023	38196	1674 BIDDLE CONSULTING GROUP, INC.	\$3,552.50
Vendor Bill Payment	4/12/2023	38197	1679 BIG T HYDRAULIC INC.	\$37.93
Vendor Bill Payment	4/12/2023	38198	1675 BLOOMBERG INC.	\$2,592.00
Vendor Bill Payment	4/12/2023	38199	1519 BUCKLES-SMITH INC.	\$3,553.06
Vendor Bill Payment	4/12/2023	38200	1651 CA DEPT OF TAX & FEE ADMINISTRATION	\$7,674.00
Vendor Bill Payment	4/12/2023	38201	2332 CALIFORNIA FARM WATER COALITION	\$23,332.00
Vendor Bill Payment	4/12/2023	38202	25568 CALIFORNIA STRATEGIES & ADVOCACY, LLC	\$15,000.00
Vendor Bill Payment	4/12/2023	38203	2362 CALTRONICS BUSINESS SYSTEMS	\$48.07
Vendor Bill Payment	4/12/2023	38204	2407 CDM SMITH INC.	\$16,490.10
Vendor Bill Payment	4/12/2023	38205	2250 CDW GOVERNMENT	\$215.31
Vendor Bill Payment	4/12/2023	38206	25597 COMPASS RESOURCE MANAGEMENT LTD	\$14,250.00
Vendor Bill Payment	4/12/2023	38207	2427 CORRPRO COMPANIES INC.	\$223.20
Vendor Bill Payment	4/12/2023	38208	2386 COTCHETT, PITRE & MCCARTHY, LLP	\$20,877.40
Vendor Bill Payment	4/12/2023	38209	25591-EMPLOYEE	\$295.00
Vendor Bill Payment	4/12/2023	38210	2519 DELTA DISPOSAL SERVICE - 3354700	\$2,368.74
Vendor Bill Payment	4/12/2023	38211	25665 DELTA DISPOSAL SERVICE, INC - 3354600	\$5,104.68
Vendor Bill Payment	4/12/2023	38212	2639 DHR HYDRO SERVICES INC.	\$51,997.45
Vendor Bill Payment	4/12/2023	38213	2629 DK ENTERPRISES INC. dba KINGS ROOFING	\$583.76
Vendor Bill Payment	4/12/2023	38214	3037 E&M ELECTRIC & MACHINERY, INC. dba AVEVA SELECT CA	\$2,453.21
Vendor Bill Payment	4/12/2023	38215	3086 EKI ENVIRONMENT & WATER, INC.	\$6,147.44
Vendor Bill Payment	4/12/2023	38216	3066 ESRI	\$2,420.00
Vendor Bill Payment	4/12/2023	38217	1670-EMPLOYEE	\$72.72
Vendor Bill Payment	4/12/2023	38218	1213-EMPLOYEE	\$60.39
Vendor Bill Payment	4/12/2023	38219	25669 FMT CONSULTANTS, LLC	\$7,393.75
Vendor Bill Payment	4/12/2023	38220	3597 FOLEY & LARDNER LLP	\$32,000.00
Vendor Bill Payment	4/12/2023	38221	25550 GILTON SOLID WASTE MANAGEMENT INC. / LBFO	\$73.16
Vendor Bill Payment	4/12/2023	38222	4013 GLOBAL EQUIPMENT COMPANY INC./GLOBAL INDUSTRIAL 39247	\$120.69
Vendor Bill Payment	4/12/2023	38223	25591 GOODWAY TECHNOLOGIES CORPORATION	\$3,378.09
Vendor Bill Payment	4/12/2023	38224	12019 GRAINGER INC.	\$2,326.56
Vendor Bill Payment	4/12/2023	38225	4528 HOME DEPOT CREDIT SERVICE	\$1,007.97
Vendor Bill Payment	4/12/2023	38226	25594 HOUSTON ENGINEERING, INC.	\$2,364.25
Vendor Bill Payment	4/12/2023	38227	5056 IDN WILCO	\$2,211.78
Vendor Bill Payment	4/12/2023	38228	6049 KAHN, SOARES & CONWAY, LLP	\$238.16
Vendor Bill Payment	4/12/2023	38229	6071 KELLOGG'S SUPPLY	\$23.43
Vendor Bill Payment	4/12/2023	38230	6801 LUHDORFF & SCALMANINI CONSULTING ENGINEERS	\$1,967.50

Vendor Bill Payment	4/12/2023	38231	10262 MATRIX SCIENCES INTERNATIONAL INC./SOUTH DAKOTA AGRI	\$1,782.00
Vendor Bill Payment	4/12/2023	38232	7182 MERCED TRUCK & TRAILER, INC.	\$355.30
Vendor Bill Payment	4/12/2023	38233	12060 METALTEK INTERNATIONAL, INC.-WISCONSIN CENTRIFUGAL DI	\$59,190.48
Vendor Bill Payment	4/12/2023	38234	8000 OFFICE SUPPLY EXPRESS	\$64.61
Vendor Bill Payment	4/12/2023	38235	8595 PACIFIC ECO-RISK LAB. INC.	\$12,702.54
Vendor Bill Payment	4/12/2023	38236	7005 PACIFIC VALLEY COFFEE	\$90.80
Vendor Bill Payment	4/12/2023	38237	1676-EMPLOYEE	\$295.00
Vendor Bill Payment	4/12/2023	38238	15074 PLATT	\$708.72
Vendor Bill Payment	4/12/2023	38239	25533 RAZZARI DODGE, INC.	\$2,141.07
Vendor Bill Payment	4/12/2023	38240	10164 SAN JOAQUIN RIVER EXCHANGE CONTRACTORS WA	\$1,774.20
Vendor Bill Payment	4/12/2023	38241	10168 STATE WATER CONTRACTORS	\$108,244.75
Vendor Bill Payment	4/12/2023	38242	25548 TERRACON CONSULTANTS, INC.	\$178,045.00
Vendor Bill Payment	4/12/2023	38243	10652 THOMPSON CHEVROLET BUICK GMC INC.	\$1,128.92
Vendor Bill Payment	4/12/2023	38244	10623 TRI AIR TESTING, INC.	\$227.00
Vendor Bill Payment	4/12/2023	38245	11042 ULINE	\$532.71
Vendor Bill Payment	4/12/2023	38246	25662 UNITED SITE SERVICES / ACT-00908631	\$81.30
Vendor Bill Payment	4/12/2023	38247	25521 UNWIRED BROADBAND INC. A00019063	\$249.98
Vendor Bill Payment	4/12/2023	38248	12111 WARDEN'S	\$2,901.28
Vendor Bill Payment	4/12/2023	38249	12101 WEST STANISLAUS IRRIGATION DISTRICT	\$728,337.60
Vendor Bill Payment	4/12/2023	38250	12003 WESTLANDS WATER DISTRICT	\$61,136.75
Vendor Bill Payment	4/12/2023	38251	12057 WINDECKER. INC.	\$17,996.27
Vendor Bill Payment	4/12/2023	38252	13008 YONKERS & JOHNSON INC.	\$290.96
Vendor Bill Payment	4/19/2023	38253	1154 AIRGAS USA, LLC	\$1,496.88
Vendor Bill Payment	4/19/2023	38254	25551 ALHAMBRA / OPP 4945111	\$212.76
Vendor Bill Payment	4/19/2023	38255	10195 AT&T 960 758 3850 555 7	\$1,409.84
Vendor Bill Payment	4/19/2023	38256	10196 AT&T LONG DISTANCE BAN:806492911	\$151.99
Vendor Bill Payment	4/19/2023	38257	25615 AT&T MOBILITY 287314028407	\$1,541.79
Vendor Bill Payment	4/19/2023	38258	2294 CABELA'S LLC / BASS PRO SHOPS LLC	\$314.08
Vendor Bill Payment	4/19/2023	38259	2407 CDM SMITH INC.	\$31,818.07
Vendor Bill Payment	4/19/2023	38260	2250 CDW GOVERNMENT	\$3,189.10
Vendor Bill Payment	4/19/2023	38261	25503 CENTRAL VALLEY SOFTWARE SOLUTIONS, LLC	\$4,900.00
Vendor Bill Payment	4/19/2023	38262	2315 CREATIVE OUTDOOR ENVIRONMENTS, INC.	\$1,160.00
Vendor Bill Payment	4/19/2023	38263	25654-EMPLOYEE	\$147.50
Vendor Bill Payment	4/19/2023	38264	2519 DELTA DISPOSAL SERVICE - 3354700	\$789.58
Vendor Bill Payment	4/19/2023	38265	10311-EMPLOYEE	\$200.00
Vendor Bill Payment	4/19/2023	38266	3610 FASTRAK	\$7.00
Vendor Bill Payment	4/19/2023	38267	3542 FGL ENVIRONMENTAL, INC.	\$149.00
Vendor Bill Payment	4/19/2023	38268	4017 GRAYBAR	\$304.55
Vendor Bill Payment	4/19/2023	38269	25626 HALLMARK GROUP	\$23,246.98
Vendor Bill Payment	4/19/2023	38270	5047 INDUSTRIAL SCIENTIFIC CORP.	\$844.36
Vendor Bill Payment	4/19/2023	38271	5509 JIM MOORE ENTERPRISES	\$1,390.58
Vendor Bill Payment	4/19/2023	38272	6049 KAHN, SOARES & CONWAY, LLP	\$1,280.00
Vendor Bill Payment	4/19/2023	38273	6026 KRONICK MOSKOVITZ ET AL	\$200.86
Vendor Bill Payment	4/19/2023	38274	7008 MARFAB INC.	\$619.72
Vendor Bill Payment	4/19/2023	38275	7009 MERCED COUNTY REG. WASTE MGMT AUTHORITY	\$70.00
Vendor Bill Payment	4/19/2023	38276	25636 MIZUNO CONSULTING, INC.	\$4,275.00
Vendor Bill Payment	4/19/2023	38277	7027 MODESTO WELDING PRODUCTS INC.	\$2,016.00
Vendor Bill Payment	4/19/2023	38278	7083 MSC INDUSTRIAL SUPPLY CO. / 00300038	\$934.07
Vendor Bill Payment	4/19/2023	38279	25547 O'REILLY / LOS BANOS 1068974	\$934.48
Vendor Bill Payment	4/19/2023	38280	8055 O'REILLY / TRACY 2347935	\$285.80
Vendor Bill Payment	4/19/2023	38281	7005 PACIFIC VALLEY COFFEE	\$110.80
Vendor Bill Payment	4/19/2023	38282	8511 PG&E 7262165466-3	\$3,856.15
Vendor Bill Payment	4/19/2023	38283	15074 PLATT	\$175.41
Vendor Bill Payment	4/19/2023	38284	15071 POWELL ELECTRICAL SYSTEMS, INC.	\$1,056.20
Vendor Bill Payment	4/19/2023	38285	25548 TERRACON CONSULTANTS, INC.	\$1,672.00
Vendor Bill Payment	4/19/2023	38286	10523 TEXAS REFINERY CORP.	\$675.34
Vendor Bill Payment	4/19/2023	38287	10652 THOMPSON CHEVROLET BUICK GMC INC.	\$14.79
Vendor Bill Payment	4/19/2023	38288	25600 TRI VALLEY HOSE INC.	\$626.35
Vendor Bill Payment	4/19/2023	38289	11060 UNWIRED BROADBAND INC. A00015979	\$799.97
Vendor Bill Payment	4/19/2023	38290	12057 WINDECKER. INC.	\$98.06
Vendor Bill Payment	4/19/2023	38291	25675 YORKE ENGINEERING, LLC	\$1,268.50
Vendor Bill Payment	4/19/2023	38292	13605 ZORO TOOLS, INC.	\$327.87
ACH	4/21/2023	24041	5004 ICMA RETIREMENT TRUST	\$94,719.05
ACH	4/21/2023	24042	25536 SLDMWA EE ASSOCIATION	\$420.00
Vendor Bill Payment	4/25/2023	38293	25513 CALIFORNIA DEPT OF FISH & WILDLIFE	\$37,517.25
Vendor Bill Payment	4/27/2023	38294	1141 AFLAC	\$993.00
Vendor Bill Payment	4/27/2023	38295	15069-EMPLOYEE	\$59.00
Vendor Bill Payment	4/27/2023	38296	25523 ALHAMBRA / LBEO 9459657	\$72.93
Vendor Bill Payment	4/27/2023	38297	1268 AT&T 831-001-0165 694	\$2,080.05
Vendor Bill Payment	4/27/2023	38298	1267 AT&T 831-001-0165 911	\$2,145.35
Vendor Bill Payment	4/27/2023	38299	25610 AT&T MOBILITY 287312990252	\$1,046.97
Vendor Bill Payment	4/27/2023	38300	2217 C.A. SHORT COMPANY, INC	\$1,272.38
Vendor Bill Payment	4/27/2023	38301	2294 CABELA'S LLC / BASS PRO SHOPS LLC	\$145.45
Vendor Bill Payment	4/27/2023	38302	2250 CDW GOVERNMENT	\$136.42
Vendor Bill Payment	4/27/2023	38303	9619-EMPLOYEE	\$177.00
Vendor Bill Payment	4/27/2023	38304	2248 CPUTREND	\$2,883.75
Vendor Bill Payment	4/27/2023	38305	25685 DARKTRACE HOLDINGS LIMITED	\$38,062.50

Vendor Bill Payment	4/27/2023	38306	25665 DELTA DISPOSAL SERVICE, INC - 3354600	\$1,372.00
Vendor Bill Payment	4/27/2023	38307	10311-EMPLOYEE	\$59.00
Vendor Bill Payment	4/27/2023	38308	4610 H.T. HARVEY & ASSOCIATES	\$5,755.26
Vendor Bill Payment	4/27/2023	38309	4544 HACH COMPANY	\$303.43
Vendor Bill Payment	4/27/2023	38310	4528 HOME DEPOT CREDIT SERVICE	\$345.29
Vendor Bill Payment	4/27/2023	38311	4605 HOMEWOOD SUITES	\$4,823.70
Vendor Bill Payment	4/27/2023	38312	5021 INDUSTRIAL ELECTRICAL COMPANY	\$2,989.39
Vendor Bill Payment	4/27/2023	38313	1171-EMPLOYEE	\$177.00
Vendor Bill Payment	4/27/2023	38314	10291-EMPLOYEE	\$150.00
Vendor Bill Payment	4/27/2023	38315	7030 MCMASTER-CARR	\$581.36
Vendor Bill Payment	4/27/2023	38316	7009 MERCED COUNTY REG. WASTE MGMT AUTHORITY	\$27.00
Vendor Bill Payment	4/27/2023	38317	5555 MLJ ENVIRONMENTAL	\$5,305.25
Vendor Bill Payment	4/27/2023	38318	7577 N&S TRACTOR / STOCKTON	\$55.96
Vendor Bill Payment	4/27/2023	38319	7529 NEW YORK LIFE INSURANCE	\$767.87
Vendor Bill Payment	4/27/2023	38320	25547 O'REILLY / LOS BANOS 1068974	\$178.22
Vendor Bill Payment	4/27/2023	38321	8064 OCCU-MED, LTD.	\$81.00
Vendor Bill Payment	4/27/2023	38322	25531 PG&E 2125628853-7	\$620.94
Vendor Bill Payment	4/27/2023	38323	25530 PG&E 8833159983-2	\$2,179.28
Vendor Bill Payment	4/27/2023	38324	15042 PIONEER LAW GROUP, LLP.	\$4,808.05
Vendor Bill Payment	4/27/2023	38325	15015 PRINCIPAL LIFE INSURANCE COMPANY	\$5,443.36
Vendor Bill Payment	4/27/2023	38326	10204 SC INDUSTRIES INC. / DBA CONTEC HOIST & RIGGING	\$616.14
Vendor Bill Payment	4/27/2023	38327	10325 SHRED-IT, C/O STERICYCLE, INC.	\$272.16
Vendor Bill Payment	4/27/2023	38328	10069 SUMMERS ENGINEERING, INC.	\$48,112.64
Vendor Bill Payment	4/27/2023	38329	11055 UNITED STATES GEOLOGICAL SURVEY	\$7,900.00
Vendor Bill Payment	4/27/2023	38330	11563 VIRGINIA MECHANICAL, INC.	\$17,886.00
Vendor Bill Payment	4/27/2023	38331	12096 WEX BANK	\$1,171.76
Vendor Bill Payment	4/27/2023	38332	13511 YANCEY HOME CENTER	\$46.38
WIRE	4/27/2023	24043	11045 BUREAU OF RECLAMATION - SL JOINT/USBR POWER	\$1,684,115.00
WIRE	4/27/2023	24044	10327 SHEPHERD OU	\$960.00
Total - ACCOUNTS PAYABLE				\$5,529,806.33

San Luis & Delta-Mendota Water Authority

Activity Agreements Budget to Actual

Paid/Pending Comparison Summary

March 1, 2023 through April 30, 2023

FAC 6/5/23 & BOD 6/8/23

	FY Budget 3/1/23 - 2/29/24	Actual To Date Paid/Expense	% of Budget	Amount Remaining
03 General Membership	926,259	122,804	13.26%	803,455
05 Leg/CVP Operations	2,923,141	159,371	5.45%	2,763,770
06 Reallocation Agreement	0	0	0.00%	0
35 Contract Renewal Coordinator	30,337	39,562	130.41%	(9,225)
09 Leg/CVP Operations #3	0	0	0.00%	0
28 Yuba County Water Transfers	27,000	282	1.04%	26,718
22 Grassland Basin Drainage #3A	2,078,148	116,460	5.60%	1,961,688
63 SGMA - Coordinated	525,332	12,086	2.30%	513,246
64 SGMA - Northern Delta-Mendota Region	562,382	9,241	1.64%	553,141
65 SGMA - Central Delta-Mendota Region	562,382	9,072	1.61%	553,310
67 Integrated Regional Water Management	185,606	1,010	0.54%	184,596
68 Los Vaqueros Reservoir Expansion Project	9,235	992	10.75%	8,243
44 Exchange Contractors - 5 Year Transfer	20,000	1,752	8.76%	18,248
56 Long-Term North to South Water Transfer	197,587	3,179	1.61%	194,408
69 B.F. Sisk Dam Raise & Reservoir Exp	740,125	82,585	11.16%	657,540
16 DHCCP	1,175	13	1.14%	1,162
TOTAL	8,788,709	558,408	6.35%	8,230,301
	2/12 X 8,788,709	\$ 1,464,785	16.67%	
	Budget vs. Actual	<u>906,377</u>		



MEMO

TO: Pablo Arroyave, Chief Operating Officer
FROM: Raymond Tarka, Director of Finance
Darlene Neves, Accounting Supervisor
SUBJECT: FY24 O&M Budget to Actual Report
DATES: 06.05.23 FAC and 06.08.23 BOD

2023 Water Year (FY 3/1/23-2/28/24 attachment 1

Self-Funding actual expenses (paid and pending) for SLDMWA Routine O&M through April 30, 2023 are under budget by \$134,932. This favorable variance is the result of below budget operating expenses at Jones Pumping Plant and the San Luis Drain.

Outstanding

2021 Water Year (FY 3/1/21-2/28/22)

Staff expects final accountings to be completed shortly after the Board's approval of the FY2022 audit.

Intertie O&M Cost Recovery

WY12 to WY20 Intertie True-Up: outstanding, no cost recovery. Refunds were sent out in November, 2021, the final reports are expected to be drafted upon completion of the WY21 Final Accounting referenced above.

Audited Financial Statements FY2022

FY2022 Audit has been completed and will be presented for approval in this weeks' meetings.



San Luis & Delta Mendota-Water Authority
06.05.23 FAC and 06.08.23 BOD

ANNUAL R, O&M BUDGET BY COST POOLS MARCH 1, 2023 - FEBRUARY 28, 2024

	Total	UPPER	Intertie	Volta Wells	LWR/POOL	O'NEILL O&M		
						DIRECT	STORAGE	SL DRAIN
DMC	\$ 7,767,002	\$ 4,686,609			\$ 3,080,393			
JPP	\$ 5,489,363	\$ 5,489,363						
WW	\$ 204,730	\$ 153,547			\$ 51,183			
Intertie O&M / DWR Conveyance	\$ 270,805		\$ 270,805					
Volta Wells	\$ 69,935			\$ 69,935				
Mendota Pool	\$ 195,462				\$ 195,462			
O'Neill	\$ 3,205,351					\$ 1,602,675	\$ 1,602,675.35	
SL Drain	\$ 245,213							\$ 245,213
Total	\$ 17,447,862	\$ 10,329,520	\$ 270,805	\$ 69,935	\$ 3,327,039	\$ 1,602,675	\$ 1,602,675	\$ 245,213

R, O&M BUDGET BY COST POOLS THROUGH: APRIL 30, 2023

16.67%

	Total	UPPER	Intertie	Volta Wells	LWR	O'NEILL O&M		
						DIRECT	STORAGE	SL DRAIN
DMC	\$ 1,294,500	\$ 781,102			\$ 513,399			
JPP	\$ 914,894	\$ 914,894						
WW	\$ 34,122	\$ 25,591			\$ 8,530			
Intertie O&M / DWR Conveyance	\$ 45,134		\$ 45,134					
Volta Wells	\$ 11,656			\$ 11,656				
Mendota Pool	\$ 32,577				\$ 32,577			
O'Neill	\$ 534,225					\$ 267,113	\$ 267,113	
SL Drain	\$ 40,869							\$ 40,869
Total	\$ 2,907,977	\$ 1,721,587	\$ 45,134	\$ 11,656	\$ 554,506	\$ 267,113	\$ 267,113	\$ 40,869

R, O&M Actual COSTS BY COST POOLS THROUGH: APRIL 30, 2023

	Total	UPPER	Intertie	Volta Wells	LWR	O'NEILL O&M		
						DIRECT	STORAGE	SL DRAIN
DMC	\$ 1,328,251	\$ 801,467			\$ 526,784			
JPP	\$ 783,464	\$ 783,464						
WW	\$ 2,494	\$ 1,870			\$ 623			
Intertie O&M / DWR Conveyance	\$ 71,190		\$ 71,190					
Volta Wells	\$ 414			\$ 414				
Mendota Pool	\$ 30,391				\$ 30,391			
O'Neill	\$ 546,030					\$ 273,015	\$ 273,015	
SL Drain	\$ 10,812							\$ 10,812
Total	\$ 2,773,045	\$ 1,586,801	\$ 71,190	\$ 414	\$ 557,799	\$ 273,015	\$ 273,015	\$ 10,812

R, O&M BUDGET vs Actual COSTS THROUGH: APRIL 30, 2023

	TOTAL	UPPER	INTERTIE & DWR			LWR/POOL	O'NEILL O&M		
			Conveyance	Volta Wells			DIRECT	STORAGE	SL DRAIN
R, O&M Budget	\$ 2,907,977	\$ 1,721,587	\$ 45,134	\$ 11,656	\$ 554,506	\$ 267,113	\$ 267,113	\$ 40,869	
R, O&M Actual	\$ 2,773,045	\$ 1,586,801	\$ 71,190	\$ 414	\$ 557,799	\$ 273,015	\$ 273,015	\$ 10,812	
Difference	\$ 134,932	\$ 134,786	\$ (26,056)	\$ 11,242	\$ (3,293)	\$ (5,902)	\$ (5,902)	\$ 30,057	
	UNDER	UNDER	OVER	UNDER	OVER	OVER	OVER	UNDER	
	4.640047% UNDER BUDGET								

San Luis & Delta-Mendota Water Authority
DMC without CIP / E O&M
Budget to Actual Paid/Pending Comparison Summary
March 1, 2023 through April 30, 2023
FAC 6/5/23 & BOD 6/8/23

		FY Budget 3/1/23 - 2/29/24		Actual To Date Paid/Pending		% of Budget	Notes	Budget Amount Remaining
Operate & Maintain DMC	S/F 02	5,407,539		898,015		16.61%		4,509,524
Operate & Maintain Wasteways	S/F 04	133,829		1,605		1.20%		132,223
Mendota Pool	S/F 05	127,829		28,371		22.19%		99,459
Operate & Maintain JPP	S/F 11	3,532,461		540,815		15.31%		2,991,646
Intertie Maintenance	S/F 12	183,548	A	44,792		24.40%		138,755
Volta Wells Pumping	S/F 13	46,381		270		0.58%		46,112
Operate & Maintain O'Neill	S/F 19	2,118,671		372,029		17.56%		1,746,641
Maintain Tracy Fish Facility	USBR 30	36,347		162,657		447.51%		(126,310)
Operate & Maintain Tracy USBR	USBR 33	-		-		0.00%		-
Operate & Maintain San Luis Drain	S/F 41	160,495		7,049		4.39%		153,446
Maintain Delta Cross Channel	USBR 44	38,500		-		0.00%		38,500
Safety Equipment Training	50	322,300		917		0.28%		321,382
IT Expense	51	774,335		128,908		16.65%		645,427
Warehousing	52	236,695		25,834		10.91%		210,862
Tracy Field Office Expense	54	624,985		108,520		17.36%		516,465
Direct Administrative/General Expense	56	1,154,281		286,422		24.81%		867,858
Indirect O & M LBAO Admin.	58	2,633,617		431,930		16.40%		2,201,686
TOTAL		17,531,812		3,038,136		17.33%		14,493,676
Total from Self-Funding - page 2		17,447,862		2,773,045		15.89%		14,674,816
Total from USBR - page 3		83,950		247,400		294.70%		(163,450)
Total from Special Projects - page 4		-		17,690				(17,690)
Totals		17,531,812		3,038,136				14,493,676
YTD %				16.67%				

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, 2023 through April 30, 2023

FAC 6/5/23 & BOD 6/8/23

		FY Budget 3/1/23 - 2/29/24		Actual To Date Paid/Pending		% of Budget		Budget Amount Remaining
Operate & Maintain DMC	02	5,407,539		898,015		16.61%		4,509,524
Operate & Maintain Wasteways	04	133,829		1,605		1.20%		132,223
Mendota Pool	05	127,829		28,371		22.19%		99,459
Operate & Maintain JPP	11	3,532,461		540,815		15.31%		2,991,646
Intertie Maintenance	12	183,548	A	44,792		24.40%		138,755
Volta Wells Pumping	13	46,381		270		0.58%		46,112
Operate & Maintain O'Neill	19	2,118,671		372,029		17.56%		1,746,641
Operate & Maintain San Luis Drain	41	160,495		7,049		4.39%		153,446
Total Direct O & M		11,710,753		1,892,946		16.16%		9,817,806
Safety Equipment Training	50	321,789		822		0.26%		320,967
IT Expense	51	773,108		115,469		14.94%		657,639
Warehousing	52	236,320		23,140		9.79%		213,180
Tracy Field Office Expense	54	623,995		97,206		15.58%		526,789
Direct Administrative/General Expense	56	1,152,452		256,562		22.26%		895,890
Indirect O & M LBAO Admin.	58	2,629,444		386,900		14.71%		2,242,545
Total Indirect Allocated to O & M		5,737,109		880,099		15.34%		4,857,010
Total SLDMWA O&M		17,447,862		2,773,045		15.89%		14,674,816

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, 2023 through April 30, 2023

FAC 6/5/23 & BOD 6/8/23

	FY Budget 3/1/23 - 2/29/24	Actual To Date Paid/Pending	% of Budget	Budget Amount Remaining
Maintain Tracy Fish Facility 30	36,347	162,657	447.51%	(126,310)
Maintain Delta Cross Channel 44	38,500	-	0.00%	38,500
Total Direct USBR Facilities	74,847	162,657	217.32%	(87,810)
Safety Equipment Training 50	511	79	15.49%	431
IT Expense 51	1,227	11,118	906.36%	(9,892)
Warehousing 52	375	2,228	594.21%	(1,853)
Tracy Field Office Expense 54	990	9,360	945.34%	(8,370)
Direct Administrative/General Expense 56	1,829	24,704	1350.96%	(22,875)
Indirect O & M LBAO Admin. 58	4,172	37,254	892.91%	(33,082)
Total Indirect Allocated USBR Facilities	9,103	84,743	930.92%	(75,640)
TOTAL USBR FACILITIES	83,950	247,400	294.70%	(163,450)

San Luis & Delta-Mendota Water Authority

DMC Indirect Cost Allocated to Special Projects

March 1, 2023 through April 30, 2023

FAC 6/5/23 & BOD 6/8/23

		Allocated To Date		
Safety Equipment Training	50	17		
IT Expense	51	2,321		
Warehousing	52	465		
Tracy Field Office Expense	54	1,954		
Direct Administrative/General Expense	56	5,157		
Indirect O & M LBAO Admin.	58	7,777		
Total Indirect Allocated to SPECIAL PROJECTS		17,690		
TOTAL INDIRECT ALLOCATED TO SPECIAL PROJECTS		17,690		

San Luis & Delta-Mendota Water Authority
DMC WITH CIP / E O & M
Budget to Actual Paid/Pending Comparison Summary
March 1, 2023 through April 30, 2023

FAC 6/5/23 & BOD 6/8/23

		FY Budget 3/1/23 - 2/29/24	Actual To Date Paid/Pending	% of Budget	Notes	Budget Amount Remaining
Capital Improvement Projects	CIP 25	2,297,700	1,527,941	66.50%		769,759
Extra Ordinary O&M	EO&M 26	6,198,000	748,155	12.07%		5,449,845
Operate & Maintain DMC	S/F 02	5,407,539	898,015	16.61%		4,509,524
Operate & Maintain Wasteways	S/F 04	133,829	1,605	1.20%		132,223
Mendota Pool	S/F 05	127,829	28,371	22.19%		99,459
Operate & Maintain JPP	S/F 11	3,532,461	540,815	15.31%		2,991,646
Intertie Maintenance	S/F 12	183,548	44,792	24.40%	A	138,755
Volta Wells Pumping	S/F 13	46,381	270	0.58%		46,112
Operate & Maintain O'Neill	S/F 19	2,118,671	372,029	17.56%		1,746,641
Maintain Tracy Fish Facility	USBR 30	36,347	162,657	447.51%		(126,310)
Operate & Maintain Tracy USBR	USBR 33	-	-	0.00%		-
Operate & Maintain San Luis Drain	S/F 41	160,495	7,049	4.39%		153,446
Maintain Delta Cross Channel	USBR 44	38,500	-	0.00%		38,500
Safety Equipment Training	50	349,917	1,013	0.29%		348,904
IT Expense	51	840,688	142,364	0.00%		698,324
Warehousing	52	256,978	28,530	11.10%		228,448
Tracy Field Office Expense	54	678,540	119,847	17.66%		558,693
Direct Administrative/General Expense	56	1,253,190	316,319	25.24%		936,872
Indirect O & M LBAO Admin.	58	2,859,290	477,015	16.68%		2,382,276
TOTAL		26,519,903	5,416,787	20.43%		21,103,116
Total from Self-Funding - page 2		17,447,862	2,773,045	15.89%		14,674,816
Total from USBR - page 3		83,950	247,400	294.70%		(163,450)
Total from Special Projects - page 4		-	17,690			(17,690)
Total from EO&M		8,988,091	2,378,651	26.46%		6,609,440
Totals		26,519,903	5,416,787			21,103,116
		YTD %	16.67%			

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, 2023 through April 30, 2023

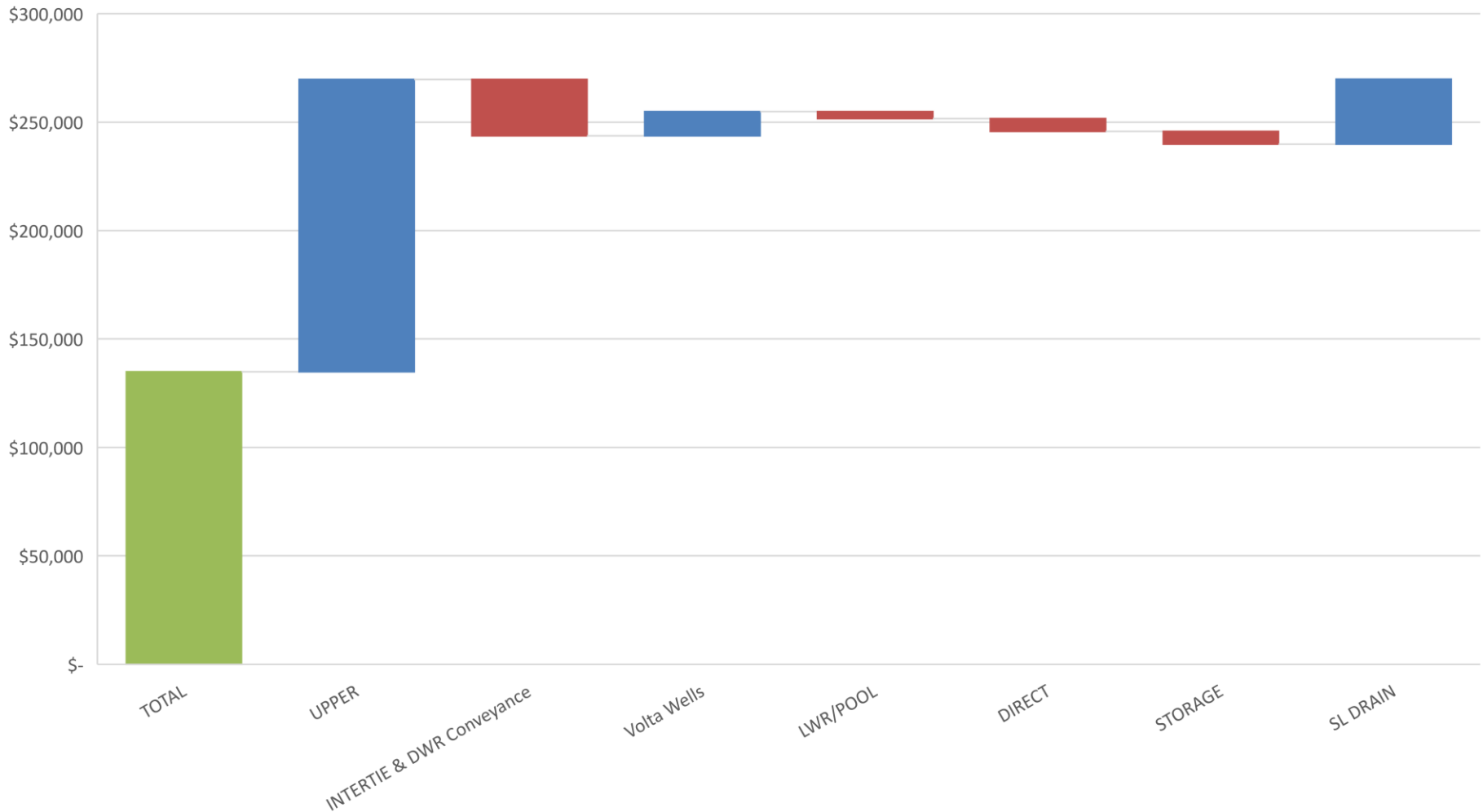
FAC 6/5/23 & BOD 6/8/23

		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	898,015	39.65%	430,236	1,328,251 *
Operate & Maintain Wasteways	S/F 04	1,605	0.08%	888	2,494 *
Mendota Pool	S/F 05	28,371	0.19%	2,020	30,390 *
Operate & Maintain Jones Pumping Pl	S/F 11	540,815	22.36%	242,649	783,464 *
Intertie Maintenance	S/F 12	44,792	2.43%	26,398	71,191 *
Intertie DWR Conveyance	S/F 12	-		-	- *
Volta Wells Pumping	S/F 13	270	0.01%	144	414 *
Operate & Maintain O'Neill	S/F 19	372,029	16.04%	174,001	546,030 *
Maintain Tracy Fish Facility	USBR 30	162,657	7.81%	84,743	247,400
Operate & Maintain Tracy USBR	USBR 33	-	0.00%	-	-
Operate & Maintain San Luis Drain	S/F 41	7,049	0.35%	3,763	10,812 *
Maintain Delta Cross Channel	USBR 44	-	0.00%	-	-
CIP	25	1,527,941	6.03%	65,386	1,593,327
EO&M & Scada Project	26	748,155	3.43%	37,169	785,324
SPECIAL PROJECTS	XX		1.63%	17,690	17,690
				1,085,088	5,416,787
Safety Equipment Training	50	1,013			
IT Expense	51	142,364			
Warehousing	52	28,530			
Tracy Field Office Expense	54	119,847			
Direct Administrative/General Expense	56	316,319			
Indirect Administrative/General Expense	57	-			(2,378,651) less CIP&EO&M
Indirect O & M LBAO Admin.	58	477,015			(247,400) less USBR Facilities
Total Indirect to be Allocated			1,085,088		(17,690) less Special Projects
TOTAL		5,416,787			2,773,045 *SLDMWA O&M Costs
					includes intertie DWR conveyance



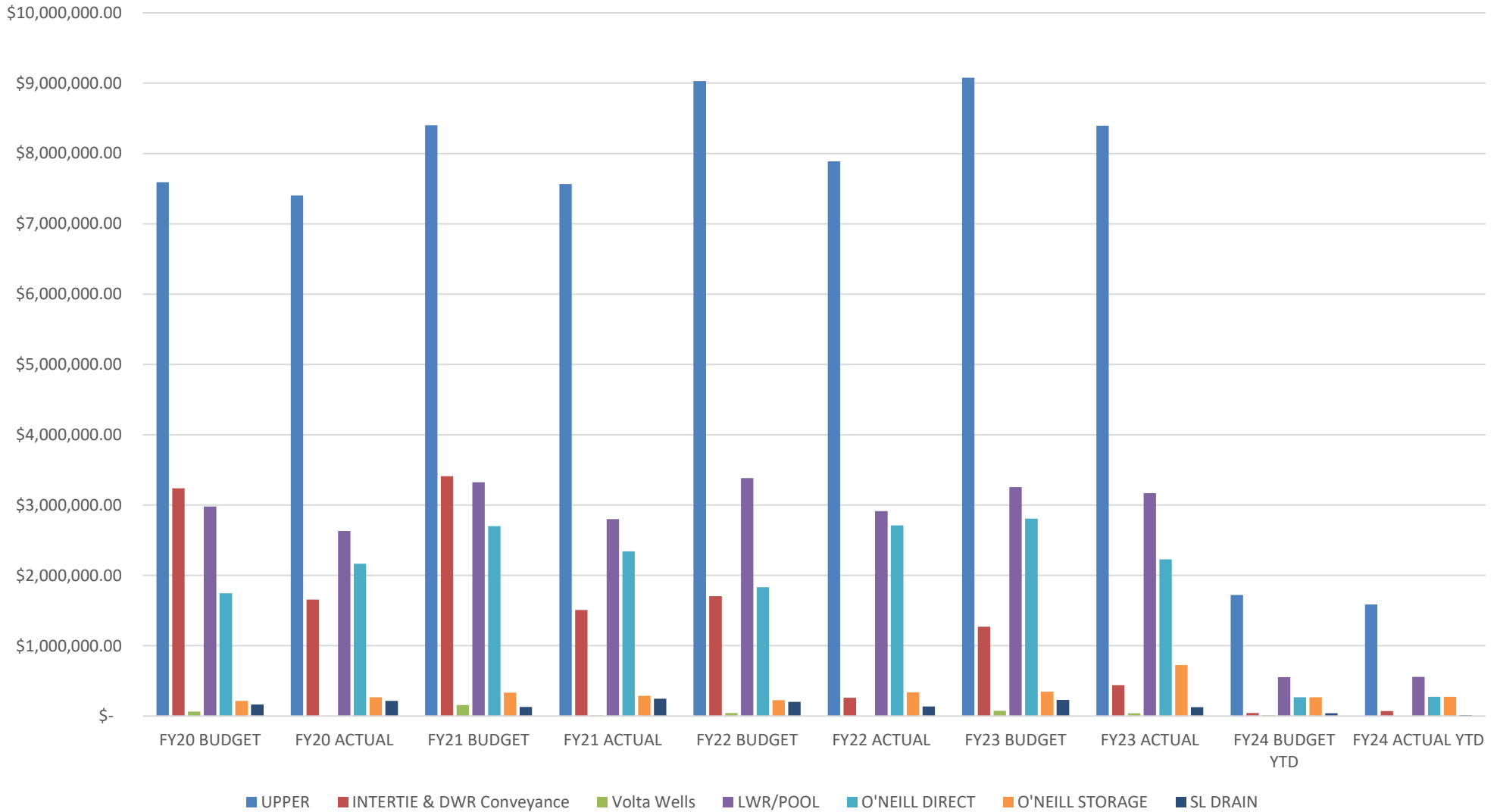
San Luis & Delta Mendota Water Authority
FY24 Budget to Actual Report through April 30, 2023
BUDGET VARIANCES
FAC 06/05/2023 BOD 06/08/2023

■ Increase ■ Decrease ■ Total



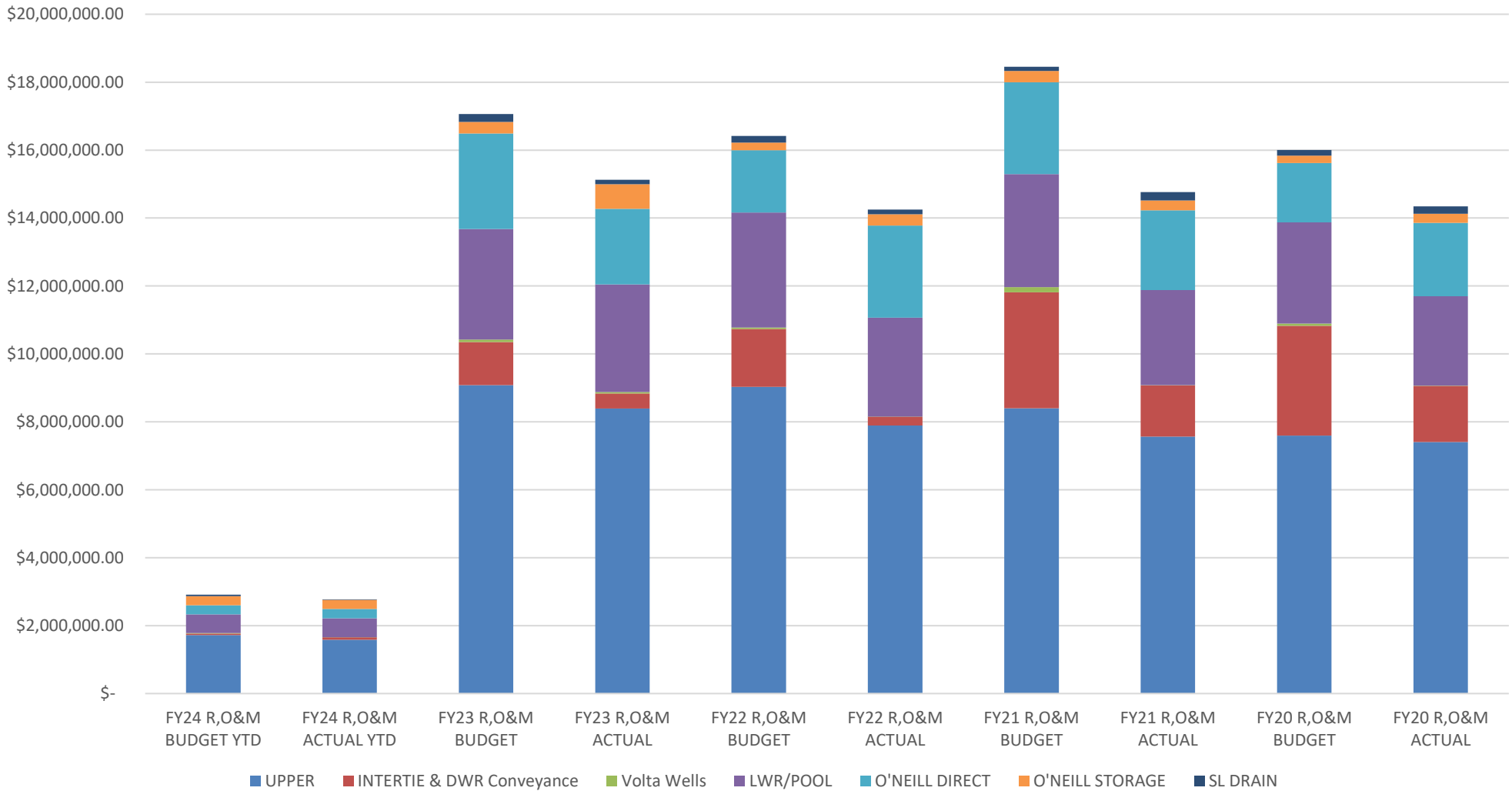


San Luis and Delta-Mendota Water Authority
O&M Budget to Actual
FY20-FY24 YTD (04/30/2023)
FAC 06/05/2023 BOD 06/08/2023



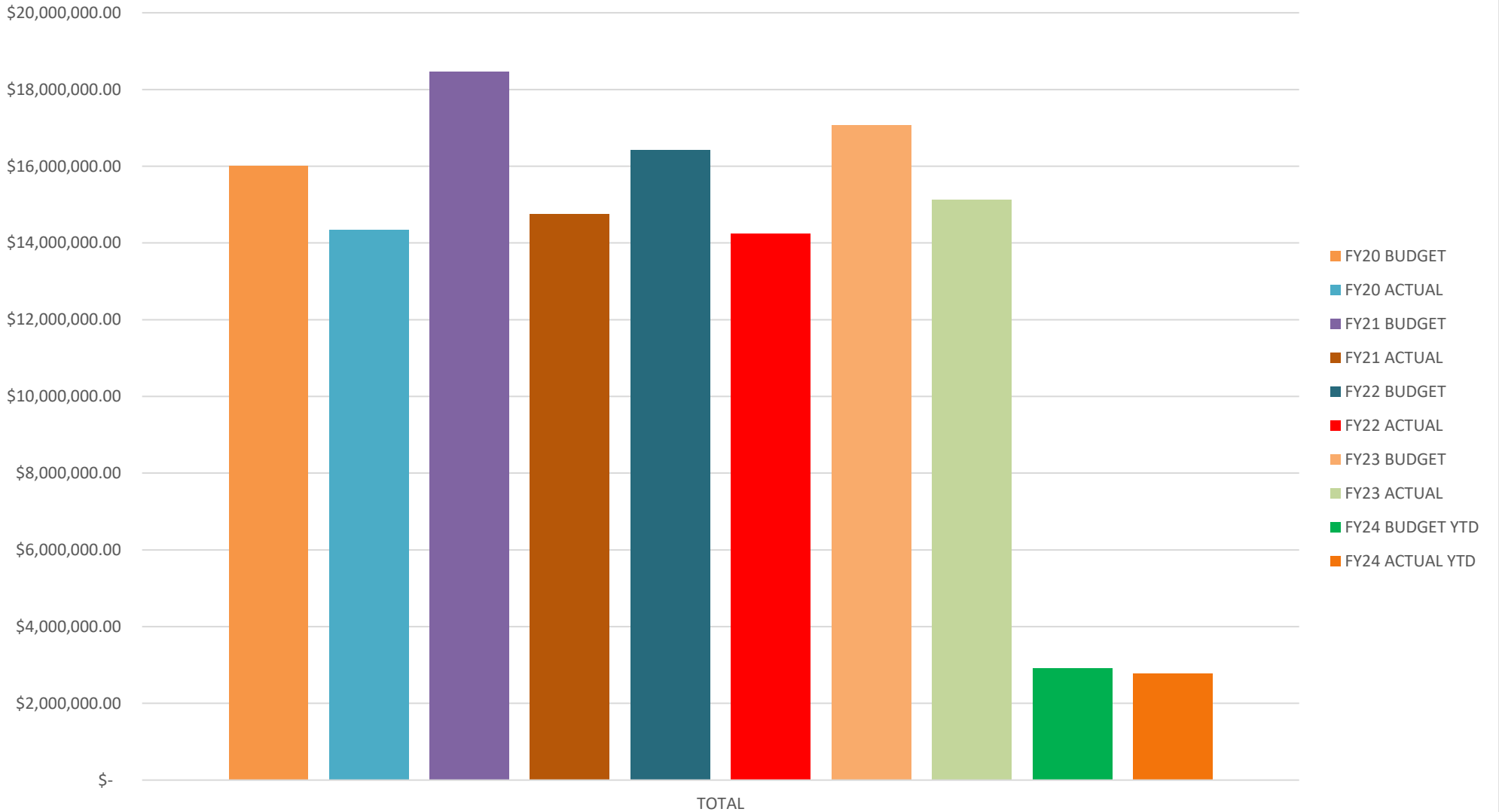


San Luis and Delta-Mendota Water Authority
O&M Budget to Actual
FY20-FY24 YTD (04/30/2023)
FAC 06/05/2023 BOD 06/08/2023





San Luis and Delta-Mendota Water Authority
HISTORICAL O&M BUDGET TO ACTUAL TOTAL
FY20-24 (FY24 YTD 04/30/23)
FAC 06/05/2023 BOD 06/08/2023





June 08, 2023

To: Pablo Arroyave, Chief Operating Officer

From: Bob Martin, Facilities O&M Director

Subject: O&M Report for May 2023

Operations Department

The C.W. "Bill" Jones Pumping Plant (JPP) operated with 2-5 units during the month of May. The average rate of pumping for the JPP was 3,621 cfs, for the month of May.

Total pumping at the JPP for the month of May was 222,645 acre-feet. The O'Neill Pump/Generating Plant (OPP) generated 0 acre-feet, and pumped 169,686 acre-feet during the month. 23,555 acre-feet was pumped at the Delta-Mendota Canal/California Aqueduct Intertie Plant (DCI) and 0 acre-feet was reversed from the California Aqueduct to the DMC for the month of May.

The Federal share in the San Luis Reservoir at the end of May was 956,965 acre-feet as compared to 338,227 acre-feet for the end of May 2022.

During the month of May, releases from Friant Dam ranged from 2,717 to 10,058 cfs with 78,953 AF entering the Mendota Pool during the month. Flows past the Mendota Dam for the San Joaquin River Restoration Program (SJRRP) were 17,018 acre-feet for the month of May. During the month of May, an additional 248,598 acre-feet of Kings River water entered the Mendota Pool via the James Bypass.

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

Control Operations switching/clearance placements performed this month:

- C-22-JP-91 JPP Unit 3 rewind/annual maintenance
- C-23-ON-18 OPP Unit 1 annual maintenance
- C-23-DCI-21A Cathodic protection system improvement erosion repair
- C-23-JP-23 JPP Unit 3 suction elbow
- C-23-JP-24 JPP Unit 1 RTD oil leak
- C-23-JP-24A JPP Unit 1 RTD oil leak
- C-23-DM-25 DMC MP 14.81-L replace turnout gate
- C-23-DM-26 DMC MP 21.21-L replace turnout gate
- C-23-JP-27 JPP Unit 1 UZ8A Switchgear Building
- C-23-JP-28 JPP unwatering & plant sump clean and inspect
- C-23-JP-28A JPP unwatering & plant sump clean and inspect

- C-23-JP-29 JPP unwatering & plant sump clean and inspect
- C-23-JP-30 JPP unwatering & plant sump clean and inspect
- C-23-JP-31 JPP unwatering & plant sump clean and inspect

Plant Maintenance Department

The Plant Maintenance crews worked on the following projects this month:

Electrical/C&I Staff:

- JPP industrial water system controls monthly PM
- JPP electrical and supervisory systems monthly PM
- JPP industrial water system controls quarterly PM
- JPP-U1 annual maintenance 12 month PM
- JPP emergency lighting system monthly PM
- JPP lighting inspection quarterly PM
- TFO Admin/E-Shop Building HVAC electrical inspection 6 month PM
- TFO Admin/E-Shop Building lighting inspection quarterly PM
- Control Building HVAC electrical inspection 6 month PM
- Control Building emergency lighting monthly PM
- OPP Unit 1 annual maintenance
- OPP phone system programming and modifications
- OPP station service annunciator alarm replacement & modifications
- OPP fiber cable to communication tower investigate for breaks
- OPP domestic water system upgrade controls with soft starters
- OPP station service & UPS Battery PM
- OPP station service chargers PM
- OPP annunciator PM
- OPP cathodic protection PM
- OPP emergency lighting PM
- OPP station service transformer PM
- OPP station service compressor PM
- OPP Unit 1 stuffing box bearing water temp display install
- OPP security gate PM
- OPP GFCI test and inspection PM
- OPP domestic water instrumentation PM
- LBFO security gate PM
- DMC Check 13 encoder troubleshoot malfunction
- DMC Volta Wells PM

Mechanical Staff:

- JPP Unit 3 rewind
- JPP Unit 1 annual maintenance
- JPP Unit 1 jack switch maintenance
- JPP service bay piping replacement
- JPP Control Building conference room remodel
- JPP Siphon Breaker House PM
- JPP trashrake festoon cable truck wheel replacement
- JPP unwatering pit PM
- JPP airwash system re-plumb and PM
- TFO car wash PM

- TFO Electric Shop HVAC PM
- TFO Warehouse Building HVAC PM
- TFO Canal Maintenance Garage HVAC PM
- TFO Admin office HVAC PM
- TFO Admin gate PM
- TFO Warehouse gate PM
- TFO, JPP, DCI door PM
- TFO domestic water tank inspections
- TFO landscape irrigation sand filter PM
- TFO Water Treatment Plant booster pump repair
- OPP Unit 1 annual maintenance
- OPP fabricate table and shaft for speed head testing
- OPP building door maintenance PM
- OPP 5-ton stop log crane PM
- OPP 5-ton gantry crane PM
- OPP 1-ton hoist crane PM
- OPP sump inspection PM
- OPP Unit 1 annual maintenance
- OPP Facility/Bathroom plumbing inspections PM
- OPP Plant checks and back wash filters
- OPP trashrack cleaning

USBR Support Services

Water Authority crews performed the following work at USBR facilities this month:

- TFO Bureau entry and exit gate PM

Civil Maintenance Department

The Civil Maintenance crews worked on the following projects this month:

- TFO Control Building conference room remodel
- TFO Control Building/USBR Admin sprinkler replacement
- JPP intake channel erosion repair
- JPP fabricate drain grate
- DCI erosion repair
- DCI cathodic protection system improvement
- DMC/FWW chemical and mechanical weed control PM
- DMC excavate test pits for soil samples
- DMC turnout gate replacement (MP 18.05, 14.81, 21.25, & 22.20)
- DMC pipeline repair MP 43.22
- DMC turnout silt removal PM
- DMC grading of unpaved roads PM
- DMC bait station set up
- DMC handrail fabrication and painting
- DMC maintenance and repairs to float lines, signs, fences, guard rails & gates
- DMC garbage collection
- LBFO HVAC PM
- LBFO fuel storage inspection PM
- LBFO hazard waste inspection PM

- LBFO septic system treatment PM
- SLD road grading PM
- SLD mechanical weed control
- VWW erosion repair

Engineering Department

The Engineering staff worked on the following O&M projects this month:

- Data management of well readings and creation of Warren Act hydrographs
- DCI U3 & U4 SCADA development
- OPP SCADA user station development
- JPP OPERATOR2 server replacement
- DCI cathodic protection system survey
- Intake channel erosion repair at MP 1.28 project planning
- Participation in USBR Comprehensive Security
- Support for OPP vibration monitoring
- RO&M recommendation updates for DMC, OPP, JPP & DCI
- DCI U5 control as-builts drawings
- OPP actuator rod procurement
- Attended USBR Power O&M Workshop
- Provided support to C&I staff for relay workshop

Land Management Activity Summary

The Engineering staff issued two (2) access permits this month:

- Access permit P2402006 was issued to Caltrans for graffiti removal from bridge crossing at MP72.80.
- Access permit P2404007 was issued to California Department of Fish & Wildlife for the temporary access to levee roads to search for Nutria using dogs along the Volta wasteway.

The Engineering staff were involved with the following land management projects this month:

- Orestimba Creek Recharge Project
- Rogers Road bridge replacement 65% design review comments
- Koster Road bridge railing extensions, final comments

Safety Department

The Safety Department worked on the following items this month:

- Provided Job Hazard Analysis support for the crews.
- Sent out Weekly Safety Tailgate Topics
 - 5-1-2023 Heat Illness Prevention
 - 5-2-2023 Valley Fever
 - 5-3-2023 Preventing Fatigue
 - 5-4-2023 Fire Season – Preparing for the Worst
 - 5-5-2023 Making Safety a Habit
- Provided Safety Message for May 2023 Newsletter
 - National Water Safety Month
- Sent out Safety Messages
 - Snakes in the Workplace and

- Safety Recall to remove faulty DeWalt/Stanley sledgehammers
- Conducted new hire safety orientation
 - Heavy Equipment Operators: Ryan Marques and George Pacheco
 - Accountant II Deanna Ratliff
- Provided Facility Hazardous Energy Program training
- Arranged for hazardous waste pickup at OPP & TFO
- Scheduled annual hearing tests for employees
- Tested dielectric rubber gloves (six month testing)

Procurement and Work & Asset Management Department

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

- Continuous staff training and support for newer employees
- Attended Quarterly Safety meeting
- Resolved various invoice issues and disputes
- Closed out several pending NetSuite tickets for various issues
- Contracts/PO Agreements/LOA's Status Update:
 - F22-OPP-059 - OPP Main Transformer Rehabilitation – Executed May 8, 2023
 - F23-TFF-017 - Tension Arm Repairs, contract executed April 12, 2023 with start date pending funding from Bureau
 - F22-DMC-065 - Amendment 1 executed, not to exceed \$33,779.92 (Board approval not required)
 - F24-OPP-003 - Plant Water Storage Tank Rehab. No vendors at site walk, solicitation will continue
 - F24-TFO-001 – Seal Coat Project, pre-solicitation stage
 - F19-19-011 - executed Task Order 6 for \$73,863.00 (Board notice not required)

Ongoing:

- Purchasing in support of the O&M crews, and maintaining/replenishing warehouse stock
- Warehouse receiving, stocking, and distribution
- Invoicing/vendor bills/vendor credits processing/invoice disputes
- Janitorial cleaning & disinfecting per COVID-19 guidelines
- Participated in NetSuite weekly & biweekly meetings
- Contract Management/Administration Activities, including bi-weekly contract update meetings with Engineering Staff
- Developing/implementing purchasing/procurement and asset/inventory procedures/boilerplate templates
- Bi-weekly WAM staff meetings to discuss updates/issues
- Contract invoice payment reviews, invoice disputes as needed, invoice payments
- Continuous testing for improvements to procedures in NetSuite, as well as ongoing issues related to NetSuite constraints
- Development of Blanket Contracts and Blanket Purchase Orders/Agreements
- Reviewing/closing out old/open PO's in NetSuite
- Reviewing and marking dead stock inventory for disposal

Information Technology Department

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

- NetSuite
 - User and Administration
 - Bi-Weekly Implementation Team meetings
 - Monitor FTC support activities for NetSuite
 - Resolved bundle error
- Assisted with monthly FAC, WRC and BOD meetings with Zoom
- Desktop support calls
- Server refresh hardware configuration
- Monitor Symantec Anti-Virus Management Console
- Security updates on servers
- Monitor Firewall
- Update additional AV security settings
- Multi Factor Authentication vendor SurePassID
 - Virtual server installed. Testing under progress
 - Evaluated deployment policies for BYOD
- Cyber Security Incidence Response Plan
- Disaster Recovery Plan
- Business Continuity Plan
- Cyber Security Team
- MDM IBM (MAAS360) monitoring
- Review Infragard dispatches – FBI Cyber Security group
- Cyber Security training and webinars
- Monitoring Darktrace Cyber Security appliance in IT network
 - Installed into SCADA network
 - Continued advanced configuration
- WAM Servers, prepping for redeployment
- Troubleshoot ongoing Email auto-discover issues
- Support of Water Operations iPads and new app deployments via MDM
- Continued conversation with DWR regarding use of Fiber from a 1992 contract agreement
- Document management: Demonstration completed
- Logistical and technical support provided to Trofholz for new site security installation vendor hired by BOR
- TFO conference room remodel, electrical, low voltage, OWL, hang screen

Ongoing:

- Create deployment packages for Office 2021 and deployment
- Research of gate control and request quote from vendor
- Re-organized computer racks and cabling for new servers

HR Department

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

General Administrative Activities:

- Active Recruitments:
 - None
- Closed Recruitments:
 - HR Analyst II
 - Mechanical Engineer
 - Control Operator
- Candidates Selected:
 - Accountant II, Los Banos
 - HR Analyst II, Los Banos
 - Jr. Mechanical Engineer
 - Control Operator
- ADA accommodation
- Skills testing
- New Hire Orientations

Trainings:

- Cyber Security training tracking (all staff)
- Sexual Harassment Prevention training tracking (all staff)
- Defensive Driving training tracking (all staff)
- Ethics training tracking (executive staff)

Government Reporting:

- EEOC reporting

Ongoing:

- Performance appraisal tracking
- FMLA notices/follow ups
- COBRA notices/follow ups
- Worker's Comp follow ups
- Monthly safety points distribution
- Health benefits eligibility/employee assistance
- Job description updates
- Policy updates
- Maintain OSHA logs for calendar year
- PIV Cards (USBR)
- Wellness program

EXTRAORDINARY O&M & CAPITAL PROJECTS

DELTA-MENDOTA CANAL (DMC)

Bridge Abutment Repair at MP 92.73 (FY21)

Status: No changes this month. PG&E has completed the relocation of the 6-inch gas transmission line that crosses under the MP 92.73 bridge serving the City of Dos Palos. In the process of removing the pipeline from the bridge, PG&E's contractor damaged the concrete stem wall. Staff performed a visual inspection with PG&E inspectors and contractor and determined that the damage is within SLDMWA's capabilities for repair. PG&E has agreed to reimburse SLDMWA the full cost of the repair which is currently scheduled to be completed with the erosion repair. Scheduling for the erosion and liner repairs under the bridge abutment was planned for Spring 2023, however; there is a discussion of a planned Mendota Pool Dewatering which will allow SLDMWA to perform the repair in the dry. This will save SLDMWA money and time for construction and allow us to repair an adjacent site. Further discussions to occur. In the meantime the bridge remains closed until repairs are complete.

