Notice of San Luis & Delta-Mendota Water Authority
Board of Directors Regular Meeting
Thursday, April 4, 2024, 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/82382904649?pwd=akRreTBqVkJjTDBTclZLN1hORHBQUT09

Meeting ID: 823 8290 4649
Passcode: 729756

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+16699006833,,82382904649#,,,,*729756# US (San Jose)
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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.

4. **CLOSED SESSION**

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

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant Exposure to Litigation Pursuant to Paragraph (2) or (3) of Subdivision (d) of Government Code Section 54956.9 – 3 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. Stock, 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. 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)
E. 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)
F. 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)
G. 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)
H. 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)
I. 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)
J. 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)
K. Walsh v. Martin, et al., E.D. Cal., Case No. 1:23-CV-01774 (employment action)

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

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.

6. **Approval of March 7, 2023 Meeting Minutes**

7. **Acceptance of Financial & Expenditures Reports**

8. **Acceptance of Staff Reports:**
   a. **O&M Budget to Actual**
   b. **Operations & Maintenance**
   c. **Science Program**
   d. **Activity Agreements**
   e. **Procurement Activity**

Action Items

9. **Finance & Administration Committee Recommendation Regarding Adoption of Resolution Authorizing Execution of Contract Between the United States of America and San Luis & Delta-Mendota Water Authority for the Repayment of Extraordinary Maintenance Costs for the C.W. "Bill" Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project, Making Findings Under the California Environmental Quality Act, and Authorizing Actions Related Thereto,** Arroyave

10. **Finance & Administration Committee Recommendation Regarding Adoption of Resolution Authorizing Execution of Second Amended and Restated Memorandum of Understanding with Friant Water Authority Relating to Allocation, Collection and Payment of Operation, Maintenance & Replacement Costs for Water Delivered Through Certain Central Valley Project Facilities, and Authorizing Actions Related Thereto**, Barajas/Akroyd

11. **Finance & Administration Committee Recommendation to Board of Directors to Adopt Resolution Adopting an Indirect Cost Rate Policy for Scientific Activities**, Petersen

12. **Water Resources Committee Regarding Adoption of Staff Recommendation for Positions on Legislation**, Petersen
    a. S. 3830 (Padilla), Low-Income Household Water Assistance Program Establishment Act
    b. AB 2302 (Addis), Open Meeting: local agencies: teleconferences.
    c. AB 2060 (Soria), Lake and Streambed alteration agreements: exemptions.
    d. SB 1156 (Hurtado), Groundwater Sustainability Agencies: financial disclosures.
    e. SB 1390 (Caballero), Groundwater recharge: floodflows: diversion.

Report Items

13. Report on U.S. Bureau of Reclamation Activities, Barajas/Commissioner Touton

14. Report on State and Federal Affairs, Petersen/Dennis Cardoza/Kristin Olsen

15. 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)

16. 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)

17. Update on Water Operations and Forecasts, Arroyave/Bureau of Reclamation

18. Committee Reports:
    - **a.** Water Resources Committee Activities, Bourdeau
    - **b.** Finance & Administration Committee Activities, Hansen
    - **c.** O & M Technical Committee Activities, White

19. 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

20. Board Member Reports

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

22. 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
APRIL 4, 2024

7357 W. Tenaya Ave
Fresno, CA 93723

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY BOARD OF DIRECTORS REGULAR MEETING
MINUTES MARCH 7, 2024

The Board of Directors of the San Luis & Delta-Mendota Water Authority convened at approximately 9:31 a.m. at 842 6th Street in Los Banos, California, with Chair Cannon Michael presiding.

Directors and Alternate Directors in Attendance

Division 1

David Weisenberger, Director
Bobby Pierce, Director
Anthea Hansen, Director
Ed Pattison, Director - Lea Emmons, Alternate (via ZOOM)

Division 2

Justin Diener, Alternate for Ross Franson (via ZOOM)
William Bourdeau, Vice-Chair/Director
Patrick McGowan, Alternate for Beau Correia
Bill Diedrich, Director

Division 3

Chris White, Alternate for Dan McCurdy
Jarrett Martin, Director
Cannon Michael, Chair/Director

Division 4

John Varela, Director
Steve Wittry, Director
Joe Tonascia, Director - Megan Holland, Alternate

Division 5

Bill Pucheu, Director
Allison Febbo, Director
Manny Amorelli, Director

Authority Representatives Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer
Rebecca Akroyd, General Counsel
Rebecca Harms, Deputy General Counsel
Scott Petersen, Water Policy Director
Ray Tarka, Director of Finance
Stewart Davis, IT Officer

Others in Attendance

Katie Schoettler, Foley, Foley & Lardner, LLP (via ZOOM)
Kristin Olsen, Foley & Lardner, LLP (via ZOOM)
Liz Kiteck, Bureau of Reclamation (via ZOOM)
Karl Stock, Bureau of Reclamation
Sarah Hadden, Bureau of Reclamation

Mike Wade, Farm Water Coalition (via ZOOM)
Dana Jacobson, Valley Water
Vince Gin, Valley Water
John Wiersma, Henry Miller Reclamation District
Vince Lucchesi (via ZOOM)
Erick Johnson, The Water Agency (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. Public Comment

No public comment.

CONSENT ITEMS

4. Agenda Items 4-6: Board to Consider: a) February 8, 2024 Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports, c) Acceptance of Staff Reports.

On a motion of Director/Vice Chair William Bourdeau, seconded by Director David Weisenberger, the Board accepted the February 8, 2024 Meeting Minutes, Financial & Expenditures Reports, and Staff Reports. The vote on the motion was as follows:

AYES:	Weisenberger, Pierce, Hansen, Pattison, Diener, Bourdeau, McGowan, Diedrich, White, Jarrett Martin, Michael, Varela, Wittry, Tonascia, Pucheu, Febbo, Amorelli
NAYS:	None
ABSTENTIONS:	None

ACTION ITEMS

5. Agenda Item 7: Selection and Appointment of Fiscal Year 2025 San Luis & Delta-Mendota Water Authority Board Officers.

Executive Director Federico Barajas reviewed the memo included in the packet. Barajas reported that the Authority's Joint Exercise of Powers Agreement provides for the selection of a Chair, Vice Chair, Secretary, and Treasurer. Barajas reported that in contrast to the Treasurer, who serves at the pleasure of the Board, the Chair, Vice Chair, and Secretary hold office for a period of one year commencing the first meeting of each Fiscal Year. Barajas reported that the Authority's Fiscal Year 2025 begins March 1, 2024.

On a motion of Director John Varela, seconded by Director David Weisenberger, the Board re-

appointed Director Cannon Michael as Chair, Director William Bourdeau as Vice-Chair, and Executive Director Federico Barajas as Secretary. The vote on the motion was as follows:

AYES:	Weisenberger, Pierce, Hansen, Pattison, Diener, Bourdeau, McGowan, Diedrich, White, Jarrett Martin, Michael, Varela, Wittry, Tonascia, Pucheu, Febbo, Amorelli
NAYS:	None
ABSTENTIONS:	None

6. **Agenda Item 8: Consent to the Admission of Eagle Field Water District and Patterson Irrigation District to the North to South Water Transfers Activity Agreement.**

Deputy General Counsel Rebecca Harms reported that after the North to South Water Transfers Activity Agreement was executed, two additional Authority members, Eagle Field Water District and Patterson Irrigation District, requested to become Activity Agreement members. Harms reported that the Activity Agreement states that no new Authority members may become Activity Agreement members without written consent from all of the other Activity Agreement members and the Authority Board of Directors. Harms reported that the seven current Activity Agreement members provided their written consent to the admission of Eagle Field and Patterson. Harms reported that staff recommends that the Authority Board of Directors consent to the admission of Eagle Field Water District and Patterson Irrigation District to the North to South Water Transfers Activity Agreement.

On a motion of Alternate Director Joe Tonascia, seconded by Director Bobby Pierce, the Board consented to the admission of Eagle Field Water District and Patterson Irrigation District to the North to South Water Transfers Activity Agreement. The vote on the motion was as follows:

AYES:	Weisenberger, Pierce, Hansen, Pattison, Diener, Bourdeau, McGowan, Diedrich, White, Jarrett Martin, Michael, Varela, Wittry, Tonascia, Pucheu, Febbo, Amorelli
NAYS:	None
ABSTENTIONS:	None

REPORT ITEMS

5. **Agenda Item 9: Presentation from U.S. Bureau of Reclamation California-Great Basin Region Regional Director.**

Executive Director Federico Barajas introduced Bureau of Reclamation California-Great Basin Regional Director Karl Stock. Stock then introduced Executive Assistant to the Regional Director Sarah Hadden. Stock provided an overview of Regional priorities and highlighted the roles of each of his Deputy Regional Directors. Stock discussed CVP contract allocation considerations, and asked for input regarding

the contractors risk tolerance relevant to contract allocations. Stock reported that he is coordinating a listening session prior to the March allocation update. Stock answered Board questions at the end of his presentation.

6. **Agenda Item 10: Report on State and Federal Affairs.**

Water Policy Director Scott Petersen provided updates related to federal staffing changes, B.F. Sisk Dam Raise negotiation sessions, Colorado River, the consultation on Long-Term Operations of the CVP and SWP, National Academy's Science Panel on CVP consultation, and government funding. Petersen provided a California legislative update. Petersen answered Board questions throughout his presentation. Additional information was provided by consultants Katie Schoettler and Kristin Olsen.

7. **Agenda Item 11: Executive Director's Report.**

   a. **Partnership with the World Bank Conference/Water Security Seminar, Brazil Project –** Executive Director Federico Barajas reported a Partnership with the World Bank that includes participation in an upcoming Conference/Water Security Seminar in Brazil later this month. Barajas reported that Chief Operating Officer Pablo Arroyave will be attending and presenting for the Authority.

   b. **RFP – Salary Surveys** - Executive Director Federico Barajas reported that the salary survey RFP was sent out earlier this week.

8. **Agenda Item 12: Chief Operating Officer's Report**

   a. **JPP Excitation Negotiation – Chief Operating Office Pablo Arroyave** reported that the next negotiation session with Reclamation is March 19, 2024 for the JPP Excitation Project Repayment Contract.

   b. O'Neill Pumping Plant (OPP) Outage - Chief Operating Officer Pablo Arroyave reported that there is a need for a 45-day outage at OPP to rehabilitate all three transformers, which should give the Authority 10-15 years before full replacements will need to be done. Arroyave reported that after discussion with the Reclamation's Front Office and CVO, staff decided to wait until March 20 before making any final decisions regarding the OPP Outage.

9. **Agenda Item 13: Update on Water Operations and Forecasts**

Chief Operating Officer Pablo Arroyave introduced Liz Kiteck from the Central Valley Operations Office (CVO) of the Bureau of Reclamation. Kiteck provided updates regarding CVP storage, operations, and the latest forecasts.

10. **Agenda Item 14: Committee Reports.**

    a. **Water Resources Committee** – Chair William Bourdeau reported that the committee met and addressed agenda items.

    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 the committee met and considered updating the thresholds.

11. **Agenda Item 15: Outside Agency/Organization Reports.**

    a. **State and Federal Contractors Water Agency (SFCWA) –** No report.

    b. **Family Farm Alliance (FFA)** – Report included in the packet. Chair Cannon Michael reported that long-time president Pat O'Toole passed away.

    c. **Farm Water Coalition (FWC)** – Brandon Souza provided a brief overview of the report included in the packet.

    d. **Association of California Water Agencies (ACWA)** – Director John Varela reported that the ACWA Spring Conference is May 6-7 in Sacramento.

    e. **Water Blueprint for the San Joaquin Valley (Blueprint)** - Water Policy Director Scott Petersen reported that included in the packet behind tab 5 is the Water Policy Memo from the Water Resources Committee with detailed information on the Blueprint.

    f. **SJV CAP** - Water Policy Director Scott Petersen reported that included in the packet behind tab 5 is the Water Policy Memo from the Water Resources Committee with detailed information on SJV CAP.

    g. **CVPWA** – Director Anthea Hansen reported that the quarterly Board meeting is March 21, 2024, and the Financial Affairs meeting is March 22, 2024.

12. **Agenda Item 16: Board Member Reports.**

    No reports.

13. **Agenda Items 17-18: Closed Session Report.**

After allowing an opportunity for public comment, Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 11:19 a.m. Upon return to open session at approximately 11:58 a.m., Chair Cannon Michael stated that no reportable actions were taken.

14. **Agenda Item 19: Reports Pursuant to Government Code Section 54954.2(a)(3)**
    No report.

15. **Agenda Item 20: Adjournment.**

The meeting was adjourned at approximately 11:59 a.m.

MEMO

TO: Board of Directors

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

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

DATE: April 4, 2024

Attached are the Financial & Expenditures Reports.

San Luis & Delta-Mendota Water Authority

Receivable Activity Report (Does Not Include Water Payment Transactions)

Month Ending February 29, 2024

	MEMBERS	USBR EMERGENCY	OTHER	TOTAL RECEIVABLE
RECEIVABLE BALANCE JANUARY 31, 2024	**$ 171,296.08**	**$ 393,502.85**	**$ 947,706.97**	**$ 1,512,505.90**
Billings:				
ACWA/JPIA - Claim reimbursement			20,550.07	**20,550.07**
Cobra - Various Employees			1,098.53	**1,098.53**
DWR-Subsidence Grant			3,307,925.00	**3,307,925.00**
IRWM Grant Implementation/Grant Admin - Various Districts			727,651.34	**727,651.34**
Los Banos Property Mgmt. Services			452.00	**452.00**
Miscellaneous - Recycling Refund			325.80	**325.80**
Miscellaneous - RRG Consultant			6,812.50	**6,812.50**
SGMA Grant - Coordinated Single GSP Development			651,058.00	**651,058.00**
SGMA Grant Implementation/Grant Admin - Various Districts			11,771.25	**11,771.25**
State Water Contractors - Master Science Coordination Agreement			3,618.75	**3,618.75**
USBR - JPP Unit #3 Rewind			3,068,496.41	**3,068,496.41**
USBR - Meal Reimbursements			75.00	**75.00**
Volta Wells PG&E Costs - Various Districts			272.66	**272.66**
TOTAL BILLINGS	**$ -**	**$ -**	**$ 7,800,107.31**	**$ 7,800,107.31**
Collections:				
ACWA/JPIA - Claim reimbursement			20,550.07	**20,550.07**
Cobra - Various Employees			268.40	**268.40**
DHCCP Project - Series 2021B Bond - Various Districts			163,984.00	**163,984.00**
IRWM Grant Implementation/Grant Admin - Various Districts			727,651.34	**727,651.34**
Miscellaneous - Recycling Refund			325.80	**325.80**
Membership - FY24 2nd Installment	171,381.09			**171,381.09**
Los Vasqueros Reservoir Expansion Project - Various Districts			619,500.00	**619,500.00**
San Felipe Unit - SLJU Costs			609.53	**609.53**
San Joaquin Valley Drainage Authority			5,874.39	**5,874.39**
SGMA Grant Implementation/Grant Admin - Various Districts			11,771.25	**11,771.25**
USBR - Emergency Contract No. 14-0R-2020P0050		292,243.66		**292,243.66**
USBR - Meal Reimbursements			75.00	**75.00**
TOTAL COLLECTIONS	**$ 171,381.09**	**$ 292,243.66**	**$ 1,550,609.78**	**$ 2,014,234.53**
RECEIVABLE BALANCE FEBRARY 29, 2024	**$ (85.01)**	**$ 101,259.19**	**$ 7,197,204.50**	**$ 7,298,378.68**

San Luis & Delta-Mendota Water Authority
SLDMWA
A/R Aging Summary-Sorted by Category
As of February 29, 2024

ID	Customer	Current Open Balance	2/24/2024 - 3/24/2024 (30) Open Balance	1/25/2024 - 2/23/2024 (60) Open Balance	12/26/2023 - 1/24/2024 (90) Open Balance	Before 12/26/2023 (>90) Open Balance	Category	Total Open Balance	
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	$0.00	$0.00	($0.01)	MEMBERSHIP	($0.01)	
SLWD-MEMB	SLWD-MEMB San Luis Water District	$0.00	$0.00	$0.00	$0.00	($10.00)	MEMBERSHIP	($10.00)	
WWD-MEMB	WWD-MEMB Westlands Water District	$0.00	$0.00	$0.00	$0.00	($73.00)	MEMBERSHIP	($73.00)	($85.01)
AWD-MEMB	AWD-MEMB Aliso Water District	$82,684.00	$0.00	$0.00	$0.00	$0.00	MEMBERSHIP	$82,684.00	Invoices should have been
FARMERS WD-MEMBER	FARMERS WD-MEMBER Farmers Water District	$71,615.00	$0.00	$0.00	$0.00	$0.00	MEMBERSHIP	$71,615.00	posted to MISC not
MERCED CO-MEMB	MERCED CO-MEMB Merced County	$11,090.00	$0.00	$0.00	$0.00	$0.00	MEMBERSHIP	$11,090.00	Membership
0254	0254 Los Banos Property Management Services	$0.00	$452.00	$0.00	$0.00	$0.00	MISC	$452.00	
0265	0265 St of CA Depart of Tax & Fee Admin	$0.00	$0.00	$1,466.00	$0.00	$2,080.00	MISC	$3,546.00	
[redacted]		$0.00	$0.00	($1.40)	$0.00	($47.14)	MISC	($48.54)	
		$0.00	$0.00	$1,009.53	$0.00	$0.00	MISC	$1,009.53	
DPWD-MISC	DPWD-MISC Del Puerto Water District	$36,639.22	$93.33	$0.00	$0.00	$0.00	MISC	$36,732.55	
DWR	DWR Department of Water Resources	$0.00	$0.00	$0.00	$3,307,925.00	$0.00	MISC	$3,307,925.00	
EFWD-MISC	EFWD-MISC Eagle Field Water District	$9,061.00	$0.00	$0.00	$0.00	$0.00	MISC	$9,061.00	
FRESNO CO MISC	FRESNO CO MISC Fresno County	$80,676.00	$0.00	$0.00	$0.00	$0.00	MISC	$80,676.00	
FSWD-MISC	FSWD-MISC Fresno Slough Water District	$9,061.00	$0.00	$0.00	$0.00	$0.00	MISC	$9,061.00	
GWD-MISC	GWD-MISC Grassland Water District	$98,960.00	$0.00	$0.00	$0.00	$0.00	MISC	$98,960.00	
MSWD-MISC	MSWD-MISC Mercy Springs Water Distirct	$9,061.00	$0.00	$0.00	$0.00	$0.00	MISC	$9,061.00	
OFWD MISC	OFWD MISC Oak Flat Water District	$3,098.00	$0.00	$0.00	$0.00	$0.00	MISC	$3,098.00	
OLWD-MISC	OLWD-MISC Oro Loma Water District	$9,061.00	$0.00	$0.00	$0.00	$0.00	MISC	$9,061.00	
PANOCHE-MISC	PANOCHE-MISC Panoche Water District	$10,034.21	$0.00	$0.00	$0.00	$0.00	MISC	$10,034.21	
PATT CITY MISC	PATT CITY MISC City of Patterson	$4,166.00	$0.00	$0.00	$0.00	$0.00	MISC	$4,166.00	
PID-MISC	PID-MISC Patterson Irrigation District	$10,649.00	$0.00	$0.00	$0.00	$0.00	MISC	$10,649.00	
PWD-MISC	PWD-MISC Pacheco Water District	$10,034.21	$0.00	$0.00	$0.00	$0.00	MISC	$10,034.21	
SANTA NELLA MIS	SANTA NELLA MIS Santa Nella County Water District	$9,061.00	$0.00	$0.00	$0.00	$0.00	MISC	$9,061.00	
SJREC	SJREC San Joaquin River Exchange Contractors	$108,726.00	$0.00	$0.00	$0.00	$0.00	MISC	$108,726.00	
SJVDA	SJVDA San Joaquin Valley Drainage Authority	$0.00	$4,724.19	$0.00	$0.00	$0.00	MISC	$4,724.19	
SLWD-MISC	SLWD-MISC San Luis Water District	$10,077.21	$93.33	$149,338.00	$0.00	$0.00	MISC	$159,508.54	
STANIS CO MISC	STANIS CO MISC Stanislaus County	$38,544.00	$0.00	$0.00	$0.00	$0.00	MISC	$38,544.00	
SWC	SWC State Water Contractors	$0.00	$3,618.75	$0.00	$0.00	$0.00	MISC	$3,618.75	
TID-MISC	TID-MISC Tranquillity Irrigation District	$9,061.00	$0.00	$0.00	$0.00	$0.00	MISC	$9,061.00	
USBR-MISC	USBR-MISC U.S. Bureau of Reclamation	$0.00	$0.00	$0.00	$0.00	$3,068,496.41	MISC	$3,068,496.41	
VALLEY-MISC	VALLEY-MISC Valley Water	$973.22	$0.00	$0.00	$0.00	$0.00	MISC	$973.22	
WIDREN-MISC	WIDREN-MISC Widren Water District	$9,061.00	$0.00	$0.00	$0.00	$0.00	MISC	$9,061.00	
WSID-MISC	WSID-MISC West Stanislaus Irrigation District	$15,590.21	$0.00	$0.00	$0.00	$0.00	MISC	$15,590.21	
WWD-MISC	WWD-MISC Westlands Water District	$973.22	$0.00	$0.00	$0.00	$0.00	MISC	$973.22	$7,197,204.50
				Remove invoices created by shepherd. Not Removed from system until looked into further			USBR-SERVICES	($8,805.31)	
USBR-SERVICES	USBR-SERVICES U.S. Bureau of Reclamation	$0.00	$0.00	$8,805.31	$7,227.14	$94,032.05	USBR-SERVICES	$110,064.50	$101,259.19
Total		**$657,956.50**	**$8,981.60**	**$160,617.44**	**$3,315,152.14**	**$3,164,476.31**		**$7,298,378.68**	$7,298,378.68

San Luis & Delta-Mendota Water Authority
Cash Activity Detail Report - Operational
For Month Ending February 29, 2024

	Daily Interest Rates:		0.00%	0.00%	0.75%	0.75%	3.97%	5.25%	3.97%	5.41%	4.22%		
	Type of Account:	Cash	CVCB	CVCB	CVCB	CVCB	CVCB	Cal Trust	Cal Trust	Cal Trust	LAIF	Petty	Total
	Account #:	on Hand	Checking	Payroll	Transactional	Emergency Reserve	Money Mkt	2510 Short Term	2510 Medium Term	2510 Liquidity	4-006	Cash	
			0471	0489	0463	4858	8343	201	202	203			
	Cash Balance as of 01/31/2024	1,079.53	(279,955.22)	5,000.00	1,453,059.18	2,169,740.65	18,682.78	537,199.20	493,690.63	12,699,039.17	64,437.90	1,000.00	17,162,973.82
Date	**Receipts - Remote Deposit**												
02/01/24	Deposit	(1,079.53)	0.00	0.00	1,079.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/02/24	Deposit	0.00	0.00	0.00	5,874.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,874.39
02/05/24	Deposit	0.00	0.00	0.00	994,501.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	994,501.41
02/06/24	Deposit	0.00	0.00	0.00	609.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	609.53
02/08/24	Deposit	0.00	0.00	0.00	121.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	121.38
02/12/24	Deposit	0.00	0.00	0.00	124,122.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	124,122.02
02/15/24	Deposit	0.00	0.00	0.00	126,934.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	126,934.00
02/21/24	Deposit	0.00	0.00	0.00	63,931.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63,931.24
02/22/24	Deposit	0.00	0.00	0.00	17,467.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,467.00
02/26/24	Deposit	0.00	0.00	0.00	114,319.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	114,319.36
02/28/24	Deposit	0.00	0.00	0.00	12,097.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,097.05
		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
		(1,079.53)	0.00	0.00	1,461,056.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,459,977.38
Date	**Receipts - Wires & ACH**												
02/07/24	USBR	0.00	0.00	0.00	292,243.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	292,243.66
02/08/24	USBR - Reclamation (Refuges)	0.00	0.00	0.00	193,705.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	193,705.15
02/12/24	San Luis Water District	0.00	0.00	0.00	263,834.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	263,834.52
02/13/24	Friant Water District	0.00	0.00	0.00	1,164,736.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,164,736.10
02/14/24	San Benito County Water District	0.00	0.00	0.00	8,777.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,777.22
02/14/24	Panoche Water District	0.00	0.00	0.00	84,764.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	84,764.39
02/14/24	Panoche Drainage District	0.00	0.00	0.00	57,995.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	57,995.90
02/14/24	Panoche Water District	0.00	0.00	0.00	112,230.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	112,230.00
02/15/24	Westlands Water District	0.00	0.00	0.00	2,563,186.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,563,186.00
02/16/24	Panoche Water District	0.00	0.00	0.00	123,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	123,900.00
02/20/24	Westlands Water District	0.00	0.00	0.00	30,894.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,894.00
02/23/24	Byron Bethany Irrigation District	0.00	0.00	0.00	1,563.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,563.59
02/29/24	Grant Acct SLDMWA Expenses	0.00	0.00	0.00	160,061.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	160,061.28
02/29/24	Grant Acct SLDMWA Expenses	0.00	0.00	0.00	73,914.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	73,914.84
02/29/24	San Luis Water District	0.00	0.00	0.00	149,338.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	149,338.00
		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	5,281,144.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,281,144.65
Date	**To/From Operational / DHCCP**												
		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
Date	**To/From Grant Funds-Trans**												
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Date	**Checks Written**												
02/07/24	Accounts Payable	0.00	(327,841.37)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(327,841.37)
02/13/24	Attendance & Award Checks	0.00	0.00	(69,700.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(69,700.00)
02/14/24	Accounts Payable	0.00	(1,065,780.42)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,065,780.42)
02/22/24	Accounts Payable	0.00	(1,614,934.74)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,614,934.74)
02/26/24	Attendance Awards	0.00	0.00	(2,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2,000.00)
02/28/24	Accounts Payable	0.00	(842,382.89)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(842,382.89)
		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	(3,850,939.42)	(71,700.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(3,922,639.42)
Date	**ACH Payments**												
02/02/24	Visa Payment	0.00	(860.55)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(860.55)
02/09/24	ICMA 01/20/24-02/02/24	0.00	(101,768.12)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(101,768.12)
02/09/24	EE Assoc 01/20/24-02/02/24	0.00	(460.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(460.00)
02/23/24	EE Assoc 02/03/24-02/16/24	0.00	(455.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(455.00)
02/23/24	ICMA 02/03/24-02/16/24	0.00	(102,703.13)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(102,703.13)
		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	(206,246.80)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(206,246.80)
Date	**Transfers**												
02/13/24	Funding for Attendance & Awards	0.00	0.00	69,700.00	(69,700.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/14/24	Funding for Accounts Payable	0.00	0.00	0.00	500,000.00	0.00	(500,000.00)	0.00	0.00	0.00	0.00	0.00	0.00
02/14/24	Higher Interest bearing Account	0.00	0.00	0.00	(2,000,000.00)	0.00	2,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00
02/15/24	Higher Interest bearing Account	0.00	0.00	0.00	(2,000,000.00)	0.00	2,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00
02/22/24	Funding for Accounts Payable	0.00	0.00	0.00	1,000,000.00	0.00	(1,000,000.00)	0.00	0.00	0.00	0.00	0.00	0.00
02/26/24	Funding for Attendance Awards	0.00	0.00	2,000.00	(2,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/28/24	Funding for Accounts Payable	0.00	0.00	0.00	2,500,000.00	0.00	(2,500,000.00)	0.00	0.00	0.00	0.00	0.00	0.00
02/29/24	Funding for Accounts Payable	0.00	0.00	0.00	1,000,000.00	0.00	0.00	0.00	0.00	(1,000,000.00)	0.00	0.00	0.00
		0.00	0.00	71,700.00	928,300.00	0.00	0.00	0.00	0.00	(1,000,000.00)	0.00	0.00	0.00

San Luis & Delta-Mendota Water Authority
Cash Activity Detail Report - Operational
For Month Ending February 29, 2024

	Daily Interest Rates:		0.00%	0.00%	0.75%	0.75%	3.97%	5.25%	3.97%	5.41%	4.22%		
	Type of Account:	Cash	CVCB	CVCB	CVCB	CVCB	CVCB	Cal Trust	Cal Trust	Cal Trust	LAIF	Petty	Total
	Account #:	on Hand	Checking	Payroll	Transactional	Emergency Reserve	Money Mkt	2510 Short Term	2510 Medium Term	2510 Liquidity	4-006	Cash	
			0471	0489	0463	4858	8343	201	202	203			
	Cash Balance as of 01/31/2024	1,079.53	(279,955.22)	5,000.00	1,453,059.18	2,169,740.65	18,682.78	537,199.20	493,690.63	12,699,039.17	64,437.90	1,000.00	17,162,973.82
Date	**Wire Payments**												
02/01/22	USBR Unit 5 Repayment 3rd Installment	0.00	0.00	0.00	(248,028.36)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(248,028.36)
02/01/24	USBR Unit 6 Repayment 5th Installment	0.00	0.00	0.00	(380,441.21)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(380,441.21)
02/07/24	Funding for 02/09/24 PR & Taxes	0.00	0.00	0.00	(419,212.90)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(419,212.90)
02/13/24	Shepherd OU	0.00	0.00	0.00	(1,822.50)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,822.50)
02/13/24	Funding for Attendance & Awards Taxes	0.00	0.00	0.00	(2,862.16)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2,862.16)
02/21/24	Funding for 02/23/24 PR & Taxes	0.00	0.00	0.00	(429,918.47)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(429,918.47)
02/26/24	Funding for Taxes	0.00	0.00	0.00	(36,094.14)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(36,094.14)
02/28/24	USBR Power - Tracy, Intertie, O'Neill,DA &	0.00	0.00	0.00	(2,089,278.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2,089,278.00)
02/28/24	St. Dept of Water Resources	0.00	0.00	0.00	(83,747.74)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(83,747.74)
		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	(3,691,405.48)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(3,691,405.48)
Date	**CVCB Sweep Checking/Trans Muni**												
02/01/24	Sweep from Transactional Account	0.00	79,285.32	0.00	(79,285.32)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/02/24	Sweep from Transactional Account	0.00	7,330.94	0.00	(7,330.94)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/05/24	Sweep from Transactional Account	0.00	2,206.78	0.00	(2,206.78)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/06/24	Sweep from Transactional Account	0.00	84,241.15	0.00	(84,241.15)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/07/24	Sweep from Transactional Account	0.00	746.91	0.00	(746.91)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/08/24	Sweep from Transactional Account	0.00	8,542.51	0.00	(8,542.51)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/09/24	Sweep from Transactional Account	0.00	115,454.87	0.00	(115,454.87)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/12/24	Sweep from Transactional Account	0.00	40,952.13	0.00	(40,952.13)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/13/24	Sweep from Transactional Account	0.00	106,855.01	0.00	(106,855.01)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/14/24	Sweep from Transactional Account	0.00	72,628.04	0.00	(72,628.04)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/15/24	Sweep from Transactional Account	0.00	146,673.48	0.00	(146,673.48)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/16/24	Sweep from Transactional Account	0.00	8,550.44	0.00	(8,550.44)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/20/24	Sweep from Transactional Account	0.00	254,946.29	0.00	(254,946.29)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/21/24	Sweep from Transactional Account	0.00	124,214.26	0.00	(124,214.26)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/22/24	Sweep from Transactional Account	0.00	669,306.11	0.00	(669,306.11)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/23/24	Sweep from Transactional Account	0.00	104,053.92	0.00	(104,053.92)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/26/24	Sweep from Transactional Account	0.00	371,291.19	0.00	(371,291.19)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/27/24	Sweep from Transactional Account	0.00	419,218.77	0.00	(419,218.77)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/28/24	Sweep from Transactional Account	0.00	33,285.24	0.00	(33,285.24)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/29/24	Sweep from Transactional Account	0.00	19,751.65	0.00	(19,751.65)	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	2,669,535.01	0.00	(2,669,535.01)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Date	**Bank Fee/Bank Error/Adjustments**												
02/02/24	Change in Share Price	0.00	0.00	0.00	0.00	0.00	0.00	(533.99)	(1,005.48)	0.00	0.00	0.00	(1,539.47)
02/12/24	Change in Share Price	0.00	0.00	0.00	0.00	0.00	0.00	(534.00)	(1,005.48)	0.00	0.00	0.00	(1,539.48)
02/12/24	Incoming Wire Fee	0.00	0.00	0.00	(20.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(20.00)
02/13/24	Incoming Wire Fee	0.00	0.00	0.00	(20.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(20.00)
02/14/24	Incoming Wire Fee	0.00	0.00	0.00	(80.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(80.00)
02/15/24	Incoming Wire Fee	0.00	0.00	0.00	(20.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(20.00)
02/16/24	Change in Share Price	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(1,508.22)	0.00	0.00	0.00	(1,508.22)
02/16/24	Analysis Charges January 2024	0.00	(127.90)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(127.90)
02/16/24	Incoming Wire Fee	0.00	0.00	0.00	(20.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(20.00)
02/20/24	Incoming Wire Fee	0.00	0.00	0.00	(20.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(20.00)
02/23/24	Incoming Wire Fee	0.00	0.00	0.00	(20.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(20.00)
02/29/24	Change in Share Price	0.00	0.00	0.00	0.00	0.00	0.00	(533.99)	0.00	0.00	0.00	0.00	(533.99)
02/29/24	Service Charge	0.00	0.00	0.00	(12.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(12.00)
02/29/24	Incoming Wire Fee	0.00	0.00	0.00	(40.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(40.00)
		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	(127.90)	0.00	(252.00)	0.00	0.00	(1,601.98)	(3,519.18)	0.00	0.00	0.00	(5,501.06)
Date	**Interest Earned**												
02/29/24	Interest Earned	0.00	0.00	0.00	1,022.98	1,292.93	4,540.99	2,099.67	1,531.45	55,099.71	0.00	0.00	65,587.73
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	1,022.98	1,292.93	4,540.99	2,099.67	1,531.45	55,099.71	0.00	0.00	65,587.73
	Cash Balance as of 02/29/2024	0.00	(1,667,734.33)	5,000.00	2,763,391.23	2,171,033.58	23,223.77	537,696.89	491,702.90	11,754,138.88	64,437.90	1,000.00	16,143,890.82

Note: Daily Interest Rates are through 02/29/2024

San Luis & Delta-Mendota Water Authority
Grant and USBR Funds Cash Activity Detail Report
For Month Ending February 29, 2024

	Non-Interest Bearing Account Account #:	CVCB Checking Grants 8778	CVCB Checking DMC Subsidence Correction Funding 1787	CVCB Checking USBR Rewind 8751	CVCB Checking IRWM P1R1 0659	Total
	Cash Balance as of 01/31/2024	160,061.28	0.00	0.00	73,914.84	233,976.12
Date	**Receipts - Remote Deposit**					
		0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00
Date	**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	**Wires Out**					
02/29/24	SLDMWA Expenses	(160,061.28)	0.00	0.00	(73,914.84)	(233,976.12)
		(160,061.28)	0.00	0.00	(73,914.84)	(233,976.12)
		0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00
Date	**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 02/29/2024	0.00	0.00	0.00	0.00	0.00

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CC: RT, DN

San Luis & Delta-Mendota Water Authority
Cash Activity Detail Report - JPP Unit Rewinds Bond 2021A
For Month Ending February 29, 2024

	Account Information:	CVCB Bond 2021A	US Bank Bond 2021A	Total
	Cash Balance as of 01/31/2024	0.00	462,294.20	462,294.20
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**			
02/29/24	Interest Earned	0.00	1,951.15	1,951.15
		0.00	0.00	0.00
		0.00	1,951.15	1,951.15
	Cash Balance as of 02/29/2024	0.00	464,245.35	464,245.35

San Luis & Delta-Mendota Water Authority
SLDMWA
A/P Register
February 1, 2024 - February 29, 2024

Account	Type	Date	Document	Vendor	Paid
ACCOUNTS PAYABLE					
	WIRE	2/1/2024	24238	11062 BUREAU OF RECLAMATION - REWIND	$380,441.21
	WIRE	2/1/2024	24237	11062 BUREAU OF RECLAMATION - REWIND	$248,028.36
	ACH	2/2/2024	24266	VISA PAYMENT	$860.55
	Vendor Bill Payment	2/7/2024	39987	25687 AAA BUSINESS SUPPLIES & INTERIORS	$264.06
	Vendor Bill Payment	2/7/2024	39988	1269 AT&T 831-001-0448 912	$4,096.55
	Vendor Bill Payment	2/7/2024	39989	25689 BRIGHTVIEW LANDSCAPE SERVICES dba EME	$1,590.00
	Vendor Bill Payment	2/7/2024	39990	25508 C.H.W ENTERPRISES INC./dba INTEGRATED P	$2,052.66
	Vendor Bill Payment	2/7/2024	39991	1651 CA DEPT OF TAX & FEE ADMINISTRATION	$13,062.00
	Vendor Bill Payment	2/7/2024	39992	2088 CAL-SIERRA PIPE, INC.	$1,644.76
	Vendor Bill Payment	2/7/2024	39993	2362 CALTRONICS BUSINESS SYSTEMS	$1,144.00
	Vendor Bill Payment	2/7/2024	39994	2407 CDM SMITH INC.	$8,652.88
	Vendor Bill Payment	2/7/2024	39995	2250 CDW GOVERNMENT	$2,113.60
	Vendor Bill Payment	2/7/2024	39996	25573 CENCAL MACHINE & FABRICATION, INC.	$119.52
	Vendor Bill Payment	2/7/2024	39997	6808-EMPLOYEE	$265.50
	Vendor Bill Payment	2/7/2024	39998	9619-EMPLOYEE	$265.50
	Vendor Bill Payment	2/7/2024	39999	25735 COURTNEY, INC.	$52,528.35
	Vendor Bill Payment	2/7/2024	40000	2248 CPUTREND	$7,235.00
	Vendor Bill Payment	2/7/2024	40001	25591-EMPLOYEE	$324.50
	Vendor Bill Payment	2/7/2024	40002	10311-EMPLOYEE	$221.25
	Vendor Bill Payment	2/7/2024	40003	4119 G & L IRRIGATION & FARM SUPPLY	$239.28
	Vendor Bill Payment	2/7/2024	40004	25652 GB AUTO SERVICE, INC. dba BRUCE'S TIRE & A	$781.12
	Vendor Bill Payment	2/7/2024	40005	25550 GILTON SOLID WASTE MANAGEMENT INC. / LE	$73.16
	Vendor Bill Payment	2/7/2024	40006	4004 GILTON SOLID WASTE MANAGEMENT INC. / O'N	$97.08
	Vendor Bill Payment	2/7/2024	40007	4026 GRANITE CONSTRUCTION COMPANY, INC.	$1,387.82
	Vendor Bill Payment	2/7/2024	40008	4531 HIXCO	$2,728.81
	Vendor Bill Payment	2/7/2024	40009	5047 INDUSTRIAL SCIENTIFIC CORP.	$844.36
	Vendor Bill Payment	2/7/2024	40010	6518-EMPLOYEE	$221.25
	Vendor Bill Payment	2/7/2024	40011	5057-EMPLOYEE	$265.50
	Vendor Bill Payment	2/7/2024	40012	7143-EMPLOYEE	$200.00
	Vendor Bill Payment	2/7/2024	40013	6026 KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD	$3,983.42
	Vendor Bill Payment	2/7/2024	40014	25518 LOS BANOS PROPERTY MANAGEMENT SERVI(	$8,524.80
	Vendor Bill Payment	2/7/2024	40015	10262 MATRIX SCIENCES INTERNATIONAL INC./SOUT	$6,519.50
	Vendor Bill Payment	2/7/2024	40016	7030 MCMASTER-CARR	$169.20
	Vendor Bill Payment	2/7/2024	40017	7201 MOUNTAIN ENTERPRISES INC.	$50,000.00
	Vendor Bill Payment	2/7/2024	40018	7570 NAPA AUTO PARTS- 15111	$372.83
	Vendor Bill Payment	2/7/2024	40019	15074 PLATT	$519.76
	Vendor Bill Payment	2/7/2024	40020	6805 RELX INC. DBA LEXISNEXIS	$208.00
	Vendor Bill Payment	2/7/2024	40021	10016 SAFETY-KLEEN SYSTEMS, INC.	$396.44
	Vendor Bill Payment	2/7/2024	40022	10204 SC INDUSTRIES INC. / DBA CONTEC HOIST & F	$158.78
	Vendor Bill Payment	2/7/2024	40023	10325 SHRED-IT, C/O STERICYCLE, INC.	$291.20
	Vendor Bill Payment	2/7/2024	40024	10227 SONTEK, INC. / YSI INC., A XYLEM BRAND	$3,345.13
	Vendor Bill Payment	2/7/2024	40025	25548 TERRACON CONSULTANTS, INC.	$133,435.56
	Vendor Bill Payment	2/7/2024	40026	25502 THE CINCINNATI LIFE INSURANCE CO.	$2,610.00
	Vendor Bill Payment	2/7/2024	40027	10601 TURLOCK IRRIGATION DISTRICT	$97.65
	Vendor Bill Payment	2/7/2024	40028	11501 VAN'S ACE HARDWARE INC.	$164.49
	Vendor Bill Payment	2/7/2024	40029	11552 VERIZON WIRELESS	$185.73
	Vendor Bill Payment	2/7/2024	40030	12111 WARDEN'S	$1,346.83
	Vendor Bill Payment	2/7/2024	40031	12057 WINDECKER. INC.	$11,513.82
	Vendor Bill Payment	2/7/2024	40032	10207-EMPLOYEE	$265.50
	Vendor Bill Payment	2/7/2024	40033	13605 ZORO TOOLS, INC.	$1,314.22
	ACH	2/9/2024	24267	5004 ICMA RETIREMENT TRUST	$101,768.12
	ACH	2/9/2024	24268	25536 SLDMWA EE ASSOCIATION	$460.00
	WIRE	2/13/2024	24269	10327 SHEPHERD OU	$1,822.50
	Vendor Bill Payment	2/14/2024	40034	1041 ACWA/JPIA - Insurance Premiums	$211,952.20
	Vendor Bill Payment	2/14/2024	40035	10048 ALHAMBRA / LBFO 9459721	$125.35
	Vendor Bill Payment	2/14/2024	40036	25552 ALHAMBRA / SLDM PUMP 4914649	$254.63
	Vendor Bill Payment	2/14/2024	40037	1169 ALL INDUSTRIAL ELECTRIC SUPPLY, INC.	$2,557.80
	Vendor Bill Payment	2/14/2024	40038	25716 AMAZON CAPITAL SERVICES, INC.	$1,991.03
	Vendor Bill Payment	2/14/2024	40039	10196 AT&T LONG DISTANCE BAN:806492911	$33.96
	Vendor Bill Payment	2/14/2024	40040	1671 BAKER MANOCK & JENSEN	$13,587.23

Vendor Bill Payment	2/14/2024	40041	25597 COMPASS RESOURCE MANAGEMENT LTD	$7,237.50
Vendor Bill Payment	2/14/2024	40042	10015 COUNTY OF SAN JOAQUIN	$90.00
Vendor Bill Payment	2/14/2024	40043	2631 D8A COMMUNICATION TECHNOLOGIES	$853.00
Vendor Bill Payment	2/14/2024	40044	25727-EMPLOYEE	$200.00
Vendor Bill Payment	2/14/2024	40045	2639 DHR HYDRO SERVICES INC.	$9,796.46
Vendor Bill Payment	2/14/2024	40046	2579 DOWNTOWN FORD SALES	$86,186.84
Vendor Bill Payment	2/14/2024	40047	3086 EKI ENVIRONMENT & WATER, INC.	$432,164.94
Vendor Bill Payment	2/14/2024	40048	3542 FGL ENVIRONMENTAL, INC.	$563.00
Vendor Bill Payment	2/14/2024	40049	12019 GRAINGER INC.	$7,401.79
Vendor Bill Payment	2/14/2024	40050	4544 HACH COMPANY	$714.42
Vendor Bill Payment	2/14/2024	40051	4528 HOME DEPOT CREDIT SERVICE	$3,716.82
Vendor Bill Payment	2/14/2024	40052	11547 INTERSTATE TRUCK CENTER	$226,604.13
Vendor Bill Payment	2/14/2024	40053	6801 LUHDORFF & SCALMANINI CONSULTING ENGIN	$2,127.50
Vendor Bill Payment	2/14/2024	40054	7030 MCMASTER-CARR	$174.69
Vendor Bill Payment	2/14/2024	40055	12127 MCWANE PLANT AND INDUSTRIAL LLC	$9,609.65
Vendor Bill Payment	2/14/2024	40056	7009 MERCED COUNTY REG. WASTE MGMT AUTHOR	$323.94
Vendor Bill Payment	2/14/2024	40057	25636 MIZUNO CONSULTING, INC.	$7,962.50
Vendor Bill Payment	2/14/2024	40058	5555 MLJ ENVIRONMENTAL	$6,972.75
Vendor Bill Payment	2/14/2024	40059	15066 PAPE MACHINERY INC. / 353006	$995.05
Vendor Bill Payment	2/14/2024	40060	8511 PG&E 7262165466-3	$5,459.57
Vendor Bill Payment	2/14/2024	40061	15042 PIONEER LAW GROUP, LLP.	$1,187.50
Vendor Bill Payment	2/14/2024	40062	25720 SELF-HELP ENTERPRISES	$3,343.82
Vendor Bill Payment	2/14/2024	40063	10002 SORENSEN'S ACE HARDWARE	$277.80
Vendor Bill Payment	2/14/2024	40064	25662 UNITED SITE SERVICES / ACT-00908631	$161.30
Vendor Bill Payment	2/14/2024	40065	12123 WOODARD & CURRAN INC.	$20,551.25
Vendor Bill Payment	2/14/2024	40066	13002 YOUNG'S AIR CONDITIONING	$602.00
Vendor Bill Payment	2/22/2024	40067	25597-EMPLOYEE	$97.15
Vendor Bill Payment	2/22/2024	40068	25523 ALHAMBRA / LBAO 9459657	$318.11
Vendor Bill Payment	2/22/2024	40069	25551 ALHAMBRA / OPP 4945111	$73.42
Vendor Bill Payment	2/22/2024	40070	25716 AMAZON CAPITAL SERVICES, INC.	$3,270.57
Vendor Bill Payment	2/22/2024	40071	25615 AT&T MOBILITY 287314028407	$1,308.69
Vendor Bill Payment	2/22/2024	40072	2217 C.A. SHORT COMPANY, INC	$1,402.88
Vendor Bill Payment	2/22/2024	40073	2072 CCID	$323,705.60
Vendor Bill Payment	2/22/2024	40074	2407 CDM SMITH INC.	$14,333.06
Vendor Bill Payment	2/22/2024	40075	2238 CERES PIPE & METAL	$2,903.31
Vendor Bill Payment	2/22/2024	40076	2105 COUNTY OF STANISLAUS / Fink Road Landfill	$157.95
Vendor Bill Payment	2/22/2024	40077	25665 DELTA DISPOSAL SERVICE, INC - 3354600	$1,068.00
Vendor Bill Payment	2/22/2024	40078	4123 GILL MOTORS TRACY INC./TRACY CHRYSLER D	$34.99
Vendor Bill Payment	2/22/2024	40079	4026 GRANITE CONSTRUCTION COMPANY, INC.	$9,721.16
Vendor Bill Payment	2/22/2024	40080	25740 HEMPEL PIPE AND SUPPLY, INC.	$12,165.54
Vendor Bill Payment	2/22/2024	40081	5027-EMPLOYEE	$186.09
Vendor Bill Payment	2/22/2024	40082	6049 KAHN, SOARES & CONWAY, LLP	$120.33
Vendor Bill Payment	2/22/2024	40083	25718 LOS VAQUEROS RESERVOIR JOINT POWERS /	$619,500.00
Vendor Bill Payment	2/22/2024	40084	7030 MCMASTER-CARR	$594.00
Vendor Bill Payment	2/22/2024	40085	5555 MLJ ENVIRONMENTAL	$239.28
Vendor Bill Payment	2/22/2024	40086	7077 MODESTO STEEL COMPANY, INC.	$515.73
Vendor Bill Payment	2/22/2024	40087	25728 MODUGO, LLC dba RENT-A-CONTAINER NETW	$158.76
Vendor Bill Payment	2/22/2024	40088	7221 MOODY'S INVESTORS SERVICE INC.	$500.00
Vendor Bill Payment	2/22/2024	40089	7566 NEWMAN LAND COMPANY	$118,885.59
Vendor Bill Payment	2/22/2024	40090	25547 O'REILLY / LOS BANOS 1068974	$930.88
Vendor Bill Payment	2/22/2024	40091	8595 PACIFIC ECO-RISK LAB. INC.	$3,715.01
Vendor Bill Payment	2/22/2024	40092	8583 PANOCHE DRAINAGE DISTRICT	$4,868.97
Vendor Bill Payment	2/22/2024	40093	25709 SAMUEL, SON & CO. (USA) INC.	$2,863.82
Vendor Bill Payment	2/22/2024	40094	25712 SWRCB - DWOCP	$70.00
Vendor Bill Payment	2/22/2024	40095	25548 TERRACON CONSULTANTS, INC.	$75,420.00
Vendor Bill Payment	2/22/2024	40096	25700-EMPLOYEE	$156.95
Vendor Bill Payment	2/22/2024	40097	11060 UNWIRED BROADBAND INC. A00015979	$799.97
Vendor Bill Payment	2/22/2024	40098	25521 UNWIRED BROADBAND INC. A00019063	$249.98
Vendor Bill Payment	2/22/2024	40099	25732 VIRGINIA TRANSFORMER CORP.	$8,264.16
Vendor Bill Payment	2/22/2024	40100	12003 WESTLANDS WATER DISTRICT	$403,945.74
Vendor Bill Payment	2/22/2024	40101	13605 ZORO TOOLS, INC.	$2,389.05
ACH	2/23/2024	24270	25536 SLDMWA EE ASSOCIATION	$455.00
ACH	2/23/2024	24271	5004 ICMA RETIREMENT TRUST	$102,703.13
Vendor Bill Payment	2/28/2024	40102	1141 AFLAC	$1,110.93
Vendor Bill Payment	2/28/2024	40103	25716 AMAZON CAPITAL SERVICES, INC.	$3,937.73
Vendor Bill Payment	2/28/2024	40104	25598 APPLIED BEST PRACTICES	$1,000.00
Vendor Bill Payment	2/28/2024	40105	1098 ASBURY ENVIRONMENTAL SERVICES/dba WOR	$100.00
Vendor Bill Payment	2/28/2024	40106	1268 AT&T 831-001-0165 694	$2,091.22
Vendor Bill Payment	2/28/2024	40107	2250 CDW GOVERNMENT	$5,099.62
Vendor Bill Payment	2/28/2024	40108	6808-EMPLOYEE	$80.81