DMC Subsidence Correction Project

Status: SLDMWA is continuing to work closely with Reclamation on the DMC Subsidence Correction Project and is managing the \$2.4M CDM Smith Feasibility Study contract, and the \$2.7M Terracon Geotechnical contract. The Feasibility Report is expected to be completed in approximately one year, with certain environmental permitting extending longer as needed. The Final Draft Report has been scheduled to be completed by September 2023. Progress this month consisted of finalizing public comments to the EA/IS. The 3rd Administration Draft of the Feasibility Study was released internally, and being reviewed by Reclamation. Scheduled to be released to policy by 6/10. A contract amendment to include CESA compliance permitting was issued to ensure that SLDMWA may be able to award potential future contracts to support the Project. Terracon was awarded a Contract Amendment to complete the final Geotechnical Investigation Phases 2 & 3 in December 2022 and has completed 92% of the CPT's and 56% of the drill holes and 48% of test pits. SLDMWA maintenance staff provided backhoe support for Terracon's effort. SLDMWA staff is working with Reclamation on a new Cooperative Agreement that will bring in an additional \$3M from Reclamation that will be utilized to reimburse the Terracon contract costs.

Numerous design data collection efforts have been coordinated and continue to be discussed as time and weather permits. This month SLDMWA staff supported USBR's Bathymetric Survey of the lower DMC, and Sonar Surveys of portions of the upper DMC with maintenance staff. Geoarcheological trenches were completed by CDM's subconsultant, and Wetland Delineation field work was completed.

The SLDMWA continues to provide support to Reclamation as they manage the construction contract with Unico Services to install the two additional pumps at the DMC/CA Intertie Pumping Plant (DCI). All field work and commissioning has

EXTRAORDINARY O&M & CAPITAL PROJECTS

been completed. USBR is awaiting spare parts from the contractor to issue final acceptance. SLDMWA activities to integrate the pumps into SCADA will occur after final acceptance. Reclamation staff is working on expediting the required environmental clearance to allow all six (6) pumps to operate concurrently.

DMC Turnout Flowmeter Upgrade Program – Phase 3 (FY23)

Status: Staff have finalized the flowmeter list, with detailed measurements, and will reach out to McCrometer in order to obtain a final quote. A single-source contract will be pursued. Contract is expected to be executed within the next few months.

O&M Road Maintenance Program – Phase 2 of 5 (FY24)

Status: No activity

C.W. “BILL” JONES PUMPING PLANT (JPP)

JPP Excitation System & Control Cabinet Modernization (FY18)

Status: SLDMWA is currently in contract with Reclamation through a Letter of Agreement. This month, Reclamation TSC provided the 90% Technical Specifications and Drawings with comments due on 6/19/2023. The 100% design package (Spec B) scheduled for completion in August 2023. Once received, SLDMWA staff will begin putting together the solicitation package. SLDMWA has received notice the application for \$25M of BIL (Aging Infrastructure) funding was approved and is working with Reclamation on repayment details.

JPP Wear Ring Purchase (FY22)

Status: No activity

JPP Unit No. 3 Rewind

Status: Jones Unit 3 rewind is underway. The rotor has been removed and placed in the JPP Machine Shop. The rotor poles are being refurbished and due to be shipped back in June. The new stator laminations have been installed, the finger press plates and through bolts have been reinstalled and torqued. The stator slots have been painted, the surge rings and bus bars have been installed, the stator coils have been installed, and NEC is currently braising the series connections. Overall the rewind is on schedule and the unit is scheduled to return to service in September 2023.

TSY Switchgear Building UZ11A Repairs (Unplanned Project)

Status: A ground fault incident occurred in October 2021 that damaged the main feeder switchgear and bushing box in switchgear building UZ11A. Partial repairs were made, and the building is currently energized via adjacent switchgear building UZ8A (or UZ6A depending on circumstance). A two-phased contract was issued to Powell, the original designer and installer of the switchgear building, to supply repair materials (Phase 1), and perform the onsite repair work (Phase 2). Phase 1 supply contract has been completed, which included supplying the replacement bushing box, CTs, surge arresters, etc. Phase 2, onsite installation of the parts,

EXTRAORDINARY O&M & CAPITAL PROJECTS

was originally scheduled to occur October 2022 but was delayed when repair materials in Phase 1 were not ready. Phase 2 is now scheduled starting September 2023 for three weeks. CVO has given the approval for units 2 and 6 outage, which UZ11A Switchgear Building feeds power to. Note: Unit 3 rewind is scheduled to be completed and back in service prior to starting the UZ11A repairs.

JPP Concrete Slab by Trashrake Dumpster (FY23)

Status: Project is currently in the planning and design phase. Technical specifications that incorporate the Geotechnical Report prepared by a consultant are currently being prepared in order to formally solicit for construction. Design drawings are substantially complete, awaiting internal review. Construction is tentatively scheduled to occur in Summer 2023.

O'NEILL PUMPING/GENERATING PLANT (OPP)

Main Transformers Rehabilitation/Replacement

Status: A Transformer Condition Assessment was performed by TSC in 2019. The transformers were in such poor condition that it was recommended that the transformers be refurbished or replaced. A Value Planning Study was conducted in 2020 and concluded to refurbish/rehabilitate the transformers in short term and plan to replace the transformers in the future. Emergency measures were also performed which included replacing (3) obsolete high voltage bushings (2019) and hot oil reconditioning of the in-service transformers (2020) to ensure transformers remained eligible for rehabilitation.

The SLDMWA awarded the rehabilitation contract to Cal Electro Inc. (CEI) on May 10th (Board approved award on May 4th) and the Notice to Proceed was issued on May 18th. The construction required 45-day system outage at O'Neill PG Plant is planned for April-May 2024, pending favorable hydraulic conditions. Monitoring transformer insulation fluid continues quarterly with recent results confirms the insulating oil are still in good condition.

Arc Flash Hazard Analysis, Facility Rating, & Protective Relays Reviews (Electrical Equipment Periodic Reviews) (FY22)

Status: Not activity this month. The field work for all three inspections occurred in FY22. The Facility Rating and Arc Flash Hazard Analysis are complete, with final reports received. The draft Protective Relays Review report has been reviewed and commented on by SLDMWA staff. The final draft of the Protective Relays Review is still pending.

OPP Upgrades (Previously Pump Bowl Modification & Replacement)

Status: Staff has been working with Reclamation to begin the Operational and Mechanical Assessments recommended during the Value Planning Study. Reclamation staff is currently putting together a Project Management Plan that will allow us to enter a Letter of Agreement to begin the assessments. SLDMWA staff expects to receive it soon.

EXTRAORDINARY O&M & CAPITAL PROJECTS

OPP UPS Battery Charging System Replacement (FY22)

Status: Staff has created a contract scope of work and will be soliciting quotes early June. Installation of system is scheduled to occur during the planned outage for the OPP Main Transformer Rehabilitation project.

OPP Station Service Backup Battery System Replacement (FY23)

Status: Staff has created a contract scope of work and will be soliciting quotes early June. Installation of system will be done concurrently with the UPS Battery Charging System Replacement during the planned outage for the OPP Main Transformer Rehabilitation project.

OPP Accusonic Flowmeter Console Upgrades (FY23)

Status: No activities this month. Staff is awaiting an outage in order to install the final 2 units. The other four (4) consoles have been installed and are fully operational.

OPP Plant Water Storage Tanks Rehabilitation (FY24)

Status: The contracts department held a pre-bid site walk, with little contractor interest. Project will be resolicited.

OPP Sand Filter System Rehabilitation Design (FY24)

Status: Began discussions with USBR Sacramento on scope of work.

OPP Cooling Water System Rehabilitation Design (FY24)

Status: Began discussions with USBR Sacramento on scope of work.

TRACY FACILITIES (TFO)

TFO Domestic Water Treatment Plant Replacement (FY20)

Status: Major water treatment equipment has been ordered with an anticipated delivery date of September 2023. Construction has begun on the building roof replacement. Anticipated completion of the new roof is July 2023. Site grading and drainage plans are currently being designed by staff.

TFO O&M Compound, Seal Coat Surfacing & Striping (Including USBR Lot) (FY23)

Status: Conducted asphalt survey of both project sites and developed a budgetary price for Slurry Seal vs Seal Coat including asphalt repairs.

MULTIPLE FACILITIES

TFO/LBFO/DCI Arc Flash Hazard Analysis (FY22)

Status: The Analysis was conducted by Reclamation TSC through a LOA. The onsite surveys for TFO, LBFO, and DCI were completed in September 2022. The Arc Flash Hazard Analysis Reports are expected to be completed by September 2023. Ongoing engineering support has been provided to TSC for DCI Arc Flash

EXTRAORDINARY O&M & CAPITAL PROJECTS

Hazard Analysis regarding recommendations from Arc Flash Hazard Analysis 2013. A draft report for LBFO was received for review and comment.

SCADA System Evaluation (FY23)

Status: The development of controls and SCADA standards and best practices is in process. Staff is continuing to work on the project, with the following tasks in progress:

- Developing a plan for obsolescence, remediation and continuous improvement of SCADA and controls;
- Developing plan for testing the security, speed, and proper use of DWR fiber;
- Implementing the second step of cyber security device (DarkTrace);
- Developing a plan for file structure and file backup on new file server;
- Implementing new wiring structure and organization plan into current rack system;
- Developing a plan to implement new active directory server into current system with minimal downtime;
- Finalizing software conversion plan;
- Developing plan to implement CISA and federal cyber security mandated requirements with the least amount of system downtime; and
- Developing plan for remediation of controls and communication for siphon house alerts.



**San Luis & Delta-Mendota Water Authority
OPERATIONS SUMMARY**

NOTE: ALL FIGURES ARE IN ACRE FEET

	April-2023	April-2022
JONES PUMPING PLANT - PUMPED	128,763	53,626
DCI PLANT - PUMPED	91	0
DCI PLANT - RETURNED	0	0
O'NEILL P/G PLANT - PUMPED	118,021	52,140
O'NEILL P/G PLANT - GENERATED	0	0
DMC DELIVERIES	13,252	5,598
RIVER/WELL/RECYCLE WATER INTO DMC	3,104	16,675
MENDOTA POOL DELIVERIES	59,544	44,593
SHASTA RESERVOIR STORAGE	4,430,100	1,808,200
SAN LUIS RESERVOIR STORAGE	2,013,748	950,045
* FEDERAL SHARE	957,468	356,990

	April-2023	April-2022
SAN LUIS UNIT DELIVERIES	7,173	6,515
SAN LUIS UNIT WELL WATER	0	0
SAN FELIPE UNIT DELIVERIES	3,930	7,164

Jones Pumping Plant monthly average = 2,164 cfs



**San Luis & Delta-Mendota Water Authority
Monthly Deliveries
April 2023**

Date: 5/16/23
Revised: 5/17/23

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	128,763			
Total Pumped @ DCI	(91)			
Total Reversed @ DCI	0			
City of Tracy		0	672	672
Byron Bethany I.D.		217	1	218
West Side I.D.		0	0	0
Banta Carbona I.D.		0	0	0
West Stanislaus I.D.		3,314	0	3,314
Patterson I.D.		166	0	166
Del Puerto W.D.		4,552	6	4,558
Central California I.D. - above check #13		298	0	298
San Luis W.D.- above check #13		0	0	0
Volta Wildlife Mgmt. Area (Fish & Game)		352	0	352
Fish & Wildlife (Volta) Santa Fe - Kesterson		0	0	0
Grasslands W.D. (Volta)		0	0	0
Total Pumped @ O'Neill PP	(118,021)			
Total Generated @ O'Neill PP	0			
Central California I.D. - below check #13		549	0	549
Grasslands W.D. (76.05-L)		0	0	0
Fish & Game Los Banos Refuge (76.05-L)		0	0	0
Fish & Wildlife Kesterson (76.05-L)		71	0	71
Freitas Unit (76.05-L)		227	0	227
Salt Slough Unit (76.05-L)		0	0	0
China Island (76.05-L)		0	0	0
San Luis W.D. - below check #13		658	0	658
Panoche W.D.		783	2	785
Eagle Field W.D.		166	0	166
Oro Loma W.D.		30	0	30
Mercy Springs W.D.		0	0	0
Firebaugh Canal W.D. (D.M.C.)		1,188	0	1,188
River and Groundwater well pump-in	936			
North Valley Regional Recycled Water Program	2,168			
Change in Canal Storage	833			
Wasteway Flushing and Spill	0			
Total Available in Delta-Mendota Canal	14,588			
TOTAL DELIVERY FROM DELTA-MENDOTA CANAL	(13,252)	12,571	681	13,252
Theoretical DMC Delivery to Mendota Pool	1,336			
Total DMC Metered Delivery to MP	0			
Estimated (Loss) or Gain in DMC	(1,336)			
Estimated % Loss or Gain in DMC	-1.03%			



**San Luis & Delta-Mendota Water Authority
Monthly Deliveries
April 2023**

<u>District/Other</u>	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	0			
Mendota Pool Groundwater Well Pump-In	0			
(+)SJRRP Releases into Mendota Pool	17,852			
(+)Available Flood Releases from Friant into Mendota Pool	31,702			
(+)Other San Joaquin River Water	0			
(+)Kings River Flood Releases into Mendota Pool	247,471			
<u>Mendota Pool Delivery Information</u>				
<u>Exchange Contractors:</u>				
Central California Irrigation District (CCID)		23,450	0	23,450
Columbia Canal Company (CCC)		2,417	0	2,417
Firebaugh Canal Water District (FCWD)		1,345	0	1,345
San Luis Canal Company (SLCC)		5,648	0	5,648
<u>Refuge:</u>				
Conveyance Losses		0	0	0
Calif Dept of F/G-LB Unit (CCID)		0	0	0
Calif Dept of F/G-LB Unit (SLCC)		437	0	437
Calif Dept of F/G-Salt Slough Unit (CCID)		0	0	0
Calif Dept of F/G-China Island Unit (CCID)		0	0	0
US Fish & Wildlife-San Luis Refuge (SLCC)		0	0	0
US Fish & Wildlife-Freitas (CCID)		378	0	378
US Fish & Wildlife-Kesterson (CCID)		117	0	117
Grasslands WD (CCID)		0	0	0
Grasslands WD (SLCC)		361	0	361
Grasslands (Private)		0	0	0
San Luis WD Conveyance (CCID)		41	0	41
Del Puerto WD Conveyance (CCID)		0	0	0
<u>San Joaquin River Restoration Project:</u>				
SJRRP		17,852	0	17,852
<i>Other: (see MP Operations Report)</i>		7,498	0	7,498
<i>Total Available Water in Mendota Pool</i>	297,025			
TOTAL DELIVERY FROM MENDOTA POOL	(59,544)	59,544	0	59,544
*Estimated (Loss) or Gain in Mendota Pool	(237,481)			
*Estimated % Loss or Gain in Mendota Pool	-79.95%			
Total System Delivery	(72,796)			
*Total Estimated System (Loss) or Gain	(238,817)			
*Total Estimated % System Loss or Gain	-55.57%			

Special Notes: Flood Releases from Friant Dam and Pine Flat Dam



Jones Pumping Plant
April - 2023

Date	# OF UNITS	TIME ON/OFF	AVG DAILY CFS
1	5-4	CONTINUOUSLY	3522
2	4	CONTINUOUSLY	3516
3	4	CONTINUOUSLY	3521
4	4	CONTINUOUSLY	3501
5	4	CONTINUOUSLY	3495
6	4-1-2-1	0001, 0600, 1100	953
7	1	CONTINUOUSLY	813
8	1	CONTINUOUSLY	813
9	1-2	1700	1434
10	2	CONTINUOUSLY	1696
11	2	CONTINUOUSLY	1700
12	2	CONTINUOUSLY	1699
13	2	CONTINUOUSLY	1696
14	2	CONTINUOUSLY	1695
15	2	CONTINUOUSLY	1694
16	2	CONTINUOUSLY	1696
17	2	CONTINUOUSLY	1698
18	2	CONTINUOUSLY	1696
19	2	CONTINUOUSLY	1691
20	2	CONTINUOUSLY	1688
21	2	CONTINUOUSLY	1686
22	2	CONTINUOUSLY	1690
23	2	CONTINUOUSLY	2402
24	2	CONTINUOUSLY	2702
25	2	CONTINUOUSLY	2695
26	2	CONTINUOUSLY	2693
27	2	CONTINUOUSLY	2693
28	2	CONTINUOUSLY	2720
29	2	CONTINUOUSLY	2707
30	2	CONTINUOUSLY	2713
31			
AVG CFS for the month			2164



NON-PROJECT WATER CREDITS REPORT
 (ALL FIGURES IN ACRE FEET)
 April 2023 WA Credits

Date: 5/8/23

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	12,798	12,924	1	0	BBID	126	(6)	120	120
13.31-L	4,804	4,804	1	0	BBID	0	0	0	0
15.11-R	2,974	2,974	1	0	BBID	0	0	0	0
20.42-L	43,062,245	43,328,154	1	0	BCID	0	0	0	0
20.42-L	43,062,245	43,328,154	1	0	USBR/FWA	816	0	816	5,619
21.12-L	990	990	1.01	0	DPWD	0	0	0	0
21.86-L	770	770	1	0	DPWD	0	0	0	0
24.38-L	3,081	3,081	1	0	DPWD	0	0	0	0
29.95-R	1,334	1,334	0.87	0	DPWD	0	0	0	0
30.43-L	7,464	7,464	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	2,149	2,149	1.03	0	DPWD	0	0	0	0
31.31-L1	87,779	87,780	1	0	WSTAN	0	0	0	0
31.31-L2	87,779	87,780	1	0	DPWD	0	0	0	0
31.31-L3	87,779	87,780	1	0	PID	0	0	0	0
31.60-L	8,183	8,183	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	751	751	0.94	0	DPWD	0	0	0	0
36.80-L	1,847	1,847	1	0	DPWD	0	0	0	0
37.10-L	3,870	3,870	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	6,841,176	6,841,176	1	0	PID	0	0	0	0
42.53-L	6,841,176	6,841,176	1	0	DPWD	0	0	0	0
42.53-L	6,841,176	6,841,176	1	0	USBR/FWA	0	0	0	177
43.22-L	55	55	1	0	DPWD	0	0	0	0
48.97-L	028	028	1	0	SLWD	0	0	0	0
50.46-L	6,025	6,025	1.07	0	DPWD	0	0	0	0
51.00-R	297	297	0.89	0	DPWD	0	0	0	0
51.66-L	3,434	3,434	0.98	0	DPWD	0	0	0	0
52.40-L	1,481	1,496	1	(15)	DPWD	0	0	0	0
58.28-L	3,365	3,365	1.02	0	SLWD	0	0	0	0
58.60-L	917	917	0.96	0	DPWD	0	0	0	0
58.73-R	494	494	1	0	DPWD	0	0	0	0
64.85-L	1,662	1,662	0.72	0	DPWD	0	0	0	0
UPPER DMC SUB TOTAL								936	5,916



NON-PROJECT WATER CREDITS REPORT

(ALL FIGURES IN ACRE FEET)

April 2023 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	5,812	5,812	0.91	0	SLWD	0	0	0	0
79.13-L	1,164	1,164	1	0	SLWD	0	0	0	0
79.13-R	4,964	4,964	1.08	0	SLWD	0	0	0	0
79.60-L	5,979	5,979	0.84	0	SLWD	0	0	0	0
80.03-L	834	834	0.94	0	SLWD	0	0	0	0
80.03-R	717	717	1.05	0	SLWD	0	0	0	0
98.60-R	14,194	14,194	1	0	PANOCH/MS	0	0	0	0
98.74-L	5,695	5,695	1.14	0	PANOCH/MS	0	0	0	0
99.24-L	10,493	10,493	0.92	0	PANOCH/MS	0	0	0	0
100.70-L	6,211	6,211	1	0	PANOCH/MS	0	0	0	0
102.04-R	4,087	4,087	1	0	WIDREN WD	0	0	0	0
LOWER DMC SUB TOTAL								0	0
WARREN ACT CONTRACT CREDIT TOTAL								936	5,916
TOTAL GROSS PUMP-IN								CREDIT	
TOTAL (BYRON BETHANY IRRIGATION DISTRICT)						0		0	0
TOTAL (BANTA CARBONA IRRIGATION DISTRICT)						0		0	0
TOTAL (DEL PUERTO WATER DISTRICT)						0		0	0
TOTAL (WEST STANISLAUS IRRIGATION DISTRICT)						0		0	0
TOTAL (PATTERSON IRRIGATION DISTRICT)						0		0	0
TOTAL (SAN LUIS WATER DISTRICT)						0		0	0
TOTAL (PANOCH WATER DISTRICT)						0		0	0
TOTAL (MERCY SPRINGS WATER DISTRICT)						0		0	0
TOTAL (WIDREN WATER DISTRICT)						0		0	0
Other Warren Act Conveyance Credit Totals									
Del Puerto Water District:						0		0	0
Banta Carbona Irrigation District:						0		0	0
West Stanislaus Irrigation District:						0		0	0
Byron Bethany Irrigation District:						126		120	120
Patterson Irrigation District:						0		0	0
San Joaquin River Restoration Pump Back BCID:						816		816	5,619
San Joaquin River Restoration Pump Back PID:						0		0	177

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



MENDOTA POOL OPERATIONS
2023
 ALL FIGURES IN ACRE-FEET

Date: 5/10/2023

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
FRESNO SLOUGH	0	60	0	95									155
TPUD	0	18	0	0									18
JAMES I.D.	916	2,156	0	28									3,100
MEYERS	0	0	876	1,638									2,514
M.L. DUDLEY & INDART ¹	0	0	206	182									388
MID VALLEY (Kings River)	0	0	0	1,446									1,446
REC. DIST. 1606	0	0	0	0									0
STATE FISH & WILDLIFE	199	1,119	42	7									1,367
TRACTION	170	566	56	0									792
UNMETERED	40	125	0	0									165
Total	409	1,810	98	7	0	0	0	0	0	0	0	0	2,324
COELHO FAMILY TRUST ²	0	18	0	474									492
TRANQUILITY I.D.	0	678	197	1,261									2,136
WESTLANDS LATERAL-6	0	0	0	0									0
WESTLANDS LATERAL-7	610	477	2,160	2,326									5,573
CARVALHO TRUST	0	0	0	41									41
TOTAL	1,935	5,217	3,537	7,498	0	0	0	0	0	0	0	0	18,187

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

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

Article 215 Water

January James ID 916 AF
February James ID 2156 AF
March Meyers 90 AF
April Meyers 90 AF

Kings River Water

February Tranquility ID 44 AF
March Tranquility ID 197 AF
March Meyers 486 AF
April Tranquility ID 1,261 AF
April Mid Valley 1,446 AF
April Meyers 1,548 AF
April James ID 28 AF

Duck Clubs (Percent Full)

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

Jan, 2023
 DMC Inflow 3,372 AF
 James Bypass Flows 0 AF

Feb, 2023
 DMC Inflow 18672 AF
 James Bypass Flows 1,619 AF

Mar, 2023
 DMC Inflow 2,341 AF
 James Bypass Flows 162,266 AF

Apr, 2023
 DMC Inflow 0 AF
 James Bypass Flows 247,471 AF

May, 2023
 DMC Inflow AF
 James Bypass Flows 0 AF

June, 2023
 DMC Inflow A.F
 James Bypass Flows 0 AF

July, 2023
 DMC Inflow AF
 James Bypass Flows 0 AF

Aug, 2023
 DMC Inflow AF
 James Bypass Flows 0 AF

Sept, 2023
 DMC Inflow AF
 James Bypass Flows 0 AF

Oct, 2023
 DMC Inflow AF
 James Bypass Flows 0 AF

Nov, 2023
 DMC Inflow AF
 James Bypass Flows 0 AF

Dec, 2023
 DMC Inflow AF
 James Bypass Flows 0 AF

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

Revised 5/9/2023

Revised 5/16/2023

Revised 5/18/23

APRIL 2023

REACH TOTALS	POOL	INFLOW INTO AQUEDUCT	CUSTOMERS	AMOUNT IN AF
R3A 3930			Parks & Rec. @ San Luis Reservoir	0
			Santa Clara Valley Water District	3111
			Casa de Fruta (Santa Clara Valley Water District)	0
			San Benito Water District	819
R3 142	13		DFG @ O'Neill Forebay	0
	13		Parks & Rec. @ O'Neill Forebay	0
	13		DWR Water Truck at O'Neill 1 AF for Cattle Program @ O'Neill Forebay	1
	13		Santa Nella County Water District	21
	13		San Luis Water District	120
R4 14150	14		City of Dos Palos	49
	14		Pacheco Water District	854
	14		San Luis Water District	2800
	14		Panoche Water District	55
	15		San Luis Water District	1248
	15		Panoche Water District	2054
	15		Westlands Water District	7090
R5 38422	16		DFG @ Lat. 4L (Pilibos)	0
	16		DFG @ Lat. 4L	0
	16		DFG @ Lat. 6L	0
	16		DFG @ Lat. 7L	0
	16	2164	Westlands Water District	9112
	17		Westlands Water District	9532
	18		City of Coalinga	264
	18		Pleasant Valley Pumping Plant	10724
	18		Westlands Water District	8790
R6 14443	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
	19		Lemoore N.A.S. thru WWD 28L,29L,&30L	140
	19		Kings County thru WWD	554
	19		Westlands Water District	13749
R7 14777	20		City of Huron @ Lat. 23R	56
	20		DWR Water Truck @ 23R	0
	20	594	Westlands Water District	10308
	21		City of Avenal	186
	21		Kings County thru WWD 37L,38L	0
	21		Westlands Water District	4227
85864		2758	<---TOTALS--->	85864
TOTALS BY CUSTOMERS				
Inflow Into Aqueduct:				
2164 AF TOTAL for PUMP-IN				
594 AF TOTAL for FLOOD				
			Santa Nella County Water District	21
			Pacheco Water District	854
			San Luis Water District	4168
			Panoche Water District	2109
			Westlands Water District	73532
			AltaGas	0
			City of Huron @ LAT. 23R	56
			City of Huron (P&R/Area 11 @ 22R)	0
			Lemoore N.A.S. thru WWD @ 28L,29L&30L	140
			Kings County thru WWD Laterals in Reach 6	554
			City of Avenal	186
			City of Dos Palos	49
			City of Coalinga	264
			DFG @ O'Neill Forebay	0
			Pacheco Tunnel	3930
			DFG @ Lateral 4L & 6L & 7L	0
			DWR Water Truck @ 22R/F&G @ Lat.22R	0
			Parks & Recreation	0
			0 AF for DWR Water Truck at O'Neill, 1 AF for Cattle Program @ O'Neill Reservoir	1
			Customers Total:	85864
Pool 12 - Reach 2B VA Turnout Use AF = 20				
DWR 3137(Rev.9/15)				85884



Monthly Availability Report

CW "Bill" Jones Pumping Plant

April - 2023

Unit #	Max Hours	Scheduled Outages (1)	%	Unscheduled Outages (2)	%	Over-all Availability %	Starts	Comments
							Pump	
Unit-1	720	483.4	67.14%	0.0	0.00%	32.86%	0	
Unit-2	720	3.2	0.44%	0.0	0.00%	99.56%	1	
Unit-3	720	720.0	100.00%	0.0	0.00%	0.00%	0	
Unit-4	720	0.0	0.00%	0.0	0.00%	100.00%	0	
Unit-5	720	0.0	0.00%	0.0	0.00%	100.00%	1	
Unit-6	720	0.0	0.00%	0.0	0.00%	100.00%	3	
Total	4320	1206.6	28%	0.0	0.00%	72.00%	5	

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
April - 2023

Unit #	Max Hours	Scheduled Outages (1)	%	Unscheduled Outages (2)	%	Over-all Availability %	Starts		Comments
							Pump	Gen	
Unit-1	720	448.6	62.31%	0.0	0.00%	37.69%	0	0	
Unit-2	720	0.0	0.00%	0.0	0.00%	100.00%	0	0	
Unit-3	720	0.0	0.00%	0.0	0.00%	100.00%	1	0	
Unit-4	720	0.0	0.00%	0.0	0.00%	100.00%	1	0	
Unit-5	720	0.0	0.00%	0.0	0.00%	100.00%	0	0	
Unit-6	720	0.0	0.00%	0.0	0.00%	100.00%	1	0	
Total	4320	448.6	10%	0.0	0.00%	90.00%	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

April - 2023

Unit #	Max Hours	Scheduled Outages (1)	%	Unscheduled Outages (2)	%	Over-all Availability %	Starts	Comments
							Pump	
Unit-1	720	0.0	0.00%	0.0	0.00%	100.00%	0	
Unit-2	720	0.0	0.00%	0.0	0.00%	100.00%	0	
Unit-5	720	0.0	0.00%	0.0	0.00%	100.00%	0	
Unit-6	720	0.0	0.00%	0.0	0.00%	100.00%	0	
Total	2880	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
Cynthia Meyer, Special Programs Manager

DATE: June 8, 2023

RE: Update on Science Program

SUMMARY

The San Luis & Delta-Mendota Water Authority's ("Water Authority") current science commitments for Fiscal Year 24 (March 1, 2023 – February 29, 2024) may be considered in two categories. First, the Water Authority re-budgeted \$125,000 in the current budget to fund two activities and/or studies previously authorized to be funded. Second, the Water Authority has budgeted \$390,000 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 \$515,000 available to fund science, of which \$125,000 has been obligated.

1. Previous Commitments - \$125,000 in FY 24 Budget

Subject	Description of Work / Objective(s)	FY 24 Budget
Joint Funding CSAMP 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 agriculture. Phase 3 is underway and will provide a Formal evaluation of Delta Smelt recovery actions along with the full suite of objectives: Salmon, Ecosystem, Water Supply, Cost, Learning.	\$120,000
Joint Funding Delta Coordination Group Structured Decision making Facilitation	Funds support and assistance with the structured decision making for recommendations for summer-fall habitat actions for delta smelt by the Delta Coordination Group to the U.S. Bureau of	\$5,000

	Reclamation and the Department of Water Resources. Main contract with Dr. Jennie Hoffman with Adaptation/Insight, using Compass Resources.	
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2. New Science - \$390,000 in FY 24 Budget

Subject	Description of Work / Objective(s)	FY 24 Budget
Science Studies/Efforts		\$390,000
CAMT Studies	<p>This funding would match State Water Contractor funding obligated for CAMT studies. The Water Authority and State Water Contractors are currently jointly researching two potential uses for this funding – 1. Continuation of Delta Smelt SDM funding for Phase 3b, or 2. Execution of a contract for Salmon Structured Decision Making.</p> <p>After deliberation within CAMT/CSAMP, the group has chosen to pursue continued development of the Delta Smelt Structured Decision Making Phase 3b, with the salmon recovery strategy being advanced through in-kind contributions this year.</p>	\$150,000
Joint Funding CAMT Technical Support	Funds support technical engagement by Hansen Environmental (Chuck Hansen) in CAMT and CSAMP meetings. Contract held by SWC.	\$30,000
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. Project jointly funded with State Water Contractors.	\$10,000
SLDMWA Technical, Science and Regulatory Support	Funds will be used for engagement in Science Program, technical or regulatory efforts that arise in FY 2023. Anticipated use includes technical support for the reconsultation on long-term operations of the CVP and SWP, anticipated ESA listing decisions for longfin smelt, giant gardener snake, yellow-legged frog (and others), and engagement in efforts associated with the Bay-Delta Plan Update and VA Science Plan.	\$200,000

SCIENCE PROGRAM ACTIVITIES:

Staff participates in several science forums and coordination activities. The highlights include:

Voluntary Agreements (VA):

The VA Science Committee is developing the Science Plan and distributed the initial draft in May 2023. Staff provided recommendations and revisions to improve the draft.

Delta Coordination Group (DCG):

Staff participated in the DCG meetings and provided input on the Structured Decision Making process for the summer-fall habitat actions. The Delta Summer-Fall Habitat 2023 Action Plan was submitted to USFWS and CDFW on May 1, 2023. Staff provided minimal comments on the report. We are working to streamline the process for future years.

CAMT/CSAMP:

The CAMT/CSAMP group has been discussing the best approach for a more coordinated monitoring program and integration of the ongoing science projects and initiatives. Both of these groups are contemplating the effectiveness of the various studies and strategy for integrating the results to further our understanding of the environmental challenges. In addition, CAMT is developing a matrix of potential projects to best address the data needs and gaps to support the needed analyses and evaluations.

The monitoring sub-group developed a matrix to assess the monitoring activities, objectives, and hypotheses and will crosswalk the actions with the evolving VA Science Plan. The draft plan is anticipated to be ready in May.

ReROC

The next WIIN Act Quarterly meeting is scheduled for June 13, 2023. The draft proposed action was provided in May and staff has provided initial comments.

Science Coordination:

As part of our efforts to increase the effectiveness of the Water Authority's Science Program, Authority staff is proposing to establish a Science Coordination Workgroup to assist in the guidance of the Program. Initial selections for the workgroup were provided for each division. A kick-off meeting is anticipated for June 2023.

The objectives of this group will include:

1. Improving coordination and communication with member agencies related to Science Activities,
2. Contributing to the development of an Authority Science Plan to guide science program activities, and
3. Enhancing engagement with the science community.

Additional Coordination Activities

Staff is participating to the Reorienting to Recovery – Salmon Workshops which focus on the identifying key challenges and improving science.



MEMORANDUM

TO: SLDMWA Board of Directors, Alternates

FROM: John Brodie, Water Resources Programs Manager
Joe McGahan, Regional Drainage/Westside Watershed Coalition Coordinator

DATE: June 8, 2023

RE: Activity Agreements – Staff Report for May 2023

This memorandum serves as the Staff Report for May 2023 regarding specified¹ Water Authority activities not separately addressed on the Board meeting agenda.

1. Integrated Regional Water Management (IRWM) Activity Summary

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

Staff is preparing a Scope of Work for Self-Help Enterprises to update Community Needs Assessments previously conducted for the Westside San Joaquin IRWM Region. The project will seek to improve drinking water conditions (accessibility, affordability, quality, and quantity) for communities in the region. IRWM Activity Agreement Members reviewed a draft scope and staff is moving forward to finalize a contract and task order.

2. Sustainable Groundwater Management Activity (SGMA) Activity Summary

Coordinated Activities

Groundwater Sustainability Agencies (GSAs) are moving forward with efforts to address DWR's determination of the Subbasin's six Groundwater Sustainability Plans (GSPs) as "inadequate." The determination transfers oversight of the subbasin from DWR to the State Water Resources Control Board (SWRCB) under the sustainable Groundwater Management Act (SGMA). Delta-Mendota Subbasin staff and the consultant working on responding to the DWR determination met with SWRCB and DWR staff to discuss the process for achieving "approved" plans.

Local GSAs are meeting on an accelerated schedule to address what DWR called "deficiencies" in the Subbasin's GSPs. The scope of work for one of the Subbasin's consultants was expanded to include work on two areas specified by DWR in its determination: a subbasin-wide water budget and sustainable management criteria (SMCs). A request for proposals was issued to select a consultant, firm, or team to address the rest of items specified by DWR as well as any other items

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).

that may be identified by the SWRCB when it releases the findings of its own evaluation of the Plans. Responses to the RFP are due Friday, June 23.

As yet there is no timetable for release of SWRCB staff evaluation of the Delta-Mendota Subbasin GSPs nor when the state water Board may begin to hold probationary hearings for the six subbasins in the San Joaquin Valley where plans were deemed inadequate.

General SGMA Activities

Though the GSPs have been deemed inadequate, implementation activities are required to continue. GSAs are at the beginning of a three-month long window to begin water quality monitoring. Groundwater level data has been collected and analyzed before it will be uploaded to DWR's SGMA data portal by July 1.

3. Drainage Activity Summary

Grassland Basin Drainage Management Steering Committee Activity Summary

The Grassland Bypass Channel gates were closed on March 24th, ending the discharge of storm-induced drainage from the Grassland Drainage Area. Remaining drainage flows have been managed internally by the San Joaquin River Improvement Project since that time. No significant storms are forecasted and it is not anticipated the gates will be opened again in the near future.

GBP Activities

- **Grassland Bypass Project Annual Monitoring Report (AMR):** The 2019 Order requires an AMR be developed and submitted by April 30th. This report covers the 2022 calendar year and requires a detailed analysis and summary of all of the data collected at each of the monitoring sites. Regional Board staff responded with some technical questions which we are in the process of addressing.
- **General administration:** Review and approve consultant billing. Field review of drainage conditions and correspondence with SJRIP manager.
- **Mud Slough Restoration Project:** The Water Authority adopted the CEQA for the project in December 2021. GBP management staff are attempting to meet with CDFW to review their concerns and are working with stakeholders to resolve remaining issues.
- **Grassland Water District Monitoring Wells:** A total of 10 observation wells are planned to be installed to monitor groundwater levels and quality within the San Joaquin River Improvement Project and in a portion of Grassland Water District to the north. Five of the wells have been installed. The well drilling contractor has schedule the installation of three of the five remaining wells for the 1st week of June.
- **Compliance Monitoring:** Monitoring in compliance with the 2019 revised WDRs and 2019 Use Agreement is a continuous and daily effort. Regular flow, water quality and toxicity monitoring is required at eight locations at a frequency that varies from monthly to daily. Special monitoring for fish and invertebrate selenium levels has occurred annually, along with efforts to collect particulate samples for selenium analysis.
- **Grassland Drainage Area Coalition:** Work continues to provide coverage for farmers within the Grassland Drainage Area for the Irrigated Lands Regulatory Program. Reporting forms were sent to farmer members in late 2022 for reporting 2022 nitrogen application.

- Proposition 84 Grant: Work is ongoing to support the Prop 84 Grant administered by Panoche Drainage District for improvements to the San Joaquin River Improvement Project. The Short Term Storage Basins construction is in progress but will take some time to complete. Other projects are in design phase.

San Joaquin Valley Drainage Authority Activity Summary

- Participated in conference calls with the Regional Board to respond to their questions on surface water quality management plans and required follow up. Working with the Regional Board to formulate a more efficient focused outreach program to address sediment and surface water quality impacts to receiving waters.
- Westside San Joaquin River Watershed Coalition: Work continues to provide coverage under the Irrigated Lands Regulatory Program for farmers within the Westside San Joaquin River Watershed Coalition. The work includes managing the monitoring program, assisting farmers with the necessary reporting to comply with the program and preparing reports for the Regional Board. Coalition staff are updating the membership roll in preparation for a July 31, 2023 submittal to the Regional Board.
- Groundwater Protection Formula, Values and Targets: Coalitions have developed a methodology to establish nitrogen loading Values and Targets as required by the WDRs. Ongoing work includes meeting with other coalitions and staff to formally present the Values and Targets to the Regional Board in a public forum. Coalition staff and consultants were part of a panel that planned the strategy used to present the Targets to the Regional Board in a public meeting.
- Management Practices Effectiveness Program: Attend conference call meetings of the MPEP group. Developing work schedules to implement nitrogen control measures for farmer member compliance.
- Central Valley Groundwater Monitoring Collaborative: Attend conference call meetings to give direction to program. Work with other coalitions and staff to develop an updated groundwater monitoring CQAP. Submitted 2022 Annual Groundwater Monitoring report to the Regional Board.
- Management Zones: Work continued to develop plan for compliance within the Westside Coalition. Presented the ad hoc committee's recommended path for Management Zone compliance to the SJVDA Board of Directors.
- Salt Control Program: Phase I of the Salt Control Program involves the development of a Prioritization and Optimization Study (P&O Study). Currently, consultants are compiling data in order to characterize current salinity conditions of both surface and groundwater across the Central Valley. Phase I of the Salt Control Program is expected to last years. This work is being supported through the SJVDA budget.
- Prop 84 Real Time Program Grant: Work continues on maintaining the stations, gathering monitoring data, and computer modeling to determine and manage salt discharges to the San Joaquin River.

San Luis & Delta-Mendota Water Authority
Procurement Activity Report
From April 26, 2023 to May 31, 2023

Date Executed	Contract Title	Vendor or Service Provider	Contract Amount	Contract Solicitation Type	Contract Type	Funding Source	Notes
5/8/2023	O'Neill Pumping-Generating Plant Power Transformer Rehabilitations	Cal Electro, Inc.	\$3,155,800	Formal RFP	Construction	E O&M (Fund 26-G3)	Board Approved May 04, 2023 Resolution No 2023-513

CONTRACT CHANGE ORDER NOTIFICATIONS:

Date Executed	Contract Title	Vendor or Service Provider	Change Order Amount	Original Contract Amount	% Change	Justification
NOTE: NO CONTRACT CHANGE ORDERS WERE ISSUED DURING THIS REPORT PERIOD						

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This Procurement Activity Report is intended to satisfy the requirements in the San Luis & Delta-Mendota Water Authority's Consolidated Procurement Policy that the Board be notified of all contracts awarded under informal and formal bidding procedures and single-source procedures, as well as certain change orders, promptly following award.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2023-

RESOLUTION RECOGNIZING THE SERVICE AND CONTRIBUTIONS OF RICK GILMORE, FORMER GENERAL MANAGER OF BYRON-BETHANY IRRIGATION DISTRICT

WHEREAS, the Board of Directors of the San Luis & Delta-Mendota Water Authority (the “Board” and the “Water Authority,” respectively) seeks to recognize the outstanding contributions of RICK GILMORE following his retirement as General Manager of Byron-Bethany Irrigation District (“BBID”), and untimely death in May 2023; and

WHEREAS, Rick was born in Paragould, Arkansas, grew up in Tracy, California, and graduated from Tracy High School in 1980; and

WHEREAS, Rick joined BBID as a ditch tender in 1983, and over the years, rose through the ranks of BBID, until in 1999, he became BBID’s General Manager; and

WHEREAS, Rick first joined the Water Authority Board as an Alternate in December 2001, became a Director in February 2009, and ultimately served on the Board in these capacities for over 21 years; and

WHEREAS, Rick joined the Water Authority Finance and Administration Committee as a Member in January 2009, and served as Chair of that Committee from 2018 until 2022; and

WHEREAS, Rick’s humility, sharp intellect, vast field experience, and dedication to service facilitated his laudable contributions and commitment to the California water community; and

WHEREAS, with his tenacious spirit, Rick led an unprecedented challenge to the State Water Resource Control Board’s (“State Board”) water rights enforcement process that ultimately led to the first known instance of the State Board hearing unit issuing an order in favor of a water purveyor and against its own staff’s findings, as well as litigation creating appellate precedent regarding pre-1914 water rights; and

WHEREAS, Rick was instrumental in the Legislature’s creation of the Administrative Hearings Office within the State Board, which separated the State Board’s hearing function from its prosecution function; and

WHEREAS, Rick worked closely with other Central Valley Project (“CVP”) contractors on issues, projects, and programs related to CVP operations to enhance water supply reliability to CVP contractors; and

WHEREAS, widely respected throughout the water services community, Rick’s quick wit, warm smile, and generosity were regularly on display at the various hosted industry events; and

WHEREAS, Rick garnered great admiration from both his Board colleagues and Water Authority staff with his exceptional leadership and dedication to collaboration on a host of water policy matters.

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 formally recognizes RICK GILMORE for his contributions to the Water Authority, BBID, and the communities they serve throughout his more than 20 years of service on the Water Authority Board.

Section 3. Water Authority Chairman CANNON MICHAEL is hereby authorized and directed for and on behalf of the Water Authority to formally present a certified copy of this

Resolution to BBID, on behalf of RICK GILMORE as a token of the esteem of the Water Authority.

Section 4. Water Authority Chairman CANNON MICHAEL is hereby further authorized and directed on behalf of the Water Authority to posthumously award to RICK GILMORE Golden Bucket Award No. 35.

PASSED, APPROVED AND ADOPTED this 8th day of June, 2023, 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. 2023- 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 8th day of June, 2023.

Federico Barajas, Secretary

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY
AUDITED FINANCIAL STATEMENTS
February 28, 2022

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

AUDITED FINANCIAL STATEMENTS

February 28, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Luis & Delta-Mendota Water Authority
Los Banos, California

Report on Financial Statements

We have audited the accompanying financial statements of the San Luis & Delta-Mendota Water Authority (the Authority), as of and for the years ended February 28, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Board of Directors
San Luis & Delta-Mendota Water Authority

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of February 28, 2022 and 2021, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and State regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Richardson & Company, LLP

May 30, 2023

San Luis & Delta-Mendota Water Authority
Management's Discussion and Analysis

Years Ended February 28, 2022 and February 28, 2021

Overview

The following Management's Discussion and Analysis of the San Luis & Delta-Mendota Water Authority (the Authority) provides an overview of the financial activities and transactions for fiscal year 2022 in comparison to fiscal years 2021 and 2020 in the context of the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended. This discussion and analysis should be read in conjunction with the Authority's audited financial statements and accompanying notes.

Financial Reporting

The Authority's accounting records are maintained in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board (GASB) which for the Authority is the accrual basis of accounting and, where not in conflict with GASB pronouncements, accounting principles prescribed by the Financial Accounting Standards Board (FASB).

Description of Basic Financial Statements

The Authority's basic financial statements include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows. The Statement of Net Position includes all of the Authority's assets, deferred outflows and liabilities, with the difference reported as net position. The Statement of Revenues, Expenses and Changes in Net Position report all of Authority's revenues and expenses during the period indicated. The Statement of Cash Flows shows the amount of cash received and paid out for operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

- **Statement of Net Position**

The Statement of Net Position provides information about assets, liabilities, and net position of the Authority at a specific point in time. Assets are economic resources the Authority owns that have value and can either be sold or used by the Authority to provide services to its members. Assets include various pieces of equipment, vehicles, inventory, cash and investments, and accounts receivable.

Liabilities are the amount of money that the Authority owes to others. This includes money owed to suppliers for materials, credits owed to members participating in activity agreements, money owed for member agency water transfers, prepayments for water conveyance, and amounts due to the Authority's pension plan.

Net Position is the amount of money remaining if the Authority were to sell all of its assets and pay off all liabilities.

- **Statement of Revenues, Expenses and Changes in Net Position**

The Statement of Revenues, Expenses and Changes in Net Position is more commonly known as the Income Statement. This statement provides information regarding the Authority's operations including revenues collected and expenses incurred over a one-year period. The net of these revenues and expenses represents the Authority's end of year net position.

San Luis & Delta-Mendota Water Authority
Management's Discussion and Analysis

Years Ended February 28, 2022 and February 28, 2021

• **Statement of Cash Flows**

The Statement of Cash Flows reports the Authority's inflows and outflows of cash. This report provides management with information regarding cash on hand and the ability to pay expenses and purchase assets.

A cash flow statement reflects changes over time rather than absolute dollar amounts at a particular point in time. The bottom line of the cash flow statement shows the net increase or decrease in cash for the period. Cash flow statements are divided into four activities: (1) operating activities; (2) noncapital financing activities; (3) capital financing activities; and (4) investing activities.

1. **Operating Activities** – analyzes the cash flow from operational activities (operating revenues and expenses). This section of the cash flow statement reconciles the operating revenues to the actual cash the Authority received from or used in its operating activities.
2. **Noncapital Financing Activities** – reflects the cash flows from non-operating activities such as water sales and grant activity.
3. **Capital Financing Activities** – shows the cash flows from all financing activities. Typical cash flows from financing activities include funds received from borrowing, debt service payments, and the purchase and/or sale of capital assets.
4. **Investing Activities** – reflects the cash flow from all investment activities including investment income and purchases or sales of investment securities.

Condensed Statement of Net Position

	2022	2021	2021/2022 Variance	% Change	2020	2020/2021 Variance	% Change
Assets							
Current Assets	\$ 59,783,929	\$ 63,065,477	\$ (3,281,548)	-5%	\$ 39,393,314	\$ 23,672,163	60%
Capital Assets, Net A/D	\$ 4,911,603	\$ 4,670,563	\$ 241,040	5%	\$ 4,576,691	\$ 93,872	2%
Other Assets	\$ 45,501,325	\$ 44,533,421	\$ 967,904	2%	\$ 44,935,956	\$ (402,535)	-1%
Total Assets	\$ 110,196,857	\$ 112,269,461	\$ (2,072,604)	-2%	\$ 88,905,961	\$ 23,363,500	26%
Deferred Outflows of Resources	\$ 187,252	\$ 197,108	\$ (9,856)	100%	\$ -	\$ 197,108	0%
Liabilities							
Current Liabilities	\$ 47,606,381	\$ 49,128,888	\$ (1,522,507)	-3%	\$ 37,522,988	\$ 11,605,900	31%
Debt Borrowings, S/T	\$ 2,255,190	\$ 2,336,755	\$ (81,565)	-3%	\$ 1,048,061	\$ 1,288,694	123%
Debt Borrowings, L/T	\$ 48,043,993	\$ 47,833,959	\$ 210,034	0%	\$ 39,844,070	\$ 7,989,889	20%
Other Liab., Comp. Abs.	\$ 1,276,527	\$ 1,307,765	\$ (31,238)	-2%	\$ 1,266,421	\$ 41,344	3%
Total Liabilities	\$ 99,182,091	\$ 100,607,367	\$ (1,425,276)	-1%	\$ 79,681,540	\$ 20,925,827	26%
Net Position							
Total Net Position	\$ 11,202,018	\$ 11,859,202	\$ (657,184)	-6%	\$ 9,224,421	\$ 2,634,781	29%

Current Assets

Current assets include cash and equivalents, accounts receivable, grants receivable, interest receivable, inventory and prepaid expenses.

Fiscal Year 2022 Compared to 2021. At February 28, 2022, current assets totaled \$59.78 million which was a \$3.28 million or 5% decrease from the prior year. This decrease, as compared to February 28, 2021, was primarily due to a decrease of \$10.15 million in current cash and cash equivalents and a decrease of \$7.09 million of restricted cash for San Luis Joint Use due the completion of multiple water year final

San Luis & Delta-Mendota Water Authority
Management's Discussion and Analysis

Years Ended February 28, 2022 and February 28, 2021

accounting refunds, offset by a \$9.43 million increase in restricted Project Use Energy cash due to the timing of bills received from the U.S. Bureau of Reclamation (Reclamation). Areas with an increase in cash from 2021 to 2022 included \$7.54 million in prepaid assets for a credit on account received from Department of Water Resources from the 2022 Project Use Energy credit from Reclamation.

Fiscal 2021 Compared to 2020. At February 28, 2021, current assets totaled \$63.07 million which was a \$23.67 million or 60% increase from the prior year. This increase, as compared to February 29, 2020, was primarily due to an increase of \$2.64 million in cash and cash equivalents, an increase of \$3.33 million cash and cash equivalents restricted for Project Use Energy, an increase of \$7.15 million restricted for the Jones Pumping Plant Rewind Project (JPP Rewind or Rewind), and a \$10.98 million increase in accounts receivable. Cash and cash equivalents increased due to water year 2018, 2019 and 2020 final accountings not being completed and no refunds being processed to members. Accounts receivable increased due to a \$6.58 million receivable due from Reclamation from the Project Use Energy year-end true-up.

Capital Assets Net of Depreciation

Capital assets net of depreciation includes automobiles, heavy equipment, furniture, equipment, and computers net of all accumulated depreciation.

Fiscal Year 2022 Compared to 2021. At February 28, 2022, net capital assets totaled \$4.91 million net of accumulated depreciation, which was an increase from fiscal year 2021 of approximately \$0.24 million, or 5%. This increase is a net result of purchases of heavy equipment and other vehicles, offset by disposals and depreciation for the year.

Fiscal Year 2021 Compared to 2020. At February 28, 2021, net capital assets totaled \$4.67 million net of accumulated depreciation, which was an increase from \$4.58 million in fiscal year 2020 of approximately \$0.94 million, or 2%. This increase is a net result of fixed asset additions, disposals, and depreciation for the year.

	2022	2021	2020
Heavy Equipment	\$ 3,416,235	\$ 3,197,599	\$ 2,923,685
Vehicles and Light Trucks	\$ 3,307,975	\$ 3,162,274	\$ 3,076,222
Furniture and Equipment	\$ 1,361,272	\$ 1,302,857	\$ 1,296,869
Computers	\$ 500,722	\$ 479,059	\$ 479,059
Total Fixed Assets at Cost	\$ 8,586,204	\$ 8,141,789	\$ 7,775,835
Less Accumulated Depreciation	\$ (3,674,601)	\$ (3,471,226)	\$ (3,199,144)
Net Fixed Assets	<u>\$ 4,911,603</u>	<u>\$ 4,670,563</u>	<u>\$ 4,576,691</u>

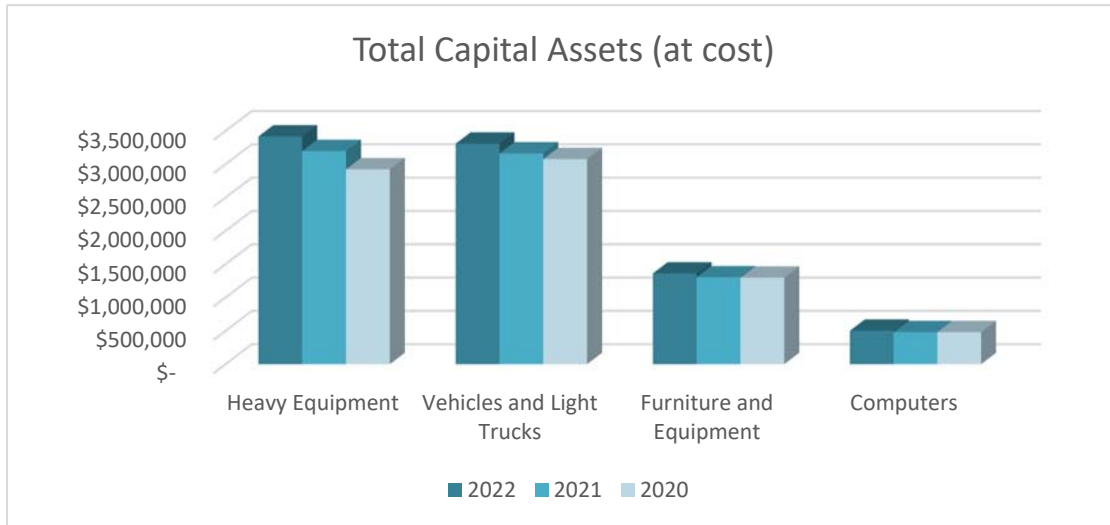
Major capital asset events during the 2021 and 2022 fiscal years included the following:

- Heavy equipment purchases totaled \$0.30 million, with disposals totaling \$0.08 million.
- Vehicle purchases and replacements were \$.17 million with disposals totaling \$.03 million.
- Furniture and equipment purchases totaled \$0.15 million, with disposals totaling \$0.09 million.
- Computer purchases totaled \$0.02 million, with no disposals.

San Luis & Delta-Mendota Water Authority
Management's Discussion and Analysis

Years Ended February 28, 2022 and February 28, 2021

Additional information on the Authority's capital assets may be found in Note 4.



Other Assets

Other assets, which consist primarily of receivables from Financing Participants, restricted cash and cash equivalents and investments, a long-term receivable from members for the Rewind Project financing and prepaid debt issuance costs, increased from \$44.53 million in fiscal year 2021 to \$45.50 million in fiscal year 2022. This was mainly due to an increase in collections on the Rewind Project receivable and receivables from Financing Participants of \$2.58 million. More information on the Rewind Project can be found in Notes 7 and 14. The increase was offset by a \$1.52 million decrease in receivables from the Delta Habitat Conservation and Conveyance Program (DHCCP) financing participants. Changes related to the DHCCP debt refunding are further described in Note 7.

Current Liabilities

Current liabilities represent Authority obligations that are due within one year, which include accounts payable, prepayments for water conveyance, and the current portion of long-term liabilities.

Fiscal Year 2022 Compared to 2021. At February 28, 2022, current liabilities totaled \$47.61 million, a decrease of \$1.52 million or 3% from the prior year. This change is due to a \$0.72 million increase in accounts payable at fiscal year-end and an increase in accrued interest payable of \$0.45 million offset by a \$2.63 million decrease in unearned revenue from 2021 to 2022.

Fiscal Year 2021 Compared to 2020. At February 28, 2021, current liabilities totaled \$49.13 million, an increase of \$11.61 million or 31% from the prior year due to a \$12.41 million increase in unearned revenues offset by a \$0.80 million decrease in accrued interest payable due to the debt refunding. The increase in unearned revenue is due to water year 2018, 2019 and 2020 final accountings not being completed, causing “payables” to members to be reclassified as unearned revenue.

Debt Borrowings – Due within One Year

Debt Borrowings – due within one year increased from \$1.05 million in 2020 to \$2.34 million in 2021 and then decreased to \$2.26 million in fiscal year 2022 for an overall increase of \$1.21 million. The increase

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reflects the net increase in the current portion of the Series 2021B Refunding Revenue Bond and debt to Reclamation for Units 5 and 6 of the Jones Pumping Plant Rewind Project.

Debt Borrowings – Long-Term

Fiscal Year 2022 Compared to 2021. Debt Borrowings – long-term liabilities increased \$0.21 million from \$47.83 million in fiscal year 2021 to \$48.04 million in 2022. This minor increase was due to disbursements on the Unit 3 and 5 Rewind notes totaling \$2.22 million, including a revised unit Rewind payment schedule received from the Bureau of Reclamation once all costs were finalized on the project, offset by payments of \$2.09 million. More information on the Jones Pumping Plant Rewind Project and Refunding Revenue Bonds can be found in Notes 7 and 14.

Fiscal Year 2021 Compared to 2020. Debt Borrowings – long-term liabilities increased \$7.99 million from fiscal year 2020 to 2021 due to the \$9.24 million debt incurred from Units 5 and 6 Rewind Project which will be paid back to Reclamation over a period of 15 years, offset by issuance of the Series 2021A Revenue Bonds and Series 2021B Refunding Revenue Bonds. More information on the Units 5 and 6 Rewind and Refunding Revenue Bonds can be found in Notes 7 and 14.

Total Net Position

Total net position is a measure of equity that is comprised of the difference between total assets and total liabilities.

Fiscal Year 2022 Compared to 2021. The total net position at the end of fiscal year 2022 was \$11.20 million, a decrease of \$0.66 million from the end of fiscal year 2021. Net position decreased due to an operating gain of \$1.29 million offset by a net non-operating loss of \$1.95 million.

Fiscal Year 2021 Compared to 2020. The total net position at the end of fiscal year 2021 was \$11.86 million, an increase of \$2.63 million from the end of fiscal year 2020. Net position increased due to a total operating income of \$1.04 million and net non-operating revenues of \$1.60 million.

Revenues and Expenses

The following is a condensed presentation of revenues, expenses and changes in net position for the fiscal year ended February 28, 2022 in comparison to years ended February 28, 2021 and February 29, 2020:

Condensed Statement of Revenues, Expenses and Changes in Net Position

	2022		2021/2022		2020		2020/2021	
			Variance	% Change		Variance	% Change	
Revenues & Expenses								
Operating Revenues	\$ 58,835,701	\$ 66,912,881	\$ (8,077,180)	-12%	\$ 61,749,028	\$ 5,163,853	8%	
Non-Operating Revenues	\$ 134,814,606	\$ 63,602,577	\$ 71,212,029	112%	\$ 20,217,303	\$ 43,385,274	215%	
Operating Expenses	\$ (57,539,326)	\$ (65,875,487)	\$ 8,336,161	-13%	\$ (63,472,130)	\$ (2,403,357)	4%	
Non-Operating Expenses	\$ (136,768,165)	\$ (62,005,190)	\$ (74,762,975)	121%	\$ (20,270,199)	\$ (41,734,991)	206%	
Net Income (Loss)	\$ (657,184)	\$ 2,634,781	\$ (3,291,965)		\$ (1,775,998)	\$ 4,410,779		
Net Position - Beg. of Year	\$ 11,859,202	\$ 9,224,421	\$ 2,634,781	29%	\$ 11,000,419	\$ (1,775,998)	-16%	
Net Position - End of Year	\$ 11,202,018	\$ 11,859,202	\$ (657,184)	-6%	\$ 9,224,421	\$ 2,634,781	29%	

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Operating & Non-Operating Revenues

• **Operating Revenues**

Fiscal Year 2022 Compared to 2021. Fiscal year 2022 operating revenues were \$58.84 million, a decrease of nearly \$8.08 million as compared to fiscal year 2021. Details to support this decrease include:

1. Water conveyance fees increased \$0.63 million.
2. Project Use Energy fees decreased \$5.37 million due to a decrease in the estimated payment schedule received from Reclamation as well as a credit applied to the account resulting in a decrease in revenues and increase in unearned revenues.
3. An increase of water conveyance fees for Unit 1 and 4 Rewind of \$1.00 million, offset by a decrease in Units 2, 3, 5, and 6 Rewind revenues of \$4.44 million due to the completion of those units.
4. Membership assessment revenues for the activity budget had an increased \$0.22 million.
5. Other revenues increased \$.27 million, mainly due to additional revenues received through final accounting true-ups completed during the fiscal year.

The Authority's principal source of operating revenue is from O&M rates paid for the conveyance of water, Project Use Energy fees, San Luis joint use facility fees and activity agreement membership dues, which typically accounts for approximately 75 percent of fiscal year revenues. A rate component was added to the water rates in 2019 for the Unit 6 Rewind Project to cover payments required on the Unit 6 Rewind debt with Reclamation beginning in 2020, an additional rate component was added in 2020 for the unit 2 Rewind Project, and rate components for the remaining units were added to water rates in 2021. See Notes 7 and 14 for more information.

Fiscal Year 2021 Compared to 2020. Fiscal year 2021 operating revenues were \$66.91 million, an increase of \$5.16 million as compared to fiscal year 2020. Details to support this increase include:

6. Project Use Energy fees decreased \$3.98 million.
7. San Luis Joint Use facility fees increased \$1.86 million from \$11.82 million in fiscal year 2020 to \$13.68 million in fiscal year 2021.
8. An increase of water conveyance fees for Units 1 and 5 Rewind of \$7.37 million, offset by a decrease in Unit 2 and 6 Rewind revenue of \$2.90 million.
9. Membership assessment revenues for the activity budget increased \$3.40 million.

• **Non-Operating Revenues**

Fiscal Year 2022 Compared to 2021. Non-operating revenues increased \$71.21 million or 112% from fiscal year 2021 for a total of \$134.81 million at February 28, 2022. This is mainly due to increased water transfer activity increasing non-operating revenues by \$71.36 million. Other changes include a decrease in investment income of \$0.36, no bond related expenses in 2022 in comparison to \$0.60 million in 2021, an increase of \$0.49 million in Extraordinary Operations and

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Maintenance revenues, a decrease of \$0.38 million in state grant revenue, and a \$0.47 million increase in the Los Vaqueros Reservoir Expansion revenue.

Fiscal Year 2021 Compared to 2020. Non-operating revenues increased \$43.39 million or 215% from fiscal year 2020 for a total of \$63.60 million at February 28, 2021. This increase of \$44.58 million is from water transfer activity, as offset by a \$1.58 million decrease in investment income.

Operating & Non-Operating Expenses

- **Operating Expenses**

Fiscal Year 2022 Compared to 2021. Total operating expenses for fiscal year 2022 were \$57.54 million, a decrease of \$8.34 million from 2021. The 2022 decrease is a net result of \$5.36 million decrease in Project Use Energy costs, a \$0.43 million decrease in Delta-Mendota Canal/California Aqueduct Intertie (DMC-CAQ Intertie) conveyance costs, a \$6.24 decrease due to the completion of Unit 2 and 5 Rewind Projects, and an increase of \$3.64 million due to the start of the Unit 3 and 4 Rewind Projects. See Notes 7 and 14 for more information about the JPP Rewind Projects.

Fiscal Year 2021 Compared to 2020. Total operating expenses for fiscal year 2021 were \$65.88 million, an increase of \$2.40 million from 2020. This is due to a \$3.95 million increase in Rewind Project costs, an increase of \$1.57 million in San Luis Joint Use facility costs, and an increase in legal costs of \$1.31 million, offset by \$4.00 million decrease in Project Use Energy costs. See Notes 7 and 14 for more information on the Jones Pumping Plant Rewind Project.

- **Non-Operating Expenses**

Fiscal Year 2022 Compared to 2021. Total non-operating expenses increased \$74.76 million or 121% from \$62.01 million in fiscal year 2021 for a total of \$136.77 million in non-operating expenses in fiscal year 2022. This increase is mainly due to an increase of \$71.36 million of water transfer expenses, an increase of \$1.95 million of Extraordinary O&M costs, as well as \$1.60 million in refunds to water users related to the completion of water year 2018 and water year 2019 final accountings and an interim DMC-CAQ Intertie cost allocation true-up for years 2012 through 2019.

Fiscal Year 2021 Compared to 2020. Total non-operating expenses increased \$41.73 million or 206% from \$20.27 million in fiscal year 2020 for a total of \$62.01 million in non-operating expenses in fiscal year 2021. This increase is mainly due to expenses incurred from water transfer activities.

Long-Term Debt

In 2019, the Authority entered into a repayment contract with Reclamation for the Unit 6 Rewind Project of \$4.86 million. The changes in long-term debt in 2020 were mainly scheduled principal payments and amortization of the premium. There was also a small addition to the Unit 6 Rewind repayment contract as the expenses were not fully incurred at the end of fiscal year 2019. In June 2020, the Authority executed a second repayment contract with Reclamation for the Unit 5 Rewind Project of \$5.27 million. In addition to the two repayment contracts, in January 2021 the Authority issued \$7.69 million in Series 2021A Revenue Bonds in order to fund Units 1 and 4 of the Rewind Project.

In January 2021, the Water Authority issued \$32.73 million in Series 2021B Refunding Revenue Bonds in order to provide funds to defease \$30.08 million of the outstanding Series 2013A Revenue Notes issued to

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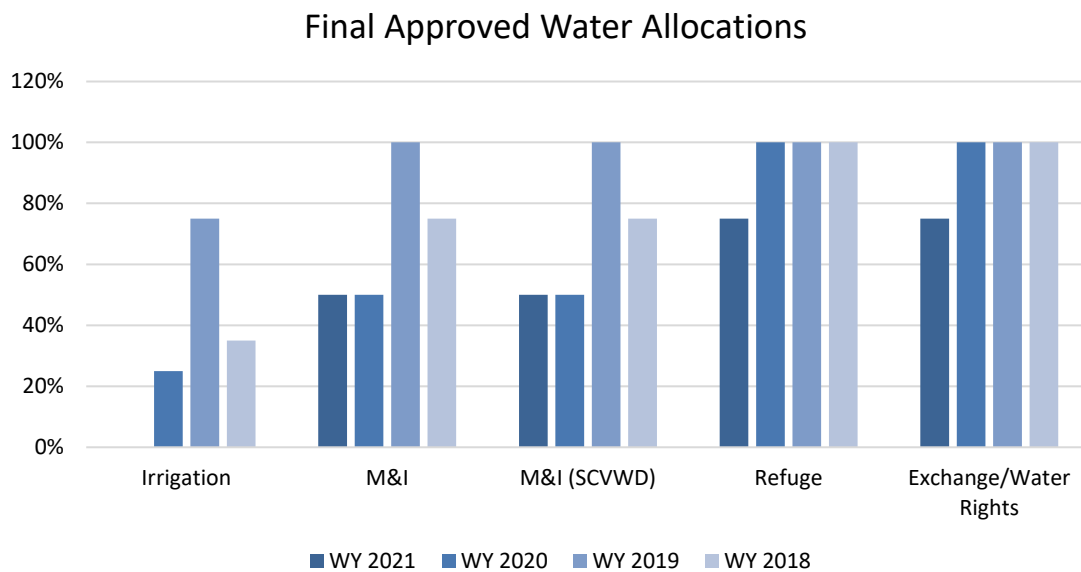
finance the DHCCP program. The bonds will be repaid by the DHCCP financing participants as described in Note 7. In fiscal year 2022, the Authority made payments of \$1.58 million on the debt. See Note 7 for more information regarding long-term debt.

In 2021, the Authority recognized debt of \$5.27 million to Reclamation for the Unit 5 Rewind Project. The total debt is to be repaid over 20 years in installments of \$0.25 million per year at the U.S. Treasury interest rate.

In 2022, the Authority recognized additional debt of \$1.8 million and \$0.37 million to Reclamation for the Unit 3 and Unit 5 Rewind Project. The total debt will be included with the 2021 debt and repaid over 20 years in installments of \$0.28 million per year at the U.S. Treasury interest rate. Reclamation has not provided a debt repayment schedule for Unit 3.

Economic Factors and Subsequent Years’ Water Allocation

Water Allocations



Financial Contact

This financial report is intended to provide the Authority’s members, creditors, investors and other interested parties an overview of the Authority’s financial operations and fiscal condition. Should the reader have questions regarding information included in this report, or wish to request additional financial information, please contact the Authority’s Director of Finance at P.O. Box 2157, Los Banos, CA 93635.

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

STATEMENTS OF NET POSITION

February 28, 2022 and 2021

	2022	2021
ASSETS		
Current Assets:		
Cash and cash equivalents:		
Unrestricted	\$ 3,864,297	\$ 14,011,744
Restricted - available for current operations	4,147,385	3,182,395
Restricted - available for Project Use Energy	12,765,585	3,332,309
Restricted - available for Rewind Project	6,958,965	8,403,304
Restricted - available for San Luis Joint Use	12,313,462	19,401,359
Receivables:		
Accounts, net	11,682,089	14,289,238
Prepaid expenses	7,686,363	145,317
Inventory	365,783	299,811
Total Current Assets	59,783,929	63,065,477
Noncurrent Assets:		
Restricted cash and cash equivalents:		
Emergency reserve fund	2,050,000	1,950,000
Debt service	2,301,444	2,386,944
Grant retention receivable	111,540	284,268
Receivables, Unit 1, 3, 4, 5 and 6 Rewind Project	11,403,341	8,762,209
Receivables, DHCCP financing participants	29,635,000	31,150,000
Capital assets (net of accumulated depreciation)	4,911,603	4,670,563
Total Noncurrent Assets	50,412,928	49,203,984
TOTAL ASSETS	110,196,857	112,269,461
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amount on refunding of debt	187,252	197,108
LIABILITIES		
Current Liabilities:		
Accounts payable	21,062,501	20,347,028
Accrued payroll and related liabilities	155,141	305,099
Accrued interest payable	502,916	50,471
Unearned revenue	25,552,326	28,185,449
Current portion of compensated absences payable	891,313	745,434
Current portion of long-term liabilities	2,255,190	2,336,755
Total Current Liabilities	50,419,387	51,970,236
Noncurrent Liabilities:		
Grant retention payable	333,497	240,841
Compensated absences payable	385,214	562,331
Long-term liabilities, net of current portion	48,043,993	47,833,959
Total Noncurrent Liabilities	48,762,704	48,637,131
TOTAL LIABILITIES	99,182,091	100,607,367
NET POSITION		
Investment in capital assets	4,911,603	4,670,563
Restricted for activity agreements	3,267,431	2,653,228
Restricted for emergency reserve fund	2,050,000	1,950,000
Unrestricted	972,984	2,585,411
TOTAL NET POSITION	\$ 11,202,018	\$ 11,859,202

The accompanying notes are an integral part of these financial statements.

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended February 28, 2022 and 2021

	2022	2021
OPERATING REVENUES		
Water conveyance fees, operations and maintenance	\$ 14,987,895	\$ 14,354,643
Project Use Energy (PUE) fees	14,903,129	20,275,550
San Luis Joint Use facility fees	13,670,493	13,681,333
Water conveyance fees - Unit 1 & Unit 4 Rewind	3,116,791	2,114,539
Water conveyance fees - Unit 2 Rewind		1,290,584
Water conveyance fees - Unit 3 & Unit 5 Rewind	2,167,806	5,281,205
Water conveyance fees - Unit 6 Rewind	106,553	148,277
United States Bureau of Reclamation service contract	231,409	437,894
Membership assessments, activity budget	8,046,250	7,831,110
Delta Habitat Conservation and Conveyance Program (DHCCP) revenue	717,871	877,505
Other revenue	887,504	620,241
TOTAL OPERATING REVENUES	58,835,701	66,912,881
OPERATING EXPENSES		
Salaries and related benefits	13,101,375	12,779,303
Project Use Energy (PUE) costs	14,903,129	20,261,208
San Luis Joint Use facility costs	13,600,371	13,857,382
Office expense	66,878	78,019
Tools and supplies	20,771	31,748
Janitorial and uniform expense	52,295	49,856
Legal and professional services	5,894,120	5,904,411
Security	120	270
License and education	195,660	155,852
Other services	149,154	115,113
Building, machinery and equipment	918,706	873,874
Membership and fees	111,379	116,014
Travel	51,023	39,064
Meetings	9,203	6,955
Auto expenses	398,746	368,157
Parts and materials	211,629	238,789
Telephone and communications	150,662	138,401
Utilities	106,760	117,348
Insurance	241,676	217,791
Intertie conveyance	791,976	1,226,696
Grassland Basin Drainage specific	960,211	949,812
Depreciation	335,648	311,094
Unit 1 Rewind expense	1,314,331	1,755,108
Unit 2 Rewind expense		1,290,584
Unit 3 Rewind expense	1,845,950	
Unit 4 Rewind expense	1,792,542	
Unit 5 Rewind expense	316,695	5,269,256
Unit 6 Rewind expense		35,370
Allocated indirect costs	(1,684)	(311,988)
TOTAL OPERATING EXPENSES	57,539,326	65,875,487
OPERATING INCOME (LOSS)	1,296,375	1,037,394

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (Continued)

For the Years Ended February 28, 2022 and 2021

	2022	2021
NONOPERATING REVENUES (EXPENSES)		
Investment income	\$ (237,663)	\$ 124,615
Interest expense	(1,062,154)	(1,678,826)
Member reimbursement for bond issuance costs		104,537
Bond issuance costs		(611,711)
Member contribution for 2013A Bond refunding		501,269
Payment to trustee to defease 2013A Bond	(4,548)	(501,269)
Water transfer revenue	127,986,913	56,625,173
Water transfer expense	(127,986,913)	(56,625,173)
Extraordinary operations and maintenance reserve revenue	4,309,461	3,822,965
Extraordinary operations and maintenance reserve expense	(3,481,384)	(1,532,686)
State grant revenue	1,374,656	1,759,115
State grant expense	(1,201,925)	(394,147)
Los Vaqueros Reservoir Expansion revenue	1,124,230	651,639
Los Vaqueros Reservoir Expansion expense	(1,124,230)	(651,639)
Refunds to water users	(1,598,395)	
Gain (loss) on disposition of assets	(67,716)	12
Central California Irrigation District turnouts revenue	6,492	6,549
Central California Irrigation District turnouts expense		(3,660)
Firebaugh Canal Water District turnouts revenue	3,175	3,325
Firebaugh Canal Water District turnouts expense		(1,544)
Extraordinary operations and maintenance vehicle usage recovery income	4,671	
Columbia Canal Company projects revenue	5,008	3,378
Columbia Canal Company projects expense	(3,237)	(4,535)
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,953,559)	1,597,387
CHANGE IN NET POSITION	(657,184)	2,634,781
NET POSITION AT BEGINNING OF YEAR	11,859,202	9,224,421
NET POSITION AT END OF YEAR	\$ 11,202,018	\$ 11,859,202

The accompanying notes are an integral part of these financial statements.

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

STATEMENTS OF CASH FLOWS

For the Years Ended February 28, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 62,318,952	\$ 74,992,235
Cash payments to suppliers for goods and services	(50,712,415)	(53,860,149)
Cash payments to employees for services	(13,724,606)	(13,429,170)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(2,118,069)	7,702,916
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal paid on long-term debt	(2,091,755)	(34,635,533)
Interest paid on long-term debt	(599,853)	(4,806,973)
Long-term debt issued	(2,266,858)	38,419,745
Net water transfers	(27,267)	(531,895)
Extraordinary O & M Reserve projects revenue	4,314,132	3,822,965
Extraordinary O & M Reserve projects expense	(3,481,384)	(1,532,686)
Noncapital grants receipts	1,441,259	1,760,451
Noncapital grant expense	(953,215)	(93,787)
Refund to water users	(1,598,395)	
Other projects revenue	1,138,905	664,891
Other projects expenses	(1,127,467)	(661,378)
Bond issuances cost paid		(507,174)
NET CASH (USED) PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	(5,251,898)	1,898,626
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(644,404)	(420,954)
Proceeds from disposal of capital assets		16,000
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(644,404)	(404,954)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	(252,546)	44,192
Investment sold		3,995,301
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	(252,546)	4,039,493
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(8,266,917)	13,236,081
Cash and cash equivalents, beginning of year	52,668,055	39,431,974
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 44,401,138	\$ 52,668,055
Cash and cash equivalents - financial statement classification:		
Unrestricted	\$ 3,864,297	\$ 14,011,744
Restricted - available for current operations	4,147,385	3,182,395
Restricted - available for Project Use Energy	12,765,585	3,332,309
Restricted - available for Rewind Project	6,958,965	8,403,304
Restricted - available for San Luis Joint Use	12,313,462	19,401,359
Restricted for emergency reserve fund	2,050,000	1,950,000
Restricted for debt service	2,301,444	2,386,944
TOTAL CASH AND CASH EQUIVALENTS	\$ 44,401,138	\$ 52,668,055

(Continued)

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

STATEMENTS OF CASH FLOWS (Continued)

For the Years Ended February 28, 2022 and 2021

	2022	2021
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 1,296,375	\$ 1,037,394
Adjustments to reconcile operating income/(loss) to net cash provided by operating activities:		
Depreciation expense	335,648	311,094
Changes in operating assets and liabilities:		
Accounts receivable, net	4,601,374	(6,494,632)
Prepaid expenses	(7,541,046)	(48,653)
Inventory	(65,972)	20,666
Prepaid expenses - debt issuance costs		126,520
Receivables, Unit 5 and Unit 6 Rewind project		237,776
Receivables, DHCCP financing participants	1,515,000	1,930,000
Accounts payable	462,215	(1,896,495)
Accrued payroll and related liabilities	(181,196)	(13,092)
Unearned revenue	(2,633,123)	12,406,210
Retention payable	92,656	86,128
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (2,118,069)	\$ 7,702,916
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Loan proceeds receivable from Reclamation	\$ (1,845,950)	\$ (2,360,625)
Grant pass-through receivable	(106,125)	(45,000)
Water transfer pass-through receivable	(27,267)	(2,091,557)
Elimination of refunded bond premium		(2,333,509)
Deferred amount on refunding		(197,999)
Amortization of deferred amount on refunding	9,856	891
Amortization of bond prepaid insurance		126,520
Unrealized gain (loss) on investments	(56,969)	(382,619)

The accompanying notes are an integral part of these financial statements.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS

February 28, 2022 and 2021

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the San Luis & Delta-Mendota Water Authority conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

- A. Financial Reporting Entity: The San Luis & Delta-Mendota Water Authority (Authority) was established as a joint powers authority under California law dated July 1, 1990. It serves 27 member agencies, 25 of which contract (Contractors) with the United States Bureau of Reclamation (Reclamation or USBR) for water supply from the Central Valley Project (CVP). The Authority delivers water to the most diverse set of member agencies in California. The member agencies provide water to approximately 1.2 million acres of highly productive farmland, 2 million California residents, and millions of waterfowl dependent upon the nearly 130,000 acres of managed wetlands within the Central Valley area of the Pacific Flyway. The Authority is governed by a 19-member Board of Directors and serves two important roles: (1) to act as the operations and maintenance entity for the Delta Division of the CVP and south of Delta CVP facilities that the Authority's member agencies depend on for the delivery of their water supply, and (2) to provide unified representation on common interests of Authority members.

The member agencies are as follows and are assigned to one of five divisions based on location:

Division 1 (Northern DMC):	Division 4 (San Felipe Unit):
Banta-Carbona Irrigation District	San Benito County Water District
Byron Bethany Irrigation District	Santa Clara Valley Water District (Valley Water)
City of Tracy	
Del Puerto Water District	Division 5 (Southern DMC/Mendota Pool):
Patterson Irrigation District	Broadview Water District
West Stanislaus Irrigation District	Eagle Field Water District
	Fresno Slough Water District
Division 2 (San Luis Unit):	James Irrigation District
Panoche Water District	Laguna Water District
Pleasant Valley Water District	Mercy Springs Water District
San Luis Water District	Oro Loma Water District
Westlands Water District	Pacheco Water District
	Reclamation District 1606
Division 3 (Exchange Contractor and Grassland Water District):	Tranquillity Irrigation District
Central California Irrigation District	Turner Island Water District
Columbia Canal Company (Friend)	
Firebaugh Canal Water District	
Grassland Water District	
Henry Miller Reclamation District #2131	

The Authority has determined that there are no component units that meet the criteria for inclusion within the reporting entity.

The Authority is a member of the following joint power authorities/agencies (JPAs): Association of California Water Agencies (ACWA), ACWA Joint Powers Insurance Authority, and the State and Federal Water Contractors Agency. The Authority is generally not responsible for the liabilities for the JPAs under the JPA agreements and only has a residual interest in any assets held by the JPAs upon termination of the agreements. However, see Note 11.H for a discussion of the effect of changes due to a state law related to pension liabilities.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued):

- B. Basis of Presentation – Fund Accounting: The Authority’s resources are allocated to and accounted for in these basic financial statements using an enterprise fund type of the proprietary fund group. A fund is a self-balancing set of accounts. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.
- C. Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on the economic resources measurement focus. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the fund are included on the statement of net position. Net position is segregated into the investment in capital assets, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position. Enterprise funds and agency funds use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for operations and maintenance of the Delta-Mendota Canal, Project Use Energy (PUE) fees, San Luis Joint Use facility fees (fees for the Authority’s share of facilities used jointly by Reclamation and the California Department of Water Resources and funding participants) and related facilities. Operating expenses for the enterprise fund include the cost of operations and maintenance of the Delta-Mendota Canal and related facilities, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Cost reimbursement grant revenues are recognized as revenue when the reimbursable costs are incurred under the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, then unrestricted resources as they are needed.

- D. Cash and Cash Equivalents: For purposes of the statement of cash flows, the Authority considers all highly liquid investments with an original maturity of three months or less, including restricted assets, to be cash equivalents, which includes investments in the California Local Agency Investment Fund (LAIF), the Investment Trust of California (CalTRUST) and money market mutual funds.
- E. Accounts Receivable: Billed, but unpaid, services are recorded as accounts receivable. Receivables include a year-end accrual for services provided through the end of the fiscal year that were not billed at year-end. The Authority charges operation, maintenance and replacement (OM&R) water rates for the conveyance of water to recoup “OM&R Costs.” The First Amended and Restated Memorandum of Understanding Between Friant Water Users Authority and San Luis & Delta-Mendota Water Authority Relating to Allocation, Collection and Payment of Operation, Maintenance & Replacement Costs for Water Delivered Through Certain Central Valley Project Facilities (Friant MOU) defines OM&R Costs as “Costs of providing OM&R for the Project Facilities pursuant to the SLDMWA Transfer Agreement, including without limitation conveyance pumping costs associated therewith.”

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued):

The charges are paid by water contractors each month for the next calendar month based on the estimated acre-feet of water deliveries and estimated rates set by the Authority and approved by the Board of Directors, which includes the Authority’s estimated OM&R Costs, DWR and Reclamation’s PUE estimated operations and maintenance costs determined at the beginning of the fiscal year, as indicated on the water contractor’s advanced payment form. Receivables are recognized from water contractors at year-end when conveyance fees are trued-up based on actual water deliveries and operations and maintenance costs. See Notes 7 and 14 for a description of C.W. “Bill” Jones Pumping Plant Rewind Project and financing participant receivables.

- F. Prepaid Expenses: Prepaid expenses at February 28, 2022 and 2021 represented payments made to the Association of California Water Agencies Joint Powers Insurance Authority for various forms of insurance. Prepaid expenses at February 28, 2022 also included an overpayment of PUE costs of \$7,924,775 and activity agreement costs of \$265,763 that benefited periods beyond year-end.
- G. Restricted Assets: Restricted assets consist of unspent bond proceeds that are restricted to future bond payments, the emergency reserve fund required under the Reclamation Transfer Agreement, as described in Note 8, and assets restricted under activity agreements with member agencies.
- H. Inventory: Inventory consists of various parts and materials needed to operate and maintain the Delta-Mendota Canal and other facilities. It is valued on an average cost basis.
- I. Capital Assets Purchased by the Water Authority: Capital assets are recorded at historical cost. It is the Authority’s policy to capitalize assets with a cost of \$5,000 or more with useful lives in excess of one year. The costs of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation and amortization are calculated using the straight-line method over the following estimated useful lives.

Description	Estimated Life
Heavy equipment	15-30 years
Vehicles and light trucks	10-30 years
Furniture and equipment	10-30 years
Computers	5-20 years

Donated Capital Assets: Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The United States Bureau of Reclamation transferred assets relating to the conveyance of water, maintenance, and operation of certain Central Valley Project facilities to the Authority at March 1, 1998. Depreciation on these assets has been computed and reported in the financial statements using the straight-line method over their useful lives.

- J. Unearned Revenue: Unearned revenue arises when resources are received by the Authority prior to the incurrence of qualifying operations and maintenance costs. The Authority’s unearned revenues represent water conveyance fees, PUE fees and San Luis Joint Use facility fees not earned at year-end

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued):

by incurring qualifying expenses. In subsequent periods, when both revenue recognition criteria are met, or when the Authority has legal claim to the resources, the liability for unearned revenue is removed from the statement of net position and revenue is recognized.

- K. Compensated Absences: Accumulated unpaid employee vacation benefits are recognized as a compensated absences liability in the year vested. Vacation is fully payable at separation. Sick leave is accumulated without limit but is not payable at separation and is not recognized as part of the Authority's compensated absences liability except for the available sick leave cash-out balance described below.

According to the Authority's ICMA Retirement Health Savings Plan (Plan) adopted March 1, 2005, upon retirement from the Authority, the participant's available sick leave cash out is required to be contributed to the Plan and is deposited in an individual account held for the benefit of the participant. The available sick leave cash out balance is defined as the lesser of one-half of accumulated sick leave on the effective date of separation or 500 hours for employees 1) that have ten years of service and are at least 55 years of age, or 2) employees with fifteen years of service regardless of age.

- L. Net Position: Net position is categorized as the investment in capital assets, restricted and unrestricted.

Investment in Capital Assets: This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt and other capital payables that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position: This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constructional provisions or enabling legislation. Restricted net position includes the amount restricted for the emergency reserve fund and the amount restricted for projects under activity agreements with members.

Unrestricted Net Position: This category represents net position of the Authority, not restricted for any project or other purpose.

- M. Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

- N. New Pronouncements: In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the lease guidance, unless specifically excluded in this Statement. This Statement will be implemented during the year ended February 28, 2023.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued):

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement addresses issues related to public-private and public-public partnership arrangements (PPPs). PPPs are arrangements in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement requires that PPPs that meet the definition of a lease apply guidance in Statement No. 87, *Leases*, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of a service concession arrangement. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement No. 87, as amended. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements that include an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement will be implemented during the year ended February 29, 2024.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. This Statement 1) defines the term SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs to a SBITA; and 4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement will be implemented during the year ended February 29, 2024.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This Statement requires for the purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively. This Statement (1) requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. This Statement will be implemented during the year ended February 28, 2023.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. This Statement enhances comparability in accounting and financial reporting and consistency in authoritative literature,

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued):

including the classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions of Statement 87, *Leases*, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives; clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement term, classification as short-term and recognition of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, related to the focus of the government-wide financial statements; terminology updates related to provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and terminology used in Statement No. 53 to refer to resource flows statements. This Statement will be implemented during the year ended February 28, 2025.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections, an Amendment of GASB Statement No. 62*. This Statement prescribes the accounting and financial reporting for each type of accounting change, including changes in accounting principles, changes in accounting estimates and changes to or within the financial reporting entity, and error corrections. This Statement requires changes in accounting principles and error corrections to be reported retroactively by restating prior periods; requires changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period; and requires changes in accounting estimates to be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of new pronouncements in absence of specific transition provisions in the new pronouncement. This Statement also requires the aggregate amount of adjustments to and restatements of beginning net position, fund balance or fund net position, as applicable, to be displayed by reporting unit in the financial statements. Furthermore, this Statement requires information presented in required supplementary information or supplementary information to be restated for error corrections, if practicable, but not for changes in accounting principles. This Statement will be implemented during the year ended February 28, 2025.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued):

using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. This Statement will be implemented during the year ended February 28, 2025.

The Authority is currently analyzing the impact of these new Statements.

NOTE 2 – CASH AND INVESTMENTS:

Cash and investments were classified as follows at February 28, 2022 and 2021:

	2022	2021
Cash and cash equivalents:		
Unrestricted	\$ 3,864,297	\$ 14,011,744
Restricted - available for current operations	4,147,385	3,182,395
Restricted - available for project use energy	12,765,585	3,332,309
Restricted - available for pump rewind project	6,958,965	8,403,304
Restricted - available for San Luis Joint Use	12,313,462	19,401,359
Restricted - emergency reserve fund	2,050,000	1,950,000
Restricted - debt service	2,301,444	2,386,944
Total cash and investments	\$ 44,401,138	\$ 52,668,055

Cash and investments were classified as follows under GASB Statement No. 40 at February 28, 2022 and 2021:

	2022	2021
Cash and investments consisted of the following:		
Cash on hand	\$ 1,000	\$ 1,000
Deposits with financial institutions	10,646,094	17,967,279
Investments	33,754,044	34,699,776
Total cash and investments	\$ 44,401,138	\$ 52,668,055

Investment Policy: The Authority’s investment policy was approved by Resolution 2013-367. The policy allows the Authority to invest in Federal Deposit Insurance Corporation insured bank deposits, LAIF, the Investment Trust of California (CalTRUST) and United States Treasury notes, bonds, bills or certificates of indebtedness secured by the full faith and credit of the United States Government.

Investments Authorized by Debt Agreements: Investment of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Authority’s investment policy. Under the Authority’s Indenture of Trust agreements, debt proceeds may be invested in direct U.S. Government obligations and highly rated: 1) U.S. Government agency obligations with remaining maturities not exceeding three years; 2) U.S. dollar denominated deposit accounts, certificates of deposit, federal funds and banker’s acceptances of domestic commercial banks maturing no more than 360 days after the date of purchase; 3) commercial paper maturing in no more than 270 days from the date of purchase; 4) money market funds; 5) municipal obligations; 6) CalTRUST; LAIF; and investment agreements.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 2 – CASH AND INVESTMENTS (Continued):

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Authority manages its exposure to changes in market interest rates by diversifying its investments by security type and institution.

The following table illustrates the distribution of the Authority’s investments by maturity:

<u>February 28, 2022</u>	<u>Fair Value</u>	<u>12 Months or Less</u>	<u>More than 12 to 24 Months</u>	<u>More than 24 to 60 Months</u>
Local Agency Investment Fund	\$ 4,519,345	\$ 4,519,345		
CalTRUST	26,933,256	12,961,561		\$ 13,971,695
Held by bond trustee:				
Money market funds	2,301,443	2,301,443		
Totals	\$ 33,754,044	\$ 19,782,349	\$ -	\$ 13,971,695
<u>February 28, 2021</u>	<u>Fair Value</u>	<u>12 Months or Less</u>	<u>More than 12 to 24 Months</u>	<u>More than 24 to 60 Months</u>
Local Agency Investment Fund	\$ 12,539,070	\$ 12,539,070		
CalTRUST	19,773,762	5,580,189	\$ 14,193,573	
Held by bond trustee:				
Money market funds	2,386,944	2,386,944		
Totals	\$ 34,699,776	\$ 20,506,203	\$ 14,193,573	\$ -

Credit Risk: The Authority limits its exposure to credit risk, that is, the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment, by limiting its investments to instruments with the top ratings issued by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Authority’s investment policy, or debt agreements, and the actual Standard & Poor’s rating as for each investment type:

<u>February 28, 2022</u>	<u>Fair Value</u>	<u>Minimum Legal Rating</u>	<u>AAA</u>	<u>AAf</u>	<u>AA-f</u>	<u>Not Rated</u>
Local Agency Investment Fund	\$ 4,519,345	N/A				\$ 4,519,345
CalTRUST	26,933,256	N/A		\$ 12,961,561	\$ 13,971,695	
Held by bond trustee:						
Money market funds	2,301,443	AAA	\$ 2,301,443			
	\$ 33,754,044		\$ 2,301,443	\$ 12,961,561	\$ 13,971,695	\$ 4,519,345
<u>February 28, 2021</u>	<u>Fair Value</u>	<u>Minimum Legal Rating</u>	<u>AAA</u>	<u>AAf</u>	<u>AA-f</u>	<u>Not Rated</u>
Local Agency Investment Fund	\$ 12,539,070	N/A				\$ 12,539,070
CalTRUST	19,773,762	N/A		\$ 5,580,189	\$ 14,193,573	
Held by bond trustee:						
Money market funds	2,386,944	AAA	\$ 2,386,944			
	\$ 34,699,776		\$ 2,386,944	\$ 5,580,189	\$ 14,193,573	\$ 12,539,070

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 2 – CASH AND INVESTMENTS (Continued):

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At February 28, 2022 and 2021, the carrying amount of the Authority's deposits was \$10,646,094 and \$17,967,279 and the balance in financial institutions was \$10,919,407 and \$18,563,257, respectively. Of the balance in financial institutions, \$250,000 at February 28, 2022 and 2021 was covered by federal depository insurance and the remaining amounts were collateralized by the pledging financial institution's assets held in a common pool for the Authority and other governmental agencies, but not in the name of the Authority.

Investments in External Investment Pools: The Authority is a voluntary participant in the following external investment pools: Local Agency Investment Fund (LAIF) and the Investment Trust of California (CalTRUST). LAIF is regulated by the California Government Code under the oversight of the Treasurer of the State of California. CalTRUST is administered under the oversight of a Board of Trustees comprised of experienced investment managers. The weighted average maturity of investments held by LAIF was 319 and 198 days as of February 28, 2022 and 2021, respectively. The Authority invests in the CalTRUST short-term and medium-term pools. The fair value of the Authority's investments in these pools are reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by the pools for their entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The amount that may be withdrawn from CalTRUST is based on the net asset value per share and the number of shares held by participants in each pool. The weighted average maturity of short term-funds in CalTRUST was 310 and 296 days as of February 28, 2022 and 2021, respectively. The weighted average maturity of medium-term funds in CalTRUST was 763 and 756 days as of February 28, 2022 and 2021, respectively.

Fair Value Measurement: The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Authority's investments in LAIF, CalTRUST and money market funds are not subject to the fair value hierarchy or are measured at net asset value. All securities classified in Level 2 are valued using pricing models based on market data, such as matrix or model pricing from outside pricing services. These valuation techniques include third party benchmark yields, reported trades, broker/dealer quotes and other techniques.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 3 – ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES:

Accounts receivable and other receivables consisted of the following at February 28, 2022 and 2021:

	2022	2021
Membership assessments		\$ 362,933
Other receivables	\$ 849,532	467,225
Due from other governments	10,830,167	13,441,808
Interest receivable	2,390	17,272
Total accounts receivable	11,682,089	14,289,238
Grant retention receivable	111,540	284,268
Unit 1, 3, 4, 5 and 6 Rewind Project	11,403,341	8,762,209
DHCCP financing participants	29,635,000	31,150,000
Total	\$ 52,831,970	\$ 54,485,715

NOTE 4 – CAPITAL ASSETS:

Capital asset activity was as follows:

February 28, 2022

Capital Assets	Balance at March 1, 2021	Additions	Retirements	Balance at February 28, 2022
Capital assets, being depreciated:				
Heavy equipment	\$ 3,197,599	\$ 299,424	\$ (80,788)	\$ 3,416,235
Vehicles and light trucks	3,162,274	171,396	(25,695)	3,307,975
Furniture and equipment	1,302,857	151,921	(93,506)	1,361,272
Computers	479,059	21,663		500,722
Total capital assets, being depreciated	8,141,789	644,404	(199,989)	8,586,204
Less accumulated depreciation:				
Heavy equipment	(807,256)	(114,105)	27,135	(894,226)
Vehicles and light trucks	(1,334,099)	(154,818)	23,440	(1,465,477)
Furniture and equipment	(968,568)	(33,004)	81,698	(919,874)
Computers	(361,303)	(33,721)		(395,024)
Total accumulated depreciation	(3,471,226)	(335,648)	132,273	(3,674,601)
Capital assets, net	\$ 4,670,563	\$ 308,756	\$ (67,716)	\$ 4,911,603

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 4 – CAPITAL ASSETS:

February 28, 2021

Capital Assets	Balance at March 1, 2020	Additions	Retirements	Balance at February 28, 2021
Capital assets, being depreciated:				
Heavy equipment	\$ 2,923,685	\$ 273,914		\$ 3,197,599
Vehicles and light trucks	3,076,222	141,052	\$ (55,000)	3,162,274
Furniture and equipment	1,296,869	5,988		1,302,857
Computers	479,059			479,059
Total capital assets, being depreciated	<u>7,775,835</u>	<u>420,954</u>	<u>(55,000)</u>	<u>8,141,789</u>
Less accumulated depreciation:				
Heavy equipment	(705,143)	(102,113)		(807,256)
Vehicles and light trucks	(1,225,879)	(147,232)	39,012	(1,334,099)
Furniture and equipment	(939,195)	(29,373)		(968,568)
Computers	(328,927)	(32,376)		(361,303)
Total accumulated depreciation	<u>(3,199,144)</u>	<u>(311,094)</u>	<u>39,012</u>	<u>(3,471,226)</u>
Capital assets, net	<u>\$ 4,576,691</u>	<u>\$ 109,860</u>	<u>\$ (15,988)</u>	<u>\$ 4,670,563</u>

NOTE 5 – ACCOUNTS PAYABLE:

Accounts payable consisted of the following at February 28, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Other governments	\$ 17,232,715	\$ 17,396,975
Vendors	3,829,786	2,950,053
Total	<u>\$ 21,062,501</u>	<u>\$ 20,347,028</u>

NOTE 6 – UNEARNED REVENUE:

The water contractors pay water conveyance fees based on estimated water deliveries in the month prior to the water delivery date. The Project Use Energy rate component is based on cost estimates provided by Reclamation and the San Luis Joint Use facility rate component is based on the California Department of Water Resources budget. These fees are reported as unearned revenue at each year-end if not spent for qualifying expenses. Unearned revenue consisted of the following at February 28, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Contractors:		
O&M (including Rewind Project)	\$ 1,053,657	\$ 11,481,446
Project Use Energy	21,631,159	9,913,443
San Luis Joint Use	2,867,510	6,790,560
Total	<u>\$ 25,552,326</u>	<u>\$ 28,185,449</u>

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 7 – LONG-TERM LIABILITIES:

The following is a summary of changes in the Authority’s long-term liabilities:

<u>February 28, 2022</u>	Balance at March 1, 2021	Additions	Reductions	Balance at February 28, 2022	Due Within One Year
Revenue Bonds, Series 2021A	\$ 7,690,000			\$ 7,690,000	\$ 245,000
Refunding Revenue Bonds, Series 2021B	32,725,000		\$ (1,575,000)	31,150,000	1,515,000
	40,415,000		(1,575,000)	38,840,000	1,760,000
USBR Unit 3 Rewind Note		\$ 1,845,950		1,845,950	
USBR Unit 5 Rewind Note	5,269,256	374,274	(242,867)	5,400,663	214,797
USBR Unit 6 Rewind Note	4,486,458		(273,888)	4,212,570	280,393
Total debt	50,170,714	2,220,224	(2,091,755)	50,299,183	2,255,190
Compensated absences	1,307,765	1,746,444	(1,777,682)	1,276,527	891,313
Total	<u>\$ 51,478,479</u>	<u>\$ 3,966,668</u>	<u>\$ (3,869,437)</u>	<u>\$ 51,575,710</u>	<u>\$ 3,146,503</u>

<u>February 28, 2021</u>	Balance at March 1, 2020	Additions	Reductions	Balance at February 28, 2021	Due Within One Year
Revenue Bonds, Series 2021A		\$ 8,020,000	\$ (330,000)	\$ 7,690,000	\$ 245,000
Refunding Revenue Bonds, Series 2021B		32,725,000		32,725,000	1,575,000
Series 2013A	\$ 33,840,000		(33,840,000)		
Add issuance premium	2,333,509		(2,333,509)		
	36,173,509	40,745,000	(36,503,509)	40,415,000	1,820,000
USBR Unit 5 Rewind Note		5,269,256		5,269,256	242,867
USBR Unit 6 Rewind Note	4,718,622	35,370	(267,534)	4,486,458	273,888
Total debt	40,892,131	46,049,626	(36,771,043)	50,170,714	2,336,755
Compensated absences	1,266,421	912,495	(871,151)	1,307,765	745,434
Total	<u>\$ 42,158,552</u>	<u>\$ 46,962,121</u>	<u>\$ (37,642,194)</u>	<u>\$ 51,478,479</u>	<u>\$ 3,082,189</u>

Revenue Bonds (OM&R Project), Series 2021A (Direct Placement):

On January 26, 2021, the Authority issued the Revenue Bonds (OM&R Project), Series 2021A (the 2021A Bonds) in the amount of \$8,020,000. The 2021A Bonds were issued to provide funds to finance a portion of the cost of certain extraordinary maintenance (Unit 1 and Unit 4 Rewind project) to the Jones Pumping Plant and to fund a deposit into a debt service reserve fund.

The 2021A Bonds are special obligations of the Authority payable solely from operations, maintenance, and replacement (OM&R) revenues received by the Authority for the operation, maintenance, and replacement of certain Central Valley Project facilities pursuant to a Transfer Agreement entered into by the Authority and the United States of America acting through the Department of Interior Bureau of Reclamation. OM&R revenues are paid to the Authority by various public entities with respect to water conveyed or delivered by the Authority to certain contractor’s which have entered water service, water repayment and other water delivery contracts with Reclamation. OM&R revenues also include certain payments received by the Authority from Friant Water Authority on behalf of Friant Division Contractors with respect to settlement water delivered to the Settlement Contractors; provided, however, no principal or interest on the 2021A Bonds will be charged to Friant Water Authority, as described herein. The 2021A Bonds are secured by a gross lien on OM&R revenues and are payable from OM&R revenues prior to operation and maintenance costs and are on a parity with the obligation of the Authority to pay principal of

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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 7 – LONG-TERM LIABILITIES (Continued):

and interest on two repayment contracts with Reclamation which financed extraordinary maintenance at the Jones Pumping Plant, aggregating approximately \$17,500,000 in principal amount and other operation and maintenance obligations incurred by the Authority from time-to-time in accordance with the OM&R Master Resolution. The 2021A Bonds have a rate covenant requiring the Authority to collect OM&R revenues equal to 1.10 times payments due on all Operation and Maintenance Obligations (all obligations on parity with the 2021A Bonds) and 1.00 times other operations and maintenance costs as defined in the agreement. The 2021A Bonds bear interest at 1.26% to 3.20% and are payable semi-annually on March 1 and September 1, beginning March 1, 2021, through March 1, 2045. Upon default the 2021A Bonds may be declared to be immediately due and payable and a default interest rate of 8% would apply on past due principal.

Refunding Revenue Bonds (DHCCP Development Project), Series 2021B (Direct Placement):

On January 26, 2021, the Authority issued the Refunding Revenue Bonds (DHCCP Development Project), Series 2021B (the 2021B Bonds) in the amount of \$32,725,000. The 2021B Bonds were issued to provide funds to defease \$30,080,000 of the outstanding Refunding Revenue Bonds (DHCCP Development Project), Series 2013A (the 2013A Bonds). The 2013A Bonds were issued to finance planning, preliminary design and environmental activities of the Delta Habitat Conservation and Conveyance Program (DHCCP), a program consisting of joint efforts by agencies of the federal government, State of California and local agencies to fund and plan habitat conservation and water supply activities in the Sacramento-San Joaquin River Delta/San Francisco Bay Estuary (the “Bay-Delta”), including Bay-Delta water conveyance options. Byron Bethany Irrigation District and Laguna Water District repaid their 2013A bond debt service obligation in the amount of \$501,269 and opted not to participate in the 2021 refunding.

The 2021B Bonds are special obligations of the Authority payable solely from a lien on revenues defined in the agreement, including portions of payments received by the Authority pursuant to the DHCCP Activity Agreements by and between the Authority and the Financing Participants (Financing Participant payments) and from amounts in certain funds and accounts established under the Indenture of Trust pursuant to which the 2021B Bonds are issued. The Financing Participants have agreed to collect revenues sufficient to pay their specified percentage of the required principal and interest payments due on the Bond under the DHCCP Activity Agreements. Westlands Water District has agreed pursuant to its DHCCP Activity Agreement to pay 100% of the principal and interest on the 2021B Bonds. The Authority then reimburses Westlands Water District for a portion of such principal and interest payments from amounts that the Authority receives from other Financing Participants, including Broadview Water District, Mercy Springs Water District, Eagle Field Water District, Pacheco Water District, Panoche Water District and San Luis Water District. The Authority has agreed not to pledge, lien, charge or create any other encumbrance on the revenues pledged under the 2021B Bond indenture. A receivable is recognized for the funding participants’ obligation to provide revenues sufficient to make principal payments on the Bond under the DHCCP Activity Agreements. Interest revenue is recognized from the participants on the accrual basis each year. The 2021B Bonds bear interest at .35% to 3.04% and are payable semi-annually on March 1 and September 1, beginning March 1, 2021. The bonds mature at various amounts through March 1, 2042. Upon default the 2021B Bonds may be declared to be immediately due and payable and a default interest rate of 8% would apply on past due principal.

In January of 2021, \$3,684,099 of unused funds from the previously defeased Revenue Notes (DHCCP Development Project), Series 2009A were deposited to an irrevocable escrow account held by a fiscal agent and will be used, with investment earnings, to repay the 2013A Bonds in the amount of \$4,145,000 by

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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 7 – LONG-TERM LIABILITIES (Continued):

March 1, 2023. The fair value of the amount in the escrow account was \$4,091,339 and \$4,101,109 at February 28, 2022 and 2021, respectively.

Pledged Revenue: The Authority pledged future OM&R revenues to repay the 2021A Bonds in the original amount of \$8,020,000. The 2021A Bonds are payable solely from OM&R revenues through March 1, 2045. Total principal and interest remaining to be paid on the 2021A Bonds was \$10,804,720 and \$10,904,941 at February 28, 2022 and 2021, respectively. Total cash basis principal and interest paid for the 2021A Bonds was \$452,907 and \$345,905 and the total cash basis OM&R revenues was \$53,822,870 and \$66,200,193 for the years ended February 28, 2022 and 2021, respectively.

The Authority pledged future Financing Participation revenues to repay the 2021B Bonds and 2013A Bonds in the original amounts of \$32,725,000 and \$37,550,000, respectively. The 2021B Bonds and 2013A Bonds, prior to the bonds being refunded in 2021, are payable from Financing Participant payments amounts held in an escrow account and are payable through March 1, 2042. Total principal and interest remaining to be paid on the 2021B Bonds was \$39,760,643 and \$47,719,830, at February 28, 2022 and 2021, respectively. Total cash basis principal and interest paid for the 2021B and 2013A Bonds (prior to refunding in 2021) was \$1,959,187 and \$2,452,471 and the total Financing Participant Payments in total for the Bonds was \$2,182,433 and \$2,452,471 at February 28, 2022 and 2021, respectively. The total Financing Participant payments above include amounts reported as a reduction of the receivable from financing participants on the statements of net position, which were used to make DHCCP debt service payments.

USBR Jones Pumping Plant Rewind Note (Private Placement):

In June 2020, the Authority entered into an agreement to receive up to \$12,700,000 combined for units 2, 3, 4 and 5 from the United States Bureau of Reclamation to rewind the Units of the C.W. “Bill” Jones Pumping Plant. The obligation was on a cost reimbursement basis, with a separate repayment contract created on the substantial completion date for each unit. After entering into the agreement, the Authority chose to self-fund the rewind of Unit 2 and to finance the other three units through this financing method. At February 28, 2022, the rewinds of Units 5 and 6 were completed and separate repayment agreements were in place with the United States Bureau of Reclamation. As of February 28, 2022, Unit 3 rewind was not substantially complete but had incurred costs of \$1,845,950. The United States Bureau of Reclamation has not yet provided a debt service maturity schedule for this unit, but the amount will be repaid in installments annually from project completion to February 2046. Interest due is at the average U.S. Department of Treasury interest rate based on average market yields of obligations of comparable maturities at the beginning of the fiscal year when work began on the project, adjusted to the nearest 1/8 of 1 percent, which is currently 2.125%. The agreement requires an additional 0.5% interest rate per month to be paid if the obligation becomes delinquent more than 60 days. The Authority has added additional charges to water conveyance fees to repay the existing obligations for Units 5 and 6. A long-term receivable is recognized for the contractors’ obligation to provide sufficient water conveyance fees to repay the Rewind Notes for Units 5 & 6. The receivable is equal to the liability outstanding, less revenue collected for principal payments. Revenue collected for interest payments is recognized in the year the interest payments are due.

USBR Unit 5 Rewind Note (Private Placement):

In June 2020, the Authority entered into an agreement to receive up to \$5.9 million from the United States Bureau of Reclamation to rewind Unit 5 of the C.W. “Bill” Jones Pumping Plant. The obligation was on a

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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 7 – LONG-TERM LIABILITIES (Continued):

cost reimbursement basis and the Authority incurred \$5,612,808 as of February 28, 2022. A preliminary repayment schedule was provided by the United States Bureau of Reclamation showing the amount would be repaid in installments of \$248,028 per year on the last day of February from February 2022 to February 2044. A revised repayment schedule was presented to the Authority in October 2022, updating the annual installment amount to \$282,305 with a stated interest amount of 1.25%. The agreement requires an additional 0.5% interest rate per month to be paid if the obligation becomes delinquent more than 60 days. The Authority has added an additional component to the water rates to repay the obligation. A long-term receivable is recognized for the contractors’ obligation to provide sufficient water conveyance fees to repay the Unit 5 Rewind Note. The receivable is equal to the liability outstanding, less revenue collected from the contractors for principal payments. Revenue collected for interest payments is recognized in the year the interest payments are due.

USBR Unit 6 Rewind Note (Private Placement):

In February 2018, the Authority entered into an agreement to receive up to \$5 million from the United States Bureau of Reclamation to rewind Unit 6 of the C.W. “Bill” Jones Pumping Plant. The obligation was on a cost reimbursement basis and the Authority incurred \$5,154,120, including Reclamation costs. The remaining amount will be repaid in installments of \$380,441 per year on the last day of February from February 2020 to February 2035. Interest due is at the average U.S. Department of Treasury interest rate based on average market yields of obligations of comparable maturities at the beginning of the fiscal year when work began on the project, adjusted to the nearest 1/8 of 1 percent, which is 2.375%. The agreement requires an additional 0.5% interest rate per month to be paid if the obligation becomes delinquent more than 60 days. The Authority has added an additional component to the water rates in order to repay the obligation.

A long-term receivable is recognized for the contractors’ obligation to provide sufficient water conveyance fees to repay the Unit 6 Rewind Note. The receivable is equal to the liability outstanding, less revenue collected from the contractors for principal payments. Revenue collected for interest payments is recognized in the year the interest payments are due.

Debt Refunding: On January 26, 2021, the Authority issued Refunding Revenue Bonds, Series 2021B and used the proceeds along with other funds to refund \$30,010,000 of the 2013A Bonds. The 2013A bonds had a principal outstanding of \$32,280,000 at February 28, 2022 and were fully defeased on March 1, 2023.

The annual debt service requirements to maturity for the long-term liabilities were as follows:

<u>February 28, 2022</u>			
Year Ended Last Day of February,	<u>Revenue Bonds, Series 2021A</u>		Total Debt
	<u>Principal</u>	<u>Interest</u>	<u>Service</u>
2023	\$ 245,000	\$ 206,364	\$ 451,364
2024	245,000	203,277	448,277
2025	250,000	200,158	450,158
2026	255,000	196,977	451,977
2027	255,000	193,763	448,763
2028-2032	1,365,000	887,809	2,252,809
2033-2037	1,550,000	691,200	2,241,200
2038-2042	1,835,000	420,880	2,255,880
2043-2046	1,690,000	110,560	1,800,560
Total	<u>\$ 7,690,000</u>	<u>\$ 3,110,988</u>	<u>\$ 10,800,988</u>

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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 7 – LONG-TERM LIABILITIES (Continued):

Year Ended Last Day of February,	Refunding Revenue Bonds, Series 2021B		Total Debt Service
	Principal	Interest	
2023	\$ 1,515,000	\$ 663,646	\$ 2,178,646
2024	1,525,000	655,131	2,180,131
2025	1,325,000	645,236	1,970,236
2026	1,335,000	633,326	1,968,326
2027	1,350,000	618,080	1,968,080
2028-2032	7,065,000	2,748,592	9,813,592
2033-2037	7,860,000	1,918,173	9,778,173
2038-2042	9,015,000	726,028	9,741,028
2043-2043	160,000	2,431	162,431
Total	<u>\$ 31,150,000</u>	<u>\$ 8,610,643</u>	<u>\$ 39,760,643</u>

Reclamation has not provided a repayment schedule for the Unit 3 note payable.

Year Ended Last Day of February,	USBR Rewind Note, Unit 5		Total Debt Service
	Principal	Interest	
2023	\$ 214,797	\$ 67,508	\$ 282,305
2024	217,482	64,823	282,305
2025	220,201	62,104	282,305
2026	222,953	59,352	282,305
2027	225,740	56,565	282,305
2028-2032	1,171,739	239,788	1,411,527
2033-2037	1,246,826	164,701	1,411,527
2038-2042	1,326,726	84,802	1,411,528
2043-2044	554,199	10,415	564,614
Total	<u>\$ 5,400,663</u>	<u>\$ 810,058</u>	<u>\$ 6,210,721</u>

Year Ended Last Day of February,	USBR Rewind Note, Unit 6		Total Debt Service
	Principal	Interest	
2023	\$ 280,393	\$ 100,048	\$ 380,441
2024	287,052	93,389	380,441
2025	293,869	86,572	380,441
2026	300,849	79,592	380,441
2027	307,994	72,447	380,441
2028-2032	1,653,230	248,976	1,902,206
2033-2035	1,089,183	52,141	1,141,324
Total	<u>\$ 4,212,570</u>	<u>\$ 733,165</u>	<u>\$ 4,945,735</u>

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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 7 – LONG-TERM LIABILITIES (Continued):

February 28, 2021

Year Ended Last Day of February,	Revenue Bonds, Series 2021A		Total Debt Service
	Principal	Interest	
2022	\$ 245,000	\$ 207,907	\$ 452,907
2023	245,000	204,820	449,820
2024	250,000	201,733	451,733
2025	255,000	198,583	453,583
2026	255,000	195,370	450,370
2027-2031	1,365,000	902,688	2,267,688
2032-2036	1,550,000	716,000	2,266,000
2037-2041	1,835,000	450,240	2,285,240
2042-2045	1,690,000	137,600	1,827,600
Total	<u>\$ 7,690,000</u>	<u>\$ 3,214,941</u>	<u>\$ 10,904,941</u>

Year Ended Last Day of February,	Refunding Revenue Bonds, Series 2021B		Total Debt Service
	Principal	Interest	
2022	\$ 1,575,000	\$ 384,187	\$ 1,959,187
2023	1,515,000	663,646	2,178,646
2024	1,525,000	655,131	2,180,131
2025	1,325,000	645,236	1,970,236
2026	1,335,000	633,326	1,968,326
2027-2031	6,950,000	2,872,540	9,822,540
2032-2036	7,675,000	2,110,862	9,785,862
2037-2041	8,750,000	993,499	9,743,499
2042	2,075,000	36,403	2,111,403
Total	<u>\$ 32,725,000</u>	<u>\$ 8,994,830</u>	<u>\$ 41,719,830</u>

Year Ended Last Day of February,	USBR Rewind Note, Unit 5		Total Debt Service
	Principal	Interest	
2022	\$ 242,867	\$ 5,161	\$ 248,028
2023	242,867	5,161	248,028
2024	242,867	5,161	248,028
2025	242,867	5,161	248,028
2026	242,867	5,161	248,028
2027-2031	1,214,337	25,805	1,240,142
2032-2036	1,214,337	25,805	1,240,142
2037-2041	1,214,337	25,805	1,240,142
2042	728,602	15,482	744,084
Total	<u>\$ 5,585,948</u>	<u>\$ 118,702</u>	<u>\$ 5,704,650</u>

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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 7 – LONG-TERM LIABILITIES (Continued):

Year Ended Last Day of February,	USBR Rewind Note, Unit 6		Total Debt Service
	Principal	Interest	
2022	\$ 273,888	\$ 106,553	\$ 380,441
2023	280,393	100,049	380,442
2024	287,052	93,389	380,441
2025	293,869	86,572	380,441
2026	300,849	79,592	380,441
2027-2031	1,614,877	287,329	1,902,206
2032-2035	1,435,530	86,235	1,521,765
Total	<u>\$ 4,486,458</u>	<u>\$ 839,719</u>	<u>\$ 5,326,177</u>

Note that the Unit 5 amortization schedule provided by Reclamation above included \$316,692 of expenses incurred after February 28, 2021. The liability recorded by the Authority at February 28, 2021 does not include this amount.

NOTE 8 – RESTRICTED NET POSITION - EMERGENCY RESERVE FUND:

The Reclamation Transfer Agreement requires the Authority to maintain an emergency reserve fund to finance (1) unusual operations, maintenance and repair (OM&R) costs; (2) costs associated with addressing conditions which threaten or cause interruption of water service; (3) unforeseen or extraordinary OM&R costs; and (4) costs associated with addressing conditions which threaten the safety or integrity of Project works. As stated in the Authority's transfer agreement, the Authority is required to maintain a targeted minimum reserve fund amount equal to 15% of the most current three years average annual actual OM&R costs incurred for the Project Works. The balance of this fund at February 28, 2022 and 2021 was \$2,050,000 and \$1,950,000, respectively.

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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 9 – O&M VERSUS ACTIVITY AGREEMENT AND OTHER EXPENSES:

Total operations and maintenance (O&M) as well as activity agreement and other expenses and a reconciliation to water conveyance fees – (O&M) follows at February 28, 2022 and 2021:

	2022			2021		
	O&M	Activity Agreements and Other	Total	O&M	Activity Agreements and Other	Total
OPERATING EXPENSES						
Salaries and related benefits	\$ 11,754,586	\$ 1,346,789	\$ 13,101,375	\$ 11,698,290	\$ 1,081,013	\$ 12,779,303
Project use energy (PUE) costs	14,903,129		14,903,129	20,261,208		20,261,208
San Luis joint use facility costs	13,600,371		13,600,371	13,857,382		13,857,382
Office expense	55,478	11,400	66,878	69,796	8,223	78,019
Tools and supplies	20,771		20,771	31,748		31,748
Janitorial and uniform expense	52,066	229	52,295	49,856		49,856
Legal and professional services	280,805	5,613,315	5,894,120	246,676	5,657,735	5,904,411
Security	120		120	270		270
License and education	34,857	160,803	195,660	22,027	133,825	155,852
Other services	134,808	14,346	149,154	97,146	17,967	115,113
Building, machinery and equipment	860,238	58,468	918,706	614,855	259,019	873,874
Membership and fees	31,220	80,159	111,379	26,032	89,982	116,014
Travel	29,835	21,188	51,023	34,717	4,347	39,064
Meetings	4,145	5,058	9,203	4,937	2,018	6,955
Auto expenses	378,141	20,605	398,746	334,615	33,542	368,157
Parts and materials	211,393	236	211,629	231,836	6,953	238,789
Telephone and communications	71,692	78,970	150,662	115,509	22,892	138,401
Utilities	106,760		106,760	102,704	14,644	117,348
Insurance	239,248	2,428	241,676	207,274	10,517	217,791
Intertie conveyance	791,976		791,976	1,226,696		1,226,696
Grassland Basin Drainage specific		960,211	960,211		949,812	949,812
Depreciation	335,648		335,648	311,094		311,094
Unit 1 Rewind expenses	1,314,331		1,314,331	1,755,108		1,755,108
Unit 2 Rewind expenses				1,290,584		1,290,584
Unit 3 Rewind expenses	1,845,950		1,845,950			
Unit 4 Rewind expenses	1,792,542		1,792,542			
Unit 5 Rewind expenses	316,695		316,695	5,269,256		5,269,256
Unit 6 Rewind expenses				35,370		35,370
Allocated indirect costs	(437,258)	435,574	(1,684)	(454,695)	142,707	(311,988)
Total Operating Expenses	48,729,547	\$ 8,809,779	\$ 57,539,326	57,440,291	\$ 8,435,196	\$ 65,875,487
Reconciliation to O&M fees:						
Less depreciation	(335,648)			(311,094)		
Add investment and other income	558,768			16,934		
Total O&M fees	\$ 48,952,667			\$ 57,146,131		
Total O&M fees consists of:						
Water conveyance fees, O&M	\$ 14,987,895			\$ 14,354,643		
Project Use Energy (PUE) fees	14,903,129			20,275,550		
San Luis Joint Use facility fees	13,670,493			13,681,333		
Water conveyance fees, Unit 1 & 4 Rewind	3,116,791			2,114,539		
Water conveyance fees, Unit 2 Rewind				1,290,584		
Water conveyance fees, Unit 3 & 5 Rewind	2,167,806			5,281,205		
Water conveyance fees, Unit 6 Rewind	106,553			148,277		
	\$ 48,952,667			\$ 57,146,131		

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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 10 – RETIREMENT BENEFITS:

The Authority provides retirement benefits for all of its full-time employees through two defined contribution pension plans organized under Internal Revenue Code (IRC) Section 401(a) and a voluntary IRC Section 457 Deferred Compensation Plan. The benefit terms and contribution rates of the plans are established by and may be amended by the Board of Directors.