Vendor Bill Payment	2/28/2024	40109	9619-EMPLOYEE	$100.11
Vendor Bill Payment	2/28/2024	40110	2406 CITY OF PATTERSON	$11,494.00
Vendor Bill Payment	2/28/2024	40111	2386 COTCHETT, PITRE & MCCARTHY, LLP	$18,568.80
Vendor Bill Payment	2/28/2024	40112	25735 COURTNEY, INC.	$11,076.76
Vendor Bill Payment	2/28/2024	40113	2580 DEL PUERTO WATER DISTRICT	$98,294.00
Vendor Bill Payment	2/28/2024	40114	2611 DIEPENBROCK ELKIN	$441.00
Vendor Bill Payment	2/28/2024	40115	10311-EMPLOYEE	$156.11
Vendor Bill Payment	2/28/2024	40116	3061 EAGLE FIELD WATER DISTRICT	$25,000.00
Vendor Bill Payment	2/28/2024	40117	3610 FASTRAK	$7.00
Vendor Bill Payment	2/28/2024	40118	3618 FRESNO COUNTY	$25,000.00
Vendor Bill Payment	2/28/2024	40119	3570 FRESNO SLOUGH WATER DISTRICT	$25,000.00
Vendor Bill Payment	2/28/2024	40120	4610 H.T. HARVEY & ASSOCIATES	$7,190.00
Vendor Bill Payment	2/28/2024	40121	25626 HALLMARK GROUP	$42,192.44
Vendor Bill Payment	2/28/2024	40122	25746 HARRIETTE J NORTH	$4,462.90
Vendor Bill Payment	2/28/2024	40123	25745 JAMES C WALDO	$4,826.57
Vendor Bill Payment	2/28/2024	40124	5057-EMPLOYEE	$122.68
Vendor Bill Payment	2/28/2024	40125	6026 KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD	$71,149.88
Vendor Bill Payment	2/28/2024	40126	10262 MATRIX SCIENCES INTERNATIONAL INC./SOUT	$10,020.00
Vendor Bill Payment	2/28/2024	40127	7218 MERCED COUNTY	$30,597.00
Vendor Bill Payment	2/28/2024	40128	7009 MERCED COUNTY REG. WASTE MGMT AUTHOR	$81.80
Vendor Bill Payment	2/28/2024	40129	7144 MERCY SPRINGS WATER DISTRICT	$25,000.00
Vendor Bill Payment	2/28/2024	40130	7577 N&S TRACTOR / STOCKTON	$279.75
Vendor Bill Payment	2/28/2024	40131	7529 NEW YORK LIFE INSURANCE	$767.87
Vendor Bill Payment	2/28/2024	40132	25747 OAK FLAT WATER DISTRICT	$8,547.00
Vendor Bill Payment	2/28/2024	40133	8039 ORO LOMA WATER DISTRICT	$25,000.00
Vendor Bill Payment	2/28/2024	40134	8510 PACHECO WATER DISTRICT	$25,000.00
Vendor Bill Payment	2/28/2024	40135	8506 PANOCHE WATER DISTRICT	$25,000.00
Vendor Bill Payment	2/28/2024	40136	8592 PATTERSON IRRIGATION DISTRICT	$29,383.00
Vendor Bill Payment	2/28/2024	40137	25529 PG&E 0664015301-8	$86.00
Vendor Bill Payment	2/28/2024	40138	25531 PG&E 2125628853-7	$415.01
Vendor Bill Payment	2/28/2024	40139	25530 PG&E 8833159983-2	$3,287.17
Vendor Bill Payment	2/28/2024	40140	15015 PRINCIPAL LIFE INSURANCE COMPANY	$6,123.71
Vendor Bill Payment	2/28/2024	40141	25730-EMPLOYEE	$71.20
Vendor Bill Payment	2/28/2024	40142	10001 SAN LUIS WATER DISTRICT	$25,000.00
Vendor Bill Payment	2/28/2024	40143	10320 SANTA NELLA COUNTY WD	$25,000.00
Vendor Bill Payment	2/28/2024	40144	4592 SGS NORTH AMERICA, INC.	$965.55
Vendor Bill Payment	2/28/2024	40145	10322 STANISLAUS COUNTY	$106,352.00
Vendor Bill Payment	2/28/2024	40146	10326 STOEL RIVES LLP	$7,080.00
Vendor Bill Payment	2/28/2024	40147	10069 SUMMERS ENGINEERING, INC.	$30,481.92
Vendor Bill Payment	2/28/2024	40148	10612 TRANQUILLITY IRRIGATION DISTRICT	$25,000.00
Vendor Bill Payment	2/28/2024	40149	11042 ULINE	$171.58
Vendor Bill Payment	2/28/2024	40150	12101 WEST STANISLAUS IRRIGATION DISTRICT	$40,333.00
Vendor Bill Payment	2/28/2024	40151	12096 WEX BANK	$1,394.51
Vendor Bill Payment	2/28/2024	40152	12091 WHITE CAP, L.P.	$995.91
Vendor Bill Payment	2/28/2024	40153	12094 WIDREN WATER DISTRICT	$25,000.00
Vendor Bill Payment	2/28/2024	40154	4122 WILLIAM R. GRAY & CO./DBA Gray-Bowen-Scott	$6,416.00
Vendor Bill Payment	2/28/2024	40155	10207-EMPLOYEE	$30.35
WIRE	2/28/2024	24272	11045 BUREAU OF RECLAMATION - SL JOINT/USBR P	$2,089,278.00
WIRE	2/28/2024	24273	2514 DEPT. OF WATER RESOURCES	$83,747.74
Total - ACCOUNTS PAYABLE				**$6,860,504.03**

San Luis & Delta-Mendota Water Authority

Activity Agreements Budget to Actual

Paid/Pending Comparison Summary (Preliminary)

March 1, 2023 through February 29, 2024

FAC 04/01/24 & BOD 04/04/24

		FY Budget 3/1/23 - 2/29/24	Actual To Date Paid/Expense	% of Budget	Amount Remaining
03	General Membership	926,259	785,678	84.82%	140,581
05	Leg/CVP Operations	2,923,141	1,839,371	62.92%	1,083,770
06	Reallocation Agreement	0	0	0.00%	0
35	Contract Renewal Coordinator	30,337	40,179	132.44%	(9,842)
09	Leg/CVP Operations #3	0	0	0.00%	0
28	Yuba County Water Transfers	27,000	18,085	66.98%	8,915
22	Grassland Basin Drainage #3A	2,078,148	1,474,971	70.98%	603,177
63	SGMA - Coordinated	525,332	1,343,984	255.84%	(818,652)
64	SGMA - Northern Delta-Mendota Region	562,382	234,711	41.74%	327,671
65	SGMA - Central Delta-Mendota Region	562,382	243,036	43.22%	319,346
67	Integrated Regional Water Management	185,606	44,243	23.84%	141,363
68	Los Vaqueros Reservoir Expansion Project	9,235	4,725	51.16%	4,510
44	Exchange Contractors - 5 Year Transfer	20,000	33,065	165.32%	(13,065)
56	Long-Term North to South Water Transfer	197,587	30,986	15.68%	166,601
69	B.F. Sisk Dam Raise & Reservoir Exp	740,125	687,973	92.95%	52,152
16	DHCCP	1,175	129	10.98%	1,046
	TOTAL	**8,788,709**	**6,781,136**	**77.16%**	**2,007,573**
	12/12 X 8,788,709		**$ 8,788,709**	**100.00%**	
	Budget vs. Actual		**2,007,573**		

1

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 Through February 29,2024
DATES: 04.01.24 FAC and 04.04.24 BOD

2023 Water Year (FY 3/1/23-2/29/24 *attachment 1*
Self-Funding actual expenses (paid and pending) for SLDMWA Routine O&M through February 29, 2024 are over budget by $2,563,295. This unfavorable variance is the result of unbudgeted DWR conveyance charges for DCI activity of $3,337,232. O&M expenditures are below budget, and favorable variances totaling $773,937 are offsetting these overages to arrive at the net amount. Staff has included DWR wheeling charges as an anticipated expense in the next budget cycle.

Outstanding

2022 Water Year (FY 3/1/22-2/28/23)
Staff mailed draft contractor records for the WY22 Final Accounting to all contractors on Monday, September 25, 2023. Contractors have responded with any reconciling differences.

Intertie O&M Cost Recovery
WY12 to WY20 Intertie True-Up: outstanding, no cost recovery. Refunds were sent out in November, 2021.

Audited Financial Statements FY2023
FY2023 Audit is underway and staff is working to provide the auditors with all necessary information for a timely audit.

2024 Water Year (FY 3/1/24-2/28/25)
Proposed O&M Water Rates for WY24 have been prepared for the new water year.

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	O'NEILL O&M STORAGE	O'NEILL O&M 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					$ 3,127,414	$ 77,937.02	
SL Drain	$ 245,213							$ 245,213
	$ 17,447,862	$ 10,329,520	$ 270,805	$ 69,935	$ 3,327,039	$ 3,127,414	$ 77,937	$ 245,213

R, O&M BUDGET BY COST POOLS THROUGH: FEBRUARY 29, 2024

100.00%

	Total	UPPER	Intertie	Volta Wells	LWR	O'NEILL O&M DIRECT	O'NEILL O&M STORAGE	O'NEILL O&M SL DRAIN
DMC	$ 7,767,002	$ 4,686,609			$ 3,080,393			
JPP	$ 5,489,363	$ 5,489,363						
WW	$ 204,730	$ 153,547			$ 51,182			
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					$ 3,127,414	$ 77,937	
SL Drain	$ 245,213							$ 245,213
	$ 17,447,862	$ 10,329,520	$ 270,805	$ 69,935	$ 3,327,038	$ 3,127,414	$ 77,937	$ 245,213

R, O&M Actual COSTS BY COST POOLS THROUGH: FEBRUARY 29, 2024

	Total	UPPER	Intertie	Volta Wells	LWR	O'NEILL O&M DIRECT	O'NEILL O&M STORAGE	O'NEILL O&M SL DRAIN
DMC	$ 8,227,995	$ 4,964,772			$ 3,263,223			
JPP	$ 4,537,404	$ 4,537,404						
WW	$ 84,924	$ 63,693			$ 21,231			
Intertie O&M / DWR Conveyance	$ 3,608,037		$ 3,608,037					
Volta Wells	$ 16,972			$ 16,972				
Mendota Pool	$ 155,447				$ 155,447			
O'Neill	$ 3,254,057					$ 3,174,936	$ 79,121	
SL Drain	$ 126,321							$ 126,321
	$ 20,011,157	$ 9,565,869	$ 3,608,037	$ 16,972	$ 3,439,901	$ 3,174,936	$ 79,121	$ 126,321

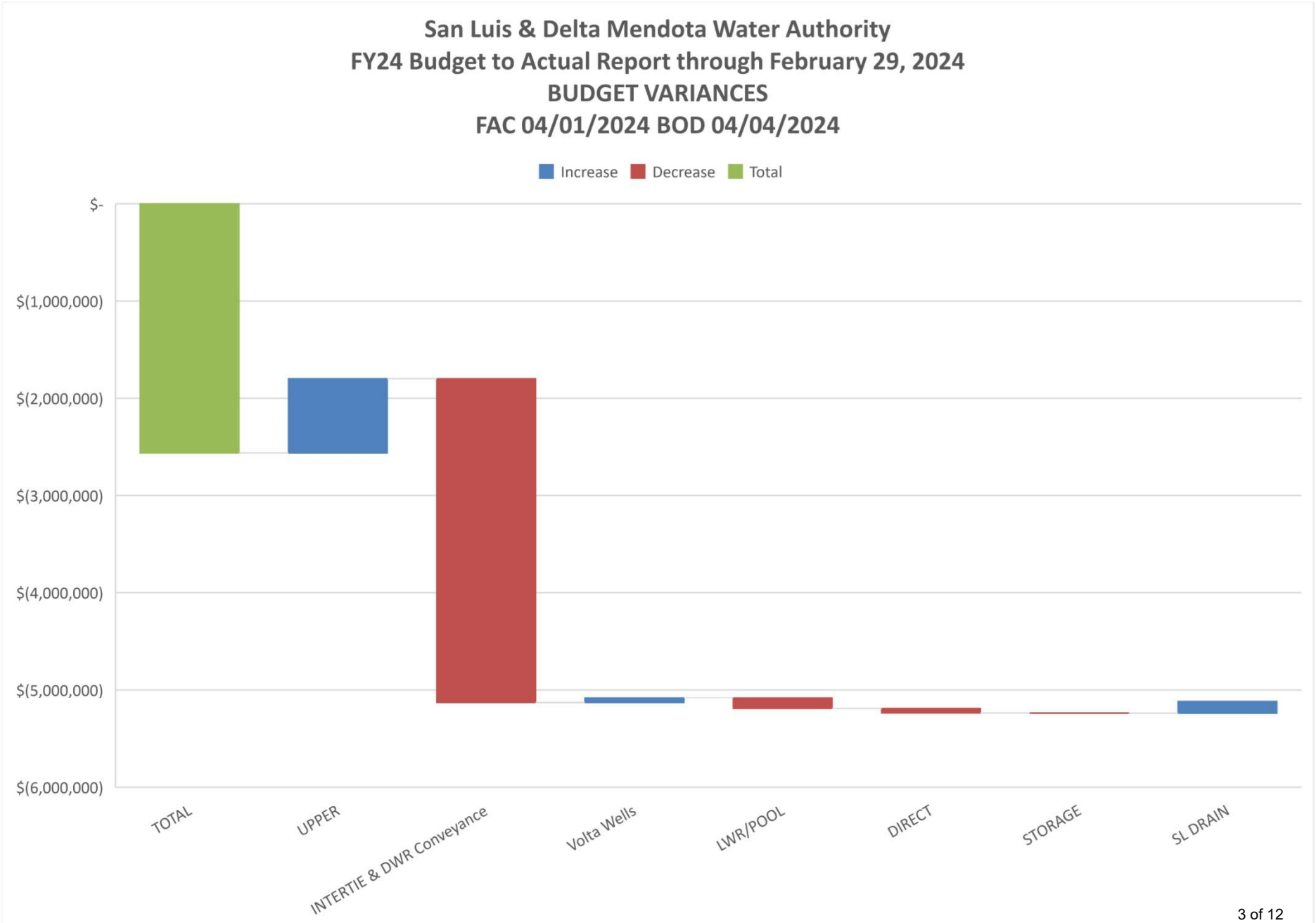
R, O&M BUDGET vs Actual COSTS THROUGH: FEBRUARY 29, 2024

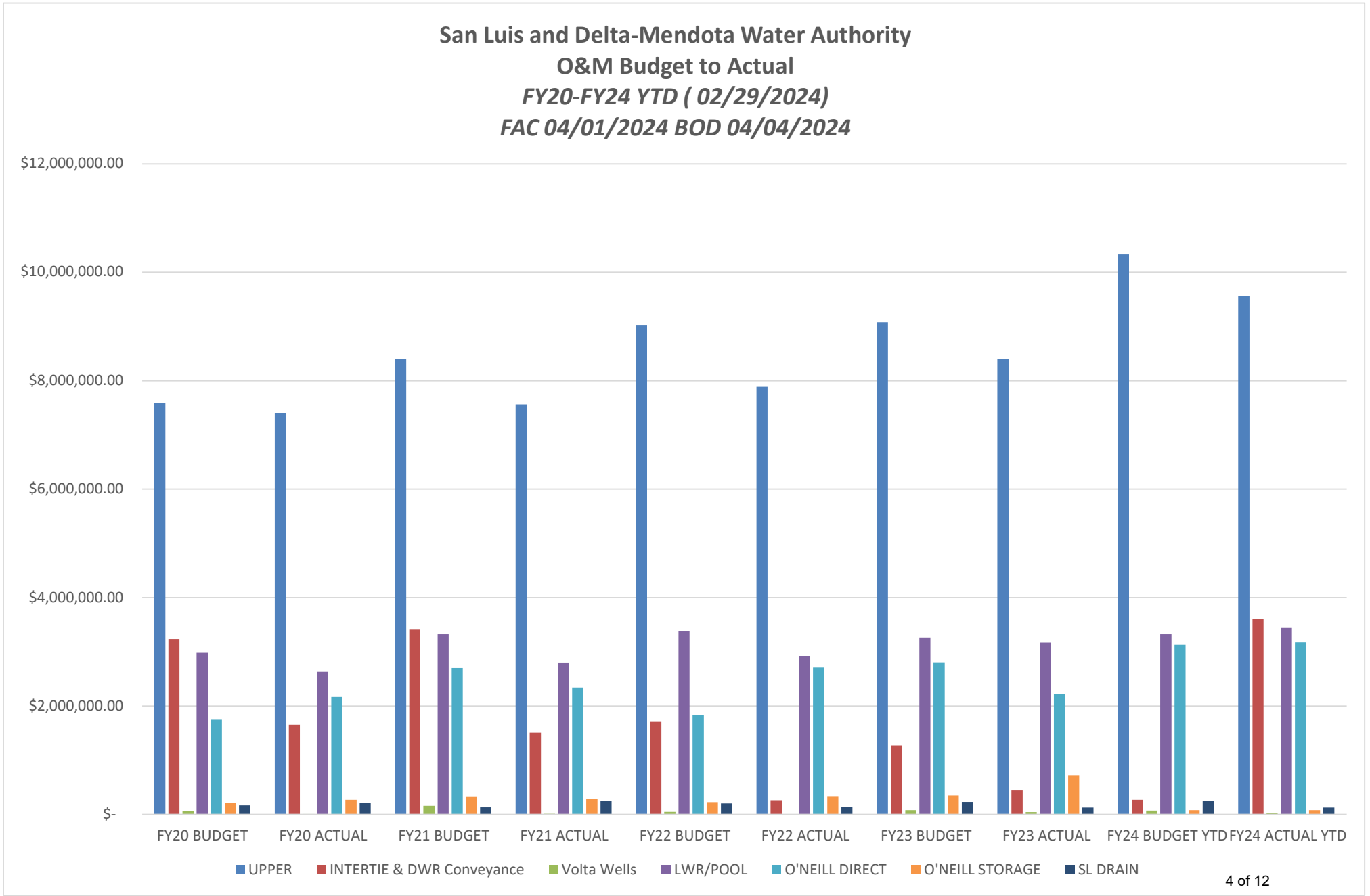
	TOTAL	UPPER	INTERTIE & DWR Conveyance	Volta Wells	LWR/POOL	O'NEILL O&M DIRECT	O'NEILL O&M STORAGE	O'NEILL O&M SL DRAIN
R, O&M Budget	$ 17,447,862	$ 10,329,520	$ 270,805	$ 69,935	$ 3,327,038	$ 3,127,414	$ 77,937	$ 245,213
R, O&M Actual	$ 20,011,157	$ 9,565,869	$ 3,608,037	$ 16,972	$ 3,439,901	$ 3,174,936	$ 79,121	$ 126,321
Difference	$ (2,563,295)	$ 763,651	$ (3,337,232)	$ 52,963	$ (112,863)	$ (47,522)	$ (1,184)	$ 118,892
	OVER	UNDER	OVER	UNDER	OVER	OVER	OVER	UNDER

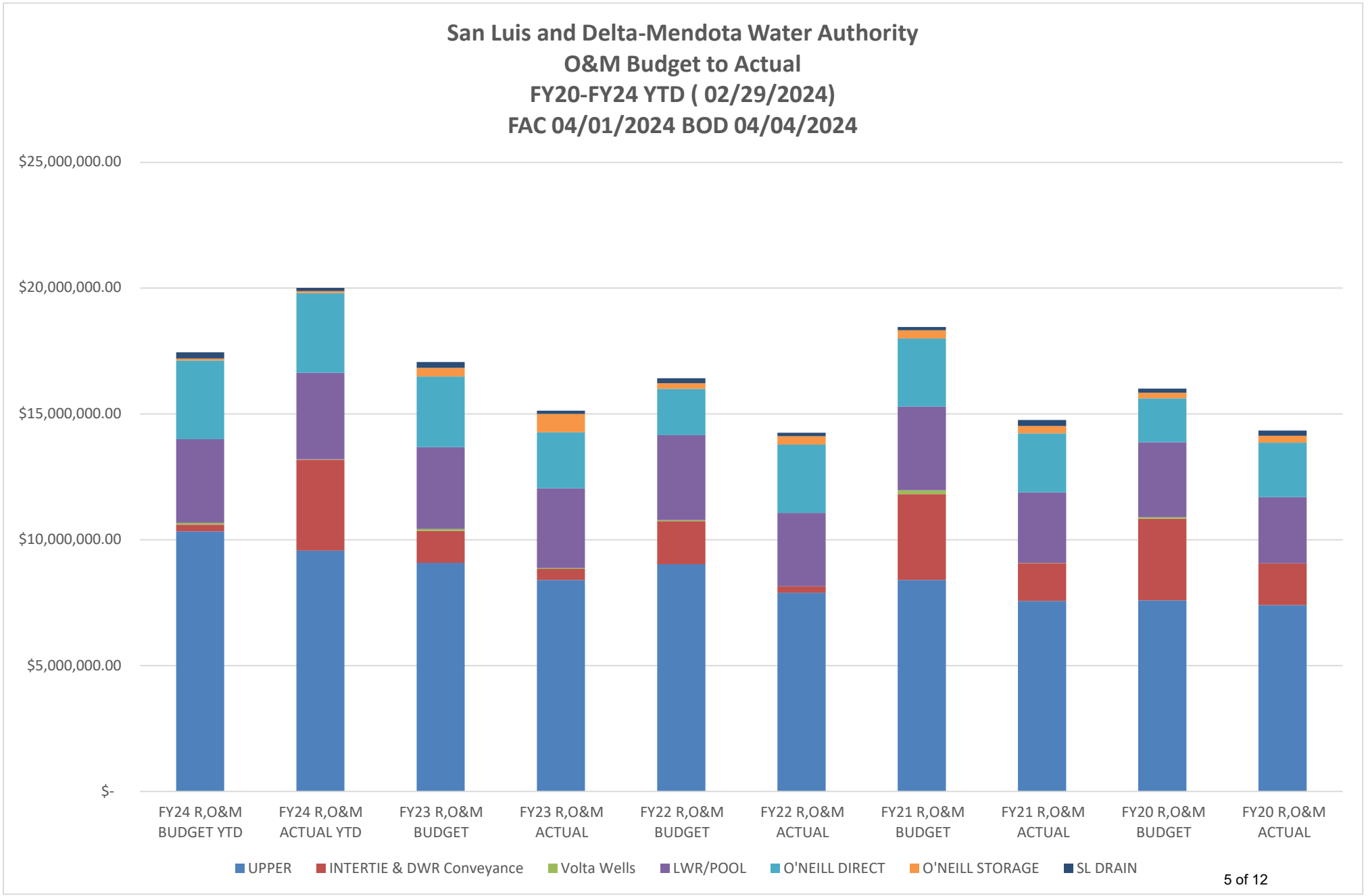
-14.691172% OVER BUDGET

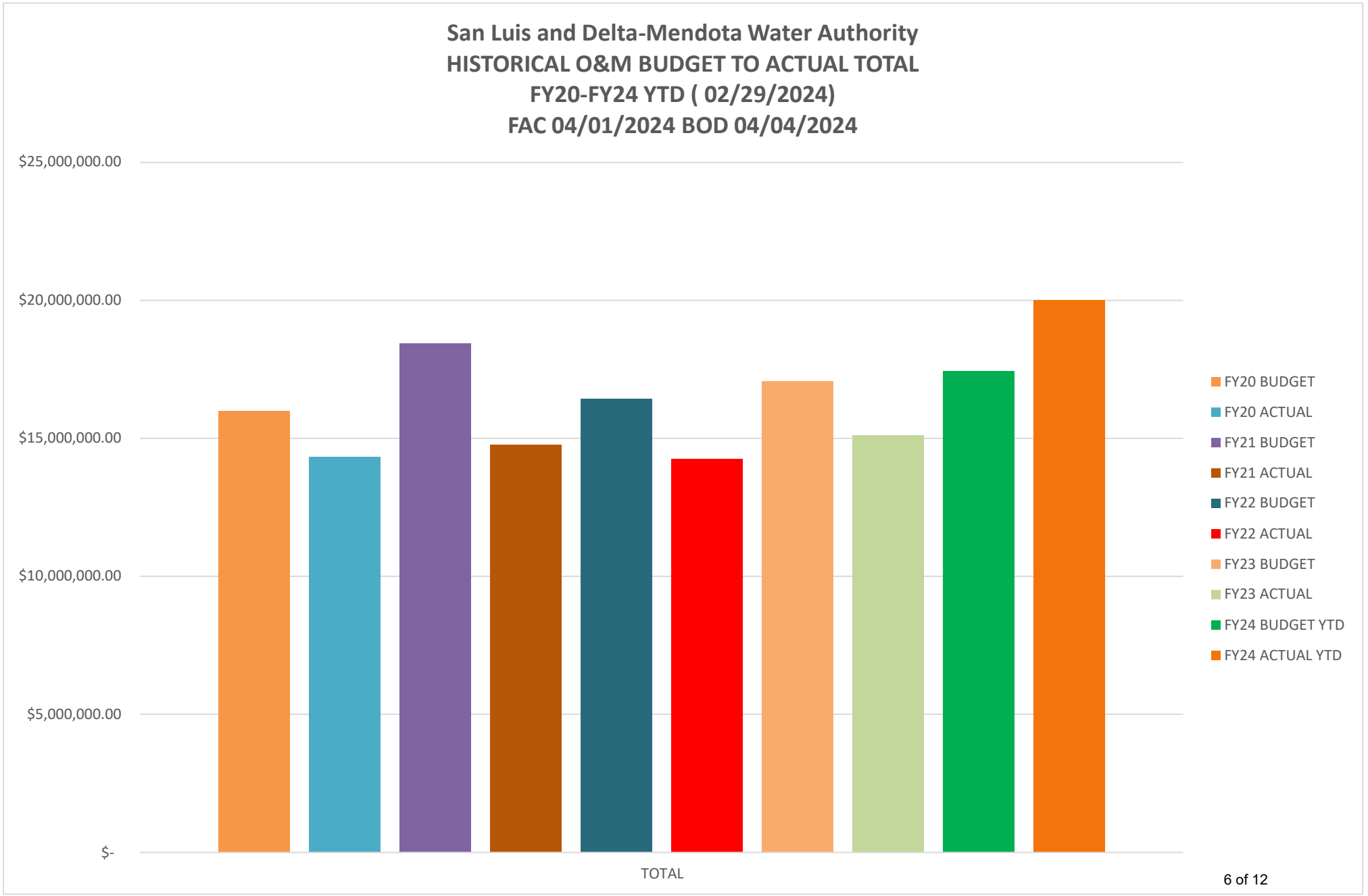
subject to rounding

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San Luis & Delta Mendota Water Authority
FY24 Budget to Actual Report through February 29, 2024
BUDGET VARIANCES
FAC 04/01/2024 BOD 04/04/2024
Increase
Decrease
Total
$-
$(1,000,000)
$(2,000,000)
$(3,000,000)
$(4,000,000)
$(5,000,000)
$(6,000,000)
TOTAL
UPPER
INTERTIE & DWR Conveyance
Volta Wells
LWR/POOL
DIRECT
STORAGE
SL DRAIN


San Luis and Delta-Mendota Water Authority
O&M Budget to Actual
FY20-FY24 YTD (02/29/2024)
FAC 04/01/2024 BOD 04/04/2024
$12,000,000.00
$10,000,000.00
$8,000,000.00
$6,000,000.00
$4,000,000.00
$2,000,000.00
$-
FY20 BUDGET
FY20 ACTUAL
FY21 BUDGET
FY21 ACTUAL
FY22 BUDGET
FY22 ACTUAL
FY23 BUDGET
FY23 ACTUAL
FY24 BUDGET YTD
FY24 ACTUAL YTD
UPPER
INTERTIE & DWR Conveyance
Volta Wells
LWR/POOL
O'NEILL DIRECT
O'NEILL STORAGE
SL DRAIN


San Luis and Delta-Mendota Water Authority
O&M Budget to Actual
FY20-FY24 YTD (02/29/2024)
FAC 04/01/2024 BOD 04/04/2024
$25,000,000.00
$20,000,000.00
$15,000,000.00
$10,000,000.00
$5,000,000.00
$-
FY24 R,O&M BUDGET YTD
FY24 R,O&M ACTUAL YTD
FY23 R,O&M BUDGET
FY23 R,O&M ACTUAL
FY22 R,O&M BUDGET
FY22 R,O&M ACTUAL
FY21 R,O&M BUDGET
FY21 R,O&M ACTUAL
FY20 R,O&M BUDGET
FY20 R,O&M ACTUAL
UPPER
INTERTIE & DWR Conveyance
Volta Wells
LWR/POOL
O'NEILL DIRECT
O'NEILL STORAGE
SL DRAIN


San Luis and Delta-Mendota Water Authority
HISTORICAL O&M BUDGET TO ACTUAL TOTAL
FY20-FY24 YTD (02/29/2024)
FAC 04/01/2024 BOD 04/04/2024
$25,000,000.00
$20,000,000.00
$15,000,000.00
$10,000,000.00
$5,000,000.00
$-
TOTAL
FY20 BUDGET
FY20 ACTUAL
FY21 BUDGET
FY21 ACTUAL
FY22 BUDGET
FY22 ACTUAL
FY23 BUDGET
FY23 ACTUAL
FY24 BUDGET YTD
FY24 ACTUAL YTD

San Luis & Delta-Mendota Water Authority
DMC without CIP / E O&M
Budget to Actual Paid/Pending Comparison Summary
March 1, 2023 through February 29, 2024 (Preliminary)
FAC 4/01/24 & BOD 4/04/24

			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		5,659,445	104.66%		(251,906)
Operate & Maintain Wasteways	S/F	04	133,829		53,772	40.18%		80,057
Mendota Pool	S/F	05	127,829		142,048	111.12%		(14,219)
Operate & Maintain JPP	S/F	11	3,532,461		2,999,120	84.90%		533,341
Intertie Maintenance	S/F	12	183,548	A	296,023	161.28%		(112,475)
Volta Wells Pumping	S/F	13	46,381		12,291	26.50%		34,090
Operate & Maintain O'Neill	S/F	19	2,118,671		2,187,641	103.26%		(68,970)
Maintain Tracy Fish Facility	USBR	30	36,347		390,804	1075.21%		(354,457)
Operate & Maintain San Luis Drain	S/F	41	160,495		80,900	50.41%		79,595
Maintain Delta Cross Channel	USBR	44	38,500		11,284	29.31%		27,216
Safety Equipment Training		50	322,300		18,307	5.68%		303,993
IT Expense		51	774,335		611,417	78.96%		162,918
Warehousing		52	236,695		106,997	45.20%		129,698
Tracy Field Office Expense		54	624,985		713,614	114.18%		(88,629)
Direct Administrative/General Expense		56	1,154,281		1,746,649	151.32%		(592,368)
Indirect O & M LBAO Admin.		58	2,633,617		2,476,286	94.03%		157,330
TOTAL			**17,531,812**		**17,506,598**	**99.86%**		**25,214**

Total from Self-Funding - page 2	17,447,862	16,862,758	96.65%	585,104
Total from USBR - page 3	83,950	534,552	636.75%	(450,602)
Total from Special Projects - page 4	-	109,288		(109,288)
Totals	17,531,812	17,506,598		25,214
	YTD %	**100.00%**		

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
March 1, 2023 through February 29, 2024 (Preliminary)
FAC 4/01/24 & BOD 4/04/24

		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		5,659,445		104.66%	(251,906)
Operate & Maintain Wasteways	**04**	133,829		53,772		40.18%	80,057
Mendota Pool	**05**	127,829		142,048		111.12%	(14,219)
Operate & Maintain JPP	**11**	3,532,461		2,999,120		84.90%	533,341
Intertie Maintenance	**12**	183,548	A	296,023		161.28%	(112,475)
Volta Wells Pumping	**13**	46,381		12,291		26.50%	34,090
Operate & Maintain O'Neill	**19**	2,118,671		2,187,641		103.26%	(68,970)
Operate & Maintain San Luis Drain	**41**	160,495		80,900		50.41%	79,595
Total Direct O & M		**11,710,753**		**11,431,240**		**97.61%**	**279,513**
Safety Equipment Training	**50**	321,789		17,527		5.45%	304,262
IT Expense	**51**	773,108		585,363		75.72%	187,745
Warehousing	**52**	236,320		102,438		43.35%	133,882
Tracy Field Office Expense	**54**	623,995		683,205		109.49%	(59,210)
Direct Administrative/General Expense	**56**	1,152,452		1,672,220		145.10%	(519,767)
Indirect O & M LBAO Admin.	**58**	2,629,444		2,370,765		90.16%	258,679
Total Indirect Allocated to O & M		**5,737,109**		**5,431,518**		**94.67%**	**305,591**
Total SLDMWA O&M		**17,447,862**		**16,862,758**		**96.65%**	**585,104**

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 **March 1, 2023 through February 29, 2024 (Preliminary)**

FAC 4/01/24 & BOD 4/04/24

		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	390,804	1075.21%	(354,457)
Maintain Delta Cross Channel	**44**	38,500	11,284	29.31%	27,216
Total Direct USBR Facilities		**74,847**	**402,088**	**537.21%**	**(327,241)**
Safety Equipment Training	**50**	511	427	83.72%	83
IT Expense	**51**	1,227	14,276	1163.76%	(13,049)
Warehousing	**52**	375	2,498	666.26%	(2,123)
Tracy Field Office Expense	**54**	990	16,662	1682.87%	(15,672)
Direct Administrative/General Expense	**56**	1,829	40,782	2230.23%	(38,954)
Indirect O & M LBAO Admin.	**58**	4,172	57,819	1385.81%	(53,646)
Total Indirect Allocated USBR Facilities		**9,103**	**132,464**	**1455.15%**	**(123,361)**
TOTAL USBR FACILITIES		**83,950**	**534,552**	**636.75%**	**(450,602)**

San Luis & Delta-Mendota Water Authority
DMC Indirect Cost Allocated to Special Projects
March
March 1, 2023 through February 29, 2024 (Preliminary)
FAC 4/01/24 & BOD 4/04/24

			Allocated To Date			
Safety Equipment Training	**50**		353			
IT Expense	**51**		11,778			
Warehousing	**52**		2,061			
Tracy Field Office Expense	**54**		13,747			
Direct Administrative/General Expense	**56**		33,647			
Indirect O & M LBAO Admin.	**58**		47,702			
Total Indirect Allocated to SPECIAL PROJECTS			**109,288**			
TOTAL INDIRECT ALLOCATED TO SPECIAL PROJECTS			**109,288**			

San Luis & Delta-Mendota Water Authority
DMC WITH CIP / E O & M
Budget to Actual Paid/Pending Comparison Summary
March 1, 2023 through February 29, 2024 (Preliminary)
FAC 4/01/24 & BOD 4/04/24

			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		5,102,616		222.07%		(2,804,916)
Extra Ordinary O&M	**EO&M**	**26**	6,198,000		5,573,212		89.92%		624,788
Operate & Maintain DMC	**S/F**	**02**	5,407,539		5,659,445		104.66%		(251,905)
Operate & Maintain Wasteways	**S/F**	**04**	133,829		53,772		40.18%		80,057
Mendota Pool	**S/F**	**05**	127,829		142,048		111.12%		(14,219)
Operate & Maintain JPP	**S/F**	**11**	3,532,461		2,999,120		84.90%		533,340
Intertie Maintenance	**S/F**	**12**	183,548	**A**	296,023		161.28%		(112,475)
Volta Wells Pumping	**S/F**	**13**	46,381		12,291		26.50%		34,090
Operate & Maintain O'Neill	**S/F**	**19**	2,118,671		2,187,641		103.26%		(68,971)
Maintain Tracy Fish Facility	**USBR**	**30**	36,347		390,804		1075.21%		(354,457)
Operate & Maintain Tracy USBR	**USBR**	**33**	-		-		0.00%		-
Operate & Maintain San Luis Drain	**S/F**	**41**	160,495		80,900		50.41%		79,595
Maintain Delta Cross Channel	**USBR**	**44**	38,500		11,284		29.31%		27,216
Safety Equipment Training		**50**	349,917		19,951		5.70%		329,967
IT Expense		**51**	840,688		666,311		79.26%		174,376
Warehousing		**52**	256,978		116,603		45.37%		140,375
Tracy Field Office Expense		**54**	678,540		777,684		114.61%		(99,144)
Direct Administrative/General Expense		**56**	1,253,190		1,903,466		151.89%		(650,276)
Indirect O & M LBAO Admin.		**58**	2,859,290		2,698,612		94.38%		160,679
TOTAL			**26,519,903**		**28,691,783**		**108.19%**		**(2,171,880)**

Total from Self-Funding - page 2	17,447,862	16,862,758	96.65%	585,104
Total from USBR - page 3	83,950	534,552	636.75%	(450,602)
Total from Special Projects - page 4	-	109,288		(109,288)
Total from EO&M	8,988,091	11,185,184	124.44%	(2,197,093)
Totals	26,519,903	28,691,783		(2,171,880)
	YTD %	**100.00%**		

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
March 1, 2023 through February 29, 2024 (Preliminary)
FAC 4/01/24 & BOD 4/04/24

			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	5,659,445	41.54%	2,568,550	8,227,995	*
Operate & Maintain Wasteways	S/F	04	53,772	0.50%	31,152	84,924	*
Mendota Pool	S/F	05	142,048	0.21%	13,398	155,446	*
Operate & Maintain Jones Pumping Pl	S/F	11	2,999,120	24.88%	1,538,283	4,537,404	*
Intertie Maintenance	S/F	12	296,023	2.65%	163,617	459,640	*
Intertie DWR Conveyance	S/F	12	3,148,398			3,148,398	*
Volta Wells Pumping	S/F	13	12,291	0.08%	4,681	16,972	*
Operate & Maintain O'Neill	S/F	19	2,187,641	17.25%	1,066,415	3,254,057	*
Maintain Tracy Fish Facility	USBR	30	390,804	2.03%	125,282	516,086	
Operate & Maintain San Luis Drain	S/F	41	80,900	0.73%	45,421	126,321	*
Maintain Delta Cross Channel	USBR	44	11,284	0.12%	7,183	18,466	
CIP		25	5,102,616	3.87%	239,237	5,341,853	
EO&M & Scada Project		26	5,573,212	4.37%	270,120	5,843,331	
SPECIAL PROJECTS		XX		1.77%	109,288	109,288	
					6,182,627	31,840,181	
				100.00%			
Safety Equipment Training		50	19,951				
IT Expense		51	666,311				
Warehousing		52	116,603				
Tracy Field Office Expense		54	777,684				
Direct Administrative/General Expense		56	1,903,466			(11,185,184)	less CIP&EO&M
Indirect O & M LBAO Admin.		58	2,698,612			(534,552)	less USBR Facilities
Total Indirect to be Allocated				6,182,627		(109,288)	less Special Projects
TOTAL			**31,840,181** includes intertie DWR conveyance			20,011,157	*SLDMWA O&M Costs

28,691,783 w/o intertie DWR conveyance

16,862,758 O&M

Subject to Rounding

April 04, 2024

To: Pablo Arroyave, Chief Operating Officer

From: Bob Martin, Facilities O&M Director

Subject: O&M Report for March 2024

OPERATIONS DEPARTMENT

The C.W. “Bill” Jones Pumping Plant (JPP) operated with 2 to 5 units for the first 26 days of March. The average rate of pumping for the JPP was 2,837 cfs for the same period.

Total pumping at the JPP for the first 26 days of March was 146,322 acre-feet. The O’Neill Pump/Generating Plant (OPP) generated 0 acre-feet, and pumped 98,303 acre-feet during the same period. 9,440 acre-feet were pumped at the Delta-Mendota Canal/California Aqueduct Intertie Plant (DCI) and 0 acre-feet was reversed from the DCI into the DMC for the first 26 days of March.

The Federal share in the San Luis Reservoir as of March 26th was 964,235 acre-feet as compared to 928,424 acre-feet for the end of March 2023.

During the first 26 days of March, releases from Friant Dam ranged from 396 to 546 cfs with 14,519 acre-feet entering the Mendota Pool. Flows for the San Joaquin River Restoration Program (SJRRP) were 14,281 acre-feet for the same period.

Canal Operations Department

The Canal Operations crews worked on the following activities this month:

- Pitot Tube & open channel flow measurements at MP’s

4.98	68.83	115.90
20.43 L	22.20 L	29.19 L
50.70 R	54.01 L	57.46 L
60.65 L	61.37 R	62.08 R
64.32 L	64.32 R	65.37 R
66.06 L	66.68 L	66.73 L
68.03 L	80.99 L	84.39 L
100.80 R	Volta F&G New Pump	

- Serviced flow meters at DMC MP's

20.59 L	21.25 L	23.41 L	23.81 L
24.38 L	25.02 L	25.18 L	25.65 L
27.80 R	28.19 L	28.89 L	29.19 R
33.07 R	34.63 R	35.04 R	35.73 R
39.20 R	39.22 L	39.78 L	41.53 R
42.10 R	42.50 R	42.68 L	43.22 L
43.73 L	44.22 LA	44.22 LB	44.24 R
45.78 R	45.79 R	69.21 L	

- Bi-weekly meter readings on all active 200 plus turnouts
- Inspected Wasteways
    - Westley
    - Newman
    - Volta
    - Firebaugh
- Collected water samples at MP 10.62, 20.63, 29.95, 39.21, and 45.77
- Groundwater well soundings
    - USGS Monitoring Wells
    - CASGEM Wells
    - Upper DMC Warren Act Wells
    - Lower DMC Warren Act Wells
- Routine patrols
    - DMC
    - Mendota Pool
    - San Luis Drain

Other Activities

The Control Operations crew performed the following switching/clearance orders this month:

- C-23-JP-63C JPP Unit 6 warranty inspection
- C-23-JP-63D JPP Unit 6 warranty inspection
- C-23-JP-63E JPP Unit 6 warranty inspection
- C-24-JP-01 JPP Unit 6 suction elbow
- C-24-DM-11 DMC Check 5 anode replacement
- C-24-JP-12 JPP Unit 5 oil leak repair and brush inspection
- C-24-JP-12A JPP Unit 5 wheel pit alarm
- C-24-JP-13 JPP Unit 4 annual maintenance
- C-24-ON-14 OPP Unit 6 annual maintenance

Jones Pumping Plant

Electrical/C&I Maintenance Crews:

- Reassembly of JPP Unit 6 after warranty inspection and repairs
- REXEL Rockwell PLC Training in Modesto
- JPP plant systems C&I PM
- Replace thermostats in building UZB 15
- Replace thermostats in building UZB 6A

- Station service battery bank test and inspection PM
- JPP flooding alarm test and inspection 3-month PM
- JPP ¼ ton monorail hoist test and inspection 3-month PM
- UZ11A breaker protective relay 11JPUZ3A update per USBR
- UZ11A breaker protective relay 11JPF2 update per USBR
- Test and calibrate transducers in the Unit Control Cabinets
- Investigated sparking coming for JPP Unit 5 exciter, minor cleanup performed

Mechanical Maintenance Crews:

- Perform 5 year inspection on unit stator and rotor following rewind work (Unit 4)
- JPP monthly shop organization and clean up
- Inspection, removal, and replacement of JPP stop log wire rope slings
- Replaced check valves on sump pump and unwatering pumps
- Investigate, repair and test oil leak from high pressure lube plumbing on Unit 5
- Removed vacant bird nests and pressure washed JPP exterior
- Remove and inspect access hatches and drain troughs
- Pressure wash and painted Butterfly Gallery access hatches

Civil Maintenance Crews:

- None to Report

O'Neill Pumping/Generating Plant

Electrical/C&I Maintenance Crews:

- OPP Unit 6 annual maintenance
- OPP transformer rehabilitation prep work and equipment staging
- OPP general lighting repair and maintenance
- OPP sump pump test and inspection 3-month PM
- OPP station service station battery charges inspection 3-month PM
- OPP station service battery test and inspection PM
- OPP station service dry transformer test and inspection PM
- OPP cathodic protection system anode test and inspection PM
- OPP 1 ton chain hoist test and inspection PM
- OPP ½ ton chain hoist crane test and inspection
- OPP 65/10 ton overhead crane test and inspection PM
- OPP 5 ton stop log gantry crane test and inspection PM
- OPP 1 ton chain hoist test and inspection PM
- OPP security gate test and inspection PM (North and South)
- OPP UPS battery internal resistance test and inspection
- OPP Annunciator Panel test and inspection PM
- OPP compressed air systems LP test and inspection PM
- OPP trash rack crane test and inspection
- OPP emergency lighting PM
- OPP Machine shop welding shop equipment test and inspection 3-month PM

Mechanical Maintenance Crews:

- Interior painting of the OPP facility
- OPP Machine Shop equipment test and inspection 3-month PM
- OPP Transformer Rehabilitation prep work and equipment staging

- OPP trash rack cleaning
- OPP 65/10 ton crane monthly test and inspection PM
- OPP 65 ton bridge crane monthly test and inspection PM
- OPP High pressure air compressor test and inspection PM
- OPP Siphon Building inspection
- OPP ½ ton chain hoist crane test and inspection PM
- OPP 1 ton chain hoist crane test and inspection PM
- OPP 3 ton jib crane test and inspection PM
- OPP 5 ton gantry crane test and inspection 3-month PM
- OPP 5 ton stop log gantry crane test and inspection PM
- OPP service air/siphon house low compressor test and inspection PM
- OPP sump pump inspection PM
- OPP shop cleanup and organization
- OPP Siphon house bridge crane test and inspection PM
- OPP weekly plant checks
- OPP Domestic water sand filter maintenance
- OPP sewage system test and inspection PM
- OPP Unit 6 cooling water and Kinney strainer rehab work

Civil Maintenance Crews:

- Hauled A/B for OPP transformer rehab work area

DMC/CA Intertie Pumping Plant

Electrical/C&I Maintenance Crews:

- Troubleshoot and repair of DMC Check 3 gate #3 not functioning (Electrical)

Mechanical Maintenance Crews:

- None to report

Civil Maintenance Crews:

- None to report

Delta-Mendota Canal

Electrical/C&I Maintenance Crews:

- Check 14, 15, 16, 17, 19, 20, 21 electrical system and equipment troubleshoot, service and repair
- Check 16 Gate 2 motor removal and replacement
- LBFO HVAC system test and inspection 3-month PM
- LBFO main gate controller test and inspection PM
- LBFO Domestic well pump and test inspection 3-month
- LBFO general lighting and electrical repairs

Mechanical Maintenance Crews:

- None to report

Civil Maintenance Crews:

- Chemical weed control MP 18 to 38, 61.37 to 110.99
- Mechanical weed control MP 1.00 to JPP, 13.25 to 20.43, 86.16 to 90.53, VWW

- Trash collection from MP 64.32 to 68.08, 78.02, SLD (Check 55)
- Erosion repairs at MP 4.41 to 13.25, 14.50 to 23.48
- Erosion repairs at Little Salado Creek, the intake channel, VWW and SLD
- Inspect shoulder drains from MP Kelso Rd. to Orestimba Rd.
- Pump out meter box at MP 50.70
- Install corp stop at MP 84.99
- Haul A/B to solar project site for USBR Ceremony
- DMC traffic gate repair at MP 68.59
- TFO shop and yard cleanup
- Painted bollards for monitoring wells
- DMC sign repair maintenance at MP 13.25, 43.24, 81.69
- Rodent abatement from MP 4.16 to 58.15, Check 11 to 68.03
- Fabricated handrails at MP 8.52, 16.19, 17.17, 26.21, 27.77, 32.94,
- Provide support for USBR Bathymetric survey
- Replaced anodes at Check 5
- Repaired a leak at MP 43.22
- Remove Hyacinth from Mendota Pool meters
- Replaced meter box grating and wood boards at MP 30.43 and 58.26
- Install new drain pipe at MP 53.64
- Fabricate steps for meter well at MP 84.39
- Numerous vehicle oil changes and minor repairs

Tracy Field Office

Electrical/C&I Maintenance Crews:

- UPS battery bank test and inspection PM
- Water Treatment Plant C&I inspection PM
- Control Building emergency lighting system test and inspection PM
- JPP Domestic Water Treatment Plant Replacement Project (WTPP)
- Control Building 1 ton hoist electrical test and inspection 3-month PM
- Build, install and outfit new E-SHOP vans for service
- Troubleshoot and repair heater in warehouse office area
- CMT/VMT monorail hoist test and inspection 3-month PM

Mechanical Maintenance Crews:

- JPP Domestic WTP rehab
- JPP Gland water cleaning and inspection 6-month PM

Civil Maintenance Crews:

- Installed TV mounting brackets in the Control Building
- Weed control on the compound
- Inspect and repair sprinklers, valves and timers on TFO grounds

Other Activities

- None to report

USBR Support Services

The Water Authority crews supported the following work at USBR facilities during the outage this month:

- Contract support for wood grinding in the Hyacinth Pit area
- Contract support for repairs to the tension arm at TFCFPrepared the invoice support for the period 1/1/2024 to 2/29/2024

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
- DMC check motor replacement
- DMC milepost 20.15L leak investigation, monitoring, and containment berm support
- JPP Unit 6 Reassembly
- OPP siphon house compressor warranty repair

Land Management Activity Summary:

The Engineering staff issued one (1) Access Permit this month:

- Access Permit P2402048 was amended for Caltrans to reflect the new expiration date. This permit allows them to continue their underwater county bridge inspection at Milepost 0.33 on the Delta-Mendota Canal.

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

- Orestimba Creek Recharge Project
- PID new proposed turnout near MP43.25
- Santa Nella WD pipeline installation, construction observation
- Caltrans bridge inspection report management
- Costco HOM property development
- Drainage easement quitclaim request at MP39.20R
- Sperry Commercial II Project
- Rogers Road Bridge design
- Koster Road Bridge modifications
- Grasslands Water District Pipeline Project
- Costco Cold Distribution Center Development

SAFETY DEPARTMENT

The Safety Department worked on the following items this month:

- Provided Job Hazard Analysis support to the crews
- Conducted Accident Investigations
- Sent out Safety Topics for the month to all SLDMWA staff:
    - 3-1-2024 Trenching and Excavation Safety
    - 3-2-2024 Stored Energy Hidden Hazard
    - 3-3-2024 Construction Fatal Four Hazards
    - 3-4-2024 Mobile Elevating Platforms
- Provided Safety Message for March 2024 Newsletter
    - Building Wellness Habits

- Scheduled annual hearing tests for selected employees
- Provided FHECP training to contractors
- Conducted FHECP Training for SLDMWA employees
- Coordinated Hazardous Waste pickup
- Submitted Hazardous Materials Business Plan annual updates
- Conducted Quarterly Facility Safety Inspections
- Conducted Semi-annual inspection of Fall Protection Harness & Lanyards
- Submitted Certified Safety Professional recertification application to the Board of Certified Safety Professionals – was approved for a five (5) year recertification

PROCUREMENT AND WORK & ASSET MANAGEMENT DEPARTMENT

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

- Closed additional outstanding PO's in preparation for new Fiscal Year
- Conducted annual inventory cycle counts end of February/early March
- Corrected discrepancies with inventory counts; started working on final inventory report due to accounting
- Contracts/PO Agreements/LOA's Status Update:
    - F24-ALL-006 Heavy Equipment Rental Master Agreement – Pre-solicitation stage, Scope of Work (SOW) being developed
    - F24-DMC-010 Diving Services Master Agreement – Pre-solicitation stage, developing SOW for contract
    - F24-TFO-002 Fuel Delivery Master Agreement – Pre-solicitation stage, first draft solicitation with WAM manager for review
    - F24-ALL-020 Fire Sprinkler Inspection – Pre-solicitation stage, pending SOW update from Project Manager
    - F25-LBAO-003 Compensation Study – Solicitation stage, proposals due 4/9/24
    - F25-TFO-001 Landscape Maintenance – two bids received, award stage
    - F25-OPP-031 Pentair Pump Bowl Manufacturing – Sole source, pending internal review for terms and conditions. Est. board date for May 2024
    - F24-TFO-024 Tracy Warehouse Roof Reseal – Work completed, pending final invoice
    - F25-ALL-002 Biological Surveying Contract & Task Order - One executed 3/1/24
    - F23-TFF-017 Tension Arm Repair Work - Began 3/25/24

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
- Routine janitorial activities at the TFO facilities
- Participated in NetSuite biweekly meetings and Shepherd weekly meetings
- Contract management/administration activities, including bi-weekly contract update meetings with Engineering staff
- Developing/implementing/updating purchase/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 and marking dead stock inventory for disposal
- Bi-weekly COO staff meetings

INFORMATION TECHNOLOGY DEPARTMENT

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

Administrative Activities:

- Monthly FAC, WRC and BOD meetings with Zoom
- Creating policies for BYOD with Legal
- Management of FY25 RO&M budget
- PIV Card security process; forms and fingerprints
- Transitioned SCADA Department into IT Department

General Network & Desktop Support:

- Continued Research budgeting software solution
- Desktop support calls
- Firewall firmware updates
- Research abnormal network activity as reported by Darktrace
- Built and deployed AD Servers in LBFO and OPP
- Symantec Endpoint Security Manager
    - Pushed new configuration files to Server platforms
- Built new Virtual Server to host new Symantec Message Gateway Server
    - Install of MGS and configuration under way for deployment

Ongoing:

- NetSuite
    - User and Administration
    - Bi-Weekly Implementation Team meetings
    - Monitor Citrin Cooper support activities for NetSuite
- Shepherd
    - Weekly progress meetings
    - Met with Shepherd during on-site visit, worked thru a number of problem areas and continue to monitor end user progress
    - Testing tablets in field
    - Modified all User Roles
- Server refresh prep for deployment to LBFO and OPP
    - WAM Servers, prepping for redeployment
- Cybersecurity
    - Monitor Symantec Anti-Virus Management Console
        - Update Symantec
    - Security updates on Servers
    - Monitor Firewall
    - Monitor Darktrace appliance reporting
    - Update additional AV security settings
    - (MFA) Multi Factor Authentication vendor SurePassID

        - Installed “live” MFA Server after purchase of licenses
    - Cyber Security training and webinars
        - Cyber Readiness Institution Certification Course
    - Monitor Knowbe4 Phishing Campaign
    - Cyber Security Team
        - Cyber Security Incidence Response Plan
        - Disaster Recovery Plan
        - Business Continuity Plan
    - Monitor IBM (MAAS360) Mobile Device Management
    - Review Infragard dispatches – FBI Cyber Security group
    - Monitoring Darktrace Cyber Security appliance in IT network
        - Advanced configurations IT/OT
    - Add Cloud immutable backups
    - Add “Cold” air gapped local backups
- Continue to troubleshoot email auto-discover issues
- Deployment of Office 2021
- Gate control planning
    - Tracy gate materials ordered
    - Trofholz (vendor) will tie controls into newly installed security system
- DWR regarding use of Fiber from a 1992 contract agreement
- Document management evaluating quotes
- Logistical and technical support provided to Trofholz, new site security installation vendor hired by USBR
- Review quotes for surface and laptop refresh cycle
    - New quotes as original equipment no longer available

SCADA Office

The SCADA staff worked on the following items this month:

Administrative Activities:

- PIV Card security process; forms and fingerprints

EO&M SCADA Support:

- Built new Virtual Server
- Quote requests for Aveva to Ignition conversion
- OPP SCADA/user station server upgrade
    - New rack mount PC build
    - Installed new OS Win 10, Aveva Software, TopServer, and licensing
- DMC work on PLC replacement plan for check structures
    - Reviewing red lined electrical diagrams and assembling parts list for the PLC replacement
    - Reviewing needs for PLC and controls check at structure
- JPP water treatment plant SCADA integration

- DCI
    - Air Handler System Evaluation
- Continued review and research for overall SCADA Upgrade and Replacement

Ongoing RO&M Activities:

- Server refresh prep
- Cybersecurity
    - Security updates on Servers
    - (MFA) Multi Factor Authentication
        - Assist IT with MFA Server
    - Cyber Security training and webinars
        - Cyber Readiness Institution Certification Course
    - Cyber Security Team
        - Cyber Security Incidence Response Plan
        - Disaster Recovery Plan
        - Business Continuity Plan
    - Review Infragard dispatches – FBI Cyber Security group
    - Monitoring Darktrace Cyber Security appliance in IT network
        - Advanced configurations OT
- DWR regarding use of Fiber from a 1992 contract agreement
- Logistical and technical support provided to Trofholz, new site security installation vendor hired by USBR

HUMAN RESOURCE DEPARTMENT

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

General Administrative Activities:

- Active Recruitments
    - Accountant III
    - Civil Maintenance Worker (Tracy)
- Closed Recruitments
    - Information Systems Technician
- Candidates Selected
    - Maintenance Worker (Los Banos)
- Skills Testing
    - None to report
- New Hire Orientations
    - None to report
- RFP for total compensation survey

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 tracking/reporting
- Affirmative Action report tracking

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 ($40k estimate), which is currently scheduled to be completed with the erosion repair. Scheduling for the erosion and liner repairs under the bridge abutment was planned during the Mendota Pool Dewatering, however an emergency repair of the concrete liner at Check 18 took priority. Further planning and discussions are required. In the meantime, the bridge remains closed until repairs are complete.

DMC Subsidence Correction Project

Status: SLDMWA continues working closely with Reclamation on the DMC Subsidence Correction Project (Project) and is managing the $2.4M CDM Smith Feasibility Study contract and the $2.7M Terracon Geotechnical contract.

Feasibility Study: The Feasibility Study is in the final stages, awaiting review comments from Reclamation Policy. USBR has indicated that Policy is nearing its review and should have comments or a final finding in the next board update. Staff has reviewed the Wetland Delineation with the project team and determined that minor mitigation would be warranted as a precautionary measure as no impacts are anticipated. CDM contract was amended to include a study of available funding sources to assist in the cost and to extend the contract term by one year.

Geotechnical Exploration: Terracon has submitted the Draft Geotechnical Data Report (GDR) to the project team for review. The team met to discuss the data presented in the GDR. TSC included 2 Geotechnical lab experts who have provide meaningful comments on the data for Terracon to review. It is anticipated that a meeting discussing the comments will occur in the next reporting period followed with a finalization of the GDR in the summer.

Bridge Planning: In anticipation of multiple bridge raises, staff will begin reviewing Caltrans requirements and preparing a solicitation for a multi-disciplined consultant to assist with managing the bridge design deliverables necessary to gain Federal Highway Administration funding for the subsidence project. The reports are typically prepared years in advance of project approvals.

Design Data Support: Numerous design data collection efforts have been coordinated and continue to be discussed. USBR is currently performing bathymetric surveys from MP 3.55 to MP 90 and are expected to be done by early May. USBR Geophysicist will perform Geophysical surveys on select reaches of DMC to understand the root cause of embankment movement. Their

findings will be incorporated into the design. This effort is scheduled to begin in mid-April. Coordination of that effort is ongoing.

Design: Staff & USBR finalized a funding agreement and project management plan for the final design of the Upper DMC rehabilitation. WA staff has met with TSC to discuss conceptual design ideas on the drainage inlets. TSC will continue the concepts and present additional data in future meeting. WA staff submitted CAD files of known utility crossing to be included in the design. TSC has requested that WA further explore the utilities by gathering depths and routing of utilities. Staff has developed a scope of work to gather the requested data and anticipate soliciting the RFP in early April.

DWR Grant: Staff continues to work closely with DWR on grant management activities. The $3.3M invoice was approved last month and received reimbursement this month. Staff provided an updated workplan to DWR, along with a letter request, and the $19.3M amendment to the agreement was executed.

DMC Turnout Flowmeter Upgrade Program – Phase 3 (FY23)

Status: The contract was executed in November 2023 for the purchase of 50 flowmeters from McCrometer. The delivery of the flowmeters will be carried out in batches as they become ready. After a delay related to the mounting bracket supplier, the first batch of meters is anticipated to arrive early April. All meters are expected to be received before September.

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

Status: Completed

DMC D/S Check 18 Concrete Lining Repair, MP96.82 (ERF)

Status: Completed

DMC Concrete Lining Repair and Farm Bridge Abutment Stabilization, MP41.49 (ERF)

Status: Use of the Emergency Reserve Fund was approved by Reclamation in November. Site work will be scheduled when flows decrease in the Upper DMC. Staff is working to enter into an agreement with DRS Marine to perform an inspection of the site, and removal of the sediment then will schedule the underwater repairs.

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 (LOA). The 100% design package (SpecB) is scheduled for completion in April 2024. Once received, SLDMWA staff will begin putting together the solicitation package. SLDMWA received notice that the application for $25M of BIL (Aging Infrastructure) funding was approved and has reached agreeable terms after several public negotiation sessions with Reclamation. Staff is bringing

repayment agreement to the board this month. The signing of the final agreement should occur soon after.

JPP Wear Ring Purchase (FY22)

Status: No activity

JPP Unit No. 3 Rewind

Status: Jones Unit 3 Rewind Project is complete. Staff is awaiting the substantial letter of completion, and final repayment from Reclamation.

TSY Switchgear Building UZ11A Repairs (Unplanned Project)

Status: Staff continued to work with Powell regarding the work performed in September, as well as the remaining work required to complete the project. Test Reports for the CTs, PTs, breakers, protective relays, and buses were received in December. Powell remobilized to the site during the week of January 8, 2024. Powell performed tasks such as checking the heater circuits, relocating the PTs to the line side bus, reinstalling the CTs to correct WAPA revenue metering, and all associated electrical tests. Reclamation electrical engineers were onsite and provided support throughout the repairs. SLDMWA, BOR, TSC, and WAPA successfully completed the commissioning of Switchgear UZ11A.

A safety/compliance issue still remains as the rear cover plates were still missing. The cover plates is a requirement for the switchgear to be considered arc resistant. The switchgear was designed to have arc blast to flow up to blast chutes and out of the building. Without the cover plates, the blast would flow down to the underground cable tunnel. Powell has determined that it'll take a week to perform the installation of the cover plates, and this work is covered through the conract scope of work.

The week of May 6th was decided to be the best time for both SLDMWA and Powell to schedule the work. The outage request has been made, reviewed and approved by CVO.

JPP Concrete Slab by Trashrake Dumpster (FY23)

Status: No activity this month. Project is currently in the planning and design phase. Technical specifications that incorporate the Geotechncial Report prepared by a consultant are approximately 90% complete and under final review pending internal review, with the design drawings 100% complete. The schedule for the solicitation and construction phases have been developed, and construction is anticipated to commence in October 2024.

Jones Pumping Plant Unit 6 Rotor Repairs

Status: As part of the 5 year unit rewind warranty inspection, several cracks in the lower amortisseur shorting ring (original equipment) were discovered. Due to the potential for catastrophic failure, it was recommended that they be replaced before the unit was returned to service. An emergency Construction Contract with NEC was authorized by the Board of Director's to complete the repairs. After an 8 week delay due to long lead times for material, NEC mobilized to the site this month and completed the repairs. Internal crews are currently reassembling the unit, and are scheduled to be completed in mid April. However, due to a delay in obtaining new slip ring brush holders from the manufacturer, Unit 6 will remain unavailable until May 2024. In the event the unit is needed sooner then that, the existing slip ring brush holders could be reinstalled until the new ones are received.

O'NEILL PUMPING/GENERATING PLANT (OPP)

Main Transformers Rehabilitation/Replacement

Status: SLDMWA is currently in contract with Cal Electro Inc. (CEI) to complete the OPP Main Transformers Rehabilitation. The contract was awarded to CEI on May 10th and the Notice to Proceed was issued on May 18th. SLDMWA entered into a Professional Services Agreement with DHR Hydro Services Inc. to provide project management services for the duration of the CEI contract. Onsite construction is planned during April and May 2024 during a 45-day system outage at OPP, pending favorable hydraulic conditions.

This month, CEI has worked on spare transformer lid repairs, removal of the existing control panel, wirings, and auxiliary tank, installation of new AC and DC control panels, installation of 2 new temperature gages (for oil and winding), and installation of new nitrogen system. The low voltage and neutral bushings were received and tested by Pacific Power Testing. National Coatings and Linings prepped and painted the spare transformer. RESA has worked on electrical tests (SFRA), drained the mineral oil from the spare transformer, refilled with nitrogen, and replaced the radiator gaskets. NASS has delivered 17 totes of Midel synthetic ester fluid. Oil processing on the spare will start in April. The 45 day outage has been cancelled, with CEI formerly notified. A new schedule is being investigated now.

OPP Unit Rehabilitation Project (Previously Pump Bowl Modification & Replacement)

Status: Staff continued to work closely with Pentair to enter into a Service Agreement to complete the engineering, design, and fabrication for the Pump Bowl Replacement Program and the Unit Woodward Governor Replacement projects. The initial thought was to enter into a Professional Services Agreement to complete design only, but decided this month to include the fabrication of the parts and materials in this agreement under a second phase. Staff anticipates bringing the Agreement to the board in May.

OPP UPS Battery Charging System Replacement (FY22)

Status: Materials required for the replacement have been ordered and scheduled to be delivered mid-April. Installation is planned to take place during the outage connected with the Main Transformers Rehabiliation Project. Staff continues to work with the contractor to ensure they are compliant with California public contract codes prior to onsite work.

OPP Station Service Backup Battery System Replacement (FY23)

Status: Materials required for the replacement have been ordered and scheduled to be delivered mid-April. Installation is planned to take place during the outage connected with the Main Transformers Rehabiliation Project. Staff continues to work with the contractor to ensure they are compliant with California public contract codes prior to onsite work.

OPP Cooling Water System Rehabilitation Design (FY24)

Status: Upgrade of the installations was planned to occur during the OPP Transformer Rehabiltation outage this April and May, and staff has purchased materials needed to execute this workscope. A schedule of the mechanical system repairs was created to coordinate this effort with other construction efforts that will occur during the Transformer Rehabilitation project. Given the project delay, this work will be executed during the next available outage.

OPP Sand Filter System Rehabilitation Design (FY24)

Status: Preliminary planning activities have begun. Staff have explored the options to replace the existing tanks in-kind, or to rehabilitate the existing tanks in place. Due to the geometry of the configuration, both options present significant difficulties. During original installation, the tanks were placed prior to constructing the floor above, making it impossible to install new tanks without significant torching and welding efforts. In addition, the tanks are placed very close together giving little room to complete rehabilitation-in-place within a timely manner. In response to these difficulties, staff is exploring installing a new filter technology that incorporates a much smaller footprint, through a pilot study. The plan is to install a VAF, V-1000 self-cleaning screen filter at the JPP to test the performance of this system. If successful, the SLDMWA will present the performance results to USBR for consideration as an alternate to the existing sand filter system. Due to the available space at the Jones Pumping Plant (JPP), the pilot plant will be installed at JPP. Incidental materials have been ordered that will support the installation of the V-1000 unit in early March 2024**.** Staff has drafted the pilot plan, and shared with Reclamation. Staff plans to install the pilot plant in April 2024.

TRACY FACILITIES (TFO)

TFO Domestic Water Treatment Plant Replacement (FY20)

Status: Project is nearing completion. The primary water treatment equipment including the multi-media filters, GAC filters, and the membrane skids have been replaced. The building has been rehabilitated with a new roof and paint, and the site has been regraded to prevent flooding of the building. The California State Water Board inspected the new plant on December 18, 2023 and the list of corrective actions were minor and will be addressed by end of May 2024. Upgrades to the controls both locally and through the SCADA system are underway and are scheduled to be completed by May 2024. The PLC has been replaced and new HMI added. The addition of operater requested improvements that will increase their offsite visability and control of the system is underway. Visibility has been added for the 2 Nano Filter skids and Hach instruments on the local HMI.

MULTIPLE FACILITIES

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

Status: No activity this month. The analysis was conducted by Reclamation TSC through a LOA. The onsite surveys for TFO, LBFO, and DCI were completed in September 2022. Final report for LBFO Arc Flash Hazard Analysis has been received. Draft report for DCI Arc Flash Hazard Analysis has been reviewed and responded with feedbacks. TFO Arc Flash Hazard Analysis will be reviewed upon receipt.

SCADA System Evaluation (FY23)

Status: Staff is close to finishing this project, with the following tasks in progress:

- Working with operators to ensure display suits their needs.
- Testing continues with new SCADA software solutions to determine if fully capable to handle our SCADA needs and negotiating annual contract rates.

San Luis & Delta-Mendota Water Authority
OPERATIONS SUMMARY

NOTE: ALL FIGURES ARE IN ACRE FEET

	February-2024	February-2023
JONES PUMPING PLANT - PUMPED	229,888	204,326
DCI PLANT - PUMPED	20,193	11,554
DCI PLANT - RETURNED	0	0
O'NEILL P/G PLANT - PUMPED	176,615	167,895
O'NEILL P/G PLANT - GENERATED	1	70
DMC DELIVERIES	4,658	5,243
RIVER/WELL/RECYCLE WATER INTO DMC	3,953	2,732
MENDOTA POOL DELIVERIES	37,457	37,785
SHASTA RESERVOIR STORAGE	3,749,000	2,747,100
SAN LUIS RESERVOIR STORAGE	1,397,020	1,560,651
* FEDERAL SHARE	922,571	672,705

	February-2024	February-2023
SAN LUIS UNIT DELIVERIES	2,099	892
SAN LUIS UNIT WELL WATER	0	0
SAN FELIPE UNIT DELIVERIES	2,679	0

Jones Pumping Plant monthly average = 3,997 cfs

San Luis & Delta-Mendota Water Authority
Monthly Deliveries
February 2024

Date: 3/14/24

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	**229,888**			
Total Pumped @ DCI	**(20,193)**			
Total Reversed @ DCI	**0**			
City of Tracy		0	387	387
Byron Bethany I.D.		5	1	6
West Side I.D.		0	0	0
Banta Carbona I.D.		0	0	0
West Stanislaus I.D.		0	0	0
Patterson I.D.		0	0	0
Del Puerto W.D.		150	1	151
Central California I.D. - above check #13		0	0	0
San Luis W.D.- above check #13		0	0	0
Volta Wildlife Mgmt. Area (Fish & Game)		775	0	775
Fish & Wildlife (Volta) Santa Fe - Kesterson		0	0	0
Grasslands W.D. (Volta)		452	0	452
Total Pumped @ O'Neill PP	**(176,615)**			
Total Generated @ O'Neill PP	**1**			
Central California I.D. - below check #13		556	0	556
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)		123	0	123
Freitas Unit (76.05-L)		664	0	664
Salt Slough Unit (76.05-L)		0	0	0
China Island (76.05-L)		68	0	68
San Luis W.D. - below check #13		766	1	767
Panoche W.D.		322	2	324
Eagle Field W.D.		0	0	0
Oro Loma W.D.		0	0	0
Mercy Springs W.D.		0	0	0
Firebaugh Canal W.D. (D.M.C.)		385	0	385
River and Groundwater well pump-in	1,777			
North Valley Regional Recycled Water Program	2,176			
Change in Canal Storage	289			
Wasteway Flushing and Spill	0			
Total Available in Delta-Mendota Canal	37,323			
TOTAL DELIVERY FROM DELTA-MENDOTA CANAL	**(4,658)**	**4,266**	**392**	**4,658**
Theoretical DMC Delivery to Mendota Pool	32,665			
Total DMC Delivery to MP	27,454			
Estimated (Loss) or Gain in DMC	(5,211)			
Estimated % Loss or Gain in DMC	-2.23%			

San Luis & Delta-Mendota Water Authority
Monthly Deliveries
February 2024

District/Other	Total Available Water into System (INCOMING) (Acre Feet)	AG/Refuge Deliveries (Acre Feet)	M & I Deliveries (Acre Feet)	Total Deliveries (OUTGOING) (Acre Feet)
Estimated DMC Inflow to MP	27,454			
Mendota Pool Groundwater Well Pump-In	378			
(+)SJRRP Releases into Mendota Pool	16,550			
(+)Available Flood Releases from Friant into Mendota Pool	0			
(+)Other San Joaquin River Water	0			
(+)Kings River Flood Releases into the Mendota Pool	0			
Mendota Pool Delivery Information				
Exchange Contractors:				
Central California Irrigation District (CCID)		6,582	0	6,582
Columbia Canal Company (CCC)		0	0	0
Firebaugh Canal Water District (FCWD)		477	0	477
San Luis Canal Company (SLCC)		0	0	0
Refuge:				
Conveyance Losses		150	0	150
Calif Dept of F/G-LB Unit (CCID)		0	0	0
Calif Dept of F/G-LB Unit (SLCC)		897	0	897
Calif Dept of F/G-Salt Slough Unit (CCID)		0	0	0
Calif Dept of F/G-China Island Unit (CCID)		23	0	23
US Fish & Wildlife-San Luis Refuge (SLCC)		2,954	0	2,954
US Fish & Wildlife-Freitas (CCID)		221	0	221
US Fish & Wildlife-Kesterson (CCID)		41	0	41
Grasslands WD (CCID)		0	0	0
Grasslands WD (SLCC)		592	0	592
Grasslands (Private)		14	0	14
San Luis WD Conveyance (CCID)		38	0	38
Del Puerto WD Conveyance (CCID)		0	0	0
San Joaquin River Restoration:				
SJRRP		16,275	0	16,275
Other: *(see MP Operations Report)*		9,193	0	9,193
Total Available Water in Mendota Pool	44,382			
TOTAL DELIVERY FROM MENDOTA POOL	**(37,457)**	**37,457**	**0**	**37,457**
*Estimated (Loss) or Gain in Mendota Pool	(6,925)			
*Estimated % Loss or Gain in Mendota Pool	-15.60%			
Total System Delivery	(42,115)			
***Total Estimated System (Loss) or Gain**	**(12,136)**			
***Total Estimated % System Loss or Gain**	**-4.83%**			

Special Notes:

Jones Pumping Plant
February - 2024

Date	# OF UNITS	TIME ON/OFF	AVG DAILY CFS
1	3	0801	2722
2	3	CONTINOUSLY	2734
3	3, 4	0801	3284
4	4	CONTINOUSLY	3499
5	4	CONTINOUSLY	3483
6	4	CONTINOUSLY	3604
7	4	CONTINOUSLY	3612
8	4, 5	0800	4098
9	5	CONTINOUSLY	4234
10	5	CONTINOUSLY	4216
11	5	CONTINOUSLY	4287
12	5	CONTINOUSLY	4222
13	5	CONTINOUSLY	4245
14	5	CONTINOUSLY	4237
15	5	CONTINOUSLY	4213
16	5	CONTINOUSLY	4228
17	5	CONTINOUSLY	4237
18	5	CONTINOUSLY	4220
19	5	CONTINOUSLY	4234
20	5	CONTINOUSLY	4224
21	5	CONTINOUSLY	4228
22	5	CONTINOUSLY	4229
23	5	CONTINOUSLY	4239
24	5	CONTINOUSLY	4231
25	5	CONTINOUSLY	4224
26	5	CONTINOUSLY	4238
27	5	CONTINOUSLY	4209
28	5	CONTINOUSLY	4239
29	5	CONTINOUSLY	4232
30			
31			
		AVG CFS for the month	**3997**

NON-PROJECT WATER CREDITS REPORT

(ALL FIGURES IN ACRE FEET)

February 2024 WA Credits

Date: 3/4/2024

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	12,924	12,924	1	0	BBID	0	0	0	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	46,731,030	46,762,848	1	0	BCID	0	0	0	9,500
20.42-L	46,731,030	46,762,848	1	0	USBR/FWA	0	0	0	5,619
21.12-L	990	990	1.01	0	DPWD	0	0	0	0
21.86-L	770	771	1	(1)	DPWD	0	0	0	0
24.38-L	3,081	3,081	1	0	DPWD	0	0	0	0
29.95-R	1,342	1,342	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	2,150	2,150	1.03	0	DPWD	0	0	0	0
31.31-L1	87,784	87,784	1	0	WSTAN	0	0	0	0
31.31-L2	87,784	87,784	1	0	DPWD	0	0	0	0
31.31-L3	87,784	87,784	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	753	753	0.94	0	DPWD	0	0	0	0
36.80-L	1,849	1,849	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	7,316,278	7,393,678	1	0	PID	0	0	0	0
42.53-L	7,316,278	7,393,678	1	0	DPWD	0	0	0	0
42.53-L	7,316,278	7,393,678	1	0	USBR/FWA	1,777	0	1,777	12,861
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	1,496	1,496	1	0	DPWD	0	0	0	0
58.28-L	3,371	3,371	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		***1,777***	***28,100***

NON-PROJECT WATER CREDITS REPORT

(ALL FIGURES IN ACRE FEET)
February 2024 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	PANOCHE/MS	0	0	0	0
98.74-L	5,695	5,695	1.14	0	PANOCHE/MS	0	0	0	0
99.24-L	10,493	10,493	0.92	0	PANOCHE/MS	0	0	0	0
100.70-L	6,211	6,211	1	0	PANOCHE/MS	0	0	0	0
102.04-R	4,088	4,088	1	0	WIDREN WD	0	0	0	0
					LOWER DMC SUB TOTAL			***0***	***0***
					WARREN ACT CONTRACT CREDIT TOTAL			***1,777***	***28,100***

	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 (PANOCHE 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***	***9,500***
West Stanislaus Irrigation District:	***0***		***0***	***0***
Byron Bethany Irrigation District:	***0***		***0***	***120***
Patterson Irrigation District:	***0***		***0***	***0***
San Joaquin River Restoration Pump Back BCID:	***0***		***0***	***5,619***
San Joaquin River Restoration Pump Back PID:	***1,777***		***1,777***	***12,861***
Central California Irrigation District L.B. Creek Diversion Structure	***0***		***0***	***0***
Grassland Water District L.B. Creek Diversion Structure	***0***		***0***	***0***
San Luis Water District L.B. Creek Diversion Structure	***0***		***0***	***0***

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

MENDOTA POOL OPERATIONS

2024

ALL FIGURES IN ACRE-FEET

Date: 3/11/2024

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
FRESNO SLOUGH	0	87											87
TPUD	0	19											19
JAMES I.D.	2,472	5,669											8,141
MEYERS	215	345											560
M.L. DUDLEY & INDART [1]	8	16											24
MID VALLEY (Kings River)	0	0											0
REC. DIST. 1606	0	0											0
STATE FISH & WILDLIFE	1,382	898											2,280
TRACTION	530	360											890
UNMETERED	70	60											130
Total	1,982	1,318	0	0	0	0	0	0	0	0	0	0	3,300
COELHO FAMILY TRUST [2]	853	1,206											2,059
TRANQUILITY I.D.	0	533											533
WESTLANDS LATERAL-6	0	0											0
WESTLANDS LATERAL-7	0	0											0
CARVALHO TRUST	0	0											0
TOTAL	**5,530**	9,193	0	0	0	0	0	0	0	0	0	0	14,723

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

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

Article 215 Water

Kings River Water

Duck Clubs (Percent Full)	BECK	120	PATOS	COLE	TRANQUILITY	1 ACRE
	0%	100%	100%	0%	100%	100%

Jan, 2024
DMC Inflow 21,868 AF
James Bypass Flows 0 AF

Feb, 2024
DMC Inflow 27,454 AF
James Bypass Flows 0 AF

Mar, 2024
DMC Inflow AF
James Bypass Flows AF

Apr, 2024
DMC Inflow AF
James Bypass Flows AF

May, 2024
DMC Inflow AF
James Bypass Flows AF

June, 2024
DMC Inflow A.F
James Bypass Flows AF

July, 2024
DMC Inflow AF
James Bypass Flows AF

Aug, 2024
DMC Inflow AF
James Bypass Flows AF

Sept, 2024
DMC Inflow AF
James Bypass Flows AF

Oct, 2024
DMC Inflow AF
James Bypass Flows AF

Nov, 2024
DMC Inflow AF
James Bypass Flows AF

Dec, 2024
DMC Inflow AF
James Bypass Flows AF

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Coelho Family Trust Recharge (AF)	794	1,155											1949
Coelho Family Trust Use (AF)	59	51											110

MENDOTA POOL WELL PUMP IN
2024

(ALL FIGURES IN ACRE-FEET)

Date: 3/5/24

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
COELHO FAMILY TRUST [1]	0	0											0
M.L. DUDLEY & INDART [2]	0	0											0
FORDEL	0	378											378
COELHO WEST	0	0											0
CASACA VINYARDS	0	0											0
DPF	0	0											0
SOLO MIO	0	0											0
BAKER FARMS	0	0											0
FARMERS W.D.	0	0											0
MEYERS	0	0											0
MEYERS BANKED	0	0											0
SILVER CREEK	0	0											0
TRANQUILITY I.D.	0	0											0
FCWD	0	0											0
YRIBARREN FARMS	0	0											0
CARVALHO TRUST	0	0											0
ETCHEGOINBERRY	0	0											0
FRESNO SLOUGH W.D.	0	0											0
LSK-1	0	0											0
TOTAL	0	378	0	0	0	0	0	0	0	0	0	0	378

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

[1] aka TERRA LINDA FARMS

[2] aka COELHO-GARDNER-HANSEN

Spill Back Credit

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
James ID (per JID)	0	0											0

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

FEBRUARY 2024

REACH TOTALS	POOL	INFLOW INTO AQUEDUCT	CUSTOMERS	AMOUNT IN AF
R3A			Parks & Rec. @ San Luis Reservoir	0
2679			Santa Clara Valley Water District	0
			Casa de Fruta (Santa Clara Valley Water District)	0
			San Benito Water District	2679
R3	13		DFG @ O'Neill Forebay	0
	13		Parks & Rec. @ O'Neill Forebay	1
164	13		DWR Water Truck at O'Neill 0 AF for Cattle Program @ O'Neill Forebay	0
	13		Santa Nella County Water District	12
	13		San Luis Water District	151
R4	14		City of Dos Palos	74
	14		Pacheco Water District	31
	14		San Luis Water District	216
9626	14		Panoche Water District	36
	15		San Luis Water District	202
	15		Panoche Water District	1450
	15		Westlands Water District	7617
R5	16		DFG @ Lat. 4L (Pilibos)	0
	16		DFG @ Lat. 4L	0
	16		DFG @ Lat. 6L	0
	16		DFG @ Lat. 7L	0
51875	16		Westlands Water District	14311
	17		Westlands Water District	6462
	18		City of Coalinga	1359
	18		Pleasant Valley Pumping Plant	18949
	18	222	Westlands Water District	10794
R6	19		Alta Gas	0
	19		City of Huron (P&R-Area 11) @ Lat. 22R	0
	19		DWR Water Truck @ 22R/F&G @ Lat.22R	0
16171	19		Lemoore N.A.S. thru WWD 28L,29L,&30L	78
	19		Kings County thru WWD 30L	0
	19		Westlands Water District	16093
R7	20		City of Huron @ Lat. 23R	44
	20		DWR Water Truck @ 23R	0
	20		Westlands Water District	12240
18155	21		City of Avenal	153
	21		Kings County thru WWD 37L,38L	0
	21		Westlands Water District	5718
98670		222	<---TOTALS--->	98670

Inflow Into Aqueduct:

0 AF TOTAL for PUMP-IN

222 AF TOTAL for FLOOD

TOTALS BY CUSTOMERS

Santa Nella County Water District	12
Pacheco Water District	31
San Luis Water District	569
Panoche Water District	1486
Westlands Water District	92184
AltaGas	0
City of Huron @ LAT. 23R	44
City of Huron (P&R/Area 11 @ 22R)	0
Lemoore N.A.S. thru WWD @ 28L,29L&30L	78
Kings County thru WWD Laterals in Reach 6	0
City of Avenal	153
City of Dos Palos	74
City of Coalinga	1359
DFG @ O'Neill Forebay	0
Pacheco Tunnel	2679
DFG @ Lateral 4L & 6L & 7L	0
DWR Water Truck @ 22R/F&G @ Lat.22R	0
Parks & Recreation	1
0 AF for DWR Water Truck at O'Neill, 1 AF for Cattle Program @ O'Neill Reservoir	0
Customers Total:	**98670**

Pool 12 - Reach 2B

VA Turnout Use AF = 1

DWR 3137(Rev.9/15)

98671

Monthly Availability Report

CW "Bill" Jones Pumping Plant

February - 2024

Unit #	Max Hours	Scheduled Outages (1)	%	Unscheduled Outages (2)	%	Over-all Availability %	Starts Pump	Comments
Unit-1	696	0.0	0.00%	0.0	0.00%	100.00%	1	
Unit-2	696	0.0	0.00%	0.0	0.00%	100.00%	0	
Unit-3	696	0.0	0.00%	0.0	0.00%	100.00%	0	
Unit-4	696	0.0	0.00%	0.0	0.00%	100.00%	1	
Unit-5	696	0.0	0.00%	0.0	0.00%	100.00%	0	
Unit-6	696	696.0	100.00%	0.0	0.00%	0.00%	0	Out On C-23-JP-63 Warranty Work
Total	4176	696.0	17%	0.0	0.00%	83.00%	2	

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

February - 2024

Unit #	Max Hours	Scheduled Outages (1)	%	Unscheduled Outages (2)	%	Over-all Availability %	Starts		Comments
							Pump	Gen	
Unit-1	696	0.0	0.00%	0.0	0.00%	100.00%	0	0	
Unit-2	696	0.0	0.00%	0.0	0.00%	100.00%	0	0	
Unit-3	696	0.0	0.00%	0.0	0.00%	100.00%	0	0	
Unit-4	696	0.0	0.00%	0.0	0.00%	100.00%	0	0	
Unit-5	696	0.0	0.00%	3.4	0.49%	99.51%	2	1	
Unit-6	696	0.0	0.00%	0.0	0.00%	100.00%	2	1	
Total	4176	0.0	0%	3.4	0.08%	99.92%	4	2	

Notes:

(1) Planned maintenance

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

Monthly Availability Report

DCI Pumping Plant

February - 2024

Unit #	Max Hours	Scheduled Outages (1)	%	Unscheduled Outages (2)	%	Over-all Availability %	Starts Pump	Comments
Unit-1	696	0.0	0.00%	2.8	0.40%	99.60%	1	Repair of HVAC breakers on 440 Panel
Unit-2	696	0.0	0.00%	2.8	0.40%	99.60%	1	Repair of HVAC breakers on 440 Panel
Unit-5	696	0.0	0.00%	2.8	0.40%	99.60%	1	Repair of HVAC breakers on 440 Panel
Unit-6	696	0.0	0.00%	2.8	0.40%	99.60%	1	Repair of HVAC breakers on 440 Panel
Total	2784	0.0	0%	11.2	0.40%	99.60%	4	

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: April 4, 2024

RE: Update on Science Program

SUMMARY

The San Luis & Delta-Mendota Water Authority's ("Water Authority") current science commitments for Fiscal Year 25 (March 1, 2024 – February 28, 2025) may be considered in two categories. First, the Water Authority re-budgeted $120,000 from the FY24 budget to fund two activities and/or studies previously authorized to be funded. Second, the Water Authority has budgeted $610,000 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 $730,000 available to fund science, of which $60,000 has been obligated, and another $60,000 has been committed.

1. Previous Commitments - $120,000 in FY 25 Budget

Subject	Description of Work / Objective(s)	FY 25 Budget
Joint Funding CSAMP Delta Smelt Structured Decision Making Phase 3b	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 3b 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.	$50,000
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	$10,000

	Coordination Group to the U.S. Bureau of Reclamation and the Department of Water Resources. Main contract with Dr. Jennie Hoffman with Adaptation/Insight, using Compass Resources.	
Reorienting to Recovery Salmon Workshops	Funds support continuing this effort to collaborate with a wide range of interested parties to develop innovative approaches to aid salmon population recovery. This is activity was transferred from CAMT to the Delta science Program for completion and is jointly funded by SWC and other agencies.	$60,000

2. New Science - $610,000 in FY 25 Budget

Subject	Description of Work / Objective(s)	FY 24 Budget
Science Studies/Efforts		$610,000
CAMT Studies	This funding would match State Water Contractor funding obligated for CAMT studies. The Water Authority and State Water Contractors are currently jointly researching potential uses for this funding – 1. Salmonid Survival Study *(final report expected in April 2024),* 2. OMR Management - Adult Delta Smelt Entrainment Study *(final report in preparation)* 3. Delta Smelt Structured Decision-Making (SDM) *(to be completed by August 2024)* 4. Evaluating the monitoring and science synthesis efforts.	$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 and jointly funded at a 50-50 cost share.	$25,000
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 and the contract is with Compass Resources, with a subcontract held by Jennie Hoffman of Adaptation/Insight, who is performing facilitation support services for the Group.	$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 2025. Anticipated use includes technical support for the reconsultation on long-term operations of the CVP and SWP, anticipated ESA/CESA 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
University of California, Merced Science Partnership	Funds will be used to initiate a partnership with the University of California, Merced, for capacity building in the Science Enterprise and to conduct research into issues of importance to member agencies.	$225,000

SCIENCE PROGRAM ACTIVITIES:

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

Agreements for Healthy Rivers and Landscapes ("Agreements") Science Committee (Bay-Delta Plan Update):

The Agreements Science Committee is developing the monitoring and evaluation strategy for the components of the Agreements science projects. A draft is currently under review, which includes several appendices to define and address the peer review process, the use of best available science, tributary monitoring plans, data management, and prioritization of hypotheses. In March 2024, the group developed a draft habitat accounting protocol. Staff provided suggestions to improve the analysis and quantification methods for the habitat accounting. In April 2024, the Agreements Science Committee will participate in a workshop with the State Water Resources Control Board to examine the plan.

Delta Coordination Group (DCG):

The final 2023 DCG Activities Report is anticipated in April 2024. Staff is participating on the planning committee for the Summer-Fall Habitat and Salmon Juvenile production independent reviews. The DCG is updating the Science and Monitoring plan and improving documentation of the SDM effort. During the March 2024 workshop, staff provided comments on the potential application of the 100 TAF for the benefit of Delta Smelt and considered the impacts of both the continuous 60-day flows and the intermittent 7-day pulse flows options.

Collaborative Adaptation Management Team (CAMT)/Collaborative Science and Adaptive Management Program (CSAMP):

The CAMT is revising a draft report for the Delta Smelt Structured Decision Making efforts which provides a summary of the activities and suggestions for moving the effort forward into 2024. This report will also inform the ESA and CESA consultation efforts. Staff has encouraged the completion of this report to be available for consideration prior to the publication of the Draft Environmental Impact Statement for the LTO.

Additionally, the Salmon Technical Working Group is preparing the final draft report for the CAMT Salmon Subteam update to the 2017 Salmon Scoping Team Report. The revised version is anticipated for Spring 2024. The next Reorienting to Recovery (R2R) workshop is scheduled for April 2024.

The second draft of CSAMP biennial report was provided in March 2024 for additional comment. It includes the accomplishments for 2022 and 2023. The CSAMP conducted a survey effort to reflect on the effectiveness, direction, and improvements of the group. Small group interviews were conducted in February 2024 with the interested parties. The initial feedback was discussed at the Quarterly CSAMP Policy Meeting and will be provided in further detail in the biennial report.

ESA Consultation for the Long-Term Operations of the CVP and SWP

A second draft of the EIS is anticipated to be released for Cooperating Agency review in April 2024. In addition, the draft Biological Assessments (BA's) for both aquatic and terrestrial species were provided in mid-November. While there is no formal comment period for the BA's, staff is reviewing these documents and providing informal comments to Reclamation and the Services. The Delta Science Program is currently providing an independent science review for the BA's as requested by Reclamation. The final report is anticipated in May 2024.

The National Academies of Sciences, Engineering, and Medicine independent review of the Long-term Water Operations of the CVP and SWP held the first meeting on January 30-31 in Sacramento. The panel was introduced to many aspects of the LTO for the CVP and SWP. Staff provided a public comment in support of the review effort and a tour of the Jones Pumping Plant. The second meeting was held in on February 28-29 in Davis. The Panel focused on the Summer/Fall Habitat and OMR data and modeling approaches. Several water contractors and interested parties were invited to participate in the discussion panels. This opportunity highlighted the complexities of the water management and projects for the water districts and authorities. The next meeting will be held in Redding, CA on May 6-8. This meeting will focus on the Shasta cold water pool management and temperature needs of Salmon.

Information is available at https://www.nationalacademies.org/our-work/review-of-the-long-term-operations-of-the-central-valley-project

Science Coordination:

At the January 2024 meeting, the Board approved the Science Plan. Staff revised the draft Science Plan based on the input from the Water Resources Committee and Board. The Science

Coordination Workgroup met on March 20, 2024 to discuss the implementation of the short-term tasks outlined in the science plan. In addition, staff is working on establishing a contract with UC Merced to support the science needs of the Water Authority. The Board will be presented with a proposed resolution to address the indirect cost rate associated with this contract at the April 2024 meeting. The contract is anticipated to be presented to the Board at the May 2024 meeting for review.

MEMORANDUM

TO: SLDMWA Board of Directors, Alternates

FROM: John Brodie, Water Resources Programs Manager
Chris Linneman, Regional Drainage Coordinator
Orvil McKinnis, Westside Watershed Coalition Coordinator

DATE: April 4, 2024

RE: Activity Agreements – Staff Report for March 2024

This memorandum serves as the Staff Report for March 2024 regarding specified[1] 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 continues its work with Self Help Enterprises (SHE) to update Community Water Needs Assessments for disadvantaged communities (DACs) in the Westside San Joaquin IRWM Region. The updated assessments will be used to identify and prioritize the most critical drinking water needs for DACs in the region, especially during drought years. SHE has been documenting past efforts to assist DACs by AA members and cataloguing emerging projects.

The California Department of Water Resources (DWR) granted an extension to the Proposition 1 Round 1 IRWM Implementation Grant for the Westside San Joaquin IRWM Region. Work on the two remaining projects must now conclude by March 31, 2025. Well construction is complete for the Broadview Aquifer Storage and Recovery Project sponsored by Westlands Water District. With well installation complete, work will now focus on above-ground tasks. The project will benefit the aquifer below the Corcoran clay to address potential subsidence. Construction work is nearly complete on the IRWM funded portion of Orestimba Creek Recharge and Recovery Project. It will provide 60 acres of recharge ponds and associated infrastructure, and is sponsored by the Central California Irrigation District.

[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).

2. Sustainable Groundwater Management Activity (SGMA) Activity Summary

General SGMA Activities

Groundwater Sustainability Plan (GSP) groups in the Subbasin approved submittal of the Delta-Mendota Subbasin's Water Year 2023 Annual Report. The report was submitted to DWR April 1, 2024 as required. Groundwater Sustainability Agencies (GSAs) are already collecting data for the Water Year 2024 Annual Report. Spring high water level readings must be taken between February 1 and April 30 annually. Data must be uploaded to the SGMA portal by June 30.

GSP groups continue work projects and tasks funded by the SGMA Round 1 Implementation Grant. Work is underway on several projects including a groundwater banking demonstration project and installation of an interconnected surface water monitoring (ISW) network along the San Joaquin River.

Coordinated Activities

The D-M Subbasin Coordination Committee continues to develop a single GSP in response to an inadequate determination levied by DWR against the amended six plans submitted by the Subbasin last summer. DWR noted four deficiencies in its determination. The revised single GSP will now be judged by the State Water Resources Control Board (SWRCB). The Subbasin faces a possible probationary hearing before the SWRCB in the first quarter of 2025. GSA representatives continue to invite SWRCB members to tour the Subbasin and see the efforts to achieve groundwater sustainability. The next tour for an SWRCB member and staff is scheduled April 23, 2024.

3. Drainage Activity Summary

Grassland Basin Drainage Management Steering Committee Activity Summary

The Grassland Bypass Channel gates were opened on January 3 as a result of storm events and remained open through February 28, when they were closed. Selenium water quality levels exceeded the water quality objective in Mud Slough from February 20 to March 2. Regional Water Quality Control Board staff is aware of the exceedances as well as activities to prevent future exceedances.

GBP Activities

- General administration: Review and approve consultant billing. Field review of drainage conditions and correspondence with SJRIP manager.
- Mud Slough Restoration Project: The intent of this project is to restore Mud Slough in accordance with the 2010 MOU between the Authority and California Department of Fish and Wildlife (CDFW). The Water Authority adopted the CEQA for the project in December 2021, which was not challenged. GBP management staff had a meeting with CDFW on August 15th during which CDFW committed to providing a revised MOU that would outline the specific tasks required to complete restoration of Mud Slough. A letter from CDFW regarding the MOU status was received the last week of January and we are in the process of reviewing that letter.

- 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 are 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. Farm evaluation surveys will be sent out to farmers in 2024.
- 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 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. Analyze pyrethroid Focused Outreach data for follow up MPIRs. Respond to Regional Board's comments of annual monitoring report.
- Groundwater Protection Formula, Values and Targets: Coalitions have developed a methodology to establish nitrogen loading Values and Targets as required by the WDRs. Assist in the formation of the narrative for upcoming Regional Board Workshop.
- Management Practices Effectiveness Program: Attend conference call meetings of the MPEP group. Developing work schedules to implement nitrogen control measures for farmer member compliance. Along with other Coalitions provide written comments to Acceptable Ranges final report to be presented to Regional Board for public comments.
- Central Valley Groundwater Monitoring Collaborative: Attend conference call meetings to give direction to program. Work with other coalitions and staff to coordinate and collaborate with SGMA efforts.
- Management Zones: Work continued to develop plan for compliance within the Westside Coalition. Attend meetings with other Management Zone dischargers to begin formation of official Management Zone. Continue to negotiate with Dairy group to determine percentage of cost share. Attend Central Valley Salinity Coalition meetings to inform SJVDA regarding Management Zone formation.
- Salt Control Program: Phase I of the Salt Control Program involves the development of a Prioritization and Optimization Study (P&O Study). Consultants are compiling data in order to characterize current salinity conditions of both surface and groundwater across the Central Valley. 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. The project has been extended to December of 2024 and the remaining funds will be used for the purchase of spare monitoring equipment.

San Luis & Delta-Mendota Water Authority
Procurement Activity Report
From February 29, 2024 to March 29, 2024

Date Executed	Contract Title	Vendor or Service Provider	Contract Amount	Contract Solicitation Type	Contract Type	Funding Source	Notes
No contracts were executed between February 29, 2024 through March 29, 2024.							

CONTRACT CHANGE ORDER NOTIFICATIONS:

Date Executed	Contract Title	Vendor or Service Provider	Change Order Amount	Original Contract Amount	% Change	Justification
No change orders were executed between February 29, 2024 through March 29, 2024.						

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.

MEMORANDUM

TO: SLDMWA Finance and Administration Committee, Board of Directors, Alternates

FROM: Pablo Arroyave, Chief Operating Officer

DATE: April 1, 2024

RE: Resolution Authorizing Execution of Contract with the United States Providing for the Repayment of Extraordinary Maintenance Costs for the C.W. "Bill" Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project

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BACKGROUND

The 2021 Bipartisan Infrastructure Law (BIL) authorized $3.2 billion for extraordinary maintenance (XM) of Reclamation facilities. These funds are available to both reserved and transferred works facilities, to be administered through the Aging Infrastructure Account (Account), a Reclamation-wide revolving fund created to sustain investment in extraordinary maintenance (XM). Reclamation's FY 2023 Spend Plan authorized $649 million from the Account through a competitive funding process. Reclamation has indicated that there will be 4 additional application periods for a total available between FY 2023 and FY 2027 of approximately the $3.2 billion authorized in the BIL.