- A. IRC Section 401(a) Plans: The Authority provides two IRC Section 401(a) plans (the Plans): The 401a Executive Defined Contribution Plan (Plan 109325) and the 401a Defined Contribution Plan (Plan 109164). Plan 109325 requires the employee to contribute 5% of “base annual salary” to the Plan and the Authority matches 5%. Plan 109164 requires the Authority to contribute an amount equal to 8% of the employee’s “base annual salary” to the Plan. “Base annual salary” is defined as gross base annual salary, which excludes overtime, merit pay awards, shift differential premiums, or any other special pay. All employer and employee contributions and earnings on those contributions are vested immediately. Employees may contribute up to 25% of their total compensation with a maximum of \$30,000 per year of combined employer and employee contributions, subject to IRC contribution limits. For the years ended February 28, 2022 and 2021, the employer contributions to the Plans were \$897,203 and \$860,001 and the employee contributions were \$147,305 and \$129,358, respectively.
- B. IRC Section 457 Plan: Employees are also eligible to participate in a voluntary IRC Section 457 Deferred Compensation Plan (the Plan) from date of employment. If an employee elects to participate, the Authority will match up to 5% of the employee’s base gross annual salary, which excludes overtime, merit pay awards, shift differential premiums, or any other special pay. Employee contributions are based on W-2 earnings. All employer and employee contributions and earnings on those contributions are vested immediately. The funding limit is the lesser of \$7,500 per year, or 33% of includable compensation, which equates to 25% of total compensation. For the years ended February 28, 2022 and 2021, the employer contributions were \$300,761 and \$291,792 and the employee contributions were \$621,507 and \$595,057, respectively.

NOTE 11 – COMMITMENTS AND CONTINGENCIES:

A. Litigation

The Authority is involved in various litigation matters, including five matters where the Authority is a named defendant, respondent, or real party in interest. See Sections C and D below for more detail regarding these matters. In the opinion of management and legal counsel, the disposition of all litigation pending will not have a material adverse effect on the Authority’s financial statements.

B. State and Federal Allowances, Awards and Grants

The Authority has received state and federal funds for specific purposes that are subject to review and audit by the granting agencies. Although such audits could generate expense disallowances under such terms of the grants, it is believed that any required reimbursements will not be material.

C. Grassland Basin Drainage Management Activity

PCFFA et al. v. Conant et al. Litigation filed by a coalition of fishermen’s organizations and an individual in late 2011 remained pending in federal court throughout Fiscal Year 2022. The litigation alleges that the Authority and the United States Bureau of Reclamation (Reclamation) have violated the Clean Water Act by failing to obtain a National Pollution Elimination System Discharge (NPDES)

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued):

permit for discharges of drainage water from the Grassland Bypass Project, conducted under the Authority's Grassland Basin Drainage Management Activity Agreement. The Authority and Reclamation maintain that there is no such violation because the discharges fit within exemptions from the NPDES permit requirements and have been properly regulated under State law. On September 2, 2016, the District Court issued its decision on cross-motions for summary judgment in favor of the Authority and the Federal Defendants, and on August 9, 2017, denied the Plaintiffs' petition for reconsideration. Plaintiffs appealed, and on September 6, 2019, the Ninth Circuit Court of Appeal issued its opinion reversing the District Court and remanding the case. Subsequently, the Ninth Circuit denied petitions for rehearing and on December 30, 2019, remanded the case back to the District Court. The remanded case involves legal theories and claims that were not addressed previously, to determine whether or not an NPDES permit is required for discharges from the Grassland Bypass Project through the San Luis Drain. The Authority's response remains that it denies that an NPDES permit is required and believes its defenses are meritorious. Following additional expert discovery, merits briefing (including additional expert evidence) concluded on September 9, 2022. The District Court held oral argument on cross motions for summary judgment on January 31, 2023. On February 21, 2023, the court issued an order denying plaintiffs' motion for summary judgment and granting in part and denying in part defendants' motions for summary judgment. The plaintiffs filed a notice of appeal to the Ninth Circuit Court of Appeals on April 19, 2023. Therefore, at the present time an unfavorable outcome is possible, but not probable, and were there such an unfavorable outcome, the amount of any liability cannot reasonably be determined.

NCRA et al. v. SLDMWA et al. On November 12, 2019, North Coast Rivers Alliance et al. filed a Petition for Writ of Mandate and Complaint for Injunctive Relief against the San Luis & Delta-Mendota Water Authority regarding the Water Authority's compliance with the California Environmental Quality Act and other statutory requirements. The lawsuit seeks to invalidate certain actions by the Water Authority taken on October 10, 2019 and does not involve claims for monetary damages except for a possible reward of attorney fees. On January 8, 2023, the trial court issued a ruling rejecting all petitioner claims; the petitioners filed an appeal on March 23, 2023. At the present time, an unfavorable outcome is possible, but not probable, and were there such an unfavorable outcome, the amount of any liability cannot reasonably be determined.

Winnemem Wintu Tribe, et al., v. State Water Resources Control Board and Central Valley Regional Control Board, et al., in which the Authority was named as a Real Party in Interest, was closed on March 16, 2023, following a stipulated dismissal between the plaintiffs and the Defendants. No potential liability remains following the resolution of this litigation matter.

D. Other Legal Matters in Which the Authority is a Named Defendant or Respondent

AquAlliance v. U.S. Bureau of Reclamation, et al. On May 11, 2020, plaintiffs filed a complaint (later twice amended) challenging the Long-Term Water Transfers Environmental Impact Statement/ Environmental Impact Report; the Authority is a named defendant. The lawsuit seeks to invalidate certain actions by the Federal Defendants and the Authority and does not involve claims for monetary damages except for a possible award of plaintiffs' costs including attorney fees. The lawsuit was fully briefed as of January 17, 2022. An unfavorable outcome could affect the ability of certain Authority members to purchase certain types of transfer water. At the present time, an unfavorable outcome is possible, but not probable, and were there such an unfavorable outcome, the amount of any liability cannot reasonably be determined.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued):

AquAlliance v. SLDMWA. On October 18, 2021, petitioners filed a petition challenging the Authority's adoption of an Addendum to the 2019 Final Long-Term Water Transfers Environmental Impact Statement / Environmental Impact Report. On November 18, 2021, the court entered an order staying the case pending resolution of the *AquAlliance v. U.S. Bureau of Reclamation et al.* litigation described above. The lawsuit seeks to invalidate certain actions by the Authority and does not involve claims for monetary damages except for a possible award of petitioners' costs including attorney fees. It is far too preliminary at this time to assess the outcome or the likelihood of any material liability of the Authority.

E. Lease Agreements

The Authority leases its headquarters building in Los Banos, California, an office in Sacramento, California, and various equipment.

The Los Banos lease was extended through February 28, 2026 with monthly rents of \$7,680 and \$8,525 during the years ended February 28, 2023 and February 29, 2024. The rent increases from March 1, 2024 through February 28, 2026 will be subject to increases based on a Consumer Price Index. The future minimum lease payments for the Los Banos office will be as follows for the years ending the last day of February 2023, 2024, 2025 and 2026: \$92,160, \$102,298, \$102,298 and \$102,298, respectively.

While the Sacramento office changed locations in spring 2021, the lease remains on a month-to-month basis, and for 2022 includes a monthly lease amount of \$3,783. The lease payment increased to \$3,878 in fiscal year 2023. Future years are subject to escalation that are passed through to all tenants by the landlord.

All other leases are on a month-to-month basis. Lease expense incurred during the years ended February 28, 2022 and 2021 was \$151,776 and \$171,819, respectively.

F. B.F. Sisk Dam Raise and Reservoir Expansion Project

On November 12, 2019, the Authority entered into an agreement with CDM Smith Inc (CDM) for professional services to be conducted towards the Supplemental Environmental Impact Study/Environmental Impact Report (SEIS/EIR) and feasibility study of the B.F Sisk Dam and Reservoir Expansion Project. The Sisk Dam is approximately 382 feet high and 3.5 miles in length and is located in a historically seismically active area. Studies and analysis indicate that a major earthquake could result in substantial consequences, though the possibility of dam failure is remote. Reclamation and the Department of Water Resources completed a corrective action study indicating a 12-foot raise in the embankment height of the North and South Valley sections would reduce the potential for dam failure due to earthquake induced cracking. In connected action to the B.F Sisk Safety of Dams (SOD) Modification project, the Authority seeks to evaluate for an additional 10-foot raise across the entire Dam above the safety purpose to expand reservoir capacity.

The Final SEIS/EIR and the Feasibility Study were completed in December 2020, and the Secretary of Interior deemed the project feasible. The Authority continues its pursuits of this project with CDM. The Authority budgeted a total of \$730,000 to further develop this project in the FY22 budget. In March of 2022, the Authority organized an activity agreement among members interested in funding the project, with an initial funding budget of \$1,000,000. In May 2022, the Authority entered into a multiyear contract for project management consulting with the Hallmark Group authorizing a not to exceed amount of \$1,085,126.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 11 – COMMITMENTS AND CONTINGENCIES (Continued):

G. Jones Pumping Plant Rewind Project

At February 28, 2022, the Authority was in the process of rewinding Units 1, 3, and 4 of the Jones Pumping Plant. The Unit 1, 3, and 4 approved contract amounts were \$4,382,771, \$4,564,875, and \$4,428,956 and the remaining commitments, including unpaid retention, were \$1,464,430, \$2,830,222, and \$2,745,041.

H. Joint Powers Authority Contingent Liabilities

The State and Federal Contractors Water Agency (“SFCWA”) was formed by various water agencies in August of 2009 as a joint powers authority according to California law. The Authority, along with five other water agencies, was an initial party to the agreement. In 2018, a decision was made to wind down SFCWA activities, with the ultimate objective of terminating the entity and related agreements that formed the entity. The SFCWA has received a status update on review of the pension and other postemployment benefits liabilities and is evaluating whether it holds sufficient assets to cover existing and projected liabilities through the time of termination. California Assembly Bill (AB) 1912 requires member agencies of an agency established pursuant to a joint powers agreement that participates in, or contracts with, a public retirement system to mutually agree as to the apportionment of the agency’s retirement obligation among themselves prior to filing a notice of termination. AB 1912 could result in the Authority being held responsible for a portion of the SFCWA’s retirement obligation if SFCWA does not have sufficient assets to fund the obligation. As described in Note A, the Authority is a party to a number of joint powers agreements. Due to AB 1912, the Authority could be held responsible for funding a portion of any unfunded public retirement system pension obligation of a joint powers authority (JPA) at the time of termination if the JPA does not have sufficient assets to fully fund its public retirement system pension obligation.

NOTE 12 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS:

The Authority is a member of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA) for general liability, property, workers’ compensation and employer’s liability, and health benefits insurance. The JPIA is a special district in the State of California and its formation and operation are subject to the provisions of the California Government Code. The purpose of the JPIA is to provide risk sharing pools to meet the needs of its member water agencies. Each member selects one representative to serve as a director on the JPIA Board of Directors. The relationship is such that the JPIA is not considered a component unit of the Authority for financial reporting purposes.

For general liability, auto liability and public officials’ liability insurance, the Authority is fully responsible for claims up to a Retrospective Allocation Point (RAP) of \$25,000. Coverage between the Authority’s RAP and \$5,000,000 is provided through the JPIA risk pool. Coverage from \$5,000,000 to \$55,000,000 is provided through insurance purchased by the JPIA on behalf of its members. The Authority also has cyber liability and crime coverage up to \$5,000,000 with deductibles of \$1,000 to \$50,000.

The Authority has coverage up to \$2,000,000 for workers’ compensation and employer’s liability provided through the JPIA risk pool and \$2,000,000 of excess coverage is purchased by the JPIA on behalf of its members to the \$4,000,000 statutory limits.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 12 – PARTICIPATION IN PUBLIC ENTITY RISK POOLS (Continued):

For the liability and workers' compensation programs, retrospective premium adjustments are determined for each policy year. The adjustment can result in an additional charge or a refund to the member entity. The adjustment is computed as the difference between premiums received from the member entity and direct and pooled claims losses and other costs, net of investment income, including unallocated claims expenses, excess insurance premiums, and administrative expenses.

The Authority has deductibles for the property program ranging from \$500 for vehicle coverage to \$50,000 or \$5 per kilowatt hour for turbine units and associated equipment. The JPIA has a pooled self-insured retention (SIR) level of \$100,000 for the fiscal years ending February 28, 2022 and 2021. The JPIA provides coverage above its SIR up to \$500,000,000 through purchased insurance.

In July 2012, the ACWA/JPIA Employee Benefits Program was established to provide medical and dental and vision coverage for members' employees and dependents. The preferred provider organization plans offered in the medical and dental coverage are self-insured. The JPIA carries reinsurance with Sun Life Assurance Company of Canada for coverage losses in excess of its self-insured retention of \$500,000 per beneficiary incurred during the policy period.

Settled claims have not exceeded any of the Authority's coverage amounts in any of the last three fiscal years and there were no significant reductions in the Authority's coverage during the fiscal years ended February 28, 2022 and 2021.

NOTE 13 - MEMORANDUM OF UNDERSTANDING WITH FRIANT WATER AUTHORITY

The Authority and the Friant Water Users Authority (FWUA) entered into a memorandum of understanding, effective March 1, 1998 (Original Friant MOU) with respect to operation, maintenance and replacement (OM&R) of the Jones Pumping Plant, Delta-Mendota Canal/California Aqueduct Intertie and Pumping Plant, Kesterson Reservoir, Mendota Pool, O'Neil Pumping-Generating Plant, San Luis Drain and other facilities (Project Works) owned by the United States acting through Reclamation. The Original Friant MOU was amended and restated as of September 1, 2002 by the Authority and FWUA (Friant MOU). On June 30, 2004, the Friant Water Authority (FWA) succeeded to the rights and obligations of FWUA under the Friant MOU.

Settlement Water is provided to Settlement Contractors, as defined in the Friant MOU, under settlement and exchange agreements with Reclamation. Pursuant to the Friant MOU, FWA is responsible for reimbursing the Authority's OM&R Costs (defined in the Friant MOU) related to the conveyance or delivery of Settlement Water to specified Settlement Contractors. FWA collects amounts necessary to reimburse the Authority for such OM&R from its contractors, which have entered into water repayment or other water contracts with Reclamation from the Friant Division of the Central Valley Project (Friant Division Contractors).

Under the Friant MOU, FWA acknowledges that the Friant Division Contractors have a critical interest in the OM&R of the Project Works allocable to Settlement Water delivered to the Settlement Contractors and have agreed to pay OM&R Costs incurred by the Authority under the Transfer Agreement associated with the delivery of settlement water to the Settlement Contractors in accordance with the Friant MOU. As further set forth in the Friant MOU, FWA collects amounts to pay such OM&R to the Authority from Friant Division Contractors as permitted under the Friant Transfer Agreement entered into by FWA and Reclamation effective March 1, 1998. FWA succeeded to the rights and obligations of FWUA under the

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 13 - MEMORANDUM OF UNDERSTANDING WITH FRIANT WATER AUTHORITY

Friant Transfer Agreement on June 30, 2004. FWA executed a renewed Friant Transfer Agreement with Reclamation effective October 5, 2020.

NOTE 14 – SUBSEQUENT EVENTS:

The Authority has the following subsequent events:

DELTA-MENDOTA CANAL SUBSIDENCE CORRECTION PROJECT

The 116.5-mile-long Delta-Mendota Canal has several locations along its length where significant subsidence has occurred that limits the DMC's ability to pass the design flows through that section. Subsidence typically occurs during extended drought periods when surface water is not available and the landowners pump groundwater to irrigate their crops.

The broad scope of work for the Delta-Mendota Canal (DMC) Subsidence Correction Project (Project) is to perform modifications necessary on the DMC conveyance system that will allow maximum pumping at the Jones Pumping Plant. The Authority and Reclamation are developing appraisal level cost estimates for the various modifications to the DMC that are necessary to restore the DMC to its original design capacity. The first phase of this multi-phased project has received approximately \$5 million in federal funding. This phase consists of manufacturing and installing two additional pumping units and appurtenances into the two additional pump bays of the Delta-Mendota Canal/California Aqueduct Intertie Pumping Plant.

The additional phases of this project will be determined and developed during the design phase of the Project. During this design phase, the Authority and Reclamation will determine the total number of structures that will need to be modified during each phase and the order of the phases to best match the future funding for the Project. The phases include: raising the height of the existing concrete lining, repairing the concrete lining that has been damaged by the subsidence, repairing and further protecting the clay lined embankment where the subsidence has caused significant embankment erosion, raising or replacing irrigation pipeline crossings and storm drain over chutes that have become (or are partially) submerged from the subsidence and raise or replace county road bridges where the bridge structure is impeding the DMC flows.

Appraisal level studies were completed in September 2021 and the Feasibility Level Cost estimate is expected in October 2021. In order to complete further planning studies including a Feasibility Report, environmental compliance activities and associated reviews, the Authority and Reclamation entered into a Memorandum of Agreement and a Cooperative Agreement (CA) in September 2021. The CA is a cost share agreement between Reclamation and the Authority in which both agencies will contribute \$2.8 million to the project over the next two years. This includes over \$1,000,000 provided within the Authority's FY21 and FY22 EO&M budgets. Completion of the activities within the existing CA are expected by the end of 2023. The Authority is funding approximately \$1,572,000 for this project during FY23.

JONES PUMPING PLANT (JPP) UNIT REWIND PROJECT

The Jones Pumping Plant Unit Rewind Project (the "Project") consists of the rehabilitation of the 22,500 HP motors on each of the six pumping units at the Jones Pumping Plant that have reached the end of their service life. The Project consists of removing and replacing the 32-ton stator core, removing and replacing

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 14 – SUBSEQUENT EVENTS (Continued):

228 stator coils, rehabilitating the 70-year-old stator frame, and removing, refurbishing, and re-installing the 40 rotor field poles. Water deliveries are not anticipated to be reduced during the rehabilitation work of the Jones Pumping Plant.

Each unit motor will be rehabilitated individually over the course of 46 months (or approximately 9 months per unit). The Authority and Reclamation completed the necessary rehabilitation on the first unit (Unit 6) in February 2019. The rehabilitation of Unit 6 was paid by the Authority from the proceeds of a loan, in the approximate amount of \$5.15 million, from Reclamation made to the Authority pursuant to the first Reclamation Repayment Contract, dated February 5, 2018 (the "2018 Reclamation Repayment Contract"). The Authority collected the cost of the rehabilitation of the second unit (Unit 2), which was completed in June 2020, through OM&R rates. The rehabilitation work on the third unit (Unit 5) began in late June 2020, and was completed in March 2021. The rehabilitation of Unit 5 was paid by the Authority using proceeds of a second loan, in the approximate amount of \$5.59 million, from Reclamation made to the Authority pursuant to the Reclamation Repayment Contract, dated June 29, 2020 (the "2020 Reclamation Repayment Contract"). The proceeds from the 2020 Reclamation Repayment Contract provides funding for the rehabilitation work on two units, the third unit (Unit 5) and the sixth unit (Unit 3).

The rehabilitation of the fourth unit (Unit 1) began in April 2021 and completed in April 2022. The fifth unit (Unit 4) rehabilitation began in June 2021. The fourth and fifth units will be funded using proceeds from revenue bonds (Bonds) and payments received and to be received from FWA, as set forth in that certain Funding Agreement dated November 6, 2020, by and between the Authority and FWA (the "FWA JPP Funding Agreement"). Pursuant to the FWA JPP Funding Agreement, FWA paid \$1,755,108 to the Authority in November 2020 and is obligated to make four additional payments to the Authority on or before the dates the Authority makes progress payments to the contractor for the rehabilitation of Unit 1 and Unit 4, for a total contribution from FWA of \$4,939,866, subject to adjustment to reflect FWA's share of the actual cost of rehabilitation of the fourth and fifth units. Pursuant to the FWA JPP Funding Agreement, FWA also paid \$104,536, a proportionate share of the cost of issuing the Bonds.

The rehabilitation work on the sixth and final unit (Unit 3), began in February 2022 and will be paid for using the proceeds of a loan from the 2020 Reclamation Repayment Contract.

On September 9, 2020, Reclamation confirmed to the Authority that the Project constitutes extraordinary maintenance work. As extraordinary maintenance work, the Authority is permitted to collect OM&R revenues to pay the principal of and interest on the Bonds pursuant to the Transfer Agreement and the Friant MOU.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 14 – SUBSEQUENT EVENTS (Continued):

The following table shows estimated costs of the Jones Pumping Plant Unit Rewind Project:

<i>Jones Pumping Plant Unit Rewind Project PROJECT COST SUMMARY</i>								
Jones Pumping Plant Unit Rewind Project Cost								
	NEC Construction Cost	Construction Contingency Cost (10%)	Total Construction Contract Cost	USBR Oversight Cost	DHR PSA Cost	Total Contracts	SLDMWA Planned Labor	Totals
Unit 6 TOTAL COST ¹ :						\$ 5,000,000	\$ 403,298	\$ 5,403,298
Units 1-5 Design ² :	\$ -	\$ -	\$ -	\$ 60,000	\$ 69,036	\$ 129,036	\$ 8,428	\$ 137,464
Unit 2:	\$ 4,420,365	\$ 442,037	\$ 4,862,402	\$ 50,000	\$ 497,130	\$ 5,409,532	\$ 686,000	\$ 6,095,532
Unit 5:	\$ 4,373,881	\$ 437,388	\$ 4,811,269	\$ 51,500	\$ 505,550	\$ 5,368,319	\$ 711,400	\$ 6,079,719
Unit 1:	\$ 4,387,771	\$ 438,777	\$ 4,826,548	\$ 52,700	\$ 514,170	\$ 5,393,418	\$ 736,533	\$ 6,129,951
Unit 4:	\$ 4,431,356	\$ 443,136	\$ 4,874,492	\$ 53,900	\$ 532,790	\$ 5,461,182	\$ 758,533	\$ 6,219,715
Unit 3:	\$ 4,564,878	\$ 456,488	\$ 5,021,366	\$ 55,200	\$ 546,410	\$ 5,622,976	\$ 780,533	\$ 6,403,509
Totals:	\$ 22,178,251	\$ 2,217,825	\$ 24,396,076	\$ 323,300	\$ 2,665,086	\$ 32,384,462	\$ 4,084,726	\$ 36,469,188

Notes:
 1. Unit 6 costs are final.
 2. Units 1-5 design costs are final.

SAN LUIS TRANSMISSION PROJECT

The Western Area Power Administration (“WAPA”) and Reclamation are proposing to construct a new 230-kilovolt transmission project about 85 miles in length between WAPA’s Tracy Substation and San Luis, O’Neill and Dos Amigos substations. The goal of the San Luis Transmission Project (“SLTP”) is to provide the electricity to economically and reliably deliver federal water supplies to water customers in the Central Valley and Bay Area while benefiting reliable grid operations in the region. As part of SLTP, WAPA is also considering constructing, operating and maintaining about seven miles of 70-kV transmission line between San Luis and O’Neill substations. When completed, WAPA will own, operate and maintain the SLTP with 400 megawatts of capacity between Tracy and San Luis substations reserved to serve Reclamation and the Authority’s member agencies, fulfilling the transmission service request submitted by Reclamation. An additional 200 megawatts of capacity will remain for use by a private investor.

WAPA is statutorily obligated to provide power to the San Luis pumping units that serve the Authority’s member agencies. This project ensures that obligation is met at stable and affordable rates. The Authority and WAPA completed the environmental review process for the SLTP under the National Environmental Policy Act (“NEPA”) and CEQA and identified the preferred route and configuration for the transmission line. In April 2016, WAPA issued its record of decision for the SLTP project, which concluded the environmental review process.

The Authority Board of Directors on September 16, 2021 approved the financing of the SLTP through the Authority issuance of revenue bonds for an estimated project cost of \$317M. The revenue to support the bond debt obligation is through the collection of Authority OM&R rates and Reclamation’s collection of rates from other CVP Contractors.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

February 28, 2022 and 2021

NOTE 14 – SUBSEQUENT EVENTS (Continued):

In September 2022 WAPA informed Reclamation and the SLDMWA that WAPA would not be moving forward with executing the agreements necessary to implement the SLTP. All work ceased and a payment to the Authority's bond counsel in the amount of \$95,000 was made in October 2022. The planned financing did not and is not expected to occur.

LOS VAQUEROS RESERVOIR EXPANSION PROJECT

The Authority executed Amendment #3 to the Cost Share Agreement for Los Vaqueros Reservoir Expansion Project Planning and committed to a payment of up to \$897,120 (executed October 14, 2021). Subsequently, the Authority executed Amendment #4 on January 12, 2023 to the Cost Share Agreement and committed to a payment of up to \$1,094,000. The obligation for such payments is the responsibility of the Los Vaqueros Reservoir Expansion Activity Agreement members.

In August 2021, the Authority and four of its members executed the First Amended and Restated Los Vaqueros Reservoir Project Activity Agreement. This Activity Agreement authorizes the Authority to execute the Los Vaqueros Reservoir Joint Exercise of Powers Agreement and participate in the Los Vaqueros Reservoir Joint Powers Authority as a member on behalf of the Activity Agreement members. Subsequently, a fifth member, the City of Tracy, joined the Activity Agreement in November 2021; the number of member agencies participating through the Authority may change, and the costs/benefits due to Authority members will be established at a future date.

PROPOSITION 1 INTEGRATED REGIONAL WATER MANAGEMENT PROGRAM GRANT – WESTSIDE SAN JOAQUIN RIVER FUNDING REGION

In May 2020 and July 2020, the Authority was awarded two State of California Round 1 Proposition 1 Integrated Regional Water Management (IRWM) Implementation grants, totaling \$3,132,791 to assist in implementing projects in the San Joaquin River Funding Area, which is part of the Westside-San Joaquin Integrated Regional Water Management Plan, for which the Authority serves as the Regional Water Management Group. The Authority is required to demonstrate a minimum grant match of \$19,479,516 and the Local Project Sponsors are responsible for all project costs exceeding the grant limit. The Authority's share of the project costs is expected to be \$10,000. The local match is expected to be satisfied with in-kind and consultant services of \$19,479,516, expected to be provided by the Local Project Sponsors through the Activity Agreement with the Authority. The Authority has already received its share of the project cost reimbursement and the grant is expected to end January 31, 2024.

INFRASTRUCTURE INVESTMENT AND JOBS ACT FUNDING

Reclamation approved allocations to the Authority of \$25 million for the Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project and an additional \$25 million for the Delta-Mendota Canal Subsidence Correction Project from funding provided to Reclamation through the Infrastructure Investment and Jobs Act.

O'NEILL PUMPING-GENERATING PLANT POWER TRANSFORMERS REHABILITATION CONSTRUCTION CONTRACT

In May 2023, the Board of Directors approved a construction agreement for O'Neill Pumping-Generating Plant Power Transformer Rehabilitations with expenditure of up to \$3,155,800.

SUPPLEMENTARY INFORMATION

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

SUPPLEMENTARY INFORMATION
STATEMENT OF FIDUCIARY NET POSITION - SECTION 401A RETIREMENT PLAN 109164
February 28, 2022 and 2021

	2022	2021
ASSETS		
Contributions receivable - employer		\$ 28,734
Loan balance	\$ 608,816	629,090
Investments:		
Money market funds	75,384	62,471
Target date funds	2,420,759	1,836,938
Stock mutual funds	10,104,197	10,340,858
Bond funds	1,486,962	710,266
International stock funds	1,915,931	1,681,725
Real estate fund		167,204
Total Investments	16,003,233	14,799,462
TOTAL ASSETS	16,612,049	15,457,286
TOTAL NET POSITION RESTRICTED FOR RETIREMENT BENEFITS		
	\$ 16,612,049	\$ 15,457,286

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - SECTION 401A RETIREMENT PLAN 109164

For the Year Ended February 28, 2022 and 2021

ADDITIONS		
Contributions - employer	\$ 755,120	\$ 729,642
Contributions - rollovers into plan	111,942	104,247
Net appreciation in fair value of investments	633,176	2,254,446
Loans issued	214,262	271,806
Other credits		158
TOTAL ADDITIONS	1,714,500	3,360,299
DEDUCTIONS		
Benefit payments	267,531	1,030,272
Loan repayments	255,033	203,103
Administrative expenses	16,898	14,260
Other debits	20,275	
TOTAL DEDUCTIONS	559,737	1,247,635
NET INCREASE IN NET POSITION	1,154,763	2,112,664
Net position restricted for retirement benefits - beginning of year	15,457,286	13,344,622
NET POSITION RESTRICTED FOR RETIREMENT BENEFITS - END OF YEAR	\$ 16,612,049	\$ 15,457,286
Number of Participants in Retirement Plan:		
Active	86	101
Retiree	14	37

SAN LUIS & DELTA-MENDOTA
WATER AUTHORITY

SUPPLEMENTARY INFORMATION
STATEMENT OF FIDUCIARY NET POSITION - SECTION 401A RETIREMENT PLAN 109325
February 28, 2022 and 2021

ASSETS			
Contributions receivable - employer		\$	5,222
Investments:			
Money market funds	\$	26,639	31,694
Target date funds		1,342,285	1,031,415
Stock mutual funds		2,501,360	2,613,835
Stable value		1,134,822	743,751
Bond funds		367,592	516,518
International stock funds		248,397	330,591
Real estate fund		2,762	18,028
	Total Investments	<u>5,623,857</u>	<u>5,285,832</u>
	TOTAL ASSETS	<u>5,623,857</u>	<u>5,291,054</u>
TOTAL NET POSITION RESTRICTED FOR RETIREMENT BENEFITS			
		<u>\$ 5,623,857</u>	<u>\$ 5,291,054</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - SECTION 401A RETIREMENT PLAN 109325

February 28, 2022 and 2022 and 2021

ADDITIONS			
Contributions - employer		\$ 142,083	\$ 130,359
Contributions - employee		147,305	129,358
Increase in fair value of investments		257,050	867,927
Other credits		18	108
	TOTAL ADDITIONS	<u>546,456</u>	<u>1,127,752</u>
DEDUCTIONS			
Benefit payments		208,940	212,793
Administrative expenses		4,713	3,333
	TOTAL DEDUCTIONS	<u>213,653</u>	<u>216,126</u>
	NET INCREASE IN NET POSITION	332,803	911,626
Net position restricted for retirement benefits - beginning of year		<u>5,291,054</u>	<u>4,379,428</u>
	NET POSITION RESTRICTED FOR RETIREMENT BENEFITS - END OF YEAR	<u>\$ 5,623,857</u>	<u>\$ 5,291,054</u>

Number of Participants in Retirement Plan:

Active	18	21
Retiree	8	9

COMPLIANCE REPORT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
San Luis & Delta-Mendota Water Authority
Los Banos, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the San Luis & Delta-Mendota Water Authority (the Authority) as of and for the year ended February 28, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 30, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the auditing procedures appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Directors
San Luis & Delta-Mendota Water Authority

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

May 30, 2023



MEMORANDUM

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

FROM: Scott Petersen, Water Policy Director

DATE: June 5, 2023

RE: Water Resources Committee to Consider Recommendations on Legislation /
Board of Directors to Consider Same

Staff Recommendation

Federal Legislation

Support

- Adopt a position of "Support" on H.R. 3675 (Boebert), Western Water Accelerated Revenue Repayment Act
- Adopt a position of "Support" on S. ____ (Feinstein), Canal Conveyance Capacity Restoration Act
- Adopt a position of "Support" on S. ____ (Feinstein), STREAM Act

Support and Amend

- Adopt a position of "Support and Amend" on S. ____ (Feinstein), RAIN Act

Oppose

- Adopt a position of "Oppose" on S. 658 (Booker), EQIP Improvement Act of 2023

State Legislation

Oppose

- Adopt a position of "Oppose" on AB 754 (Papan), Water management planning: automatic conservation plan
- Adopt a position of "Oppose" on AB 1205 (Bauer-Kahan), Water rights: sale, transfer, or lease: agricultural lands



Summary

H.R. 3675 (Boebert), Western Water Accelerated Revenue Repayment Act

RECOMMENDATION: SUPPORT

OBJECTIVE: Improve Water Infrastructure Affecting Authority Member Agencies

This bill would permanently extend Section 4011 of Subtitle J of the Water Infrastructure Improvements for the Nation (WIIN) Act.

Status

H.R. 3675 was introduced on May 25, 2023, and has been referred to the House Committee on Natural Resources.

Importance to the Authority

Under federal law, Bureau of Reclamation (BOR) water storage and delivery project costs are allocated to the beneficiaries of such projects. Water users must repay those costs allocated to them under the federal “beneficiaries pay” principal. Those costs are repaid through multi-year “repayment contracts” and as long as a repayment obligation existed, federal strings are attached such as paperwork requirement and limitations on how much acreage a farmer could plant.

Prior to 2016, if some water users wanted to repay what they owe early and/or in a lump sum, an individual federal law would have had to be enacted. This usually took years despite the fact the federal government would have been receiving early revenue. As a result, many water users simply decided it wasn’t worth the effort. To help remedy this situation, Section 4011 of the WIIN (Water Infrastructure Improvements for the Nation) Act (P.L. 114-322) authorized these agriculture and municipal water users to prepay outstanding construction costs through a single lump sum payment or over a period of three years. The nonpartisan Congressional Budget Office projected at the time that Section 4011 would expedite payments and generate \$639 million in receipts for the Treasury from repayment over the FY2015-FY2024 period. These revenues went into a discretionary account dedicated to building new water storage.

This program was successful, with more than 75 entities, including the majority of Water Authority member agencies, deciding to prepay what they owe the federal government, with many of those water users no longer having to live under federal paperwork and acreage limitation requirements. While the water users would no longer have to negotiate water contracts as a result of owing nothing to the federal government, water availability would still be subject to drought and state and federal environmental rules.

Since this prepayment authority expired in 2020, this bill permanently reauthorizes Section 4011 to allow the federal government to receive early revenue from water users who have the ability to prepay what they owe

Pros:

- The bill would permanently extend important provisions of the WIIN Act that allowed Water Authority member agencies to prepay their repayment contracts and allow the remaining Water Authority member agencies to do so as well.



Cons:

- None identified at this time.
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S. ___ (Feinstein) – Canal Conveyance Capacity Restoration Act

RECOMMENDATION: SUPPORT

OBJECTIVE: Improve Water Infrastructure Affecting Authority Member Agencies

This bill would authorize the Secretary of the Interior to provide financial assistance for the design, planning, and construction of the Delta-Mendota Canal, San Luis Canal, Friant-Kern Canal, and the non-federal pools of the California Aqueduct. Specifically, the legislation would authorize the following nonreimbursable federal funding amounts for the following:

- \$183,900,000 for the Delta-Mendota Canal
- \$194,000,000 for the San Luis Canal
- \$180,000,000 for the Friant-Kern Canal
- \$95,500,000 for the non-federal pools of the California Aqueduct
- \$180,000,000 to implement the Restoration Goal of the San Joaquin River Restoration Settlement Act

Status

S. ___ is expected to be introduced the week of June 5, and is expected to be referred to the Senate Committee on Energy and Natural Resources.

Note: Authority staff transmitted a support letter to the Senator's office at their request, given the Board's adoption of a support position on identical legislation introduced in the House of Representatives by Representative Jim Costa on May 4. Staff is bringing this to the Board for ratification of the position adopted by the Executive Director pursuant to delegated authority.

Importance to the Authority

This bill would authorize nonreimbursable federal funding 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 \$183.9 million for subsidence mitigation along the DMC and up to \$194 million for repairs along the San Luis Canal. Additionally, the legislation authorizes an additional \$180 million for the San Joaquin River Restoration Program, which could be used to construct necessary infrastructure to address fish migration concerns for Authority members.

Pros:

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

Cons:

- None identified at this time.
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S. ___ (Feinstein) – Support To Rehydrate the Environment, Agriculture, and Municipalities (STREAM) Act

RECOMMENDATION: SUPPORT

OBJECTIVE: Improve Water Infrastructure Affecting Authority Member Agencies

This bill would make a number of changes to key authorities that govern Reclamation policy. Specifically, the legislation makes the following changes:

- Expedites non-federal storage projects with less than \$250 million in federal funding, water recycling, and desalination projects by allowing Interior to approve the projects.
- Authorizes \$750 million in funding for surface and groundwater storage and conveyance projects (including natural water retention and release projects).
- Authorizes \$300 million for water recycling projects, \$150 million for desalination projects, \$100 million for projects to provide drinking water for disadvantaged communities, and \$250 million for environmental restoration projects.
- Requires Congressional approval of future federal storage projects and non-federal storage projects with over \$250 million in federal funding, consistent with similar provisions in the WIIN Act and the Infrastructure Investment and Jobs Act (IIJA).
- Authorizes a “Reclamation WRDA” process where Reclamation notifies Congress of completed feasibility studies each year to set up an orderly process to authorize projects, which could have the effect of shortening timelines for Congressional approval of Federal storage projects, similar to the effects of the “Chief’s Report” for the Army Corps of Engineers.
- Grandfathers storage projects that receive construction funding from the \$1.15 billion provided for storage in the bipartisan infrastructure law so they can receive storage funds authorized under this bill and they do not need further authorization to complete construction, including the B.F. Sisk Dam Raise and Reservoir Expansion Project and the Delta-Mendota Canal Subsidence Correction Project.
- Authorizes non-reimbursable federal grants for non-Federal storage projects funded by the bill if they have public benefits that are provided either directly as part of the project or through federal spending on environmental benefits in the same watershed approved as part of a watershed plan adopted together with the project.
- If a project does have public benefits, it can receive non-reimbursable grants for water supply benefits on a dollar-for-dollar basis for each dollar of public benefits the project provides, up to the 25% maximum federal cost-share (e.g. a project can receive \$5 million in non-reimbursable funding for water supply if it has \$5 million or more of public benefits). This incentivizes multi-benefit projects with water supply and environmental benefits.
- Non-federal storage projects with water supply benefits are eligible for reimbursable funding, similar to existing law.
- During droughts, Interior can implement emergency drought relief projects through building permanent facilities, if those facilities are supported by the State where the projects are located and require a federal investment of less than \$30 million. Current law allows funding only for temporary facilities, excepting groundwater wells. Given the increased frequency of droughts, it



is more efficient to install permanent facilities rather than frequently installing and removing temporary facilities.

Status

S. ___ is expected to be introduced the week of June 5, and is expected to be referred to the Senate Committee on Energy and Natural Resources.

Note: Authority staff transmitted a support letter to the Senator's office at their request, given the Board's adoption of a support position on substantively similar legislation during the 117th Congress. Staff is bringing this to the Board for ratification of the position adopted by the Executive Director pursuant to delegated authority.

Importance to the Authority

The legislation would authorize significant amounts of funding for projects of importance to the Water Authority and its members, including:

- \$750 million for surface and groundwater storage and conveyance projects
- \$300 million for water recycling projects
- \$150 million for desalination projects
- \$100 million for projects to provide drinking water to disadvantaged communities
- \$250 million for environmental restoration projects

Additionally, the legislation makes a number of policy changes that are beneficial, including by:

- increasing the opportunities for projects to receive nonreimbursable funds compared to current law by expanding the definition of public benefits
- Reauthorizing CALFED through FY27
- Streamlining approvals of non-federal storage and conveyance projects and water recycling projects by removing the requirement that the project is named in an appropriations bill
- Increasing the cap for water recycling projects from \$20 million (in 1996 dollars) to \$50 million
- Amending the Reclamation States Emergency Drought Relief Act to allow for permanent facilities to be installed rather than only temporary facilities.

Pros:

- The legislation provides substantial funding for numerous project types of importance to the Water Authority and its members.
- The legislation streamlines project approvals at the Congressional level, expediting project delivery.
- The legislation modifies the definition of public benefits in a way that would expand opportunities for non-reimbursable federal funding to be available for projects.

Cons:

- None identified at this time.
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S. ___ (Feinstein) – Restore Aging Infrastructure Now (RAIN) Act

RECOMMENDATION: SUPPORT AND AMEND

OBJECTIVE: Improve Water Infrastructure Affecting Authority Member Agencies

This bill would authorize the Secretary of the Interior to modify transferred works projects that are being funded by the Aging Infrastructure account through the Infrastructure Investment and Jobs Act to add public benefits, including supplying disadvantaged communities drinking water and refuge water supply.

The transferred works O&M entity (in the case of the DMC, this would be the Water Authority) and any adversely impacted party (including Water Authority member agencies) have two years to provide concurrence for project modifications to add public benefits or the project moves forward as originally designed.

The legislation would require that at least 50% of the proposed project modifications would be public benefits and would authorize non-reimbursable funding from the Aging Infrastructure account for these public benefits, as well as transition 15% of the reimbursable benefits to adversely impacted parties to be nonreimbursable.

Status

S. ___ is expected to be introduced the week of June 5, and is expected to be referred to the Senate Committee on Energy and Natural Resources.

Note: Authority staff transmitted a support letter to the Senator's office at their request after analyzing the legislation and having a discussion with the Water Authority's Federal Affairs Workgroup. Staff is bringing this to the Board for ratification of the position adopted by the Executive Director pursuant to delegated authority.

Importance to the Authority

This bill would authorize nonreimbursable federal funding to support potential project modifications to provide drinking water to disadvantaged communities adjacent to the DMC and to convey refuge water supplies, out of the existing Aging Infrastructure account, which is currently reimbursable. There are projected to be nearly 100,000 people living in frontline communities within 10 miles of the DMC by 2040 as well as an unmet Incremental Level 4 Refuge water supply need south of Delta of approximately 150,000 acre-feet. The ability to utilize nonreimbursable funding through the Aging Infrastructure account could substantially reduce costs for Water Authority member agencies and expedite the project funding for the DMC Subsidence Capacity Restoration Project.

Staff does have some questions related to implementation and the need for long-term O&M funding for additional beneficiaries and is proposing working with the author to ensure that the legislative language or subsequent engagement with Reclamation provides sufficient funding for disadvantaged communities and refuge water supply to meet long-term O&M obligations, which is why staff is recommending a "Support and Amend" position.

Pros:

- The bill would provide for the ability to modify the DMC to provide drinking water for disadvantaged communities, with a commensurate decrease in reimbursable costs of 15% greater than the public benefit achieved. For example, if 25% of the benefits of the DMC correction project



were allocated to public benefits, then 25% of those costs would be nonreimbursable, plus an additional 15% of reimbursable costs for other beneficiaries would become nonreimbursable.

- Existing project beneficiaries have a right to refuse project modifications requested by the Secretary.

Cons:

- The Secretary could delay a project by up to two years seeking additional beneficiaries and project modifications, resulting in increased costs and project delays.
-

S. 658 (Booker) – EQIP Improvement Act of 2023

RECOMMENDATION: OPPOSE

OBJECTIVE: Improve Water Infrastructure Affecting Authority Member Agencies

Summary

This bill would modify USDA's Environmental Quality Incentives Program (EQIP) by modifying the five year cap on grants for certain practices from \$450,000 to \$150,000 and reducing the payments on some practices from 75 percent to 40 percent. Specifically, the payment reductions would occur on many practices that will be used for implementation of the Sustainable Groundwater Management Act and other on-farm conservation practices associated with greater water use efficiency.

Status

S. 658 was introduced in the Senate on March 6, 2023, and has been referred to the Senate Committee on Agriculture, Nutrition, and Forestry. Additional key cosponsors include: Mike Lee (R-UT), Blumenthal (D-CT).

Importance to the Authority

EQIP is a voluntary farm bill conservation program run by USDA that helps bankroll farmers' transition to sustainable practices. It provides grants so farmers can incorporate practices like cover crops, no-till and nutrient management. It's one of the most popular programs and is oversubscribed.

The legislation would reduce the five-year grant cap from \$450,000 to \$150,000, a move they say would let more farmers on the program by freeing up cash. It would also end a current requirement that 50 percent of EQIP funds flow to livestock operators, allowing states to determine their own usage.

The bill would also allow states greater flexibility to reduce payments to practices that show limited environmental benefit, freeing up money for those with clearer benefits based on USDA data. Those practices are cover crops, no-till, crop rotations, nutrient management, and streamside buffers.

For some specific practices, cost share percentages would be pulled down from 75 to 40 percent. These include roads, fish ponds, stock ponds, dams, animal waste pits, pipelines and land clearing.

Pros:

- The change in the grant cap could enable more growers to access EQIP.
- The bill increases the flexibility of use of program funds, repurposing mandatory 50% funding for livestock operators to other agricultural commodities.



Cons:

- The change in the grant cap could limit the programs utility for growers accessing the program for larger projects.
 - The bill will reduce funds flowing to livestock operators, creating additional potential burdens on a strained industry important to the San Joaquin Valley.
 - Reduces the costs share percentage for the program for many types of water infrastructure, including dams, pipelines, and land clearing.
 - Reduces payments on practices that may receive increased usage as SGMA is implemented more fully, including cover crops, no-till, crop rotations, nutrient management, and streamside buffers.
-

[A.B. 754 \(Papan\) – Water management planning: automatic conservation plan](#)

RECOMMENDATION: OPPOSE

OBJECTIVE: Core Objective

Existing Law

Existing law, the Urban Water Management Planning Act, requires every urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan (UWMP). Existing law requires a UWMP to quantify past, current, and projected water use, identifying the uses among water use sectors, including, among others, commercial, agricultural, and industrial. Existing law requires an UWMP to identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over a specified period of time, providing supporting and related information, including, among other things, a description of the management of each supply in correlation with the other identified supplies when multiple sources of water supply are identified.

Existing law requires an agricultural water supplier to prepare and adopt an agricultural water management plan (AWMP) with specified components on or before December 31, 2012, and to update those plans on or before December 31, 2015, and on or before April 1, 2021, and thereafter on or before April 1 in the years ending in six and one. Existing law requires an agricultural water supplier to submit its plan to the Department of Water Resources (DWR) no later than 30 days after the adoption of the plan and requires DWR to review an agricultural water management plan and notify an agricultural water supplier if the department determines that it is noncompliant. Existing law requires an agricultural water supplier to submit copies of its plan no later than 30 days after the department’s review and requires DWR to submit its report summarizing the status of the plans to the Legislature on or before April 30 in the years ending in seven and two.

Summary

Urban Water Supplier Provisions

If an urban water supplier identifies a reservoir as an existing or planned source of water available to the supplier, that urban water supplier’s UWMP would be required include the following additional information:

1. A target water supply storage curve based on target carryover levels sufficient to satisfy water users and ecological stream flow needs for at least five years, with reasonably predicted inflow



calculations considering local conditions and climate change. The reservoir storage level shall be calculated each month based on reservoir capacity, projected inflows, evaporation, water demands from all users, and streamflow requirements, and shall be plotted against the target water supply storage curve on a calendar to ensure that target storage levels are met; and,

2. An automatic conservation plan to be implemented when the reservoir storage level falls below the target water supply storage curve determined above. The bill stipulates that when both an automatic conservation plan and a water shortage contingency plan are in effect, the more restrictive of the two plans shall govern.

The bill would require an automatic conservation plan developed by an urban water supplier to include all the following:

- 1) Six standard water storage levels corresponding to progressive ranges of up to 10, 20, 30, 40, and 50 percent shortages below the target water supply curve and greater than 50 percent shortage;
- 2) At each water shortage level, urban water suppliers shall initiate conservation response actions that align with the defined shortage levels and include at a minimum, all the following:
 - a) Locally appropriate water supply augmentation actions;
 - b) Locally appropriate water demand reduction actions to adequately respond to shortages;
 - c) Locally appropriate operational changes; and,
 - d) Mandatory prohibitions against specific water use practices that are in addition to state-mandated prohibitions and appropriate to the local conditions.
- 3) For each action, an estimate of the extent that the gap between target reservoir storage level and the actual reservoir storage level will be reduced by for implementation of the action;
- 4) For each action, an estimate of impacts to other water resources, including any increase in groundwater extraction;
- 5) Water demand reduction actions shall be applied to all customer classes, and may include any of the following:
 - a) Water waste prevention ordinances;
 - b) Metering;
 - c) Conservation pricing;
 - d) Public education and outreach;
 - e) Programs to assess and manage distribution system real loss; and,
 - f) Water conservation program coordination and staffing support.
- 6) Other demand management measures that have a significant impact on water use as measured in gallons per capita per day; and,
- 7) Other demand management measures that have a significant impact on water used by downstream water rights holders.

Agricultural Water Supplier Provisions

If an agricultural water supplier identifies a reservoir as an existing or planned source of water available to the supplier, an agricultural water management plan would be required to include the following additional information:

- 1) A target water supply storage curve based on target carryover levels sufficient to satisfy water users and ecological stream flow needs for at least five years, with reasonably predicted inflow calculations



considering local conditions and climate change. The reservoir storage level shall be calculated each month based on reservoir capacity, projected inflows, evaporation, water demands from all users, and streamflow requirements, and shall be plotted against the target water supply storage curve on a calendar to ensure that target storage levels are met;

- 2) An automatic conservation plan that is implemented when the reservoir storage level falls below the target water supply storage curve determined above. When both an automatic conservation plan and a drought plan are in effect, the more restrictive of the two plans shall govern.

An automatic conservation plan developed by an agricultural water supplier would be required to include the following:

- 1) Six standard water shortage levels corresponding to progressive ranges of up to 10, 20, 30, 40, and 50 percent shortages below the target water supply curve and greater than 50 percent storage;
- 2) At each water shortage level, agricultural water suppliers shall initiate conservation response actions that align with the defined shortage levels and include, at a minimum, all the following:
 - a) Locally appropriate supply augmentation actions;
 - b) Locally appropriate demand reduction actions to adequately respond to shortages;
 - c) Locally appropriate operational changes;
 - d) Additional, mandatory prohibitions against specific water use practices that are in addition to state-mandated prohibitions and appropriate to the local conditions.
- 3) For each action, an estimate of the extent that the gap between the target reservoir storage level and the actual reservoir storage level will be reduced by implementation of the action; and,
- 4) For each action, an estimate of impacts to other water resources, including any increase in groundwater extraction.

Status

A.B. 754 was introduced on February 13, 2023, as a spot bill and was substantively amended into its current form on March 9. The bill was heard and amended a second time at the Committee on Water, Parks, and Wildlife on April 24, where it passed on a 10-4 vote. The bill has been referred to the Committee on Appropriations.

Importance to the Authority

In response to the 2012-2016, Governor Brown signed Executive Order B-37-16, "Making Conservation a California Way of Life" in May of 2016. The Executive Order called for DWR and the State Water Resources Control Board (State Water Board) to work together to develop a permanent conservation framework that includes specific requirements for water use efficiency and drought planning.

During the 2017-2018 legislative session, eight policy bills and a budget trailer bill were introduced to implement the Governor's call for making conservation a way of life based on the State agencies' framework. Following extensive legislative debate and stakeholder engagement, on May 31, 2018, AB 1668 (Friedman) and SB 606 (Hertzberg) were signed into law. These bills established the statutory framework to improve drought preparedness and regional resilience; they also established and refined the requirements for urban and agricultural water management plans.

Many of the requirements of these bills have either taken effect or are in the process of being finalized. Planning requirements are already in effect, requiring urban and agricultural water suppliers to prepare a



variety of drought-related reports and plans including: urban and agricultural water management plans including a drought risk assessment or drought plan, water shortage contingency plans (urban), annual water supply and demand assessment (urban), and annual water budget (agricultural).

Urban Water Management Plans

Urban water suppliers are required to prepare and adopt a UWMP and update the plan every five years. In developing an UWMP, a water supplier will assess changes in natural hydrology, climate, and groundwater conditions, anticipate the implications of regional, state, and federal regulations, understand supply conditions and water use variability, prepare for water shortages and unforeseen calamities, and identify regional constraints on or opportunities for shared water resources.

Water Shortage Contingency Plans

As part of its UWMP, urban water suppliers are required to prepare and adopt a water shortage contingency plan (WSCP). A WSCP is a detailed proposal that documents the process used by a supplier to anticipate water supply disruptions and describes how the supplier intends to address a water shortage. WSCPs are required to include various elements including a water supply reliability analysis, annual water supply and demand assessment procedures, six standard water shortage stages corresponding to progressive ranges of up to 10-, 20-, 30-, 40-, and 50-percent shortages and greater than 50-percent shortage, shortage response actions, communication protocols, and compliance and enforcement protocols. While WSCPs are primarily meant for the supplier's decision makers, management and operational staff, communications staff, and customers, WSCPs also have statewide utility for DWR, the State Water Board, and the Legislature in addressing extreme drought conditions or statewide calamities that impact water supply availability.

Annual Water Supply and Demand Assessment

Urban water suppliers are also required to prepare an annual water supply and demand assessment (Assessment) and submit an annual shortage report to DWR every year. The Assessment and associated report are to be conducted based on the water supplier's procedures detailed in its adopted WSCP. The Assessment is developed based on the assumption that the upcoming year is going to be dry; however, implementation of any response actions will need to take into consideration actual water supply and demand conditions applicable to the current year. The annual shortage report includes information on anticipated shortage, triggered shortage response actions, compliance and enforcement actions and communication actions described in the WSCP. After submittal, suppliers must perform ongoing reassessments of their water supply and demand conditions throughout the year.

Drought Risk Assessment

Further, UWMPs are required to contain a drought risk assessment, which examines water supplies, water uses, and the resulting water supply reliability under a reasonable prediction for five consecutive dry years. The drought risk assessment is required to include a comparison of the total water supply sources available to the water supplier with the total projected water use for the drought period and considerations of the historical drought hydrology, plausible changes on projected supplies and demands under climate change conditions, anticipated regulatory changes, and other locally applicable criteria.



Agricultural Water Management Plans

The Water Conservation Act of 2009 (SB X7-7) requires agricultural water suppliers to adopt and submit an Agricultural Water Management Plan (AWMP) to DWR every five years. SB X7-7 stipulates agricultural water suppliers can submit individual plans or collaborate and submit regional plans, as long as it meets the requirements outlined in SB X7-7. AB 1668 (Friedman, 2018) requires AWMPs to quantify measures to increase agricultural water use efficiency, include an annual water budget, describe the agricultural water supplier's water management strategy with specified elements, and include a drought plan describing the actions of the agricultural water supplier for drought preparedness and management of water supplies and allocations during drought conditions.

Drought Plan

As part of its AWMP, an agricultural water supplier is required to develop a drought plan for periods of limited water supply describing the actions it would take for drought preparedness and management of water supplies during drought conditions. These plans must include resilience planning including: data and indicators, analyses of potential vulnerabilities, and discussion of opportunities and strengths. The drought plan must also identify how the agricultural water supplier will respond in a drought including: process for declaring and implementing a water shortage, enforcement and appeal procedures, methods to evaluate effectiveness, communication protocols, and an analysis of fiscal potential impacts.

AB 754 additionally requires UWMPs and AWMPs, if a reservoir is identified as an existing or planned source of water available to the supplier, to include specified information related to water storage and conservation, including a target water supply storage curve, and an automatic conservation plan that would be implemented when the reservoir storage level falls below that curve. The bill further requires specified response actions to be taken when water storage falls to specified storage levels.

As summarized above, various drought planning tools already exist to improve drought preparedness and regional resilience, and water providers are required to prepare, adopt, and review a plethora of plans and reports to identify methods, procedures, and actions that ensure the adequate water supplies are available to meet existing and future water needs. Much of what would be included in the required automatic conservation plan and the correlating conservation response actions would be duplicative of shortage response actions, communication protocols, and compliance and enforcement protocols outlined in a water providers' UWMP and AWMP.

Further, the bill fails consider that while a water provider may receive water from a reservoir, that reservoir may be owned and operated by the U.S. Bureau of Reclamation and/or is part of the larger State Water Project or Central Valley Project, and that the requirements placed on water providers would be based on reservoir actions that are out of their control. For those water agencies that rely in whole or part on locally managed reservoirs, they are largely already accounting for the issues this bill seeks to address in their water management plans. For urban water retailers, the annual water supply and demand assessment already also largely accounts for reservoirs as a potential water resource.

On the heels of the 2012-2016 drought, the Administration and Legislature enacted and implemented a number of new reporting requirements designed to ensure that local water agencies are adequately planning for drought and water shortage and that the State has access to pertinent information. All of this new reporting has gone into effect and the goals of this bill are largely met with the existing reporting.



This bill appears to be creating a duplicative requirement without any additional benefits to either the state or local agencies.

Pros:

- Limited benefits identified

Cons:

- Institutes additional and duplicative requirements for various planning efforts that are already required for Authority members at substantial costs with limited additional benefits

A.B. 1205 (Bauer-Kahan) – Water rights: sale, transfer, or lease: agricultural lands

RECOMMENDATION: OPPOSE

OBJECTIVE: Core Objective

Existing Law

Existing law declares that, because of the conditions prevailing in this state, the general welfare requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of the water is to be exercised with a view to the reasonable and beneficial use of the water in the interest of the people and for the public welfare.

Summary

AB 1205 would declare that the sale, transfer, or lease of an interest in any water right for profit, on or below agricultural lands within the state by an investment fund, shall not be considered a reasonable or beneficial use of water.

Status

A.B. 1205 was introduced on February 16, 2023, as a spot bill and was amended into its current form on March 23, 2023. The bill is currently scheduled to be heard in the Assembly Water, Parks, and Wildlife Committee on May 3, 2023.

Importance to the Authority

AB 1205 would declare that the sale, transfer, or lease of an interest in any water right for profit, on or below agricultural lands within the state by an investment fund, shall not be considered a reasonable or beneficial use of water.

Authority member agencies engage in water transfers both through the pooled Authority transfer program, as well as conducting individual transactions, as a means of addressing shortages in contract supplies from the United States. As institutional investment in agriculture increases, passage of this legislation would potentially remove those potential water transfer partners and pose a chilling effect on the market.

Potential Amendments

Seek clarification of “transfer for profit”

Seek clarification that underlying definition of “investment fund” does not impact water authority member agency grower legal models



Pros:

- Would discourage institutional investment in agricultural land for the purposes of water market speculation

Cons:

- Limits use of underlying property right for certain types of property owner
 - May cause delays and/or more expensive process for water transfers as ownership is verified
 - Lacks clarity in definition of “transfer for profit”
 - Lacks clarity in underlying definition of “investment fund”, which could include certain legal models of existing grower
 - Could limit available sellers in the water market, increasing prices and reducing agricultural competitiveness in the marketplace
-

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 8, 2022, the Board adopted the Fiscal Year 2024 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 and consultants testify and advocate 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.

BILL TEXT

.....
(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the Water Infrastructure Improvements for the Nation Act to extend certain contract prepayment authority.

IN THE HOUSE OF REPRESENTATIVES

Mrs. BOEBERT introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Water Infrastructure Improvements for the Nation Act to extend certain contract prepayment authority.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Western Water Accel-
5 erated Revenue Repayment Act”.

6 **SEC. 2. EXTENSION OF PREPAYMENT AUTHORITY.**

7 Section 4013 of the Water Infrastructure Improve-
8 ments for The Nation Act (Public Law 114–322) is
9 amended—

- 1 (1) in paragraph (1), by striking “; and” and
- 2 inserting a semicolon;
- 3 (2) in paragraph (2), by striking the period and
- 4 inserting “; and”; and
- 5 (3) by adding at the end the following:
- 6 “(3) section 4011.”.

117TH CONGRESS
1ST SESSION

S. _____

To provide financial assistance for projects to address certain subsidence impacts in the State of California, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mrs. FEINSTEIN introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To provide financial assistance for projects to address certain subsidence impacts in the State of California, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Canal Conveyance Ca-
5 pacity Restoration Act”.

6 **SEC. 2. PURPOSES.**

7 The purposes of this Act are—

- 8 (1) to address severe subsidence impacts that
9 have substantially reduced the carrying capacity of
10 the water delivery system of the State; and

1 (2) to provide additional water supply in the
 2 State at a relatively low cost per acre-foot to in-
 3 crease—

4 (A) resiliency to increasingly severe
 5 droughts in the State;

6 (B) groundwater recharge needed to assist
 7 in meeting groundwater sustainability goals es-
 8 tablished under State law; and

9 (C) the reliability of surface or ground-
 10 water supplies, portions of which serve dis-
 11 advantaged communities.

12 **SEC. 3. DEFINITIONS.**

13 In this Act:

14 (1) FEDERAL POOL.—The term “Federal pool”
 15 means each of pools 13 through 21 of the San Luis
 16 Canal/California Aqueduct, which are owned by the
 17 United States and operated by the California De-
 18 partment of Water Resources under the agreement
 19 entitled “Agreement Between the United States of
 20 America and the Department of Water Resources of
 21 the State of California for the Construction and Op-
 22 eration of the Joint-Use Facilities of the San Luis
 23 Unit” and dated December 30, 1961.

24 (2) NET PRESENT VALUE OF THE LOCAL CON-
 25 TRIBUTION TO REIMBURSABLE FEDERAL FUND-

1 ING.—The term “net present value of the local con-
2 tribution to reimbursable Federal funding” means,
3 with respect to a project, the amount equal to the
4 difference between—

5 (A) the total amount of reimbursable Fed-
6 eral funds made available for a project; and

7 (B) the amount of the present value, as of
8 the date of the calculation, of any interest sub-
9 sidy provided through the repayment terms to
10 the Treasury over similarly structured munic-
11 ipal bond financing available to the non-Federal
12 entity on the disbursement of the reimbursable
13 Federal funds for the project.

14 (3) NON-FEDERAL POOL.—The term “non-Fed-
15 eral pool” means each of pools 22 through 40 of the
16 California Aqueduct, which are owned by the State
17 and operated by the California Department of Water
18 Resources.

19 (4) SECRETARY.—The term “Secretary” means
20 the Secretary of the Interior, acting through the
21 Commissioner of Reclamation.

22 (5) STATE.—The term “State” means the State
23 of California.

1 **SEC. 4. FRIANT-KERN CANAL AND DELTA-MENDOTA CANAL**
2 **SUBSIDENCE MITIGATION PROJECTS.**

3 (a) IN GENERAL.—The Secretary may provide finan-
4 cial assistance for the design, planning, and construction
5 of—

6 (1) Federal facility improvements to the Friant
7 Division, Central Valley Project, California, under
8 section 10201(a)(1) of the San Joaquin River Res-
9 toration Settlement Act (Public Law 111–11; 123
10 Stat. 1365); and

11 (2) a project to restore conveyance capacity at,
12 and to mitigate subsidence-related impacts on, the
13 Delta-Mendota Canal, through a partnership with—

14 (A) a public water agency that contracts
15 for the delivery of Central Valley Project water;
16 or

17 (B) a local joint powers authority formed
18 under State law by public water agencies that
19 contract for the delivery of Central Valley
20 Project water.

21 (b) COST-SHARING REQUIREMENT.—

22 (1) FEDERAL SHARE.—The Federal share of
23 the cost of carrying out a project under subsection
24 (a) shall be not more than 33 percent of the total
25 cost of the project, including amounts contributed
26 after October 1, 2018.

1 (2) FORM OF NON-FEDERAL SHARE.—The non-
2 Federal share of the cost of carrying out a project
3 under subsection (a) may be provided in the form of
4 cash or in-kind contributions, including the net
5 present value of the local contribution to the reim-
6 bursable Federal funding for the project after Octo-
7 ber 1, 2018.

8 (c) REQUIRED DETERMINATION BY SECRETARY.—
9 Federal funds shall not be made available under this Act
10 for a project under subsection (a) unless the Secretary de-
11 termines that—

12 (1) there is an adequate non-Federal cost share
13 to match the total amount of federally appropriated
14 financial assistance made available for the project as
15 of the date of the determination of the Secretary;
16 and

17 (2) the project is designed in a manner—

18 (A) to satisfy the purposes described in
19 section 2, after taking into account anticipated
20 future subsidence; and

21 (B) to comply with all applicable require-
22 ments of Federal and State law, including part
23 2.74 of division 6 of the California Water Code
24 (commonly known as the “California Sustain-
25 able Groundwater Management Act”).

1 **SEC. 5. CALIFORNIA AQUEDUCT SUBSIDENCE MITIGATION**
2 **PROJECT.**

3 (a) IN GENERAL.—The Secretary may provide finan-
4 cial assistance for the design, planning, and construction
5 of projects to restore conveyance capacity at, and to miti-
6 gate subsidence-related impacts on, the Federal pool and
7 non-Federal pool.

8 (b) NON-FEDERAL PARTNERS.—To carry out this
9 section, the Secretary may enter into partnerships with—

10 (1) the State; or

11 (2) a local joint powers authority formed under
12 State law by public water agencies that contract for
13 delivery of water from the Central Valley Project or
14 the State Water Project.

15 (c) COST-SHARING REQUIREMENT.—

16 (1) FEDERAL SHARE.—The Federal share of
17 the cost of carrying out a project under subsection
18 (a) shall be not more than 33 percent of the total
19 cost of the project, including any amounts expended
20 by the State for subsidence repairs in the Federal
21 pool and non-Federal pool for the project after Octo-
22 ber 1, 2018.

23 (2) FORM OF NON-FEDERAL SHARE.—The non-
24 Federal share of the cost of a project provided finan-
25 cial assistance under subsection (a) may be in the
26 form of cash or in-kind contributions.

1 (d) REQUIRED DETERMINATION BY SECRETARY.—
2 Federal funds shall not be made available under this Act
3 for a project under subsection (a) unless the Secretary de-
4 termines, with the concurrence of the Governor of the
5 State, that—

6 (1) there is an adequate non-Federal cost share
7 to match the total amount of federally appropriated
8 financial assistance made available for the project as
9 of the date of the determination of the Secretary;
10 and

11 (2) the project is designed in a manner—

12 (A) to satisfy the purposes described in
13 section 2, after taking into account anticipated
14 future subsidence; and

15 (B) to comply with all applicable require-
16 ments of Federal and State law, including part
17 2.74 of division 6 of the California Water Code
18 (commonly known as the “California Sustain-
19 able Groundwater Management Act”).

20 **SEC. 6. ENVIRONMENTAL COMPLIANCE.**

21 In carrying out a project under this Act, the Sec-
22 retary shall comply with applicable environmental laws, in-
23 cluding—

24 (1) the National Environmental Policy Act of
25 1969 (42 U.S.C. 4321 et seq.);

- 1 (2) the Endangered Species Act of 1973 (16
2 U.S.C. 1531 et seq.); and
3 (3) applicable State law.

4 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS.**

5 (a) IN GENERAL.—There are authorized to be appro-
6 priated to the Secretary, as adjusted annually to reflect
7 changes since March 2021 in the Bureau of Reclamation
8 Construction Cost Trends Index applicable to the types
9 of construction involved—

10 (1) \$180,000,000 to carry out section 4(a)(1),
11 consistent with, and in addition to funding author-
12 ized under, section 10203(c) of the San Joaquin
13 River Restoration Settlement Act (Public Law 111–
14 11; 123 Stat. 1367);

15 (2) \$183,900,000 to carry out section 4(a)(2);

16 (3) \$194,000,000 to pay the Federal share for
17 the Federal pool under section 5;

18 (4) \$95,500,000 to pay the Federal share for
19 the non-Federal pool under section 5; and

20 (5) \$180,000,000 to implement the Restoration
21 Goal of the settlement described in section 10004 of
22 the San Joaquin River Restoration Settlement Act
23 (Public Law 111–11; 123 Stat. 1350), in addition to
24 the funding authorized under section 10009 of that
25 Act.

1 (b) LIMITATIONS.—Amounts made available under
2 subsection (a) may not be used—

3 (1) to build new surface storage;

4 (2) to raise existing reservoirs; or

5 (3) to enlarge the carrying capacity of a canal
6 constructed by the Bureau of Reclamation, except
7 for a temporary increase in carrying capacity that is
8 intended—

9 (A) to mitigate anticipated future subsid-
10 ence; and

11 (B) to avoid an increase in carrying capac-
12 ity that would otherwise be required on the oc-
13 currence of anticipated future subsidence.

14 (c) ADDITIONAL AMOUNTS.—Amounts made avail-
15 able under subsection (a) shall be—

16 (1) in addition to any other amounts made
17 available for the purposes described in that sub-
18 section; and

19 (2) nonreimbursable.

1 Title: To support water infrastructure in Reclamation States, and for other purposes.
2
3

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

6 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

7 (a) Short Title.—This Act may be cited as the “Support To Rehydrate the Environment,
8 Agriculture, and Municipalities Act” or the “STREAM Act”.

9 (b) Table of Contents.—The table of contents for this Act is as follows:

10 Sec.1.Short title; table of contents.

11 Sec.2.Definitions.

12 TITLE I—INFRASTRUCTURE DEVELOPMENT

13 Sec.101.Storage and conveyance projects.

14 Sec.102.Annual report to Congress.

15 Sec.103.Competitive grant program for the funding of water recycling projects.

16 Sec.104.Eligible desalination project development.

17 Sec.105.Drinking water assistance for disadvantaged communities.

18 Sec.106.Extraordinary operation and maintenance work; project modification.

19 Sec.107.Use of revenue to improve drought resilience or dam safety.

20 TITLE II—IMPROVED TECHNOLOGY AND DATA

21 Sec.201.Reauthorization of the transboundary aquifer assessment program.

22 TITLE III—ECOSYSTEM RESTORATION AND 23 PROTECTION

24 Sec.301.Ecosystem restoration.

25 Sec.302.Performance-based restoration authority.

26 TITLE IV—MISCELLANEOUS

27 Sec.401.Modifications to drought program under the Reclamation States Emergency Drought
28 Relief Act of 1991.

29 Sec.402.Environmental compliance.

30 Sec.403.Effect.

31 SEC. 2. DEFINITIONS.

32 In this Act:

1 (1) ANNUAL REPORT.—The term “annual report” means a report required under section
2 102(a).

3 (2) AUTHORIZING COMMITTEES OF CONGRESS.—The term “authorizing committees of
4 Congress” means—

5 (A) the Committee on Energy and Natural Resources of the Senate; and

6 (B) the Committee on Natural Resources of the House of Representatives.

7 (3) DISADVANTAGED COMMUNITY.—The term “disadvantaged community” means a low-
8 income community (as defined in section 45D(e) of the Internal Revenue Code of 1986).

9 (4) ELIGIBLE DESALINATION PROJECT.—The term “eligible desalination project” has the
10 meaning given the term in paragraph (2) of section 4(a) of the Water Desalination Act of
11 1996 (42 U.S.C. 10301 note; Public Law 104–298) (as amended by section 104(a)).

12 (5) ELIGIBLE ENTITY.—The term “eligible entity” means—

13 (A) any State, political subdivision of a State, department of a State, or public
14 agency organized pursuant to State law;

15 (B) an Indian Tribe (as defined in section 4 of the Indian Self-Determination and
16 Education Assistance Act (25 U.S.C. 5304)) or an entity controlled by an Indian Tribe;

17 (C) a water users’ association;

18 (D) an agency established by an interstate compact; and

19 (E) an agency established under State law for the joint exercise of powers.

20 (6) FEDERAL BENEFIT.—The term “Federal benefit”, with respect to a non-Federal storage
21 project, water recycling project, or eligible desalination project, means—

22 (A) public benefits provided directly by a project;

23 (B) public benefits that—

24 (i) are—

25 (I) fish and wildlife benefits; or

26 (II) water quality benefits;

27 (ii) are provided by the implementation of a watershed restoration plan
28 approved with the project; and

29 (iii) represent an increased Federal commitment in the watershed as compared
30 to Federal commitments before the date of approval of the project;

31 (C) benefits to a watershed from a water recycling project or eligible desalination
32 project; or

33 (D) water supply benefits identified in accordance with the reclamation laws.

34 (7) FEDERAL STORAGE PROJECT.—The term “Federal storage project” means any project
35 constructed by the Bureau of Reclamation—

36 (A) that involves the construction or expansion of—

1 (i) a surface water storage facility; or

2 (ii) a facility conveying water to or from surface or groundwater storage; and

3 (B) to which the United States holds or will hold title.

4 (8) NATURAL WATER RETENTION AND RELEASE PROJECT.—

5 (A) IN GENERAL.—The term “natural water retention and release project” means a
6 non-Federal storage project designed and developed to increase water availability for
7 optimal management through aquifer recharge, floodplain retention, the alteration of
8 the timing of runoff to allow increased utilization of existing storage facilities, or
9 another mechanism that—

10 (i) uses primarily natural materials appropriate to the specific site and
11 landscape setting; and

12 (ii) substantially mimics natural riverine, wetland, ecosystem, or hydrologic
13 processes.

14 (B) INCLUSIONS.—The term “natural water retention and release project” includes—

15 (i) a single natural water retention and release project;

16 (ii) several distributed natural water retention and release projects across a
17 watershed; and

18 (iii) the redesign, modification, or replacement of existing infrastructure to
19 incorporate natural water retention and release elements.

20 (9) NON-FEDERAL STORAGE PROJECT.—The term “non-Federal storage project” means
21 any project in a Reclamation State that—

22 (A) involves the construction, expansion, or repair by an eligible entity of—

23 (i) a surface or groundwater storage project that is not federally owned;

24 (ii) a facility that is not federally owned conveying water to or from surface or
25 groundwater storage; or

26 (iii) a natural water retention and release project; and

27 (B) provides a benefit in meeting any obligation under applicable Federal law
28 (including regulations).

29 (10) PUBLIC BENEFIT.—The term “public benefit”, with respect to a non-Federal storage
30 project or extraordinary operation and maintenance work, means—

31 (A) a public benefit identified under the reclamation laws;

32 (B) a drinking water benefit for 1 or more disadvantaged communities, including
33 through groundwater recharge, if—

34 (i) the drinking water meets applicable regulatory standards;

35 (ii) the drinking water benefit exceeds express mitigation or compliance
36 requirements under Federal or State law;

37 (iii) the modified project reduces the unit cost per volume, improves water

1 quality, or increases the reliability or quantity of the drinking water supply of the
2 disadvantaged community as compared to the condition of the drinking water or
3 other sources of drinking water available before the modification of the project;

4 (iv) the drinking water benefit is quantified in a public process, including
5 outreach to representatives of the affected disadvantaged community at the
6 earliest practicable opportunity, to determine the scope of funding; and

7 (v) negative impacts on water quality for other communities are not caused as
8 part of the modified project;

9 (C) emergency drinking water supply used in response to a disaster declaration by a
10 Governor; and

11 (D) energy savings benefits, including—

12 (i) the value of associated greenhouse gas reductions; and

13 (ii) any reduction in energy costs for Federal taxpayers, such as reduced water
14 delivery costs for water providing fish and wildlife benefits.

15 (11) RECLAMATION LAWS.—The term “reclamation laws” means Federal reclamation law
16 (the Act of June 17, 1902 (32 Stat. 388, chapter 1093), and Acts supplemental to and
17 amendatory of that Act (43 U.S.C. 371 et seq.)).

18 (12) RECLAMATION STATE.—The term “Reclamation State” has the meaning given the
19 term in section 4014 of the Water Infrastructure Improvements for the Nation Act (43
20 U.S.C. 390b note; Public Law 114–322).

21 (13) SECRETARY.—The term “Secretary” means the Secretary of the Interior.

22 (14) STORAGE PROJECT.—The term “storage project” means a Federal storage project or a
23 non-Federal storage project.

24 (15) WATER RECYCLING PROJECT.—The term “water recycling project” means a project
25 provided a grant under section 1602(f) of the Reclamation Wastewater and Groundwater
26 Study and Facilities Act (43 U.S.C. 390h(f)).

27 (16) WATERSHED.—The term “watershed” includes—

28 (A) an entire watershed; or

29 (B) any portion of a watershed, including the upper or lower reaches of the
30 watershed.

31 (17) WATERSHED RESTORATION PLAN.—The term “watershed restoration plan” means a
32 plan approved by the Secretary that would provide benefits to the affected watershed from a
33 non-Federal storage project and other projects and activities, including—

34 (A)(i) restoration of fish and wildlife habitat or flows; or

35 (ii) water quality benefits; and

36 (B) water supply benefits.

37 TITLE I—INFRASTRUCTURE DEVELOPMENT

1 SEC. 101. STORAGE AND CONVEYANCE PROJECTS.

2 (a) Storage Projects.—

3 (1) DEFINITIONS.—Section 4007 of the Water Infrastructure Improvements for the Nation
4 Act (43 U.S.C. 390b note; Public Law 114–322) is amended—

5 (A) by striking subsections (a) and (b) and inserting the following:

6 “(a) Definitions.—In this section:

7 “(1) DESIGN; STUDY.—

8 “(A) IN GENERAL.—The terms ‘design’ and ‘study’ include any design, permitting,
9 study (including a feasibility study), materials engineering or testing, surveying, or
10 preconstruction activity relating to a water storage facility.

11 “(B) EXCLUSIONS.—The terms ‘design’ and ‘study’ do not include an appraisal
12 study or other preliminary review intended to determine whether further study is
13 appropriate.

14 “(2) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

15 “(A) a State, Indian Tribe, municipality, irrigation district, water district, wastewater
16 district, or other organization with water or power delivery authority;

17 “(B) a State, regional, or local authority, the members of which include 1 or more
18 organizations with water or power delivery authority; or

19 “(C)(i) an agency established under State law for the joint exercise of powers;

20 “(ii) a combination of entities described in subparagraphs (A) and (B); or

21 “(iii) with respect to a natural water retention and release project, a qualified partner.

22 “(3) ELIGIBLE PROJECT.—The term ‘eligible project’ means a project described in
23 subsection (b).

24 “(4) FEDERAL BENEFIT; NATURAL WATER RETENTION AND RELEASE PROJECT; NON-
25 FEDERAL STORAGE PROJECT; PUBLIC BENEFIT; STORAGE PROJECT; WATERSHED; WATERSHED
26 RESTORATION PLAN.—The terms ‘Federal benefit’, ‘natural water retention and release
27 project’, ‘non-Federal storage project’, ‘public benefit’, ‘storage project’, ‘watershed’, and
28 ‘watershed restoration plan’ have the meanings given the terms in section 2 of the Support
29 To Rehydrate the Environment, Agriculture, and Municipalities Act.

30 “(5) QUALIFIED PARTNER.—The term ‘qualified partner’ means a nonprofit organization
31 operating in a Reclamation State that is acting with the written support of an eligible
32 entity.”;

33 (B) by striking subsections (e), (f), and (i); and

34 (C) by redesignating subsections (c), (d), (g), (h), (j), and (k) as subsections (b), (c),
35 (d), (e), (f), and (g), respectively.

36 (2) NON-FEDERAL STORAGE PROJECTS.—Section 4007(b) of the Water Infrastructure
37 Improvements for the Nation Act (43 U.S.C. 390b note; Public Law 114–322) (as
38 redesignated by paragraph (1)(C)) is amended—

- 1 (A) in the subsection heading, by striking “State-led” and inserting “Non-Federal”;
- 2 (B) by striking “State-led” each place it appears and inserting “non-Federal”;
- 3 (C) in paragraph (1), by striking “project in” and all that follows through the period
4 at the end and inserting “project.”;
- 5 (D) in paragraph (2)—
- 6 (i) in the paragraph heading, by inserting “OR INDIAN TRIBE” after
7 “GOVERNOR”;
- 8 (ii) in the matter preceding subparagraph (A), by striking “Participation” and
9 inserting “Subject to paragraph (5), in the case of natural water retention and
10 release projects, participation”;
- 11 (iii) in subparagraph (A), by inserting “or the sponsoring Indian Tribe, in the
12 case of a Tribal project” after “located”; and
- 13 (iv) in subparagraph (B), in the matter preceding clause (i), by striking “State or
14 local sponsor” and inserting “State, Tribal, or local”; and
- 15 (E) by adding at the end the following:
- 16 “(5) NATURAL WATER RETENTION AND RELEASE PROJECTS.—Participation by the
17 Secretary of the Interior in a natural water retention and release project under this
18 subsection shall only occur if—
- 19 “(A) for a project that costs not more than \$10,000,000, the eligible entity
20 demonstrates that the natural water retention and release project would help optimize
21 the storage or delivery of water in a watershed in which a Bureau of Reclamation
22 facility is located; and
- 23 “(B) for a project that costs more than \$10,000,000—
- 24 “(i) the requirements described in paragraph (2) have been met; and
- 25 “(ii) the eligible entity determines, and the Secretary of the Interior concurs,
26 that—
- 27 “(I) the natural water retention and release project would produce or allow
28 additional retention or delivery of water in a watershed in which a Bureau of
29 Reclamation facility is located; and
- 30 “(II) there is a credible estimate of the quantity of the storage benefit of
31 the natural water retention and release project during each of a ‘wet’ year, a
32 ‘normal’ year, and a ‘dry’ year.
- 33 “(6) OTHER AUTHORIZATION REQUIRED.—Non-Federal storage projects with a Federal
34 cost-share exceeding \$250,000,000 may not be carried out under this subsection.
- 35 “(7) FEDERAL COST SHARE.—
- 36 “(A) IN GENERAL.—Except as provided in subparagraph (B), the Federal share of the
37 cost of any eligible project provided a grant under this subsection shall not exceed 25
38 percent of the total cost of the eligible project.

1 “(B) EXCEPTION.—The Federal share of the cost of a natural water retention and
2 release project provided a grant under this subsection shall not exceed 90 percent of the
3 total cost of the natural water retention and release project.

4 “(8) REIMBURSABILITY OF FUNDS.—

5 “(A) NONREIMBURSABLE FUNDS.—

6 “(i) PUBLIC BENEFITS.—Subject to paragraph (7), any funds provided by the
7 Secretary of the Interior to an eligible entity under this subsection for the value of
8 public benefits described in subparagraphs (A) and (B) of section 2(6) of the
9 Support To Rehydrate the Environment, Agriculture, and Municipalities Act shall
10 be considered nonreimbursable.

11 “(ii) WATER SUPPLY BENEFITS OF EQUAL VALUE TO PUBLIC BENEFITS.—Subject
12 to paragraph (7), any funds provided by the Secretary of the Interior for the value
13 of Federal benefits provided under section 2(6)(D) of the Support To Rehydrate
14 the Environment, Agriculture, and Municipalities Act shall be considered
15 nonreimbursable to the extent that the value of the Federal benefits does not
16 exceed the value of public benefits funded under clause (i) that are fish and
17 wildlife or water quality benefits.

18 “(B) REIMBURSABLE FUNDS.—If any funding provided under subparagraph (A) is
19 less than 25 percent of the total cost of the eligible project, the Secretary may provide
20 reimbursable funds to an eligible entity for any Federal benefits provided under section
21 2(6)(D) of the Support To Rehydrate the Environment, Agriculture, and Municipalities
22 Act for not more than 25 percent of the total cost of the eligible project.

23 “(9) PRIORITY.—In providing grants to eligible entities for eligible projects under this
24 subsection, the Secretary of the Interior shall give funding priority to an eligible project that
25 directly or through watershed restoration plans approved with the project meets 2 or more of
26 the following criteria:

27 “(A) Provides multiple benefits, including substantial quantities of each of the
28 following:

29 “(i) Water supply reliability benefits for States and communities that are
30 frequently drought-stricken.

31 “(ii) Fish and wildlife benefits.

32 “(iii) Water quality improvements.

33 “(B) Reduces impacts on environmental resources from water projects owned or
34 operated by Federal agencies and State agencies, including through measurable
35 reductions in water diversions from imperiled ecosystems.

36 “(C) Advances water management plans across a multi-State area, such as drought
37 contingency plans in the Colorado River Basin.

38 “(D) Is collaboratively developed or supported by multiple stakeholders.

39 “(E) Is located within a watershed for which an integrated, comprehensive
40 watershed management plan has been developed to enhance resilience of ecosystems,

1 agricultural operations, and communities to chronic water scarcity, acute drought, and
2 changing hydrological regimes.”.

3 (3) AUTHORIZATION OF APPROPRIATIONS.—Section 4007(e) of the Water Infrastructure
4 Improvements for the Nation Act (43 U.S.C. 390b note; Public Law 114–322) (as
5 redesignated by paragraph (1)(C)) is amended by striking paragraphs (1) and (2) and
6 inserting the following:

7 “(1) IN GENERAL.—In addition to amounts made available under section 40901(1) of the
8 Infrastructure Investment and Jobs Act (43 U.S.C. 3201(1)), there is authorized to be
9 appropriated to the Secretary of the Interior to carry out this section \$750,000,000 for the
10 period of fiscal years 2025 through 2029, of which \$50,000,000 is authorized to be
11 appropriated during that period to carry out natural water retention and release projects
12 under subsection (b)(5).

13 “(2) ALLOCATION.—Subject to paragraphs (3) and (4), the Secretary of the Interior shall
14 allocate amounts made available under paragraph (1) among—

15 “(A) the design and study of—

16 “(i) non-Federal storage projects, including natural water retention and release
17 projects; and

18 “(ii) storage projects that are eligible for study funding under subsection (a)(1)
19 of section 40902 of the Infrastructure Investment and Jobs Act (43 U.S.C. 3202),
20 if the amounts made available to the storage projects under this clause are
21 provided in accordance with subsections (b) and (c) of that section; and

22 “(B) construction of—

23 “(i) non-Federal storage projects, including natural water retention and release
24 projects; and

25 “(ii) storage projects that have received construction funding in accordance
26 with subsection (a)(2) of section 40902 of the Infrastructure Investment and Jobs
27 Act (43 U.S.C. 3202), if the amounts made available to the storage projects under
28 this clause are provided in accordance with subsections (b) and (c) of that section.

29 “(3) PRELIMINARY STUDIES.—Of the amounts made available under paragraph (1), not
30 more than 25 percent shall be provided for appraisal studies, feasibility studies, or other
31 preliminary studies.

32 “(4) OTHER STORAGE PROJECTS.—The funds appropriated under paragraph (1) may not be
33 used for storage projects other than the storage projects described in paragraph (2) unless
34 authorized by an Act of Congress.

35 “(5) USE OF FUNDING FOR PUBLIC BENEFITS.—

36 “(A) IN GENERAL.—The Federal share of the cost of public benefits provided by a
37 storage project described in paragraph (2) may be used for the capital and operations,
38 maintenance, and replacement costs of public benefits.

39 “(B) EFFECT.—Nothing in this paragraph precludes the Secretary from using other
40 authorities or appropriations for the capital and operations, maintenance, and

1 replacement costs of a non-Federal storage project to provide public benefits.”.

2 (b) Duration.—Section 4013(2) of the Water Infrastructure Improvements for the Nation Act
3 (43 U.S.C. 390b note; Public Law 114–322) is amended by striking “projects under construction
4 in”.

5 (c) Amendment to the Infrastructure Jobs and Investment Act.—Section 40902(a)(2)(C)(i) of
6 the Infrastructure Investment and Jobs Act (43 U.S.C. 3202(a)(2)(C)(i)) is amended by striking
7 “clause (i) or (ii)” and inserting “clause (i), (ii), or (iii)”.

8 (d) Authorization to Complete Storage Projects That Receive Construction Funding.—

9 (1) DEFINITION OF CONSTRUCTION.—In this subsection, the term “construction” has the
10 meaning given the term in section 4011(f) of the Water Infrastructure Improvements for the
11 Nation Act (Public Law 114–322; 130 Stat. 1881).

12 (2) EXTENSION OF EXISTING REQUIREMENTS.—A storage project that has received funding
13 for construction activities in accordance with section 40901(1) of the Infrastructure
14 Investment and Jobs Act (43 U.S.C. 3201(1)) shall be eligible for funding (including
15 funding authorized under this section or an amendment made by this section), to complete
16 construction of the project in accordance with the standards under section 40902 of that Act
17 (43 U.S.C. 3202).

18 (e) Calfed Reauthorization.—The Calfed Bay-Delta Authorization Act (Public Law 108–361;
19 118 Stat. 1681; 136 Stat. 221) is amended by striking “2022” each place it appears and inserting
20 “2028”.

21 SEC. 102. ANNUAL REPORT TO CONGRESS.

22 (a) Annual Reports.—Not later than February 1 of each year, the Secretary shall develop and
23 submit to the authorizing committees of Congress an annual report, to be entitled “Report to
24 Congress on Future Storage Project Development”, that identifies—

25 (1) each Federal storage project that the Secretary—

26 (A) has found to be feasible; and

27 (B) recommends that Congress authorize for construction;

28 (2) each non-Federal storage project that requires congressional authorization for which
29 the Secretary—

30 (A) has approved feasibility determinations; and

31 (B) recommends that Congress authorize the project for construction; and

32 (3) each feasibility report that the Secretary recommends that Congress authorize for
33 proposed Federal storage projects.

34 (b) Publication.—On submission of an annual report to Congress, the Secretary shall make the
35 annual report publicly available, including through publication on the internet.

36 SEC. 103. COMPETITIVE GRANT PROGRAM FOR THE 37 FUNDING OF WATER RECYCLING PROJECTS.

1 (a) Authorization of New Water Recycling Projects.—Section 1602 of the Reclamation
2 Wastewater and Groundwater Study and Facilities Act (43 U.S.C. 390h) is amended—

3 (1) in subsection (e)(2)(B), by striking “in accordance with the reclamation laws”; and
4 (2) in subsection (f)—

5 (A) in paragraph (1), by striking “, subject to subsection (g)(2)”; and

6 (B) by striking paragraph (2) and all that follows through the end of subsection (g)
7 and inserting the following:

8 “(2) PRIORITIES AND DIVERSITY OF PROJECT TYPES.—In providing grants under paragraph
9 (1), the Secretary shall—

10 “(A) give priority to projects that—

11 “(i) are likely to provide a more-reliable water supply for a unit of State or local
12 government;

13 “(ii) are likely to increase the water management flexibility and reduce impacts
14 on environmental resources; or

15 “(iii) provide multiple benefits, including water supply reliability, ecosystem
16 benefits, system reliability benefits, groundwater management and enhancements,
17 and water quality improvements; and

18 “(B) take into consideration selecting a diversity of project types, including projects
19 that serve—

20 “(i) a region or more than 1 community;

21 “(ii) a rural or small community; or

22 “(iii) an urban community or city.

23 “(g) Authorization of Appropriations.—In addition to amounts made available under section
24 40901(4)(A) of the Infrastructure Investment and Jobs Act (43 U.S.C. 3201(4)(A)), there is
25 authorized to be appropriated to the Secretary to carry out subsections (e) and (f) \$300,000,000
26 for the period of fiscal years 2025 through 2029.”.

27 (b) Limitation on Funding.—Section 1631(d) of the Reclamation Wastewater and
28 Groundwater Study and Facilities Act (43 U.S.C. 390h–13(d)) is amended—

29 (1) in paragraph (1)—

30 (A) by striking “by paragraph (2)” and inserting “in paragraphs (2) and (3)”; and

31 (B) striking “\$20,000,000 (October 1996 prices)” and inserting “\$50,000,000 (in
32 prices as determined for January 2022)”; and

33 (2) in paragraph (2)—

34 (A) in subparagraph (B)—

35 (i) by striking “(B) In the case” and inserting the following:

36 “(B) SAN GABRIEL BASIN.—In the case”; and

1 (ii) by indenting clauses (i) and (ii) appropriately; and

2 (B) by striking “(2)(A) Subject to” and inserting the following:

3 “(2) PROJECTS FUNDED AS OF 2021.—The Federal share of the cost of any single project
4 authorized under this title shall be \$20,000,000 (October 1996 prices) if the project has
5 received that amount as of December 31, 2021.

6 “(3) OLDER PROJECTS.—

7 “(A) IN GENERAL.—Subject to”.

8 SEC. 104. ELIGIBLE DESALINATION PROJECT 9 DEVELOPMENT.

10 (a) Eligible Desalination Projects Authorization.—Section 4(a) of the Water Desalination Act
11 of 1996 (42 U.S.C. 10301 note; Public Law 104–298) is amended by striking paragraph (2) and
12 inserting the following:

13 “(2) PROJECTS.—

14 “(A) DEFINITIONS.—In this paragraph:

15 “(i) ELIGIBLE DESALINATION PROJECT.—The term ‘eligible desalination project’
16 means any project located in a Reclamation State, or for which the construction,
17 operation, sponsorship, or funding is the responsibility of, and the primary water
18 supply benefit accrues to, 1 or more entities in a Reclamation State, that—

19 “(I) involves an ocean or brackish water desalination facility—

20 “(aa) constructed, operated, and maintained by a State, Indian Tribe,
21 irrigation district, water district, or other organization with water or
22 power delivery authority; or

23 “(bb) sponsored or funded by any combination of a State, department
24 of a State, political subdivision of a State, or public agency organized
25 pursuant to State law, including through—

26 “(AA) direct sponsorship or funding; or

27 “(BB) indirect sponsorship or funding, such as by paying for the
28 water provided by the facility;

29 “(II) provides a Federal benefit; and

30 “(III) is consistent with applicable Federal and State resource protection
31 laws, including any law relating to the protection of marine protected areas.

32 “(ii) AUTHORIZING COMMITTEES OF CONGRESS; FEDERAL BENEFIT;
33 RECLAMATION STATE.—The terms ‘authorizing committees of Congress’, ‘Federal
34 benefit’, and ‘Reclamation State’ have the meaning given the terms in section 2 of
35 the Support To Rehydrate the Environment, Agriculture, and Municipalities Act.

36 “(iii) RURAL DESALINATION PROJECT.—The term ‘rural desalination project’
37 means an eligible desalination project that is designed to serve a community or
38 group of communities, each of which has a population of not more than 25,000

1 inhabitants.

2 “(B) COST-SHARING REQUIREMENT.—

3 “(i) IN GENERAL.—Subject to the requirements of this subsection and
4 notwithstanding section 7, the Federal share of an eligible desalination project
5 carried out under this subsection shall be—

6 “(I) not more than 25 percent of the total cost of the eligible desalination
7 project; or

8 “(II) in the case of a rural desalination project, the applicable percentage
9 determined in accordance with clause (ii).

10 “(ii) RURAL DESALINATION PROJECTS.—

11 “(I) COST-SHARING REQUIREMENT FOR APPRAISAL STUDIES.—Subject to
12 subclause (IV), in the case of a rural desalination project carried out under
13 this subsection, the Federal share of the cost of appraisal studies for the rural
14 desalination project shall be—

15 “(aa) 75 percent of the total costs of the appraisal studies, up to
16 \$200,000; and

17 “(bb) if the total costs of the appraisal studies are more than
18 \$200,000, 50 percent of any amounts over \$200,000.

19 “(II) COST-SHARING REQUIREMENT FOR FEASIBILITY STUDIES.—Subject to
20 subclause (IV), in the case of a rural desalination project carried out under
21 this subsection, the Federal share of the cost of feasibility studies for the
22 rural desalination project shall be not more than 50 percent.

23 “(III) COST-SHARING REQUIREMENT FOR CONSTRUCTION COSTS.—Subject
24 to subclause (IV), in the case of a rural desalination project carried out under
25 this subsection, the Federal share of the cost of construction of the rural
26 desalination project shall be not more than 75 percent.

27 “(IV) REDUCTION IN NON-FEDERAL SHARE.—The Secretary may reduce the
28 non-Federal share of a rural desalination project required under subclause (I),
29 (II), or (III) by not more than 10 percent if the Secretary determines, after
30 consultation with the heads of any other Federal agencies that are partners in
31 the rural desalination project and in accordance with applicable Reclamation
32 standards, that the reduction is appropriate due to—

33 “(aa) an overwhelming Federal interest in the rural desalination
34 project; and

35 “(bb) the sponsor of the rural desalination project demonstrating
36 financial hardship.

37 “(iii) LIMITATION.—Funding for a rural desalination project under clause (ii) or
38 the Water Infrastructure Finance and Innovation Act of 2014 (33 U.S.C. 3901 et
39 seq.) shall not be considered for purposes of the Federal share established under
40 this subparagraph.

1 “(C) STATE ROLE.—Participation by the Secretary in an eligible desalination project
2 under this paragraph shall not occur unless—

3 “(i)(I) the eligible desalination project is included in a State-approved plan; or

4 “(II) the participation has been requested by the Governor of the State in which
5 the eligible desalination project is located;

6 “(ii) the State or local sponsor of the eligible desalination project determines,
7 and the Secretary concurs, that—

8 “(I) the eligible desalination project—

9 “(aa) is technically and financially feasible;

10 “(bb) provides a Federal benefit; and

11 “(cc) is consistent with applicable Federal and State laws (including
12 regulations);

13 “(II) sufficient non-Federal funding is available to complete the eligible
14 desalination project; and

15 “(III) the non-Federal project sponsor is financially capable of funding the
16 non-Federal share of the project costs; and

17 “(iii) the Secretary submits to the authorizing committees of Congress and
18 makes publicly available on the internet a written notification of the
19 determinations under clause (ii) by not later than 30 days after the date of the
20 determinations.

21 “(D) ENVIRONMENTAL LAWS.—To be eligible to receive a grant under this
22 subsection, a desalination project shall comply with—

23 “(i) applicable Federal environmental laws, including the National
24 Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); and

25 “(ii) applicable State environmental laws.

26 “(E) INFORMATION.—In participating in an eligible desalination project under this
27 subsection, the Secretary—

28 “(i) may rely on reports prepared by the sponsor of the eligible desalination
29 project, including feasibility or equivalent studies, environmental analyses, and
30 other pertinent reports and analyses; but

31 “(ii) shall retain responsibility for making the independent determinations
32 described in subparagraph (C).

33 “(F) FUNDING.—

34 “(i) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts made
35 available under section 40901(5) of the Infrastructure Investment and Jobs Act
36 (43 U.S.C. 3201(5)), there is authorized to be appropriated to carry out this
37 paragraph \$150,000,000 for the period of fiscal years 2025 through 2029, of
38 which not less than \$10,000,000 shall be made available during the period for
39 rural desalination projects.

1 “(ii) FUNDING OPPORTUNITY ANNOUNCEMENT.—The Commissioner of
2 Reclamation shall release a funding opportunity announcement for a grant
3 program under this paragraph by not later than 75 days after the date of enactment
4 of an Act that provides funding for the program.”.

5 (b) Prioritization of Projects.—Section 4 of the Water Desalination Act of 1996 (42 U.S.C.
6 10301 note; Public Law 104–298) is amended by striking subsection (c) and inserting the
7 following:

8 “(c) Prioritization.—In carrying out demonstration and development activities under this
9 section, the Secretary shall prioritize projects—

10 “(1) for the benefit of drought-stricken States and communities;

11 “(2) for the benefit of States that have authorized funding for research and development
12 of desalination technologies and projects;

13 “(3) that demonstrably improve self-reliance on local or regional water supplies in the
14 case of any project sponsors that rely on imported water supplies that have an impact on
15 species listed under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);

16 “(4) that demonstrably leverage the experience of or partner with—

17 “(A) international entities with considerable expertise in desalination, such as Israel;
18 or

19 “(B) nonprofit water research foundations or institutions with expertise in
20 technology innovation to advance sustainable desalination processes or brine
21 management;

22 “(5) located in a region that—

23 “(A) is impacted by salinity or brackish groundwater; and

24 “(B) has agricultural production of national importance;

25 “(6) that support regional stakeholder-based planning and implementation efforts to
26 manage brine and salinity for sustainability and improvement of groundwater quality within
27 an approved basin plan;

28 “(7) that maximize the use of renewable energy to power desalination facilities;

29 “(8) that maximize energy efficiency so that the lifecycle energy demands of desalination
30 are minimized;

31 “(9) located in a region that has employed strategies to increase water conservation and
32 the capture and recycling of wastewater and stormwater; and

33 “(10) that, in the case of ocean desalination facilities—

34 “(A)(i) use a subsurface intake; or

35 “(ii) if a subsurface intake is not feasible, use an intake that uses the best available
36 site, design, technology, and mitigation measures to minimize the mortality of all
37 forms of marine life and impacts to coastal-dependent resources;

38 “(B) are sited and designed to ensure that the disposal of wastewater (including

1 brine from the desalination process)—

2 “(i) is not discharged in a manner that increases salinity levels in Federal or
3 State marine protected areas; and

4 “(ii) achieves ambient salinity levels within a reasonable distance from the
5 discharge point;

6 “(C) are sited, designed, and operated in a manner that maintains indigenous marine
7 life and a healthy and diverse marine community within a reasonable distance from the
8 discharge point;

9 “(D) do not cause significant unmitigated harm to aquatic life; and

10 “(E) include a construction and operation plan designed to minimize loss of coastal
11 habitat as well as aesthetic, noise, and air quality impacts.”.

12 (c) Priority Scoring System.—As soon as practicable after the date of enactment of this Act,
13 for purposes of making recommendations to Congress for projects to be carried out under section
14 4 of the Water Desalination Act of 1996 (42 U.S.C. 10301 note; Public Law 104–298), the
15 Commissioner of Reclamation shall establish a priority scoring system that provides for the
16 assignment of priority scores for the projects based on the prioritization criteria established under
17 subsection (c) of that section.

18 (d) Other Requirements.—Non-Federal entities that receive Federal assistance for projects or
19 facilities authorized under this Act shall implement the projects or facilities consistent with the
20 standards for activities assisted under section 401 of the Safe Drinking Water Act Amendments
21 of 1996 (42 U.S.C. 300j–3c).

22 (e) Research Authority.—Section 8(a) of the Water Desalination Act of 1996 (42 U.S.C.
23 10301 note; Public Law 104–298) is amended—

24 (1) in the first sentence, by striking “2021” and inserting “2028”; and

25 (2) in the second sentence, by striking “\$1,000,000” and inserting “\$3,000,000”.

26 SEC. 105. DRINKING WATER ASSISTANCE FOR 27 DISADVANTAGED COMMUNITIES.

28 (a) In General.—In addition to any amounts appropriated under section 50231 of Public Law
29 117–169 (commonly known as the “Inflation Reduction Act of 2022”) (136 Stat. 2053) or any
30 amounts made available to carry out that section under any other law, there is authorized to be
31 appropriated to the Secretary to carry out that section \$100,000,000 for the period of fiscal years
32 2025 through 2029.

33 (b) Multiple Benefit Projects.—The Secretary is encouraged to use all or a portion of the funds
34 made available under subsection (a) to incorporate into multiple benefit projects features or
35 facilities to assist in providing domestic water supplies to disadvantaged communities.

36 SEC. 106. EXTRAORDINARY OPERATION AND 37 MAINTENANCE WORK; PROJECT MODIFICATION.

38 (a) Definitions.—Section 9601 of the Omnibus Public Land Management Act of 2009 (43

1 U.S.C. 510) is amended—

2 (1) by redesignating paragraphs (1), (2), (3), (4), (5), (6), and (7) as paragraphs (4), (7),
3 (9), (10), (11), (12), and (3), respectively, and moving the paragraphs so as to appear in
4 numerical order;

5 (2) by inserting before paragraph (3) (as so redesignated) the following:

6 “(1) ADVERSE IMPACT.—The term ‘adverse impact’ means, with respect to a project
7 modification, a reduction in water quantity or quality or a change in the timing of water
8 deliveries available to a project beneficiary from the modified project as compared to the
9 water quantity or quality or timing of water deliveries from—

10 “(A) the project with the original capacity restored, if the extraordinary operation
11 and maintenance work under section 9603 is intended to restore lost project capacity;

12 “(B) the project prior to undertaking the planning and design, if the extraordinary
13 operation and maintenance work under section 9603 is for any purpose other than to
14 restore lost project capacity; or

15 “(C) project operations of the modified project without an increase in benefits for a
16 new project beneficiary under section 9603(e)(1)(E).

17 “(2) DISADVANTAGED COMMUNITY.—The term ‘disadvantaged community’ has the
18 meaning given the term ‘low-income community’ in section 45D(e) of the Internal Revenue
19 Code of 1986.”;

20 (3) by inserting after paragraph (4) (as so redesignated) the following:

21 “(5) NEW BENEFIT.—The term ‘new benefit’ means the increase in benefits of the
22 modified project compared to the benefits provided by—

23 “(A) the project with the original capacity restored, if the extraordinary operation
24 and maintenance work under section 9603 is intended to restore lost project capacity;
25 or

26 “(B) the project prior to undertaking the planning and design, if the extraordinary
27 operation and maintenance work under section 9603 is for any purpose other than to
28 restore lost project capacity.

29 “(6) PROJECT BENEFICIARY.—The term ‘project beneficiary’ means any entity that has a
30 repayment, long-term water service, or other form of long-term contract or agreement
31 executed pursuant to the Act of June 17, 1902 (32 Stat. 388, chapter 1093), and Acts
32 supplemental to and amendatory of that Act (43 U.S.C. 371 et seq.), for water supply from
33 the project.”; and

34 (4) by inserting after paragraph (7) (as so redesignated) the following:

35 “(8) PUBLIC BENEFIT.—The term ‘public benefit’ has the meaning given the term in
36 section 2 of the Support To Rehydrate the Environment, Agriculture, and Municipalities
37 Act.”.

38 (b) Reimbursement of Costs.—Section 9603(b) of the Omnibus Public Land Management Act
39 of 2009 (43 U.S.C. 510b(b)) is amended—

40 (1) in paragraph (2), by striking “the costs” and inserting “from the Aging Infrastructure

1 Account established by subsection (d)(1) the costs, including reimbursable and
2 nonreimbursable costs,”; and

3 (2) by adding at the end the following:

4 “(4) DETERMINATION OF NONREIMBURSABLE COSTS.—Any costs advanced under
5 paragraph (2) that are allocated to nonreimbursable purposes of the project, including costs
6 to restore or add a public benefit, shall be considered to be nonreimbursable costs.”.

7 (c) Aging Infrastructure Account Conforming Amendments.—Section 9603(d) of the
8 Omnibus Public Land Management Act of 2009 (43 U.S.C. 510b(d)) is amended—

9 (1) in paragraph (1), in the matter preceding subparagraph (A), by striking “the funds”
10 and inserting “reimbursable funds”;

11 (2) in paragraph (2)—

12 (A) by striking “to fund” and inserting “to fund,”; and

13 (B) by striking “the funds for” and inserting “reimbursable funds for,”;

14 (3) in paragraph (3)(A), by striking “the amounts” and inserting “the reimbursable
15 amounts”; and

16 (4) in paragraph (4)(B)(i), by inserting “, including projects under subsection (e)” after
17 “this section”.

18 (d) Authorization to Modify Transferred Works to Increase Public Benefits and Other Project
19 Benefits as Part of Extraordinary Operation and Maintenance Work.—Section 9603 of the
20 Omnibus Public Land Management Act of 2009 (43 U.S.C. 510b) is amended by adding at the
21 end the following:

22 “(e) Authorization to Modify Transferred Works to Increase Public Benefits and Other Project
23 Benefits as Part of Extraordinary Operation and Maintenance Work.—

24 “(1) AUTHORIZATION; REQUIREMENTS.—

25 “(A) IN GENERAL.—The Secretary, in consultation with any transferred works
26 operating entity and any project beneficiaries and as part of extraordinary operation
27 and maintenance work under this section, may develop and carry out a proposal to
28 modify project features for transferred works to increase public benefits and other
29 project benefits, including carrying out a feasibility study and conducting any
30 applicable environmental analysis required for the proposal, subject to subparagraphs
31 (B) through (F).

32 “(B) MAXIMUM COST.—The maximum amount that may be added to the original
33 project cost as a result of a project modification under subparagraph (A) shall not
34 exceed—

35 “(i) an amount equal to 25 percent of the original cost of the project, in the case
36 of a project for which the original cost of the project exceeds \$100,000,000; or

37 “(ii) \$25,000,000, in the case of a project for which the original cost of the
38 project is not more than \$100,000,000.

39 “(C) PUBLIC BENEFITS.—In the case of a project modification under subparagraph

1 (A), not less than 50 percent of the new benefits provided by the modification of the
2 project shall be public benefits.

3 “(D) WRITTEN CONSENT REQUIRED.—A project modification under subparagraph
4 (A) shall not be constructed until the date on which the Secretary has obtained the
5 written consent of—

6 “(i) the transferred works operating entity; and

7 “(ii) consistent with paragraph (2), any project beneficiary that would
8 experience an adverse impact as a result of the modification of the project.

9 “(E) ADVERSE IMPACT.—Any benefits that accrue to a new project beneficiary
10 resulting from operations of the modified project shall not be increased without the
11 consent of existing project beneficiaries that would experience an adverse impact as a
12 result of the modification of the project.

13 “(F) REIMBURSEMENT OF COSTS.—The costs of planning, design, and environmental
14 compliance for a project modification under subparagraph (A) shall be reimbursed in
15 accordance with subsection (b), except that any of the costs that would otherwise be
16 allocated to a project beneficiary shall be considered nonreimbursable if the project
17 beneficiary does not receive any increase in long-term average annual water deliveries
18 as a result of the modification.

19 “(G) ELIGIBILITY OF CERTAIN PROJECT MODIFICATIONS.—If a project modification
20 that is otherwise eligible under subparagraph (A) was in the planning, design, or
21 construction phase as of December 31, 2022, the project modification shall remain
22 eligible to be developed under that subparagraph.

23 “(2) PROCEDURE FOR OBTAINING CONSENT AND TIME LIMITATION.—

24 “(A) INITIAL DETERMINATION.—The Secretary shall initially determine whether the
25 consent of a project beneficiary is required prior to construction under paragraph
26 (1)(D) based on whether the modification or subsequent operations of the modified
27 project would have any adverse impacts on a project beneficiary.

28 “(B) WRITTEN REQUEST FOR CONSENT.—The Secretary shall provide to the
29 transferred works operating entity and any project beneficiaries, in writing—

30 “(i) a description of the proposed modification and subsequent operations of the
31 project; and

32 “(ii)(I) a request for consent under paragraph (1)(D); or

33 “(II)(aa) an explanation that the Secretary has determined that no consent is
34 required under paragraph (1)(D); and

35 “(bb) a statement that if the project beneficiary believes that the consent of the
36 project beneficiary is required, the project beneficiary shall send to the Secretary a
37 reply not later than 30 days after the date of receipt of the notice that includes an
38 explanation of the reasons that the project beneficiary would experience adverse
39 impacts as a result of the project modification.

40 “(C) FINAL DETERMINATION.—

1 “(i) WRITTEN RESPONSE.—The Secretary shall respond in writing to any reply
2 from a project beneficiary under subparagraph (B)(ii)(II)(bb) stating whether or
3 not the Secretary determines that the project beneficiary would experience
4 adverse impacts as a result of the project modification.

5 “(ii) FINAL AGENCY ACTION.—A written determination by the Secretary under
6 clause (i) shall be considered to be a final agency action for purposes of section
7 704 of title 5, United States Code.

8 “(iii) WRITTEN REQUEST.—If the Secretary determines under clause (i) that the
9 project beneficiary would experience adverse impacts as a result of the project
10 modification, the Secretary shall send to the project beneficiary a written request
11 for consent in accordance with subparagraph (B)(ii).

12 “(D) TIME PERIOD FOR CONSENT.—

13 “(i) IN GENERAL.—If written consent required under paragraph (1)(D) is not
14 obtained by the date that is 1 year after the date on which written consent is
15 requested under subparagraph (B)(ii), the transferred works operating entity shall
16 proceed with extraordinary operation and maintenance work of the project
17 without the modification, unless the Secretary extends the time for consent under
18 clause (ii).

19 “(ii) EXTENSION.—At the discretion of the Secretary, the Secretary may elect to
20 extend the time for obtaining consent under paragraph (1)(D) by 1 year.

21 “(3) REALLOCATION OF COSTS BASED ON PROJECT CHANGES AND INCREASED PUBLIC
22 BENEFITS.—The Secretary shall allocate costs, including capital repayment costs and
23 operation and maintenance costs, for a project modification under paragraph (1), to provide
24 that—

25 “(A) the public benefits provided by the modified project, including associated
26 annual operation and maintenance costs, shall be nonreimbursable; and

27 “(B) the cost allocation of reimbursable costs to each project beneficiary reflects any
28 changes in the benefits that the modified project is providing to the project beneficiary.

29 “(4) INCENTIVE FOR BENEFITTING ENTITIES TO PARTICIPATE IN PROJECTS WITH INCREASED
30 PUBLIC BENEFITS.—The total amount of reimbursable capital costs, as determined under
31 paragraph (3), for a project modification that would increase public benefits without
32 increasing municipal, industrial, or irrigation benefits of a project, shall be reduced by 15
33 percent, with each project beneficiary to be responsible for 85 percent of the reimbursable
34 costs that would otherwise be allocated to the project beneficiary.

35 “(5) REIMBURSABLE FUNDS.—All reimbursable costs under this subsection shall be repaid
36 in accordance with subsection (b).”.

37 SEC. 107. USE OF REVENUE TO IMPROVE DROUGHT 38 RESILIENCE OR DAM SAFETY.

39 (a) Definitions.—In this section:

40 (1) DAM SAFETY INVESTMENT.—The term “dam safety investment” means a project to

1 satisfy dam safety standards —

2 (A) under the Federal Guidelines for Dam Safety issued by the Federal Emergency
3 Management Agency or the Interagency Committee on Dam Safety;

4 (B) under the Bureau of Reclamation Dam Safety Program, including repayment of
5 an obligation for a corrective action taken pursuant to that program; or

6 (C) required by the State in which a Bureau of Reclamation project or facility is
7 located.

8 (2) DROUGHT RESILIENCE INVESTMENT.—The term “drought resilience investment”
9 means—

10 (A) an improvement or addition to an eligible facility that will increase drought
11 resilience in a Reclamation State; or

12 (B) annual payments on repayment obligations incurred under section 9603 of the
13 Omnibus Public Land Management Act of 2009 (43 U.S.C. 510b).

14 (3) ELIGIBLE FACILITY.—The term “eligible facility” means—

15 (A) a project or facility owned by the Bureau of Reclamation; and

16 (B) a non-Federal facility that stores, transports, or delivers water to or from a
17 Bureau of Reclamation project or facility.

18 (4) ELIGIBLE TEMPORARY TRANSFER.—The term “eligible temporary transfer” means the
19 temporary and voluntary selling, leasing, or exchanging of water or water rights among
20 individuals or agencies that is allowable under the reclamation laws and the water law of the
21 applicable State.

22 (5) TRANSFEROR.—The term “transferor” means the holder of a water service, transferred
23 works, water repayment, or other contract that entitles the holder to water from a Bureau of
24 Reclamation project or facility that undertakes an eligible temporary transfer.

25 (b) Use of Revenue for Drought Resilience Investments or Dam Safety Investments.—

26 (1) IN GENERAL.—Notwithstanding the Act of February 25, 1920 (41 Stat. 451, chapter
27 86; 43 U.S.C. 521), or subsection J of section 4 of the Act of December 5, 1924 (43 Stat.
28 703, chapter 4; 43 U.S.C. 526), all amounts derived from an eligible temporary transfer that
29 would otherwise be deposited in the reclamation fund established by the first section of the
30 Act of June 17, 1902 (32 Stat. 388, chapter 1093; 43 U.S.C. 391), shall remain available to
31 the transferor.

32 (2) USE OF FUNDS.—Any funds retained by a transferor under paragraph (1) may be—

33 (A) used for a drought resilience investment or dam safety investment; or

34 (B) placed in the reserve account of the transferor, to be used for future drought
35 resilience investments or dam safety investments, subject to paragraph (3).

36 (3) TRANSFER OF UNUSED FUNDS TO RECLAMATION FUND.—Any funds placed in the
37 reserve account of the transferor pursuant to paragraph (2)(B) that are not used for drought
38 resilience investments or dam safety investments by the date that is 10 years after the date
39 of the placement shall be transferred to the reclamation fund established by the first section

1 of the Act of June 17, 1902 (32 Stat. 388, chapter 1093).

2 (4) REPORTING.—The transferor shall report to the Commissioner of Reclamation on the
3 use of any uses of funds derived from an eligible temporary transfer.

4 (5) EFFECT OF SECTION.—

5 (A) IN GENERAL.—Nothing in this section—

6 (i) affects any other authority of the Secretary to use amounts derived from
7 revenues from a Bureau of Reclamation project; or

8 (ii) creates, impairs, alters, or supersedes a State water right.

9 (B) APPLICABLE LAW.—Any eligible temporary transfer shall comply with all
10 applicable—

11 (i) State water laws;

12 (ii) Federal laws and policies; and

13 (iii) interstate water compacts.

14 (c) Reclamation Laws.—This section supplements and amends the Act of June 17, 1902 (32
15 Stat. 388, chapter 1093), and Acts supplemental to and amendatory of that Act (43 U.S.C. 371 et
16 seq.).

17 TITLE II—IMPROVED TECHNOLOGY AND DATA

18 SEC. 201. REAUTHORIZATION OF THE 19 TRANSBOUNDARY AQUIFER ASSESSMENT PROGRAM.

20 (a) Designation of Priority Transboundary Aquifers.—Section 4(c)(2) of the United States-
21 Mexico Transboundary Aquifer Assessment Act (42 U.S.C. 1962 note; Public Law 109–448) is
22 amended by striking “New Mexico or Texas” and inserting “New Mexico, Texas, or Arizona
23 (other than an aquifer underlying Arizona and Sonora, Mexico, that is partially within the Yuma
24 groundwater basin designated by the order of the Director of the Arizona Department of Water
25 Resources dated June 21, 1984)”.

26 (b) Reauthorization.—

27 (1) AUTHORIZATION OF APPROPRIATIONS.—Section 8(a) of the United States-Mexico
28 Transboundary Aquifer Assessment Act (42 U.S.C. 1962 note; Public Law 109–448) is
29 amended by striking “\$50,000,000 for the period of fiscal years 2007 through 2016” and
30 inserting “\$50,000,000 for the period of fiscal years 2025 through 2029”.

31 (2) SUNSET OF AUTHORITY.—Section 9 of the United States-Mexico Transboundary
32 Aquifer Assessment Act (42 U.S.C. 1962 note; Public Law 109–448) is amended by
33 striking “enactment of this Act” and inserting “enactment of the Support To Rehydrate the
34 Environment, Agriculture, and Municipalities Act”.

35 TITLE III—ECOSYSTEM RESTORATION AND 36 PROTECTION

1 SEC. 301. ECOSYSTEM RESTORATION.

2 (a) Definitions.—Section 40907 of the Infrastructure Investment and Jobs Act (43 U.S.C.
3 3207) is amended by striking subsection (a) and inserting the following:

4 “(a) Definitions.—In this section:

5 “(1) COMMITTEE.—The term ‘Committee’ means the Integrated Water Management
6 Federal Leadership Committee established under subsection (f)(1).

7 “(2) ELIGIBLE APPLICANT.—The term ‘eligible applicant’ means—

8 “(A) a State;

9 “(B) a Tribal or local government;

10 “(C) an organization with power, water delivery, or water storage authority;

11 “(D) a regional authority; or

12 “(E) a nonprofit conservation organization.

13 “(3) PROJECT.—The term ‘project’ includes—

14 “(A) planning, design, permitting, and preconstruction activities;

15 “(B) construction, construction management, replacement, and other similar
16 activities;

17 “(C) management activities, including the acquisition of an interest in land or water,
18 including the acquisition of a conservation easement;

19 “(D) research, development, demonstration (including the demonstration of the
20 scalability of a project or activity), and monitoring; and

21 “(E) project administration activities, including the payment of fees associated with
22 implementing the project or activity.”.

23 (b) Requirements.—Section 40907(c)(1) of the Infrastructure Investment and Jobs Act (43
24 U.S.C. 3207(c)(1)) is amended by striking subparagraph (B) and inserting the following:

25 “(B) may not provide a grant to carry out a habitat restoration project the purpose of
26 which is to meet existing environmental mitigation or compliance obligations that are
27 express requirements of a permit or order issued under Federal or State law, unless
28 such requirements expressly contemplate reliance on Federal funding in performance
29 of the requirements.”; and

30 (c) Other Amendments.—Section 40907 of the Infrastructure Investment and Jobs Act (43
31 U.S.C. 3207) is amended by adding at the end the following:

32 “(e) Other Actions.—

33 “(1) IN GENERAL.—In addition to other activities authorized under this section, the
34 Secretary may undertake actions and enter into contracts and agreements to implement
35 projects that implement watershed health, including projects described in subsection (b)(3),
36 that—

37 “(A) accomplish 1 or more of the purposes described in subsection (b); and

1 “(B) are consistent with the requirements described in subsection (c).

2 “(2) REIMBURSABILITY.—The expenditures of the Secretary under this subsection and
3 subsection (f) shall be nonreimbursable.

4 “(f) ‘Leave Behind’ Water Transfers.—

5 “(1) PURPOSE.—The purpose of this subsection is to authorize the Secretary to address
6 habitat needs and promote collaborative, multi-benefit water management through water
7 sharing arrangements that incorporate habitat and other public benefits into voluntary crop
8 idling water transfers.

9 “(2) AUTHORIZATION OF ACQUISITION.—In approving a water transfer within a Federal
10 reclamation project that results in voluntary fallowing of crop land in the Sacramento
11 Valley or Sacramento-San Joaquin River Delta, the Secretary may acquire a portion of the
12 volume of water made available for transfer if the Secretary determines that crop land idled
13 because of the transfer would create temporary wildlife habitat with the application of the
14 acquired water, subject to paragraph (3).