As a transferred works entity, the Water Authority applied for funds to support XM of transferred works facilities in each of the last two years. In December 2022, consistent with Board Resolution No. 2022-509 authorizing application for extended repayment and funding for extraordinary maintenance work, the Water Authority applied for BIL funding for two projects: the DMC Subsidence Correction Project and the Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project. Each project was selected to receive $25M in March 2023. To receive the funds, the Water Authority is required to negotiate and execute repayment contracts with Reclamation. The Water Authority and Reclamation began negotiating the repayment contract for the Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project in December 2023 and completed negotiations in March 2024. The draft repayment contract is attached and the Water Authority is seeking authorization to finalize and execute the contract.

ISSUE FOR DECISION

Whether the Board of Directors should adopt the proposed Resolution Authorizing Execution of Contract with the United States Providing for the Repayment of Extraordinary Maintenance Costs for the C.W. "Bill" Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project.

RECOMMENDATION

Water Authority staff recommends adoption of the proposed resolution.

ANALYSIS

The application process is described in Reclamation Directive and Standard (D&S) PEC 05-03 (attached). Following award, the Water Authority was required to negotiate and execute a contract for extended repayment of funds.

Per Section 8E Acreage Limitation, on page 8 of D&S PEC 05-03, extended repayment of O&M expenses does **not** trigger Reclamation Reform Act pricing or acreage limitations.

Key components of the negotiated draft repayment contract include:

1. A repayment term of 27 years. The repayment term was informed by the service life of the various components of the project, as separately analyzed by the Authority and Reclamation.
2. Ability of the Water Authority to receive upfront funding from Reclamation to fund the project. This component will eliminate cash flow issues associated with issuing the contracts needed to complete this project.
3. Six separate repayment schedules for the project. While only one repayment contract will be executed for this project, Reclamation asserts that per FAC 01-05(K) Substantial Completion, repayment must begin following substantial completion of each separate Jones Pumping Plant unit during the project, because each unit at that point will return to service and new excitation system will begin providing benefits.

The proposed Resolution authorizes execution of the contract in substantial form because the contract is still with Reclamation for final review. Reclamation has indicated they may have a few proposed changes to the contract, but Water Authority staff does not expect them to be substantial. Following execution of the repayment contract, Water Authority staff will proceed in hiring a contractor to execute the project, and expects work on the first unit to begin around November 2024. Once initiated, the refurbishment of each of the six units of Jones Pumping Plant is anticipated to take approximately 6 months; the total project is anticipated to be complete within three years.

As stated above, there will be six separate repayment amounts and schedules associated with the repayment contract. Staff currently anticipates a rough break-down of the $25 million into the following amounts:

- Unit 1: $4.161 m
- Unit 2: $4.161 m
- Unit 3: $4.161 m
- Unit 4: $4.161 m
- Unit 5: $4.161 m
- Unit 6: $4.191 m

Once each repayment schedule is established, Water Authority staff will assess a reserve component for that schedule. Based on the current U.S. Treasury Long Term Rate (30 Year) of 4.4600%, the current projected estimated reserve rate required to begin repaying the loan would be approximately $.89/acre-foot. Repayment would begin no earlier than FY26.

ATTACHMENTS

1. Resolution Authorizing Execution of the Extended Repayment Contract for the amount of funding not to exceed $25M for the Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project
2. Draft Contract Between the United States of America and the San Luis & Delta-Mendota Water Authority Providing for the Repayment of Extraordinary Maintenance Costs for the C.W. “Bill” Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project
3. Reclamation Directive and Standard (D&S) PEC 05-03

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2024-xxx

RESOLUTION AUTHORIZING EXECUTION OF CONTRACT WITH THE UNITED STATES PROVIDING FOR THE REPAYMENT OF EXTRAORDINARY MAINTENANCE COSTS FOR THE C.W. "Bill" JONES PUMPING PLANT EXCITATION CABINET AND CONTROL PANEL REFURBISHMENT PROJECT

WHEREAS, the San Luis & Delta-Mendota Water Authority ("**Water Authority**") is a transferred works operator responsible for the operation, maintenance, and replacement ("**OM&R**") of certain Central Valley Project ("**CVP**") facilities, including the Jones Pumping Plant; and

WHEREAS, the Jones Pumping Plant is in need of extraordinary maintenance due to the age of the facility and the irreplaceable role the facility has of moving water from the Delta to the CVP; and

WHEREAS, the Water Authority and Reclamation have been and are working closely to study the need for and plan the C.W. "Bill" Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project ("JPP Excitation Project") with a construction cost estimate of $25 million; and

WHEREAS, the Water Authority submitted an application in 2022 and was awarded $25 million in Bipartisan Infrastructure Law ("**BIL**") funding in Fiscal Year 2023 for the JPP Excitation Project and has completed the negotiation process to determine the terms of the repayment contract; and

WHEREAS, the Water Authority is authorized to fund and negotiate contracts for the repayment of extraordinary maintenance projects; and

WHEREAS, the Water Authority is now seeking authorization to execute the Contract Between the United States of America and the San Luis & Delta-Mendota Water Authority Providing for the JPP Excitation Project ("**Repayment Contract**"); and

WHEREAS, the Board of Directors has considered that certain form of the Repayment Contract, Attachment 1 to this Resolution, presented to the Board of Directors and on file with the Secretary hereof; and

WHEREAS, authorizing execution of a repayment contract with the United States does not constitute a project or projects under the California Environmental Quality Act ("**CEQA**") because the proposed actions represent administrative actions of the Water Authority that will not result in direct or indirect physical changes in the environment (CEQA Guidelines Section 15378(b)(5)); further, because the proposed actions are exempt from CEQA pursuant to the statutory exemption for ongoing pre-CEQA projects (CEQA Guidelines Section 15261) and the categorical exemption for the continued operation and maintenance of existing facilities at the same level of use (CEQA Guidelines Section 15301); and because it can be seen with certainty that there is no possibility that the proposed actions in question may have a significant effect on

the environment, the proposed action is not subject to CEQA (CEQA Guidelines Section 15061(b)(3)); and

WHEREAS, the Board is willing to authorize execution of the Repayment Contract, subject to such revisions, additions, and deletions as may be approved by the executing officers at the time of signing the Repayment Contact, said execution to provide conclusive evidence of such approval.

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 authorizes the Executive Director and Chief Operating Officer, and such Water Authority employee or consultant as either of such officers may designate to execute a repayment contract on behalf of the Water Authority for extended repayment and funding from the Aging Infrastructure Account for the C.W. "Bill" Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project.

Section 3. The Executive Director and Chief Operating Officer, and such Water Authority employee or consultant as either of such officers may designate, are further authorized and directed to take such additional steps, and to execute such additional documents, as may be required or reasonably necessary to the completion of the activities authorized by this Resolution.

PASSED, APPROVED AND ADOPTED this 4th day of April, 2024, 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. 2024-xxx was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at the meeting thereof held on the 4th day of April 4, 2024.

_____

Federico Barajas, Secretary

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California

CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY PROVIDING FOR THE REPAYMENT OF EXTRAORDINARY MAINTENANCE COSTS FOR THE C.W. "BILL" JONES PUMPING PLANT EXCITATION CABINET AND CONTROL PANEL REFURBISHMENT PROJECT

Table of Contents

Article No.	Title	Page No.
	Preamble	1
	Recitals	1
1	Definitions	3
2	Term of the Contract	4
3	XM Work	4
4	Funds to be Provided	5
5	Contractor's Repayment Obligation	6
6	Reporting Requirements	7
7	Buy America Domestic Procurement Preference	7
8	Wage Equality	11
9	Preservation of Existing Contract	12
10	Severability	12
11	Resolution of Disputes	12
12	Environmental Compliance	12
13	Contracts with Third Parties	13
14	Failure to Complete Work	13
15	Charges for Delinquent Payments	14
16	General Obligation – Benefits Conditioned Upon Payment	15
17	Notices	15
18	Contingent on Appropriation or Allotment of Funds	15
19	Officials Not to Benefit	15
20	Assignment Limited – Successors and Assigns Obligated	15
21	Books, Records, and Reports	15
22	Compliance with Federal Reclamation Laws	16
23	Equal Employment Opportunity	16
24	Compliance with Civil Rights Laws and Regulations	17
25	Certification of Nonsegregated Facilities	18
26	Medium for Transmitting Payments	19
27	Contract Drafting Considerations	19
28	Signature Page	20

DRAFT

Exhibit A – Repayment Schedule(s)
Exhibit B – Scope(s) of Work
Exhibit C – Contractor Responsibilities
Exhibit D – Standard Form 425 (SF 425)

DRAFT

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
Central Valley Project, California

CONTRACT BETWEEN THE UNITED STATES OF AMERICA AND THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY PROVIDING FOR THE REPAYMENT OF EXTRAORDINARY MAINTENANCE COSTS FOR THE C.W. "BILL" JONES PUMPING PLANT EXCITATION CABINET AND CONTROL PANEL REFURBISHMENT PROJECT

THIS CONTRACT made this ____ day of _____, 2023, pursuant to the Reclamation Act of June 17, 1902 (32 Stat. 388), and acts amendatory and supplementary thereto, including but not limited to, Title IX, Subtitle G, Section 9603 of the Omnibus Public Land Management Act of March 30, 2009 (P.L. 111-11, 123 Stat. 1348, 43 U.S.C. § 510b), all collectively hereinafter referred to as Federal Reclamation law, between THE UNITED STATES OF AMERICA, hereinafter referred to as the "United States", and the SAN LUIS & DELTA-MENDOTA WATER AUTHORITY, hereinafter referred to as the "Contractor", a joint powers authority duly organized, existing, and acting pursuant to the laws of the State of California;

WITNESSETH, That:

RECITALS

a. On January 14, 2020, the United States acting through the Bureau of Reclamation, hereinafter referred to as Reclamation, and the Contractor executed Contract No. 8-07-20-X0354-X, which transferred the responsibility for operation, maintenance, and replacement of a certain portion of the Central Valley Project (CVP), Delta Division facilities, including the C.W. "Bill" Jones Pumping Plant, formerly known as the Tracy Pumping Plant, hereafter Jones Pumping Plant, to the Contractor; and

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b. Reclamation, in consultation with the Contractor, has determined that XM Work is needed to refurbish and modernize the excitation and control systems of each of the six units of Jones Pumping Plant; and

c. The preliminary cost estimate for the entire XM Work is $25,000,000; and

d. Pursuant to Title XI, Section 1101 of Public Law 116-260 (134 Stat. 3221), Reclamation's existing XM authority was amended by the establishment of the Aging Infrastructure Account, hereinafter "Account", and an annual application process was established for eligible contractors to apply for funds and extended repayment. The 2021 Bipartisan Infrastructure Law provided funding for the Account for extraordinary maintenance needs over the next five years; and the Contractor submitted an application requesting funding from the Account for the Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project; and

e. By memorandum of March 31, 2023, the Commissioner of the Bureau of Reclamation approved and authorized $25,000,000 for planning, design, and subsequent implementation of the Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project submitted by the Contractor under the authority of Title IX, Subtitle G of Public Law 111-11 (123 Stat. 991) and Title XI, Section 1101 of Public Law 116-260 (134 Stat. 3221); and

f. This Contract is established for the repayment of reimbursable costs of the XM Work.

In consideration of the mutual and dependent covenants herein contained, the Parties mutually agree as follows:

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DEFINITIONS

1. When used in this Contract, the term:

(a) "Construction" shall mean the construction of the Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project, including, but not limited to, refurbishment and modernization of the excitation and control systems of each of the six units of Jones Pumping Plant, construction, and any required environmental mitigation activities.

(b) "Contracting Officer" shall mean the Secretary of the Interior's duly authorized representative acting pursuant to this Contract or applicable Federal Reclamation law or regulation.

(c) "Existing Contract" shall mean Contract No. 8-07-20-X0354-X, effective January 14, 2020, as amended, between the United States and the Contractor.

(d) "Fiscal Year" shall mean the period of October 1 through September 30 of the following Year, both dates inclusive.

(e) "Planning Study" shall mean a study prepared in compliance with Reclamation Manual Directives and Standards, Planning for Major Rehabilitation and Replacement Activities, CMP 09-04, as may be revised or superseded, as well as associated environmental compliance, permitting, and appropriate level of design, that is accepted by Reclamation for the Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project.

(f) "Planning Study Completion" shall mean the date the Policy Compliance Review required by CMP 09-04 is completed and signed by the Director, Policy and Programs and the California-Great Basin Regional Director determining that the Planning Study meets the

DRAFT

compliance requirements of CMP 09-04, as well as completion of the designs necessary to support a solicitation for construction work.

(g) "Project" shall mean the Central Valley Project located in California.

(h) "Repayment Obligation" shall mean the entire sum of funds expended for the XM Work pursuant to this Contract, plus accrued interest, as determined by the Contracting Officer and reflected in Exhibit A.

(i) "Extraordinary Maintenance" or "XM Work" shall include Construction and shall be consistent with the definition provided in PEC 05-03, as amended or supplemented.

(j) "Substantially Complete" or "Substantial Completion" shall be consistent with the definition provided in FAC 01-05, as amended or supplemented.

(k) "Year" shall mean the period January 1 through December 31, both dates inclusive.

TERM OF THE CONTRACT

2. This Contract shall become effective on the date first written above and shall remain in effect until the Contractor has fully repaid its Repayment Obligation to the United States over the period described in Article 5 herein.

XM WORK

3. (a) Reclamation will perform the work identified in Exhibit B. Exhibit B may be updated by the Contracting Officer (or his representative) without amendment of this Contract. The Contractor will have an opportunity to review Exhibit B prior to any proposed updates.

(b) The XM Work is to be performed by the Contractor. The XM Work may be modified upon advanced written request by the Contractor and advanced approval by the Contracting Officer in accordance with Federal reclamation law and policy. All designs, specifications, and work performed under this Contract shall be approved in advance and in

DRAFT

writing by the Contracting Officer, or as otherwise agreed to in writing at the exclusive discretion of the Contracting Officer.

FUNDS TO BE PROVIDED

4. (a) The total amount requested by the Contractor for the XM Work subject to this Contract is $25,000,000. The total amount of funding provided pursuant to Title IX, Subtitle G of Public Law 111-11 (123 Stat. 991) and Title XI, Section 1101 of Public Law 116-260 (134 Stat. 3221) is $25,000,000. No additional funding will be provided unless the Parties agree to amend this Contract.

(b) Funds may be provided to the Contractor in advance of the XM Work provided that any such advance of funds shall be released in as many installments as the Contracting Officer deems necessary; *Provided further*, That the Contractor may request an advance of funds in particular installments; however, the Contractor must provide the Contracting Officer justification for the immediate need for the funds requested, including how the funds would be applied (e.g., components, labor, overhead, and shipping) and the Contracting Officer shall have the final determination in how and when installments are transmitted.

(c) All funds advanced to the Contractor shall be deposited and maintained in an insured account, until such time as the Contractor applies the funds against the XM Work; *Provided*, That the Contractor shall use the funds solely to finance the XM Work; *Provided further*, That the Contractor shall return any and all unexpended, unobligated, or unencumbered funds within thirty (30) days after the date on which the Contracting Officer determines and notifies the Contractor in writing that the entire XM Work is Substantially Complete.

DRAFT

(d) Funds will no longer be provided once the Contracting Officer determines that: (1) the work described in Article 3 herein is complete; (2) the Contractor no longer requires additional funds to complete said XM Work; or (3) the amount stated in subarticle 4(a) of the Contract has been expended.

CONTRACTOR'S REPAYMENT OBLIGATION

5. (a) The Contractor shall be obligated to repay the entire sum of funds expended, as specified in Exhibit A, plus accrued interest, as determined by the Contracting Officer, pursuant to paragraph (b)(1) herein, over a period of twenty-seven (27) years from the date the Contracting Officer deems the XM Work on each unit of Jones Pumping Plant Substantially Complete, which total sum is hereinafter referred to as Repayment Obligation.

(b) The interest rate used for computing interest on federal funds disbursed to the Contractor shall be the Department of the Treasury rate as of the date on which federal and/or Contractor funds are disbursed pursuant to this Contract, on the basis of average market yields on outstanding marketable obligations of the United States with the remaining periods of maturity comparable to the applicable reimbursement period pursuant to this Contract, adjusted to the nearest 1/8 of 1 percent on the unamortized balance of any portion of the Repayment Obligation. Interest accrual shall commence on the date when federal funds are advanced by the United States to the Contractor and will be computed on an annual basis on the unpaid balance of the Repayment Obligation, as determined by the Contracting Officer.

(c) The Contracting Officer will notify the Contractor in writing of Planning Study Completion. Following such notification, and after consultation with the Contractor, the Contracting Officer shall provide the Contractor with a repayment schedule of the Repayment Obligation requiring equal annual installments for the XM Work on each unit of the Jones

DRAFT

Pumping Plant, which schedule shall be incorporated into this Contract as Exhibit A, and which may be updated by the Contracting Officer without amendment of this Contract.

(d) The Contractor may, at any time, prepay all or a portion of the unpaid Repayment Obligation as provided herein without penalty, notwithstanding any interest accrued that the Contractor is required to pay.

REPORTING REQUIREMENTS

6. (a) The Contractor shall provide the Contracting Officer with progress and financial status reports to the Area Manager of the South-Central California Area Office in accordance with 43 USC 510(b), including but not limited to, the actual costs, along with supporting documentation, for each completed task identified in Exhibit C. (b) Progress Reports – From project initiation through completion, the Contractor will provide by November 15 of each year, a narrative description of the XM Work performed during each Federal fiscal year (October 1 through September 30). Progress reports must contain a narrative of the work accomplished, descriptions of contracts, major subcontracts, and modifications implemented during the report period, architect, and engineer (A/E) service deliverables, the percentage of work completed, the substantial completion status, and any problems encountered, and corrective actions taken. Any issues that impact or may pose a future risk to cost, scope, or schedule will be identified. For projects in the construction phase, the report will include an updated construction schedule generated by the construction subcontractor, including but not limited to components, labor, overhead, and shipping.

(c) Financial Reports – From project initiation through completion, the Contractor will provide quarterly financial reports using Standard Form-425 (Federal Financial Report) (see Exhibit D). Reports shall be submitted within forty-five (45) days of the end of each

DRAFT

calendar year quarter (March 31, June 30, September 30, and December 31) starting in the quarter that funding is received.

BUY AMERICA DOMESTIC PROCUREMENT PREFERENCE

7. (a) As required by Section 70914 of the Bipartisan Infrastructure Law (also known as the Infrastructure Investment and Jobs Act), Pub. L. 117-58, on or after May 14, 2022, none of the funds under a federal award that are part of federal financial assistance program for Infrastructure may be obligated for a project unless all of the iron, steel, manufactured products, and Construction materials used in the project are produced in the United States, unless subject to an approved waiver. The requirements of this section must be included in all subawards, including all contracts and purchase orders for work or products under this program. Recipients of an award of federal financial assistance are hereby notified that none of the funds provided under this award may be used for a project for Infrastructure unless:

(1) all iron and steel used in the project are produced in the United States – this means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States; and

(2) all manufactured products used in the project are produced in the United States – this means the manufactured product was manufactured in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation; and

DRAFT

(3) all Construction materials are manufactured in the United States—this means that all manufacturing processes for the construction material occurred in the United States.

The Buy America preference only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an Infrastructure project. As such, it does not apply to tools, equipment, and supplies, such as temporary scaffolding, brought to the construction site and removed at or before the completion of the Infrastructure project. Nor does a Buy America preference apply to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished Infrastructure project but are not an integral part of the structure or permanently affixed to the Infrastructure project.

For further information on the Buy America preference, please visit www.doi.gov/grants/BuyAmerica. Additional information can also be found at the White House Made in America Office website: www.whitehouse.gov/omb/management/made-in-america/.

(b) Waivers - When necessary, recipients may apply for, and the Department of the Interior (DOI) may grant, a waiver from these requirements, subject to review by the Made in America Office. The DOI may waive the application of the Domestic content procurement preference in any case in which it is determined that one of the below circumstances applies:

(1) Non-availability Waiver: the types of iron, steel, manufactured products, or Construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or

(2) Unreasonable Cost Waiver: the inclusion of iron, steel, manufactured products, or Construction materials produced in the United States will increase the cost of the overall project by more than twenty-five (25) percent; or

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(3) Public Interest Waiver: applying the Domestic content procurement preference would be inconsistent with the public interest.

There may be instances where an award qualifies, in whole or in part, for an existing DOI general applicability waiver as described at: www.doi.gov/grants/BuyAmerica/GeneralApplicabilityWaivers. If the specific financial assistance agreement, Infrastructure project, or non-domestic materials meets the criteria of an existing general applicability waiver within the limitations defined within the waiver, the recipient is not required to request a separate waiver for non-domestic materials.

If a general applicability waiver does not already apply, and a recipient believes that one of the above circumstances applies to an award, a request to waive the application of the Domestic content procurement preference may be submitted to the financial assistance awarding officer in writing. The waiver shall not include any Privacy Act information, sensitive data, or proprietary information within their waiver request. Waiver requests will be posted to www.doi.gov/grants/buyamerica and are subject to public comment periods of no less than 15 days. Waiver requests will also be reviewed by the Made in America Office. Waiver requests shall include the below information:

(1) Type of waiver requested (non-availability, unreasonable cost, or public interest).

(2) Requesting entity and Unique Entity Identifier (UEI) submitting the request.

(3) Department of Interior Bureau or Office who issued the award.

(4) Federal financial assistance listing name and number (reference block 2 on DOI Notice of Award)

(5) Financial assistance title of project (reference block 8 on DOI Notice of Award).

(6) Federal Award Identification Number (FAIN).

DRAFT

(7) Federal funding amount (reference block 11.m. on DOI Notice of Award).

(8) Total cost of Infrastructure expenditures (includes federal and non-federal funds to the extent known).

(9) Infrastructure project description(s) and location(s) (to the extent known).

(10) List of iron or steel item(s), manufactured goods, and construction material(s) the recipient seeks to waive from Buy America requirements. Include the name, cost, countries of origin (if known), and relevant PCS or NAICS code for each.

(11) A certification that the recipient made a good faith effort to solicit bids for domestic products supported by terms included in requests for proposals, contracts, and nonproprietary communications with the prime contractor.

(12) A statement of waiver justification, including a description of efforts made (e.g., market research, industry outreach) by the recipient, in an attempt to avoid the need for a waiver. Such a justification may cite, if applicable, the absence of any Buy America-compliant bids received in response to a solicitation.

(13) Anticipated impact if no waiver is issued.

Approved waivers will be posted at www.doi.gov/grants/BuyAmerica/ApprovedWaivers; recipients requesting a waiver will be notified of their waiver request determination by an awarding officer. Questions pertaining to waivers should be directed to the financial assistance awarding officer.

WAGE EQUALITY

8. The Contractor will ensure compliance with Section 41101 of the Bipartisan Infrastructure Law (Pub. L. 117-58), which requires that all laborers and mechanics employed by the Contractor or a subcontractor in the performance of construction, alteration, or repair work

DRAFT

on a project assisted in whole or in part by funding made available under the Bipartisan Infrastructure Law (Pub. L. 117-58) shall be paid wages at rates not less than those prevailing on similar projects in the locality, as determined by the Secretary of Labor in accordance with Subchapter IV of Chapter 31 of Title 40, United States Code (commonly referred to as the Davis Bacon Act).

PRESERVATION OF EXISTING CONTRACT

9. Except as specifically provided herein, the Existing Contract shall continue in full force and effect as originally written, executed, and amended. Any dispute between this Contract and the Existing Contract shall be resolved pursuant to Article 7 of this Contract.

SEVERABILITY

10. In the event that any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Contract, but this Contract shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein, unless the deletion of such provisions would result in such a material change so as to cause the fundamental benefits afforded the Parties to this Contract to become unavailable or materially altered.

RESOLUTION OF DISPUTES

11. Should any dispute arise concerning any provision of this Repayment Contract, upon written request from either the Contracting Officer (or his representative) or the Contractor, the Area Manager, South-Central California Area Office and the Contractor will meet and confer in an attempt to resolve the dispute within sixty (60) days of such request. If the dispute has not

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been resolved within the initial sixty (60) days, the dispute will be referred to the Contracting Officer for a subsequent ninety (90) days within which to resolve the dispute.

ENVIRONMENTAL COMPLIANCE

12. (a) The Contractor will comply with any applicable environmental measures contained in any environmental documentation prepared in connection with the XM Work

(b) The Contractor will comply with all Federal, state, local, and tribal law, and requirements imposed for protection of the environment and Indian trust assets, including, but not limited to, the Native American Graves Protection and Repatriation Act (Pub. L. 101-601, 104 Stat. 3048, 25 U.S.C. §3001 et seq.) and the Archaeological Resources Protection Act of 1979 (Pub. L. 96-95, 93 Stat. 721, 16 U.S.C. §470aa et seq.).

CONTRACTS WITH THIRD PARTIES

13. (a) The Contractor shall advertise each construction (as "construction" is defined in the Federal Acquisition Regulations (FAR) at 48 C.F.R. § 2.101), equipment, or supply contract exceeding $25,000 (twenty-five thousand dollars) for competitive bidding. Any action proposed by the Contractor other than making the award to the lowest responsible bidder shall be subject to the Contracting Officer's approval.

(b) For all construction contracts exceeding $100,000 (one hundred thousand dollars), the Contractor shall require construction contractors to furnish performance and payment bonds, each in amounts equal to at least 100 percent of the contract price. For construction contracts exceeding $30,000 (thirty thousand dollars), but not exceeding $100,000 (one hundred thousand dollars), the Contracting Officer shall select at least two of the payment protections set forth in the FAR at 48 C.F.R. § 28.102-1(b)(1), and the Contractor shall require the construction contractor to secure one of the selected protections. Supply and equipment contractors may be required to furnish performance bonds on supply or equipment contracts exceeding $100,000 (one hundred thousand dollars) when the contract calls for substantial progress payments before delivery of end items.

(c) The United States shall not be a party to or obligated in any manner by contracts entered into between the Contractor and other parties pursuant to this contract.

FAILURE TO COMPLETE WORK

14. (a) In the event that the Contractor fails to complete the work to be performed pursuant to this contract for any reason other than the failure of the United States to appropriate and allocate funds, the Contractor shall, upon receipt of written notice from the Contracting

DRAFT

Officer, suspend payment on all current contracts and return to the United States any unexpended balance of funds advanced by the United States and contributed by the Contractor in such amounts as determined to be equitable by the Contracting Officer. Following delivery of the notice, the Contracting Officer may adopt either of the following two alternatives:

(1) Perform, or cause to be performed, all or any part of the work remaining under this contract and within the limits of the funds provided herein by the United States and by the Contractor for the project, as well as operate and maintain the project concurrently. The Contractor shall transfer to the United States custody and use of all equipment, materials, and supplies used or useful in the performance of the work; permit the United States, its contractors, and its agents ingress to and egress from lands, project works, and facilities of the Contractor for the performance of such work; and assign to the United States the Contractor's interest in any contract for the performance of work or the supplying of equipment or material in connection with such work where requested by the United States and agreed to by the other contracting party; or

(2) Declare the project substantially complete within the provisions of this contract by giving written notice to the Contractor that (a) the construction work on a feature is substantially complete, or (b) the feature is providing benefits and services for the intended purpose(s), or (c) the feature is generating revenue, where applicable. Repayment of the loan obligation shall be carried out in accordance with the provisions of this contract; ***Provided, That*** the first annual payment shall become due in the year following the year in which the Contractor is notified of such declaration of completion.

(b) In the event the United States shall proceed as provided in (a)(1) of this article, the United States may, at any time and regardless of the progress of work performed thereunder, declare the project complete by giving written notice thereof to the Contractor, in which event the provisions of (a)(2) of this article shall apply; ***Provided, That*** the loan obligation shall not exceed the limitation specified in this contract, including all expenditures made pursuant to provisions of (a)(1) of this article.

(c) Upon giving written notice of project completion to the Contractor as provided above, the United States shall have the right, without further notice, to take over the care, operation, and maintenance of the project.

CHARGES FOR DELINQUENT PAYMENTS

15. (a) The Contractor shall be subject to interest, administrative, and penalty charges on delinquent payments. If a payment is not received by the due date, the Contractor shall pay an interest charge on the delinquent payment for each day the payment is delinquent beyond the due date. If a payment becomes 60 days delinquent, the Contractor shall pay, in addition to the interest charge, an administrative charge to cover additional costs of billing and processing the delinquent payment. If a payment is delinquent 90 days or more, the Contractor shall pay, in addition to the interest and administrative charges, a penalty charge for each day the payment is delinquent beyond the due date, based on the remaining balance of the payment due at the rate of 6 percent per year. The Contractor shall also pay any fees incurred for debt collection services associated with a delinquent payment.

DRAFT

(b) The interest rate charged shall be the greater of either the rate prescribed quarterly in the Federal Register by the Department of the Treasury for application to overdue payments, or the interest rate of 0.5 percent per month. The interest rate charged will be determined as of the due date and remain fixed for the duration of the delinquent period.

(c) When a partial payment on a delinquent account is received, the amount received shall be applied first to the penalty charges, second to the administrative charges, third to the accrued interest, and finally to the overdue payment.

GENERAL OBLIGATION—BENEFITS CONDITIONED UPON PAYMENT

16. (a) The obligation of the Contractor to pay the United States as provided in this Contract is a general obligation of the Contractor notwithstanding the manner in which the obligation may be distributed among the Contractor's water users and notwithstanding the default of individual water users in their obligation to the Contract.

(b) The payment of charges becoming due pursuant to this Contract is a condition precedent to receiving benefits under this Contract. The United States shall not make water available to the Contractor through Project facilities during any period in which the Contractor may be in arrears for more than 12 months in the payment of any construction charges due the United States.

NOTICES

17. Any notice, demand, or request authorized or required by this Contract shall be deemed to have been given, on behalf of the Contractor, when mailed, postage prepaid, or delivered to the Area Manager, South-Central California Area Office, Bureau of Reclamation, 1243 N Street, Fresno, California 93721, and on behalf of the United States, when mailed, postage prepaid, or delivered to the Executive Director, of the Contractor, P.O. Box 2157, Los Banos, California 93635. The designation of the addressee or the address may be changed by notice given in the same manner as provided in this article for other notices.

CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS

18. The expenditure or advance of any money or the performance of any obligation of the United States under this Contract shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve the Contractor from any obligations under this Contract. No liability shall accrue to the United States in case funds are not appropriated or allotted.

OFFICIALS NOT TO BENEFIT

19. No Member of or Delegate to the Congress, Resident Commissioner, or official of the Contractor shall benefit from this Contract other than as a water user or landowner in the same manner as other water users or landowners.

ASSIGNMENT LIMITED—SUCCESSORS AND ASSIGNS OBLIGATED

DRAFT

20. The provisions of this Contract shall apply to and bind the successors and assigns of the parties hereto, but no assignment or transfer of this Contract or any right or interest therein by either party shall be valid until approved in writing by the other party.

BOOKS, RECORDS, AND REPORTS

21. The Contractor shall establish and maintain accounts and other books and records pertaining to administration of the terms and conditions of this Contract, including the Contractor's financial transactions; water supply data; project operation, maintenance, and replacement logs; project land and rights-of-way use agreements; the water users' land-use (crop census), land-ownership, land-leasing, and water-use data; and other matters that the Contracting Officer may require. Reports shall be furnished to the Contracting Officer in such form and on such date or dates as the Contracting Officer may require. Subject to applicable Federal laws and regulations, each Party to this Contract shall have the right during office hours to examine and make copies of the other Party's books and records relating to matters covered by this Contract.

COMPLIANCE WITH FEDERAL RECLAMATION LAWS

22. The Parties agree that the delivery of irrigation water or use of Federal facilities pursuant to this Contract is subject to Federal reclamation law, including but not limited to the Reclamation Reform Act of 1982 (43 U.S.C. 390aa, *et seq.*), as amended and supplemented, and the rules and regulations promulgated by the Secretary of the Interior under Federal reclamation law.

EQUAL EMPLOYMENT OPPORTUNITY

23. During the performance of this Contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advancements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

DRAFT

(3) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.

(4) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The Contractor will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Contracting Agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Contract or with any of such rules, regulations, or orders, this Contract may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The Contractor will include the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions, including sanctions for noncompliance: *Provided, however*, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

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COMPLIANCE WITH CIVIL RIGHTS LAWS AND REGULATIONS

24. (a) The Contractor shall comply with Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 U.S.C. § 2000d), the Rehabilitation Act of 1973 (Pub. L. 93-112, Title V, as amended; 29 U.S.C. §791, et. Seq.), the Age Discrimination Act of 1975 (Pub. L. 94-135, Title III; 42 U.S.C. § 6101, et seq.), Title II of the Americans with Disabilities Act of 1990 (Pub. L. 101-336; 42 U.S.C. § 12131, et seq.), and any other applicable civil rights laws, and with the applicable implementing regulations and any guidelines imposed by the U.S. Department of the Interior and/or Bureau of Reclamation.

(b) These statutes prohibit any person in the United States from being excluded from participation in, being denied the benefits of, or being otherwise subjected to discrimination under any program or activity receiving financial assistance from the Bureau of Reclamation on the grounds of race, color, national origin, disability, or age. By executing this Contract, the Contractor agrees to immediately take any measures necessary to implement this obligation, including permitting officials of the United States to inspect premises, programs, and documents.

(c) The Contractor makes this Contract in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property discounts, or other Federal financial assistance extended after the date hereof to the Contractor by the Bureau of Reclamation, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The Contractor recognizes and agrees that such Federal assistance will be extended in reliance on the representations and agreements made in this article, and that the United States reserves the right to seek judicial enforcement thereof.

(d) Complaints of discrimination against the Contractor shall be investigated by the Contracting Officer’s Office of Civil Rights.

CERTIFICATION OF NONSEGREGATED FACILITIES

25. The Contractor hereby certifies that it does not maintain or provide for its employees any segregated facilities at any of its establishments and that it does not permit its employees to perform their services at any location under its control where segregated facilities are maintained. It certifies further that it will not maintain or provide for its employees any segregated facilities at any of its establishments and that it will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Employment Opportunity clause in this Contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, disability, or otherwise. The Contractor further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) it will obtain

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identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Employment Opportunity clause; that it will retain such certifications in its files; and that it will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENT FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

A Certification of Nonsegregated Facilities must be submitted prior to the award of a subcontract exceeding $10,000 which is not exempt from the provisions of the Equal Employment Opportunity clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually). Note: The penalty for making false statements in offers is prescribed in 18 U.S.C. § 1001.

MEDIUM FOR TRANSMITTING PAYMENTS

26. (a) All payments from the Contractor to the United States under this Contract shall be by the medium requested by the United States on or before the date payment is due. The required method of payment may include checks, wire transfers, or other types of payment specified by the United States.

(b) Upon execution of the Contract, the Contractor shall furnish the Contracting Officer with the Contractor's taxpayer's identification number (TIN). The purpose for requiring the Contractor's TIN is for collecting and reporting any delinquent amounts arising out of the Contractor's relationship with the United States.

CONTRACT DRAFTING CONSIDERATIONS

27. This Contract has been negotiated and reviewed by the Parties hereto, each of whom is sophisticated in the matters to which this Contract pertains. Articles 1 through 7 of this Contract have been drafted, negotiated, and reviewed by the Parties, and no one Party shall be considered to have drafted the stated Articles.

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IN WITNESS WHEREOF, the Parties hereto have executed this Contract as of the day and year first above written.

UNITED STATES OF AMERICA

By: _____
Regional Director
Interior Region 10: California-Great Basin
Bureau of Reclamation

(SEAL)

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

By: _____
Chair of the Board of Directors

Attest:

By: _____
Secretary of the Board of Directors

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EXHIBIT A

XM Work

Central Valley Project

REPAYMENT SCHEDULE

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EXHIBIT B

XM Work

Central Valley Project

SCOPE(S) OF WORK

The scope of work includes, but is not necessarily limited to, the following:

(1) The Planning Study, conducted by Reclamation in accordance with Directive & Standard CMP 09-04.

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EXHIBIT C

XM Work

Central Valley Project

CONTRACTOR RESPONSIBILITIES

Definitions used in this Exhibit:

"Consultant(s)" shall mean the contractor(s) hired by the Contractor to complete the XM Work.

"Contractor" shall mean the SAN LUIS & DELTA-MENDOTA WATER AUTHORITY.

1. Products and/or Services Furnished by Contractor

    a. Planning Study
        i. Contractor will furnish to Contracting Officer the Final Report entitled, XXXX

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EXHIBIT D

XM Work

Central Valley Project

STANDARD FORM 425 (SF 425)

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Reclamation Manual

Directives and Standards

Subject: Extended Repayment of Extraordinary Maintenance Costs

Purpose: To state requirements for repayment of extraordinary maintenance work. The benefit of this Directive and Standard is consistent and budget-conscious application of the relevant authorities by Bureau of Reclamation staff.

Authority: The Reclamation Act of June 17, 1902 (32 Stat. 388), as amended and supplemented, in particular, Title IX, Subtitle G of Pub. L. 111-11, and Title XI, Section 1101 of Pub. L. 116-260 (43 U.S.C. § 510, et seq.) (XM authority).

Approving Official: Director, Policy and Programs

Contact: Reclamation Law Administration Division (84-55000)

1. **Introduction.** Pub. L. 111-11 authorizes Reclamation to fund extraordinary maintenance (XM) work and execute contracts for extended repayment of the reimbursable costs. Pub. L. 116-260 expanded the authority by establishing the Aging Infrastructure Account (Account), requiring an annual application process and a Congressional reporting requirement. The XM authority does not include extended repayment of annual, routine operation, maintenance, and replacement (OM&R) costs. This Directives and Standards (D&S) ensures that Reclamation uses its authority to meet the most critical needs.

2. **Applicability.** This D&S applies to all Reclamation offices and staff in administering the provisions of the XM authority.

3. **Federal Funds.** Congress provides Federal funding for XM work by means of discretionary and mandatory appropriations and, with the addition of the Account, Federal funding will also be provided by the receipts (or repayment amounts) from XM contracts that were funded by the Account. The XM work requested through the application process set out in this D&S will be funded from the Account whenever there are sufficient funds in the Account to do so, with the following exception.[1] If XM work is urgent but does not qualify as emergency XM (EXM), regional directors (RDs), through the Basis of Negotiation (BON) process, can request authority to fund the work with their region's funds and not require the transferred works operator to go through the application process.

[1] As a practical matter, any action or work needed to minimize imminent harm to life and property cannot typically wait to go through the application process, which is required to use funds from the Account. Regions are responsible for funding emergency XM work from their regularly budgeted funds.

SUPERSEDES PEC 05-03 (490) 04/17/2014 and minor revisions approved 03/13/2018, 06/18/2018, 12/17/2018 and PEC TRMR-49 (428) 08/29/2011 and minor revisions of 08/03/2012, 08/15/2013

4. **Eligibility.**

A. **XM.** Work is XM if:

(1) it is major, non-recurring maintenance of a mission critical asset,

(2) its purpose is to ensure the continued safe, dependable, and reliable delivery of authorized project benefits (any additional benefits being strictly incidental to that purpose),

(3) its costs are greater than 10 percent of Reclamation's or the operating entity's annual O&M budget for the facility or at least $100,000 in total, and

(4) it is not eligible to be performed or funded under the repayment provisions of Section 4(c) of the Reclamation Safety of Dams Act of November 2, 1978, as amended (43 U.S.C. § 506).

B. **EXM.** Work is EXM if it qualifies as XM and it is necessary to minimize the risk of imminent harm to public health or safety or to property. The Commissioner reserves the discretion to determine if XM work qualifies as EXM.

C. **Qualified EXM.** If designated as qualified EXM, 35 percent of the Federal funding advanced or expended is non-reimbursable. Application of the 35 percent non-reimbursable funding applies only the amounts advanced and allocable to the transferred works operating entity.[2] Otherwise, the work will be reimbursable in the same manner as XM work, as described in Paragraph 8.A of this D&S. XM work on Transferred Works that meets the criteria for EXM and the additional conditions outlined below is eligible for designation as qualified EXM.

(1) During the last 10 years, all Category 1 OM&R recommendations, as defined in Paragraph 7.A.(1) of Reclamation Manual (RM) D&S, *Review of Operation and Maintenance (RO&M) Program Examination of Associated Facilities (Facilities other than High- and Significant-Hazard Dams)* (FAC 01-04), related to XM work identified under urbanized canal inspections or through inspection/assessments conducted under existing review programs have an identified timeframe for work to be completed and work has been completed within that timeframe.

(2) During the last 10 years, all Category 2 OM&R recommendations, as defined in Paragraph 7.A.(2) of FAC 01-04 related to XM work identified under urbanized canal inspections or through inspection/assessments conducted under existing review programs, and reasonably within the ability of the operating entity to

[2] See 43 U.S.C. 510b(c)(3).

address, have an identified timeframe for work to be completed and work has been completed within that timeframe.

5. **Annual Application Process**

A. **Annual Notice and Deadlines.**[3] By October 31 of each year, regional office staff will issue a public notice of the annual application process for funding of XM projects. The public notice will include posting information on Reclamation websites and reasonable efforts to notify project beneficiaries on reserved and transferred works and transferred works operating entities.[4] The notice will include relevant information from the XM authority and this D&S, including descriptions of the minimum required application content described in Paragraph 5.B. of this D&S, and a main point of contact for interested applicants. The notice will state that applications will be accepted until December 31. Both reserved and transferred works are eligible. The Reclamation Law Administration Division (RLAD) will coordinate with other affected offices to continually evaluate the appropriateness of these dates in the application cycle and make adjustments as necessary.

B. **Applicants.** Eligible applicants include transferred works operators and project beneficiaries responsible for repayment of reimbursable costs on reserved and transferred works. If a project beneficiary on transferred works applies for extended repayment but the operator does not apply or request advanced funds, Reclamation, the operator, and the applicant may enter a three-party contract to advance the applicant's share of the XM project to the operator.

C. **Region Office Application Review**

(1) As applications are received, and no later than January 24, area or regional office staff will review applications for the following required content:

(a) a description of the project for which the funds are requested,

(b) the amount of funds requested,

(c) the repayment period requested by the transferred works operating entity or project beneficiary responsible for repayment of reimbursable costs,

(d) alternative non-Federal funding options that have been evaluated,

[3] Reclamation Law Administration Division and other appropriate offices will continually assess and refine the application process timelines described in this D&S, as needed.
[4] Reclamation staff will coordinate with project beneficiaries responsible for repayment of reimbursable costs on reserved works when they request extended repayment. When using funds from the Account, applications are required for XM work on reserved works.

(e) the financial justification for requesting an extended repayment period,

(f) at least 1 year of the financial records of the transferred works operating entity or project beneficiary responsible for repayment of reimbursable costs,

(g) to the extent that it is the responsibility of the applicant, any remaining environmental compliance that is required before the project commences, and

(h) the official level of cost estimate as defined in RM D&S, *Cost Estimating* (FAC 09-01), and provided as required by RM D&S, *Representation and Referencing of Cost Estimates in Bureau of Reclamation Documents Used for Planning, Design and Construction* (FAC 09-03).

(2) Area or regional office staff will add any information of relative importance regarding each submitted project and the Major Rehabilitation & Replacement categorization rating to each application. To the extent that it is the responsibility of Reclamation, they will also identify any remaining environmental compliance that is required before the project commences.

(3) Area or regional office staff will add documentation used to fulfill RM D&S, *Reclamation Value Program* (CMP 06-01), and RM D&S, *Planning for Major Rehabilitation and Replacement of Existing Assets* (CMP 09-04), requirements to each application, respectively.

(4) If regional office staff determine that any applications are ineligible for funding or incomplete, they will make reasonable efforts to contact the applicant and allow them to supplement or amend their application before December 31.

(5) No later than January 24, regional office staff, through their RD, will send all applications and an analysis of the reporting content required under 43 U.S.C. § 510b(d)(5)(C) to RLAD.

D. **Review and Report.** RLAD staff will review all applications to determine whether all qualification criteria are met, including a review of the regional office analyses. RLAD, Program and Budget, and Asset Management Division staff will categorize the applications based on the criteria above and then recommend a categorization of applications and funding and send all applications to the Commissioner no later than February 15. RLAD staff will also draft the report required under 43 U.S.C. § 510b(d)(5).

E. **Commissioner Review, Office of Management and Budget, and Report to Congress.** By March 8, after obtaining the Commissioner's final determinations and

consent, Reclamation will submit a report to Congress, as required by 43 U.S.C. § 510b(d)(5).

F. **Congressional Alternative Allocation.** Under 43 U.S.C. § 510b(d)6, Reclamation staff will wait for Congress, as applicable under the "alternative allocation" requirement, to act, if it chooses, and direct an alternate allocation of funds before responding to applicants. Following the required waiting period and passage of full-year appropriations for energy and water development and related agencies, RLAD staff will notify RDs and regional office staff of the final allocation of funds for the relevant application period. Regional office staff will notify successful applicants as soon as possible.

G. **Funding Appropriated into the Account.** Funds appropriated into the Account can be expended without the requirement above in Paragraph 5.G.

H. **Fund Administration and Oversight.** The Director, Program and Budget, maintains administration and oversight of all funds control of the Account. In addition to the standard validation and verification that Program and Budget provides, RLAD and Asset Management Division will also provide appropriate oversight of the funded XM projects.

6. **Repayment Contracts Are Required.**

A. **XM.** With the exception of EXM, Reclamation will not advance funds for XM work before execution of a repayment contract or contracts.

B. **EXM.** Reclamation will only advance funds for EXM work without first executing a repayment contract if:

(1) Reclamation has received written assurance from the governing body of a project beneficiary that it will enter good faith negotiations toward execution of a repayment contract, and

(2) the Commissioner has made an initial written determination that the intended work meets the EXM criteria under Paragraph 4.B. of this D&S and has authorized the advancement of funds prior to execution of a contract. The BON and approval memorandum process will formalize this determination.

7. **Conditions and Limitations for Advanced Funds on Transferred Works.**

A. **Operating Entity's Funds.** The advancement of funds is conditioned on the operating entity's expenditure of its own funds as follows:

(1) Advanced Funds for EXM will not be advanced to the operating entity until it has expended at least 75 percent of any contractually required reserve funds on the emergency work for which the funding is requested.

(a) When a contractor has expended reserve funds and is current in re-accumulating the funds expended according to contractual requirements, the 75 percent will be based on whatever amount the contractor has accumulated.

(b) If the contractor has not maintained the reserve fund in accordance with the contract, Reclamation will require it to expend an amount equal to 75 percent of the contractually required reserve fund.

(2) If an existing contract between the operating entity and Reclamation does not require explicitly designated reserve funds, the RD will determine an appropriate amount of funds the operating entity must expend before Reclamation will advance funds. The BON will include this determination.

(3) The financial analysis described in Paragraph 8.C.(1)(b) will verify the availability of reserve funds for XM work.

B. **Exhausting Non-Federal Funding Options.** Advanced funds for XM work will not be advanced to the operating entity before reasonably available non-Federal funding options have been analyzed. The RD is responsible for making this determination.

C. **Limits on Use of Advanced Funds.** RDs will ensure the operating entity uses advanced funds solely for the purposes for which advanced.

8. **Contracting and Contract Requirements.**

A. **Allocation of Costs.** Reclamation will allocate costs for XM and EXM work in accordance with the existing allocation of OM&R costs of the project or facility. See RM Policy, *Allocation of Operation and Maintenance Costs* (PEC P07), for specific requirements associated with allocation of OM&R costs. For qualified EXM work on transferred works, 35 percent of the advanced funds for the costs of the EXM work allocable to the operating entity is non-reimbursable.

B. **Statutory Credits.** Repayment obligations will be repaid with available statutory credits only after the work has been authorized and funds appropriated. Statutory credits cannot be applied against annual OM&R costs. For additional information on the application of statutory credits toward an XM cost obligation see Paragraph 4.A. of RM D&S, *Crediting Requirements for Incidental Revenues* (PEC 03-01).

C. **Repayment Terms.**

(1) **Repayment Period.**

(a) **Maximum Term.** The repayment period will not exceed the service life of the repair or 50 years from the date on which the RD declares the work is substantially complete. Additionally, if the BON proposes any repayment period longer than 30 years, a financial analysis must justify the proposed repayment period.

(b) **Financial Analysis.** The financial analysis must include a review of the contractor's financial records and reserve funds. If an ability-to-pay study has been completed within the last 5 years, it will be used in the financial analysis. A new ability-to-pay study is not required in all cases unless it is needed to justify a repayment period greater than 30 years. Reclamation will not pay for new ability-to-pay studies because they are reimbursable in this circumstance.

(c) **Water Service Contractors.** If the repayment entity's primary water-related contract with Reclamation is a water service contract, the period for repaying XM or EXM costs will not exceed the remaining term of the water service contract. If, however, the RD determines that the repayment period should extend beyond the expiration of the contractor's water service contract because the remaining term is too short, and the requirement will be a financial hardship on the contactor, the RD will include this information in the BON.

(2) **Interest.** Reclamation will assess interest on all reimbursable costs of XM and EXM regardless of the project purpose to which the costs are allocated. Reclamation will assess interest on the repayment amount as of the date of disbursement of the funds through completion of repayment. The interest rate for the reimbursable costs of XM and EXM work performed under the XM authority will be the rate determined by the Secretary of the Treasury that is in effect for the fiscal year in which the XM or EXM work is commenced and corresponding to the applicable reimbursement period. The applicable rates can be found in the Range of Maturities (Table 1) for the year in which construction commences. See https://www.treasurydirect.gov/government/interest-rates-and-prices/certified-interest-rates/annual/.

(3) **Administrative Costs.** The RD will require each project beneficiary to provide an advance payment sufficient to cover an appropriate share of the administrative costs of the environmental compliance, development of the BON, and development and negotiation of the contract(s).