15 “(3) REQUIREMENTS.—In acquiring water pursuant to paragraph (2), the Secretary shall—

16 “(A) develop implementation guidelines in consultation with relevant stakeholders;

17 “(B) only acquire a portion of the volume of water made available for transfer if the
18 transferor and the transferee agree to the acquisition;

19 “(C) negotiate a mutually agreeable volume of water for acquisition with the
20 transferor and the transferee;

21 “(D) pay not more per volume of water than the price negotiated between the
22 transferor and transferee for the water to be transferred;

23 “(E) compensate the transferor for any reasonable incremental costs associated with
24 managing the water acquired to create temporary wildlife habitat; and

25 “(F) apply the acquired water to idled crop land to create temporary wildlife habitat.

26 “(4) PRIORITIZATION.—The Secretary shall give priority to approving and facilitating
27 transfers under this subsection that incorporate voluntary habitat and other public benefits
28 that exceed the benefits provided under regulatory requirements.

29 “(5) TREATMENT.—Water acquired by the Secretary under paragraph (2) shall be in
30 addition to, and not a substitute for, actions required to meet obligations under existing law,
31 including—

32 “(A) the Central Valley Project Improvement Act (title XXXIV of Public Law 102–
33 575; 106 Stat. 4706); and

34 “(B) the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).

35 “(6) REPORTING.—The Secretary shall annually submit to the authorizing committees of
36 Congress (as defined in section 2 of the Support To Rehydrate the Environment,
37 Agriculture, and Municipalities Act) a report that describes, for the period covered by the
38 report—

39 “(A) the volume of water acquired under paragraph (2); and

1 “(B) the extent and duration of temporary wildlife habitat created under that
2 paragraph.

3 “(g) Integrated Water Management Federal Leadership Committee for Assisting Projects at
4 the Request of a Sponsor.—

5 “(1) ESTABLISHMENT.—Not later than 180 days after the date on which an eligible entity
6 or qualified partner sponsoring a habitat restoration project that receives a grant under this
7 section submits to the Secretary a request for the establishment of the Integrated Water
8 Management Federal Leadership Committee, the Secretary shall establish the Integrated
9 Water Management Federal Leadership Committee.

10 “(2) CHAIRPERSON.—The Assistant Secretary for Water and Science of the Department
11 of the Interior shall—

12 “(A) serve as the chairperson of the Committee; and

13 “(B) coordinate the activities of, and communication among, members of the
14 Committee.

15 “(3) MEMBERSHIP.—The Committee shall include representatives of Federal agencies
16 with responsibility for water and natural resource issues, including representatives of—

17 “(A) the Bureau of Reclamation;

18 “(B) the United States Fish and Wildlife Service;

19 “(C) the National Marine Fisheries Service;

20 “(D) the Corps of Engineers;

21 “(E) the Environmental Protection Agency; and

22 “(F) the Department of Agriculture.

23 “(4) DUTIES AND RESPONSIBILITIES.—The members of the Committee shall establish the
24 duties and responsibilities of the Committee, including—

25 “(A) facilitating communication and collaboration among Federal agencies to
26 support and advance any projects for which an eligible entity or qualified partner
27 requests the assistance of the Committee;

28 “(B) ensuring the effective coordination among relevant Federal agencies and
29 departments to ensure accelerated implementation of any projects for which an eligible
30 entity or qualified partner requests the assistance of the Committee; and

31 “(C) making policy and budgetary recommendations, if determined to be appropriate
32 by the Committee, to support the implementation of projects.

33 “(5) PROJECT ASSISTANCE.—On request of an eligible entity or a qualified partner for a
34 habitat restoration project, the Committee shall assist that project with permit processing
35 and interagency coordination.

36 “(h) Authorization of Appropriations.—In addition to amounts made available under section
37 40901(11), there is authorized to be appropriated to the Secretary \$250,000,000 to carry out this
38 section for the period of fiscal years 2025 through 2029, of which—

1 “(1) \$150,000,000 shall be made available for the competitive grant program described in
2 subsection (b); and

3 “(2) \$100,000,000 shall be made available for other actions described in subsection (e)
4 and to carry out subsection (f).

5 “(i) Applicable Law.—Nothing in this section affects or modifies—

6 “(1) the obligations of the Secretary under—

7 “(A) the reclamation laws; or

8 “(B) Federal environmental laws, including—

9 “(i) the Central Valley Project Improvement Act (title XXXIV of Public Law
10 102–575; 106 Stat. 4706); and

11 “(ii) the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.); or

12 “(2) the obligations of a non-Federal party to comply with applicable Federal and State
13 laws.”.

14 SEC. 302. PERFORMANCE-BASED RESTORATION 15 AUTHORITY.

16 (a) Definitions.—In this section:

17 (1) ELIGIBLE PROJECT.—The term “eligible project” means a habitat or ecosystem
18 restoration, mitigation, or enhancement project or activity authorized individually or
19 through an existing Federal program.

20 (2) ELIGIBLE RESTORATION PROVIDER.—The term “eligible restoration provider” means a
21 non-Federal for-profit or nonprofit organization, company, or corporation, or a State, Tribal,
22 or local government, that is bonded, insured, and experienced in financing and completing
23 successful habitat and restoration, mitigation, and enhancement activities.

24 (3) PERFORMANCE-BASED.—The term “performance-based” means, with respect to a
25 contract, grant agreement, cooperative agreement, or fixed amount award, a pay-for-
26 performance, pay-for-success, pay-for-results, or similar model by which the restoration
27 provider agrees to finance and complete habitat or ecosystem restoration, mitigation, or
28 enhancement activities, with payment to the restoration provider linked to delivery of
29 verifiable and successful ecological performance, based on metrics and the timeframe
30 established in advance by the Secretary.

31 (4) RESTORATION PROVIDER.—The term “restoration provider” means a non-Federal
32 organization that performs restoration services contracted for, agreed to, or awarded under a
33 contract or agreement entered into under subsection (b)(1).

34 (b) Authorization.—

35 (1) IN GENERAL.—Subject to subsection (j), in implementing existing authorities under
36 Federal law related to habitat and ecosystem restoration, mitigation, or enhancement, the
37 Secretary may enter into performance-based contracts, grant agreements, and cooperative
38 agreements, including providing funding through fixed amount awards, with eligible
39 restoration providers for the conduct of eligible projects for which ecological targets and

1 outcomes are—

2 (A) clearly defined;

3 (B) agreed to in advance; and

4 (C) capable of being successfully achieved.

5 (2) PERFORMANCE-BASED CONTRACTS.—For purposes of paragraph (1), the Secretary
6 may enter into performance-based contracts with eligible restoration providers experienced
7 in financing and completing successful ecological habitat and restoration, mitigation, and
8 enhancement activities.

9 (3) GRANTS AND AWARDS.—For purposes of paragraph (1), the Secretary—

10 (A) may provide funding through grant agreements and cooperative agreements,
11 including fixed amount awards, for eligible projects; and

12 (B) shall allow for the use of performance-based tools in the agreements and awards
13 described in subparagraph (A).

14 (4) PASS-THROUGH GRANTS AND AWARDS.—For purposes of paragraph (1), the
15 Secretary—

16 (A) may allow funding provided to States, local governments, Indian Tribes, and
17 nonprofit organizations to be passed through to third-party eligible restoration
18 providers under a contract or agreement entered into under that paragraph; and

19 (B) shall allow for the use of performance-based tools in grant and cooperative
20 agreements entered into with eligible restoration providers under that paragraph.

21 (5) MULTI-YEAR AGREEMENTS.—The Secretary may use performance-based contracts,
22 grant agreements, and cooperative agreements, including fixed amount awards, issued under
23 this section for multi-year agreements, including capacity for multi-year payment schedules
24 for professional services, subject to appropriations prior to obligation.

25 (c) Guidelines.—

26 (1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the
27 Secretary shall develop programmatic guidelines for the use of performance-based
28 contracts, grant agreements, and cooperative agreements for eligible projects authorized
29 under subsection (b)(1).

30 (2) CONSULTATION REQUIRED.—

31 (A) IN GENERAL.—In developing the guidelines under paragraph (1), the Secretary
32 shall consult with external organizations and other appropriate entities with experience
33 in performance-based contracts, agreements, or awards, consistent with sections 6302
34 through 6305 of title 31, United States Code.

35 (B) LIMITATION.—Consultation with the organizations and entities described in
36 subparagraph (A) shall not constitute or necessitate establishment of an advisory
37 committee under the Federal Advisory Committee Act (5 U.S.C. App.).

38 (3) REQUIREMENTS.—At a minimum, guidelines developed under paragraph (1) shall
39 include guidance on—

- 1 (A) appropriate proposal and evaluation criteria for eligible projects;
2 (B) eligibility criteria for restoration providers;
3 (C) criteria for defining achievable ecological outcomes; and
4 (D) determination of restoration provider financial assurances sufficient to ensure
5 ecological outcomes will be successfully achieved.
- 6 (d) Identification of Eligible Projects.—The Secretary shall—
7 (1) identify eligible projects for the use of contracts and agreements under subsection
8 (b)(1); and
9 (2) issue a request for proposals from eligible restoration providers to meet the ecological
10 requirements of habitat and ecosystem restoration, mitigation, and enhancement for the
11 eligible projects identified under paragraph (1).
- 12 (e) Certification.—After the date on which an eligible project identified under subsection
13 (d)(1) is completed, the Secretary shall certify that the work on the eligible project was
14 completed in accordance with the ecological requirements and outcomes defined in advance in
15 the applicable contract or agreement.
- 16 (f) Technical Assistance.—At the request of an eligible restoration provider entering into a
17 contract or agreement with the Secretary under subsection (b)(1), the Secretary may provide to
18 the eligible restoration provider technical assistance with respect to—
19 (1) conducting a study, engineering activity, or design activity related to an eligible
20 project carried out by the eligible restoration provider under this section; and
21 (2) obtaining permits necessary for the eligible project.
- 22 (g) Effect.—Nothing in this section authorizes the Secretary to waive—
23 (1) the obligations of the Secretary under—
24 (A) the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.);
25 (B) the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.);
26 (C) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.); or
27 (D) any other provision of Federal environmental law; or
28 (2) the obligations of a non-Federal party to comply with applicable Federal and State
29 laws.
- 30 (h) Non-Federal Funding.—The restoration provider may finance the applicable non-Federal
31 share of an eligible project carried out under the authority provided under subsection (b)(1), on
32 the condition that the non-Federal cost-share responsibility remains with the non-Federal party.
- 33 (i) Cost Share.—Nothing in this section affects a cost-sharing requirement under Federal law
34 that is applicable to an eligible project carried out under the authority provided under subsection
35 (b)(1).
- 36 (j) Mitigation.—Nothing in this section authorizes Federal funding to meet existing
37 environmental mitigation or compliance obligations that are express requirements of a permit or
38 order issued under Federal or State law, unless the requirements expressly contemplate reliance

1 on Federal funding for the performance of the requirements.

2 (k) Report.—

3 (1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the
4 Secretary shall—

5 (A) submit to the authorizing committees of Congress and make publicly available a
6 report describing the results of activities carried out under the authority established
7 under subsection (b)(1), including any recommendations of the Secretary on whether
8 the authority or any component of the authorized activities should be implemented on a
9 national basis; and

10 (B) except as provided in subsection (g), identify any procedural requirements that
11 impede the use of performance-based contracts, grants, and cooperative agreements,
12 including fixed amount awards, for the development and completion of eligible
13 projects.

14 (2) ADDRESSING IMPEDIMENTS.—Not later than 1 year after the date on which the
15 Secretary identifies impediments, if any, under paragraph (1)(B), the Secretary shall
16 develop and implement programmatic procedures and approaches, including
17 recommendations to the authorizing committees of Congress on legislation, that would—

18 (A) to the extent practicable, address the impediments; and

19 (B) protect the public interest and any public investment in eligible projects carried
20 out under this section.

21 TITLE IV—MISCELLANEOUS

22 SEC. 401. MODIFICATIONS TO DROUGHT PROGRAM 23 UNDER THE RECLAMATION STATES EMERGENCY 24 DROUGHT RELIEF ACT OF 1991.

25 (a) Assistance During Drought; Water Purchases.—Section 101 of the Reclamation States
26 Emergency Drought Relief Act of 1991 (43 U.S.C. 2211) is amended—

27 (1) in subsection (a)—

28 (A) in the first sentence, by striking “Consistent” and inserting the following:

29 “(1) IN GENERAL.—Subject to paragraph (2) and consistent”;

30 (B) in paragraph (1) (as so designated), in the second sentence, by striking “Any
31 construction activities” and inserting the following:

32 “(2) LIMITATION.—Any construction activities”; and

33 (C) in paragraph (2) (as so designated), by striking “except that” and all that follows
34 through the period at the end and inserting the following: “except that the following
35 may be permanent facilities:

36 “(A) A construction project—

37 “(i) for which Federal expenditures are not more than \$30,000,000; and

1 “(ii) that is supported by—
2 “(I) the Governor or the relevant agency head of the affected State; or
3 “(II) if the construction project is on a reservation, by the affected Indian
4 Tribe.
5 “(B) A well drilled to minimize losses and damages from drought conditions that—
6 “(i) aligns with applicable local, State, or regional groundwater sustainability
7 goals; or
8 “(ii) supports drinking water supplies for a disadvantaged community (as
9 defined in section 2 of the Support To Rehydrate the Environment, Agriculture,
10 and Municipalities Act) or Indian Tribe.”; and

11 (2) by adding at the end the following:

12 “(e) Funding for Fee-based Environmental Programs.—

13 “(1) IN GENERAL.—For any fiscal year for which, due to a drought, as determined by the
14 Secretary, there are insufficient funds to carry out any environmental program that is funded
15 in whole or in part by fees based on the water volume of water delivered by a Federal
16 reclamation project (including fees collected under section 3407(c) of the Reclamation
17 Projects Authorization and Adjustment Act of 1992 (Public Law 102–575; 106 Stat. 4726)),
18 the Secretary may use other unobligated amounts made available to the Secretary to carry
19 out the environmental program for the fiscal year.

20 “(2) NONREIMBURSABLE FUNDS.—Notwithstanding any other provision of law, amounts
21 made available under paragraph (1) shall be nonreimbursable.

22 “(3) EFFECT.—Nothing in this subsection affects—

23 “(A) the authority of the Secretary to address insufficient funding for an
24 environmental program described in paragraph (1) that is not a result of a drought; or

25 “(B) the obligations of the Secretary to the environment under Federal law.”.

26 (b) Applicable Period of Drought Program.—Section 104 of the Reclamation States
27 Emergency Drought Relief Act of 1991 (43 U.S.C. 2214) is amended—

28 (1) by striking subsection (a) and inserting the following:

29 “(a) In General.—The programs and authorities established under this title shall not become
30 operative in any Reclamation State or in the State of Hawaii until the date on which—

31 “(1)(A) the Governor of the affected State, and the governing body of the affected Indian
32 Tribe with respect to a reservation, has made a request for temporary drought assistance;
33 and

34 “(B) the Secretary has determined that the temporary assistance is merited;

35 “(2) a drought emergency has been declared for a State or portion of a State by the
36 Governor of each affected State; or

37 “(3) a drought contingency plan is approved in accordance with title II.”; and

38 (2) in subsection (c), by striking “2021” and inserting “2031”.

1 (c) Municipal Wells; Funding Under the Infrastructure Investment and Jobs Act.—Section
2 9504(a)(3) of the Omnibus Public Land Management Act of 2009 (42 U.S.C. 10364(a)(3)) is
3 amended by adding at the end the following:

4 “(G) MUNICIPAL WELLS.—A grant or agreement entered into by the Secretary with
5 any eligible applicant under paragraph (1) to drill a groundwater well for municipal
6 supply to minimize losses and damages from drought conditions, including
7 construction activities to transport or otherwise convey groundwater pumped from the
8 well, shall not contribute to an increase in the net water use of the eligible applicant
9 beyond the period of any drought emergency, except if—

10 “(i) the groundwater well is for the purpose of supplying drinking water for a
11 disadvantaged community (as defined in section 2 of the Support To Rehydrate
12 the Environment, Agriculture, and Municipalities Act) or Indian Tribe; or

13 “(ii) the new groundwater use is partially offset by aquatic habitat
14 enhancement—

15 “(I) during the drought period; or

16 “(II) over the long-term, including a future drought period.

17 “(H) FUNDING UNDER THE INFRASTRUCTURE INVESTMENT AND JOBS ACT.—For
18 purposes of amounts made available to carry out this section under paragraph (7) of
19 section 40901 of the Infrastructure Investment and Jobs Act (43 U.S.C. 3201) for each
20 of fiscal years 2025 and 2026, projects or activities eligible for funding under that
21 paragraph may include a combination of proposed planning activities, actions, or
22 projects within a basin, with the maximum amount of the combined activities not to
23 exceed the maximum amount established under subparagraph (E)(iii).”.

24 SEC. 402. ENVIRONMENTAL COMPLIANCE.

25 No water recycling project, non-Federal storage project, eligible desalination project, or a
26 project eligible for amounts made available under section 105 shall receive Federal funding
27 under this Act unless the applicable project complies with—

28 (1) applicable Federal environmental laws; and

29 (2) applicable State environmental laws.

30 SEC. 403. EFFECT.

31 Nothing in this Act or an amendment made by this Act shall be interpreted or implemented in
32 a manner that interferes with any obligation of a State under the Rio Grande Compact or any
33 other compact approved by Congress under the Act of May 31, 1939 (53 Stat. 785, chapter 155),
34 or any litigation relating to the Rio Grande Compact or other compact.

1 Title: To amend the Omnibus Public Land Management Act of 2009 to authorize the
2 modification of transferred works to increase public benefits and other project benefits as part of
3 extraordinary operation and maintenance work, and for other purposes.
4
5

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

8 SECTION 1. SHORT TITLE.

9 This Act may be cited as the “Restore Aging Infrastructure Now Act” or the “RAIN Act”.

10 SEC. 2. EXTRAORDINARY OPERATION AND 11 MAINTENANCE WORK; PROJECT MODIFICATION.

12 (a) Definitions.—Section 9601 of the Omnibus Public Land Management Act of 2009 (43
13 U.S.C. 510) is amended—

14 (1) by redesignating paragraphs (1), (2), (3), (4), (5), (6), and (7) as paragraphs (4), (7),
15 (9), (10), (11), (12), and (3), respectively, and moving the paragraphs so as to appear in
16 numerical order;

17 (2) by inserting before paragraph (3) (as so redesignated) the following:

18 “(1) ADVERSE IMPACT.—The term ‘adverse impact’ means, with respect to a project
19 modification, a reduction in water quantity or quality or a change in the timing of water
20 deliveries available to a project beneficiary from the modified project as compared to the
21 water quantity or quality or timing of water deliveries from—

22 “(A) the project with the original capacity restored, if the extraordinary operation
23 and maintenance work under section 9603 is intended to restore lost project capacity;

24 “(B) the project prior to undertaking the planning and design, if the extraordinary
25 operation and maintenance work under section 9603 is for any purpose other than to
26 restore lost project capacity; or

27 “(C) project operations of the modified project without an increase in benefits for a
28 new project beneficiary under section 9603(e)(1)(E).

29 “(2) DISADVANTAGED COMMUNITY.—The term ‘disadvantaged community’ has the
30 meaning given the term ‘low-income community’ in section 45D(e) of the Internal Revenue
31 Code of 1986.”;

32 (3) by inserting after paragraph (4) (as so redesignated) the following:

33 “(5) NEW BENEFIT.—The term ‘new benefit’ means the increase in benefits of the
34 modified project compared to the benefits provided by—

35 “(A) the project with the original capacity restored, if the extraordinary operation
36 and maintenance work under section 9603 is intended to restore lost project capacity;
37 or

38 “(B) the project prior to undertaking the planning and design, if the extraordinary

1 operation and maintenance work under section 9603 is for any purpose other than to
2 restore lost project capacity.

3 “(6) PROJECT BENEFICIARY.—The term ‘project beneficiary’ means any entity that has a
4 repayment, long-term water service, or other form of long-term contract or agreement
5 executed pursuant to the Act of June 17, 1902 (32 Stat. 388, chapter 1093), and Acts
6 supplemental to and amendatory of that Act (43 U.S.C. 371 et seq.), for water supply from
7 the project.”; and

8 (4) by inserting after paragraph (7) (as so redesignated) the following:

9 “(8) PUBLIC BENEFIT.—The term ‘public benefit’, with respect to a modified project,
10 means—

11 “(A) a public benefit identified under the reclamation laws; or

12 “(B) a drinking water benefit for 1 or more disadvantaged communities, including
13 through groundwater recharge, if—

14 “(i) the drinking water meets applicable regulatory standards;

15 “(ii) the drinking water benefit exceeds express mitigation or compliance
16 requirements under Federal or State law;

17 “(iii) the modified project reduces the unit cost per volume, improves water
18 quality, or increases the reliability or quantity of the drinking water supply of the
19 disadvantaged community as compared to the condition of the drinking water or
20 other sources of drinking water available before the modification of the project;

21 “(iv) the drinking water benefit is quantified in a public process, including
22 outreach to representatives of the affected disadvantaged community at the
23 earliest practicable opportunity, to determine the scope of funding; and

24 “(v) negative impacts on water quality for other communities are not caused as
25 part of the modified project.”.

26 (b) Reimbursement of Costs.—Section 9603(b) of the Omnibus Public Land Management Act
27 of 2009 (43 U.S.C. 510b(b)) is amended—

28 (1) in paragraph (2), by striking “the costs” and inserting “from the Aging Infrastructure
29 Account established by subsection (d)(1) the costs, including reimbursable costs and
30 nonreimbursable costs,”; and

31 (2) by adding at the end the following:

32 “(4) DETERMINATION OF NONREIMBURSABLE COSTS.—Any costs advanced under
33 paragraph (2) that are allocated to nonreimbursable purposes of the project, including costs
34 to restore or add a public benefit, shall be considered to be nonreimbursable costs.”.

35 (c) Aging Infrastructure Account Conforming Amendments.—Section 9603(d) of the
36 Omnibus Public Land Management Act of 2009 (43 U.S.C. 510b(d)) is amended—

37 (1) in paragraph (1), in the matter preceding subparagraph (A), by striking “the funds”
38 and inserting “reimbursable funds”;

39 (2) in paragraph (2)—

1 (A) by striking “to fund” and inserting “to fund,”; and

2 (B) by striking “the funds for” and inserting “reimbursable funds for,”;

3 (3) in paragraph (3)(A), by striking “the amounts” and inserting “the reimbursable
4 amounts”; and

5 (4) in paragraph (4)(B)(i), by inserting “, including projects under subsection (e)” after
6 “this section”.

7 (d) Authorization to Modify Transferred Works to Increase Public Benefits and Other Project
8 Benefits as Part of Extraordinary Operation and Maintenance Work.—Section 9603 of the
9 Omnibus Public Land Management Act of 2009 (43 U.S.C. 510b) is amended by adding at the
10 end the following:

11 “(e) Authorization to Modify Transferred Works to Increase Public Benefits and Other Project
12 Benefits as Part of Extraordinary Operation and Maintenance Work.—

13 “(1) AUTHORIZATION; REQUIREMENTS.—

14 “(A) IN GENERAL.—The Secretary, in consultation with any transferred works
15 operating entity and any project beneficiaries and as part of extraordinary operation
16 and maintenance work under this section, may develop and carry out a proposal to
17 modify project features for transferred works to increase public benefits and other
18 project benefits, including carrying out a feasibility study and conducting any
19 applicable environmental analysis required for the proposal, subject to subparagraphs
20 (B) through (G).

21 “(B) MAXIMUM COST.—The maximum amount that may be added to the original
22 project cost as a result of a project modification under subparagraph (A) shall not
23 exceed—

24 “(i) an amount equal to 25 percent of the original cost of the project, in the case
25 of a project for which the original cost of the project exceeds \$100,000,000; or

26 “(ii) \$25,000,000, in the case of a project for which the original cost of the
27 project is not more than \$100,000,000.

28 “(C) PUBLIC BENEFITS.—In the case of a project modification under subparagraph
29 (A), not less than 50 percent of the new benefits provided by the modification of the
30 project shall be public benefits.

31 “(D) WRITTEN CONSENT REQUIRED.—A project modification under subparagraph
32 (A) shall not be constructed until the date on which the Secretary has obtained the
33 written consent of—

34 “(i) the transferred works operating entity; and

35 “(ii) consistent with paragraph (2), any project beneficiary that would
36 experience an adverse impact as a result of the modification of the project.

37 “(E) ADVERSE IMPACT.—Any benefits that accrue to a new project beneficiary
38 resulting from operations of the modified project shall not be increased without the
39 consent of existing project beneficiaries that would experience an adverse impact as a
40 result of the modification of the project.

1 “(F) REIMBURSEMENT OF COSTS.—The costs of planning, design, and environmental
2 compliance for a project modification under subparagraph (A) shall be reimbursed in
3 accordance with subsection (b), except that any of the costs that would otherwise be
4 allocated to a project beneficiary shall be considered nonreimbursable if the project
5 beneficiary does not receive any increase in long-term average annual water deliveries
6 as a result of the modification.

7 “(G) ELIGIBILITY OF CERTAIN PROJECT MODIFICATIONS.—If a project modification
8 that is otherwise eligible under subparagraph (A) is in the planning, design, or
9 construction phase as of December 31, 2022, the project modification shall remain
10 eligible to be developed under that subparagraph.

11 “(2) PROCEDURE FOR OBTAINING CONSENT AND TIME LIMITATION.—

12 “(A) INITIAL DETERMINATION.—The Secretary shall initially determine whether the
13 consent of a project beneficiary is required prior to construction under paragraph
14 (1)(D) based on whether the modification or subsequent operations of the modified
15 project would have any adverse impacts on a project beneficiary.

16 “(B) WRITTEN REQUEST FOR CONSENT.—The Secretary shall provide to the
17 transferred works operating entity, and any project beneficiaries, in writing—

18 “(i) a description of the proposed modification and subsequent operations of the
19 project; and

20 “(ii)(I) a request for consent under paragraph (1)(D); or

21 “(II)(aa) an explanation that the Secretary has determined that no consent is
22 required under paragraph (1)(D); and

23 “(bb) a statement that if the project beneficiary believes that the consent of the
24 project beneficiary is required, the project beneficiary shall send to the Secretary a
25 reply not later than 30 days after the date of receipt of the notice that includes an
26 explanation of the reasons that the project beneficiary would experience adverse
27 impacts as a result of the project modification.

28 “(C) FINAL DETERMINATION.—

29 “(i) WRITTEN RESPONSE.—The Secretary shall respond in writing to any reply
30 from a project beneficiary under subparagraph (B)(ii)(II)(bb) stating whether or
31 not the Secretary determines that the project beneficiary would experience
32 adverse impacts as a result of the project modification.

33 “(ii) FINAL AGENCY ACTION.—A written determination by the Secretary under
34 clause (i) shall be considered to be a final agency action for purposes of section
35 704 of title 5, United States Code.

36 “(iii) WRITTEN REQUEST.—If the Secretary determines under clause (i) that the
37 project beneficiary would experience adverse impacts as a result of the project
38 modification, the Secretary shall send to the project beneficiary a written request
39 for consent in accordance with subparagraph (B)(ii).

40 “(D) TIME PERIOD FOR CONSENT.—

1 “(i) IN GENERAL.—If written consent required under paragraph (1)(D) is not
2 obtained by the date that is 1 year after the date on which written consent is
3 requested under subparagraph (B)(ii), the transferred works operating entity shall
4 proceed with extraordinary operation and maintenance work of the project
5 without the modification, unless the Secretary extends the time for consent under
6 clause (ii).

7 “(ii) EXTENSION.—At the discretion of the Secretary, the Secretary may elect to
8 extend the time for obtaining consent under paragraph (1)(D) by 1 year.

9 “(3) REALLOCATION OF COSTS BASED ON PROJECT CHANGES AND INCREASED PUBLIC
10 BENEFITS.—The Secretary shall allocate costs, including capital repayment costs and
11 operation and maintenance costs, for a project modification under paragraph (1), to provide
12 that—

13 “(A) the public benefits provided by the modified project, including associated
14 annual operation and maintenance costs, shall be nonreimbursable; and

15 “(B) the cost allocation of reimbursable costs to each project beneficiary reflects any
16 changes in the benefits that the modified project is providing to the project beneficiary.

17 “(4) INCENTIVE FOR BENEFITTING ENTITIES TO PARTICIPATE IN PROJECTS WITH INCREASED
18 PUBLIC BENEFITS.—The total amount of reimbursable capital costs, as determined under
19 paragraph (3), for a project modification that would increase public benefits without
20 increasing municipal, industrial, or irrigation benefits of a project, shall be reduced by 15
21 percent, with each project beneficiary to be responsible for 85 percent of the reimbursable
22 costs that would otherwise be allocated to the project beneficiary.

23 “(5) REIMBURSABLE FUNDS.—All reimbursable costs under this subsection shall be repaid
24 in accordance with subsection (b).”.

25 SEC. 3. URBAN CANALS OF CONCERN.

26 (a) Definitions.—Section 9601 of the Omnibus Public Land Management Act of 2009 (43
27 U.S.C. 510) (as amended by section 2(a)) is amended by adding at the end the following:

28 “(13) URBAN CANAL OF CONCERN.—The term ‘urban canal of concern’ means a
29 transferred works or segment of a transferred works—

30 “(A) that conveys water through an urban area; and

31 “(B) with respect to which the Secretary determines that the failure or malfunction
32 of the canal would place at risk the public or property, pursuant to the guidelines and
33 criteria developed under section 9602(a).”.

34 (b) Extraordinary Maintenance and Operation Work on Urban Canals of Concern.—Section
35 9603 of the Omnibus Public Land Management Act of 2009 (43 U.S.C. 510b) (as amended by
36 section 2(d)) is amended by adding at the end the following:

37 “(f) Extraordinary Operation and Maintenance Work on Urban Canals of Concern.—

38 “(1) IN GENERAL.—The Secretary or the transferred works operating entity shall carry out
39 any extraordinary operation and maintenance work on an urban canal of concern that the
40 transferred works operating entity, with the concurrence of the Secretary, determines to be

1 necessary.

2 “(2) FUNDING.—In the case of extraordinary operation and maintenance work on an
3 urban canal of concern authorized under paragraph (1) or if the Secretary determines that a
4 project facility inspected and maintained pursuant to the guidelines and criteria set forth in
5 section 9602(a) requires extraordinary operation and maintenance work pursuant to
6 paragraph (1), the Secretary shall provide Federal funds on a nonreimbursable basis
7 sufficient to cover 35 percent of the portion of total cost of the extraordinary operation and
8 maintenance work allocable to the transferred works operating entity that is needed to carry
9 out the extraordinary operation and maintenance work on the urban canal of concern, with
10 the remaining share of any additional Federal funds advanced by the Secretary for the
11 extraordinary operation and maintenance work to be repaid under subsection (b).

12 “(g) Reimbursable Funds.—Any reimbursable funds provided under this section shall be
13 considered to be a non-Federal source of funds for purposes of any cost-sharing requirement for
14 a Federal grant.”.

118TH CONGRESS
1ST SESSION

S. 658

To amend the Food Security Act of 1985 to make adjustments to the environmental quality incentives program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 6, 2023

Mr. BOOKER (for himself and Mr. LEE) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Food Security Act of 1985 to make adjustments to the environmental quality incentives program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “EQIP Improvement
5 Act of 2023”.

6 **SEC. 2. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM**
7 **REFORMS.**

8 (a) IN GENERAL.—Section 1240B of the Food Secu-
9 rity Act of 1985 (16 U.S.C. 3839aa–2) is amended—

1 (1) in subsection (d), by striking paragraph (2)
2 and inserting the following:

3 “(2) LIMITATION ON PAYMENTS.—A payment
4 to a producer for performing a practice may not ex-
5 ceed, as determined by the Secretary—

6 “(A) except as provided in subparagraphs
7 (B) through (D), 75 percent of the costs associ-
8 ated with planning, design, materials, equip-
9 ment, installation, labor, management, mainte-
10 nance, or training;

11 “(B) 40 percent of the costs associated
12 with planning, design, materials, equipment, in-
13 stallation, labor, management, maintenance, or
14 training for—

15 “(i) an access road;

16 “(ii) an animal mortality facility;

17 “(iii) an aquaculture pond;

18 “(iv) clearing and snagging;

19 “(v) a dam;

20 “(vi) a dam using a diversion;

21 “(vii) a dike;

22 “(viii) a diversion;

23 “(ix) a fish raceway or tank;

24 “(x) an irrigation pipeline;

25 “(xi) an irrigation reservoir;

- 1 “(xii) land clearing;
- 2 “(xiii) land smoothing;
- 3 “(xiv) a livestock pipeline;
- 4 “(xv) obstruction removal;
- 5 “(xvi) a pond;
- 6 “(xvii) a pumping plant;
- 7 “(xviii) spoil spreading;
- 8 “(xix) a surface drain using a field
- 9 ditch;
- 10 “(xx) a main or lateral surface drain;
- 11 “(xxi) a vertical drain;
- 12 “(xxii) a waste facility closure;
- 13 “(xxiii) a waste storage facility;
- 14 “(xxiv) waste transfer; or
- 15 “(xxv) a waste treatment lagoon;
- 16 “(C) 100 percent of income foregone by
- 17 the producer; or
- 18 “(D) in the case of a practice that includes
- 19 1 or more elements described in subparagraphs
- 20 (A) through (C)—
- 21 “(i) 75 percent of the costs incurred
- 22 with respect to any elements described in
- 23 subparagraph (A);

1 “(ii) 40 percent of the costs incurred
2 with respect to any elements described in
3 subparagraph (B); and

4 “(iii) 100 percent of the income for-
5 gone with respect to any elements de-
6 scribed in subparagraph (C).”; and

7 (2) in subsection (f), by striking the subsection
8 designation and heading and all that follows through
9 “*For each*” in paragraph (2)(B) and inserting the
10 following:

11 “(f) ALLOCATION OF FUNDING FOR WILDLIFE HABI-
12 TAT.—*For each*”.

13 (b) LIMITATION ON PAYMENTS.—Section 1240G of
14 the Food Security Act of 1985 (16 U.S.C. 3839aa–7) is
15 amended by striking “\$450,000” and inserting
16 “\$150,000”.

17 (c) REPORT TO CONGRESS.—Section 1240B of the
18 Food Security Act of 1985 (16 U.S.C. 3839aa–2) is
19 amended by adding at the end the following:

20 “(k) ANNUAL REPORT TO CONGRESS.—Not less fre-
21 quently than once each year, the Secretary shall submit
22 to Congress a report describing—

23 “(1) the amount obligated under the program
24 with respect to each category of practice, with infor-
25 mation categorized by fiscal year and State; and

1 “(2) the amount obligated under the program
2 in each State, with information categorized by fiscal
3 year and the size of the operation of each pro-
4 ducer.”.

○

AMENDED IN ASSEMBLY MARCH 9, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 754

Introduced by Assembly Member Papan

February 13, 2023

An act to amend ~~Section 1020~~ Sections 10620, 10631, and 10826 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 754, as amended, Papan. Water ~~leases~~: *management planning: automatic conservation plan.*

(1) Existing law, the Urban Water Management Planning Act, requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan. Existing law requires an urban water management plan to quantify past, current, and projected water use, identifying the uses among water use sectors, including, among others, commercial, agricultural, and industrial. Existing law requires an urban water management plan to identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over a specified period of time, providing supporting and related information, including, among other things, a description of the management of each supply in correlation with the other identified supplies when multiple sources of water supply are identified.

This bill would additionally require an urban water management plan, if a reservoir is identified as an existing or planned source of water available to the supplier, to include specified information related to water storage and conservation, including, among other things, a target water supply storage curve, calculated as provided, and an

automatic conservation plan that would be implemented when the reservoir storage level falls below the target water supply storage curve. The bill would require the automatic conservation plan to contain specified information regarding, among other things, response actions to be taken when water storage falls to specified storage levels.

(2) Existing law requires an agricultural water supplier to prepare and adopt an agricultural water management plan with specified components on or before December 31, 2012, and to update those plans on or before December 31, 2015, and on or before April 1, 2021, and thereafter on or before April 1 in the years ending in 6 and one. Existing law requires an agricultural water supplier to submit its plan to the Department of Water Resources no later than 30 days after the adoption of the plan and requires the department to review an agricultural water management plan and notify an agricultural water supplier if the department determines that it is noncompliant, as provided. Existing law requires an agricultural water supplier to submit copies of its plan to specified entities no later than 30 days after the department's review of the plan and requires the department to submit its report summarizing the status of the plans to the Legislature on or before April 30 in the years ending in 7 and 2.

This bill would additionally require an agricultural water management plan, if a reservoir is identified as an existing or planned source of water available to the supplier, to include specified information related to water storage and conservation, including, among other things, a target water supply storage curve, calculated as provided, and an automatic conservation plan that is implemented when the reservoir storage level falls below the target water supply storage curve. The bill would require the automatic conservation plan to contain specified information regarding, among other things, response actions to be taken when water storage falls to specified storage levels.

~~Existing law authorizes surface water to be leased for a period not to exceed 5 years to assist water conservation efforts pursuant to specified terms and conditions.~~

~~This bill would make a nonsubstantive change in these provisions.~~

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

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

1 **SECTION 1.** *Section 10620 of the Water Code is amended to*
2 *read:*

3 10620. (a) Every urban water supplier shall prepare and adopt
4 an urban water management plan in the manner set forth in Article
5 3 (commencing with Section 10640).

6 (b) Every person that becomes an urban water supplier shall
7 adopt an urban water management plan within one year after it
8 has become an urban water supplier.

9 (c) An urban water supplier indirectly providing water shall not
10 include planning elements in its water management plan as
11 provided in Article 2 (commencing with Section 10630) that would
12 be applicable to urban water suppliers or public agencies directly
13 providing water, or to their customers, without the consent of those
14 suppliers or public agencies.

15 (d) (1) An urban water supplier may satisfy the requirements
16 of this part by participation in areawide, regional, watershed, or
17 basinwide urban water management planning where those plans
18 will reduce preparation costs and contribute to the achievement of
19 conservation, efficient water use, and improved local drought
20 resilience.

21 (2) Notwithstanding paragraph (1), each urban water supplier
22 shall develop its own water shortage contingency ~~plan~~, *plan and*
23 *automatic conservation plan*, but an urban water supplier may
24 incorporate, collaborate, and otherwise share information with
25 other urban water suppliers or other governing entities participating
26 in an areawide, regional, watershed, or basinwide urban water
27 management plan, an agricultural management plan, or
28 groundwater sustainability plan development.

29 (3) Each urban water supplier shall coordinate the preparation
30 of its plan with other appropriate agencies in the area, including
31 other water suppliers that share a common source, water
32 management agencies, and relevant public agencies, to the extent
33 practicable.

34 (e) The urban water supplier may prepare the plan with its own
35 staff, by contract, or in cooperation with other governmental
36 agencies.

37 (f) An urban water supplier shall describe in the plan water
38 management tools and options used by that entity that will

1 maximize resources and minimize the need to import water from
2 other regions.

3 *SEC. 2. Section 10631 of the Water Code is amended to read:*
4 10631. A plan shall be adopted in accordance with this chapter
5 that shall do all of the following:

6 (a) Describe the service area of the supplier, including current
7 and projected population, climate, and other social, economic, and
8 demographic factors affecting the supplier’s water management
9 planning. The projected population estimates shall be based upon
10 data from the state, regional, or local service agency population
11 projections within the service area of the urban water supplier and
12 shall be in five-year increments to 20 years or as far as data is
13 available. The description shall include the current and projected
14 land uses within the existing or anticipated service area affecting
15 the supplier’s water management planning. Urban water suppliers
16 shall coordinate with local or regional land use authorities to
17 determine the most appropriate land use information, including,
18 where appropriate, land use information obtained from local or
19 regional land use authorities, as developed pursuant to Article 5
20 (commencing with Section 65300) of Chapter 3 of Division 1 of
21 Title 7 of the Government Code.

22 (b) Identify and quantify, to the extent practicable, the existing
23 and planned sources of water available to the supplier over the
24 same five-year increments described in subdivision (a), providing
25 supporting and related information, including all of the following:

26 (1) A detailed discussion of anticipated supply availability under
27 a normal water year, single dry year, and droughts lasting at least
28 five years, as well as more frequent and severe periods of drought,
29 as described in the drought risk assessment. For each source of
30 water supply, consider any information pertinent to the reliability
31 analysis conducted pursuant to Section 10635, including changes
32 in supply due to climate change.

33 (2) When multiple sources of water supply are identified, a
34 description of the management of each supply in correlation with
35 the other identified supplies.

36 (3) For any planned sources of water supply, a description of
37 the measures that are being undertaken to acquire and develop
38 those water supplies.

39 (4) If groundwater is identified as an existing or planned source
40 of water available to the supplier, all of the following information:

1 (A) The current version of any groundwater sustainability plan
2 or alternative adopted pursuant to Part 2.74 (commencing with
3 Section 10720), any groundwater management plan adopted by
4 the urban water supplier, including plans adopted pursuant to Part
5 2.75 (commencing with Section 10750), or any other specific
6 authorization for groundwater management for basins underlying
7 the urban water supplier's service area.

8 (B) A description of any groundwater basin or basins from
9 which the urban water supplier pumps groundwater. For basins
10 that a court or the board has adjudicated the rights to pump
11 groundwater, a copy of the order or decree adopted by the court
12 or the board and a description of the amount of groundwater the
13 urban water supplier has the legal right to pump under the order
14 or decree. For a basin that has not been adjudicated, information
15 as to whether the department has identified the basin as a high- or
16 medium-priority basin in the most current official departmental
17 bulletin that characterizes the condition of the groundwater basin,
18 and a detailed description of the efforts being undertaken by the
19 urban water supplier to coordinate with groundwater sustainability
20 agencies or groundwater management agencies listed in subdivision
21 (c) of Section 10723 to maintain or achieve sustainable
22 groundwater conditions in accordance with a groundwater
23 sustainability plan or alternative adopted pursuant to Part 2.74
24 (commencing with Section 10720).

25 (C) A detailed description and analysis of the location, amount,
26 and sufficiency of groundwater pumped by the urban water supplier
27 for the past five years. The description and analysis shall be based
28 on information that is reasonably available, including, but not
29 limited to, historic use records.

30 (D) A detailed description and analysis of the amount and
31 location of groundwater that is projected to be pumped by the
32 urban water supplier. The description and analysis shall be based
33 on information that is reasonably available, including, but not
34 limited to, historic use records.

35 (5) *If a reservoir is identified as an existing or planned source
36 of water available to the supplier, all the following information:*

37 (A) (i) *A target water supply storage curve based on target
38 carryover levels sufficient to satisfy water users and ecological
39 stream flow needs for at least five years, with reasonably predicted*

1 *inflow calculations considering local conditions and climate*
2 *change.*

3 *(ii) The reservoir storage level shall be calculated each month*
4 *based on reservoir capacity, projected inflows, evaporation, water*
5 *demands from all users, and streamflow requirements. The*
6 *reservoir storage level shall be plotted against the target water*
7 *supply storage curve on a calendar to ensure that target storage*
8 *levels are met.*

9 *(B) An automatic conservation plan that is implemented when*
10 *the reservoir storage level falls below the target water supply*
11 *storage curve determined in subparagraph (A). When both an*
12 *automatic conservation plan and a water shortage contingency*
13 *plan pursuant to Section 10632 are in effect, the more restrictive*
14 *of the two plans shall govern. An automatic conservation plan*
15 *shall include all of the following:*

16 *(i) Six standard water shortage levels corresponding to*
17 *progressive ranges of up to 10, 20, 30, 40, and 50 percent*
18 *shortages below the target water supply curve and greater than*
19 *50 percent shortage.*

20 *(ii) At each water shortage level, urban water suppliers shall*
21 *initiate conservation response actions that align with the defined*
22 *shortage levels and include, at a minimum, all of the following:*

23 *(I) Locally appropriate water supply augmentation actions.*

24 *(II) Locally appropriate water demand reduction actions to*
25 *adequately respond to shortages.*

26 *(III) Locally appropriate operational changes.*

27 *(IV) Mandatory prohibitions against specific water use practices*
28 *that are in addition to state-mandated prohibitions and appropriate*
29 *to the local conditions.*

30 *(iii) For each action, an estimate of the extent that the gap*
31 *between target reservoir storage level and the actual reservoir*
32 *storage level will be reduced by implementation of the action.*

33 *(iv) For each action, an estimate of impacts to other water*
34 *resources, including any increase in groundwater extraction.*

35 *(v) Water demand reduction actions shall be applied to all*
36 *customer classes, and may include any of the following:*

37 *(I) Water waste prevention ordinances.*

38 *(II) Metering.*

39 *(III) Conservation pricing.*

40 *(IV) Public education and outreach.*

- 1 (V) *Programs to assess and manage distribution system real*
2 *loss.*
- 3 (VI) *Water conservation program coordination and staffing*
4 *support.*
- 5 (vi) *Other demand management measures that have a significant*
6 *impact on water use as measured in gallons per capita per day,*
7 *including innovative measures, if implemented.*
- 8 (vii) *Other demand management measures that have a*
9 *significant impact on water used by downstream water rights*
10 *holders.*
- 11 (c) Describe the opportunities for exchanges or transfers of
12 water on a short-term or long-term basis.
- 13 (d) (1) For an urban retail water supplier, quantify, to the extent
14 records are available, past and current water use, over the same
15 five-year increments described in subdivision (a), and projected
16 water use, based upon information developed pursuant to
17 subdivision (a), identifying the uses among water use sectors,
18 including, but not necessarily limited to, all of the following:
- 19 (A) Single-family residential.
20 (B) Multifamily.
21 (C) Commercial.
22 (D) Industrial.
23 (E) Institutional and governmental.
24 (F) Landscape.
25 (G) Sales to other agencies.
26 (H) Saline water intrusion barriers, groundwater recharge, or
27 conjunctive use, or any combination thereof.
28 (I) Agricultural.
29 (J) Distribution system water loss.
- 30 (2) The water use projections shall be in the same five-year
31 increments described in subdivision (a).
- 32 (3) (A) The distribution system water loss shall be quantified
33 for each of the five years preceding the plan update, in accordance
34 with rules adopted pursuant to Section 10608.34.
- 35 (B) The distribution system water loss quantification shall be
36 reported in accordance with a worksheet approved or developed
37 by the department through a public process. The water loss
38 quantification worksheet shall be based on the water system
39 balance methodology developed by the American Water Works
40 Association.

1 (C) In the plan due July 1, 2021, and in each update thereafter,
2 data shall be included to show whether the urban retail water
3 supplier met the distribution loss standards enacted by the board
4 pursuant to Section 10608.34.

5 (4) (A) Water use projections, where available, shall display
6 and account for the water savings estimated to result from adopted
7 codes, standards, ordinances, or transportation and land use plans
8 identified by the urban water supplier, as applicable to the service
9 area.

10 (B) To the extent that an urban water supplier reports the
11 information described in subparagraph (A), an urban water supplier
12 shall do both of the following:

13 (i) Provide citations of the various codes, standards, ordinances,
14 or transportation and land use plans utilized in making the
15 projections.

16 (ii) Indicate the extent that the water use projections consider
17 savings from codes, standards, ordinances, or transportation and
18 land use plans. Water use projections that do not account for these
19 water savings shall be noted of that fact.

20 (e) Provide a description of the supplier's water demand
21 management measures. This description shall include all of the
22 following:

23 (1) (A) For an urban retail water supplier, as defined in Section
24 10608.12, a narrative description that addresses the nature and
25 extent of each water demand management measure implemented
26 over the past five years. The narrative shall describe the water
27 demand management measures that the supplier plans to implement
28 to achieve its water use targets pursuant to Section 10608.20.

29 (B) The narrative pursuant to this paragraph shall include
30 descriptions of the following water demand management measures:

31 (i) Water waste prevention ordinances.

32 (ii) Metering.

33 (iii) Conservation pricing.

34 (iv) Public education and outreach.

35 (v) Programs to assess and manage distribution system real loss.

36 (vi) Water conservation program coordination and staffing
37 support.

38 (vii) Other demand management measures that have a significant
39 impact on water use as measured in gallons per capita per day,
40 including innovative measures, if implemented.

1 (2) For an urban wholesale water supplier, as defined in Section
2 10608.12, a narrative description of the items in clauses (ii), (iv),
3 (vi), and (vii) of subparagraph (B) of paragraph (1), and a narrative
4 description of its distribution system asset management and
5 wholesale supplier assistance programs.

6 (f) Include a description of all water supply projects and water
7 supply programs that may be undertaken by the urban water
8 supplier to meet the total projected water use, as established
9 pursuant to subdivision (a) of Section 10635. The urban water
10 supplier shall include a detailed description of expected future
11 projects and programs that the urban water supplier may implement
12 to increase the amount of the water supply available to the urban
13 water supplier in normal and single-dry water years and for a period
14 of drought lasting five consecutive water years. The description
15 shall identify specific projects and include a description of the
16 increase in water supply that is expected to be available from each
17 project. The description shall include an estimate with regard to
18 the implementation timeline for each project or program.

19 (g) Describe the opportunities for development of desalinated
20 water, including, but not limited to, ocean water, brackish water,
21 and groundwater, as a long-term supply.

22 (h) An urban water supplier that relies upon a wholesale agency
23 for a source of water shall provide the wholesale agency with water
24 use projections from that agency for that source of water in
25 five-year increments to 20 years or as far as data is available. The
26 wholesale agency shall provide information to the urban water
27 supplier for inclusion in the urban water supplier's plan that
28 identifies and quantifies, to the extent practicable, the existing and
29 planned sources of water as required by subdivision (b), available
30 from the wholesale agency to the urban water supplier over the
31 same five-year increments, and during various water-year types
32 in accordance with subdivision (f). An urban water supplier may
33 rely upon water supply information provided by the wholesale
34 agency in fulfilling the plan informational requirements of
35 subdivisions (b) and (f).

36 *SEC. 3. Section 10826 of the Water Code is amended to read:*

37 10826. An agricultural water management plan shall be adopted
38 in accordance with this chapter. The plan shall do all of the
39 following:

- 1 (a) Describe the agricultural water supplier and the service area,
- 2 including all of the following:
 - 3 (1) Size of the service area.
 - 4 (2) Location of the service area and its water management
 - 5 facilities.
 - 6 (3) Terrain and soils.
 - 7 (4) Climate.
 - 8 (5) Operating rules and regulations.
 - 9 (6) Water delivery measurements or calculations.
 - 10 (7) Water rate schedules and billing.
 - 11 (8) Water shortage allocation policies.
- 12 (b) Describe the quantity and quality of water resources of the
- 13 agricultural water supplier, including all of the following:
 - 14 (1) Surface water supply.
 - 15 (2) Groundwater supply.
 - 16 (3) Other water supplies, including recycled water.
 - 17 (4) Source water quality monitoring practices.
 - 18 (5) Water uses within the agricultural water supplier's service
 - 19 area, including all of the following:
 - 20 (A) Agricultural.
 - 21 (B) Environmental.
 - 22 (C) Recreational.
 - 23 (D) Municipal and industrial.
 - 24 (E) Groundwater recharge, including estimated flows from deep
 - 25 percolation from irrigation and seepage.
- 26 (c) Include an annual water budget based on the quantification
- 27 of all inflow and outflow components for the service area of the
- 28 agricultural water supplier. Components of inflow shall include
- 29 surface inflow, groundwater pumping in the service area, and
- 30 effective precipitation. Components of outflow shall include surface
- 31 outflow, deep percolation, and evapotranspiration. An agricultural
- 32 water supplier shall report the annual water budget on a water-year
- 33 basis. The department shall provide tools and resources to assist
- 34 agricultural water suppliers in developing and quantifying
- 35 components necessary to develop a water budget.
- 36 (d) Include an analysis, based on available information, of the
- 37 effect of climate change on future water supplies.
- 38 (e) Describe previous water management activities.
- 39 (f) Identify water management objectives based on the water
- 40 budget to improve water system efficiency or to meet other water

1 management objectives. The agricultural water supplier shall
2 identify, prioritize, and implement actions to reduce water loss,
3 improve water system management, and meet other water
4 management objectives identified in the plan.

5 (g) Include in the plan information regarding efficient water
6 management practices required pursuant to Section 10608.48.

7 (h) Quantify the efficiency of agricultural water use within the
8 service area of the agricultural water supplier using the appropriate
9 method or methods from among the four water use efficiency
10 quantification methods developed by the department in the May
11 8, 2012, report to the Legislature entitled “A Proposed
12 Methodology for Quantifying the Efficiency of Agricultural Water
13 Use.” The agricultural water supplier shall account for all water
14 uses, including crop water use, agronomic water use, environmental
15 water use, and recoverable surface flows.

16 (i) *If a reservoir is identified as an existing or planned source
17 of water available to the supplier, all of the following information
18 shall be contained in the plan:*

19 (1) (A) *A target water supply storage curve based on target
20 carryover levels sufficient to satisfy water users and ecological
21 stream flow needs for at least five years, with reasonably predicted
22 inflow calculations considering local conditions and climate
23 change.*

24 (B) *The reservoir storage level shall be calculated each month
25 based on reservoir capacity, projected inflows, evaporation, water
26 demands from all users, and streamflow requirements. The
27 reservoir storage level shall be plotted against the target water
28 supply storage curve on a calendar to ensure that target storage
29 levels are being met.*

30 (2) *An automatic conservation plan that is implemented when
31 the reservoir storage level falls below the target water supply
32 storage curve determined in subparagraph (A). When both an
33 automatic conservation plan and a drought plan pursuant to
34 Section 10826.2 are in effect, the more restrictive of the two plans
35 shall govern. An automatic conservation plan shall include all of
36 the following:*

37 (A) *Six standard water shortage levels corresponding to
38 progressive ranges of up to 10, 20, 30, 40, and 50 percent
39 shortages below the target water supply curve and greater than
40 50 percent shortage.*

1 (B) At each water shortage level, agricultural water suppliers
2 shall initiate conservation response actions that align with the
3 defined shortage levels and include, at a minimum, all of the
4 following:

- 5 (i) Locally appropriate supply augmentation actions.
- 6 (ii) Locally appropriate demand reduction actions to adequately
7 respond to shortages.
- 8 (iii) Locally appropriate operational changes.
- 9 (iv) Additional, mandatory prohibitions against specific water
10 use practices that are in addition to state-mandated prohibitions
11 and appropriate to the local conditions.

12 (C) For each action, an estimate of the extent that the gap
13 between the target reservoir storage level and the actual reservoir
14 storage level will be reduced by implementation of the action.

15 (D) For each action, an estimate of impacts to other water
16 resources, including any increase in groundwater extraction.

17 ~~SECTION 1. Section 1020 of the Water Code is amended to~~
18 ~~read:~~

19 ~~1020. Water may be leased for a period not to exceed five years~~
20 ~~to assist water conservation efforts pursuant to the terms and~~
21 ~~conditions of this chapter. The terms and conditions of this chapter~~
22 ~~are not applicable to water leases or transfers governed by other~~
23 ~~law.~~

AMENDED IN ASSEMBLY MARCH 23, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 1205

Introduced by Assembly Member Bauer-Kahan

February 16, 2023

An act to ~~amend Section 1737 of~~ *add Section 100.1* to the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 1205, as amended, Bauer-Kahan. ~~Water: permits and licenses: temporary changes: water or water rights transfers. Water rights: sale, transfer, or lease: agricultural lands.~~

Existing law declares that, because of the conditions prevailing in this state, the general welfare requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of the water is to be exercised with a view to the reasonable and beneficial use of the water in the interest of the people and for the public welfare.

This bill would declare that the sale, transfer, or lease of an interest in any water right for profit, on or below agricultural lands within the state by an investment fund, shall not be considered a reasonable or beneficial use of water.

~~Existing law authorizes the State Water Resources Control Board to consider a petition for a long-term water or water rights transfer involving a change of point of diversion, place of use, or purpose of use. Existing law requires a long-term transfer to be for a period over one year. Existing law requires, after the expiration of that long-term~~

transfer period, all rights to automatically revert to the original holders of the right without any action by the board.

~~This bill would make a nonsubstantive change to that later provision.~~

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

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

1 SECTION 1. Section 100.1 is added to the Water Code, to read:
2 100.1. (a) For the purposes of this section, the following
3 definitions apply:

4 (1) "Agricultural land" has the same meaning as defined in
5 Section 3508 of Title 7 of the United States Code.

6 (2) "Investment fund" means a private equity fund, public equity
7 fund, venture capital fund, hedge fund, fixed income fund, real
8 estate fund, infrastructure fund, or similar pooled investment entity
9 that is, or holds itself out as being, engaged primarily, or proposes
10 to engage primarily, in the business of investing, reinvesting,
11 owning, holding, or trading securities or other assets.

12 (b) It is hereby declared that the sale, transfer, or lease of an
13 interest in any water right for profit, on or below agricultural
14 lands within the state by an investment fund, shall not be
15 considered a reasonable or beneficial use of water.

16 ~~SECTION 1. Section 1737 of the Water Code is amended to~~
17 ~~read:~~

18 ~~1737. Following the expiration of the period of the long-term~~
19 ~~transfer, all rights shall automatically revert to the original holders~~
20 ~~of the right without any action by the board.~~



MEMORANDUM

TO: SLDMWA Board of Directors, Alternates

FROM: Pablo Arroyave, Chief Operating Officer

DATE: June 8, 2023

RE: Increase in B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement Budget of \$2.5 Million

BACKGROUND

In March 2022, the San Luis & Delta-Mendota Water Authority (“Water Authority”) Board of Directors authorized execution of the B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement (“Sisk Activity Agreement”) (Resolution No. 2022-506). Following execution by Executive Director Federico Barajas on behalf of Water Authority, ten member agencies also executed the Activity Agreement, becoming “Activity Agreement Members.”

Based on close coordination with Reclamation, it has been determined that two cash calls of \$10M will be necessary from the Activity Agreement Members prior to construction. These funds from the Activity Agreement members will allow Reclamation to begin utilizing the federal funding they have received so far for the project. The first cash call of \$10M is expected to cover pre-construction and preliminary design activities from July 2023-September 2024. The second cash call of \$10M would be used for final design activities and would be required by approximately October 1, 2024 (see Figure 1). The present action, a requested budget increase of \$2.5M, is the first quarterly payment toward the initial \$10M commitment because Stage Gate 1 activities are substantially complete. At this point, the expectation is that these funds will mostly go toward planning and design activities related to the Highway 152 component of the project, including coordination with Caltrans.

Through April 2023, the Water Authority still has approximately \$700K left of the \$1M collected from Activity Agreement Members in 2022. These funds will continue to be used for Hallmark project management, CDM’s continued work on permitting and staff labor costs as well as efforts relating to the execution of a cost share agreement and other agreements with the U.S. Bureau of Reclamation.

ISSUE FOR DECISION

Whether the Board should authorize increasing the FY 2024 Sisk Activity Agreement budget by \$2.5 million.

RECOMMENDATION

Staff recommends increasing the FY 2024 Sisk Activity Agreement budget by \$2.5 million, but delaying collection of such funds from the Activity Agreement Members until the Activity Agreement Members unanimously agree to collection consistent with (1) the agreed-upon Initial Participation Percentages, or (2) revised Participation Percentages.

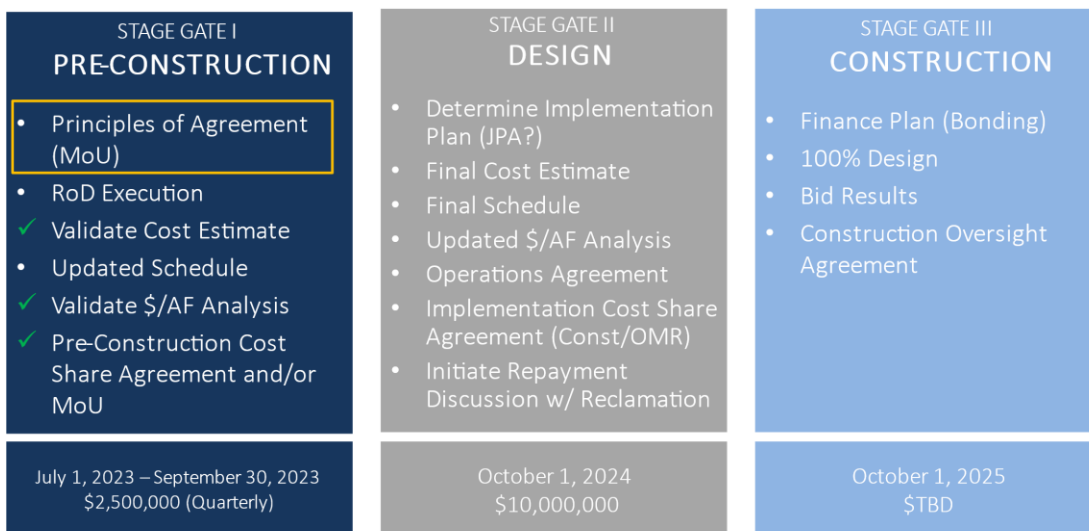
ANALYSIS

While the Sisk Activity Agreement includes an Initial Participation Percentage that identifies each Activity Agreement Member’s percentage allocation of Activity Agreement Expenses based on CVP contract quantity, the Activity Agreement Members have indicated their desire to revise those percentages prior to the Water Authority’s collection of the subject \$2.5 million. Assuming the Activity Agreement Members unanimously agree, the revised Participation Percentages would govern allocation and collection of the \$2.5 million.