(4) **Ability to Pay.** XM work is not considered construction for repayment purposes, and as a result, ability-to-pay relief and aid to irrigation are not available for repayment of these costs.[5]

(5) **Deferrals.** Deferrals allowed under Section 17.B of the Reclamation Project Act of August 4, 1939, as amended (43 U.S.C. § 485b-1), apply to repayment of construction costs under that Act, and are not authorized under the XM authority.

D. **Standard Articles.** Paragraph 6 of RM Policy, *Reclamation Standard Water-Related Contract Articles* (PEC P10) identifies the standard articles required for XM and EXM contracts. Reclamation may exclude standard articles 5, 6, 7, 8, 9, 14, 18, 19, 20, 21, and 29 if the primary O&M transfer contract includes their most recent version.

E. **Acreage Limitation.** The acreage limitation provisions of Federal Reclamation law do not apply to XM repayment contracts. Specifically, contracts for repayment of the costs of XM or EXM will not:

(1) be considered in determining whether a district, as defined in Section 202(2) of the Reclamation Reform Act of October 12, 1982 (43 U.S.C. § 390bb), has discharged its obligation to repay the construction costs of the project facilities used to make irrigation water available for delivery to land in the district,

(2) serve as the basis for reinstating acreage limitation provisions in a district that has completed payment of its construction obligation, or

(3) serve as the basis for increasing the construction repayment obligation of the district and thereby extending the period during which the acreage limitation provisions will apply.

F. **Public Participation.** Public participation is required for all XM repayment contracts. Refer to RM Policy, *Water-Related Contracts–General Principles and Requirements* (PEC P05) for general public participation requirements for water-related contracts.

G. **No External Discussion of Pre-Decisional Positions.** Reclamation managers and employees will not make any pre-decisional commitment to the operating entity concerning the eligibility of proposed XM work for emergency status until the Commissioner issues a written initial determination of eligibility. Reclamation managers and employees will also not make any pre-decisional commitment to the operating entity concerning reduced reimbursable costs until the Commissioner makes a final determination that the proposed XM work meets the criteria of qualified EXM.

[5] XM work may meet the capitalization criteria for assets under construction for financial reporting. Contact the regional finance office for assistance.

H. **Wage Rate Requirements (Construction).** The relevant provisions of the Davis-Bacon and Related Acts (40 U.S.C. § 3141, 29 U.S.C. § 201, 41 U.S.C. § 351, 40 U.S.C. § 3701, 41 U.S.C. § 35, 40 U.S.C § 3145) apply to every contract in excess of $2,000 to which the Federal Government is a party, for the construction, alteration, or repair of public buildings and public works of the Federal Government and which requires or involves the employment of mechanics and laborers.

I. **National Environmental Policy Act (NEPA).** Reclamation's categorical exclusion (CE) 516 Department Manual 14.5D(1)[6] is appropriate to use for XM projects if the scope of the project is consistent with the terms of the CE, and there are no extraordinary circumstances. Consideration for a CE does not guarantee that a CE will be appropriate. Reclamation will make the determination on the level of NEPA review and documentation, including whether an XM proposal satisfies the CE language or would trigger any of the extraordinary circumstances as described in 43 CFR 46.215. In cases where the project does not meet the above criteria or where any extraordinary circumstances exist, a higher level of NEPA evaluation will be required.

9. **BON Requirements.** Except as noted in Paragraph 6.B. above, a BON and approval memorandum are required for all advances and repayment of funds for XM or EXM work. See RM D&S, *Preparing Bases of Negotiation for New, and Amendatory Water Service, Repayment, and Related Contracts* (PEC 06-01), for the general requirements of the BON and approval memorandum. In addition, the following requirements apply.

A. **XM BONs.** A BON for an XM contract will include:

(1) a determination of eligibility under Paragraph 4.A. with supporting evidence,

(2) an estimate of costs allocable to the project beneficiaries, which follows the existing annual OM&R allocation for the relevant facilities,

(3) a proposed repayment term, and

(4) if applicable, an explanation of how the proposed contract will meet the requirements of Paragraph 7, above.

B. **EXM BONs.** In addition to the requirements in Paragraph 9.A., EXM BONs will include:

(1) written assurance from the contractor of their intention to enter a repayment contract if funds are expected to be advanced prior to execution of a contract, and

[6] 516 DM 14.5(D)(1) Maintenance, rehabilitation, and replacement of existing facilities which may involve a minor change in size, location, and/or operation.

(2) a justification for the determination that the work on the project facility will likely meet the criteria for qualified EXM and a recommendation that 35 percent of the advanced funds for the EXM costs be non-reimbursable. The approval memorandum will document the final decision on this determination.

10. **Substantial Completion.** At the appropriate time, RDs are responsible for making the determination that XM work is substantially complete. RDs will also prepare and transmit written notice to the contractor of substantial completion and the initiation of repayment.[7]

11. **Definitions.**

A. **Advanced Funds.** Funds that Reclamation advances to an operating entity to cover costs of extraordinary maintenance or emergency extraordinary maintenance work performed pursuant to the XM authority.

B. **Mission Critical Asset.** A facility or structure that sustains essential functions of a Reclamation project and for which an alternative facility or structure capable of continuously sustaining those functions is unavailable. This definition encompasses major asset classes such as dams, power plants, canals, siphons, pipelines, distribution systems, and associated structural, mechanical, and electrical systems and subcomponents.

C. **Operating Entity.** An organization that is contractually responsible for OM&R of transferred works.

D. **Project Facility.** Any part or feature of a Reclamation-owned project constructed under the authority of the Reclamation Act of June 17, 1902, or acts amendatory of, or supplemental to, that Act.

E. **Reserved Works.** Any project facility at which Reclamation carries out the OM&R of the facility.

F. **Risk of Imminent Harm.** Immediate danger or threat of injury to persons or damage to or loss of tangible property.

G. **Transferred Works.** Project facilities for which the OM&R is carried out by an operating entity under the provisions of a formal contract.

12. **Review Period.** The originating office will review this release every 4 years.

[7] When XM work is performed by an operating entity, coordination with that entity will be necessary; however, the RD still must make a determination and provide the operating entity with a written notice of substantial completion. The written declaration of substantial completion by Reclamation to the operating entity initiates commencement of the repayment period.

MEMORANDUM

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

FROM: Federico Barajas, Executive Director
Rebecca Akroyd, General Counsel

DATE: April 1, 2024

RE: Recommendation, Adoption of Resolution Authorizing Execution of Second Amended and Restated Memorandum of Understanding with Friant Water Authority Relating to Allocation, Collection and Payment of OM&R Costs for Water Delivered Through Certain CVP Facilities, and Authorizing Actions Related Thereto

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BACKGROUND

The San Luis & Delta-Mendota Water Authority (Water Authority) and Friant Water Authority (FWA) are parties to the *First Amended and Restated Memorandum of Understanding Relating to Allocation, Collection and Payment of Operation, Maintenance & Replacement Costs for Water Delivered through certain Central Valley Project Facilities* effective as of September 1, 2002 (First Amended MOU).

In 2011, the Water Authority proposed that Friant Division Contractors pay a share of the operational costs of the then new Delta-Mendota Canal-California Aqueduct Intertie on behalf of the Settlement Contractors. FWA objected, and invoked the dispute resolution process under the First Amended MOU. For years thereafter, the dispute was unresolved, and FWA did not pay Intertie-related costs.

More recently, in 2022 and 2023, FWA disputed a number of charges imposed on Friant Division Contractors under the First Amended MOU for other facilities. FWA and the Water Authority invoked the informal dispute resolution process relative to 2022 and 2023 disputed charges and non-payments. During the course of the informal dispute resolution process, on February 1, 2023, FWA requested negotiation of modifications to the First Amended MOU. Beginning in July 2023 and continuing through December 2023, representatives of FWA and the Water Authority met on a monthly basis (with other working group meetings in between) to discuss potential amendments to the First Amended MOU and the resolution of the disputes, including Intertie-related costs.

As a result of the facilitated negotiations, in January 2024 FWA and the Water Authority reached agreement in principle and executed a Memorandum of Agreement that confirmed the general terms of proposed amendments to the First Amended MOU, settlement terms regarding the disputes, and amendments to other Water Authority and FWA governing documents.

One potential consequence of the proposed amendments is to increase the share of OM&R Costs allocated to the United States to deliver water to the refuges. The Memorandum of Agreement includes an agreement by FWA and the Water Authority's agreement to jointly assist the Bureau of Reclamation in seeking additional funds through appropriations to offset those potential cost impacts.

Following execution of the Memorandum of Agreement, FWA and the Water Authority drafted amendments to the First Amended MOU and its four exhibits, which amendments are included in the draft Second Amended and Restated Memorandum of Understanding Between Friant Water Authority and San Luis & Delta-Mendota Water Authority Relating to Allocation, Collection and Payment of Operation, Maintenance and Replacement Costs for Water Delivered Through Certain Central Valley Project Facilities (the "Second Amended MOU") (Attachment 2) being presented to the Board for action.

ISSUE FOR DECISION

Whether to adopt the proposed Resolution Authorizing Execution of Second Amended and Restated Memorandum of Understanding with Friant Water Authority Relating to Allocation, Collection and Payment of OM&R Costs for Water Delivered Through Certain CVP Facilities, and Authorizing Actions Related Thereto.

RECOMMENDATION

Staff recommends adopting the proposed Resolution.

ANALYSIS

Adopting the proposed resolution will authorize execution of the Second Amended MOU, which includes four exhibits: (A) Settlement Contractors, (B) 2024 SLDMWA OM&R Cost Recovery Plan, (C) Reserve Criteria, and (D) Contractor Service (Delivery) Areas.

Although the Second Amended MOU will take effect and be binding upon the Water Authority following its execution, Exhibit B, the "2024 SLDMWA OM&R Cost Recovery Plan," will only take effect following a sixty (60)-day review period by Central Valley Project contractors with payment obligations under Article 12 of the Water Authority's Transfer Agreement, and submittal to the Bureau of Reclamation for review and comment.

Every single page of the First Amended MOU and its exhibits has been modified in some way. To help aid understanding of the proposed changes in the Second Amended MOU, Attachment 4

compares sections of the First Amended MOU and exhibits with sections of the Second Amended MOU and exhibits, and summarizes changes being proposed.

Adopting the proposed resolution would also authorize execution of the proposed letter agreement (Attachment 5), which memorializes FWA and the Water Authority's agreement to jointly assist the U.S. Bureau of Reclamation ("Reclamation") in seeking additional funds through appropriations to offset potential cost impacts associated with increases in OM&R Costs allocated to the United States to deliver water to the refuges. Transmission of the letter agreement would occur following Reclamation's confirmation of the Second Amended MOU and the 2024 SLDMWA OM&R Cost Recovery Plan becoming effective.

Following execution of the Second Amended MOU, Water Authority staff will work with FWA to develop amendments to the Water Authority Joint Powers Agreement and Bylaws for consideration by the Board in future meetings, and to seek an adjustment of OM&R Water Rates once the 2024 SLDMWA OM&R Cost Recovery Plan is effective and confirmed by Reclamation.

BUDGET IMPLICATIONS

Modifying the Cost Recovery Plan methodology will result in changes to OM&R water rates charged to Water Authority member agencies and other CVP contractors that pay OM&R water rates for deliveries in the future. In addition, a new process will be in place to examine cost allocation for large extraordinary operation and maintenance projects in the future, which may result in increased or decreased payment responsibility for individual members.

ATTACHMENTS

1. Proposed Resolution Authorizing Execution of Second Amended and Restated Memorandum of Understanding with Friant Water Authority Relating to Allocation, Collection and Payment of OM&R Costs for Water Delivered Through Certain CVP Facilities, and Authorizing Actions Related Thereto
2. Proposed Second Amended MOU
3. Redlined Second Amended MOU
4. Comparison Between First Amended MOU and Second Amended MOU
5. Proposed Letter Agreement re: Commitment to Assist U.S. Bureau of Reclamation in Seeking Additional Funds through Appropriations to Offset Potential Increases in OM&R Costs for Water Deliveries to Refuges

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2024-___

RESOLUTION AUTHORIZING EXECUTION OF SECOND AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING WITH FRIANT WATER AUTHORITY RELATING TO ALLOCATION, COLLECTION AND PAYMENT OF OM&R COSTS FOR WATER DELIVERED THROUGH CERTAIN CVP FACILITIES, AND AUTHORIZING ACTIONS RELATED THERETO

WHEREAS, by Resolution 1998-159 the Board of Directors of the San Luis & Delta-Mendota Water Authority (the "Board" and the "Water Authority," respectively) authorized execution of that certain Memorandum of Understanding Between Friant Water Users Authority and the Water Authority Relating to Allocation, Collection and Payment of Operation, Maintenance & Replacement Costs for Water Delivered Through Certain Central Valley Project Facilities (the "MOU"); and

WHEREAS, by Resolution 2003-2017 the Board of the Water Authority authorized execution of that certain "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," ("First Amended MOU") following amendment of the Agreement for the Transfer of the Operation, Maintenance and Replacement, and Certain Financial and Administrative Activities of the Delta-Mendota Canal and Related Works (the "Transfer Agreement"); and

WHEREAS, in 2004, the Friant Water Users Authority assigned to the Friant Water Authority ("FWA") all of its right, title, and interest in the Friant Transfer Agreement, and FWA thereafter stood in the shoes of Friant Water Users Authority as it relates to the First Amended MOU; and

WHEREAS, in 2011, the Water Authority proposed that Friant Division Contractors pay a share of the operational costs of the then new Delta-Mendota Canal–California Aqueduct Intertie on behalf of the Settlement Contractors. FWA objected, and invoked the informal dispute resolution process described in the First Amended MOU. More recently, in 2022 and 2023, FWA disputed a number of charges imposed on Friant Division Contractors under the First Amended MOU, and FWA and the Water Authority invoked the informal dispute resolution process relative to 2022 and 2023 disputed charges and non-payments; and

WHEREAS, during the course of the informal dispute resolution process, on February 1, 2023, FWA requested negotiation of modifications to the First Amended MOU; and

WHEREAS, beginning in July 2023 and continuing through December 2023, representatives of FWA and the Water Authority met on a monthly basis (with other working group meetings in between) to discuss potential amendments to the First Amended MOU and the resolution of the disputes; and

WHEREAS, as a result of the facilitated negotiations, in January 2024 FWA and the Water Authority reached agreement in principle and executed a Memorandum of Agreement that confirmed the general terms of proposed amendments to the First Amended MOU, settlement terms regarding the disputes, and amendments to other Water Authority and FWA governing documents; and

WHEREAS, the Memorandum of Agreement includes FWA and the Water Authority's agreement to jointly assist the U.S. Bureau of Reclamation ("Reclamation") in seeking additional funds through

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appropriations to offset potential cost impacts associated with increases in OM&R Costs allocated to the United States to deliver water to the refuges; and

WHEREAS, following execution of the Memorandum of Agreement, FWA and the Water Authority drafted amendments to the First Amended MOU and its four exhibits, which amendments are included in the draft Second Amended and Restated Memorandum of Understanding Between Friant Water Authority and San Luis & Delta-Mendota Water Authority Relating to Allocation, Collection and Payment of Operation, Maintenance and Replacement Costs for Water Delivered Through Certain Central Valley Project Facilities (the "Second Amended MOU"); and

WHEREAS, the Board has considered that certain form of the Second Amended MOU, Attachment 1 to this Resolution, presented to the Board and on file with the Secretary hereof; and

WHEREAS, authorizing execution of the Second Amended MOU does not legally bind or otherwise commit the Water Authority to operate or maintain Central Valley Project facilities, and further, executing the Second Amended MOU is an administrative and organizational action that will not result in a direct change in the environment or a reasonably foreseeable indirect change to the environment, and thus does not constitute a project subject to CEQA (CEQA Guidelines §§ 15061(b)(3), 15378); and

WHEREAS, authorizing execution of the Second Amended MOU is statutorily exempt from CEQA because it concerns the establishment, modification, structuring, restructuring, or approval of rates or other charges by public agencies which the public agency finds are for the purpose of: (1) meeting operating expenses, including employee wage rates and fringe benefits, (2) purchasing or leasing supplies, equipment, or materials, (3) meeting financial reserve needs and requirements, and (4) obtaining funds for capital projects, necessary to maintain service within existing service areas (CEQA Guidelines § 15273); and

WHEREAS, the Board is willing to authorize execution of the Second Amended MOU, subject to such revisions, additions, and deletions as may be approved by the executing officers at the time of signing the Second Amended MOU, said execution to provide conclusive evidence of such approval.

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. Chair Cannon Michael and Secretary Federico Barajas are hereby authorized and directed to execute the Second Amended MOU for and on behalf of the Water Authority in substantially the form presented to the Board and on file with the Secretary hereof, subject to such revisions, additions, and deletions as may be approved by the executing officers at the time of signing the Second Amended MOU, said execution to provide conclusive evidence of such approval.

Section 3. Executive Director Federico Barajas is further authorized and directed to take all such additional actions, including without limitation, the execution of documents including, but not limited to, a letter agreement memorializing FWA and the Water Authority's agreement to jointly assist the Bureau of Reclamation in seeking additional funds through appropriations to offset potential cost impacts associated with increases in OM&R Costs allocated to the United States to deliver water to the refuges, as may be necessary or convenient to carry out the intention of this Resolution and the terms of the Second Amended MOU approved hereby.

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Section 4. The Second Amended MOU shall take effect and be binding upon the Water Authority following its execution; however, Exhibit B to the Second Amended MOU, the "2024 SLDMWA OM&R Cost Recovery Plan," will only take effect following a sixty (60)-day review period by all parties with payment obligations under Article 12 of the Water Authority's Transfer Agreement, and submittal to the Bureau of Reclamation for review and comment.

Section 5. The Second Amended MOU shall remain in full force and effect from year to year, until and unless it is revoked or modified by the Board.

PASSED, APPROVED, AND ADOPTED this __ day of April, 2024, 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

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I hereby certify that the foregoing Resolution No. 2024-__ 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 __ day of April, 2024.

_____
Federico Barajas, Secretary

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SECOND AMENDED AND RESTATED
MEMORANDUM OF UNDERSTANDING BETWEEN
FRIANT WATER AUTHORITY AND
SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
RELATING TO ALLOCATION, COLLECTION, AND PAYMENT OF OPERATION, MAINTENANCE, AND REPLACEMENT COSTS FOR WATER DELIVERED THROUGH CERTAIN CENTRAL VALLEY PROJECT FACILITIES

This Second Amended and Restated Memorandum of Understanding is made effective as of [DATE], by and among the Friant Water Authority ("FWA"), a joint powers agency of the State of California organized and existing pursuant to Government Code Section 6500, *et seq.* and the San Luis & Delta-Mendota Water Authority ("SLDMWA"), a joint powers agency of the State of California organized and existing pursuant to Government Code Section 6500, *et seq.,* and amends and restates the First Amended and Restated Memorandum of Understanding made and entered into by the parties effective as of September 1, 2002.

DEFINITIONS

As used in this MOU, the following terms have the meanings indicated below. Terms with their initial letters capitalized but not defined below have the same meanings ascribed to them in the FWA Transfer Agreement and the SLDMWA Transfer Agreement.

1. Extraordinary OM&R: Extraordinary OM&R has the same meaning as the non-capitalized term included in the definition of OM&R in the SLDMWA Transfer Agreement. That is, the performance, funding, and financing of emergency or unusual operation and maintenance or extraordinary operation and maintenance costs, unusual or extraordinary repair or replacement costs, and betterment costs to the extent such costs are not considered Capital Improvement costs (as defined in the SLDMWA Transfer Agreement) unless SLDMWA chooses to accomplish and finance such Capital Improvements under Article 5(b) of its Transfer Agreement.

2. Friant Division Contractors: Water Delivery Contractors receiving water service from the Friant Division of the Central Valley Project ("CVP"), including members and non-members of FWA.

3. FWA: Friant Water Authority.

4. FWA Transfer Agreement: That certain Agreement Between the United States of America and Friant Water Authority to Transfer the Operation, Maintenance and Replacement and Certain Financial and Administrative Activities Related to the Friant-Kern Canal and Associated Works effective October 5, 2020, as it may be amended.

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5. Memorandum of Understanding or "MOU": This Second Amended and Restated Memorandum of Understanding.

6. OM&R: Operation, maintenance and replacement as that phrase is defined in the SLDMWA Transfer Agreement.

7. OM&R Budget: SLDMWA's annual budget to fund the OM&R Program, which is developed and approved in accordance with the procedures set forth in Article 12(a) of the SLDMWA Transfer Agreement.

8. OM&R Costs: Costs of providing OM&R for the Project Facilities pursuant to the SLDMWA Transfer Agreement, including without limitation conveyance pumping costs associated therewith.

9. OM&R Program: All activities of SLDMWA required for the OM&R of the Project Facilities pursuant to the SLDMWA Transfer Agreement, including but not limited to, the program of work to be performed, the preparation and adoption of budgets, funding (including establishment of reserves and creation of debt), purchasing, auditing, inspections, cost recovery methodology, and administrative responsibilities.

10. Party Entitled to Utilize or Receive Other Water: A party required to pay SLDMWA the amounts described in Article 12 of the SLDMWA Transfer Agreement in connection with the delivery of "Other Water," as such terms are defined in Article 1 of the SLDMWA and FWA Transfer Agreements.

11. Project Facilities: The physical works and appurtenances associated with the C.W. "Bill" Jones Pumping Plant (formerly Tracy Pumping Plant), C.W. "Bill" Jones Pumping Plant Operations and Maintenance Complex, Delta-Mendota Canal, Delta-Mendota Canal – California Aqueduct Intertie Pumping Plant ("Intertie"), Kesterson Reservoir, O'Neill Pumping/Generating Plant and Switchyard, the federal share of the O'Neill Forebay, Mendota Pool[1], the federal share of San Luis Unit joint use conveyance and conveyance pumping facilities, and the San Luis Drain; this term includes the facilities defined as the "Project Works" in the SLDMWA Transfer Agreement.

[1] As Mendota Pool is a non-Federal facility, SLDMWA's operational responsibilities related to Mendota Pool are limited to those activities specifically required to fulfill the legal or contractual obligations of the United States. Unless undertaken pursuant to separate agreements with beneficiaries that will bear the cost, SLDMWA does not conduct additional operation, maintenance, or replacement activities for Mendota Pool.

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12. Reserves: Funds accumulated to meet unexpected emergencies or planned multi-year financial commitments of Extraordinary OM&R and/or capital improvement projects to replace or repair Project Facilities and equipment that are not included in the annual costs of ongoing, regular, or routine operations, maintenance, repairs, replacements, and other activities and actions necessary for continued structural integrity and operational reliability of Project Facilities required for the delivery of "Project Water," as defined in the SLDMWA Transfer Agreement.

13. Settlement Contractors: Those contractors listed in the attached Exhibit A entitled to receive water service through the Project Facilities without charge, except as provided in the OM&R Cost Recovery Plan.

14. Settlement Water: Water the Settlement Contractors are entitled to receive without charge from Project Facilities.

15. SLDM Contractors: Water Delivery Contractors that receive water (other than Settlement Water) via any of the Project Facilities described in the SLDMWA Transfer Agreement.

16. SLDMWA: San Luis & Delta-Mendota Water Authority.

17. SLDMWA Cost Recovery Plan: The cost allocation methodology described in the attached Exhibit B, also referred to as the "Cost Recovery Plan."

18. SLDMWA Transfer Agreement: That certain Agreement Between the United States of America and San Luis & Delta-Mendota Water Authority to Transfer the Operation, Maintenance and Replacement and Certain Financial and Administrative Activities Related to the San Luis and Delta-Mendota Canals, C.W. "Bill" Jones Pumping Plant, Delta-Mendota Canal/California Aqueduct Intertie Pumping Plant, O'Neill Pumping/Generating Plant, San Luis Drain and Associated Works effective January 14, 2020, as amended.

19. USBR: United States Department of the Interior, Bureau of Reclamation.

20. Water Delivery Contract: (1) Any contract entered into by the Secretary of the United States Department of the Interior under the provisions of Sections 9(c), 9(d), or 9(e) of the Reclamation Project Act of 1939 or Section 3404 of the Central Valley Project Improvement Act pursuant to which "Project Water" is to be supplied from or through Project Facilities and (2) any exchange contract, water rights settlement contract, or similar agreement pursuant to the terms of which water is to be supplied by the United States from or using the Project

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Facilities, as such terms are defined in Article 1 of the SLDMWA and FWA Transfer Agreements.

21. Water Delivery Contractor: A party holding a Water Delivery Contract with the United States, as such terms are defined in Article 1 of the SLDMWA and FWA Transfer Agreements.

RECITALS

1. Since March 1, 1998, the costs of operating, maintaining and replacing certain CVP conveyance facilities and the San Luis Drain, and the costs of conveyance pumping, no longer have been funded by the USBR through federal appropriations and instead are being funded pursuant to those certain agreements to transfer the operation, maintenance and replacement and certain financial and administrative activities (the "Transfer Agreements") entered into between USBR and (i) SLDMWA, (ii) FWA, and (iii) Madera Irrigation District and Chowchilla Water District, and the October 1, 1996 Transfer Agreement between the USBR and the Tehama-Colusa Water Authority, respectively (referred to as the "Conveyance Contractors"), except that the USBR has entered into, or agreed to enter into, other appropriate legal instruments to fund OM&R Costs for Water Delivery Contractors that have a deficiency, as that term is defined in Article 12(c) of the SLDMWA and FWA Transfer Agreements, in payment to the Conveyance Contractors.

2. The Conveyance Contractors have agreed to the principle that in operating under their respective Transfer Agreements, the Conveyance Contractors will replace the USBR's historic CVP-wide pooling of costs of operating, maintaining and replacing CVP conveyance facilities with direct funding by each Conveyance Contractor to cover the operation, maintenance, and replacement costs of the facilities assumed by each pursuant to their respective Transfer Agreements.

3. Pursuant to the terms of the SLDMWA Transfer Agreement, the cost of OM&R of CVP conveyance facilities and the San Luis Drain, and the costs of conveyance pumping for water delivered through the Project Facilities will be funded by SLDMWA, and SLDMWA will establish budgets and methods for direct recovery of OM&R Costs of such facilities from the Water Delivery Contractors and Parties Entitled to Receive or Utilize Other Water receiving such water.

4. Because certain deliveries of San Joaquin River water to Friant Division Contractors are dependent upon the delivery of Settlement Water to the Settlement Contractors, those Friant Division Contractors have a critical interest in the OM&R of the Project Facilities and have agreed to pay the OM&R Costs incurred by SLDMWA under the SLDMWA Transfer Agreement associated with the delivery of the Settlement Water as determined in accordance with this MOU.

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5. FWA, by virtue of the FWA Transfer Agreement, is willing to apportion among and collect from the Friant Division Contractors the OM&R Costs incurred by SLDMWA in delivering Settlement Water and other types of water that may be agreed to for which FWA is responsible on behalf of the Friant Division Contractors under this MOU and remitting the same to SLDMWA, all in accordance with the terms of this MOU.

AGREEMENT

The parties enter into this MOU based upon the facts and definitions stated above, and for the purposes and upon the terms and conditions set forth below:

I. PURPOSES OF THE MOU

The purposes of this MOU are as follows:

A. To establish the standards for OM&R of the Project Facilities by SLDMWA, and to set forth certain assurances relating thereto;

B. To establish the methodology for allocating and recovering OM&R Costs;

C. To establish the process for remittance by FWA to SLDMWA of payments collected from the Friant Division Contractors for OM&R Costs allocable to the Friant Division Contractors under this MOU;

D. To establish the principles for and rights of participation in decision-making by FWA in the OM&R Program, which includes providing input, and as applicable voting, on cost allocation, collection and payment procedures, and budgeting;

E. To establish the process of resolution of any disputes that may arise in the implementation of this MOU; and

F. To establish the conditions or events which would trigger renegotiation and/or renegotiation of this MOU.

II. STANDARD FOR OM&R OF THE PROJECT FACILITIES

The OM&R Program will comply with the standards set forth in the SLDMWA Transfer Agreement; provided, that the OM&R Costs may not exceed those which are reasonably necessary to OM&R the Project Facilities in accordance with such standards. The parties mutually acknowledge that there are items of deferred maintenance which must be performed on the Project Facilities in order for the OM&R Program to meet the applicable standards, and nothing in this paragraph is intended to preclude the performance of those deferred maintenance items or the equitable development of reserves in accordance with this MOU which will permit the OM&R of the Project Facilities in the future in accordance with the SLDMWA Transfer Agreement.

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III. DEVELOPMENT OF COST RECOVERY METHODOLOGY

A. Cost Recovery Methodology for OM&R Costs

1. Principles of Cost Allocation. The OM&R Costs in which FWA will share will be allocated to OM&R activities in accordance with (i) generally accepted accounting principles and (ii) the SLDMWA Cost Recovery Plan, which will be applied consistently for all OM&R activities of SLDMWA. To the extent the allocation of the costs for specific acquisitions or OM&R activities is not addressed by the SLDMWA Cost Recovery Plan, such costs will be allocated in a manner consistent with the following principles, also contained in the SLDMWA Cost Recovery Plan:

a) Except where expressly noted otherwise, Friant Division Contractors are responsible for paying OM&R Costs for Project Facilities used for the delivery of Settlement Water to the Settlement Contractors in accordance with the terms of this MOU;

b) Water rates will be comprised of various cost pool components based on the principle that OM&R Costs are allocated to water deliveries based on the Project Facilities used for such deliveries; and

c) All Water Delivery Contractors and Friant Division Contractors have a critical interest in the effective and efficient OM&R of the Project Facilities.

If the actual use of Project Facilities, including any subsequently acquired property or facilities, proves to be materially different from the use that is anticipated, appropriate adjustments will be made in order to more accurately reflect an appropriate allocation of OM&R Costs.

2. Reserves. Reserves for Extraordinary OM&R, capital replacement, emergencies, and other appropriate purposes will be established in accordance with the SLDMWA Transfer Agreement and the SLDMWA Cost Plan. Only items meeting the criteria attached hereto as Exhibit C ("Reserve Criteria") will constitute Reserves in which FWA must participate for purposes of this MOU.

3. Disbursements of Interest or Reserves. While it is anticipated that all amounts paid by FWA to SLDMWA under this MOU and any associated interest earnings will be retained by SLDMWA and utilized to support the OM&R Program, in the event of any distributions of interest or of Reserves, such distributions will be made to the parties providing the funds being distributed or the funds on which the interest to be distributed was earned, including FWA.

4. Miscellaneous Revenues. The parties anticipate that SLDMWA may from time to time realize miscellaneous revenues from sources directly related to the OM&R Program, including without limitation revenues from (i) rebates from vendors of products and/or services used in the OM&R Program, (ii) the sale of used equipment originally acquired for use in the OM&R Program, and (iii) amounts collected from third parties for whom SLDMWA performs contract services using employees, equipment and/or materials otherwise used in the OM&R

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Program. All such miscellaneous revenues will be retained by SLDMWA and utilized to support the continued OM&R Program, as an offset to budgeted OM&R Costs that would have been allocated to Friant Division and SLDM Contractors.

IV. ALLOCATION, COLLECTION, AND REMITTANCE OF COSTS BY FWA

A. Recovery from Friant Division Contractors

FWA will, as a part of the FWA cost recovery methodology developed under the FWA Transfer Agreement, provide for the recovery of OM&R Costs allocated to Settlement Contractors under the SLDMWA Cost Recovery Plan, which OM&R Costs are to be paid by Friant Division Contractors. To the extent the USBR has conferred upon FWA the legal authority to do so, FWA will allocate such costs among, and collect such costs from, the Friant Division Contractors, and will promptly remit such costs to SLDMWA.

B. Remedies for Non-Payment or Delinquent Payment

In the event of any non-payment or delinquent payment to FWA by a Friant Division Contractor of amounts to be collected by FWA and remitted to SLDMWA under this MOU, FWA will diligently exercise its available remedies, (whether under Article 12 of the FWA Transfer Agreement, or under California law), in a manner FWA reasonably believes is most likely to result in the prompt collection and remittance of such amounts to SLDMWA. If FWA is unable to collect and remit any amount owing from the delinquent Friant Division Contractor before the last day of the month before the scheduled month of delivery (whether from such Friant Division Contractor or from the USBR via offset or direct payment), or if FWA fails to promptly remit to SLDMWA all amounts received from any Friant Division Contractor, the USBR will be deemed to have directed SLDMWA to deliver or convey Settlement Water despite a delinquency under Article 12 of the SLDMWA Transfer Agreement, and the United States will be liable to SLDMWA for the costs to be recovered on account of such Settlement Water under this Agreement; provided, that FWA will also continue to diligently exercise its available remedies in the manner FWA reasonably believes is most likely to result in the prompt collection and remittance of such amounts to SLDMWA. Nothing contained in this MOU authorizes SLDMWA to terminate Settlement Contractor deliveries in the event of delinquencies in payment by the Friant Division Contractors.

V. FWA INPUT AND PARTICIPATION IN SLDMWA OM&R ACTIVITIES

A. FWA Participation

FWA will participate in SLDMWA decision-making relating to the OM&R of the Project Facilities and the OM&R Program through representation and voting on the SLDMWA Board of Directors, Finance and Administration Committee, OM&R Technical Subcommittee, and the Planning Committee.

1. Board of Directors. FWA will be entitled to representation on the SLDMWA Board of Directors, in that the FWA representative may vote on any action item

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funded, in whole or in part, from any OM&R fund or Reserves to which Friant Division Contractors have or will have contributed.

2. Finance and Administration Committee. FWA will be entitled to one of eight positions on the Finance and Administration Committee ("FAC"), with the right to vote on all OM&R budgetary matters. The FAC is an advisory committee to the Board of Directors. A recommendation of the FAC to the Board of Directors to adopt or amend the OM&R Budget will be adopted by the "yes" vote of at least 5 of 8 members. The FWA representative and an alternate will be selected by FWA. The FWA alternate representative will participate and may cast the vote of FWA in the absence of the FWA representative, or in case such representative is barred from voting due to conflict of interest.

3. OM&R Technical Committee. FWA will be entitled to one of ten positions on the OM&R Technical Committee, with the right to vote on all matters. The OM&R Technical Committee is a subcommittee of the FAC and is advisory to the FAC and the Board of Directors. As long as this MOU is in effect, the OM&R Technical Committee will be comprised of the following members, with no Water Delivery Contractor entitled to have more than one representative on such committee at any time:

Contractors served from the Mendota Pool	1
Contractors served from the Lower DMC	1
Contractors served from the Upper DMC	1
Contractors served from the San Luis Canal (1 from Westlands + 1 from others)	2
Contractors served from the San Felipe Division	1
Exchange Contractors	1
FWA	1
USBR	1
SLDMWA Technical Staff	1

One alternate will be appointed for each such representative, and each such alternate will participate and cast the vote of the represented party in the absence of such party's representative or in case the representative is barred from voting due to conflict of interest.

The SLDM and Settlement Contractors in each of the above-referenced service areas are listed in the attached Exhibit D.

A recommendation of the OM&R Technical Committee to the FAC to adopt or amend OM&R Budget levels will be adopted by the "yes" vote of at least 8 of 10 members. At any point in the budget approval process, a budget or a budgetary issue may be remanded back to the OM&R Technical Committee, which will diligently meet to reconsider the matter and provide its recommendation.

4. Planning Committee. The Planning Committee is a subcommittee of the FAC and is advisory to the FAC and the Board of Directors.

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a) FWA will be entitled to one of six voting positions on the Planning Committee, with the right to vote on all matters. As long as this MOU is in effect, the Planning Committee will be comprised of the following members, with no Water Delivery Contractor entitled to have more than one representative on such committee at any time:

SLDMWA Division 1	1
SLDMWA Division 2	1
SLDMWA Division 3	1
SLDMWA Division 4	1
SLDMWA Division 5	1
FWA	1

One alternate will be appointed for each such representative, and each such alternate will participate and cast the vote of the represented party in the absence of such party's representative or in case the representative is barred from voting due to conflict of interest.

b) In addition, the Planning Committee will include five non-voting members:

SLDMWA staff/consultant representative	1
FWA staff/consultant representative	1
USBR representative	1
SLDMWA technical representative	1
FWA technical representative	1

The non-voting members will not count in the calculation of a quorum.

c) The Planning Committee will review, evaluate, and establish a recommendation for the allocation of costs of any Extraordinary OM&R project for which SLDMWA's estimated total project cost is greater than 50% of the current year's routine OM&R Budget, excluding power and Reserves costs. The Planning Committee's cost allocation recommendation will be informed by preparation of a beneficiary analysis that will provide supply benefits broken down by water service type and contractor. The anticipated benefits to be analyzed will be comprised of two components: 1) attributable water supply direct benefits (water entitlements and priority of service), including increases in water deliveries due to an Extraordinary OM&R project, and 2) system-wide indirect benefits, including economic considerations.

d) The Planning Committee should be involved in review of a potential Extraordinary OM&R project as early as possible in order to make a cost allocation recommendation so that prudent and cost-effective decisions related to the proposed Extraordinary OM&R project can be made on a timely basis. As the owner of the Project Facilities, USBR will be consulted on proposed Extraordinary OM&R projects involving such Facilities given its independent role in developing project feasibility studies and environmental documents.

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e) Initial cost allocation recommendations from the Planning Committee require a unanimous vote by all members present. If, after exploring various solutions to achieve unanimity, members who represent agencies that are not proposed to be allocated the Extraordinary OM&R project costs continue to object to the proposed findings or recommendation, such members' objection will not preclude a recommendation moving forward from the Planning Committee provided that all remaining members of the committee representing agencies that will be allocated Extraordinary OM&R project costs unanimously approve the findings and recommendation.

f) Once a recommendation on cost allocation has been made by the Planning Committee, the recommendation will be forwarded to the FAC for its consideration and/or possible recommendation to the SLDMWA Board of Directors. If the FAC proposes any "material change"[2] to the Planning Committee recommendation, the proposed material change, including a summary of the reasons for the change(s), must be referred back to the Planning Committee for review.

g) Upon receipt of a proposed material change to an initial recommendation, the Planning Committee can 1) concur in the FAC's proposed material change, 2) unanimously support revisions to the material change (including reasons why the Planning Committee recommendation is preferable to the FAC-proposed material change), or, 3) if unanimous support or revisions cannot be agreed to, the original Planning Committee recommendation will stand, and the Planning Committee recommendation will be sent, along with the separate FAC recommendation, to the SLDMWA Board of Directors for action.

h) The Planning Committee's review of and response to the FAC-proposed material change(s) must occur within thirty (30) days of any referral from the FAC, unless the FAC agrees to a longer review and response period.

i) Initial cost allocations related to an Extraordinary OM&R project that the Planning Committee has reviewed will be periodically reviewed by the Planning Committee, FAC, and/or SLDMWA Board of Directors to determine if changes in allocated costs are warranted.

5. SLDMWA Committee Structure. All matters pertaining to the OM&R Budget and the OM&R Program will be addressed by the FAC, OM&R Technical Committee, and/or Planning Committee, for matters within their respective jurisdiction. SLDMWA will not alter that delegation of responsibility or the structure/composition of the committees or subcommittees while this MOU is in effect without the consent of FWA; provided, that FWA will not withhold such consent in the event SLDMWA wishes to form new committees or subcommittees to deal with OM&R budgetary and/or OM&R Program matters if FWA is entitled to participate on such committees or subcommittees by representation and with voting rights that are equivalent to the rights described in this MOU. Reorganizations of committee

[2] For the purposes of this Section V.A.4, a "material change" is one that would increase the overall costs of the Extraordinary OM&R project by more than 10% based on the engineer's estimate, or increase the project costs allocated to any participating OM&R payor by more than 10%.

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structure that do not affect FWA participation on OM&R budgetary and/or OM&R Program matters, such as splitting off administrative matters or other non-OM&R budgets, will not be affected by the terms of this MOU.

B. Provision of Information

SLDMWA will share with FWA in a timely manner all relevant information available regarding SLDMWA OM&R Budgets; actual OM&R Costs incurred, including but not limited to power costs; water deliveries; and all similar information that affects the OM&R Budget, the OM&R Program, the SLDMWA Cost Recovery Plan, and adjusting estimated costs to actual. All such information will be provided to FWA at the same time it is provided to all other members of the Board of Directors or members of any committee or subcommittee as part of a regular or special meeting, and if a separate request for information is made by FWA representatives outside of any board, committee or subcommittee meeting, such information will be provided as soon as reasonably practical.

1. Reports. SLDMWA will provide such information by means of its draft and final budgets and any budget addenda on OM&R; monthly Financial Report, including budget-to-actual expenditures; USBR and/or SLDMWA Water Delivery Reports; and such other reports as may be developed for such purposes from time to time.

2. Access. FWA will be afforded access to inspect SLDMWA records on the same terms as are provided to the USBR pursuant to Article 15(a) of the SLDMWA Transfer Agreement.

C. Notices and Meeting Dates

SLDMWA will give FWA, its designated representatives and the designated alternate for each timely notice of all meetings of the Board of Directors, FAC, OM&R Technical Committee, and Planning Committee. All information and notices provided to FWA by SLDMWA will be provided in the same detail, and at the same time, as the information and notices provided to SLDMWA members or their representatives participating in the same decision-making. To facilitate FWA participation as described herein, SLDMWA will use its best efforts to establish regular meeting dates for meetings of the Board of Directors, committees, and subcommittees that deal with the OM&R Program or any OM&R-related issue on dates that do not conflict with regularly-scheduled FWA meeting dates, to coordinate meeting dates for special meetings of such committees or subcommittees with the schedules of FWA representatives, and to permit FWA to participate by telephone or other electronic means, and FWA will use best efforts to make its representatives available for such participation.

VI. RESOLUTION OF DISPUTES

A. Process

Disputes relating to interpretation or performance of this MOU will be resolved according to the process described in this Article.

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1. Informal Dispute Resolution. Should any dispute arise between SLDMWA and FWA concerning any matter that is the subject of this MOU, the party raising the disputed issue must promptly give written notice ("Dispute Notice") to the other party. The Dispute Notice must contain the date or general period the dispute arose, a detailed explanation of the issue (including proposed resolution of the issue), and the name and contact information of the disputing party's representative who should be contacted by the responding party. The parties must schedule and participate in an initial meeting no later than thirty (30) days from the date of the Dispute Notice, and if the issue is not resolved at the initial meeting, the parties must thereafter continue to engage in good faith efforts to resolve the issue at the earliest opportunity. Each party must make available, at such party's expense, such policy-level staff members, technical staff, consultants, or Board members as are reasonably necessary to the equitable and expedient resolution of the issue. At any time during this process, either party may request that the Regional Director of the USBR participate in the process to facilitate the resolution, and the other party will accept such participation if it is provided. In the event the parties have not reached agreement on resolution of the disputed issue within ninety (90) days of the date of the Dispute Notice, or such extended period as the parties may mutually agree to, either party may pursue the remedies described in Section VI.A.2 or 3, as applicable.

2. Alternative Dispute Resolution. At any time during the informal dispute resolution process described in Section VI.A.1 above, or following the expiration of the time period established for such process, either party may propose a form of alternative dispute resolution ("ADR") such as mediation or arbitration to resolve the dispute. The utilization of such voluntary ADR process will require mutual agreement as to the specifics of the process, and the decision as to whether to utilize such voluntary ADR process in the first place and the details of such process will be at the sole discretion of the parties. The parties will endeavor, where applicable, to select a mediator or arbitrator with general familiarity with the OM&R of water conveyance facilities and the CVP. The decision by any party not to utilize ADR or the inability to agree upon the specifics of an ADR process will not constitute bad faith under this MOU.

3. Resolution by USBR. In the event the parties have not reached agreement on resolution of the dispute through informal dispute resolution within the time period described in Section VI.A.1., with or without the assistance of the Regional Director as facilitator, or through the voluntary utilization of ADR under Section VI.A.2, then the dispute will be determined by the Regional Director using the following procedure:

a) Within fifteen (15) days after the expiration of the period for informal dispute resolution and after the termination of any ADR proceedings, the parties will request in writing a determination of the dispute by the Regional Director ("Request for Dispute Determination").

b) Upon receipt of a Request for Dispute Determination, the Regional Director, with non-binding input from the parties, will select a panel of USBR personnel ("Panel") with appropriate financial, operational, policy, or technical backgrounds to assist in the resolution of the dispute.

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c) The Regional Director, in coordination with the parties, will set dates for the submission of position papers on the dispute (including page limitations) and for the parties to present their positions to the Regional Director and the Panel. Unless the parties agree otherwise, the meeting at which the parties present their positions must take place within sixty (60) days of the date of submission of the Request for Dispute Determination.

d) Within sixty (60) days of the meeting at which the parties present their positions, or such other reasonable date as may be agreed upon by the parties and USBR, the Panel will prepare an analysis and recommendation on the dispute and the Regional Director, upon review of such recommendation and following an opportunity to request any additional information or to have any additional meetings with the parties, will issue a final written decision on the dispute. Nothing in this MOU is intended to or will limit the discretion of the Regional Director to apply applicable Reclamation law, policies, or procedures, where appropriate, in resolving any disputes submitted by the parties under this Section VI.A.3.

e) The Regional Director's determination will constitute a final written determination of the Contracting Officer pursuant to Article 10 of the parties' existing Transfer Agreements, and the parties must promptly comply with the determination until the same is stayed, reversed, or modified by a decision of a court of competent jurisdiction. Any challenge to the Regional Director's determination must be filed in federal court within sixty (60) days thereafter, and such determination will be subject to judicial review under the applicable standards of the federal Administrative Procedure Act (5 U.S.C. § 706). Except as set forth in Section VI.B, if the Regional Director's determination results in a payment obligation to either party, any such payment need not be made prior to the final resolution of any judicial proceedings commenced in accordance with this subsection.

f) If the Regional Director's determination under Section VI.A.3.e results in a payment obligation to either party, and an appeal is not timely filed in federal court, the following provisions will apply:

1. If the Regional Director determines FWA owes payment to SLDMWA under the MOU, FWA must promptly pay the sums owed to SLDMWA, and until paid any such amounts will accrue interest at the same rate SLDMWA charges contractors for delinquent payments under this MOU. After sixty (60) days from the Regional Director's final decision, any unpaid amounts will be deemed a "deficiency" within the meaning of Article 12 of the SLDMWA Transfer Agreement.

2. If the Regional Director determines SLDMWA owes payment to FWA under the MOU, SLDMWA must promptly pay the sums owed to FWA, and until paid any such amounts will accrue interest at the same rate SLDMWA charges contractors for delinquent payments under this MOU. If after sixty (60) days from the Regional Director's final decision SLDMWA has not paid the sums owed FWA, then FWA may apply the total obligation as a credit towards any pending or future cost invoice to FWA until the obligation is fully offset.

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g) The parties agree to share equally any costs imposed by USBR associated with the participation of the Regional Director and Panel personnel in the dispute resolution process under this Section VI.A.3.

B. Disputes Causing Cash Flow Difficulties

The parties recognize that circumstances could arise in which the non-payment of amounts due by one party could create material cash flow difficulties for the other party. In the event a dispute results in the non-payment of obligations owed to SLDMWA by FWA or a demand from FWA for payment by SLDMWA at such time or in such amount that the other party becomes unable to reasonably meet its cash flow needs, the affected party will not be obligated to pursue informal dispute resolution or ADR for a period of longer than ten (10) days, after which time the party will be entitled to issue a Request for Dispute Determination to USBR under Section VI.A.3. In addition, in the event the Regional Director determines that a payment is due from a party, and if the party owed the payment needs the funds to reasonably meet cash flow needs, payment must be made promptly notwithstanding the pendency of any judicial proceedings to review the Regional Director's determination, subject to the reimbursement of the disputed payment amount if the Regional Director's determination regarding a payment obligation is later set aside in whole or in part by a court. For the purposes of this subsection, the phrases "material cash flow difficulties" and "reasonably meet cash flow needs" means the applicable party lacks sufficient unrestricted funds to pay current costs owed without being able to collect the funds associated with the disputed matter. "Unrestricted funds" has the same meaning as categories of unrestricted cash as reported by each party in its annual, audited financial statements.

C. Status of Obligations During Pendency of Dispute

1. Payment Obligations. During the period of any dispute between the parties regarding annual OM&R Costs collected via water rates, FWA must pay all disputed annual OM&R Costs collected from Friant Division Contractors during the course of the dispute. With respect to disputed payment obligations for Extraordinary OM&R projects or cost allocations for projects for which the budget is greater than 50% of the current year's routine OM&R Budget, to the extent costs are imposed on SLDM Contractors during the first ninety (90) days following a Dispute Notice, FWA will pay all disputed costs collected into an escrow or trust account. If the dispute is not resolved within ninety (90) days, any funds deposited into the escrow or trust account will be paid to SLDMWA, and FWA must thereafter remit all disputed payments collected to SLDMWA, unless the parties agree otherwise.

2. Changes to Payment Obligations Resulting from Resolution of Dispute. The resolution of any dispute for which a Dispute Notice is issued under Section VI.A will include an agreement between the parties (if resolved voluntarily) or a determination by USBR or a federal court as to the amount and timing of the retroactive adjustment or prospective adjustment, as applicable, in disputed payment obligations.

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D. Termination of Transfer Agreements

The parties acknowledge that they each have a right to terminate their respective Transfer Agreement on 12 months' notice under Article 2(c) thereof, and that a material dispute relating to the interpretation or performance of this MOU, or the unsatisfactory resolution thereof, could lead to such a termination. In order to facilitate mutually acceptable resolution of disputes and reduce the possibility of a termination of either the FWA Transfer Agreement or the SLDMWA Transfer Agreement, the parties agree that neither of them will give notice of termination of a Transfer Agreement under Article 2(c) thereof for a period of at least 6 months after the date of the notice described in Section VI.A.1; provided, that if matters unrelated to any such dispute arise which cause a party to desire termination, such notice may be sooner given.

VII. RENEGOTIATION PRINCIPLES

A. Basis for Agreement

This MOU, including the SLDMWA Cost Recovery Plan and Reserve Criteria, represents the parties' negotiated agreement on an equitable apportionment of the OM&R Costs by SLDMWA. In entering into this MOU, the parties have made assumptions that water supplies and operations of the parties' respective members will not materially change while this MOU is in effect and that there will be no material change in the use of or access to facilities utilized by the parties and their members after the effective date of this MOU. Further, they have assumed the accuracy of financial data provided and/or developed by the USBR and the SLDMWA in connection with the negotiation of this MOU, the SLDMWA Cost Recovery Plan and Reserve Criteria. The parties acknowledge that all such assumptions were material to their respective decisions regarding the provisions of this MOU, including the SLDMWA Cost Recovery Plan and in the Reserve Criteria, and agree that in the event any of those assumptions proves to be incorrect, or upon the occurrence of certain other events described in Section VII.B., renegotiation of this MOU, the SLDMWA Cost Recovery Plan, and/or Reserve Criteria is appropriate.

B. Events Triggering Renegotiation of MOU

In addition to the express provisions of this MOU that require consideration of potential amendments should certain events occur, should a party conclude that this MOU, including the SLDMWA Cost Recovery Plan and Reserve Criteria, can and should be modified to address (i) such party's determination that one or more of the fundamental assumptions described in Section VII.A. was in error, (ii) an administrative or court order materially affecting the water supply or operations of one or more of the agencies comprising such party, or which makes it reasonably foreseeable that such agency(ies) will thereafter suffer a material and adverse change in its/their water supply or operations, or (iii) another significant event which makes it reasonably foreseeable that such party will bear a material increase in OM&R Costs on a per acre foot ("AF") basis, the parties commit to entering into negotiations in good faith and timely efforts to modify this MOU, the SLDMWA Cost Recovery Plan or Reserve Criteria, as applicable.

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C. Inability to Reach Agreement on Modification of MOU

In the event a party seeks modification of this MOU pursuant to Section VII.A., neither party will give notice of termination of its Transfer Agreement pursuant to Article 2(c) thereof for six (6) months after the first negotiation date; provided, that if matters unrelated to the event giving rise to the party's request for modification of this MOU arise which cause a party to desire termination, such notice may be sooner given. Following such 6-month period, either party will be free to exercise its right to terminate its Transfer Agreement under Article 2(c) thereof if a mutually acceptable modification of this MOU has not been developed.

VIII. MISCELLANEOUS

A. Term of MOU

This MOU will remain in effect until it is terminated by the mutual agreement of the parties; provided, that this MOU will automatically terminate without further action of the parties upon the termination, as applicable, of either the FWA Transfer Agreement or the SLDMWA Transfer Agreement. Upon any termination of this MOU, the SLDMWA Cost Recovery Plan will also terminate, although if the FWA Transfer Agreement terminates, SLDMWA would proceed in promptly developing a new cost recovery methodology. In that regard, the parties acknowledge that the agreements described in this MOU, and particularly the agreements contained in the SLDMWA Cost Recovery Plan, are part of a negotiated and comprehensive arrangement which reflects numerous compromises and tradeoffs by the parties. Accordingly, no aspect of this MOU or the SLDMWA Cost Recovery Plan is to be construed as precedent, and all aspects thereof must be renegotiated if this MOU is terminated.

B. Attorneys' Fees

In the event of any judicial action by any of the parties seeking enforcement or interpretation of any of the terms and conditions of this MOU, the prevailing party in such action will be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses including, without limitation, taxable costs and reasonable attorneys' fees.

C. Entire Agreement

This MOU and its exhibits contain all of the agreements of the parties with respect to the subject matter of this MOU. No other prior agreement or understanding pertaining to any such matter will be effective for any purpose. No provisions of this MOU may be amended or modified in any manner whatsoever except by an agreement in writing signed by duly authorized representatives of each of the parties.

D. Exhibits

This MOU includes Exhibit A, a list of Settlement Contractors; Exhibit B, the SLDMWA Amended OM&R Cost Recovery Plan; Exhibit C, Reserve Criteria; and Exhibit D, a list of SLDM Contractor Service (Delivery) Areas. The parties anticipate that Exhibit A and Exhibit D

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may be amended by SLDMWA from time to time in coordination with USBR. Exhibit B may be amended consistent with Section VII of this MOU and pursuant to Article 12(b)(3) of the SLDMWA Transfer Agreement. Exhibit C may be amended consistent with Section VII of this MOU, and may include coordination with the OM&R Technical Committee and/or the Finance & Administration Committee during the annual OM&R Budget development process. Any and all such updated exhibits will be attached to this MOU and replace all prior versions of such exhibits.

E. Interpretation

The validity and interpretation of this MOU (including all exhibits) will be governed by the laws of the State of California. The MOU will be construed simply, as a whole, and in accordance with its fair meaning. The use of the singular includes the plural, and vice versa.

IN WITNESS WHEREOF, the parties have executed this MOU as of the date first above written.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

By: _____
Cannon Michael, Chair

By: _____
Federico Barajas, Secretary

FRIANT WATER AUTHORITY

By: _____
Jim Erickson, Chair

By: _____
Josh Pitigliano, Secretary

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EXHIBIT A

SETTLEMENT CONTRACTORS

The following contractors are entitled to receive, without charge, the designated acre feet of Settlement Water through the Project Facilities as stated below or as may be amended.

	Contract#	Acre Feet
Coelho Family Trust (Formerly Mason A. Loundy Trustee)	14-06-200-7859A	1,332
State of California, Dept. of Fish & Game (Mendota Wildlife Area) (Formerly Mason A. Loundy Trustee)	14-06-200-7859A Assign 1	1,321
State of California (Mendota Wildlife Area)	14-06-200-4359A AMD1	1,143
San Joaquin River Exchange Contractors Water Authority: • Central California Irrigation District • Columbia Canal Company • San Luis Canal Company • Firebaugh Canal Company	llr-1144	840,000
Fresno Slough Water District	14-06-200-40 19A	866
Tranquillity Public Utility District (Formerly Hughes, Melvin & Mardella)	14-06-200-3537A	93
James Irrigation District	14-06-200-700-A	9,700
M.L. Dudley and Company, John G. Indart, and Doris J. Indart	l4-06--200-4448A	2,280
Patterson Irrigation District	14-06-200-3598A-LTR1-P	6,000
Reclamation District No. 1606	14-06-200-3802A	342
Tranquillity Irrigation District	14-06-200-701A	20,200
Marvin A. & Patricia Meyers	9-07-20-W1608	210
Kenneth and Karen Carvalho Revocable Trust (Formerly Virginia L. Lempesis Separate Property Trust)	11-WC-20-0026	600
Total		884,087

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EXHIBIT B

2024 SLDMWA OM&R COST RECOVERY PLAN

This 2024 SLDMWA OM&R Cost Recovery Plan was developed consistent with Article 12(b) of the SLDMWA Transfer Agreement, and was provided to all parties with payment obligations not less than sixty (60) days to the effective date of _____ ("Effective Date"). Notwithstanding the Effective Date of this Plan, the cost recovery methodology will be applied retroactively to March 1, 2024.

I. INTRODUCTION - The following is a description of the allocation and recovery of OM&R Costs for the following facilities by the San Luis & Delta-Mendota Water Authority:

1. Delta-Mendota Canal ("DMC");
2. C.W. "Bill" Jones Pumping Plant ("Jones PP");
3. C.W. "Bill" Jones Pumping Plant Operations and Maintenance Complex;
4. O'Neill Pumping/Generating Plant ("O'Neill PGP") and Switchyard;
5. Delta-Mendota Canal – California Aqueduct Intertie Pumping Plant ("Intertie")
6. Mendota Pool[3];
7. Kesterson Reservoir;
8. Federal share of the San Luis Joint Use conveyance and conveyance pumping facilities; and
9. San Luis Drain including Redfern Drain.

This 2024 SLDMWA OM&R Cost Recovery Plan is an exhibit to the Second Amended and Restated Memorandum of Understanding Between the Friant Water Authority and San Luis & Delta-Mendota Water Authority Relating to Allocation, Collection and Payment of Operation,

[3] As Mendota Pool is a non-Federal facility, SLDMWA's operational responsibilities related to Mendota Pool are limited to those activities specifically required to fulfill the legal and contractual obligations of the United States. Unless undertaken pursuant to separate agreements with beneficiaries that will bear the cost, SLDMWA does not conduct additional operation, maintenance, or replacement activities for Mendota Pool.

DRAFT

Maintenance & Replacement Costs for Water Delivered Through Certain Central Valley Project Facilities ("MOU"). The MOU defines the terms and conditions for allocating and recovering the costs associated with the OM&R of the above referenced facilities. Friant Division Contractors will be obligated to pay the OM&R Costs associated with the delivery of Settlement Water to the Settlement Contractors in accordance with the terms of this Cost Recovery Plan. FWA will, as part of the FWA cost recovery methodology developed under the FWA Transfer Agreement, provide for the recovery of OM&R Costs allocated to the Settlement Contractors under this SLDMWA OM&R Cost Recovery Plan. To the extent the USBR has conferred upon FWA the legal authority to do so, FWA will allocate such costs among, and collect such costs from, the Friant Division Contractors. For ease in representation and for practical considerations, and for the purposes of the MOU and this SLDMWA OM&R Cost Recovery Plan only, Friant Division Contractors will be considered a single Water Delivery Contractor whose water deliveries constitute the total Settlement Water deliveries of the Settlement Contractors. The USBR will be allocated the costs associated with the delivery of Other Water under the provisions of the SLDMWA Transfer Agreement, except to the extent that such Other Water is specifically attributable to another party (e.g. non-CVP water delivered under a Warren Act contract wherein the Warren Act contractor will be allocated applicable OM&R Costs). For purposes of completeness, OM&R Costs associated with Project Facilities that are unnecessary for the delivery of Settlement Water (such as the San Luis Drain) are allocated in this SLDMWA OM&R Cost Recovery Plan, but no part of such OM&R Costs will be allocated, under this Cost Recovery Plan, to the Friant Division Contractors, except as expressly noted.

The MOU dictates that the allocation of costs for specific acquisitions or OM&R activities not already addressed by this Cost Recovery Plan will be allocated in a manner consistent with the principles contained in this Cost Recovery Plan. Those principles include:

1. Except where expressly noted otherwise, Friant Division Contractors are responsible for paying OM&R Costs for Project Facilities used for the delivery of Settlement Water to the Settlement Contractors in accordance with the terms of the MOU and this Cost Recovery Plan;
2. Water rates will be comprised of various cost pool components based on the

principle that OM&R Costs are allocated to water deliveries based on the Project Facilities used; and

3. All Water Delivery Contractors and Friant Division Contractors have a critical interest in the effective and efficient OM&R of the Project Facilities.

II. DEFINITIONS - As used in this Cost Recovery Plan, the following terms have the meanings as set forth below. To the extent the following terms are defined in the MOU, their definitions are restated here for convenience:

A. Extraordinary OM&R: Extraordinary OM&R has the same meaning as the non-capitalized term included in the definition of OM&R in the SLDMWA Transfer Agreement. That is, the performance, funding, and financing of emergency or unusual operation and maintenance or extraordinary operation and maintenance costs, unusual or extraordinary repair or replacement costs, and betterment costs to the extent such costs are not considered Capital Improvement costs (as defined in the SLDMWA Transfer Agreement) unless SLDMWA chooses to accomplish and finance such Capital Improvements under Article 5(b) of its Transfer Agreement.

B. Friant Division Contractors: Water Delivery Contractors receiving water service from the Friant Division of the CVP, including members and non-members of FWA.

C. FWA Transfer Agreement: That certain *Agreement Between the United States of America and Friant Water Authority to Transfer the Operation, Maintenance and Replacement and Certain Financial and Administrative Activities Related to the Friant-Kern Canal and Associated Works* effective October 5, 2020, as amended.

D. OM&R: Operation, maintenance and replacement as that phrase is defined in the SLDMWA Transfer Agreement.

E. OM&R Budget: SLDMWA's annual budget to fund the OM&R Program, which is developed and approved in accordance with the procedures set forth in Article 12(a) of the SLDMWA Transfer Agreement.

DRAFT

F. OM&R Costs: Costs of providing OM&R for the Project Facilities pursuant to the SLDMWA Transfer Agreement, including without limitation conveyance pumping costs associated therewith.

G. Party Entitled to Utilize or Receive Other Water: A party required to pay SLDMWA the amounts described in Article 12 of the SLDMWA Transfer Agreement in connection with the delivery of "Other Water," as such terms are defined in Article 1 of the SLDMWA and FWA Transfer Agreements.

H. Project Facilities: The physical works and appurtenances associated with the C.W. "Bill" Jones Pumping Plant (formerly Tracy Pumping Plant), C.W. "Bill" Jones Pumping Plant Operations and Maintenance Complex, Delta-Mendota Canal, Delta-Mendota Canal – California Aqueduct Intertie Pumping Plant ("Intertie"), O'Neill Pumping/Generating Plant and Switchyard, the federal share of the O'Neill Forebay and Dam, Mendota Pool (see footnote no. 4 above in the Introduction) Kesterson Reservoir, the federal share of San Luis Unit Joint Use conveyance and conveyance pumping facilities, and the San Luis Drain.

I. Reserves: Funds accumulated to meet unexpected emergencies or planned multi-year financial commitments of Extraordinary OM&R and/or capital improvement projects to replace or repair Project Facilities and equipment that are not included in the annual costs of ongoing, regular, or routine operations, maintenance, repairs, replacements, and other activities and actions necessary for continued structural integrity and operational reliability of Project Facilities required for the delivery of "Project Water," as defined in the SLDMWA Transfer Agreement.

J. Settlement Contractors: Those contractors, listed in Exhibit A of the MOU, entitled to receive water service through the Project Facilities without charge, except as provided in this Cost Recovery Plan.

K. Settlement Water: Water the Settlement Contractors are entitled to receive without charge from Project Facilities.

L. SLDM Contractors: Water Delivery Contractors that receive water (other than Settlement Water) via any of the Project Facilities described in the SLDMWA

DRAFT

Transfer Agreement.

M. SLDMWA: The San Luis & Delta-Mendota Water Authority.

N. SLDMWA Transfer Agreement: That certain *Agreement between the United States of America and San Luis & Delta-Mendota Water Authority to Transfer the Operation, Maintenance and Replacement and Certain Financial and Administrative Activities Related to the San Luis and Delta-Mendota Canals, C.W. "Bill" Jones Pumping Plant, Delta-Mendota Canal/California Aqueduct Intertie Pumping Plant, O'Neill Pumping/Generating Plant, San Luis Drain and Associated Works* effective January 14, 2020, as amended.

O. USBR: United States Department of Interior, Bureau of Reclamation.

P. Water Delivery Contract: (1) Any contract entered into by the Secretary of the United States Department of the Interior under the provisions of Sections 9(c), 9(d), or 9(e) of the Reclamation Project Act of 1939 or Section 3404 of the Central Valley Project Improvement Act pursuant to which "Project Water" is to be supplied from or through Project Facilities and (2) any exchange contract, water rights settlement contract, or similar agreement pursuant to the terms of which water is to be supplied by the United States from or using the Project Facilities, as such terms are defined in Article 1 of the SLDMWA and FWA Transfer Agreements.

Q. Water Delivery Contractor: A party holding a Water Delivery Contract with the United States, as such terms are defined in Article 1 of the SLDMWA and FWA Transfer Agreements.

R. Year: March 1 through February 28/29.

III. COST POOLS - OM&R Costs will be accumulated into eight cost pools, defined as the Upper DMC and Jones PP cost pool ("Upper Cost Pool"), the Lower DMC cost pool ("Lower Cost Pool"), the Intertie Variable cost pool ("Intertie Variable Cost Pool"), the Mendota Pool cost pool ("Mendota Pool Cost Pool"), the San Luis Joint Use conveyance and conveyance pumping facilities cost pool ("DWR Cost Pool"), the Jones PP power cost pool ("Jones Power

DRAFT

Cost Pool"), the O'Neill PGP cost pool ("O'Neill Cost Pool") and the San Luis Drain cost pool ("San Luis Drain Cost Pool").

A. The Upper Cost Pool includes:
   1. The OM&R Costs for the Jones PP and related Jones PP Operations and Maintenance Complex, excluding energy costs;
   2. A pro rata share of the OM&R Costs for the DMC from the Jones PP to Check 13 based on miles of DMC serviced above and below Check 13 (70/116 miles or 30.64%) ("Upper DMC");
   3. The OM&R Costs associated with routine OM&R of the Intertie, except that SLDMWA will work with USBR to ensure the State of California pays routine Intertie OM&R Costs associated with the movement of State water through the Intertie;
   4. The OM&R Costs for the Westley, Newman, and Volta Wasteways; and
   5. The OM&R Costs for the intake channel from the Tracy Fish Facility to the Jones Pumping Plant.

B. The Lower Cost Pool includes:
   1. A pro rata share of the OM&R Costs for the DMC from Check 13 to (but not including) the Mendota Pool based on miles of DMC serviced above and below Check 13 (46/116 miles or 39.66%) ("Lower DMC"); and
   2. The OM&R Costs for the Firebaugh Wasteway.

C. The Intertie Variable Cost Pool includes:
   1. DWR wheeling charges for conveyance of water from the Intertie through the California Aqueduct to O'Neill Forebay; and
   2. USBR's project use energy ("PUE") costs associated with Intertie operations.

D. The Mendota Pool Cost Pool includes the operational costs associated with activities at Mendota Pool that are specifically required to fulfill statutory or contractual obligations of the United States, including but not limited to, managing deliveries from the DMC into Mendota Pool, coordination actions to

DRAFT

assist CCID in maintaining certain elevations at Mendota Pool, coordination of flood releases from the San Joaquin River and Kings River into Mendota Pool, and monitoring and measuring water deliveries taken by contractors at Mendota Pool. Unless undertaken pursuant to separate agreements with beneficiaries that will bear the cost, SLDMWA does not conduct additional operation, maintenance, or replacement activities for Mendota Pool.

E. The DWR Cost Pool includes the federal share of the OM&R Costs of the San Luis Joint Use conveyance and conveyance pumping facilities and the energy costs incurred in pumping water at the Dos Amigos Pumping Plant. The DWR costs associated with the OM&R Costs of the O'Neill Forebay and Dam are included the O'Neill Cost Pool and, therefore, are not included in the DWR Cost Pool.

F. The Jones Power Cost Pool includes the energy costs incurred at the Jones PP and related Jones PP Operations and Maintenance Complex.

G. The O'Neill Cost Pool includes:

1. The OM&R Costs for the O'Neill PGP;
2. The OM&R Costs for the O'Neill PGP intake upstream of Check 13 from the DMC to the O'Neill PGP;
3. The energy costs, net of regeneration credits, incurred in pumping water at the O'Neill PGP; and
4. The DWR OM&R Costs for the federal share of the O'Neill Forebay and Dam.

H. The San Luis Drain Cost Pool includes:

1. The OM&R of the San Luis Drain; and
2. The Maintenance of the Kesterson Reservoir, except that maintenance activity relating to the Cleanup Program as defined in the Bureau of Reclamation, U.S. Department Interior Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995 will be assigned in accordance with the Report.

DRAFT

IV. COST ALLOCATION - The OM&R Costs assigned each Year to each of the cost pools described above will be allocated to Water Delivery Contractors and Parties Entitled to Utilize or Receive Other Water using the facilities described above for each cost pool in accordance with the following methodology:

A. Upper and Lower Cost Pools - Costs accumulated in the Upper and Lower Cost Pools will be allocated to each Water Delivery Contractor or Party Entitled to Receive or Use Other Water based upon the party's cost allocation percentage, subject to the following:

1. The cost allocation percentage for the Upper and Lower Cost Pools will be determined by dividing a Water Delivery Contractor's or Party Entitled to Utilize or Receive Other Water's "delivery base" by the total delivery base for all Water Delivery Contractors and Parties Entitled to Utilize or Receive Other Water sharing in each cost pool.
2. The delivery base for each SLDM Contractor will be computed for the Upper Cost Pool and the Lower Cost Pool as the greater of the actual water delivered to the SLDM Contractor utilizing that cost pool's facilities during the Year, or the amount established under the Minimum Participation requirements described in Section V.A. hereof.
3. 25% of the OM&R Costs for the Lower Cost Pool will be allocated in the Mendota Pool Cost Pool.

B. Intertie Variable Cost Pool – Costs accumulated in the Intertie Variable Cost Pool will be allocated to each Water Delivery Contractor and Party Entitled to Utilize or Receive Other Water on the same basis as the Upper and Lower Cost Pool, subject to the following:

1. In water years where the south-of-Delta agricultural water allocation is 0% and/or in water years where 0% agricultural service water is available for delivery during the contract year (regardless of the south-of-Delta agricultural service water allocation): 65% of variable Intertie OM&R Costs will be allocated to Friant Division Contractors. The remaining 35%

DRAFT

will be allocated to all other SLDM Contractors and Parties Entitled to Utilize or Receive Other Water on the same basis as the Upper Cost Pool.

2. In water years where the south-of-Delta agricultural water allocation is 1% - 5%:
    i. The first time such event occurs, 20% of variable Intertie OM&R Costs will be allocated to Friant Division Contractors, with the remaining 80% being allocated to all other SLDM Contractors and Parties Entitled to Utilize or Receive Other Water on the same basis as the Upper Cost Pool;
    ii. The second time such event occurs, no cost will be imposed on Friant Division Contractors (i.e., SLDM Contractors and Parties Entitled to Utilize or Receive Other Water will pay on the same basis as the Upper Cost Pool); and
    iii. The third time such event occurs, FWA, SLDMWA, and USBR will negotiate a new allocation methodology for 1% to 5% allocation years.
3. In water years where the south-of-Delta agricultural service water allocation is greater than 5%: Friant Division Contractors will not be allocated any variable Intertie OM&R Costs; 100% of variable Intertie OM&R Costs will be allocated to SLDM Contractors and Parties Entitled to Utilize or Receive Other Water on the same basis as the Upper Cost Pool.
4. In water years where the south-of-Delta agricultural service water allocation is greater than 5% and San Joaquin River Restoration Program Delta recapture flows are pumped at Jones PP, the daily acre-feet of recapture flows pumped at Jones PP that coincide with days that the Intertie is in operation will be presumed to have moved through the Intertie. Friant Division Contractors will be allocated a share of variable OM&R Costs for the Intertie by including these presumed flows in the

DRAFT

total acre-feet calculation for SLDM Contractors and Parties Entitled to Utilize or Receive Other Water for that water year, and allocating a corresponding share of variable OM&R Costs to Friant Division Contractors. For water years where the south-of-Delta agricultural service water allocation is less than or equal to 5%, regardless of what volumes are pumped at Jones PP, no additional OM&R Costs for the Intertie will be allocated to Friant Division Contractors above what is enumerated in subsections 2.A-C above.

5. Intertie operations will be reviewed upon request by either Party to determine if changes in the allocation methodology are warranted.
6. NOTE: SLDMWA will work with USBR to ensure the State of California pays variable Intertie OM&R Costs associated with the movement of State water through the Intertie; Friant Division Contractors will not be allocated any such costs.

C. Mendota Pool Cost Pool – Costs within the Mendota Pool Cost Pool will be allocated to the contractors taking delivery in Mendota Pool based upon the Water Delivery Contractor's or Party Entitled to Utilize or Receive Other Water's cost allocation percentage, using similar methodology to that described in Section IV.A.1 above, subject to the following:

1. In addition to the OM&R Costs for Mendota Pool activities, the Mendota Pool Cost Pool will include 25% of the OM&R Costs of the Lower Cost Pool.
2. Deliveries from the Mendota Pool that do not originate from the DMC (such as San Joaquin and Kings River flows and Mendota Pool pump-ins) will be excluded from the allocation of all other OM&R Costs, including O'Neill Storage, Extraordinary OM&R, and Reserve cost allocations, unless specifically agreed to by SLDMWA and FWA.
3. Minimum Participation requirements as described in Section V.A. will not apply to the allocation of the Mendota Pool Cost Pool.

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D. DWR Cost Pool - Costs within the DWR Cost Pool will be sub-allocated into two cost pools, defined as the North of Dos Amigos Cost Pool and the South of Dos Amigos Cost Pool.

1. The North of Dos Amigos Cost Pool includes the federal share of the DWR OM&R Costs associated with the San Luis Canal north of the Dos Amigos Pumping Plant.
2. The South of Dos Amigos Cost Pool includes the federal share of the DWR OM&R Costs associated with the San Luis Canal south of the Dos Amigos Pumping Plant, the federal share of the DWR OM&R Costs associated with the Dos Amigos Pumping Plant, and the energy costs incurred at the Dos Amigos Pumping Plant.

OM&R Costs for the North of Dos Amigos Cost Pool and South of Dos Amigos Cost Pool will be allocated to the Water Delivery Contractors and Parties Entitled to Utilize or Receive Other Water directly utilizing the facilities in each such cost pool. The percentage of costs allocated to each such contractor/party will be determined by dividing the total water deliveries to such contractor/party utilizing the Project Facilities in each cost pool by the total water deliveries to Water Delivery Contractors and Parties Entitled to Utilize or Receive Other Water utilizing such facilities during the Year.

E. Jones Power Cost Pool - Costs within the Jones Power Cost Pool will be allocated to those Water Delivery Contractors and Parties Entitled to Utilize or Receive Other Water whose water is made available by virtue of water being pumped at the Jones PP. The percentage of costs allocated to each such contractor/party will be determined by dividing the total water deliveries made available to each such contractor/party by the total of all such water deliveries made available. Minimum Participation requirements as described in Section V.A. will not apply to the allocation of the Jones Power Cost Pool.

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F. O'Neill Cost Pool - Each Year, the O'Neill Cost Pool will be sub-allocated between two cost pools, the "Direct Pumping Cost Pool" and the "Storage Pumping Cost Pool" as follows:

1. For purposes of allocating the O'Neill Cost Pool between the Direct Pumping Cost Pool and Storage Pumping Cost Pool only, water deliveries made during the Year through the San Luis Joint Use or San Felipe facilities will be deemed water delivered in the Direct Pumping Cost Pool and water released from the O'Neill Forebay through the O'Neill PGP into the DMC will be deemed water delivered in the Storage Pumping Cost Pool. Water that is not conveyed through the DMC will not be deemed water delivered in either the Direct Pumping Cost Pool or the Storage Pumping Cost Pool.
2. The O'Neill Cost Pool will be sub-allocated to the Direct Pumping Cost Pool and the Storage Pumping Cost Pool pro rata based upon the percentage obtained by dividing each respective pools' share of water deemed delivered, during the Year as described above, against the sum of the two pools' water deliveries during the Year.
3. The Direct Pumping Cost Pool will be further sub-allocated to Water Delivery Contractors and Parties Entitled to Utilize or Receive Other Water taking delivery of water directly from the San Luis Joint Use or San Felipe facilities during the Year based upon the percentage obtained by dividing the water delivered to a contractor/party utilizing the O'Neill PGP for water deliveries through the federal share of the San Luis Joint Use facilities or the San Felipe facilities by the total water deliveries utilizing the O'Neill PGP for water deliveries through the federal share of the San Luis Joint Use facilities and the San Felipe facilities during the Year.
4. The Storage Pumping Cost Pool will be further sub-allocated to Water Delivery Contractors and Parties Entitled to Utilize or Receive Other

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Water taking delivery of water directly from the DMC or Mendota Pool facilities based on the percentage obtained by dividing the water delivered directly from the DMC or Mendota Pool facilities to such contractor/party by the total water delivered directly from the DMC or Mendota Pool facilities to Water Delivery Contractors and Parties Entitled to Utilize or Receive Other Water during the Year. Deliveries to Mendota Pool that are not conveyed through the DMC will be excluded from the Storage Pumping Cost Pool allocation.

None of the allocations described above for the O'Neill Cost Pool will be subject to the Minimum Participation requirements as described in Section V.A.

G. San Luis Drain Cost Pool - The maintenance costs assigned to the San Luis Drain Cost Pool will be allocated to those Water Delivery Contractors and Parties Entitled to Utilize or Receive Other Water with contractual requirements for the payment of such maintenance costs, except that maintenance activity relating to the Cleanup Program as defined in the Bureau of Reclamation, U.S. Department Interior Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995 will be assigned in accordance with the Report.

V. MISCELLANEOUS COST ALLOCATION PROVISIONS

A. Minimum Participation - In recognition of the value of providing OM&R even in Years when an individual SLDM Contractor's pro rata share of costs based upon that Year's water deliveries is very low or non-existent, there will be created Minimum Participation amounts of assumed minimum water deliveries, for purposes of cost allocation only, as follows: In Years when an irrigation SLDM Contractor's total deliveries (i.e., deliveries under its contract with the USBR plus other deliveries made available through the Jones PP and the DMC) are below 25% of its maximum contractual entitlement, the delivery base for purposes of allocating the Upper Cost Pool and Lower Cost Pool will be 25% of that irrigation

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SLDM Contractor's maximum contractual entitlement.

B. Water Transfers - A SLDM Contractor who receives transfer water ("SLDM Transferee") from a Water Delivery Contractor will have such water deliveries included in the SLDM Transferee's delivery base for each applicable cost pool described in Section I. above for purposes of allocating OM&R Costs for the Year (but not for delivery purposes in establishing reserves). As a result, all costs associated with the delivery of transferred water will be allocated to the SLDM Transferee in the same manner as costs are allocated to the SLDM Transferee for its CVP contractual supply and will be subject to Year-end adjustment and reconciliation per Section VIII below.

C. Other Water –

1. All costs associated with the conveyance of Other Water through Project Facilities, including all components that may be required by Reclamation, will be assigned to the Water Delivery Contractor or Party Entitled to Utilize or Receive Other Water that takes delivery of such Other Water. As a result, all costs associated with the delivery of Other Water will be allocated to the Water Delivery Contractor in the same manner as costs are allocated to that Water Delivery Contractor for its CVP contractual supply and will be subject to Year-end adjustment and reconciliation per Section VII.D. below. In the case of deliveries of Other Water to the Settlement Contractors, the applicable Settlement Contractors, not the Friant Division Contractors, will be responsible for all costs associated with the delivery of the Other Water, including an allocable share of the OM&R Costs and Reserve Costs (Section VI.D) addressed by this SLDMWA OM&R Cost Recovery Plan.

2. Losses - A loss factor of five percent (5%), or the loss percentage provided in the governing contract or agreement, as applicable, will be applied to the delivery of any Other Water conveyed in any Project Facilities (e.g., if the loss factor is five percent (5%), and 100 AF of Other Water is pumped

DRAFT

at Jones PP, or as otherwise metered, that will result in 95 AF being considered available for delivery and will be allocated OM&R Costs accordingly).

VI. RESERVES - In recognition of the multiple year benefits of performing certain long-term OM&R activities for Project Facilities (excepting the San Luis Joint Use conveyance and conveyance pumping facilities and Mendota Pool, unless pursuant to separate agreement), including, but not limited to, the long-term capital outlays for the purchase of equipment and vehicles and reserves mandated by the SLDMWA Transfer Agreement, SLDMWA will accumulate Reserves and regularly use these Reserves for these activities in accordance with the following:

A. Reserves -

1. Annually, a ten-year projection of expenditures in specified Reserve Categories as listed in Exhibit C to the MOU will be made ("Ten-Year Plan"), along with a single year projection of expenditures in those categories for the forthcoming fiscal year. The Reserve cash requirement for the forthcoming fiscal year will be allocated to each Water Delivery Contractor pro rata based upon the past ten years of historic water deliveries (ten-year rolling average of deliveries), net of funds collected from Parties Entitled to Utilize or Receive Other Water.
2. Each Water Delivery Contractor's ten-year rolling average of deliveries will include all Water Delivery Contract deliveries, water transferred out to other Water Delivery Contractors that utilize Project Facilities for which costs are allocated under this Cost Recovery Plan, and Other Water deliveries to that Water Delivery Contractor, subject to the following:
   i. Each Water Delivery Contractor's ten-year rolling average of deliveries will be subject to the inclusion of the annual Minimum Participation amounts as determined in Section V.A above;
   ii. Ten-year rolling average of deliveries will not include:

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a. Water transferred in by the applicable Water Delivery Contractor;

b. Water transferred out by the applicable Water Delivery Contractor that does not utilize Project Facilities for which costs are allocated hereunder; or

c. Deliveries to Mendota Pool not conveyed through the Lower DMC (e.g. San Joaquin River flood flows, Kings River flood flows, water released from Millerton Reservoir, Mendota Pool pump-in water, etc.).

iii. Notwithstanding the reference above to water transferred out to other Water Delivery Contractors being included in each Water Delivery Contactor's ten-year rolling average of deliveries, water transferred from a San Joaquin River Exchange Contractor ("Exchange Contractor") to a Water Delivery Contractor will be included in the San Joaquin River Exchange Contractor Water Authority's ("SJRECWA") total deliveries for the purposes of allocating Reserve costs and Extraordinary OM&R Costs, and costs associated with such transfers will not be an obligation of Friant Division Contractors, subject to the following:

a. Beginning in Water Year 2026 (March 1, 2026 – February 28, 2027), deliveries associated with Water Transfer Program for the San Joaquin River Exchange Contractors Water Authority ("Exchange Contractor Transfer Program"), as that program may be amended, will be excluded from FWA's Reserve allocation.

b. In the interim, the Reserve calculations to support final accountings for Water Years 2022, 2023, 2024, and 2025 will continue to include the deliveries associated with Exchange Contractor transfers in FWA's Reserve

DRAFT

allocation. The same methodology (utilizing offsetting adjustments) used to calculate the reserve obligation for FWA in Water Year 2019 will apply.

c. Beginning in Water Year 2026, SLDMWA will no longer make the offsetting adjustments to the delivery data used to calculate the Reserves as outlined in Section VI.A.2.iii.b. All delivery volumes associated with the Exchange Contractor Transfer Program will be moved from FWA's Reserve allocation to the SJRECWA's Reserve allocation.[4] Any offsetting adjustments (including historical adjustments) will be removed in their entirety from the Reserve calculation for the SJRECWA.

3. In any one Year, Reserve expenditures may benefit some Project Facilities or cost pools more than others. However, in the long-term, it is expected that Reserves will be spent generally in accordance with the overall apportionment of the OM&R Budget for each facility as that facility's OM&R Budget relates to the entire OM&R Budget (without consideration or inclusion of the cost of energy, the OM&R Costs of the San Luis Joint Use conveyance and conveyance pumping facilities, the OM&R Costs of the Mendota Pool, or costs associated with the San Luis Drain).

4. One-time or de minimis use of Project Facilities (i.e., the delivery of Other Water to an individual or entity that otherwise has irregular or infrequent deliveries made through Project Facilities maintained by SLDMWA) will be charged the SLDMWA Board-adopted Reserve rate component(s) for the delivery(ies). Such one-time or de minimis water deliveries will not be included in any water delivery base in the determination of Reserves or Reserve allocations hereunder. Revenues generated to Reserves for this

[4] SLDMWA anticipates that SJRECWA will pass through any costs associated with the Reserve allocation to the entities receiving transfers.

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one-time or de minimis use of Project Facilities will be used to reduce that Year's total Reserve requirement. Reserve contributions from one-time or de minimis use of Project Facilities will not be subject to annual reconciliation and adjustment.

5. Consistent with Sections VI.A.1-4 above and Section VII below, SLDMWA will include a Reserve component in the calculation of OM&R Water Rates for all deliveries utilizing Project Facilities, unless expressly excluded.

B. Emergency Reserves – SLDMWA will establish and maintain an Emergency Reserve Fund consistent with Article 14 of the SLDMWA Transfer Agreement. SLDMWA will include a sub-component in the Reserve component described in Section VI.A above for the Emergency Reserve Fund when required.

C. Other – SLDMWA may also utilize Reserve funds to repay specific Extraordinary OM&R Costs that utilize long-term financing or debt. When the SLDMWA Board of Directors takes action to authorize such long-term financing or debt and the collection of Reserve funds to repay the same, the SLDMWA Board of Directors will establish whether and how the additional Reserve fund component(s) will be included in the calculation of OM&R Water Rates for some or all deliveries utilizing Project Facilities. It is understood that the cost allocation methodology for individual Extraordinary OM&R projects may differ from the cost allocation methodology used to allocate Reserve costs.

VII. RATE COMPONENT CALCULATIONS / WATER RATES

A. Rate components will be established for each cost pool listed in Section III on a per AF basis. Rate components will be calculated in accordance with the cost allocation to Water Delivery Contractors in Section IV using budgeted amounts for the Year for each cost pool divided by projected water deliveries utilizing the Project Facilities and/or energy associated with the applicable cost pool for the Year. The Reserve rate component(s) will be computed by dividing each Water

DRAFT

Delivery Contractor's expected annual contribution, in accordance with Section VI.A-B, by projected water deliveries to that Water Delivery Contractor for the Year.

B. The "OM&R Water Rate" for a given delivery will be calculated by adding together various cost pool components and/or the Reserve rate component(s) associated with that delivery. For example, the OM&R Water Rate for a delivery along the Lower DMC will include the following components: Upper Cost Pool + Jones Power Cost Pool + Intertie Variable Cost Pool (if applicable) + Lower Cost Pool + O'Neill Storage Cost Pool + Reserves (more than one reserve component potentially applicable). The proposed water rates for deliveries to various geographic locations, including the cost pool and/or Reserve components, will be provided to the SLDMWA Board of Directors when OM&R Water Rates are presented to the Board of Directors for action.

C. Reference to "adjusted" OM&R Water Rates on rates sheets presented to the SLDMWA Board of Directors will refer to rates that utilize some, but not all rate components for a delivery that does not incur certain OM&R Costs. For example, an "adjusted" OM&R Water Rate is charged to deliveries that are pumped-in along the Lower DMC and do not utilize Upper Cost Pool facilities.

VIII. PAYMENT AND RECONCILIATION

A. Amounts payable for water delivered to Water Delivery Contractors each calendar month will be computed by multiplying the sum of the rate components (Rate) applicable to water deliveries by the quantity (acre feet) of such water deliveries scheduled for the month, adjusted for differences between actual and scheduled deliveries, at the applicable Rate, for prior months.

B. SLDMWA will bill FWA to provide for recovery of OM&R Costs allocated to the Settlement Contractors that are payable by the Friant Division Contractors under this SLDMWA OM&R Cost Recovery Plan.

C. Payments due under this SLDMWA OM&R Cost Recovery Plan for water

DRAFT

deliveries will be made in advance. All payments must be received by SLDMWA by the 15th of the month prior to the month of such scheduled water deliveries. For instances where SLDMWA invoices FWA after the 10th of the month, a minimum of five (5) calendar days will be afforded FWA for payment. Notification of electronic transfer of funds payments to the SLDMWA will be provided in advance of or concurrent with such payment.

D. Payments received after the due dates noted above are delinquent and will be subject to an interest charge, as well as to any remedies for deficiencies provided in Article 12 of the SLDMWA and FWA Transfer Agreements and IV.B of the MOU. The interest charge will be calculated pursuant to the Prompt Payment Act, as amended (31 U.S.C. § 3901, et seq.). The interest charge will be based upon any and all accumulated advance payment deficiencies. Interest will accrue for each day past the due date and will be accumulated based upon a 360-day year (interest will compound on a simple interest basis).

E. Annual reconciliation and adjustment of the OM&R Costs and their allocation to each Water Delivery Contractor ("Final Accounting") will be made within sixty (60) days following the completion and SLDMWA Board of Directors' acceptance of the annual audited financial statements containing the costs to be allocated. The Final Accounting for a given Year will be treated as final and no longer subject to any dispute following the expiration of the applicable statute of limitations, as may be modified by law. The parties also agree that SLDMWA may reopen a Final Accounting under appropriate circumstances.

F. Reconciled and adjusted OM&R Cost allocation applicable to each Water Delivery Contractor or Party Entitled to Utilize or Receive Other Water, including annual reserve amounts, will be compared to payments made by or on account for each Water Delivery Contractor for water deliveries during the Year. In the event payments made by or on account of a Water Delivery Contractor exceed costs allocated to that Water Delivery Contractor (surplus), SLDMWA will refund the amount of the surplus to the payee or the payee may direct SLDMWA to apply

DRAFT

such surplus to future amounts due under this SLDMWA OM&R Cost Recovery Plan. In the event costs allocated to the Water Delivery Contractor exceed payments made by or on account of a Water Delivery Contractor (deficiency), the payee will have thirty (30) days from the notice of such deficiency to make payment. Payments not received within thirty (30) days will be subject to the late payment provision as described in Section VII.B above starting on the date of delinquency, as well as subject to any remedies for deficiencies provided in Article 12 of the SLDMWA and FWA Transfer Agreements and IV.B of the MOU.

G. SLDMWA will apply funds to cover deficiencies paid by the USBR under appropriate legal instruments in accordance with terms outlined in Section 12 of the SLDMWA Transfer Agreement.

H. FWA will collect and remit payments due for OM&R Costs allocated to Settlement Contractors under this SLDMWA OM&R Cost Recovery Plan in accordance with the terms of this section. FWA will apply funds to cover deficiencies paid by the USBR under appropriate legal instruments in accordance with terms outlined in Section IV of the MOU and Section 12 of the FWA Transfer Agreement.

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EXHIBIT C

RESERVE CRITERIA

In recognition of the long-term benefits associated with certain OM&R activities, expenditures meeting the criteria established below will be made from Reserve funds accumulated for such purposes, consistent with Section VI of the SLDMWA OM&R Cost Recovery Plan.

1. Reserve Categories:

   A. Major Non-Routine Maintenance/Extraordinary OM&R:

      i. Major non-routine maintenance improvements, modifications, replacements, or repairs, additions, or modernizations with long term benefits, exceeding one year, that have a total cost greater than **$60,000**, including labor and labor related costs for projects identified on the Ten-Year Plan.

      ii. For any Extraordinary OM&R project for which SLDMWA's estimated total project cost is greater than 50% of the current year's routine OM&R Budget, excluding power and Reserves costs, the Planning Committee will review, evaluate, and establish a recommendation for the allocation of costs of any Extraordinary OM&R project.

   B. Equipment: Replacement of mobile/stationary equipment and heavy equipment identified on the Ten-Year Plan with a total replacement cost greater than **$30,000**. Equipment types and examples are as follows:

      i. Heavy Equipment (Off-Road – Unlicensed): Motor graders, loaders, backhoes, excavators, dozers, skid-steers, cranes, tractors, implements (i.e., discs, mowers, etc.), man-lifts, forklifts, etc.

      ii. Heavy Equipment (On-Road – Licensed): Truck/tractors, spray trucks, dump trucks, water trucks, boom trucks, utility trucks heavier than 1.5 ton, heavy transport trailers, tilt trailers, flatbed trailers, trailer-mounted pumps/generators/compressors, belly dump trailers, etc.

      iii. Shop Support Stationary Equipment: Machine Shop equipment, Electric Shop test equipment, Vehicle Maintenance Shop equipment, Sandblast and Paint Shop equipment, etc.

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C. Vehicles: Replacement of light passenger/utility vehicles identified on the Ten-Year Plan that have a total replacement cost (including labor) greater than **$25,000** (e.g., sedans, pickups, utility vehicles, vans, etc.).

D. Office & Computer/Network Equipment: Replacement of office and electronic equipment and computer software identified on the Ten-Year Plan with an annual aggregate replacement cost greater than **$20,000**.

E. Facility Infrastructure Rehabilitation/Replacement: Improvement, modification, replacement, repair, addition, or modernization projects on the SLDMWA Project Facilities identified on the Ten-Year Plan that have a total cost greater than **$30,000**, including labor and labor-related costs. The typical types of projects for this category, include but are not limited to:

i. Roofing Systems repair or replacement,
ii. Building Interior/Exterior Components repair, remodel/upgrade,
iii. Building HVAC Systems replacement,
iv. Building Electrical & Communication Systems modernization,
v. Building Plumbing Systems replacement,
vi. Building/Facility Fire Protection & Security Systems replacement/modernization,
vii. O&M Shop Support Equipment/Systems replacement/modernization, and
viii. Facility Pavement & Grounds repairs/replacement & upgrades.

F. Supervisory Control and Data Acquisition (SCADA): Improvements, modifications, replacements, repairs, additions, or modernizations of SCADA system and associated hardware and software identified on the Ten-Year Plan with a total replacement cost (including labor) greater than **$20,000**.

G. NOTES:

i. Each Reserve Category requires the development and management of a specific Ten-Year Plan for the category's replacement, additions, rehabilitation, and modernization needs.
ii. These cost thresholds will apply beginning on the Effective Date of the SLDMWA OM&R Cost Recovery Plan. Prospectively, during the annual budget development process, staff will work with the OM&R Technical

DRAFT

Committee to evaluate any necessary increases to the cost thresholds, utilizing the USBR Operations and Maintenance Cost Index and other available tools.

2. Emergency Reserves: SLDMWA will establish and maintain an Emergency Reserve Fund consistent with Article 14 of the SLDMWA Transfer Agreement.

3. Other: The Finance & Administration Committee may recommend necessary changes to the Reserve Categories or the accumulation of additional Reserve funds (e.g. to fund debt/financed OM&R Costs).

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EXHIBIT D

CONTRACTOR SERVICE (DELIVERY) AREAS

	Upper DMC	Lower DMC	Mendota Pool	San Felipe	San Luis Joint Use
Banta-Carbona Irrigation District	X				
Del Puerto Water District	X				
Patterson Water District	X				
Byron Bethany Irrigation District	X				
West Stanislaus Irrigation District	X				
City of Tracy	X				
Santa Nella County Water District	X				X
Eagle Field Water District		X			
Mercy Springs Water District		X			
Oro Loma Water District		X			
Pacheco Water District		X			X
Panoche Water District		X			X
San Luis Water District	X	X	X		X
City of Dos Palos					X
State of California, Mendota Wildlife Area	X	X	X		
Fresno Slough Water District			X		
Tranquillity Public Utility District			X		
James Irrigation District			X		
Laguna Water District			X		
Reclamation District #l606			X		
Coelho Family Trust			X		
Tranquillity Irrigation District			X		
Westlands Water District			X		X
Santa Clara Valley Water District				X	
San Benito County Water District				X	
Exchange Contractors					
Central California Irrigation District	X	X	X		
Firebaugh Canal Company		X	X		
Columbia Canal Company			X		
San Luis Canal Company			X		
City of Coalinga					X
City of Avenal					X
City of Huron					X
Refuge	X	X	X		X
Meyers Farm Family Trust			X		
Dudley-Indart (CGH) (incl. Robinson Family Farms LP, Vista Verde Farms)			X		
Kenneth & Karen Carvalho Trust			X		

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~~FIRST~~ SECOND 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, AND~~&~~ REPLACEMENT COSTS FOR WATER DELIVERED THROUGH CERTAIN CENTRAL VALLEY PROJECT FACILITIES

This ~~First~~ Second Amended and Restated Memorandum of Understanding is made effective as of [DATE], by and among the Friant Water ~~Users~~ Authority ("FWA"), a joint powers agency of the State of California organized and existing pursuant to Government Code Section 6500~~0~~, *et seq.* and the San Luis & Delta-Mendota Water Authority ("SLDMWA"), a joint powers agency of the State of California organized and existing pursuant to Government Code Section 6500~~0~~, *et seq.,* and amends and restates the First Amended and Restated Memorandum of Understanding made and entered into by the parties effective as of ~~March~~ September 1, ~~1998~~2002.

DEFINITIONS

As used ~~here~~in this MOU, the following terms have the meanings indicated below. Terms with their initial letters capitalized but not defined below have the same meanings ascribed to them in the FW~~U~~A Transfer Agreement and the SLDMWA Transfer Agreement.

~~1. 1. CVP Contractors: Parties that receive water pursuant to Water Delivery Contracts or that receive Other Water as suchsaid terms are defined in Article 1 of the SLDMWA and FWUA Transfer Agreements.~~

~~2.~~

1. Extraordinary OM&R: ~~As used in this MOU,~~ Extraordinary OM&R has the same meaning as the non-capitalized term included in the definition of OM&R in the SLDMWA Transfer Agreement. That is, the performance, funding, and financing of emergency or unusual operation and maintenance or extraordinary operation and maintenance costs, unusual or extraordinary repair or replacement costs, and betterment costs to the extent such costs are not considered Capital Improvement costs (as defined in the SLDMWA Transfer Agreement) unless SLDMWA chooses to accomplish and finance such Capital Improvements under Article 5(b) of its Transfer Agreement.

2. Friant Division Contractors: ~~CVP~~ Water Delivery Contractors receiving water service from the Friant Division of the Central Valley Project ("CVP"), including members and non-members of ~~the~~ FW~~U~~A.

3. FW~~U~~A: ~~The~~ Friant Water ~~Users~~ Authority.

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4. FW~~U~~A Transfer Agreement: That certain Agreement Between the United States of America and Friant Water Authority ~~for the~~ to Transfer ~~of~~ the Operation, Maintenance and Replacement~~,~~ and Certain Financial and Administrative Activities Related to ~~of~~ the Friant-Kern Canal and ~~Related~~ Associated Works ~~between the Friant Water Users Authority and the United States of America~~ effective October 5~~March 1~~, ~~1998~~2020, as it may be amended.

5. Memorandum of Understanding or ~~"~~"MOU"~~"~~: This Second Amended and Restated Memorandum of Understanding ~~Agreement~~.

6. OM&R: Operation, maintenance and replacement as that phrase is defined in the SLDMWA Transfer Agreement ~~Extraordinary OM&R.~~

~~7. : Tto the extent such costs are not considered Capital Improvement costs (as defined in the SLDMWA Transfer Agreement) unless SLDMWA chooses to accomplish and finance such Capital Improvements under Article 5(b) of its Transfer Agreement.~~

7. OM&R Budget: -SLDMWA's annual budget to fund the OM&R Program, which is developed and approved in accordance with the procedures set forth in Article 12(a) of the SLDMWA Transfer Agreement.

8. OM&R Costs: Costs of providing OM&R for the Project Facilities pursuant to the SLDMWA Transfer Agreement, including without limitation conveyance pumping costs associated therewith.