BUDGET

As this is an Activity Agreement action, there are no budget impacts to any other Water Authority activities. The Water Authority will invoice each Activity Agreement member their allocated share of the funding following agreement.

Sisk Stage Gate Overview: Figure 1





Bill Number(s)	Sponsor(s)	Bill Title	Summary	Position	Status
House Bills					
H.R. 94	Andy Biggs (R-AZ-05)	American Sovereignty and Species Protection Act	H.R. 94 would prohibit the Secretary of the Interior from listing a species as threatened or endangered under the Endangered Species Act if the species is not native to the United States.		Introduced and referred to the House Committee on Natural Resources Subcommittee on Water, Wildlife, and Fisheries (2/21/2023)
H.R. 186	McClintock (R-CA-05)	Water Supply Permitting Coordination Act	To authorize the Secretary of the Interior to coordinate Federal and State permitting processes related to the construction of new surface water storage projects on lands under the jurisdiction of the Secretary of the Interior and the Secretary of Agriculture and to designate the Bureau of Reclamation as the lead agency for permit processing.		Introduced and referred to House Committee on Natural Resources Subcommittee on Water, Wildlife, and Fisheries (2/21/2023)
H.R. 189	McClintock (R-CA-05)	Action Versus No Action Act	H.R. 189 would mandate that an environmental assessment or environmental impact statement prepared under the National Environmental Policy Act specific to federal actions on forest management can only consider alternative actions of “forest management activity” and “no action.”		Introduced and referred to the House Committee on Natural Resources and the Committee on Agriculture Subcommittee on Federal Lands (2/21/2023)
H.R. 289	LaMalfa (R-CA-01)	Protect Our Water Rights Act	To update requirements for the operation of the Central Valley Project and Klamath River Basin Reclamation Project by the Bureau of Reclamation.		Introduced and referred to House Committee on Natural Resources Subcommittee on Water, Wildlife, and Fisheries (2/21/2023)
H.R. 250	Garamendi (D-CA-8)	Clean Water SRF Parity Act	To amend the Federal Water Pollution Control Act to make certain projects and activities eligible for		Introduced and referred to House Committee on Transportation & Infrastructure Subcommittee on



			financial assistance under a State water pollution control revolving fund.	Water Resources and Environment (2/01/2023)
H.R. 215	Valadao (R-CA-22)	WATER for California Act	Reauthorizes the successful surface water storage project program and coordinated operations of the CVP and SWP established by the WIIN Act, Provides eligibility for funding for the Shasta Enlargement Project, and promotes water conveyance through the Sacramento-San Joaquin River Delta.	Introduced and referred to House Committee on Natural Resources Subcommittee on Water, Wildlife, and Fisheries. Markup Held. Ordered to be Reported (Amended) by the Yeas and Nays: 22 –17 (4/28/2023)
H.R. 178	Levin (D-CA-49)	Public Land Renewable Energy Development Act of 2023	Requires the Department of the Interior to establish priority areas on its land for geothermal, solar, and wind energy projects. The bill also establishes the Renewable Energy Resource Conservation Fund to make funds available to federal, state, and tribal agencies for distribution in regions in which renewable energy projects are located on federal land for (1) restoring and protecting natural water bodies and fish and wildlife habitat and corridors, and (2) preserving and improving recreational access to federal land and water in an affected region.	Introduced in the House. Referred to the Committee on Natural Resources Subcommittee on Energy and Mineral Resources (2/21/2023) and Agriculture Subcommittee on Forestry (2/13/2023)
H.R. 565	Neguse (D-CO-2)	Land Restoration and Resiliency Act of 2023	Directs the U.S. Fish and Wildlife Service to enter into cooperative agreements with the National Fish and Wildlife Foundation to establish the Community Resilience and Restoration Fund at the foundation, for purposes including to <ul style="list-style-type: none"> - improve community safety in the face of climactic extremes through conservation 	Introduced in the House. Referred to the Committee on Natural Resources Subcommittee on Water, Wildlife, Fisheries (2/21/2023)



			<p>and protection of restoration and resilience lands;</p> <ul style="list-style-type: none">- protect, conserve, and restore restoration and resilience lands in order to help communities respond and adapt to natural threats, including wildfire, drought, extreme heat, and other threats posed or exacerbated by the impacts of global climate; and- protect and enhance the biodiversity of wildlife populations across restoration and resilience lands.	
H.R. 872	Calvert (R-CA-41)	FISH Act	<p>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 or estuarine waters). Currently, the FWS shares this authority with the National Marine Fisheries Service.</p>	<p>Introduced in the House. Referred to the Committee on Natural Resources Subcommittee on Water, Wildlife, Fisheries (2/21/2023)</p>
H.R. 1430	Valadao (R-CA-22)	Determination of NEPA Adequacy Streamlining Act	<p>Directs the Secretary of the Interior and the Secretary of Agriculture to use certain previously completed environmental assessments and environmental impact statements to satisfy the review requirements of the National Environmental Policy Act of 1969, and for other purposes.</p>	<p>Introduced in the House. Referred to the Committee on Natural Resources (3/07/2023) and Agriculture Subcommittee on Forestry (4/25/2023)</p>



H.R. 2419	Costa (D-CA-21)	Canal Conveyance Capacity Restoration Act	To provide financial assistance for projects to address certain subsidence impacts in the State of California, and for other purposes.	Introduced in the House. Referred to the Committee on Natural Resources Subcommittee on Water, Wildlife, and Fisheries (5/08/2023)
H.R. 2505	Mast (R-FL-21)	Toxic Health Threat Warning Act of 2023	To require the Corps of Engineers to notify affected communities before releasing water contaminated with cyanotoxins from flood risk management structures, and for other purposes	Introduced in the House. Referred to the Committee on Transportation and Infrastructure Subcommittee on Water Resources and Environment (4/7/2023)
H.R. 2521	Ruiz (D-CA-25)	Clean Drinking Water Equity Act	To amend the Safe Drinking Water Act with respect to assistance for disadvantaged communities, and for other purposes.	Introduced in the House. Referred to the Committee on Energy and Commerce Subcommittee on Environment, Manufacturing, and Critical Materials (4/14/2023)
H.R. 2731	Tonko (D-NY-20)	POWER Our Reservoirs Act	To require assessments of opportunities to install and maintain floating photovoltaic solar panels at Bureau of Reclamation and Corps of Engineers projects, and for other purposes.	Introduced to the House. Referred to the Committee on Transportation and Infrastructure Subcommittee on Water Resources and Environment (4/19/2023) and Energy and Natural Resources (4/19/2023)
H.R. 2787	Sewell (D-AL-07)	To amend the Consolidated Farm and Rural Development Act to modify provisions		Introduced in the House. Referred to the Committee on Agriculture Subcommittee on Commodity Markets, Digital Assets, and Rural Development (5/15/2023)



		relating to rural decentralized water systems grants.		
H.R. 3027	Porter (D-CA-47)	Reclamation Climate Change and Water Program Reauthorization Act of 2023	To reauthorize funding for the Reclamation Climate Change and Water Program	Introduced in the House. Referred to the House Committee on Natural Resources (4/28/2023)
H.R. 3167	Waltz (R-FL-06)	Clean Water Allotment Modernization Act of 2023	To amend the Federal Water Pollution Control Act to modify certain allotments under that Act	Introduced in the House. Referred to the Committee on Transportation and Infrastructure Subcommittee on Water Resources and Environment (5/10/2023)
H.R. 3490	Gallego (D-AZ-03)	To amend the Federal Water Pollution Control Act and the Safe Drinking Water Act to authorize grants for smart water infrastructure technology		Introduced in the House. Referred to the Committee on Transportation and Infrastructure Subcommittee on Water Resources and Environment (5/19/2023) and Energy and Commerce (5/18/2023)

**Senate Bills**

S. 64	Barrasso (R-WY)	Water Rights Protection Act of 2023	Prohibits the Department of the Interior and Agriculture from mandating water users transfer water rights to the U.S., or purchase water rights in the name of the U.S. as a condition of any permit, lease, or other use agreement. Also recognizes state water law and requires coordination with the states.	Introduced in the Senate (1/25/2023)
S. 1233	Booker (D-NJ)	To amend the Consolidated Farm and Rural Development Act to modify provisions relating to rural decentralized water systems grants.		Introduced in the Senate. Referred to the Committee on Agriculture, Nutrition, and Forestry (4/20/2023)
S. 1358	Cramer (R-ND)	LAKES Act	To amend the Water Resources Development Act of 1992 and the Flood Control Act of 196 to provide for provisions relating to collection and retention of user fees at recreation facilities	Introduced in the Senate. (4/27/2023)
S. 1430	Lummis (R-WY)	Water Systems PFAS Liability Protection Act	To exempt certain entities from liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 with respect to releases of perfluoroalkyl and polyfluoroalkyl substances	Introduced in the Senate. (5/3/2023)

Estimated CVP Operations 90% Exceedance

Storages

Federal End of the Month Storage/Elevation (TAF/Feet)

Facility	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Trinity	890	1087	1233	1221	1172	1126	1112	1108	1129	1130	1147	1206	1254
Elevation		2265	2279	2278	2273	2269	2267	2267	2269	2269	2271	2277	2281
Whiskeytown	236	238	238	238	238	238	206	206	206	206	206	206	238
Elevation		1209	1209	1209	1209	1209	1199	1199	1199	1199	1199	1199	1209
Shasta	4430	4381	4174	3844	3470	3288	3154	3133	3175	3222	3369	3614	3718
Elevation		1061	1054	1042	1027	1020	1014	1014	1015	1017	1023	1033	1037
Folsom	805	917	835	708	611	601	518	442	382	337	357	452	584
Elevation		461	453	440	430	429	419	409	400	393	397	410	427
New Melones	1514	1722	1930	1958	1937	1939	1901	1914	1928	1931	1939	1966	1877
Elevation		1026	1046	1048	1047	1047	1043	1044	1046	1046	1047	1049	1041
Federal San Luis	958	879	684	337	85	51	106	166	304	440	398	343	170
Elevation		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	8833	9223	9094	8307	7514	7242	6997	6969	7124	7265	7416	7787	7841

State End of the Month Reservoir Storage (TAF/Feet)

Facility	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Oroville	3230	3340	3333	2994	2517	2130	1862	1746	1701	1762	1864	2034	2143
Elevation		888	887	864	828	795	769	757	753	759	769	786	796
State San Luis	1056	1078	945	860	761	759	726	648	568	604	592	552	286
Elevation		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total San Luis (TAF)	2014	1957	1629	1198	846	810	831	813	872	1044	990	895	456
Elevation		537	510	472	437	433	435	433	440	457	452	442	391

Monthly River Releases (TAF/cfs)

Facility	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Trinity		111	38	28	53	52	23	18	18	18	17	18	32
cfs		1,805	639	456	857	870	373	300	300	300	300	300	540
Clear Creek		18	14	9	9	9	12	12	12	12	11	22	12
cfs		291	242	150	150	150	200	200	200	200	200	363	200
Sacramento		738	535	553	553	363	369	268	277	277	250	277	363
cfs		12000	9000	9000	9000	6100	6000	4500	4500	4500	4500	4500	6104
American		492	416	277	215	119	123	119	123	108	83	77	74
cfs		8000	7000	4500	3500	2000	2000	2007	2000	1750	1500	1250	1250
Stanislaus		96	56	18	18	18	48	12	12	14	13	12	83
cfs		1555	940	300	300	300	774	200	200	226	229	200	1400
Feather		553	238	326	455	470	295	104	108	108	97	108	104
cfs		9000	4000	5300	7400	7900	4800	1750	1750	1750	1750	1750	1750

Trinity Diversions (TAF)

Facility	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Carr PP		0	0	7	10	9	0	6	1	13	20	9	56
Spring Crk. PP		4	0	0	0	0	22	0	1	8	20	6	27

Delta Summary (TAF)

Facility/Location/Metric	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Tracy		223	250	265	265	255	234	172	220	225	92	105	60
USBR Banks		0	0	0	0	0	44	44	44	0	0	0	0
Contra Costa		9.5	9.5	7.4	8.3	9.5	14.0	14.0	14.0	13.7	13.7	10.5	9.5
Total USBR		233	260	272	273	265	292	230	278	239	106	116	69
State Export		307	293	401	402	396	308	222	200	160	108	198	30
Total Export		540	553	673	675	661	600	452	478	399	214	314	99
COA Balance		0	0	0	0	0	0	0	0	0	0	0	0
Vernalis TAF		1565	893	697	210	182	201	83	83	93	112	120	173
Vernalis cfs		25461	15010	11345	3423	3057	3263	1393	1355	1511	2012	1957	2901
Old/Middle R. calc. cfs		4,104	-987	-3,919	-7,508	-7,764	-6,637	-5,813	-5,968	-4,904	-2,648	-3,636	-563
Computed DOI cfs		49973	22844	13355	7402	7699	7109	4505	7288	9321	11400	11403	9733
Excess Outflow		23636	7665	5352	3400	605	0	0	2782	3319	0	0	235
% Export/Inflow		14%	25%	38%	49%	51%	52%	57%	49%	42%	24%	31%	12%
% Export/Inflow std.		35%	35%	65%	65%	65%	65%	65%	65%	65%	45%	35%	35%

Hydrology

	Trinity	Shasta	Folsom	New Melones
Water Year Inflow (TAF)	1348	5,703	4,383	2232
Year to Date + Forecasted	112%	103%	161%	211%
	% of mean			

CVP actual operations do not follow any forecasted operation or outlook; actual operations are based on real-time conditions.

CVP operational forecasts or outlooks represent general system-wide dynamics and do not necessarily address specific watershed/tributary details.

CVP releases or export values represent monthly averages.

CVP Operations are updated monthly as new hydrology information is made available December through May.

Estimated CVP Operations 50% Exceedance

Storages

Federal End of the Month Storage/Elevation (TAF/Feet)

Facility	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Trinity	890	1122	1248	1244	1195	1148	1136	1144	1182	1246	1358	1486	1592
Elevation		2268	2281	2280	2276	2271	2270	2271	2274	2281	2291	2302	2311
Whiskeytown	236	238	238	238	238	238	206	206	206	206	206	206	238
Elevation		1209	1209	1209	1209	1209	1199	1199	1199	1199	1199	1199	1209
Shasta	4430	4412	4221	3921	3576	3365	3162	3191	3296	3475	3680	3948	4200
Elevation		1062	1056	1045	1032	1023	1015	1016	1020	1028	1036	1046	1055
Folsom	805	901	958	879	757	661	532	475	435	434	558	716	844
Elevation		459	464	457	445	435	420	413	408	408	424	441	454
New Melones	1514	1756	1981	2065	2014	1978	1937	1958	1963	1958	1950	1954	1948
Elevation		1029	1051	1058	1054	1050	1046	1048	1049	1048	1048	1048	1048
Federal San Luis	958	890	699	352	85	50	128	266	412	581	682	760	569
Elevation		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	8833	9319	9345	8699	7865	7440	7101	7240	7494	7900	8433	9069	9391

State End of the Month Reservoir Storage (TAF/Feet)

Facility	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Oroville	3230	3464	3537	3362	2907	2619	2265	2118	2133	2344	2515	2409	2683
Elevation		896	900	889	858	836	807	794	795	813	828	819	841
State San Luis	1056	1064	1026	975	908	931	964	1007	928	967	1093	1185	935
Elevation		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total San Luis (TAF)	2014	1954	1725	1327	994	981	1092	1273	1340	1548	1775	1944	1505
Elevation		537	518	484	452	451	462	479	485	504	523	536	500

Monthly River Releases (TAF/cfs)

Facility	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Trinity		111	38	28	53	52	23	18	18	18	17	18	80
cfs		1,805	639	456	857	870	373	300	300	300	300	300	1,347
Clear Creek		17	17	9	9	9	12	12	12	12	11	22	12
cfs		281	284	150	150	150	200	200	200	200	200	363	200
Sacramento		738	595	553	553	416	307	268	277	430	555	553	357
cfs		12000	10000	9000	9000	7000	5000	4500	4500	7000	10000	9000	6000
American		584	357	246	246	208	154	149	154	154	139	154	297
cfs		9500	6000	4000	4000	3500	2504	2506	2500	2500	2500	2500	5000
Stanislaus		96	89	61	61	59	49	12	31	49	83	93	83
cfs		1555	1500	1000	1000	1000	797	200	500	800	1500	1521	1400
Feather		615	333	252	492	399	381	184	108	108	278	553	178
cfs		10000	5600	4100	8000	6700	6200	3100	1750	1750	5000	9000	3000

Trinity Diversions (TAF)

Facility	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Carr PP		5	11	9	10	9	0	5	1	1	1	1	20
Spring Crk. PP		0	0	0	0	0	22	0	4	23	34	16	0

Delta Summary (TAF)

Facility/Location/Metric	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Tracy		223	255	265	260	255	260	252	230	258	235	238	60
USBR Banks		0	0	0	0	0	44	44	44	0	0	0	0
Contra Costa		12.7	9.8	11.1	12.7	14.0	14.0	16.0	18.0	14.0	14.0	12.7	12.7
Total USBR		236	265	276	273	269	318	312	292	272	249	251	72
State Export		308	393	440	440	425	370	336	194	170	232	238	30
Total Export		544	658	716	713	694	688	648	486	442	481	489	102
COA Balance		0	0	0	0	0	23	0	0	0	0	0	0
Vernalis TAF		1581	1276	850	278	248	202	99	122	154	307	330	243
Vernalis cfs		25727	21453	13835	4530	4177	3286	1662	1980	2508	5534	5376	4089
Old/Middle R. calc. cfs		4,171	550	-3,334	-7,479	-7,693	-7,729	-8,229	-5,786	-4,998	-4,770	-4,292	-70
Computed DOI cfs		57066	33434	14136	9240	9649	7109	4505	11013	21375	33967	37024	22609
Excess Outflow		30729	11632	6133	5238	2555	0	0	6507	15373	22567	25621	13111
% Export/Inflow		13%	23%	38%	46%	47%	54%	65%	40%	25%	20%	17%	6%
% Export/Inflow std.		35%	35%	65%	65%	65%	65%	65%	65%	65%	45%	35%	35%

Hydrology

	Trinity	Shasta	Folsom	New Melones
Water Year Inflow (TAF)	1388	5,898	4,566	2417
Year to Date + Forecasted % of mean	115%	107%	168%	229%

CVP actual operations do not follow any forecasted operation or outlook; actual operations are based on real-time conditions.

CVP operational forecasts or outlooks represent general system-wide dynamics and do not necessarily address specific watershed/tributary details.

CVP releases or export values represent monthly averages.

CVP Operations are updated monthly as new hydrology information is made available December through May.



**San Luis & Delta-Mendota Water Authority
Monday, June 5, 2023 10:00 a.m.**

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

**SLDMWA Boardroom
842 6th Street, Los Banos**

Public Participation Information

Join Zoom Meeting

<https://us02web.zoom.us/j/87306498641?pwd=V0ZCVU1KOVkzdzhObmq2UHR5L2E2dz09>

Meeting ID: 873 0649 8641

Passcode: 794599

One tap mobile

+16699006833,,87306498641#,,,,*794599# US (San Jose)

+16694449171,,87306498641#,,,,*794599# US

Dial by your location

+1 669 900 6833 US (San Jose)

Meeting ID: 873 0649 8641

Passcode: 794599

Find your local number: <https://us02web.zoom.us/u/kd65oZmWa0>

NOTE: 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.

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

NOTE FURTHER: Meeting materials have been made available to the public on the San Luis & Delta-Mendota Water Authority's website, <https://www.sldmwa.org>, and at the Los Banos Administrative Office, 842 6th Street, Los Banos, CA 93635.

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 May 1, 2023 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. 3675 (Boebert), Western Water Accelerated Revenue Repayment Act
 - B. S. 658 (Booker), EQIP Improvement Act of 2023
 - C. S. ____ (Feinstein), Canal Conveyance Capacity Restoration Act
 - D. S. ____ (Feinstein), STREAM Act
 - E. S. ____ (Feinstein), RAIN Act
 - F. A.B. 754 (Papan), Water management planning: automatic conservation plan
 - G. A.B. 1205 (Bauer-Kahan), Water rights: sale, transfer, or lease: agricultural lands

REPORT ITEMS

6. Executive Director's Report, Barajas
(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)
7. 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 and San Joaquin Valley Water Collaborative Action Plan)
8. Update on Water Operations and Forecasts, Boardman
9. Committee Member Reports
10. Closed Session

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of Litigation Pursuant to paragraph (4) of Subdivision (d) of Government Code Section 54956.9 – 2 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. Haaland, et al., U.S. District Court, E.D. Cal., Case No. 1:05-cv-01207; 9th Cir., Case No. 21-15163 (2005 DMC Contract Renewals)
- B. Pacific Coast Federation of Fishermen's Associations, et al. v. Conant, et al., U.S. District Court, E.D. Cal., Case No. 2:11-cv-02980; 9th Cir. Case No. 23-15599 (PCFFA v. Glaser or GBP Citizen Suit)
- C. City of Fresno, et al. v. United States, U.S. Court of Appeals for the Federal Cir., Case No. 22-1994; U.S. Court of Federal Claims, Case No. 1:16-cv-01276 (2014 Friant Div. Operations)
- D. Monterey Coastkeeper, et al. v. Central Valley Regional Water Quality Control Board, et al., Sac. Co. Superior Court, Case No. 34-2018-80002853; Env'tl Law Foundation v. State Water Resources Control Board, Sac. Co. Superior Court, Case No. 34-2018-80002851; Third District Court of Appeal, Case No. C093513; Cal. Supreme Court, Case No. S279677 (Waste Discharge Requirement Cases)
- E. North Coast Rivers Alliance v. Delta Stewardship Council, Sac. Co. Superior Court, Case No. 34-2018-80002898, Third District Court of Appeal Case No. C097948 (Delta Plan Amendment Cases)
- F. North Coast Rivers Alliance, et al. v. San Luis & Delta-Mendota Water Authority, et al., Merced Co. Superior Court, Case No. 19CV-04989; Fifth District Court of Appeal, Case No. F085972 (GBP Long-Term Storm Water Management Plan)
- G. Pacific Coast Federation of Fishermen's Associations, et al. v. Raimondo, et al., U.S. District Court, E.D. Cal., Case No. 1:20-cv-00431 (ROC on LTO BiOps)
- H. California Natural Resources Agency, et al. v. Raimondo, et al., U.S. District Court, E.D. Cal., Case No. 1:20-cv-00426 (ROC on LTO BiOps)
- I. CDWR Water Operation Cases, Sac. Co. Superior Court, Case No. JCCP 5117 (formerly Tehama-Colusa Canal Authority, et al. v. California Department of Water Resources, et al., Fresno Co. Superior Court, Case No. 20CECG01303) (SWP EIR Challenge)
- J. AquAlliance, et al. v. U.S. Bureau of Reclamation, et al., U.S. District Court, E.D. Cal., Case No. 1:20-cv-00878 (Long-Term Water Transfers EIS/EIR)
- K. AquAlliance et al. v. San Luis & Delta-Mendota Water Authority, Merced Co. Superior Court, Case No. 21CV-03487 (Long-Term Water Transfers EIS/EIR Addendum)
- L. California Sportfishing Protection Alliance, et al. v. State Water Resources Control Board, et al., Sac. Co. Superior Court, Case No. 34-2021-80003761 (2021 TUCP Order)
- M. California Sportfishing Protection Alliance, et al. v. State Water Resources Control Board, et al., Sac.

11. Return to Open Session
12. Report from Closed Session, if any, Required by Government Code Section 54957.1
13. Reports Pursuant to Government Code Section 54954.2(a)(3)
14. 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, 842 6th Street, P.O. Box 2157, Los Banos, California, via telephone at (209) 826-9696, or via email at cheri.worthy@sldmwa.org. Requests should be made as far in advance as possible before the meeting date, preferably 3 days in advance of regular meetings or 1 day in advance of special meetings/workshops.

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 MEETING AND JOINT
WATER RESOURCES COMMITTEE REGULAR MEETING - SPECIAL
BOARD WORKSHOP MINUTES**

MAY 1, 2023

The San Luis & Delta-Mendota Water Authority Water Resources Committee Regular Meeting and Joint Water Resources Committee Regular Meeting and Special Board Workshop convened at approximately 10:00 a.m. at 842 6th Street in Los Banos, California, with Chair William Bourdeau presiding.

Water Resources Committee Members Present

Ex-Officio

Cannon Michael
William Bourdeau

Division 1

Anthea Hansen, Alternate

Division 2

Bill Diedrich, Member

Division 3

Chris White, Member

Division 4

Vincent Gin, Member - Steve Wittry, Alternate

Division 5

Manny Amorelli, Member

Board of Directors Present

Division 1

Anthea Hansen, Director

Division 2

Justin Diener, Alternate
William Bourdeau, Director
Bill Diedrich, Director (arrived during item 5)

Division 3

Chris White, Alternate
Jarrett Martin, Director
Cannon Michael, Director

Division 4

Steve Wittry, Director

Joyce Machado, Alternate

Division 5

Manny Amorelli, Director

Authority Representatives Present

Federico Barajas, Executive Director

Rebecca Akroyd, General Counsel

Rebecca Harms, Deputy General Counsel

Ray Tarka, Director of Finance

Scott Petersen, Water Policy Director

Bob Martin, Facilities O&M Director

Jaime McNeill, Engineering Manager

Chauncey Lee, O&M Manager

Seth Harris, Water Operations Superintendent (Water Master)

Stewart Davis, IT Officer

Others Present

Tom Boardman, Westlands Water District (via ZOOM)

Dana Jacobson, Valley Water

Lea Emmons, City of Tracy

1. Call to Order/Roll Call

Chair William Bourdeau called the meeting to order and roll was called.

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 April 3, 2023 Meeting Minutes.

Chair William Bourdeau deemed the April 3, 2023 meeting minutes approved as submitted.

5. Water Resources Committee to Consider Recommendation to Board of Directors to Appoint Representatives to State and Federal Contractors Water Agency Board of Directors.

Executive Director Federico Barajas reviewed the memo included in the packet and reported that staff recommends the appointment of Director Ed Pattison as a representative on the State and

Federal Contractors Water Agency (SFCWA) Board of Directors to fill the Authority's vacant director seat.

Alternate Member Anthea Hansen made the motion to recommend the Board of Directors appoint Director Ed Pattison as a representative on the SFCWA Board of Directors. The motion was seconded by Member Bill Diedrich. The vote on the motion was as follows:

AYES:	Michael, Bourdeau, Hansen, Diedrich, White, Gin, Amorelli
NOES:	None
ABSTENTIONS:	None

6. Water Resources Committee to Consider Recommendation to Board to Adopt Staff Recommendation for Positions on Legislation.

Water Policy Director Scott Petersen reported and provided staff recommended positions for consideration on the following legislation:

- a. **H.R. 872 (Calvert)**, Federally Integrated Species Health (FISH) Act
- b. **H.R. 2419 (Costa)**, Canal Conveyance Capacity Restoration Act
- c. **H.R. 2671 (Costa)**, To amend the Water Infrastructure Finance and Innovation Act of 2014 with respect to budgetary treatment of certain amounts of financial assistance, and for other purposes.
- d. **AB 939 (Pellerin)**, Santa Clara Valley Water District
- e. **AB 1469 (Kalra)**, Santa Clara Valley Water District
- f. **AB 1594 (Garcia)**, Medium- and heavy-duty zero-emission vehicles: public agency utilities
- g. **AB 345 (Wilson)**, Habitat Restoration: flood control: advance payment
- h. **SB 493 (Min)**, Air pollution: alternative vehicles and electric and hydrogen infrastructure
- i. **SB 550 (Grove)**, Water markets
- j. **SB 659 (Ashby)**, California Water Supply Solutions Act of 2023
- k. **AB 754 (Papan)**, Water management planning: automatic conservation plan
- l. **AB 1205 (Bauer-Kahan)**, Water rights: sale, transfer, or lease: agricultural lands - Petersen reported that staff is looking for input, and will bring this bill back to the Committee in June.

Member Chris White made the motion to recommend the Board of Directors adopt staff recommendation for positions on legislation (HR 872, HR 2419, HR 2671, AB 939, AB 1469, AB 1594 {if amended} – Support) (AB 345, SB 493, SB 550, SB 659 - Favor). The motion was seconded by Ex Officio Member Cannon Michael. The vote on the motion was as follows:

AYES: Michael, Bourdeau, Hansen, Diedrich, White, Gin, Amorelli
NOES: None
ABSTENTIONS: None

Ex Officio Member Cannon Michael made the motion to recommend the Board of Directors adopt staff recommendation for positions on legislation (AB 754 - Oppose). The motion was seconded by Member Chris White. The vote on the motion was as follows:

AYES: Michael, Bourdeau, Hansen, Diedrich, White, Amorelli
NOES: None
ABSTENTIONS: Gin

7. Water Resources to Consider Recommendation to Board of Directors to Adopt Resolution Authorizing Award of Contract, Execution of Construction Agreement for O’Neill Pumping-Generating Plant Power Transformer Rehabilitations, and Expenditures of Up To \$3.2 Million from the FY22 and FY23 EO&M Budgets; CEQA Exemption.

Executive Director Federico Barajas introduced the item. Engineering Manager Jaime McNeill reviewed the memo included in the packet. McNeill reported that last year, the Authority solicited for the rehabilitation project and received one proposal. McNeill reported that in August 2022, the Water Resources and Finance & Administration Committees recommended, and the Board adopted Resolution No. 2022-507 authorizing award of contract pending successful negotiation on technical aspects of the proposal. McNeill reported that negotiations were ultimately unsuccessful, and the proposer withdrew their proposal. McNeill reported that on January 3, 2023 the contract was resolicited, and the Authority received one proposal from Cal Electro Inc. (CEI). McNeill reported that the proposal included all documents as required per the solicitation. McNeill reported that during the evaluation phase, evaluators requested a few clarifications regarding the proposal, and after obtaining clarifications from CEI, the Technical Proposal Evaluation Committee (TPEC) evaluated the proposal and its clarifications, and CEI received a passing score of 90%. McNeill reported that the proposed expenditure of up to \$3.2M will be funded utilizing budgeted funds from Fiscal Year 2022

and 2023 EO&M budgets. McNeill reported that \$1.66M will be funded from FY22, and \$1.54M from FY23. Superintendent of Water Operations Seth Harris reviewed the Operations Plan and answered committee member questions.

Member Bill Diedrich made the motion to recommend the Board of Directors approve resolution authorizing award of contract, execution of construction agreement for O'Neill Pumping-Generating Plant power transformer rehabilitations, and expenditure of up to \$3.2 million from the FY22 and FY23, EO&M budgets; CEQA exemption. The motion was seconded by Alternate Member Anthea Hansen. The vote on the motion was as follows:

AYES:	Michael, Bourdeau, Hansen, Diedrich, White, Gin, Amorelli
NOES:	None
ABSTENTIONS:	None

8. **Executive Director's Report.**

- a. **Water Allocation Update** – Executive Director Federico Barajas reported that Reclamation provided an update to the March Central Valley Project 2023 water supply allocation. Reclamation announced that Irrigation water service and repayment contractors have increased to 100 percent from 80 percent of their contract totals. Staff have not recalculated rates to include this increase given the recent rate adjustment that took place last month. Barajas reported that this allocation increase would not have a drastic effect on rates.
- b. **B.F. Sisk Dam Raise and Reservoir Expansion Project** – Executive Director Federico Barajas reported that staff and consultants have been meeting with various Activity Agreement Members regarding next steps.
- c. **O&M Technical Committee** – Executive Director Federico Barajas stated the Authority is beginning their OM&R budget process. Barajas reported that the initial step is an O&M Technical Committee tour to assess and discuss potential budgeted items in the upcoming year. Barajas reported that the tour is scheduled May 22, 2023.

9. **Update on Water Policy/Resources Activities.**

Water Policy Director Scott Petersen provided a brief summary of the report included in the packet.

- a. **Reinitiation of Consultation** - Petersen reported that there are a couple upcoming meetings over the next month, and if interested to contact him for more information.
- b. **WQCP** – Petersen reported that there is an upcoming workshop on Phase 1 implementation.
- c. **Water Blueprint for the San Joaquin Valley** - Petersen reported that the Blueprint Board met, approving the execution of a contract with the Hallmark Group for association management services and authorizing the Communications Committee to work with the Advocacy Committee to develop a Communications Plan to guide communications for the organization.
- d. **SJV CAP** – Petersen reported that the CAP Plenary authorized the formation and the development of charters for five work groups, who will be tasked with creating priorities to implement various provisions of the approved Term Sheet.

10. Update on Water Operations and Forecasts.

Westlands Water District's Tom Boardman reported that Shasta is just 100 TAF from full and that releases have begun to increase to manage the filling of the reservoir over the next month. The status of Folsom storage was also reported along with the amount of accumulated snowpack.

Delta conditions were described including the current rate of export pumping for both the CVP and SWP.

Flood flow operations into the Mendota Pool were also briefly explained.

Boardman responded to a question regarding the projected date when CVP San Luis Reservoir would begin a sustained drawdown. Boardman also responded to a question confirming that Section 215 water would be available until a sustained drawdown occurs.

11. Committee Member Reports.

None.

12. Agenda Item 10-12: Closed Session

Committee Chair William Bourdeau adjourned the open session to address the items listed on the Closed Session Agenda at approximately 11:14 a.m. Upon return to open session at approximately 11:33 a.m., General Counsel Rebecca Akroyd reported that no reportable actions were taken in closed session.

13. **Agenda Item 13: Reports Pursuant to Government Code Section 54954.2**
None.

14. **Agenda Item 14: Adjournment**

The meeting was adjourned at approximately 11:34 a.m.



MEMORANDUM

TO: SLDMWA Water Resources Committee Members and Alternates

FROM: Scott Petersen, Water Policy Director

DATE: June 5, 2023

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 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 and San Joaquin Valley Water Collaborative Action Plan.

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 sheet¹ 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.

On September 30, 2021, Reclamation Regional Director Ernest Conant sent a letter to U.S. FWS Regional Director Paul Souza and NMFS Regional Administrator Barry Thom requesting reinitiation of consultation on the Long-Term Operation of the CVP and SWP. Pursuant to 50 CFR § 402.16, Reclamation indicated that reinitiation is warranted based on anticipated modifications to the Proposed Action that may cause effects to listed species or designated critical habitats not analyzed in the U.S. Fish and Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS) Biological Opinions, dated October 21, 2019. To address the review of agency actions required by Executive Order 13990 and to voluntarily reconcile CVP operating criteria with operational requirements of the SWP under the California Endangered Species Act, Reclamation and DWR indicated that they anticipate a modified Proposed Action and associated biological effects analysis that would result in new Biological Opinions for the CVP and SWP.

Following this action, on October 20, 2021, the SLDMWA sent a letter to Reclamation Regional Director Ernest Conant requesting participation in the reinitiation of consultation pursuant to Section 4004 of the WIIN Act and in the NEPA process as either a Cooperating Agency or Participating Agency.

On February 26, 2022, the Department of the Interior released a Notice of Intent To Prepare an Environmental Impact Statement (EIS) and Hold Public Scoping Meetings on the 2021 Endangered Species Act Reinitiation of Section 7 Consultation on the Long-Term Operation of the Central Valley Project and State Water Project². In response to this, on March 30, 2022, the SLDMWA submitted a comment letter highlighting actions for Reclamation to consider during preparation of the EIS.

¹ <https://www.whitehouse.gov/briefing-room/statements-releases/2021/01/20/fact-sheet-list-of-agency-actions-for-review/>

² <https://www.govinfo.gov/content/pkg/FR-2022-02-28/pdf/2022-04160.pdf>

During May 2022, Reclamation issued draft copies of the Knowledge Base Papers for the following management topics and requested supplementary material review and comments, to which the Authority submitted comment letters in June:

1. Spring-run Juvenile Production Estimate- Spring-run Survival Knowledge Base Document, May 2022
2. Steelhead Juvenile Production Estimate-Steelhead Survival Knowledge Base Document, April 2022
3. Old and Middle River Reverse Flow Management – Smelt, Chinook Salmon, and Steelhead Migration and Survival Knowledge Base Document, May 2022
4. Central Valley Tributary Habitat Restoration Effects on Salmonid Growth and Survival Knowledge Based Paper, March 2022
5. Delta Spring Outflow Management Smelt Growth and Survival Knowledge Base Document, May 2022
6. Pulse Flow Effects on Salmonid Survival Knowledge Base Document, May 2022
7. Summer and Fall Habitat Management Actions – Smelt Growth and Survival Knowledge Base Document, May 2022
8. Shasta Cold Water Pool Management – End of September Storage Knowledge Base Document, May 2022

Subsequent to the Knowledge Base Paper review, a Scoping Meeting was held, to which Water Authority staff provided comments, resulting in the release of a Scoping Report³ by Reclamation in June 2022.

On October 14, 2022, Reclamation released an Initial Alternatives Report (IAR), which Authority staff is reviewing and coordinating with member agencies for potential engagement with Reclamation regarding the alternatives presented in the report.

On May 16, 2023, Reclamation provided an administrative draft copy of the Proposed Action, titled “State and Federal Cooperating Agency Draft LTO Alternative” to agencies that have executed an MOU with Reclamation on engagement. Authority staff is reviewing the document and has identified a few items to provide feedback to Reclamation, in coordination with member agencies and other CVP contractors.

Current Milestones

- June 2023 – Proposed Action and Alternatives
- June 2023 – Public Draft EIS/Qualitative Biological Assessment
 - The public draft EIS will be the avenue for comments to Reclamation
 - Cooperating agencies will receive an administrative draft of the EIS
- June 2023 – Next WIIN Act Quarterly Meeting
- September 2023 – Scheduled release of Quantitative Biological Assessment
- February 2024 – Record of Decision

Exploratory Modeling

Concurrent with the development of the EIS and BA, Reclamation is conducting Exploratory Modeling to assist in the development of the Proposed Action and Biological Assessment. As a part of this work, the

³ <https://www.usbr.gov/mp/bdo/docs/lto-scoping-report-2022.pdf>

Benchmark model has been updated, with further updates to come. Current efforts are focused on modeling of the various alternatives, with a current focus on Shasta operations, with an expected completion date of June for the final NEPA alternative analysis.

State Water Resources Control Board (State Water Board) Activity

Bay Delta Water Quality Control Plan Update

Background

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.⁴ 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.

Phase 1 Status: The State Water Board adopted a resolution⁵ 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.

Most recently, on July 18, 2022, the State Water Resources Control Board issued a Notice of Preparation (NOP)⁶ and California Environmental Quality Act (CEQA) Scoping Meeting for the Proposed Regulation to Implement Lower San Joaquin River Flows (LSJR) and Southern Delta Salinity Objectives in the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta (Bay-Delta Plan).

The purpose of the NOP is: (1) to advise responsible and trustee agencies, Tribes, and interested organizations and persons, that the State Water Board or Board will be the lead agency and will prepare a draft EIR for a proposed regulation implementing the LSJR flow and southern Delta salinity components of the 2018 Bay-Delta Plan, and (2) to seek input on significant environmental issues, reasonable alternatives, and mitigation measures that should be addressed in the EIR. For responsible and trustee

⁴ Available at <https://water.ca.gov/-/media/DWR-Website/Web-Pages/Blogs/Voluntary-Settlement-Agreement-Meeting-Materials-Dec-12-2018-DWR-CDFW-CNRA.pdf>.

⁵ Available at https://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2018/rs2018_0059.pdf.

⁶ Available at https://www.waterboards.ca.gov/public_notices/notices/20220715-implementation-nop-and-scoping-dwr-baydelta.pdf

agencies, the State Water Board requests the views of your agency as to the scope and content of the environmental information related to your agency's area of statutory responsibility that must be included in the draft EIR.

In response to the release of the NOP, the Water Authority and member agencies provided scoping comments⁷.

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.

On March 1, 2019, the California Department of Water Resources and the Department of Fish and Wildlife submitted documents⁸ 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, 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.

Schedule

LSJR Flow/SD Salinity Implementation Next Steps Assuming Regulation Path (Phase 1)

- Summer 2023: Executive Director act on draft COP, compliance methods, and procedures for adaptive implementation
- Fall 2023
 - Scientific Basis Report for Tuolumne River VAs submitted for peer review
 - Draft Staff Report for Bay-Delta Plan amendment for Tuolumne River VA
 - Draft Regulation and Draft EIR in support of a regulation implementing Lower SJR flows and South Delta Salinity

⁷ Request from Authority staff

⁸ Available at http://resources.ca.gov/docs/voluntary-agreements/2019/Complete_March_1_VA_Submission_to_SWRCB.pdf

- Winter/Spring 2024
 - Final draft Staff Report for Tuolumne River VA
 - Board workshop and consideration of Tuolumne River VA
 - Final draft EIR and regulation implementing Lower SJR flows and South Delta Salinity
 - Board consideration of regulation implementing Lower SJR flows and South Delta Salinity

Sac/Delta Update: Key Milestones

- Spring 2023: Scientific Basis Report Supplement for Sacramento River/Delta Voluntary Agreements submitted for peer review after addressing public comments
- Spring 2023: Draft Sacramento River/Delta Update Staff Report public review and comment
- Spring/Summer 2023: Public workshop on Draft Staff Report
- Spring/Summer 2024: Response to comments and development of proposed final changes to the Bay-Delta Plan
- Summer/Fall 2024: Board consideration of adoption

Voluntary Agreements

On March 29, 2022, members of the Newsom Administration joined federal and local water leaders in announcing the signing of a memorandum of understanding⁹ that advances integrated efforts to improve ecosystem and fisheries health within the Sacramento-San Joaquin Bay-Delta. State and federal agencies also announced an agreement¹⁰ specifically with the Sacramento River Settlement Contractors on an approach for 2022 water operations on the Sacramento River.

Both announcements represent a potential revival of progress toward what has been known as “Voluntary Agreements,” an approach the Authority believes is superior to a regulatory approach to update the Bay-Delta Water Quality Control Plan.

The broader MOU outlines terms for an eight-year program that would provide substantial new flows for the environment to help recover salmon and other native fish. The terms also support the creation of new and restored habitat for fish and wildlife, and provide significant funding for environmental improvements and water purchases, according to a joint news release from the California Natural Resources Agency and the California Environmental Protection Agency (CalEPA). Local water agency managers signing the MOU have committed to bringing the terms of the MOU to their boards of directors for their endorsement and to work to settle litigation over engaged species protections in the Delta.

On June 16, the SLDMWA, Friant Water Authority and Tehama Colusa Canal Authority signed onto the VA MOU. Additionally, since that time, in September and November, four more agencies – Contra Costa Water District, San Francisco Public Utilities Commission (SFPUC), Turlock Irrigation District (TID) and Modesto Irrigation District (MID) – have signed onto the VA MOU.

⁹ Available at <https://resources.ca.gov/-/media/CNRA-Website/Files/NewsRoom/Voluntary-Agreement-Package-March-29-2022.pdf>

¹⁰ Available at <https://calepa.ca.gov/2022/03/29/informational-statement-state-federal-agencies-and-sacramento-river-settlement-contractors-agree-on-approach-for-2022-water-operations-on-the-sacramento-river/>

Work continues to develop the working documents associated with execution and implementation of the VA's and workgroups for participating agencies have been formed, with the formation of a VA Science Workgroup to develop the framework of the VA's proposed Science program, as well as the recent formation of Scheduling and Funding workgroups to ensure that the program remains coordinated.

Tuolumne River Voluntary Agreement

Background

On December 12, 2018, the State Water Board adopted Bay-Delta Plan amendments and a Final SED establishing updated flow objectives on the Lower San Joaquin River, including its three eastside tributaries the Stanislaus, Tuolumne, and Merced Rivers (collectively "LSJR"), revised salinity objectives for the southern Delta, and programs of implementation to achieve the revised objectives.

In November, 2022, the State Water Board received a memorandum of understanding¹¹ for a proposed Tuolumne River Voluntary Agreement. To consider the proposed voluntary agreement, the State Water Board will need to also consider modifications to the Bay-Delta Plan and prepare a staff report to support those possible changes because the Tuolumne River Voluntary Agreement does not fully conform to the current provisions of the Bay-Delta Plan.

The State Water Board has not yet determined whether to approve changes to the Bay-Delta Plan to incorporate the proposed Tuolumne River Voluntary Agreement, but is commencing preparation of the staff report to inform its consideration. In developing its environmental documentation in the staff report, the State Water Board will tier, as appropriate, from the adopted December 12, 2018, Final SED for the LSJR and southern Delta update to the Bay-Delta Plan.

Notice of Preparation of Environmental Documentation and Scoping Meeting¹²

The State Water Resources Control Board (State Water Board or Board) will be the lead agency and is planning to prepare a staff report, including a substitute environmental document (SED) and a report documenting the scientific basis for consideration of potential updates to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Bay-Delta Plan) to incorporate a proposed voluntary agreement for the Tuolumne River (Tuolumne River Voluntary Agreement). The State Water Board's water quality control planning program is a certified regulatory program under the California Environmental Quality Act (CEQA) meaning the program is exempt from requirements for preparing environmental impact reports, negative declarations, or initial studies because the SED is recognized under CEQA and the regulations implementing CEQA as providing the functional equivalent.

The State Water Board solicited input from public agencies, California Native American tribes, and members of the public on the range of project actions; reasonable alternatives; reasonably foreseeable methods of compliance; significant environmental issues; cumulative impacts, if any; and mitigation

¹¹ Available at

https://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/docs/2023/revised-va-mou-swrcb-copy.pdf

¹² Available at

https://www.waterboards.ca.gov/board_info/calendar/docs/2023/notice_noptuolumneva_041123.pdf

measures that will reduce impacts to a less than significant level that should be considered in the potential Bay-Delta Plan update to consider incorporating the Tuolumne River Voluntary Agreement.

In response to the release of the NOP for the Tuolumne River VA, the Water Authority provided scoping comments.¹³

San Joaquin River Restoration Program

2023 Restoration Flows

On January 19, Reclamation issued the [initial allocation](#) for the 2023 water year, providing a total 556,542 acre-feet for Restoration Flows under a Wet year type. The Restoration Administrator, an independent body stipulated by the Settlement, has provided the initial Restoration Flow schedule. This schedule is now approved by Reclamation as being consistent with the Settlement, Restoration Flow Guidelines, and applicable water rights.

This schedule includes adjustments to Friant Dam releases to the San Joaquin River in February followed by gradually rising flows through the spring using available channel capacity. Restoration Flows decline in the summer but typically maintain connectivity throughout the Restoration Area. Restoration Flows increase again in autumn into winter to support salmon reproduction, incubation, and juvenile fry emergence.

The Restoration Flow schedule has been set to the following:

Date	Friant Dam Releases	Flows Rate at Gravelly Ford
February 10 – February 28	480 – 600 cfs as required to meet the flow target at Gravelly Ford	380 cfs
March 1 – March 31	Approximately 560 cfs	380 cfs
April 1 – April 30	Approximately 600 cfs	390 cfs
May 1 – May 21	Approximately 640 cfs	400 cfs
May 22 – May 31	Decreasing to approximately 440 cfs	Decreasing to 180 cfs
June 1 – July 29	Approximately 460 cfs	180 cfs
July 30 – October 31	Approximately 480 cfs	200 cfs
November 1 – December 31	Approximately 440 cfs	240 cfs

¹³ See Appendix

January 1 – February 6, 2024	Approximately 420 cfs	240 cfs
February 7 – February 29, 2024	Approximately 490 cfs	310 cfs

To view the Restoration Administrator Flow Recommendation, please visit https://www.restoresjr.net/?wpfb_dl=2713. For Information about Restoration Flows, please visit <http://www.restoresjr.net/restoration-goal/restoration-flows/>. For the Restoration Administrator recommendations, please visit <http://www.restoresjr.net/documentsreports/ra-recommendations/>.

Delta Conveyance

The Department of Water Resources (DWR) has committed to advancing further environmental planning and permitting activities, as well as public outreach and engagement, in 2023.

To help navigate the various permitting and regulatory compliance processes the project must complete prior to approval and/or implementation, DWR prepared a roadmap¹⁴ that outlines the major processes required for the Delta Conveyance Project.

The U.S. Army Corps of Engineers (USACE) issued a Draft EIS for the Delta Conveyance Project on December 16, 2022 for public review. This is a separate document and review process from DWR's Draft EIR public review process, and both are now closed. The Authority submitted a comment letter¹⁵ on the draft EIS.

U.S. Bureau of Reclamation

Reclamation Manual

Documents out for Comment

Draft Policy

- There are currently no Draft Policies out for review.

Draft Directives and Standards

- [FIN 07-21, Interest During Construction \(IDC\)](#) (comments due by 6/18/2023)

Draft Facilities Instructions, Standards, and Techniques (FIST)

- There are currently no Facilities Instructions, Standards, and Techniques out for review.

Draft Reclamation Safety and Health Standards (RSHS)

- There are currently no Safety and Health Standards out for review.

¹⁴ Available at https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/Delta-Conveyance/Public-Information/DCP_PlanningProcess_Roadmap_Jan2023_Final.pdf

¹⁵ Request from Authority staff

Draft Reclamation Design Standards

- There are currently no Design Standards out for review.

San Joaquin Valley Water Blueprint

The Water Blueprint for the San Joaquin Valley (Blueprint) is a non-profit group of stakeholders, working to better understand our shared goals for water solutions that support environmental stewardship with the needs of communities and industries throughout the San Joaquin Valley.

Blueprint's strategic priorities for 2022-2025: Advocacy, Groundwater Quality and Disadvantaged Communities, Land Use Changes & Environmental Planning, Outreach & Communications, SGMA Implementation, Water Supply Goals, Governance, Operations & Finance.

Mission Statement: *"Unifying the San Joaquin Valley's voice to advance an accessible, reliable solution for a balanced water future for all."*

Committees

Executive/Budget/Personnel

Hallmark is assisting with a reorganization of the work groups and committees to better drive results and has presented an initial modification to the organizational structure. Hallmark is facilitating the Blueprint's efforts to create a screening criterion for the identification of specific priorities to the San Joaquin Valley to be supported, pursued and accomplished.

Advocacy/Communications

The Communications committee is utilizing its operation plan for creating and disseminating Blueprint communications. Providence is preparing a scope for community outreach to be reviewed by the Board. The Advocacy committee is establishing a list of priorities and plan for future advocacy.

Activities

SJV/Delta Water Leaders' Summit

Blueprint coordinated and invited a select group of agricultural and water leaders from the San Joaquin Valley and the Delta region to meet and tour the Delta and SJ Valley. Due to the high flood risk in the Delta, the Planning Committee rescheduled the Summit meetings tentatively for November 2-3 to ensure that full attention is given to protecting life and property, and after harvest.

Drinking Water Feasibility Study - CSU Fresno State, FWA, Self-Help, Sustainable Conservation

The partners for the feasibility study are focused on identifying potential Fresno County districts/areas generally for recharge projects encompassing the Friant Place of Use boundaries. Initial modeling for Fresno State/California Water Institute has initially identified FID, Consolidated ID, Raisin City WD and North Fork Kings GSA for strong recharge potential. The group is focused on multi-benefits for recharge with a focus on drinking water with measurable results.

Unified Water Plan for the San Joaquin Valley

The Blueprint and California Water Institute held a kickoff meeting at ACWA to review the scope and initiate the joint development of a Unified Water Plan for the San Joaquin Valley as called for in the recently awarded Bureau of Reclamation grant. A copy of that scope is attached.¹⁶

San Joaquin Valley Water Collaborative Action Program (SJVV CAP)

Background

The CAP Plenary Group met on February 28 and approved the formation of work groups to advance the revised Term Sheet¹⁷, adopted on November 22, 2022. Phase II, Work Groups are beginning to meet and discuss priorities and drafting for their respective areas: Safe Drinking Water; Sustainable Water Supplies; Ecosystem Health; Land Use, Demand Reduction and Land Repurposing; Implementation.

Steering Committee members continue to meet to discuss the proposed budget and work with Reclamation regarding the requested funding.

The Plenary Group met on May 23, and the meeting summary is attached, as well as a presentation given to the Sustainable Water Supply Workgroup¹⁸.

¹⁶ See Appendix

¹⁷ Request from Authority staff

¹⁸ See Appendix

APPENDIX

San Luis & Delta-Mendota Water Authority



P.O. Box 2157
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May 25, 2023

VIA EMAIL

State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-0100

Email Submission: LSJR-SD-Comments@waterboards.ca.gov

Re: NOP Comment Letter – Tuolumne River Voluntary Agreement

Dear Members of the State Water Resources Control Board:

The San Luis & Delta-Mendota Water Authority (“Water Authority”) appreciates the opportunity to comment on the State Water Resources Control Board (“State Water Board”) Notice of Preparation of Environmental Documentation for Possible Amendment of the Water Quality Control Plan for the San Francisco/Sacramento-San Joaquin Delta Estuary to Incorporate Tuolumne River Voluntary Agreement (“Notice of Preparation”).

The Water Authority is a public agency with its principal office located in Los Banos, California. It was formed in 1992 as a joint powers authority, and has twenty-seven member agencies. Twenty-five of the Water Authority’s member agencies contract with the United States for the delivery of water from the federal Central Valley Project (“CVP”). Most of the Water Authority’s member agencies depend upon the CVP as the principal source of water they provide to users within their service areas. That water supply serves approximately 1.2 million acres of agricultural lands within areas of San Joaquin, Stanislaus, Merced, Fresno, Kings, San Benito, and Santa Clara Counties, a portion of the water supply for nearly 2 million people, including in urban areas within Santa Clara County referred to as the “Silicon Valley,” and millions of waterfowl that depend upon up to 200,000 acres of managed wetlands and other critical habitat within the largest contiguous wetland in the western United States. The operations of the CVP are therefore of vital interest and importance to the Water Authority, its member agencies, and the people, farms, businesses, communities, and wildlife refuges they serve. Because implementation of Water Quality Control Plan objectives will ultimately implicate operations of the CVP, thoughtful incorporation of the Tuolumne River Voluntary Agreement into the Water Quality Control Plan is of significant interest to the Water Authority and its member agencies.

The Water Authority views the Voluntary Agreements (“VAs”) as a paradigm shift in water management in the Bay-Delta watershed – a shift from a flow-dominant approach to one that recognizes the important ecosystem function that is provided by functional habitat paired with necessary baseline flows that can activate that habitat. Past regulatory processes incorporating a flow-dominant approach have failed to protect or restore the ecosystem function necessary to support the many life stages of Delta species. The Water Authority is optimistic that the VAs provide a more comprehensive approach that will protect and restore species, provide for more reliable water supply, and allow for flexibility to adapt management strategies for the changing environment. For these reasons, the Water Authority commends the State Water Board for its willingness to amend the Bay-Delta Plan to accommodate VAs.

The Tuolumne River VA includes habitat restoration commitments such as spawning and rearing habitat improvements. (NOP at p. 7.) The benefits of such projects should be evaluated on a programmatic level with a focus on their proportional contribution to meeting the Bay-Delta Plan objectives.

Lastly, the scope of the analysis of the Tuolumne River VA must include the potential impacts or interactions it may have with other VA actions more specifically, and CVP operations more generally. For example, if implementation of the Tuolumne River VA impacts other VA parties’ ability to implement their own VAs, that could create direct, indirect, and/or cumulative environmental effects, such as on water quality or agricultural resources, (NOP at pp. 7-8) that must be analyzed.

Regards,



J. Scott Petersen, P.E.
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San Luis & Delta-Mendota Water Authority
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Unified Water Plan for the San Joaquin Valley

Scope of Work

Lead: California Water Institute

Task 1: Project Administration

This objective includes the overall contract administration including contracting, billing, and financial reporting to meet Reclamation’s requirements.

Subtask 1.1 – Study Initiation

The Team shall prepare a Memoranda of Agreement (MOA), plan of study, and other project initiation activities.

Subtask 1.2 – Study Management

The Team will manage the development of the study, including monitoring and reporting on progress, budget, schedule, and work products. The Team will conduct regular project coordination meetings and activities with Reclamation.

Task 2: Stakeholder Engagement and Participation

This objective outlines how stakeholders throughout the Valley will be engaged in the development of the Report.

Stakeholder outreach and engagement on the status of the Report will be accomplished through established and ongoing stakeholder forums, including Blueprint Technical workgroup meetings; briefings to farm bureaus, water management agencies, commodity groups; and other outreach activities separately initiated by the Blueprint and other regional stakeholders. In addition, outreach will include discussions with state and federal agencies and non-governmental organizations that are actively working on water management issues in the Valley.

Task 3: Report Introduction

Subtask 3.1 Reasons for the report Update

Subtask 3.2 Consideration Factors

Subtask 3.3 Overview of 2016 report

Task 4: Defining Problems, Needs, and Opportunities

This objective outlines the steps necessary to develop the initial understanding of the severity of water management problems in the region and describe the range of needs and potential opportunities related to the topics identified in PL 111-11.

Subtask 4.1 – Describe Existing and Future Conditions with No Action

Compile and review existing information to describe the future condition with no planned action. To the greatest extent possible, existing, and future conditions will be described using readily available information including, but not limited to:

Unified San Joaquin Water Plan – Report

- Local GSP submitted to DWR
- Preliminary assessments of water supply and demand imbalances prepared by PPIC and DWR
- Identification of predictable changes in the future that will affect water supply such as the San Joaquin River Restoration and population growth
- Economic assessments prepared by PPIC
- Economic analyses by Professor David Sunding prepared for the Blueprint

To the extent possible with existing information, this objective will also describe how foreseeable and potential changes, such as the Voluntary Agreements and San Joaquin River Restoration, affect the water shortages. It also will identify the economic and social impacts if no imported supplies are brought to the Valley, and only regional trading of groundwater is facilitated.

Subtask 4.2 – Describe Range of Needs and Opportunities

Based on information gathered in Objective 3.1, and in coordination with the Blueprint participants and other stakeholders, the range of needs for the topics addressed in Objective 3.1 will be described. This will include descriptions of opportunities for solutions to address multiple objectives and the range of participants required for their implementation.

This subobjective will also include preparing a statement of planning objectives, and will summarize water needs in each sub-basin, including existing water shortages, and unmet water needs in rural communities. This subobjective will also summarize the quantity of local supplies that could be reasonably captured and will describe the remaining projected water shortage in each subbasin after the implementation of plausible projects specified in GSPs.

Task : 5 Compile Measures to Address San Joaquin Valley Needs

This objective outlines the steps necessary to gather existing project concepts, evaluate concepts for completeness, group them into portfolios to address the problems, range of needs, and range of opportunities identified in Objective 3.2.

Existing information that will be used to identify potential measures include:

- Flood stages, and corresponding flows for each San Joaquin Tributary and projections of peak flood events from DWR
- Subbasin-level assessments of currently unused high flow water derived from CDEC data
- Estimates of additional Delta supplies utilizing models developed for the Blueprint
- Identification at a subbasin-level opportunities for increased use of local supplies, the need for increased groundwater recharge, and the projects that have been proposed in GSPs

Subtask 5.1 – Initial Project Concept Identification

Unified San Joaquin Water Plan – Report

Existing studies and reports will be reviewed to identify potential project concepts that have been developed to address the topics identified in PL 111-11. Reports will include GSPs, IRWMPs, the SJRRP Investment Strategy, potential projects identified by stakeholders, and potential projects developed through the Blueprint. It is anticipated that existing reports and studies will provide information to support the following project concepts:

- Development of a conceptual environmental plan and estimation of environmental water needs by subbasin
- List of potential projects to increase a portion of uncaptured surplus water in the Sacramento-San Joaquin Delta and estimated yield of such projects
- Identification of areas potentially suitable for groundwater recharge projects
- Pre-feasibility descriptions and assessments of potential surface water storage projects
- Identification of potential water conveyance projects
- Identification of potential flood mitigation projects
- Identification of potential brackish water reclamation projects

Information regarding the proponents, potential beneficiaries, outputs, and costs will be compiled from existing sources and locations of compiled projects will be shown on maps.

Subtask 5.2 – Initial Project Completeness Evaluation

The compiled list of potential project concepts will be evaluated using a variety of criteria including project size, scale of benefits, costs, location, and potential implementing entities. Additional project concept criteria including water rights, environmental regulatory requirements, and identification of other uncertainties will also be evaluated.

For each project identified, the following information will be summarized based on existing information:

- The availability and level of detail of engineering designs and cost estimates
- Estimated project benefits, both quantity of output and value
- Environmental resources considerations, including potential adverse and beneficial effects
- Regulatory compliance that will be required to implement the project
- Identify and address uncertainties

Subtask 5.3 – Describe Potential Portfolios to Address Identified Needs and Objectives

The list of initial projects concepts developed in Subobjective 4.2 will be grouped into potential portfolios that could potentially meet the range of needs identified in Subobjective 3.2. The potential portfolios will be evaluated on how they meet the needs identified for the following topics: water quality; water supply (both surface, groundwater); water conveyance; water reliability; water conservation and efficient flood control; water resource-related environmental enhancement; and population

Unified San Joaquin Water Plan – Report

growth. Potential portfolios will be evaluated based on a broad set of criteria, to be developed by the Team.

Subtask 5.4 – Water Plan Implementation Approach

The Report will describe an implementation approach to increase the level of detail for a subset or all the potential portfolios identified in Subobjective 4.3. The implementation approach will include a broad set of criteria to evaluate projects within the potential portfolios. The Report will also identify roles of potential participants in the implementation of recommended portfolios, such as the Blueprint, GSAs, Federal agencies, and State agencies.

Task 6: Draft and Finalize Report

This objective includes documenting the information gathered in Objective 3 and Objective 4 in a single Water Plan Report. This Report will meet the requirements of PL 111-11 and will be ultimately delivered to Congress.

Subtask 6.1 – Draft and Finalize Report

The Draft Report will be developed using the information developed in Objective 3 and Objective 4. The Draft Report will identify for each potential portfolio the potential role for Reclamation’s participation in the implementation. The Draft Report will be provided to Reclamation for review by the CGB Regional Office, the Commissioner’s Office, the Secretary of the Interior’s Office, and any other applicable federal agencies and/or offices. Comments received during each review will be incorporated into the Final Water Plan Report, which will be submitted to Congress.

The Report will address the criteria identified in PL 111-11 as follows:

- Water quality issues in each subbasin will be addressed by evaluating how new inter-regional projects will affect groundwater quality in subbasins
- Water Supply will be addressed in detail and will be the primary focus of the Report
- Water Conveyance analysis will include identifying facilities that may be beneficial in redistributing available new water supplies to storage and other beneficial uses in the Valley
- Water reliability will be addressed through the implementation of groundwater storage and banking
- Water use efficiency and conservation will be addressed by identifying programs already being implemented and planned in the Valley
- Flood control and mitigation will be addressed by identifying a general strategy for each subbasin, with a focus on how flood flows could be captured in local recharge facilitates, the quantity that could be captured through reservoir reoperation, how much could be diverted through new or existing conveyance facilities to other watersheds, and the extent to which downstream flood conveyance capacity could be expanded

Unified San Joaquin Water Plan – Report

- Water resource-related environmental enhancement opportunities will be identified at a conceptual level
- Population growth will be described using existing population projections, and highlight locations in the Valley, if any, where population projections may lead to water shortages with full SGMA implementation

Criteria for Groundwater Recharge Site Selection

- Disadvantaged Communities
 - o Disadvantaged Communities (80% of state median household income, \$67,278 - \$50,458)
 - o Severely Disadvantaged Communities (60% of state median household income, less than \$50,458)
- Number of individuals served in DAC
 - o Census blocks with highest number of people residing in rural area
- Number of wells
 - o Domestic wells providing drinking water
- Risk of Dewatering
 - o Groundwater level changes from 2018 to 2022
- Soil Texture/Infiltration Rate
 - o Soil Agriculture Groundwater Banking Index Score
- Depth of Groundwater
 - o Current Groundwater Depth
- Land cover, Land use
 - o Crop type/idle, focused on idle land and annual crops
- Groundwater Quality
 - o SAFER Groundwater quality risk assessment

SAN JOAQUIN VALLEY WATER COLLABORATIVE ACTION PROGRAM
Plenary Group Meeting
Notes

May 23, 2023 | 3:00 pm - 5:00 pm

Participation

The May 23, 2023, Plenary Group meeting had 29 members participate in the discussion, all five caucuses were represented.

Agenda Item #2 Additions to the Agenda

No additions were made to the agenda.

Agenda Item #3 Work Group Updates

a. Safe Drinking Water

Tami McVay from Self-Help Enterprises (SHE) Emergency Services attended the last work group and discussed the current well drilling backlog Self-Help faces and the most significant issues (cash flow and level of funding). Nine hundred wells are eligible for well replacement funding from SHE of 1600 on the well drilling backlog. The remaining 700 wells do not meet the SHE program criteria because of income levels, serving more than one household, or other reasons. SHE needs additional funding for about 250 wells (about \$60,000 per well would be about \$15 million in additional funds). The workgroup is discussing potential solutions at its next meeting.

b. Sustainable Water Supply

The workgroup focuses on three elements; data analysis in valley resources (Jenny Marr provided some estimates and recharge potential through the FloodMAR Program) and evaluation of water supply projects. The workgroup has requested a presentation from Julie Zimmerman regarding diverting river flows when diverting water for multiple uses. Jason and Ric are meeting with Greg Gartrell to explore ways to build on the PPIC delta flow analysis consistent with the CAP Term Sheet.

c. Ecosystem Health

Ann provided an update on the Multi-benefit Land Repurposing Program (MLRP) funding and its status in the budget. The 20 million dollars reduced provisional allocation was removed from the Governor's budget for later consideration under the ongoing bond effort. At the last workgroup meeting, Julie Rentner provided an overview of the "Central Valley Joint Venture 2020 Implementation Plan," a conservation strategy focusing on California

bird habitat. The Plan identifies refuge water supplies and what strategies have and have not been working. The workgroup is planning to develop the needs for environmental water supplies and convene a working session with the Water Supply workgroup. The Ecosystem workgroup is also focused on near-term actions to manage invasive aquatic weeds better.

d. Land Repurposing and Demand Reduction

The workgroup briefly discussed the Multi-benefit Land Repurposing Program (MLRP) funding and its status in the budget. The 20 million dollars reduced provisional allocation was removed from the Governor's budget for later consideration under the ongoing bond effort. EDF is working on drafting a sign-on letter like the MLRP letter that CAP drafted for individuals to sign on to put money back into the budget dedicated to MLRP. Abby Hart from TNC presented on work they are doing in the Tule Basin using MLRP funding.

e. Effective Implementation

The workgroup is on standby.

Agenda Item #4 Breakout Group

The meeting participants were put into small breakout groups to discuss their ideas for a near-term action that CAP could take to benefit better Valley water management.

Some of the ideas were:

- Letter to the governor regarding groundwater quality analysis and how the recent flooding could affect small, rural, and domestic well communities.
- Need for money near-term to solve problems and difficulty accessing large sources of funds at the state and federal levels.
- Put together a list of priorities that could go into the climate bond and what we could support collectively, submit recommendations through caucuses, and support as a group.
- Compiling lessons learned and how water was managed during this wet year, looking at what worked and didn't, and prioritizing best practices across the group.
- Demonstrate support for Governor's initiative to speed up infrastructure improvements and look at how we can back his proposal. Working with CAP could highlight water infrastructure needs.

Agenda Item #5 Updates

a. Bureau of Reclamation Funding

The Bureau of Reclamation staff have identified a funding source for the \$750,000 earmark for CAP which will not require reimbursement or match. The Steering Committee is reviewing the scope of work to be shared with the BOR. Laura Ramos

reported on the Unified San Joaquin Valley Water Plan, a contract recently awarded to the California Water Institute for just under one million dollars.

b. Executive Order Letter to Governor

The draft letter to the Governor regarding his groundwater recharge executive order has gone back to the Steering Committee for revision. Some concerns were raised regarding water quality monitoring. Sustainable conservation, DAC advocates, and Justine Massey are working to address the water quality monitoring items, their effect on its constituents, and how additional recharge will affect vulnerable communities. The Steering Group intends to get the letter out as quickly as possible and will send it out to the Plenary Group members with their names attached if they support the letter.

c. In-person Meeting June 16, 2023, at Hotel Mission de Oro

An in-person meeting will be held at Hotel Mission de Oro in Santa Nella on Friday, June 16, 2023, from 10:00 AM to 3:00 PM. The meeting will focus on more challenging topics raised by the workgroups that could benefit from an in-person discussion. The agenda is being developed and will be shared with the group as it becomes available.

Agenda Item #6 Accelerating Restoration in the San Joaquin Valley with Efficient Permitting

Stephanie Falzone, Sustainable Conservation, briefed the Plenary Group on a recent success for accelerating restoration in California. Her presentation was provided with this meeting summary.

Developing an expedited permit process helps restoration advocates move forward to restore streams, rebuild habitat, and reduce soil erosion to boost clean water and wildlife without sacrificing critical environmental protections. California has ambitious plans for ecosystem restoration, and this permit process helps get more beneficial projects done faster while keeping available funding focused on getting projects built.

For additional information, please visit the following sites:

<https://suscon.org/project/simplified-permitting/>

<https://suscon.org/technical-resources/>

<https://youtu.be/nDIHJLvI9VI>

<https://coastalres.wpengine.com/project/california-network-video-library/>

<https://suscon.org/restoration-updates/>

**DISCLAIMER: This is a summary of the meeting and is based upon the written notes, and memory of individuals from the SJV WATER COLLABORATIVE ACTION PROGRAM. The notes are intended to capture only the main points made in the meeting, and they reflect comments on work-in-progress. The notes do not imply a specific opinion or commitment from any individual or organization represented in the meeting. If any individual has comments or changes please email Elijah Banda, ebanda@mail.fresnostate.edu.*

Accelerating Restoration in the San Joaquin Valley with Efficient Permitting



Photo courtesy of River Partners

Stephanie Falzone | Senior Project Manager
Accelerating Restoration | Sustainable Conservation

May 23, 2023

San Joaquin Valley Water Collaborative Action Program Plenary





**HABITAT LOSS and SPECIES
DECLINE**

**WATER QUALITY and
QUANTITY**



DROUGHT and DELUGE

Desired Outcome: Increase Floodplain and Other Ecosystem Habitats



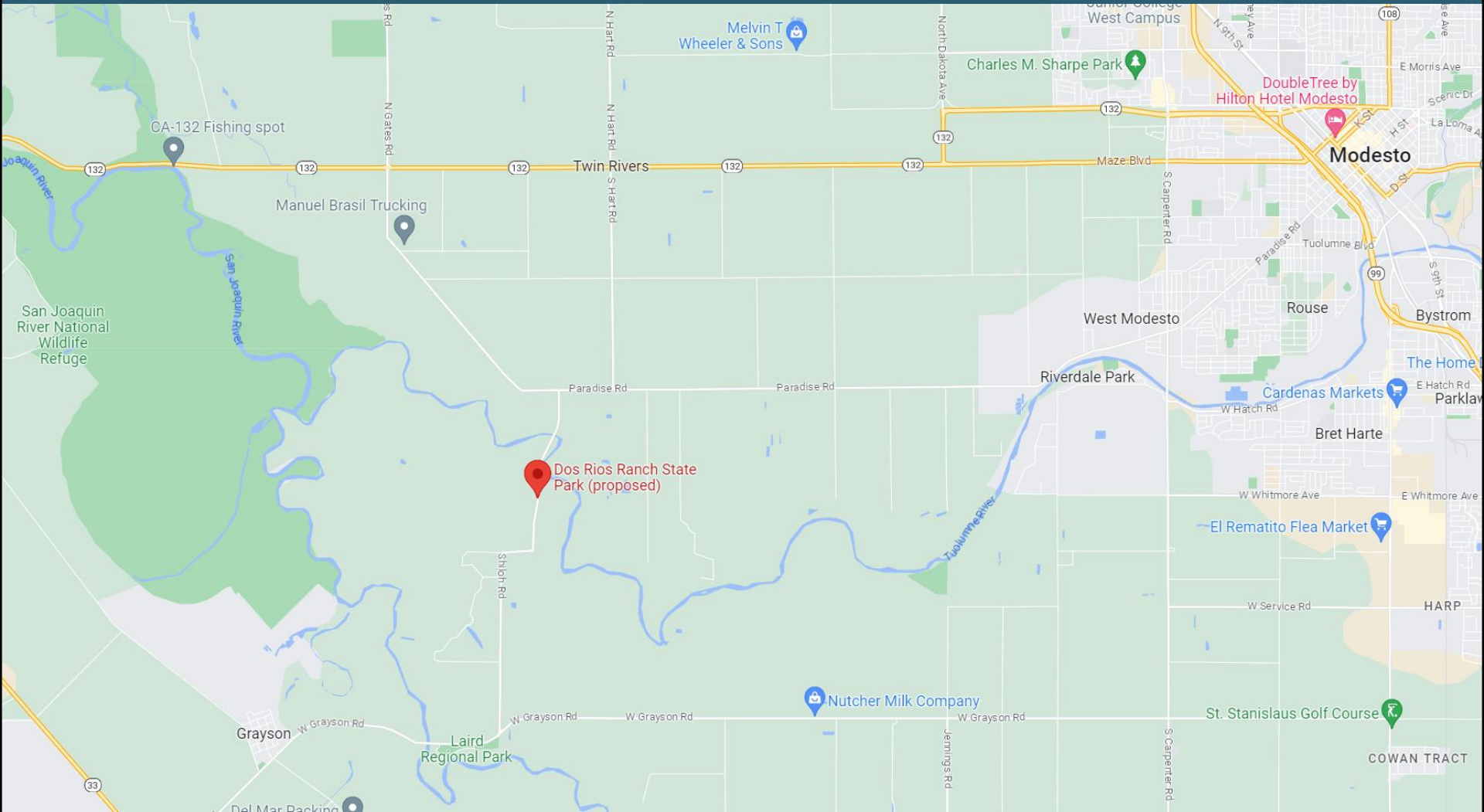
Example Project: Dos Rios Ranch Preserve



RIVER
PARTNERS



Tuolumne
River Trust



Example Project: Dos Rios Ranch Preserve



RIVER
PARTNERS



Tuolumne
River Trust

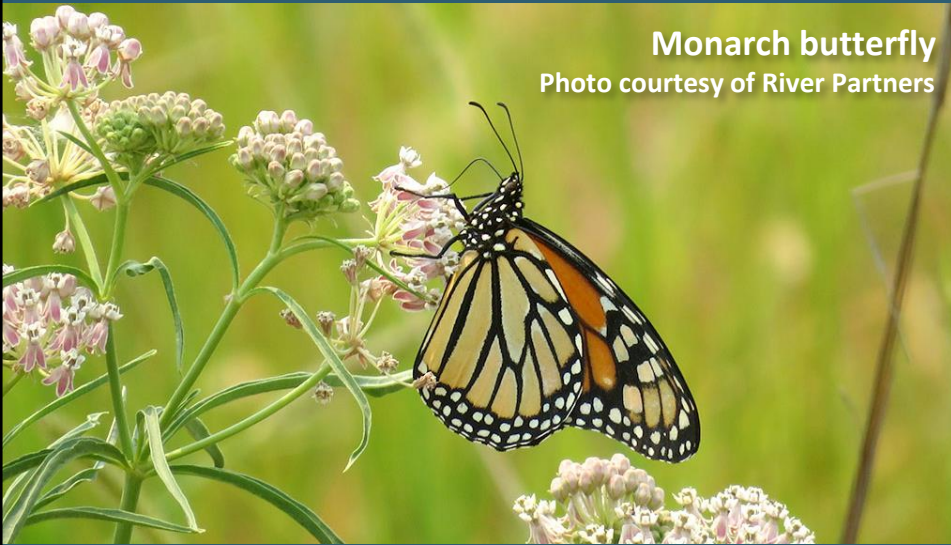


Photos courtesy of River Partners

Flood risk reduction Groundwater recharge Water quantity and quality



Habitat for imperiled species



Monarch butterfly
Photo courtesy of River Partners



Salmonids



Least Bell's vireo



Riparian brush rabbit

Empowering Communities

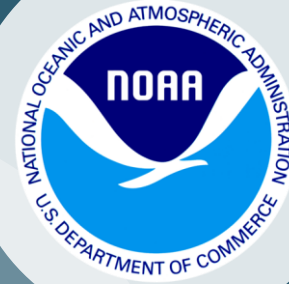


(Right) Contract workers and Conservation Corps employees, work on Dos Rios in June of 2018.





**US Army Corps
of Engineers®**



County



**CEQA &
NEPA**



STATE WATER RESOURCES CONTROL BOARD
REGIONAL WATER QUALITY CONTROL BOARDS

setting
restoration
on a separate
path from
development



PROGRAMMATIC PERMITS

Pre-written permit for qualifying projects



- Clear requirements = accelerates planning
- Predictable timelines = regulatory certainty
- Time/\$ savings = more \$ for on-the-ground work



From Elkhorn Slough to Statewide

**Partners in
Restoration**



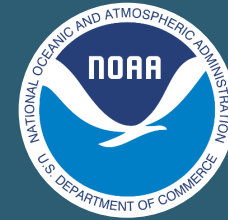
From Elkhorn Slough to Statewide



**Estimated
\$7-\$17
million in
savings**

From Elkhorn Slough to Statewide

**Statewide
Permitting
Initiative
(2017-
2022)**



CALIFORNIA'S PROGRAMMATIC PERMITTING TOOLBOX

Completed 2006-2018



General Order
(SHRP)
Small Projects



CatEx 15333
Small Projects



HREA
Small Projects



Programmatic BOs



CDs for NOAA
Programmatic BOs

NEW!



General Order
Larger Projects



SRGO PEIR or
CDFW SERP



Programmatic BO



Federal ESA
Coverage



Restoration CD or
Restoration
Management Permit

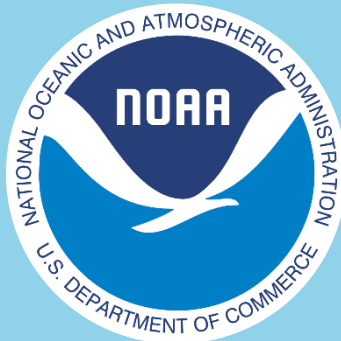
NEW STATEWIDE PERMITS



Sustainable Conservation

Federal

State



US Fish and Wildlife Service Statewide Programmatic Biological Opinion (PBO)

Statewide Restoration General Order (SRGO) and CEQA PEIR

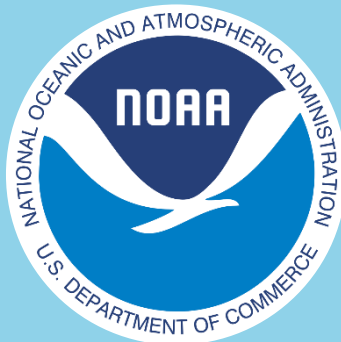
NEW STATEWIDE PERMITS

- Cover larger projects
- Projects with multiple benefits
- Coordinated between state and federal agencies



Federal

State



Eligible Categories of Project Types

1. Improvements to stream crossings and fish passage
2. Removal of small dams, tide gates, flood gates, and legacy structures
3. Bioengineered streambank stabilization
4. Restoration and enhancement of off-channel and side-channel habitat
5. Water conservation projects
6. **Floodplain restoration**
7. Removal or remediation of pilings and other in-water structures
8. Removal of invasive species and revegetation with native plants
9. Establishment, restoration, and enhancement of tidal, subtidal, and freshwater wetlands
10. Establishment, restoration, and enhancement of stream and riparian habitat and upslope watershed sites





CUTTING GREEN TAPE REGULATORY EFFICIENCIES FOR A RESILIENT ENVIRONMENT

November 2020



Cutting the Green Tape at CDFW



Brad Henderson
Environmental Program Manager

CALIFORNIA'S PROGRAMMATIC PERMITTING TOOLBOX

Completed 2006-2018



General Order
(SHRP)
Small Projects



CatEx 15333
Small Projects



HREA
Small Projects



Programmatic BOs



CDs for NOAA
Programmatic BOs

NEW!



General Order
Larger Projects



SRGO PEIR or
CDFW SERP



Programmatic BO



Federal ESA
Coverage



Restoration CD or
Restoration
Management Permit

Where to get more info

- suscon.org/technical-resources
- Links to permit documents and guidance docs
- Email us at restoration@suscon.org
- Sign up for email newsletter

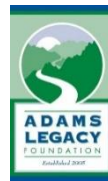
The screenshot shows the 'TECHNICAL RESOURCES' page on the Sustainable Conservation website. The page features a navigation bar with links for 'ABOUT US', 'OUR WORK', 'TECHNICAL RESOURCES', 'EVENTS', 'BLOG & NEWS', and 'WAYS TO GIVE'. Below the navigation bar, there is a section for 'WILDLIFE HABITAT RESTORATION' with a sub-section for 'Permitting Guidance'. This section includes links to 'Resources for practitioners to accelerate habitat restoration projects state-wide', 'Programmatic Permits Available for Habitat Restoration', and '30 Tips for Restoration Permitting Success'. There is also a section for 'Habitat Restoration & Enhancement (HRE) Act' with links to 'Expedited review for restoration projects', 'Fact sheet', 'Application Guidance', 'HRE Act Informational Video', and 'HRE Act Training Videos for Applicants (Playlist)'. A sidebar on the right lists 'Sustainable Conservation Sponsored Permits & Authorizations' and 'Reports'.

Coming soon...

Accelerating restoration website!

The screenshot shows the 'ACCELERATING RESTORATION' website. The page features a navigation bar with links for 'HOME', 'FIND PERMITTING PATHWAYS', 'EXAMPLE PROJECTS', 'MORE RESOURCES', and 'ABOUT US'. Below the navigation bar, there is a large image of a wetland landscape with a winding river. Overlaid on the image is the text 'Tools and resources for restoration project permitting'. The Sustainable Conservation logo is visible in the top right corner.

STATEWIDE INITIATIVE FUNDERS



THANK YOU!

Stephanie Falzone

Senior Project Manager

Accelerating Restoration

Email me at: sfalzone@suscon.org

Call me at: 415-977-0380 x350

Email the team at: restoration@suscon.org



Sustainable Conservation



**San Luis & Delta-Mendota Water Authority
Monday, June 5, 2023, 12:00 p.m.**

**Notice of Finance & Administration Committee Regular Meeting and
Joint Finance & Administration Committee Regular Meeting-Special Board
Workshop**

**SLDMWA Boardroom
842 6th Street, Los Banos**

Public Participation Information

Join Zoom Meeting

<https://us02web.zoom.us/j/86533343116?pwd=Rnlwc1NEUms3Y2RCMXZHS0xHSVA4UT09>

Meeting ID: 865 3334 3116

Passcode: 382227

One tap mobile

+16694449171,,86533343116#,,,,*382227# US

+16699006833,,86533343116#,,,,*382227# US (San Jose)

Dial by your location

+1 669 444 9171 US

+1 669 900 6833 US (San Jose)

Meeting ID: 865 3334 3116

Passcode: 382227

Find your local number: <https://us02web.zoom.us/j/86533343116?pwd=Rnlwc1NEUms3Y2RCMXZHS0xHSVA4UT09>

NOTE: 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.

Because the notice provides for a regular meeting of the Finance & Administration Committee ("FAC") and a joint regular FAC Meeting/Special Board workshop, Board Directors/Alternates may discuss items listed on the agenda; however, only FAC Members/Alternates may correct or add to the agenda or vote on action items.

NOTE FURTHER: Meeting materials have been made available to the public on the San Luis & Delta-Mendota Water Authority's website, <https://www.sldmwa.org>, and at the Los Banos Administrative Office, 842 6th Street, Los Banos, CA 93635.

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 May 1, 2023 Meeting Minutes**
5. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Accept the Final Fiscal Year 2021 Audited Financial Statements, Tarka**

REPORT ITEMS

6. FY24 Activity Agreements Budget to Actual Report through 4/30/23
7. FY24 O&M Budget to Actual Report through 4/30/23
8. Procurement Activity Report
9. Executive Director's Report, Barajas
(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, 842 6th Street, P.O. Box 2157, Los Banos, California, via telephone at (209) 826-9696, or via email at cheri.worthy@sldmwa.org or sandi.ginda@sldmwa.org. Requests should be made as far in advance as possible before the meeting date, preferably 3 days in advance of regular meetings or 1 day in advance of special meetings/workshops.

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
FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING AND
JOINT FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING-SPECIAL
BOARD OF DIRECTORS WORKSHOP
MINUTES FOR May 1, 2023**

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority convened at approximately 12:00 p.m. at 842 6th Street in Los Banos, California, with Chair Anthea Hansen presiding.

Members and Alternate Members in Attendance

Ex Officio

Cannon Michael

Division 1

Anthea Hansen, Member

Division 2

Justin Diener, Member

Division 3

Chris White, Member - Jarrett Martin, Alternate

Division 4

Joyce Machado, Member - Dana Jacobson, Alternate

Division 5

Bill Pucheu, Member - Manny Amorelli, Alternate

Friant Water Authority

Wilson Orvis, Alternate for Jason Phillips

Board of Directors Present

Division 1

Anthea Hansen, Director

Division 2

Justin Diener, Alternate

Bill Diedrich, Director

Division 3

Chris White, Alternate

Jarrett Martin, Director

Cannon Michael, Director

Division 4

Steve Wittry, Director

Joyce Machado, Alternate

Division 5

Bill Pucheu, Director

Manny Amorelli, Director

Authority Representatives Present

Federico Barajas, Executive Director

Scott Petersen, Water Policy Director
Rebecca Akroyd, General Counsel
Rebecca Harms, Deputy General Counsel
Raymond Tarka, Director of Finance
Lauren Viers, Accountant III
Bob Martin, Facilities O&M Director
Jaime McNeill, Engineering Manager
Stewart Davis, IT Officer

Others in Attendance

Vince Gin, Valley Water
Jim Erickson, Friant Water Authority
William Bourdeau, Westlands Water District
Minnie Moreno, Del Puerto Water District
John Wiersma, Henry Miller Reclamation District

1. Call to Order/Roll Call

Chair Anthea Hansen called the meeting to order at approximately 12:00pm and roll was called.

2. Additions or Corrections to the Agenda

No corrections or additions.

3. Opportunity for Public Comment

No public comment.

4. Finance & Administration Committee to Consider Approval of the April 3, 2023 Meeting Minutes.

On a motion made by Member Bill Pucheu, seconded by Alternate Wilson Orvis, the Committee approved the April 3, 2023 meeting minutes with minor corrections. The vote on the motion was as follows:

AYES:	Michael, Hansen, Diener, White, Machado, Pucheu, Orvis
NAYS:	None
ABSTENTIONS:	None

5. Finance & Administration Committee to Consider Recommendation to Board of Directors to Consider Recommendation to Board of Directors to Accept the Treasurer's Report for the Quarter Ending March 31, 2023.

Director of Finance Raymond Tarka briefly reviewed the Treasurer's Report. On a motion

made by Ex Officio Member Cannon Michael, seconded by Member Bill Pucheu, the Committee recommended the Board of Directors accept the Treasurer’s Report for the quarter ending March 31, 2023. The vote on the motion was as follows:

AYES: Michael, Hansen, Diener, White, Machado, Pucheu, Orvis
NAYS: None
ABSTENTIONS: None

6. Finance & Administration Committee to Consider Recommendation to Board of Directors Adopt Resolution Authorizing Award of Contract, Execution of Construction Agreement for O’Neill Pumping-Generation Plant Power Transformer Rehabilitations, and Expenditure of Up to \$3.2 Million from the FY22 and FY23 EO&M Budgets.

Executive Director Federico Barajas introduced the item. Engineering Manager Jaime McNeill reviewed the memo included in the packet. McNeill reported that last year, the Authority solicited for the rehabilitation project and received one proposal. McNeill reported that in August 2022, the Water Resources and Finance & Administration Committees recommended, and the Board adopted Resolution No. 2022-507 authorizing award of contract pending successful negotiation on technical aspects of the proposal. McNeill reported that negotiations were ultimately unsuccessful, and the proposer withdrew their proposal. McNeill reported that on January 3, 2023 the contract was resolicited, and the Authority received one proposal from Cal Electro Inc. (CEI). McNeill reported that the proposal included all documents as required per the solicitation. McNeill reported that during the evaluation phase, evaluators requested a few clarifications regarding the proposal, and after obtaining clarifications from CEI, the Technical Proposal Evaluation Committee (TPEC) evaluated the proposal and its clarifications, and CEI received a passing score of 724/800 (90%). McNeill reported that the proposed expenditure of up to \$3.2M will be funded utilizing budgeted funds from Fiscal Year 2022 and 2023 EO&M budgets. McNeill reported that \$1.66M will be funded from FY22, and \$1.54M from FY23. Superintendent of Water Operations Seth Harris reviewed the proposed Operations Plan and answered committee and board member question.

On a motion made by Member Justin Diener, seconded by Alternate Member Wilson Orvis, the Committee recommended the Board of Directors adopt resolution authorizing award of contract, execution of construction agreement for O’Neill Pumping-Generation Plant power transformer rehabilitations, and expenditure of up to \$3.2 Million from the FY22 and FY23 EO&M budgets. The vote on the motion was as follows:

AYES: Michael, Hansen, Diener, White, Machado, Pucheu, Orvis

NAYS: None
ABSTENTIONS: None

7. Finance & Administration Committee to Consider Recommendation to Board of Directors Regarding OM&R Rate Setting Methodology/Practice.

Director of Finance Raymond Tarka presented the item. Tarka stated that based on the request of the committee, staff modeled an alternate approach to calculate rates under an adjusted rate setting model which would include a minimum participation of 25% during rate setting, rather than solely upon true up. Historically, minimum participation amounts have been applied during final accountings after actual water deliveries for the water year are known. The committee discussed various options to proceed and recommended staff include minimum participation along with allocation and survey data consistently for all water years.

On a motion made by Alternate Member Wilson Orvis, seconded by Chair/Member Anthea Hansen, the Committee recommended the Board of Directors regarding OM&R rate setting methodology/practice. The vote on the motion was as follows:

AYES: Michael, Hansen, Diener, White, Machado, Pucheu, Orvis
NAYS: None
ABSTENTIONS: None

REPORT ITEMS

8. Update on Status of Reserve/EO&M Funds

Director of Finance Raymond Tarka presented the item. Tarka began by reviewing the memo provided to the committee. He stated that the Authority's water rates include components for EO&M/reserve funds. EO&M and emergency reserves are funded through the general reserve component whereas capital improvement projects (CIP) is broken out based on funding for each JPP unit. Staff has analyzed the reserve activity for the reserve components to determine positions as to any amount of over or under funding. Based on the review, the reserve components are not materially over-funded.

9. FY23 Activity Agreements Budget to Actual Report through 3/31/2023

Director of Finance Raymond Tarka reported the Budget to Actual Comparison Summary through March 31, 2023 for the member-funded activities. Tarka stated that for the one-month period, the budget was trending positive overall with actual spending through March 31, 2023 at 1.98% of the approved budget.

10. **FY23 O&M Budget to Actual Report through 3/31/23**

Director of Finance Raymond Tarka reported that for WY22, the self-funded routine O&M expenses through March 31, 2023 were over budget by \$187,147. This is mainly due to pass through expenses that have not been billed out yet, as well as, additional overtime costs of \$39,000 and \$45,000 for outside services due to the wet start of the year. The water year 2021 final accountings are to be completed once the fiscal year 2022 audit is finalized. The Intertie OM&R true-up remains outstanding, as well as the fiscal year 2022 audited financial statements.

11. **Procurement Activity Report**

Director of Finance Raymond Tarka presented the procurement activity report for the period of March 29th through April 25th. On April 15th, the Authority awarded a cooperative purchase agreement to Interstate Truck Center for a 2024 Peterbilt 567 Dump Truck. The agreement amount was \$226,604.13 and the funding source is the EO&M budget. There were no reported contract change orders issued during this period.

12. **Executive Director's Report**

Executive Director Federico Barajas provided two updates to the committee.

Water Allocation Update – Executive Director Federico Barajas reported that Reclamation provided an update to the Central Valley Project 2023 water supply allocation. Reclamation announced that Irrigation water service and repayment contractors have increased to 100 percent from 80 percent of their contract totals. Staff have not recalculated rates to include this increase given the recent rate adjustment that took place last month. Barajas reported that this allocation increase would not have a drastic effect on rates. A request was made to consider a rate adjustment at the appropriate time.

O&M Technical Committee – Executive Director Federico Barajas stated the Authority is beginning their OM&R budget process. Barajas reported that the initial step is an O&M Technical Committee tour to assess and discuss potential budgeted items in the upcoming year. Barajas reported that the tour is scheduled May 22, 2023.

13. **Committee Member Reports**

No reports.

14. **Reports Pursuant to Government Code Sec 54954.2**

No reports.

15. **Adjournment.**

The meeting was adjourned at approximately 12:56 p.m.



MEMORANDUM

TO: SAN LUIS & DELTA-MENDOTA WATER AUTHORITY DIRECTORS
FROM: DAN KEPPEL, EXECUTIVE DIRECTOR
SUBJECT: UPDATE REPORT
DATE: JUNE 5, 2023

This memo is intended to keep you apprised as to what is happening regarding policy issues the Family Farm Alliance (Alliance) is engaged in. In the past month, much of our efforts have focused on advancing farm bill ideas with Western Senators and committee staff, Colorado River outreach, and engaging in litigation and administrative matters. These issues and other matters important to our members are further discussed in this memo.

BIDEN ADMINISTRATION

1. Appointments

The Senate Ag Committee last month approved Xochitl Torres Small, President Joe Biden's pick for Deputy Secretary at the U.S. Department of Agriculture (USDA), for a confirmation vote by the full Senate. She is the current Undersecretary for Rural Development at USDA and has bipartisan support for the #2 position at the Department. The Senate floor vote will likely occur in the coming weeks.

2. Department of Interior, Bureau of Reclamation (Reclamation)

a. Reclamation Update on BIL and IRA Funding Ops and Implementation

Reclamation has set up an information update session on funding opportunities and implementation of the Bipartisan Infrastructure Law (BIL) and the Inflation Reduction Act (IRA). The listening session is expected to run for one hour, and is scheduled for next Thursday, June 8, 2 p.m. (Eastern). Join by phone: 1-202-640-1187 passcode, 579 938 122 #, or via [Teams link](#). A moderated question-and-answer format will be enabled. If you have a question, you may submit it

to USBR.BIL@usbr.gov or USBR.IR.Act@usbr.gov. Meeting links can also be found at www.usbr.gov/bil or www.usbr.gov/inflation-reduction-act/. These sessions will be recorded and available at the same site.

3. Department of Interior, Fish and Wildlife Service (FWS): Revised Mitigation Policies

Mark Limbaugh reports that FWS has announced the release of [revised mitigation policies](#) that will guide what farmers, miners, energy developers and others may have to provide if permitted to harm Endangered Species Act (ESA) - protected species and habitat. The approach taken blends approaches from both the Obama and Trump administrations but drops the Obama-era “net conservation gain” from their mitigation planning goals in the policies. The revised Mitigation Policy and the Endangered Species Act Compensatory Mitigation Policy will be published in the Federal Register on May 15.

The Mitigation Policy establishes basic mitigation principles and provides a framework for what FWS calls an effort to achieve “no net loss of resources and their values, services, and functions resulting from proposed actions.” The ESA-related policy is more of an operators’ manual, providing guidance to FWS personnel as they seek to mitigate losses to endangered and threatened species through compensatory mitigation mechanisms such as conservation banking and in-lieu fee programs. These mitigation policies are driven by a 2013 Supreme Court decision in a case called *Koontz v. St. Johns River Water Management District*. The court held that agencies requiring off-site mitigation as a condition of granting a permit must show "a 'nexus' and 'rough proportionality' between the government's demand and the effects of the proposed land use.

4. Army Corps: New Dam Safety Financing Program

On May 16, 2023, the Office of the Assistant Secretary of the Army for Civil Works and the U.S. Army Corps of Engineers (Corps) approved a final rule to implement a new credit assistance program for dam safety projects. The new program, named the Corps Water Infrastructure Financing Program (CWIFP), will offer credit assistance in the form of direct loans and loan guarantees for non-federal dam safety projects to maintain, upgrade and repair dams identified in the National Inventory of Dams. The program is designed to accelerate non-federal investments in water resources infrastructure by providing long-term, low-cost loans with flexible repayment options to creditworthy borrowers. According to the Corps, the program will provide approximately \$7.5 billion in total project financing and support up to \$15 billion of infrastructure investment nationwide.

The program is like the Environmental Protection Agency (EPA) WIFIA loan program, in that a non-federally owned and operated dam safety project can be financed up to 49% of the total cost with up to a 35-year repayment period at Treasury interest rates, resulting in a savings of 20% over traditional financing. The final rule will be posted in the Federal Register and will go into effect 30 days after it is posted. Upon going into effect, the Corps will post a notice of funding availability, which will formally open the program and provide interested borrowers with

instructions on the application process. More information about the CWIFP can be found here: <https://www.usace.army.mil/CWIFP>.

5. EPA

a. CWA Protections for Tribal Water Quality

EPA has announced [that it will propose](#) federal baseline water quality standards for bodies of water on Native American reservations that do not already have Clean Water Act (CWA) standards. That move would establish first-time protections for over 250 tribes, in a critical action not only for Indigenous communities but also for aquatic ecosystems. All 50 states and 47 tribes currently have established water quality standards in line with the CWA's goal that all bodies of water be fishable and swimmable, but most U.S. tribes have not had that level of protection. If the proposal is finalized, proposed standards would be in place until a tribe adopts its own standards under the CWA.

b. CWA Section 404 Permitting Transfer to Select States

Mark Limbaugh reports that EPA is moving forward with plans to clarify how states can take control of federally administered wetlands permitting under Section 404(g) of the CWA, but opponents worry the plan will empower deregulation advocates. EPA plans to advance a Trump-era rule revising CWA requirements around that dredge-and-fill permitting program, with the agency intending [to issue a proposal](#) by September. EPA has not said whether it would be making changes from the initial effort under Trump. Environmental advocates are wary of the move, while deregulation groups support the effort.

EPA is currently having discussions with three states (Alaska, Nebraska and Minnesota) about the possibility of shifting primacy over the permitting program under existing rules. Three other states currently administer the 404 program – Michigan, New Jersey and Florida. CWA Section 404(g) allows for states to take over the process if they can prove to EPA that they have the capability to do so; they remain subject to the agency's oversight regardless. But for most of the country, the Corps retains 404 permitting authorities, but EPA can veto any permits.

6. U.S. Department of Agriculture (USDA): \$500 M for “Improved” RCPP Program

The Biden Administration on May 19 announced the availability of \$500 million in funding to advance partner-driven solutions to conservation on agricultural land through USDA Regional Conservation Partnership Program (RCPP). This program leverages a voluntary approach to conservation that expands the reach of conservation efforts and climate-smart agriculture through public-private partnerships. Increased funding for fiscal year 2023 is made possible by the IRA, and this year's funding opportunity “reflects a concerted effort to streamline and simplify the program”. USDA says the program improvements will enable USDA to efficiently implement the \$4.95 billion in IRA funding for the program.

Based on partner listening sessions and employee and partner surveys, NRCS identified seven key focus areas for improvement, each with a dedicated team working to address identified issues and provide recommendations, including 1) Simplifying and Reducing the Number of Agreements; 2) Reducing Lengthy RCPP Easement Transactions; 3) Consistent Guidance and Training for Employees and Partners; 4) Simplifying the Technical Assistance Structure; and 5) Simplifying the Partner Reimbursement Process. These are consistent with the concerns that the Alliance and our partners in the Western Agriculture and Conservation Alliance (WACC) have raised with NRCS over the past two years. NRCS will accept applications now through Aug. 18, 2023 via the [RCPP portal](#). For more information about RCPP and a list of frequently asked questions, [visit the NRCS website](#).

DEVELOPMENTS IN CONGRESS

The Senate on Thursday passed legislation to suspend the US debt ceiling and impose restraints on government spending through the 2024 election, ending a drama that threatened a global financial crisis. The bill was quickly signed into law just days ahead of a looming US default by President Joe Biden, who forged the deal with House Speaker Kevin McCarthy . The bill passed both chambers of Congress, carried by moderates in both parties, many of whom aired their misgivings about parts of the deal but were convinced that their concerns weren't worth risking the havoc a default would unleash. Democrats are frustrated with the spending levels in the bill and that President Biden even negotiated over the debt limit. They are not happy with parts of the bill including work requirements for food stamp and cash assistance programs. Freedom Caucus Republicans are upset that the two-year budget deal cuts far less spending than the \$4.8 trillion in cuts the House Speaker put on the table at the start of talks. Mark Limbaugh and his team at The Ferguson Group (TFG) are preparing a full report on the FRA and I'll pass that on as soon as I get it.

7. Fiscal Responsibility Act of 2023

The [Fiscal Responsibility Act of 2023](#) ("FRA", H.R. 3746), would suspend the debt ceiling through January 1, 2025, effectively increasing the amount of money that the federal government can borrow to fund federal programs. It would raise the Nation's debt ceiling through January 1, 2025, cap appropriations levels for both FY 2024 and FY 2025 appropriations bills and incentivize the passage of these spending bills through provisions to enact a continuing resolution at reduced spending levels if they are not enacted by the end of the fiscal year. The bill would also claw back some unobligated funds from the last COVID-related relief act. The work requirements for food aid would be expanded from age 49 up to 54 (*see related discussion, Item 11*).

This bill includes some important provisions related to permitting reform. Much of U.S. Rep. Garret Graves' (R-La.) *Building U.S. Infrastructure through Limited Delays and Efficient Reviews* (BUILDER) Act is included. You all are familiar with the uncertainty associated with the federal NEPA review process. The average time to complete an Environmental Impact Statement (EIS) and issue a decision for a project is 4.5 years, and 25 percent of EISs take more than six years. For

some projects, unfortunately, this process may take a decade or more. The Family Farm Alliance strongly supported the Trump administration's regulations for NEPA, which included many of our recommendations. Unfortunately, the Biden Administration Council on Environmental Quality quickly overturned those rules.

The permitting provisions in the FRA closely mirror the Trump regulations and should increase efficiency and certainty in the NEPA process. The Alliance has previously supported the bill's provisions to set 150-page limits for environmental impact statements (300 pages if the project is of extraordinary complexity) and 75-page limits for environmental assessments. It would also set time limits of one year for environmental assessments and two years for environmental impact statements and provide a right of action to project applicants if the agency does not adhere to these deadlines. Permitting project sponsors would also be able to assist federal agencies in conducting environmental reviews to help speed up the process and agencies would be able to adopt categorical exclusions utilized by other agencies through a streamlined process. Finally, the bill would clarify the definition of a "major federal action" under NEPA, including a list of actions that do not qualify as a "major federal action." Hopefully, this will enable agencies to approve projects with less red tape and provide more tools for you to move projects forward and hold agencies accountable.

8. Western Water Accelerated Revenue Repayment Act

The Western Water Accelerated Revenue Repayment Act, introduced by Lauren Boebert (R-COLORADO) would permanently authorize a Reclamation provision that allows some agriculture and municipal water users to prepay what they owe to the federal government. Prior to 2016, if some water users wanted to repay what they owe early and/or in a lump sum, an individual federal law would have had to be enacted. This usually took years despite the fact the federal government would have been receiving early revenue. To help remedy this situation, Section 4011 of the WIIN (Water Infrastructure Improvements for the Nation) Act (P.L. 114-322) authorized these agriculture and municipal water users to prepay outstanding construction costs through a single lump sum payment or over a period of three years. This program was successful, with more than 75 entities deciding to prepay what they owe the federal government, with many of those water users no longer having to live under federal paperwork and acreage limitation edicts.

Since this prepayment authority expired in 2020, this new bill permanently reauthorizes Section 4011 to allow the federal government to receive early revenue from water users who have the ability to prepay what they owe and want to be lifted from onerous federal rules and restrictions. The Alliance and several of its members worked hard with Congress to include these provisions in the WIIN Act. I notified Rep. Boebert's office last month that the Alliance could be added to the list of bill supporters, and our support was noted in the press release issued by her office.

9. Senator Feinstein Legislation

In the past month, we've reviewed legislative language and summaries for three bills that Senator Dianne Feinstein (D-CALIFORNIA) will soon introduce. We were asked by the office of Senator Feinstein to develop a letter in support for these bills, which include:

- *The STREAM Act* to authorize water infrastructure funding and provide programmatic authorization for non-Federal Reclamation water projects (very similar to the bill Senator Feinstein introduced last Congress, which we supported);
- *The Restore Aging Infrastructure Now (RAIN) Act* to authorize grant funding for 15% of the cost of aging infrastructure projects out of the \$3.2 billion appropriated for these purposes in the BIL, if the projects are modified to add public benefits including drinking water for disadvantaged communities (Senator Feinstein introduced a very similar version of this legislation last Congress as the extraordinary operation and maintenance provisions in section 107 of the STREAM Act); and
- *The Canal Conveyance Capacity Restoration Act* to fund 1/3 of the cost of restoring the original conveyance capacity of the Friant-Kern Canal, Delta Mendota Canal, and California Aqueduct, plus additional authorized funding for the Restoration Goal of the San Joaquin River settlement (this is identical to legislation Senator Feinstein introduced last Congress).

We developed a letter last week to Senator Feinstein expressing Alliance support for these bills. Thanks to everyone who took the time to review and respond to my earlier request.

10. "Community and Hydropower Improvement Act" (S. 1521)

Sens. Steve Daines (R-MT) and Maria Cantwell (D-WA) have introduced the "*Community and Hydropower Improvement Act*," [S. 1521](#), which would seek to revamp how the Federal Energy Regulatory Commission (FERC) licenses and relicenses a host of hydroelectric technologies across existing generation, non-powered dams and pumped storage projects. The bill has been endorsed by the National Hydropower Association together with American Rivers and World Wildlife Fund and several tribal and conservation groups, a rarity for energy permitting reform legislation these days. According to NHA, nearly half of the existing non-federal fleet of hydro resources is set to face relicensing in the next decade. Current permitting times average about eight years for the approval of all the needed licenses across the federal government, a timeline that could grow significantly when the existing fleet seeks to secure the needed relicensing approvals to continue operations.

11. 2023 Farm Bill

The farm bill is an omnibus, multiyear law that is typically renewed about every five years. With enactment of the omnibus spending bill in December 2022, lawmakers laid the groundwork for battles to come in the next farm bill. The current farm bill expires at the end of September.

Engaging in the development of the next 2023 Farm Bill is one of our top priorities this year for the Alliance. Once again, the Alliance will work closely on this with its partners in the Western Agriculture and Conservation Alliance -the “WACC” – on the conservation title. The WACC recently finalized its Farm Bill platform, which, among other things, puts priority on improving implementation of the Watershed and Flood Prevention Operations (“PL-566”) and the Regional Conservation Partnership Program, encouraging active management for grazing, and seeking to provide better and faster conservation program technical assistance and compliance.

The Alliance has also been working with Western Growers and several Western state Farm Bureaus to push more ag-centric priorities, starting with Western Senators and Ag Committee Members. The Congressional Western Caucus last month released its 2023 Farm Bill Priorities, which are fairly closely aligned with those of the Family Farm Alliance. The priorities consist of four high-level pillars: Supporting Production Agriculture, Improving Voluntary Conservation Programs, Enhancing Forest Health and Active Management, and Strengthening Rural Communities through Development.

a. Alliance Farm Bill Priorities

Engaging in the development of a 2023 Farm Bill that has a strong Western flavor is one of our top priorities. The Alliance in April publicly rolled out its “Six Point Plan” intended to guide the organization’s advocacy efforts in Washington, D.C. Passing a 2023 Farm Bill that addresses Western agricultural challenges was a top priority. Flexibility in farm bill conservation title programs is a critical underpinning to successful implementation in the West. For example, climate mitigation should not just focus on carbon reduction and assume that planting more carbon-sequestering trees or no-till farming activities will solve the problem. We want to see 2023 Farm Bill conservation title programs that are administered efficiently and effectively, and support projects like irrigation modernization that provide multiple, stacked benefits, rather than simply focusing on climate fixes. This position is consistent with House Agriculture Committee Chairman G.T. Thompson’s (R-PA) statement made at another House hearing last month, where he urged lawmakers to remove the IRA directive that the funds for USDA conservation programs should be focused on climate change mitigation. The IRA contains massive funding for climate-smart agriculture through existing Farm Bill conservation programs.

b. Farm Bill Forums Cancelled Due to Debt Limit Vote

The Congressional Western Caucus has worked with its members, the Senate and House agriculture committees, and Western agriculture stakeholders to conduct listening sessions and other farm bill forums across the West. The Congressional Western Caucus and GOP members of the House Agriculture Committee had planned a combination of farm bill "listening sessions", field tours and forums in Oregon and Northern California for the first week of June. The Congressional Western Caucus plans were scrapped when House Speaker Kevin McCarthy and the White House reached an agreement on the debt limit over the holiday weekend (*see related discussion, Item 7*), and House Members were required to travel back to Washington for floor

votes on the agreement. A June 2 House Agriculture Committee "listening session" in Albany (OREGON) still took place. There is a chance that some of the originally planned Western Congressional Caucus events may be rescheduled for late July or during the August recess, according to one Congressional staff member.

c. Debt Ceiling Agreement Implications for the Farm Bill

The debt ceiling agreement reached between the White House and House Republicans over the Memorial Day weekend contains provisions that would expand work requirements for the Supplemental Nutrition Assistance Program, or "SNAP" (*see related discussion, Item 7*). This was seen as a victory for Republicans, who were pressured by some to drop the SNAP plans from the debt limit bill and leave it for upcoming negotiations on the farm bill. Just days before the announcement of the debt limit agreement, House GOP appropriators proposed to slash fiscal 2024 funding for USDA by one-third, in part by eliminating expanding SNAP work requirements and some climate-related funding, as well as restricting Agriculture Secretary Tom Vilsack's use of the Commodity Credit Corp. spending authority. The cuts proposed by the House Agriculture Appropriations Subcommittee in a bill would trim USDA funding by more than \$9 billion below 2023 levels. The *FY2024 Agriculture, Rural Development, Food and Drug Administration and Related Agencies Bill* provides funding of \$17.2 billion which cuts funding levels back to what it was in 2006.

Opponents of the bill say that it would hurt rural American communities if passed. Republican leaders are looking to bolster skeptical party members about exactly what their SNAP proposal would do. Democrats, meanwhile, are taking action to ensure they aren't caught flat footed when the fight over food assistance reopens in this year's farm bill negotiations, as reported in *Politico*. A new task force on agriculture and nutrition was appointed by Democratic leader Hakeem Jeffries. On the eve of the House vote for the debt limit package, leaders of the House and Senate Agriculture committees said the debt limit agreement should remove SNAP work requirements as a potential sticking point in the upcoming farm bill debate, but also said the deal takes away some potential funding, as reported in *Agri-Pulse*.

d. PL-566 update

Finding ways to make the NRCS PL-566 watershed program implementation nimbler and one that prioritizes projects that generate multiple benefits (like irrigation modernization projects in the West) is one of our priorities for the 2023 farm bill. We've been working with the office of Senator Bennet (D-COLORADO) on draft legislation that will place higher priority on multi-benefit projects and also set mandatory funding levels for PL-566. There is bipartisan interest in the "multi-benefit" part of this, but fiscally conservative Republicans are leery about the mandatory spending provisions of the draft bill. In an effort to secure a Republican co-sponsor, we've decided to remove the mandatory funding provisions. With Senate Democrat allies in key committee positions right now, we believe there will be other ways to skin that cat. More to follow in the coming weeks.

e. Water Source Protection Program (WSPP)

Last month, the Alliance – along with a fairly select group of diverse, high-power organizations – signed a letter in support of the reauthorization and improvement of the WSPP in the next Farm Bill. Congress authorized the WSPP in the 2018 Farm Bill to provide the U.S. Forest Service with authority to partner with municipal, agricultural, and community-based organizations and other end users to develop and implement water source protection plans. The intent was to encourage public-private partnerships to invest in the restoration and protection of forested source water infrastructure – the mosaic of forests, wet meadows, and streams – that serves as the primary source of drinking and irrigation water supplies across much of the country. Restoration of forested source watersheds can reduce flood and wildfire intensity, increase natural water supply and storage as a hedge against drought, enhance fish and wildlife habitats, and improve water quality.

Senator Bennett (D-COLORADO) has a draft bill, Senator Crapo (R-IDAHO) is the likely co-sponsor, and they plan to introduce it in the next couple of weeks. In the House, Rep. Costa (D-CALIFORNIA) is the co-lead, with Rep. Chavez-Deremer (R-OREGON) the likely cosponsor; they will use the Bennett bill. It sounds like there is solid bipartisan support, though we need more folks from east of the Rockies, who our NGO friends are working on.

JUDICIARY

12. Clean Water Act “Waters of the U.S.” (WOTUS)

The Supreme Court of the United States (SCOTUS) issued a landmark ruling last month in *Sackett v. EPA* which significantly narrowed much of the federal government's protections for wetlands, tributaries and streams as “waters of the U.S.” (WOTUS) under the CWA. Litigious environmental organizations expressed immediate dismay following the *Sackett* ruling. The decision was greeted with elation by agricultural water users and their political supporters across the West. It's a game changer and a monumental victory for irrigated agriculture. No longer will farmers be required to hire an army of consultants just to figure out whether a wet spot on their property is regulated under the CWA.

We've been tracking the WOTUS “ping pong” game for the past 15-plus years, as CWA implementation changes with every new occupant in the White House. The Alliance was also part of an “agriculture” amicus brief in support of the Sacketts that was submitted to the Supreme Court last year. The Congressional Western Caucus issued a “What They Are Saying” press piece that summarizes what various industry reps are saying about the recent Supreme Court decision on “Water of the U.S.” (WOTUS). They asked me for a quote, which I cadged from our General Counsel, Norm Semanko. The WTAS piece can be viewed [HERE](#).

a. The Ruling in a Nutshell

At issue is the reliance on the “significant nexus” test from the muddled SCOTUS *Rapanos* decision in the Biden WOTUS rule. The *Sackett* decision has eliminated the “significant nexus” test for a “relatively permanent” test. The Court ruled that in order to assert jurisdiction over an adjacent wetland under the CWA, a party must establish “first, that the adjacent [body of water constitutes] . . . ‘water[s] of the United States’ (i.e., a relatively permanent body of water connected to traditional interstate navigable waters); and second, that the wetland has a continuous surface connection with that water, making it difficult to determine where the ‘water’ ends and the ‘wetland’ begins.” Justice Samuel Alito wrote the 5-4 majority decision, while Justice Brett Kavanaugh split from the rest of the Republican-appointed judges on the court to argue that the majority’s definition of wetlands covered by the law was too narrow (*Route Fifty*, 5/25/23). The court’s three liberal justices—Sonia Sotomayor, Elena Kagan and Ketanji Brown Jackson—joined Justice Kavanaugh’s concurrence, who said the court’s new rule would change the way federal agencies have interpreted the law for nearly half a century.

b. Congressional Action and Reaction

Now that the Supreme Court has issued its decision, GOP members of Congress are calling on the Biden Administration to withdraw its proposed WOTUS rule. Republicans in both chambers have had the Biden Administration’s WOTUS rule in their sights throughout the new 117th Congress. In February, Transportation and Infrastructure Committee Chairman Sam Graves (R-MO) and Water Resources and Environment Subcommittee Chairman David Rouzer (R-NC) introduced a joint resolution of disapproval under the Congressional Review Act on the Biden Administration’s WOTUS rule. The House of Representatives weeks later approved the Graves-Rouzer resolution. On March 29, the Senate also passed the resolution of disapproval in bipartisan fashion, which President Biden one week later vetoed.

13. FWS Sued over Approvals of Pesticides Used in ESA Critical Habitats

Environmentalists have sued the FWS in U.S. District Court in Arizona over the agency’s unresponsiveness to a four-year-old petition that seeks to limit the use of pesticides in designated critical habitats. The Center for Biological Diversity [filed the lawsuit](#) as a follow-up to an unanswered petition submitted in January 2019, citing the dangers to federally protected threatened and endangered species under the ESA. The lawsuit seeks a court order compelling the FWS to respond to the 2019 petition no later than 90 days after the order is issued. The underlying 2019 petition requested that the agency initiate rulemaking to prohibit the use of pesticides in critical habitats unless EPA and FWS have completed consultation requirements for a specific chemical. Interestingly, the lawsuit relies on assertions of violations under the Administrative Procedures Act and not the ESA.

ALLIANCE INITIATIVES

14. Colorado River Initiative

The Lower Basin States (Arizona, California, and Nevada) and the Biden Administration have announced a potential short-term deal on the Colorado River. The Lower Basin states coalesced around a plan to voluntarily conserve a major portion of their river water in exchange for more than \$1 billion in federal funds. In the days leading up to the announcement, the hope was that the Department of Interior (DOI) would extend the May 30 comment deadline on the alternatives the federal government had laid out in its Supplemental Environmental Impact Statement (SEIS). The Lower Basin states have resisted submitting formal comments, for fear that these comments could be used by the states to stake out legal positions on matters of water rights priority and federal authority that might push them further from a deal, as reported by the *Washington Post*. That hope was fulfilled in late May, when Arizona Governor Katie Hobbs, California Governor Gavin Newsom, and Nevada Governor Joe Lombardo announced that the Colorado River Lower Basin States had developed a plan to conserve 3 million acre-feet over the next three years to protect the Colorado River system.

The Lower Basin Plan has been submitted to Reclamation with all Seven Colorado River Basin States supporting its evaluation as an action alternative within the Draft SEIS. It proposes to conserve 3 million acre-feet of Colorado River water through 2026, with at least 1.5 million acre-feet of that total being conserved by the end of calendar year 2024. This proposed near-term action alternative is expected to outperform the alternatives proposed in the existing Draft SEIS. In addition to IID, The Metropolitan Water District of Southern California, the Palo Verde Irrigation District, the Coachella Valley Water District, the Fort Yuma Quechan tribe, and the Bard Water District are anticipated to assist in meeting California's conservation volumes and utilize IRA funding. Arizona and Nevada water users have committed to conserve the balance of the 3 million acre-feet of voluntary conservation, in addition to their existing shortage reduction volumes and contributions under the 2007 Interim Guidelines and 2019 Drought Contingency Plan. DOI last month announced more than \$157 million will be paid to Phoenix, Tucson and six other Arizona communities if they save up to 393,000 acre-feet through 2025. The Gila River Indian Community will also receive up to \$150 million to conserve up to 375,000 acre-feet of reservoir water.

The weather has improved markedly over the past winter, with plentiful snow covering much of the Rockies and water reservoirs on the rivers storage system starting to rise. And over \$12 billion for the federal government from the BIL and the IRA - with \$4 billion in IRA funding prioritized for the Colorado River - meant that it was worth their while for those who voluntarily gave up their rights on a temporary basis. So, improved hydrology and abundant federal funding helped grease this agreement.

a. Next Steps

In light of the Lower Basin states' conservation proposal, DOI announced that it is temporarily withdrawing the draft SEIS so that it can fully analyze the effects of the proposal under NEPA. Reclamation will then publish an updated draft SEIS for public comment with the consensus-based proposal as an action alternative. Accordingly, the original May 30, 2023, deadline for the submission of comments on the draft SEIS is no longer in effect. DOI plans to finalize the SEIS process later this year.

Later this month, DOI will formally advance the process for the development of new operating guidelines replacing the 2007 Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead at the end of 2026. In the coming weeks, Reclamation will publish the Notice of Intent for the Environmental Impact Statement related to the post-2026 guidelines.

b. Upper Basin Developments

Attention will now likely shift to the Upper Basin, where Reclamation last month began implementation of the 2023 Drought Response Operations Plan, which focuses on allowing upstream reservoirs to recover additional water previously sent downstream to Lake Powell. Lake Powell is not expected to need a boost from upstream reservoirs this Drought Response Operations Agreement (DROA) year (May 1, 2023 – April 30, 2024), thanks to high snowpack this winter and projected high runoff this spring. Lake Powell's projected inflow through the end of this water year (Sept. 30, 2023) is just over 14 million acre-feet of water—that's more than the last three years combined. The DROA is part of the 2019 Colorado River Drought Contingency Plan for the Upper Colorado River Basin and aims to protect Lake Powell from dropping below critical elevations.

Another Upper Basin program—the System Conservation Pilot Program – would pay farmers and ranchers willing to forgo their use of water. That program this year has so far struggled, with few people applying. Between the states of Colorado, New Mexico, Utah and Wyoming, 88 applications came in offering to save some water. The Upper Colorado River Commission approved more than 80% of them. However, if each of the program's approved applications works out as expected, the Upper Basin can expect to save about 39,000 acre-feet – less than 2% of the smallest amount of water federal officials had hoped to save - at a cost of about \$16 million (*Denver Post*).

c. Alliance Actions

I spent nearly a week last month in Arizona, where I spoke to the Yuma Fresh Vegetable Association industry briefing, and at the CLE Colorado River Law conference in Scottsdale. I also met with many of our members from the Colorado River basin on my travels. Alliance President Pat O'Toole will be speaking at the 43rd Annual Conference on Natural Resources at the Getches-Wilkinson Center for Natural Resources, Energy and the Environment on June 9. Pat will

participate in a panel titled, “How Can Agriculture Thrive with Less Water?”, and his fellow panelists are Meghan Scott (who works for Advisory Committee member Wade Noble’s law firm in Arizona), Mark Squillace (University of Colorado Law School) and Jim Holway (Babbitt Center for Land and Water Policy). The panel discussion will take place following opening remarks by former Interior Secretary Bruce Babbitt, who has vocally been critical of agricultural water use in recent months. For more information on this conference, visit the [event website](#).

My presentation to the Colorado River Water Law Conference in Scottsdale generated outreach from four journalists in the past two weeks. I’ve been asked to write a 5,000-word piece for *The Water Report*. I did an interview with a D.C. trade publication and I’m doing another one with an ag journalist from Colorado this week.

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.