9. OM&R Program: All activities of ~~the~~ SLDMWA required for the OM&R of the Project Facilities pursuant to the SLDMWA Transfer Agreement, including but not limited to, the program of work to be performed, the preparation and adoption of budgets, funding (including establishment of reserves and creation of debt), purchasing, auditing, inspections, cost recovery methodology, and administrative responsibilities.

~~9.2. OM&R Budget: SLDMWA's annual budget to fund the OM&R Program which is developed and approved in accordance with the procedures set forth in Article 12(a) of the SLDMWA Transfer Agreement.~~

10. Party Entitled to Utilize or Receive Other Water: A party required to pay SLDMWA the amounts described in Article 12 of the SLDMWA Transfer

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Agreement in connection with the delivery of "Other Water," as such terms are defined in Article 1 of the SLDMWA and FWA Transfer Agreements.

~~10.~~11. Project Facilities: The physical works and appurtenances associated with the ~~Tracy~~ C.W. "Bill" Jones Pumping Plant (formerly Tracy Pumping Plant), C.W. "Bill" Jones Pumping Plant Operations and Maintenance Complex, ~~the~~ Delta-Mendota Canal, Delta-Mendota Canal – California Aqueduct Intertie Pumping Plant ("Intertie"), Kesterson Reservoir, ~~the~~ O'~~'~~Neill Pumping/Generating Plant and Switchyard, the federal share of the O'~~'~~Neill Forebay, ~~the~~ Mendota Pool[1], the federal share of San Luis Unit joint use conveyance and conveyance pumping facilities, and the San Luis Drain; this term ~~is intended to encompass the same~~ includes the facilities defined as the ~~"~~"Project Works"~~"~~ in the SLDMWA Transfer Agreement.

~~11.~~12. Reserves: Funds accumulated to meet unexpected emergencies or planned multi-year financial commitments of Extraordinary OM&R and/or capital improvement projects to replace or repair Project Facilities and equipment that are not included in the annual costs of ongoing, regular, or routine operations, maintenance, repairs, replacements, and other activities and actions necessary for continued structural integrity and operational reliability of Project Facilities required for the delivery of "Project Water," as defined in the SLDMWA Transfer Agreement.

~~12.~~13. Settlement Contractors: Those contractors listed ~~i~~on the attached Exhibit A entitled to receive water service through the Project Facilities without charge, ~~-~~except as provided in the OM&R Cost Recovery Plan.

14. Settlement Water: Water the Settlement Contractors are entitled to receive without charge from Project Facilities.

~~13.~~15. SLDM Contractors: ~~CVP~~Water Delivery Contractors that receive water (~~water~~ other than Settlement Water) via any of the Project Facilities described in the SLDMWA Transfer Agreement.~~—~~

~~14.~~16. SLDMWA: ~~The~~ San Luis & Delta-Mendota Water Authority.

~~15.~~17. SLDMWA Cost Recovery Plan: The cost allocation methodology described ~~i~~on

[1] As Mendota Pool is a non-Federal facility, SLDMWA's operational responsibilities related to Mendota Pool are limited to those activities specifically required to fulfill the legal or contractual obligations of the United States. Unless undertaken pursuant to ~~under~~ separate agreements with beneficiaries that will bear the cost, SLDMWA does not conduct additional operation, maintenance, or replacement activities for Mendota Pool.

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theat attached Exhibit B, also referred to as the "Cost Recovery Plan."

~~16.~~18. SLDMWA Transfer Agreement: That certain Agreement Between the United States of America and San Luis & Delta-Mendota Water Authority to Transfer the Operation, Maintenance and Replacement and Certain Financial and Administrative Activities Related to the San Luis and Delta-Mendota Canals, ~~Tracy~~ C.W. "Bill" Jones Pumping Plant, Delta-Mendota Canal/California Aqueduct Intertie Pumping Plant, ~~and~~ O'~~'~~Neill Pumping/Generating Plant, San Luis Drain and Associated Works ~~between the San Luis & Delta-Mendota Water Authority and the United States of America~~ effective ~~March~~ January 14, 2020, ~~L998.~~ as amended.

19. USBR: United States Department of the Interior, Bureau of Reclamation.

20. Water Delivery Contract: (1) Any contract entered into by the Secretary of the United States Department of the Interior under the provisions of Sections 9(c), 9(d), or 9(e) of the Reclamation Project Act of 1939 or Section 3404 of the Central Valley Project Improvement Act pursuant to which "Project Water" is to be supplied from or through Project Facilities and (2) any exchange contract, water rights settlement contract, or similar agreement pursuant to the terms of which water is to be supplied by the United States from or using the Project Facilities, as such terms are defined in Article 1 of the SLDMWA and FWA Transfer Agreements.

~~17.~~21. Water Delivery Contractor: A party holding a Water Delivery Contract with the United States, as such terms are defined in Article 1 of the SLDMWA and FWA Transfer Agreements.

RECITALS

1. Since March 1, 1998, the costs of operating, maintaining and replacing certain ~~Central Valley Project (the "~~CVP~~")~~ conveyance facilities and the San Luis Drain, and the costs of conveyance pumping, no longer have been funded by the USBR through federal appropriations and instead are being funded pursuant to those certain ~~Agreements~~ agreements to ~~for the T~~transfer ~~of~~ the o~~O~~peration, m~~M~~aintenance and R~~r~~eplacement ~~,~~ and certain f~~F~~inancial and a~~A~~dministrative a~~A~~ctivities (the ~~"~~"Transfer Agreements"~~"~~) entered into between USBR and (i) ~~the~~ SLDMWA, (ii) ~~the~~ FW~~U~~A, and (iii) ~~the~~ Madera Irrigation District and ~~the~~ Chowchilla Water District, and the October 1, 1996 Transfer Agreement between the USBR and the Tehama-Colusa Water Authority, respectively (referred to as the ~~"~~"Conveyance Contractors"~~"~~), except that the USBR has entered into, or agreed to enter into, other appropriate legal instruments to fund OM&R C~~c~~osts for Water Deliver~~CVPy~~ Contractors that~~which~~ have a

DRAFT

deficiency, as that term is defined in Article 1~~1~~2(c) of the SLDMWA and FW~~U~~A Transfer Agreements, in payment to the Conveyance Contractors.

2. The Conveyance Contractors have agreed to the principle that in operating under their respective Transfer Agreements, the Conveyance Contractors will replace the USBR~~'~~'s historic CVP-wide pooling of costs of operating, maintaining and replacing CVP conveyance facilities with direct funding by each Conveyance Contractor to cover the operation, maintenance, and replacement ~~and maintenance~~ costs of the facilities assumed by each pursuant to their respective Transfer Agreements.

3. Pursuant to the terms of the SLDMWA Transfer Agreement, the cost of OM&R of ~~—~~CVP conveyance facilities and the San Luis Drain, and the costs of conveyance pumping for water delivered through the Project F~~f~~acilities will be funded by ~~the~~ SLDMWA, and ~~the~~ SLDMWA will establish budgets and methods for direct recovery of OM&R Costs of such facilities from the ~~CVP~~ Water Delivery Contractors and Parties Entitled~~s~~ to Receive or Utilize Other Water receiving such water.

~~1.~~4. Because certain deliveries of San Joaquin River water to Friant Division Contractors are dependent upon the delivery of Settlement Water to the Settlement Contractors, those Friant Division Contractors have a critical interest in the OM&R of the Project Facilities and have agreed to pay the O~~&~~M&R Costs incurred by ~~the~~ SLDMWA under the SLDMWA Transfer Agreement associated with the delivery of the Settlement Water as determined in accordance with this MOU.

~~2.~~5. FW~~U~~A, by virtue of the FW~~U~~A Transfer Agreement, is willing to apportion among and collect from the Friant Division Contractors the OM&R Costs incurred by ~~the~~ SLDMWA in delivering Settlement Water and other types of water that may be agreed to for which ~~the~~ FW~~U~~A is responsible on behalf of the Friant Division Contractors under this MOU and remitting the same to ~~the~~ SLDMWA, all in accordance with the terms of this MOU.

AGREEMENT

The parties ~~hereby~~ enter into this MOU b~~Memorandum of Understanding for the purposes set forth herein, b~~ased upon the facts and definitions stated above, and for the purposes and upon the terms and conditions set forth below~~, to wit~~:

I. PURPOSES OF THE MOU

The purposes of this MOU are as follows:

A. To establish the standards for OM&R of the Project Facilities by ~~the~~ SLDMWA, and to set forth certain assurances relating thereto;

B. To establish the methodology for allocating and recovering OM&R Costs;

C. To establish the process for remittance by ~~the~~ FW~~U~~A to ~~the~~ SLDMWA of payments collected from the Friant Division Contractors for OM&R Costs allocable to the Friant Division Contractors under this MOU;

D. To establish the principles for and rights of ~~input and~~ participation in decision-making by ~~the~~ FW~~U~~A in the OM&R Program, which ~~including~~ includes providing input, and as applicable voting, on cost allocation, collection and payment procedures, and budgeting;

E. To establish the process of resolution of any disputes that may arise in the implementation of this MOU; and

F. To establish the conditions or events which would trigger renegotiation and/or renegotiation of this MOU.

II. STANDARD FOR OM&R OF THE PROJECT FACILITIES

The OM&R Program will~~shall~~ comply with the standards set forth in the SLDMWA Transfer Agreement; provided, that the OM&R Costs may will~~shall~~ not exceed those which are reasonably necessary to OM&R the Project Facilities in accordance with such standards. The parties mutually acknowledge that there are items of deferred maintenance which must be performed on the Project Facilities in order for the OM&R Program to meet the applicable standards, and nothing in this paragraph is intended to preclude the performance of those deferred maintenance items or the equitable development of reserves in accordance with this MOU which will permit the OM&R of the Project Facilities in the future in accordance with the SLDMWA Transfer Agreement.

III. DEVELOPMENT OF COST RECOVERY METHODOLOGY

A. Cost Recovery Methodology for OM&R Costs

1. Principles of Cost Allocation. The OM&R Costs in which ~~the~~ FW~~U~~A will share will~~shall~~ be allocated to OM&R activities in accordance with (i) generally accepted accounting principles and (ii) the SLDMWA Cost Recovery Plan, which will~~shall~~ be applied consistently for all OM&R activities of ~~the~~ SLDMWA. To the extent the allocation of the costs for specific acquisitions or OM&R activities is not addressed by the SLDMWA Cost Recovery Plan, such costs will ~~shall~~ be allocated in a manner consistent with the following principles, also contained in the SLDMWA Cost Recovery Plan:

a) Except where expressly noted otherwise, Friant Division Contractors are responsible for paying OM&R Costs for Project Facilities used for the delivery of Settlement Water to the Settlement Contractors in accordance with the terms of this MOU;

b) Water rates will be comprised of various cost pool components based on the principle that OM&R Costs are allocated to water deliveries based on the Project F~~f~~acilities used for such deliveries; and

c) All Water Delivery Contractors and Friant Division Contractors have a critical interest in the effective and efficient OM&R of the Project Facilities.

~~; provided, that i~~If the actual use of Project Facilities, including any subsequently ~~such~~ acquired property or facilities~~, use~~ proves to be materially different from the use that is anticipated, appropriate adjustments will ~~shall~~ be made in order to more accurately reflect an appropriate allocation of OM&R Costs~~such costs~~.

2. Reserves. Reserves for E~~e~~xtraordinary OM&R, capital replacement, emergencies, and other appropriate purposes will ~~shall~~ be established in accordance with the SLDMWA Transfer Agreement and the SLDMWA Cost Plan. Only items meeting the criteria attached hereto as Exhibit C (~~the~~ "~~"~~Reserve Criteria~~"~~") will ~~shall~~ constitute R~~r~~eserves in which ~~the~~ FW~~U~~A must participate for purposes of this MOU.

3. Disbursements of Interest or Reserves. While it is anticipated that all amounts paid by ~~the~~ FW~~U~~A to ~~the~~ SLDMWA under this MOU and any associated interest earnings will be retained by ~~the~~ SLDMWA and utilized to support the ~~continued~~ OM&R Program, in the event of any distributions of interest or of R~~r~~eserves, such distributions will be made to the parties providing the funds being distributed or the funds on which the interest to be distributed was earned, including ~~the~~ FW~~U~~A.

4. Miscellaneous Revenues. The parties ~~It is~~ anticipate~~d~~ that ~~the~~ SLDMWA may from time to time realize miscellaneous revenues from sources directly related to the OM&R Program, including without limitation revenues from (i) rebates from vendors of products and/or services used in the OM&R~~.~~ Program, (ii) the sale of used equipment originally acquired for use in the OM&R Program, and (iii) amounts collected from third parties for whom ~~the~~ SLDMWA performs contract services using employees, equipment and/or materials otherwise used in the OM&R Program. All such miscellaneous revenues will be retained by ~~the~~ SLDMWA and utilized to support the continued OM&R Program, as an offset to budgeted OM&R Costs that would have been allocated to Friant Division and SLDM Contractors.

IV. ALLOCATION, COLLECTION AND REMITTANCE OF COSTS BY FW~~U~~A

A. Recovery from Friant Division Contractors

~~The~~ FW~~U~~A will~~shall~~, as a part of the FW~~U~~A cost recovery methodology developed under the FW~~U~~A Transfer Agreement, provide for the recovery of OM&R Costs allocated to Settlement Contractors under the SLDMWA Cost Recovery Plan, which OM&R Costs are to be paid by Friant Division Contractors. To the extent the USBR has conferred upon ~~the~~ FW~~U~~A the

DRAFT

legal authority to do so, ~~the~~ FW~~U~~A will ~~shall~~ allocate such costs among, and collect such costs from, the Friant Division Contractors, and will ~~shall~~ promptly remit such costs to ~~the~~ SLDMWA.

B. Remedies for Non-Payment or Delinquent Payment

In the event of any non-payment or delinquent payment to ~~the~~ FW~~U~~A by a Friant Division Contractor of amounts to be collected by ~~the~~ FW~~U~~A and remitted to ~~the~~ SLDMWA under this MOU, ~~the~~ FW~~U~~A will~~shall~~ diligently exercise its available remedies, (whether under Article 12~~1~~ of the FW~~U~~A Transfer Agreement, or under California law), in a manner ~~the~~ FW~~U~~A reasonably believes is most likely to result in the prompt collection and remittance of such amounts to ~~the~~ SLDMWA. If ~~the~~ FW~~U~~A is unable to collect and remit any amount owing from the delinquent Friant Division Contractor before the last day of the month before the scheduled month of delivery (whether from such Friant Division Contractor or from the USBR via offset or direct payment), or if FWA fails to promptly remit to SLDMWA all amounts received from any Friant Division Contractor, the USBR will~~shall~~ be deemed to have directed ~~the~~ SLDMWA to deliver or convey Settlement Water despite a delinquency under Article 12~~1~~ of the SLDMWA Transfer Agreement, and the United States will~~shall~~ be liable to ~~the~~ SLDMWA for the costs to be recovered on account of such Settlement Water under this Agreement; provided, that ~~the~~ FW~~U~~A will~~shall~~ also continue to diligently exercise its available remedies in the manner ~~the~~ FW~~U~~A reasonably believes is most likely to result in the prompt collection and remittance of such amounts to ~~the~~ SLDMWA. Nothing contained in this MOU authorizes ~~the~~ SLDMWA to terminate Settlement Contractor deliveries in the event of delinquencies in payment by the Friant Division Contractors.

V. FW~~U~~A INPUT AND PARTICIPATION IN SLDMWA OM&R ACTIVITIES

A. FW~~U~~A Participation

~~The~~ FW~~U~~A will~~shall~~ participate in SLDMWA decision-making relating to the OM&R of the Project F~~f~~acilities and the OM&R Program through representation and voting on the SLDMWA Board of Directors, Finance and Administration Committee, ~~and the~~ OM&R Technical Subcommittee, and the ~~OM&R~~ Planning Committee.

1. Board of Directors. ~~The~~ FW~~U~~A will~~shall~~ ~~not, by virtue of this MOU,~~ be entitled to ~~limited~~representation on the SLDMWA Board of Directors ~~through a single seat,~~, in that the FWA representative may vote on any action item funded, in whole or in part, from any OM&R fund or Reserves to which Friant Division Contractors have or will have contributed~~and this MOU shall not be deemed to alter the authority of the SLDMWA Board of Directors to adopt and amend budgets for the conduct of SLDMWA business, including for OM&R of the Project Facilities~~.

2. Finance and Administration Committee. ~~The~~ FW~~U~~A will~~shall~~ be entitled

to one of eight positions on the Finance and Administration Committee ("FAC"), with the right to vote on all OM&R budgetary matters. The FAC is an advisory committee to the Board of Directors. A recommendation of the FAC to the Board of Directors to adopt or amend the OM&R Budget willshall be adopted by the "yes" vote of at least 5 of 8 members. The FWUA representative and an alternate willshall be selected ~~appointed~~ by ~~the SLDMWA Chairman upon recommendation from the~~ FWUA., ~~and~~ The ~~an~~ FWA alternate representative will ~~shall be appointed to~~ participate and may ~~to~~ cast the vote of FWUA in the absence of the ~~primary~~ FWA representative, or in case such representative is barred from voting due to conflict of interest.

3. OM&R Technical Committee. ~~The~~ FWUA willshall be entitled to one of ten~~10~~ positions on the OM&R Technical Committee, with the right to vote on all matters. The OM&R Technical Committee is a subcommittee of~~r~~ the FAC and is advisory to the FAC and the Board of Directors. As long as this MOU is in effect, the OM&R Technical Committee willshall be comprised of the following members, with no Water ~~CVP~~ Delivery Contractor entitled to have more than one representative on such committee at any time:

Contractors served from the Mendota Pool	1
Contractors served from the Lower DMC	1
Contractors served from the Upper DMC	1
Contractors served from the San Luis Canal (1 from Westlands + 1 from others)	2
Contractors served from the San Felipe Division	1
Exchange Contractors	1
FWUA ~~(appointed by SLDMWA Chairman as recommended by FWUA)~~	1
USBR ~~(appointed by SLDMWA Chairman as recommended by USBR)~~	1
SLDMWA Technical Staff	1

One alternate willshall be appointed for each such representative, and each such alternate willshall participate and cast the vote of the represented party in the absence of such party's ~~the primary~~ representative or in case the representative is barred from voting due to conflict of interest.

The SLDM and Settlement Ce~~o~~ntractors in each of the above-referenced service areas are listed ~~o~~in the attached Exhibit D.

A recommendation of the OM&R Technical Committee to the FAC to adopt or amend OM&R Budget levels willshall be adopted by the "yes" vote of at least 8 of 10 members. ~~The FWUA representative and alternate willshall be appointed by the SLDMWA Chairman upon recommendation from the FWUA,. and the FWUA alternate representative willshall be appointed in the same manner.~~ At any point in the budget approval process, a budget or a budgetary issue may be remanded back to the OM&R Technical Committee, which willshall

DRAFT

diligently meet to reconsider the matter and provide its recommendation.

4. ~~OM&R Planning~~Planning Committee. The ~~OM&R Planning~~Planning Committee is a subcommittee of the FAC and is advisory to the FAC and the Board of Directors.

a) FWA will be entitled to one of six voting positions on the ~~OM&R Planning~~Planning Committee, with the right to vote on all matters. As long as this MOU is in effect, the ~~OM&R Planning~~Planning Committee will be comprised of the following members, with no Water Delivery Contractor entitled to have more than one representative on such committee at any time:

SLDMWA Division 1	1
SLDMWA Division 2	1
SLDMWA Division 3	1
SLDMWA Division 4	1
SLDMWA Division 5	1
FWA[2]	1

One alternate will be appointed for each such representative, and each such alternate will participate and cast the vote of the represented party in the absence of such party's ~~primary~~ representative or in case the representative is barred from voting due to conflict of interest.

b) In addition, the ~~OM&R Planning~~Planning Committee will include five non-voting members~~, including the following~~:

SLDMWA staff/consultant representative	1
FWA staff/consultant representative	1
USBR representative	1
SLDMWA technical representative	1
FWA technical representative	1

The non-voting members will not count in the calculation of a quorum.

c) The ~~OM&R~~ Planning Committee will review, evaluate, and establish a recommendation for the allocation of costs of any Extraordinary OM&R project for which SLDMWA's estimated ~~budget~~total project cost is greater than 50% of the current year's routine OM&R Budget, excluding power and Reserves costs. The ~~OM&R Planning~~Planning Committee's cost allocation recommendation will be informed by preparation of a beneficiary analysis that will provide supply benefits broken down by water service type and contractor. The an~~i~~ticipated b~~B~~enefits to be analyzed will be comprised of two components: 1) attributable water

[2] ~~The FWA representative will be appointed by the SLDMWA Chair, as recommended by FWA.~~

DRAFT

supply direct benefits (water entitlements and priority of service), including increases in water deliveries due to an Extraordinary OM&R project, and 2) system-wide indirect benefits, including economic considerations.

d) The ~~OM&R Planning~~Planning Committee should be involved in review of a potential Extraordinary OM&R project as early as possible in order to make a cost allocation recommendation so that prudent and cost-effective decisions related to the proposed Extraordinary OM&R project~~s~~ can be made on a timely basis. As the owner of the Project F~~f~~acilities, USBR will be consulted on proposed Extraordinary OM&R projects involving such Facilities given its independent role in developing project feasibility studies and environmental documents.

e) Initial cost allocation recommendations from the ~~OM&R Planning~~Planning Committee require a unanimous vote by all members present. If, after exploring various solutions to achieve unanimity, members who represent agencies that are not proposed to be allocated the Extraordinary OM&R project costs continue to object to the proposed findings or recommendation, such members' objection will not preclude a recommendation moving forward from the ~~OM&R Planning~~Planning Committee provided that all remaining members of the committee representing agencies that will be allocated Extraordinary OM&R project costs unanimously approve the findings and recommendation.

f) Once a recommendation on cost allocation has been made by the ~~OM&R Planning~~Planning Committee, the recommendation will be forwarded to the FAC for its consideration and/or possible recommendation to the SLDMWA Board of Directors. If the FAC proposes any "material change~~(s)~~"[3] to the ~~OM&R Planning~~Planning Committee recommendation, the proposed material change~~(s)~~, including a summary of the reasons for the change(s), must be referred back to the ~~OM&R Planning~~Planning Committee for review.

g) Upon receipt of a proposed material change~~(s)~~ to an initial recommendation, the ~~OM&R Planning~~Planning Committee can 1) concur in the FAC's proposed material change~~(s)~~, 2) unanimously support revisions to the material change (including reasons why the ~~OM&R Planning~~Planning Committee recommendation is preferable to the FAC-proposed material change), or, 3) if unanimous support or revisions cannot be agreed to, the original ~~OM&R Planning~~Planning Committee recommendation will stand, and the ~~OM&R Planning~~Planning Committee recommendation will be sent, along with the separate FAC recommendation, to the SLDMWA Board of Directors for action.

h) ~~OM&R Planning~~The Planning Committee's review of and response to the FAC-proposed material change(s) must occur within thirty (30) days of any

[3] For the purposes of this Section V.A.4, a "material change" is one that would increase the overall costs of the Extraordinary OM&R project by more than 10% based on the engineer's estimate, or increase the project costs allocated to any participating OM&R payor by more than 10%.

referral from the FAC, unless the FAC agrees to a longer review and response period.

i) Initial cost allocations related to an Extraordinary OM&R project that the Planning Committee has reviewed will be periodically reviewed by the ~~OM&R Planning~~Planning Committee, FAC, and/or SLDMWA Board of Directors to determine if changes in allocated costs are warranted.

~~4.~~5. SLDMWA Committee Structure. All matters pertaining to the OM&R B~~b~~udget and the OM&R Program will~~shall~~ be addressed by the FAC, ~~and/or~~ OM&R Technical Committee, and/or ~~OM&R Planning~~Planning Committee, for matters within their respective jurisdiction. ~~The~~ SLDMWA will~~shall~~ not alter that delegation of responsibility or the structure/composition of the~~at~~ committees ~~and~~ or subcommittees while this MOU is in effect without the consent of ~~the~~ FW~~U~~A; provided~~,~~ that ~~the~~ FW~~U~~A will~~shall~~ not withhold such consent in the event ~~the~~ SLDMWA wishes to form new committees or subcommittees to deal with OM&R budgetary and/or OM&R Program matters if ~~the~~ FW~~U~~A is entitled to participate on such committees or subcommittees by representation and with voting rights that are equivalent to the rights described in this MOU. Reorganizations of committee structure that do not affect ~~the~~ FW~~U~~A participation on OM&R budgetary and/or OM&R Program matters, such as splitting off a~~A~~dministrative matters or other non-OM&R budgets, will~~shall~~ not be affected by the terms of this MOU.

B. Provision of Information

~~The~~ SLDMWA will ~~shall~~ share with ~~the~~ FW~~U~~A in a timely manner all relevant information available regarding SLDMWA OM&R B~~b~~udgets; actual OM&R C~~e~~osts incurred, including but not limited to power costs; water deliveries; and all similar information that affects the OM&R B~~b~~udget, the OM&R Program, the SLDMWA Cost Recovery Plan, and adjusting estimated costs to actual. All such information will~~shall~~ be provided to ~~the~~ FW~~U~~A at the same time it is provided to all other members of the Board of Directors or members of any committee or subcommittee as part of a regular or special meeting, and if a separate request for information is made by FWA representatives outside of any board, committee or subcommittee meeting, such information will be provided as soon as reasonably practical.

1. Reports. ~~The~~ SLDMWA will~~shall~~ provide such information by means of its ~~final~~ draft and final b~~B~~udgets and any ~~B~~b~~u~~dget ~~A~~addenda on OM&R; monthly Financial Report, including budget-to-actual expenditures; USBR and/or SLDMWA Water Delivery Reports; and such other reports as may be developed for such purposes from time to time.

2. Access. ~~The~~ FW~~U~~A will~~shall~~ be afforded access to inspect SLDMWA records on the same terms as are provided to the USBR pursuant to Article 1~~5~~4(a) of the SLDMWA Transfer Agreement.

C. Notices and Meeting Dates

~~The~~ SLDMWA will~~shall~~ give ~~the~~ FW~~U~~A, its designated representatives and the designated alternate for each timely notice of all meetings of the Board of Directors, FAC, ~~and~~ OM&R Technical Committee, and ~~OM&R Planning~~Planning Committee. All information and notices provided to ~~the~~ FW~~U~~A by ~~the~~ SLDMWA will~~shall~~ be provided in ~~at least~~ the same detail, and at the same time, as the ~~comparable~~ information and notices provided to SLDMWA members or their representatives participating in the same decision-making. To facilitate FW~~U~~A participation as described herein, ~~the~~ SLDMWA will~~shall~~ use its best efforts to establish regular meeting dates for meetings of the Board of Directors, committees, and subcommittees that deal with the OM&R Program or any OM&R-related issue on dates that do not conflict with regularly-scheduled FW~~U~~A meeting dates, to coordinate meeting dates for special meetings of such committees or subcommittees with the schedules of FW~~U~~A representatives, and to permit ~~the~~ FW~~U~~A to participate by telephone or other electronic means, and ~~the~~ FW~~U~~A will~~shall~~ use best efforts to make its representatives available for such participation.

VI. RESOLUTION OF DISPUTES

A. Process

Disputes relating to interpretation or performance of this MOU will~~shall~~ be resolved according to the process described in this Article.

1. Informal Dispute Resolution. Should any dispute arise between ~~the~~ SLDMWA and ~~the~~ FW~~U~~A concerning any matter that is the subject of this MOU, the party raising the disputed issue must ~~shall~~ promptly give written notice ("Dispute Notice") to the other party. ~~, and the parties shall thereafter diligently meet and confer in good faith in an effort to resolve the issue.~~ The Dispute N~~n~~otice ~~shall~~ must contain the date or general period the dispute arose, a detailed~~n~~ explanation of the issue (including proposed resolution of the issue), and the name and contact information ~~, address and telephone and fax numbers~~ of the disputing party's representative who should be contacted by the responding party. The parties must schedule and participate in an initial meeting no later than thirty (30) days from the date of the Dispute Notice, and if the issue is not resolved at the initial meeting, the parties must thereafter continue to engage in good faith efforts to resolve the issue at the earliest opportunity. Each party ~~shall~~ must make available, at such party's expense, such policy-level staff members, technical staff, consultants, or Board members as are reasonably necessary to the equitable and expedient resolution of the issue. At any time during this process, either party may request that the Regional Director of the USBR participate in the process to facilitate the resolution, and the other party will~~shall~~ accept such participation if it is provided. In the event the parties have not reached agreement on resolution of the disputed issue within ninety (90) days of the date of the Dispute Notice, or such extended period as the parties may mutually agree to, either party may pursue the remedies described in Section VI.A.2 or 3, as applicable.

DRAFT

2. Alternative Dispute Resolution. At any time during the informal dispute resolution process described in Section VI.A.1 above, or following the expiration of the time period established for such process, either party may propose a form of alternative dispute resolution ("ADR") such as mediation or arbitration to resolve the dispute. The utilization of such voluntary ADR process will require mutual agreement as to the specifics of the process, and the decision as to whether to utilize such voluntary ADR process in the first place and the details of such process will be at the sole discretion of the parties. The parties will endeavor, where applicable, to select a mediator or arbitrator with general familiarity with the OM&R of water conveyance facilities and the CVP. The decision by any party not to utilize ADR or the inability to agree upon the specifics of an ADR process will not constitute bad faith under this MOU.

3. Resolution by USBR.~~through Trial by Reference.~~ In the event the parties have not reached agreement on resolution of the dispute~~d~~ through informal dispute resolution within the time period ~~issue by the first anniversary~~90 days ~~of the date of the notice~~ described in Section VI.A.1., with or without the assistance of the Regional Director as facilitator, or through the voluntary utilization of ADR under Section VI.A.2, then the dispute will be determined by the Regional Director using the following procedure~~ either party may pursue a formal dispute determination from the Regional Director, USBR, file suit in the Superior Court of Fresno County for proceedings in accordance with Section 638 *et seq.* of the Code of Civil Procedure; provided that the procedure for such reference shall be modified as follows~~:

a) Within fifteen (15) days after the expiration of the period for informal dispute resolution and after the termination of any ADR proceedings, the parties will request in writing a determination of the dispute by the Regional Director ("Request for Dispute Determination").

b) Upon receipt of a Request for Dispute Determination, the Regional Director, with non-binding input from the parties, will select a panel of USBR personnel ("Panel") with appropriate financial, operational, policy, or technical backgrounds to assist in the resolution of the dispute.

c) The Regional Director, in coordination with the parties, will set dates for the submission of position papers on the dispute (including page limitations) and for the parties to present their positions to the Regional Director and the Panel. Unless the parties agree otherwise, the meeting at which the parties present their positions must take place within sixty (60) days of the date of submission of the Request for Dispute Determination.

d) Within sixty (60) days of the meeting at which the parties present their positions, or such other reasonable date as may be agreed upon by the parties and USBR, the Panel will prepare an analysis and recommendation on the dispute and the Regional Director, upon review of such recommendation and following an opportunity to request any additional information or to have any additional meetings with the parties, will issue a final written decision

on the dispute. Nothing in this MOU is intended to or will limit the discretion of the Regional Director to apply applicable Reclamation law, policies or procedures, where appropriate, in resolving any disputes submitted by the parties under this Section VI.A.3.

e) The Regional Director's determination will constitute a final written determination of the Contracting Officer pursuant to Article 10 of the parties' existing Transfer Agreements, and the parties must promptly comply with the determination until the same is stayed, reversed, or modified by a decision of a court of competent jurisdiction. Any challenge to the Regional Director's determination must be filed in federal court within sixty (60) days thereafter, and such determination will be subject to judicial review under the applicable standards of the federal Administrative Procedure Act (5 U.S.C. § 706). Except as set forth in Section VI.B, if the Regional Director's determination results in a payment obligation to either party, any such payment need not be made prior to the final resolution of any judicial proceedings commenced in accordance with this subsection.

f) If the Regional Director's determination under Section VI.A.3.e results in a payment obligation to either party, and an appeal is not timely filed in federal court, the following provisions will apply:

1. If the Regional Director determines FWA owes payment to SLDMWA under the MOU, FWA must promptly pay the sums owed to SLDMWA, and until paid any such amounts will accrue interest at the same rate SLDMWA charges contractors for delinquent payments under this MOU. After sixty (60) days from the Regional Director's final decision, any unpaid amounts will be deemed a "deficiency" within the meaning of Article 12 of the SLDMWA Transfer Agreement.

2. If the Regional Director determines SLDMWA owes payment to FWA under the MOU, SLDMWA must promptly pay the sums owed to FWA, and until paid any such amounts will accrue interest at the same rate SLDMWA charges contractors for delinquent payments under this MOU. If after sixty (60) days from the Regional Director's final decision SLDMWA has not paid the sums owed FWA, then FWA may apply the total obligation as a credit towards any pending or future cost invoice to FWA until the obligation is fully offset.

g) The parties agree to share equally any costs imposed by USBR associated with the participation of the Regional Director and Panel personnel in the dispute resolution process under this Section VI.A.3.

~~a) Each party shall name one person to serve as referee within 10 days of the date of the Court's order granting the petition for reference, and within 10 days of their selection the two persons so named shall name a third person to serve as referee. If they are unable to agree on a third person, the Court shall appoint the third person. All referees shall have general familiarity with the OM&R of water conveyance facilities and the CVP.~~

DRAFT

b) A hearing of the matter before the referees shall be conducted as expediently as possible.

c) The referees shall issue a draft report of their findings within 20 days after the testimony is closed.

d) Within 10 days after the date of mailing the draft report, any party may file objections to it with the referees.

e) If no objection is filed to the draft report, it shall be filed forthwith with the Court. If an objection to the draft report is filed, the referees shall file their final report with the Court within 20 days of the date the objection is filed.

f) The report of the referee shall be subject to review by the Court upon exception thereto being filed with the Court within 10 days after the filing of the final report by the referees; provided, no exception to the report shall be considered unless it appears that the matter of the exception was presented to the referees in the form of an objection. The Court shall bear the objection at the first available law and motion calendar at least 28 days after the exception was filed.

g) The report filed by the referee shall be prima facie evidence of the facts therein reported, but the Court may hear such evidence as may be offered by any party to rebut the report, and render the court's own decision.

h) If no objection to the referees' report is filed with the Court, the report of the referees upon the whole issue shall stand as the decision of the Court.

B. Disputes Causing Cash Flow Difficulties

The parties recognize that circumstances could arise in which the non-payment of amounts due by one party could create material cash flow difficulties for one of the other party ies. In the event a dispute results in the non-payment of obligations owed to the SLDMWA by the FWUA or a demand from the FWUA for payment by the SLDMWA at such time or in such amount that the other party becomes unable to reasonably meet its cash flow needs, through the terms of this MOU and Article II(c) of the SLDMWA Transfer Agreement or the FWUA Transfer Agreement, as applicable, the affected party will shall not be obligated to pursue the informal dDispute rResolution or ADR described in Section A.1. of this Article VI for a period of longer than ten (10) days, after at which time the party it shall will be entitled to issue a Request for Dispute Determination to USBR under Section VIIV.A.3. In addition, in the event the Regional Director determines that a payment is due from a party, and if the party owed the payment needs the funds to reasonably meet cash flow needs, payment must be made promptly notwithstanding the pendency of any judicial proceedings to review the Regional Director's determination, subject to the reimbursement of the disputed payment amount if the Regional

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Director's determination regarding a payment obligation is later set aside in whole or in part by a court. For the purposes of this subsection, the phrases "material cash flow difficulties"" and "reasonably meet cash flow needs" means the applicable party lacks sufficient unrestricted funds to pay current costs owed without being able to collect the funds associated with the disputed matter. "Unrestricted funds" has the same meaning as categories of unrestricted cash as reported by each party in its annual, audited financial statements.~~commence a court proceeding pursuant to Section A.2. of this Article VI.~~

C. Status of Obligations During Pendency of Dispute

A. Payment Obligations. During the period of any dispute between the parties regarding annual OM&R Costs collected via water rates, FWA must pay all disputed annual OM&R Costs collected from Friant Division Contractors during the course of the dispute. With respect to disputed payment obligations for Extraordinary OM&R projects or cost allocations for projects for which the budget is greater than 50% of the current year's routine OM&R Budget, to the extent costs are imposed on SLDM Contractors during the first ninety (90) days following a Dispute Notice, FWA will pay all disputed costs collected into an escrow or trust account. If the dispute is not resolved within ninety (90) days, any funds deposited into the escrow or trust account will be paid to SLDMWA, and FWA must thereafter remit all disputed payments collected to SLDMWA, unless the parties agree otherwise~~affecting payment obligations under this MOU, any disputed payments shall continue to be made during the pendency of the dispute as they had been made prior to such dispute, and any changes resulting from the resolution of the dispute shall be implemented by retroactive adjustment of amounts paid to the date when the dispute arose, as indicated on the notice required in Section A.1. above, unless the parties agree upon an alternate adjustment period~~.

B. Changes to Payment Obligations Resulting from Resolution of Dispute. The resolution of any dispute for which a Dispute Notice is issued under Section VI.A will include an agreement between the parties (if resolved voluntarily) or a determination by USBR or a federal court as to the amount and timing of the retroactive adjustment or prospective adjustment, as applicable, in disputed payment obligations.

~~C.~~D. Termination of Transfer Agreements

The parties acknowledge that they each have a right to terminate their respective Transfer Agreement on 12 months' notice under Article 2(c) thereof, and that a material dispute relating to the interpretation or performance of this MOU, or the unsatisfactory resolution thereof, could lead to such a termination. In order to facilitate mutually acceptable resolution of disputes and reduce the possibility of a termination of either the FW~~U~~A Transfer Agreement or the SLDMWA Transfer Agreement, the parties agree that neither of them will give notice of termination of a Transfer Agreement under Article 2(c) thereof for a period of at least ~~12~~ 6 months after the date of the notice described in Section VI.A.1~~. of this Article VI~~; provided, that if matters unrelated to any such dispute arise which cause a party to desire termination, such notice may be sooner given.

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VII. RENEGOTIATION PRINCIPLES

A. Basis for Agreement

This MOU, including the SLDMWA Cost Recovery Plan and Reserve Criteria, represents the parties'~~'~~ negotiated agreement on an equitable apportionment of the OM&R Costs ~~to be incurred~~ by ~~the~~ SLDMWA. ~~I~~In entering into this MOU, the parties have made assumption~~sed that the~~ that water supplies and operations of the parties'~~'~~ respective members will not materially change while this MOU is in effect and that there will be no material change in the use of or access to facilities utilized by the parties and their members after the effective date ~~here~~of this MOU. ~~.~~ ~~-~~Further, they have assumed the accuracy of financial data provided and/or developed by the USBR and the SLDMWA in connection with the negotiation of this MOU, the SLDMWA Cost Recovery Plan and Reserve Criteria. ~~-~~ ~~-~~The parties acknowledge that all such assumptions were material to their respective decisions regarding the provisions of this MOU, including ~~to reach the agreements described herein, in~~ the SLDMWA Cost Recovery Plan and in the Reserve Criteria, and agree that in the event any of those assumptions proves to be incorrect, or upon the occurrence of certain other events described in Section VII.B., renegotiation of this MOU, the SLDMWA Cost Recovery Plan, and/or Reserve Criteria is appropriate.

B. Events Triggering Renegotiation of MOU

In addition to the express provisions of this MOU that require consideration of potential amendments should certain events occur, s~~S~~hould a party conclude that this MOU, including the SLDMWA Cost Recovery Plan and Reserve Criteria, can and should be modified to address (i) such party's determination that one or more of the fundamental assumptions described in Section VII.A. was in error, (ii) an administrative or court order materially affecting the water supply or operations of one or more of the agencies comprising such party, or which makes it reasonably foreseeable that such agency(ies) will thereafter suffer a material and adverse change in its/their water supply or operations, or (iii) another significant event which makes it reasonably foreseeable that such party will bear a material increase in OM&R Costs on a per acre foot ("AF") basis, the parties commit to entering into negotiations in good faith and timely efforts to modify this MOU, the SLDMWA Cost Recovery Plan or Reserve Criteria, as applicable.

C. Inability to Reach Agreement on Modification of MOU

In the event a party seeks modification of this MOU pursuant to Section VII.A. ~~of this Article VII~~, neither party will~~shall~~ give notice of termination of its Transfer Agreement pursuant to Article 2(c) thereof for ~~12~~6 ~~-~~months after the first negotiation date; provided, that if matters unrelated to the event giving rise to the party'~~'~~s request for modification of this MOU arise which cause a party to desire termination, such notice may be sooner given. ~~-~~Following such ~~12~~6 month ~~minimum~~ period, either party will~~shall~~ be free to exercise its right to terminate its Transfer

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Agreement under Article 2(c) thereof if a mutually acceptable modification of this MOU has not been developed.

VIII. MISCELLANEOUS

A. Term of MOU

This MOU willshall remain in effect until it is terminated by the mutual agreement of the parties; provided, that this MOU willshall automatically terminate without further action of the parties upon the termination, as applicable, of either the FWUA Transfer Agreement or the SLDMWA Transfer Agreement. Upon any termination of this MOU, the SLDMWA Cost Recovery Plan willshall also terminate, although if the FWA Transfer Agreement terminates, SLDMWA would proceed in promptly developing a new cost recovery methodology. In that regard, the parties acknowledge that the agreements described hereinthis MOU, and particularly the agreements contained in the SLDMWA Cost Recovery Plan, are part of a negotiated and comprehensive arrangement which reflects numerous compromises and tradeoffs by the parties. Accordingly, no aspect of this MOU or the SLDMWA Cost Recovery Plan is to be construed as precedent, and all aspects thereof must be renegotiated if this MOU is terminated.

B. Attorneys' Ffees

In the event of any judicial action by any of the parties seeking enforcement or interpretation of any of the terms and conditions of this MOU, , including without limitation any action commenced under Article VI, the prevailing party in such action willshall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses including, without limitation, taxable costs and reasonable attorneys'! fees.

C. Entire Agreement

This MOU and its exhibits contain all of the agreements of the parties heretowith respect to the subject matter hereofthis MOU. No other prior agreement or understanding pertaining to any such matter willshall be effective for any purpose. No provisions hereofthis MOU may be amended or modified in any manner whatsoever except by an agreement in writing signed by duly authorized representatives of each of the parties heretо.

D. Exhibits.

This MOU includes Exhibit A, a list of Settlement Contractors; Exhibit B, the SLDMWA Amended OM&R Cost Recovery Plan; Exhibit C, Reserve Criteria; and Exhibit D, a list of SLDM Contractor Service (Delivery) Areas. The Parties anticipate that Exhibit A and Exhibit D may be amended by SLDMWA from time to time in coordination with USBR. Exhibit B may be amended consistent with ArticleSection Section VII of this MOU and pursuant to Article

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12(b)(3) of the SLDMWA Transfer Agreement. Exhibit C may be amended consistent with ~~Article~~Section ~~Section~~ VII of this MOU, and may include coordination with the OM&R Technical Committee and/or the Finance & Administration Committee during the annual OM&R Budget development process. Any and all such updated exhibits will be attached to this MOU and replace all prior versions of such exhibits.

E. Interpretation

The validity and interpretation of this MOU (including all exhibits) will be governed by the laws of the State of California. The MOU will be construed simply, as a whole, and in accordance with its fair meaning. The use of the singular includes the plural, and vice versa.

IN WITNESS WHEREOF, the parties have executed this MOU as of the date first above written.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY	FRIANT WATER AUTHORITY
By: _____	By: _____
Cannon Michael, Chair	Jim Erickson, Chair
By: _____	By: _____
Federico Barajas, Secretary	Josh Pitigliano, Secretary

~~[SIGNATURE BLOCKS]~~

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EXHIBIT A

SETTLEMENT CONTRACTORS

The following contractors are ~~will~~~~shall be~~ entitled to receive, without charge, the designated acre feet of Settlement W~~w~~ater through the Project Facilities as stated below or as may be amended.

	Contract#	Acre Feet
Coelho Family Trust (Formerly Mason A. Loundy Trustee)	14-06-200-7859A	1,332
State of California, Dept. of Fish & Game (Mendota Wildlife Area) (Formerly Mason A. Loundy Trustee)	14-06-200-7859A Assign 1	1,321
State of California (Mendota Wildlife Area)	14-06-200-4359A AMD1	1,143
San Joaquin River Exchange Contractors Water Authority: • Central California Irrigation District • Columbia Canal Company~~v~~ • San Luis Canal Company~~v~~ • Firebaugh Canal Company	llr-1144	840,000
Fresno Slough Water District	14-06-200-40 19A	866
Tranquillity Public Utility District (Formerly Hughes, Melvin & Mardella)	14-06-200-3537A	93
James Irrigation District	14-06-200-700-A	9,700
M.L. Dudley and Company, John G. Indart, and Doris J. Indart	l4-06--200-4448A	2,280
Patterson Irrigation District	14-06-200-3598A-LTR1-P	6,000
Reclamation District No. 1606	14-06-200-3802A	342
Tranquill~~l~~ity Irrigation District	14-06-200-701A	20,200
Marvin A. & Patricia Meyers	9-07-20-W1608	210
Kenneth and Karen Carvalho Revocable Trust (Formerly Virginia L. Lempesis Separate Property Trust)	11-WC-20-0026	600
Total		884,087

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EXHIBIT B

2024 SLDMWA OM&R COST RECOVERY PLAN

This 2024 SLDMWA OM&R Cost Recovery Plan was developed consistent with Article 12(b) of the SLDMWA Transfer Agreement, and was provided to all parties with payment obligations not less than sixty (60) days to the effective date of [redacted] ("Effective Date"). Notwithstanding the Effective Date of this Pplan, the cost recovery methodology will be applied retroactively to March 1, 2024.

I. INTRODUCTION - The following is a description of the allocation and recovery of operation, maintenance and replacement costs OM&R Costs for the following facilities by the San Luis &and Delta--Mendota Water Authority:

1. The Delta-Mendota Canal (hereinafter "DMC");
2. The Tracy C.W. "Bill" Jones Pumping Plant (hereinafter "Tracy Jones PP");
3. C.W. "Bill" Jones Pumping Plant Operations and Maintenance Complex;
4. The O'Neill Pumping/Generating Plant (hereinafter "O'Neill PGP") and Switchyard;
5. Delta-Mendota Canal – California Aqueduct Intertie Pumping Plant ("Intertie")
6. The Mendota Pool[4];
7. Kesterson Reservoir;
8. The fFederal share of the San Luis Joint Use conveyance and conveyance pumping facilities; and
9. The San Luis Drain including Redfern Drain.

This 2024 SLDMWA OM&R Cost Recovery Plan is an exhibit to the Second First Amended and Restated ***Memorandum of Understanding Between the 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***

[4] As Mendota Pool is a non-Federal facility, SLDMWA's operational responsibilities related to Mendota Pool are limited to those activities specifically required to fulfill the legal and contractual obligations of the United States. Unless undertaken pursuant to separate agreements with beneficiaries that will bear the cost, SLDMWA does not conduct additional operation, maintenance, or replacement activities for Mendota Pool.

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Certain Central Valley Project Facilities (~~hereinafter the "~~"MOU"~~"~~). The MOU defines the terms and conditions for allocating and recovering the costs associated with the OM&R of the above referenced facilities. Friant Division Contractors will~~shall~~ be obligated to pay the OM&R Costs associated with the delivery of Settlement Water to the Settlement Contractors in accordance with the terms of this Cost Recovery Plan. ~~The~~ FW~~U~~A will~~shall~~, as part of the FW~~U~~A cost recovery methodology developed under the FW~~U~~A Transfer Agreement, provide for the recovery of OM&R Costs allocated to the Settlement Contractors under this SLDMWA OM&R Cost Recovery Plan. To the extent the USBR has conferred upon ~~the~~ FW~~U~~A the legal authority to do so, ~~the~~ FW~~U~~A will~~shall~~ allocate such costs among, and collect such costs from, the Friant Division Contractors. For ease in representation and for practical considerations, and for the purposes of the MOU and this SLDMWA OM&R Cost Recovery Plan only, Friant Division Contractors will be considered a single ~~CVP~~ Water Delivery Contractor whose water deliveries constitute the total Settlement Water deliveries of the Settlement Contractors. The USBR will be allocated the costs associated with the delivery of Other Water under the provisions of the SLDMWA Transfer Agreement, except to the extent that such Other Water is specifically attributable to another party (e.g. non-CVP water delivered under a Warren Act contract wherein the Warren Act contractor will~~shall~~ be allocated applicable OM&R Costs). For purposes of completeness, OM&R C~~c~~osts associated with Project Facilities that are unnecessary for the delivery of Settlement Water (such as ~~of~~ the San Luis Drain) are allocated in this SLDMWA OM&R Cost Recovery Plan, but no part ~~there~~of such OM&R Costs will~~shall~~ be allocated, under thi~~s~~e Cost Recovery Plan, to the Friant Division Contractors, except as expressly noted.

The MOU dictates that the allocation of costs for specific acquisitions or OM&R activities not already addressed by this Cost Recovery Plan will be allocated in a manner consistent with the principles contained in this Cost Recovery Plan. Those principles include:

1. Except where expressly noted otherwise, Friant Division Contractors are responsible for paying OM&R Costs for Project Facilities used for the delivery of Settlement Water to the Settlement Contractors in accordance with the terms of the MOU and this Cost Recovery Plan;
2. Water rates will be comprised of various cost pool components based on the

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principle that OM&R Costs are allocated to water deliveries based on the Project Ffacilities used; and

3. All Water Delivery Contractors and Friant Division Contractors have a critical interest in the effective and efficient OM&R of the Project Facilities.

II. DEFINITIONS - As used herein this Cost Recovery Plan, the following terms have the meanings as set forth below. To the extent the following terms are defined used in the MOU, their definitions are restated here for convenience:

1A. CVP Contractors: Parties that receive water pursuant to Water Delivery Contracts or that receive Other Water as saidsuch terms are defined in Article 1 of the SLDMWA and FWUA Transfer Agreements.Extraordinary OM&R: As used in this SLDMWA OM&R Cost Recovery Plan, Extraordinary OM&R has the same meaning as the non-capitalized term included in the definition of OM&R in the SLDMWA Transfer Agreement. That is, the performance, funding, and financing of emergency or unusual operation and maintenance or extraordinary operation and maintenance costs, unusual or extraordinary repair or replacement costs, and betterment costs to the extent such costs are not considered Capital Improvement costs (as defined in the SLDMWA Transfer Agreement) unless SLDMWA chooses to accomplish and finance such Capital Improvements under Article 5(b) of its Transfer Agreement.

B.

SLDM Contractors: CVP Contractors that receive water (water other than Settlement Water) via any of the Project Facilities described in the SLDMWA Transfer Agreement.
Extraordinary OM&R: The performance, funding, and financing of emergency or unusual operation and maintenance or extraordinary operation and maintenance costs, unusual or extraordinary repair or replacement costs, and betterment costs to the extent such costs are not considered Capital Improvement costs (as defined in the SLDMWA Transfer Agreement) unless SLDMWA chooses to accomplish and finance such Capital Improvements under Article 5(b) of its Transfer Agreement.

Friant Division Contractors: CVP Water Delivery Contractors receiving water service from the Friant Division of the CVPCentral Valley Project, including members and non-members of the FWUA.

C.

FW~~U~~A Transfer Agreement: That certain Agreement Between the United States of America and Friant Water Authority to Transfer the Operation, Maintenance and Replacement~~,~~ and Certain Financial and Administrative Activities Related to ~~of~~ the Friant-Kern Canal and Associated Works effective ~~March 1~~October 5, ~~1998~~2020, as amended.

D.

OM&R: Operation, maintenance and replacement as that phrase is defined in the SLDMWA Transfer Agreement~~Extraordinary OM&R.~~

E. OM&R Budget: SLDMWA's annual budget to fund the OM&R Program, which is developed and approved in accordance with the procedures set forth in Article 12(a) of the SLDMWA Transfer Agreement.

F.

~~Extraordinary OM&R: The performance, funding, and financing of emergency or unusual operation and maintenance or extraordinary operation and maintenance costs, unusual or extraordinary repair or replacement costs, and betterment costs to the extent such costs are not considered Capital Improvement costs (as defined in the SLDMWA Transfer Agreement) unless SLDMWA chooses to accomplish and finance such Capital Improvements under Article 5(b) of its Transfer Agreement.~~

~~but not limited to, the performance, funding, and financing of emergency or unusual operation and maintenance or extraordinary operation and maintenance costs, unusual or extraordinary repair or replacement costs, and betterment costs ("Extraordinary OM&R").~~

~~OM&R Budget: SLDMWA's annual budget to fund the OM&R Program which is developed and approved in accordance with the procedures set forth in Article 12(a) of the SLDMWA Transfer Agreement.~~

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OM&R Costs: Costs of providing OM&R for the Project Facilities pursuant to the SLDMWA Transfer Agreement, including without limitation conveyance pumping costs associated therewith.

G. Party Entitled to Utilize or Receive Other Water: A party required to pay SLDMWA the amounts described in Article 12 of the SLDMWA Transfer Agreement in connection with the delivery of "Other Water," as such terms are defined in Article 1 of the SLDMWA and FWA Transfer Agreements.

H. Project Facilities: The physical works and appurtenances associated with the C.W. "Bill" Jones ~~Tracy~~ Pumping Plant (formerly Tracy Pumping Plant), C.W. "Bill" Jones Pumping Plant Operations and Maintenance Complex, ~~the~~ Delta-Mendota Canal, Delta-Mendota Canal – California Aqueduct Intertie Pumping Plant ("Intertie"), ~~the~~ O'~~'~~Neill Pumping~~-~~/Generating Plant and Switchyard, the federal share of the ~~associated~~ O'~~'~~Neill Forebay and Dam, ~~the~~ Mendota Pool (see footnote no. 4~~—~~ above in the Introduction)~~,~~ Kesterson Reservoir, the federal share of San Luis Unit Joint Use conveyance and conveyance pumping facilities, and the San Luis Drain.

I. Reserves: Funds accumulated to meet unexpected emergencies or planned multi-year financial commitments of Extraordinary OM&R and/or capital improvement projects to replace or repair Project Facilities and equipment that are not included in the annual costs of ongoing, regular, or routine operations, maintenance, repairs, replacements, and other activities and actions necessary for continued structural integrity and operational reliability of Project Facilities required for the delivery of "Project Water," as defined in the SLDMWA Transfer Agreement.

J. Settlement Contractors: Those contractors, listed in Exhibit A of the MOU, entitled to receive water service through the Project Facilities without charge, except as provided in this Cost Recovery Plan.

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Settlement Water: Water the Settlement Contractors are entitled to receive without charge from Project Facilities.

L.

SLDM Contractors: Water Delivery Contractors that receive water (other than Settlement Water) via any of the Project Facilities described in the SLDMWA Transfer Agreement.

M. SLDMWA: The San Luis & Delta-Mendota Water Authority.

N.

SLDMWA Transfer Agreement: That certain Agreement between the United States of America and San Luis & Delta-Mendota Water Authority to Transfer the Operation, Maintenance and Replacement~~,~~ and Certain Financial and Administrative Activities Related to the San Luis and Delta-Mendota Canals, C.W. "Bill" Jones ~~Tracy~~ Pumping Plant, Delta-Mendota Canal/California Aqueduct Intertie Pumping Plant, ~~and~~ O'Neill Pumping/Generating Plant, San Luis Drain and Associated Works effective ~~March~~ January ~~1~~14, ~~1998~~2020, as amended.

O.

USBR: United States Department of Interior, Bureau of Reclamation.

P. Water Delivery Contract: (1) Any contract entered into by the Secretary of the United States Department of the Interior under the provisions of Sections 9(c), 9(d), or 9(e) of the Reclamation Project Act of 1939 or Section 3404 of the Central Valley Project Improvement Act pursuant to which "Project Water" is to be supplied from or through Project Facilities and (2) any exchange contract, water rights settlement contract, or similar agreement pursuant to the terms of which water is to be supplied by the United States from or using the Project Facilities, as such terms are defined in Article 1 of the SLDMWA and FWA Transfer Agreements.

Q. Water Delivery Contractor: A party holding a Water Delivery Contract with the United States, as such terms are defined in Article 1 of the SLDMWA and FWA

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Transfer Agreements.

R.

Year: March ~~1~~1 through February 28/29.

III. COST POOLS - OM&R Costs will~~shall~~ be accumulated into ~~six~~eight cost pools, defined as the Upper DMC and ~~Tracy~~ Jones PP cost pool (~~hereinafter "~~"Upper Cost Pool~~"~~), the Lower DMC~~/Mendota Pool~~ cost pool (~~hereinafter "~~"Lower Cost Pool~~"~~), the Intertie Variable c~~C~~ost ~~s cost~~ pool ("Intertie Variable ~~Costs~~ Cost Pool"), the Mendota Pool cost pool ("Mendota Pool Cost Pool"), the San Luis Joint Use conveyance and conveyance pumping facilities cost pool (~~hereinafter~~ "DWR Cost Pool~~"~~), the ~~Tracy~~ Jones PP power cost pool (~~hereinafter "~~"~~Tracy~~ Jones Power Cost Pool~~"~~), the O'~~'~~Neill PGP cost pool (~~hereinafter "~~"O'~~'~~Neill Cost Pool~~"~~) and the San Luis Drain cost pool ("San Luis Drain Cost Pool").

A. The Upper Cost Pool includes:

1. The OM&R Costs for the Jones PP and related Jones PP Operations and Maintenance Complex~~field office facilities~~, excluding energy costs;
2. A pro rata share of t~~T~~he OM&R Costs for the DMC from the Jones PP to Check 13 based on miles of DMC serviced above and below Check 13 (70/116 miles or 30.64%) (~~hereinafter~~ "Upper DMC");
3. The OM&R Costs associated with routine OM&R of the Intertie, except that SLDMWA will work with USBR to ensure the State of California pays routine Intertie OM&R Costs associated with the movement of State water through the Intertie;
~~3.~~4. The OM&R Costs for the Westley, Newman, and Volta Wasteways; and
~~4.~~5. The OM&R Costs for the intake channel from the Tracy Fish Facility to the Jones Pumping Plant.

B. The Lower Cost Pool includes:

~~5.~~1. A pro rata share of t~~T~~he OM&R Costs for the DMC from Check 13 to (but not including) the Mendota Pool based on miles of DMC serviced above and below Check 13 (46/116 miles or 39.66%) (~~hereinafter "~~"Lower DMC~~"~~); and

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~~6. The OM&R Costs for the Mendota Pool; and~~

2. The OM&R Costs for the Firebaugh Wasteway.

C. The Intertie Variable Cost Pool includes:

1. DWR wheeling charges for conveyance of water from the Intertie through the California Aqueduct to O'Neill Forebay; and

2. USBR's project use energy ("PUE") costs associated with Intertie operations.

D. The Mendota Pool Cost Pool includes the operational costs associated with activities at Mendota Pool that are specifically required to fulfill statutory or contractual obligations of the United States, including but not limited to, managing deliveries from the DMC into Mendota Pool, coordination actions to assist CCID in maintaining certain elevations at Mendota Pool, coordination of flood releases from the San Joaquin River and Kings River into Mendota Pool, and monitoring and measuring water deliveries taken by contractors at Mendota Pool. -Unless undertaken pursuant to separate agreements with beneficiaries that will bear the cost, SLDMWA does not conduct additional operation, maintenance, or replacement activities for Mendota Pool.

E. The DWR Cost Pool includes the federal share of the OM&R Costs of the San Luis Joint Use conveyance and conveyance pumping facilities and the energy costs incurred in pumping water at the Dos Amigos Pumping Plant. The DWR costs associated with the OM&R Ceosts of the O'Neill Forebay and Dam are included the O'Neill Cost Pool and, therefore, are not included in the DWR Cost Pool.

F. The Jones~~Tracy~~ Power Cost Pool includes the energy costs incurred at the ~~Tracy~~ Jones PP and related Jones PP Operations and Maintenance Complex~~Tracy field office facilities~~.

G. The O'Neill Cost Pool includes:

~~7.~~1. The OM&R Costs for the O'Neill PGP;

~~8.~~2. The OM&R Costs for the O'Neill PGP intake upstream of Check 13 from the DMC to the O'Neill PGP;

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~~9.~~3. The energy costs, net of regeneration credits, incurred in pumping water at the O'~~'~~Neill PGP; and

~~10.~~4. The DWR OM&R Costs for the federal share of the O'~~'~~Neill Forebay and Dam.

~~B.~~H. The San Luis Drain Cost Pool includes:

1. The OM&R of the San Luis Drain; and
2. The Maintenance of the Kesterson Reservoir, except that maintenance activity relating to the Cleanup Program as defined in the Bureau of Reclamation, U.S. Department Interior Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995 will~~shall~~ be assigned in accordance with the Report.

~~C.~~

~~The OM&R Costs for the DMC shall be allocated between the Upper Cost Pool and Lower Cost Pool pro rata based on miles of DMC serviced above and below Check 13(70/116 or 60.34 percent in the Upper Cost Pool and 46/116 or 39.66 percent in the Lower Cost Pool).~~

IV. COST ALLOCATION ~~TO SLDM CONTRACTORS~~- The OM&R Costs assigned each Year to each of the cost pools described above will be allocated to Water Delivery ~~SLDM~~ Contractors and Parties Entitled to Utilize or Receive Other Water using the facilities described above for each cost pool in accordance with the following methodology:

A. Upper and Lower Cost Pools - Costs accumulated in the Upper and Lower Cost Pools will be allocated to each ~~SLDM Contractor~~Water Delivery Contractor or Party Entitled to Receive or Use Other Water based upon the ~~SLDM Contractor~~party'~~'~~s cost allocation percentage, subject to the following:~~.~~

1. The cost allocation percentage for the Upper and Lower Cost Pools will~~shall~~ be determined by dividing a Water Delivery Contractor's or Party Entitled to Utilize or Receive ~~or Use~~ Other Water's ~~SLDM Contractor's "~~"delivery base"~~"~~ by the total delivery base for all ~~SLDM~~ Water Delivery Contractors and Parties Entitled to Utilize or Receive ~~or Use~~ Other Water sharing in each cost pool.

2. The delivery base for each SLDM Contractor will~~shall~~ be computed for

the Upper Cost Pool and the Lower Cost Pool as the greater of the actual water delivered to the SLDM Contractor utilizing that cost pool's facilities during the Year, or the amount established under the Minimum Participation requirements described in Section V.A. hereof.

3. 25% of the OM&R Costs for the Lower Cost Pool will be allocated in the Mendota Pool Cost Pool.

~~[]~~

~~A. []~~

B. Intertie Variable Cost Pool – Costs accumulated in the Intertie Variable Cost Pool will be allocated to each Water Delivery Contractor and Party Entitled to Utilize or Receive Other Water on the same basis as the Upper and Lower Cost Pool, subject to the following:

1. In water years where the south-of-Delta agricultural water allocation is 0% and/or in water years where 0% agricultural service water is available for delivery during the contract year (regardless of the south-of-Delta agricultural service water allocation): 65% of variable Intertie OM&R Costs will be allocated to Friant Division C~~c~~ontractors. The remaining 35% will be allocated to ~~contractors other than Friant Division Contractors~~all other SLDM Contractors and Parties Entitled to Utilize or Receive Other Water on the same basis as the Upper Cost Pool.

2. In water years where the south-of-Delta agricultural water allocation is 1% - 5%:

   i. The first time such event occurs, 20% of variable Intertie OM&R Costs will be allocated to Friant Division Contractors, ~~Friant Division Contractors~~with the remaining 80% being allocated to all other SLDM Contractors and Parties Entitled to Utilize or Receive Other Water~~contractors other than Friant Division Contractors~~ on the same basis as the Upper Cost Pool;

   ii. The second time such event occurs, no cost will be imposed on Friant Division Contractors (i.e., SLDM Contractors and Parties

Entitled to Utilize or Receive Other Water will pay on the same basis as the Upper Cost Pool); and

iii. The third time such event occurs, FWA, SLDMWA, and USBR will negotiate a new allocation methodology for 1% to 5% allocation years.

3. In water years where the south-of-Delta agricultural service water allocation is greater than 5%: ~~FWA~~Friant Division Contractors will not be allocated any variable Intertie OM&R Costs; 100% of variable Intertie OM&R Costs will be allocated to SLDM Ceontractors and Parties Entitled to Utilize or Receive Other Water ~~other than Friant Division Contractors~~ on the same basis as the Upper Cost Pool.

4. In water years where the south-of-Delta agricultural service water allocation is greater than 5% and San Joaquin River Restoration Program Delta recapture flows are pumped at Jones PP, the daily acre-feet of recapture flows pumped at Jones PP that coincide with days that the Intertie is in operation will be presumed to have moved through the Intertie. Friant Division Contractors will be allocated a share of variable OM&R Costs for the Intertie by including these presumed flows in the total acre-feet calculation for SLDM Contractors and Parties Entitled to Utilize or Receive Other Water for that water year, and allocating a corresponding share of variable OM&R Costs to Friant Division Contractors. For water years where the south-of-Delta agricultural service water allocation is less than or equal to 5%, regardless of what volumes are pumped at Jones PP, no additional OM&R Costs for the Intertie will be allocated to Friant Division Contractors above what is enumerated in subsections 2.A-C above.

5. Intertie operations will be reviewed upon request by either Party to determine if changes in the allocation methodology are warranted.

6. NOTE: SLDMWA will work with USBR to ensure the State of California pays variable Intertie OM&R Costs associated with the movement of State

DRAFT

water through the Intertie; Friant Division Contractors will not be allocated any such costs.

C. Mendota Pool Cost Pool – Costs within the Mendota Pool Cost Pool will be allocated to the contractors taking delivery in Mendota Pool based upon the Water Delivery Contractor's or Party Entitled to Utilize or Receive Other Water's cost allocation percentage, using similar methodology to that described in Section IV.A.1 above, subject to the following:

1. In addition to the OM&R Costs for Mendota Pool activities, the Mendota Pool Cost Pool will include 25% of the OM&R Costs of the Lower Cost Pool.

2. ~~Water delivered in Mendota Pool that does not move through the Lower DMC will be allocated Mendota Pool operational costs and 25% Lower Cost Pool costs.~~Deliveries from the Mendota Pool that do not originate from the DMC (such as San Joaquin and Kings River flows and Mendota Pool pump-ins) will be excluded from the allocation of all other OM&R Costs, including O'Neill Storage, Extraordinary OM&R, and Reserve cost allocations, unless specifically agreed to by SLDMWA and FWA.

3. Minimum Participation requirements as described in Section V.A. will not apply to the allocation of the Mendota Pool Cost Pool.

~~Water delivered in Mendota Pool that moves through the Lower DMC will be allocated Mendota Pool operational costs and 100% Lower Cost Pool costs (see Section IV.2.A above).~~

~~NOTE: Water delivered in Mendota Pool that is not conveyed through the DMC will not be allocated O'Neill Storage costs or Reserve costs, unless specifically agreed to by SLDMWA and FWA.~~

~~A.~~D. DWR Cost Pool - Costs within the DWR Cost Pool will~~shall~~ be sub-allocated into two cost pools, defined as the North of Dos Amigos Cost Pool and the South of Dos Amigos Cost Pool.

1. The North of Dos Amigos Cost Pool includes the federal share of the DWR OM&R Costs associated with the San Luis Canal north of the Dos

DRAFT

Amigos Pumping Plant.

~~1.~~2. The South of Dos Amigos Cost Pool includes the federal share of the DWR OM&R Costs associated with the San Luis Canal south of the Dos Amigos Pumping Plant, the federal share of the DWR OM&R Costs associated with the Dos Amigos Pumping Plant, and the energy costs incurred at the Dos Amigos Pumping Plant.

OM&R Costs for the North of Dos Amigos Cost Pool and South of Dos Amigos Cost Pool will~~shall~~ be allocated to the Water Delivery ~~SLDM~~ Contractors and Parties Entitled to Utilize or Receive Other Water directly utilizing the facilities in each such cost pool. The percentage of costs allocated to each such ~~SLDM c~~Contractor/~~-~~party will~~shall~~ be determined by dividing the total water deliveries to such contractor/party ~~SLDM Contractor~~ utilizing the Project Facilities in each cost pool by the total water deliveries to Water Delivery Contractors and Parties Entitled to Utilize or Receive Other Water ~~SLDM Contractors~~ utilizing such facilities during the Year.

~~A.~~E. ~~Tracy~~ Jones Power Cost Pool - Costs within the Jones~~Tracy~~ Power Cost Pool will~~shall~~ be allocated to those ~~SLDM~~ Water Delivery Contractors and Parties Entitled to Utilize or Receive Other Water whose water is made ~~directly~~ available by virtue of water being pumped at the ~~Tracy~~ Jones PP. The percentage of costs allocated to each such ~~SLDM C~~contractor/party will~~shall~~ be determined by dividing the total water deliveries made available to each such ~~SLDM C~~contractor/party ~~, as described above in this sub-article (C)~~ by the total of all such water deliveries made available. Minimum Participation requirements as described in Section V.A. will~~shall~~ not apply to the allocation of the ~~Tracy~~ Jones Power Cost Pool.

~~A.~~F. O'~~'~~Neill Cost Pool - Each Year, the O'~~'~~Neill Cost Pool will be sub-allocated between two cost pools, the ~~"~~"Direct Pumping Cost Pool"~~"~~ and the ~~"~~"Storage Pumping Cost Pool"~~"~~ as follows:

1. For purposes of allocating the O'~~'~~Neill Cost Pool between the Direct Pumping Cost Pool and Storage Pumping Cost Pool only, water deliveries

made during the Year through the San Luis Joint Use or San Felipe facilities will be deemed water delivered in the Direct Pumping Cost Pool and water released from the O'Neill Forebay through the O'Neill PGP into the DMC will be deemed water delivered in the Storage Pumping Cost Pool. Water that is not conveyed through the DMC will not be deemed water delivered in either the Direct Pumping Cost Pool or the Storage Pumping Cost Pool.

~~1.~~2. The O'Neill Cost Pool will~~shall~~ be sub-allocated to the Direct Pumping Cost Pool and the Storage Pumping Cost Pool pro rata based upon the percentage obtained by dividing each respective pools' share of water deemed delivered, during the Year as described above, against the sum of the two pools' water deliveries during the Year.

~~1.~~3. The Direct Pumping Cost Pool will~~shall~~ be further sub-allocated to Water Delivery ~~SLDM~~ Contractors and Parties Entitled to Utilize or Receive Other Water taking delivery of water directly from the San Luis Joint Use or San Felipe facilities during the Year based upon the percentage obtained by dividing the water delivered to a ~~SLDM C~~contractor/party utilizing the O'Neill PGP for water deliveries through the federal share of the San Luis Joint Use facilities or the San Felipe facilities by the total water deliveries utilizing the O'Neill PGP for water deliveries through the federal share of the San Luis Joint Use facilities and the San Felipe facilities during the Year.

~~1.~~4. The Storage Pumping Cost Pool will~~shall~~ be further sub-allocated to Water Delivery ~~SLDM~~ Contractors and Parties Entitled to Utilize or Receive Other Water taking delivery of water directly from the DMC or Mendota Pool facilities based on the percentage obtained by dividing the water delivered directly from the DMC or Mendota Pool facilities to such ~~SLDM C~~contractor/party by the total water delivered directly from the DMC or Mendota Pool facilities to ~~SLDM C~~Water Delivery Contractors and Parties Entitled to Utilize or Receive Other Water ~~ontractors~~ during

DRAFT

the Year. Deliveries to Mendota Pool that are not conveyed through the DMC will be excluded from the Storage Pumping Cost Pool allocation.

None of the allocations described above for the O'Neill Cost Pool willshall be subject to the Minimum Participation requirements as described in Section V.A.

G. San Luis Drain Cost Pool - The maintenance costs assigned to the San Luis Drain Cost Pool willshall be allocated to those Water DeliveryCVP Contractors and Parties Entitled to Utilize or Receive Other Water with contractual requirements for the payment of such maintenance costs, except that maintenance activity relating to the Cleanup Program as defined in the Bureau of Reclamation, U.S. Department Interior Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995 willshall be assigned in accordance with the Report.

V. MISCELLANEOUS COST ALLOCATION PROVISIONS

A. Minimum Participation - In recognition of the value of providing OM&R even in Years when an individual SLDM Contractor's pro rata share of costs based upon that Year's water deliveries is very low or non-existent, there will be created Minimum Participation amounts of assumed minimum water deliveries, for purposes of cost allocation only, as follows:

B. In Years when San Joaquin River flood flows partially or fully meet the Settlement Water delivery demands of any of the Settlement Contractors, the Settlement Contractors' allocation of the Upper Cost Pool shall be based on the actual deliveries of Settlement Water to the Settlement Contractors utilizing the Upper Cost Pool facilities or 60 percent of the aggregate of all Settlement Contractors' maximum contractual Settlement Water entitlement, whichever is larger. Provided, however, this Minimum Participation amount shall be reduced by the amount of Settlement Water transferred from the Settlement Contractors to other SLDM Contractors. Provided, further, that no such reduction shall be made in the event that the SLDM Contractor receiving the transferred water has at least the majority of its contractual water supply delivered for irrigation purposes

DRAFT

~~(hereinafter "SLDM Irrigation Water Contractor") and the SLDM Irrigation Water Contractor has a total water supply, including CVP water, transferred water and any non-CVP water delivered using Project Facilities. of less than 25 percent of its contractual maximum for that Year. Accordingly, in determining the Minimum Participation requirement associated with the Settlement Water, transfers of Settlement Water by a Settlement Contractor to a SLDM Irrigation Water Contractor shall reduce the Settlement Contractors' Minimum Participation amount by the lesser of the amount of Settlement Water transferred or the amount of the total water supply delivered to a SLDM Irrigation Water Contractor less 25 percent of the maximum contractual entitlement of that SLDM Irrigation Water Contractor, but not less than zero. The portion of the Lower Cost Pool to be allocated to the Settlement Contractors will be based on total actual Settlement Water deliveries made to the Settlement Contractors through the Lower DMC and/or the Mendota Pool. Thus, the Settlement Water deliveries that originate as flood flows on the San Joaquin River and delivered through the Mendota Pool and/or the Lower DMC shall be included in the Settlement Contractors' delivery base for allocation of the Lower Cost Pool. (Examples: A Settlement Contractor transfers 10,000 a.f. of water to a SLDM Irrigation Water Contractor which has a maximum contractual entitlement of 100,000 a.f. in a Year in which 45% of the Settlement Water deliveries to the Settlement Contractors are made via the San Joaquin River and Mendota Pool (i.e., the Project Facilities associated with the Upper Cost Pool are not utilized), thus invoking this Minimum Participation clause. For purposes of these examples, the maximum contractual Settlement Water entitlement is presumed to be 880,000 a.f., thus 60% (the Minimum Participation applicable to Settlement Water) of the maximum contractual Settlement Water entitlement is presumed to be 528,000 a.f.. **Scenario A:** If a SLDM Irrigation Water Contractor takes water deliveries, including contractual supplies, water transferred in from a SLDM Contractor other than a Settlement Contractor, and any non-CVP water (e.g., Warren Act water), (collectively "total water supply") in excess of 25% (25,000 a.f.) of the~~

DRAFT

~~SLDM Irrigation Water Contractor's contractual maximum supply, the Minimum Participation applicable to the Settlement Contractors under this will be reduced by 10,000 a.f (60% of the total Settlement Water equals 528,000 a.f. less 10,000 a.f. of transferred water results in the Minimum Participation applicable to the Settlement Contractors of 518,000 a.f.). **Scenario B**: If the same 10,000 a.f. of water is transferred by the Settlement Contractor and the total water supply (excluding this 10,000 a.f. of Settlement Water transferred) of the SLDM Irrigation Water Contractor is 21,000 a.f., the Minimum Participation applicable to the Settlement Contractors under this section will be reduced by 6,000 a.f. (4,000 a.f. of the transferred water is required to bring the total water supply of the SLDMW Irrigation Water Contractor to 25% (25.000 a.f.) of its maximum contractual supply; thus only the amount of the Settlement Water transferred that results in the SLDM Irrigation Water Contractor to exceed 25% (25,000 a.f.) of its maximum contractual supply will result in the reduction of the Minimum Participation applicable to the Settlement Contractors under this section: 21.000 a.[total water supply plus 10,000 a.f. Settlement Water transferred (equals 31.000 a.f.) less 25,000 a.f. (25% of the 100,000 a.f. maximum contractual supply) equals 6,000 a.f.) **Scenario C**: If the same 10,000 a.f. of water is transferred by the Settlement Contractor and the total water supply of the SLDM Irrigation Water Contractor, including the Settlement Water transfer, is less than 25,000 a.f. (25% of the 100,000 a.f. maximum contractual entitlement), then no reduction in the Minimum Participation will be provided to the Settlement Contractors as a result of this transfer. **Scenario D:** If the same 10,000 a.f. of water is transferred to a non-SLDM Irrigation Water Contractor (i.e., an M&I contractor or the USBR) under any water supply scenario, the Minimum Participation will be reduced by the amount of the Settlement Water transfer, i.e., a 10,000 a.f. reduction of the 528,000 a.f., (60% of 880,000 maximum contractual Settlement water to the Settlement Contractors) results in a Minimum Participation of 518,000 a.f.)~~

~~C.~~A. In Years when an ~~SLDM I~~irrigation ~~Water~~ SLDM Contractor~~'~~'s total deliveries (i.e., deliveries under its contract with the USBR plus other deliveries made

DRAFT

available through the ~~Tracy~~ Jones PP and the DMC) are below 25% ~~percent~~ of its maximum contractual entitlement, the delivery base for purposes of allocating the Upper Cost Pool and Lower Cost Pool will~~shall~~ be 25% ~~percent~~ of that ~~SLDM~~ ~~I~~irrigation SLDM ~~Water~~ Contractor'~~'~~s maximum contractual entitlement.

~~D.~~B. Water Transfers - A SLDM Contractor who receives transfer water (~~hereinafter~~ ~~"~~"SLDM Transferee"~~"~~) from a Water Delivery~~CVP~~ Contractor will~~shall~~ have such water deliveries included in the SLDM Transferee'~~'~~s delivery base for each applicable cost pool described in Section I~~I~~. above for purposes of allocating OM&R Costs for the Year (but not for delivery purposes in establishing reserves). As a result, all costs associated with the delivery of transferred water will~~shall~~ be allocated to the SLDM Transferee in the same manner as costs are allocated to the SLDM Transferee for its CVP contractual supply and will~~shall~~ be subject to Year~~-~~end adjustment and reconciliation per Section VII~~I.D.~~ below.

~~E.~~C. ~~Warren Act Contracts~~Other Water —

1. All costs associated with the conveyance of Other Water ~~non-CVP water~~ through Project Facilities, including all components that may be required by Reclamation, ~~, whether pursuant to a contract under the Warren Act, authorized pursuant to Section 3408(c) of the Central Valley Project Improvement Act. or under other authority,~~ will~~shall~~ be assigned to the ~~SLDM~~ Water Delivery Contractor or Party Entitled to Utilize or Receive Other Water that takes delivery of such Other W~~w~~ater. As a result, all costs associated with the delivery of Other ~~non-CVP w~~Water will~~shall~~ be allocated to the ~~SLDM~~ Water Delivery Contractor in the same manner as costs are allocated to that ~~SLDM~~ Water Delivery Contractor for its CVP contractual supply and will~~shall~~ be subject to Year~~-~~end adjustment and reconciliation per Section VII.D. below. ~~-~~In the case of ~~non-CVP water~~ deliveries of Other Water to the Settlement Contractors, the applicable Settlement Contractors, not the Friant Division Contractors, will be responsible for all costs associated with the delivery of the ~~non-CVP~~ Other

DRAFT

~~w~~Water, including an allocable share of the OM&R Costs and R~~r~~eserve C~~c~~osts (Section VI.D~~.~~) addressed by this SLDMWA OM&R Cost Recovery Plan.

2. Losses - A loss factor of five~~5~~ percent (5%), or ~~as may that is be~~ the loss percentage provided in the governing ~~Warren Act~~ contract or agreement~~,~~, as applicable, will~~shall~~ be applied to the delivery of any ~~non-CVP~~Other ~~w~~Water conveyed in any Project Facilities (e.g., if the loss factor is five~~5~~ percent (5%), and 100 ~~acre feet~~AF of Other Water ~~non-CVP water~~ is pumped at Jones~~Tracy~~ PP, or as otherwise metered, that will~~shall~~ result in 95 AF~~acre feet~~ being considered available for delivery and will be allocated OM&R C~~c~~osts accordingly).

VI. RESERVES - In recognition of the multiple year benefits of performing certain long-term OM&R activities for Project Facilities (excepting the San Luis Joint Use conveyance and conveyance pumping facilities and Mendota Pool, unless pursuant to separate agreement), including, but not limited to, the long-term capital outlays for the purchase of equipment and vehicles and reserves mandated by the SLDMWA Transfer Agreement, ~~the~~ SLDMWA will~~shall~~ accumulate R~~r~~eserves and regularly use these R~~r~~eserves for these activities in accordance with the following:

A. Reserves -

1. Annually, a ~~T~~ten-y~~Y~~ear projection of ~~reserve~~ expenditures in specified Reserve Categories as listed in Exhibit C to the MOU will be made ("Ten-Year Plan"), along with a single year projection of expenditures in those categories for the forthcoming fiscal year. ~~The reserve expenditure projections will be discounted to arrive at a levelized annual reserve contribution. The discount rate will be determined annually based on the previous year's annualized LAIF interest rate.~~ The Reserve cash requirement for the forthcoming fiscal year will be ~~is annual contribution will be~~ allocated to each ~~SLDM~~ Water Delivery Contractor pro rata based upon the past ~~Ten~~ten y~~-Y~~ears of historic water deliveries (ten-year rolling

DRAFT

average of deliveries), net of funds collected from Parties Entitled to Utilize or Receive Other Water.

~~1.~~

2. Each Water Delivery ~~SLDM~~ Contractor~~'~~'s ~~total t~~Ten-~~-y~~Year rolling average of ~~historical~~ deliveries will include all ~~CVP contractual~~Water Delivery Contract deliveries, ~~CVP~~ water transferred out to other Water Delivery ~~SLDM~~ Contractors that utilize Project Facilities for which costs are allocated ~~here~~under~~r~~ this Cost Recovery Plan, and Other Water ~~non-CVP water~~ deliveries to that Water Delivery~~SLDM~~ Contractor, subject to the following:

   i. Each Water Delivery~~W~~ Contractor's ten-year rolling average of deliveries ~~and~~ will be subject to the inclusion of the annual Minimum Participation amounts as determined in Section V.A above;

   ii. ~~-~~Ten-~~y~~Year ~~historical~~ rolling average of deliveries will not include:

      a. W~~CVP w~~ater transferred in by the ~~relevant~~applicable Water Delivery Contractor;

      b. ~~CVP~~ W~~w~~ater transferred out by the applicable Water Delivery Contractor that does not utilize Project Facilities for which costs are allocated hereunder; or

      c. Deliveries to Mendota Pool not conveyed through the Lower DMC (e.g. San Joaquin River flood flows, Kings River flood flows, water released from Millerton Reservoir, Mendota Pool pump-in water, etc.).

   iii. Notwithstanding the reference above to ~~CVP~~ water transferred out to other Water Delivery Contractors being included in each Water Delivery Contactor's ten-year rolling average of deliveries, ~~CVP~~ water transferred from a San Joaquin River Exchange Contractor ("Exchange Contractor") to a Water Delivery Contractor will be

DRAFT

included in the San Joaquin River Exchange Contractor Water Authority's ies("SJRECWA") total deliveries for the purposes of allocating Rreserve include CVP water transferred in by the relevant SLDM Contractor nor CVP water transferred out by the SLDM Contractor which does not utilize Project Facilities for which costs are allocated hereunder.costs and Extraordinary OM&R Ceosts, and costs associated with such transfers will not be an obligation of FWAFriant Division Contractors, subject to the following:

a. Beginning in Water Year 2026 (March 1, 2026 – February 28, 2027), deliveries associated with Water Transfer Program for the San Joaquin River Exchange Contractors Water Authority ("Exchange Contractor Transfer Program") Transfer Program, as that program may be amended, will be excluded from FWA's Rreserve allocation.

b. In the interim, the Rreserve calculations to support final accountings for Water Years 2022, 2023, 2024, and 2025 will continue to include the deliveries associated with Exchange Contractor's transfers in FWA's Rreserve allocation. The same methodology (utilizing offsetting adjustments) used to calculate the reserve obligation for FWA in Water Year 2019 will apply.ten-year Exchange Contractor allocable to for Reserves

a.c. Beginning in Water Year 2026, SLDMWA will no longer make the offsetting adjustments to the delivery data used to calculate the Rreserves as outlined in Section VI.A.2.iii.b. - All delivery volumes associated with the Exchange Contractor's tTransfer Pprogram will be moved from FWA's Reserve allocation to the SJRECWA's Reserve

DRAFT

allocation.[5] -Any offsetting adjustments (including historical adjustments) will be removed in their entirety from the Reserve calculation for the SJRECWA. ~~and all deliveries associated with Exchange Contractor transfers will be excluded from FWA's Rreserve allocation and will instead be included in the SJRECWA Rreserve allocation. Any offsetting adjustments (including historical adjustments) will be removed from the FWA ten-year rolling average of Settlement Contractor deliveries allocated to FWA in their entirety.~~

~~2.~~3. In any one Year, R~~r~~eserve expenditures may benefit some Project F~~f~~acilities or cost pools more than others. However,~~,~~ in the long-term, it is expected that R~~r~~eserves will be spent generally in accordance with the overall apportionment of the OM&R B~~b~~udget for each facility as that facility'~~'~~s OM&R B~~b~~udget relates to the entire OM&R Budget (without consideration or inclusion of the cost of energy,~~,~~ the OM&R Costs of the San Luis Joint Use conveyance and conveyance pumping facilities, the OM&R Costs of the Mendota Pool, or costs associated with the San Luis Drain).

4. One-time or de minimis use of Project Facilities (i.e., the delivery of Other W~~w~~ater ~~under a Warren Act contract~~ to an individual or entity that otherwise has ~~no~~ irregular or infrequent deliveries made through Project Facilities~~other water delivery contract~~ maintained by SLDMWA)~~)~~ will be charged ~~an imputed rate~~ the SLDMWA Board-adopted ~~for~~ R~~r~~eserve rate component(s) for the delivery(ies)~~s based upon the annual reserve contribution computed in VI.A.~~ ~~divided by one tenth of the past 10 Years of historic deliveries computed in VI.A.~~ Such one-time or de minimis water deliveries will not be included in any water delivery base in the

[5] SLDMWA anticipates that SJRECWA will pass through any costs associated with the Reserve allocation to the entities receiving transfers.

DRAFT

determination of Rreserves or Rreserve allocations hereunder. Revenues generated to Rreserves for this one-time or de minimis use of Project Facilities will be used to reduce that Year's total Rreserve requirement. Reserve contributions from one-time or de minimis use of Project Facilities willshall not be subject to annual reconciliation and adjustment.

5. Consistent with Sections VI.A.1-4 above and Section VII below, SLDMWA will include a Reserve component in the calculation of OM&R Water Rates for all deliveries utilizing Project Facilities, unless expressly excluded.

B. Emergency Reserves – SLDMWA will establish and maintain an Eemergency Rreserve Ffund consistent with Article 14 of the SLDMWA Transfer Agreement. SLDMWA will include a sub-component in the Reserve component described in Section VI.A above for the Eemergency Rreserve Ffund when required.

C. Other – SLDMWA may also utilize Rreserve funds to repay specific Extraordinary OM&R Costs that utilize long-term financing or debt. When the SLDMWA Board of Directors takes action to authorize such long-term financing or debt and the collection of Rreserve funds to repay the same, the SLDMWA Board of Directors will establish whether and how the additional Rreserve fund component(s) will be included in the calculation of OM&R Water Rates for some or all deliveries utilizing Project Facilities. It is understood that the cost allocation methodology for individual Extraordinary OM&R projects may differ from the cost allocation methodology used to allocate Reserve costs.

VII. RATE COMPONENT CALCULATIONS / WATER RATES

A. Rate components willshall be established for each cost pool listed in Section III on a per AFacre foot basis. Rate components willshall be calculated in accordance with the cCost aAllocation to Water Delivery SLDM Contractors in Section IV using budgeted amounts for the Year for each cost pool divided by projected water deliveries utilizing the Project Facilities and/or energy associated with the applicable cost pool for the Year. The Reserve rate component(s) willshall be

DRAFT

computed by dividing each Water Delivery ~~SLDM~~ Contractor'~~!~~s expected annual contribution, in accordance with Section VI.A~~-~~B., by projected water deliveries to that ~~SLDM~~ Water Delivery Contractor for the Year.

B. The "OM&R Water Rate" for a given delivery will be calculated by adding together various cost pool components and/or the Reserve rate component(s) associated with that delivery. For example, the OM&R Water Rate for a delivery along the Lower DMC will include the following components: Upper Cost Pool + Jones Power Cost Pool + Intertie Variable Cost Pool (if applicable) + Lower Cost Pool + O'Neill Storage Cost Pool + Reserves (more than one reserve component potentially applicable). The proposed water rates for deliveries to various geographic locations, including the cost pool and/or R~~r~~eserve components, will be provided to the SLDMWA Board of Directors when OM&R Water Rates are presented to the Board of Directors for action.

C. Reference to "adjusted" OM&R Water Rates on rates sheets presented to the SLDMWA Board of Directors will refer to rates that utilize some, but not all rate components for a delivery that does not incur certain OM&R Costs. For example, an "adjusted" OM&R Water Rate is charged to deliveries that are pumped-in along the Lower DMC and do not utilize Upper Cost Pool facilities.

~~1.~~

VIII. PAYMENT AND RECONCILIATION

A. Amounts payable for water delivered to Water Delivery ~~SLDM~~ Contractors each calendar month will~~shall~~ be computed by multiplying the sum of the rate components (Rate) applicable to water deliveries by the quantity (acre feet) of such water deliveries scheduled for the month, adjusted for differences between actual and scheduled deliveries, at the applicable Rate, for prior months.

B. ~~The~~ SLDMWA will bill ~~the~~ FW~~U~~A to provide for recovery of OM&R Costs allocated to the Settlement Contractors ~~which~~ that are payable by the Friant Division C~~c~~ontractors under this SLDMWA OM&R Cost Recovery Plan ~~pursuant~~

~~hereto~~.

C. Payments due under this SLDMWA OM&R Cost Recovery Plan for water deliveries will~~shall~~ be made in advance. All payments must be received by ~~the~~ SLDMWA by the 15th of the month prior to the month of such scheduled water deliveries. ~~-~~For instances where SLDMWA invoices FWA after the 10th~~th~~ of the month, a minimum of five (5) calendar days will be afforded FWA for payment. ~~-~~ Notification of electronic transfer of funds payments to the SLDMWA will~~shall~~ be provided in advance of or concurrent with such payment.

D. Payments received after the due dates noted above are delinquent and will~~shall~~ be subject to an interest charge~~.~~ , ~~A~~as well as to any remedies for deficiencies provided in Article 12~~1~~ of the SLDMWA and FW~~U~~A Transfer Agreements and IV.B~~.~~ of the MOU. ~~-~~The interest charge will~~shall~~ be calculated pursuant to the Prompt Payment Act, as amended (31 U.S.C. § 3901, et seq.). The interest charge will be based upon any and all accumulated advance payment deficiencies. Interest will~~shall~~ accrue for each day past the due date and will~~shall~~ be accumulated based upon a 360~~-~~ ~~-~~day year (interest will~~shall~~ compound on a simple interest basis).

E. Annual reconciliation and adjustment of the OM&R Costs and their allocation to each ~~SLDM~~ Water Delivery Contractor ("Final Accounting") will be made within sixty (60) ~~90~~ days following the completion and SLDMWA Board of Directors' acceptance of the annual audited financial statements containing the costs to be allocated~~of the end of each Year, excepting the DWR Cost Pool and Tracy Power Cost Pool, which will be reconciled and adjusted within 90 days of when the actual costs are known~~. The Final Accounting for a given Year will be treated as final and no longer subject to any dispute following the expiration of the applicable statute of limitations, as may be modified by law. The parties also agree that SLDMWA may reopen a Final Accounting under appropriate circumstances.

F. Reconciled and adjusted OM&R Cost allocation ~~is~~ applicable to each Water Delivery ~~SLDM~~ Contractor or Party Entitled to Utilize or Receive Other Water,

DRAFT

including annual reserve amounts, willshall be compared to payments made by or on account for each SLDM Water Delivery Contractor for water deliveries during the Year. In the event payments made by or on account of a SLDM Water Delivery Contractor exceed costs allocated to that SLDM Water Delivery Contractor (surplus), the SLDMWA will refund the amount of the surplus to the payee or the payee may direct the SLDMWA to apply such surplus to future amounts otherwise due under this SLDMWA OM&R Cost Recovery Plan. In the event costs allocated to the SLDM Water Delivery Contractor exceed payments made by or on account of a SLDM Water Delivery Contractor (deficiency), the payee willshall have thirty (30) days from the notice of such deficiency to make payment. Payments not received within thirty (30) days willshall be subject to the late payment provision as described in Section VII.B above starting on the date of delinquency, as well as subject to any remedies for deficiencies provided in Article 121 of the SLDMWA and FWUA Transfer Agreements and IV.B. of the MOU.

G. The SLDMWA will apply funds to cover deficiencies paid by the USBR under appropriate legal instruments in accordance with terms outlined in Section 121 of the SLDMWA Transfer Agreement.

H. The FWUA will collect and remit payments due for OM&R Costs allocated to Settlement Contractors under this SLDMWA OM&R Cost Recovery Plan in accordance with the terms of this section. The FWUA will apply funds to cover deficiencies paid by the USBR under appropriate legal instruments in accordance with terms outlined in Section IV of the MOU and Section 121 of the FWUA Transfer Agreement.

DRAFT

EXHIBIT C

RESERVE CRITERIA~~S~~

In recognition of the long-~~-~~term benefits associated with certain OM&R activities, expenditures meeting the criteria established below will~~shall~~ be made from R~~r~~eserve funds accumulated for such purposes, consistent with Section VI of the SLDMWA OM&R Cost Recovery Plan.

1. Reserve Categories:

~~A. Extraordinary OM&R~~Major Non-Routine Maintenance/Extraordinary OM&R:

A.

i. Major non-routine maintenance improvements, modifications, replacements, or repairs, additions, or modernizations with long term benefits, exceeding one year, that have a total cost greater than **$~~20~~60,000**, including labor and labor related costs for projects identified on the Ten-Year Plan~~(e.g., liner replacement, structure painting, road repairs/rehab, building and structure construction and/or remodeling, pump/generator rewinds and repairs)~~.

ii. For any Extraordinary OM&R project for which SLDMWA's estimated total project cost is greater than 50% of the current year's routine OM&R Budget, excluding power and Reserves costs, the Planning Committee will review, evaluate, and establish a recommendation for the allocation of costs of any Extraordinary OM&R project.

~~B.~~ Equipment ~~and Vehicles~~: Replacement of

B. ~~M~~mobile/ ~~or~~ stationary equipment and heavy equipment identified on the Ten-Year Plan with a total replacement cost greater than **$30,000**. Equipment types and examples are as follows:

i. Heavy Equipment (Off-Road – Unlicensed): Motor graders, loaders, backhoes, excavators, dozers, skid-steers, cranes, tractors, implements (i.e., discs, mowers, etc.), man-lifts, forklifts, etc.

DRAFT

~~i. with a purchase price exceeding $15,000 (e.g., pumps,~~

~~ii. compressors, trailers, generators, motors, control mechanisms);~~

~~iii.~~

ii. Heavy E~~e~~quipment (On-Road – Licensed): Truck/tractors, spray trucks, dump trucks, water trucks, boom trucks, utility trucks heavier than~~>~~ 1.5 ton, heavy transport trailers, tilt trailers, flatbed trailers, trailer-mounted pumps/generators/compressors, belly dump trailers, etc. ~~**with a purchase price exceeding $20,000 (e.g., dump trucks, cranes, loaders, excavators, motor graders, forklifts, tractors, belly dumps);**~~

~~iv.~~iii. Shop Support Stationary Equipment: Machine Shop equipment, Electric Shop test equipment, Vehicle Maintenance Shop equipment, Sandblast and Paint Shop equipment, etc.

C. Vehicles: Replacement of light p~~P~~assenger/utility vehicles identified on the Ten-Year Plan that have a total replacement cost (including labor) greater than ~~**with a purchase price exceeding**~~ **$**~~**15**~~**25**~~**.**~~**,000** (e.g., sedans, pickups, utility vehicles, vans, etc.)~~.; and~~

D. Office & Computer/Network Equipment: Replacement of o~~O~~ffice and electronic equipment and computer software identified on the Ten-Year Plan with an ~~with an~~ annual aggregate ~~purchase~~ replacement cost ~~price~~ greater than **$20,000** ~~(e.g., computers and peripherals, copiers, printers, telecommunications, radios, electronic instrumentation excepting replacement parts, upgrades or peripherals with a purchase price of less than $1,000, e.g., monitors, modems, keyboards, hard drives, RAM, mother boards, printer drums, repairs).~~

E. Facility Infrastructure Rehabilitation/Replacement: Improvement, modification, replacement, repair, addition, or modernization projects on the SLDMWA ~~O&M~~Project F~~f~~acilities identified on the Ten-Year Plan that have a total cost greater than **$**~~**5**~~**30,000**, including labor and labor-related costs. The typical types of projects for this category, include but are not limited to:

i. Roofing Systems repair or replacement,

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ii. Building Interior/Exterior Components repair, remodel/upgrade,

iii. Building HVAC Systems replacement,

iv. Building Electrical & Communication Systems modernization,

v. Building Plumbing Systems replacement,

vi. Building/Facility Fire Protection & Security Systems replacement/modernization,

vii. O&M Shop Support Equipment/Systems replacement/modernization, and

viii. Facility Pavement & Grounds repairs/replacement & upgrades.

F. Supervisory Control and Data Acquisition (SCADA): Improvements, modifications, replacements, repairs, additions, or modernizations of SCADA system and associated hardware and software identified on the Ten-Year Plan with a total replacement cost (including labor) greater than **$20,000**.

G. NOTES:

i. Each Reserve Category requires the development and management of a specific Ten-Year Plan for the category's replacement, additions, rehabilitation, and modernization needs.

ii. These cost thresholds will apply beginning on the Effective Date of the SLDMWA OM&R Cost Recovery Plan. Prospectively, during the annual budget development process, staff will work with the OM&R Technical Committee to evaluate any necessary increases to the cost thresholds, utilizing the USBR Operations and Maintenance Cost Index and other available tools.

2. Emergency Reserves: SLDMWA will establish and maintain an Eemergency Rreserve Ffund consistent with Article 14 of the SLDMWA Transfer Agreement.

~~As mandated per Article 13 of the General Form Agreement for the Transfer of the Operation, Maintenance, and Replacement, and Certain Financial and Administrative Activities of the Delta-Mendota Canal and Related Works, between the United States Department of Interior~~

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~~Bureau of Reclamation and the San Luis & Della-Mendota Water Authority.~~3.

Other: The Finance & Administration Committee may recommend necessary changes to the Reserve Categories or the accumulation of additional R~~r~~eserve funds (e.g. to fund debt/financed OM&R Costs).

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EXHIBIT D

CONTRACTOR SERVICE (DELIVERY) AREAS

	Upper DMC	Lower DMC	Mendota Pool	San Felipe	San Luis Joint Use
Banta-Carbona Irrigation District	X				
~~Centinella Water District~~	~~X~~				
Del Puerto Water District	X				
Patterson Water District	X				
~~Plain View Water District~~Byron Bethany Irrigation District	X				
~~West Side Irrigation District~~	~~X~~				
West Stanislaus Irrigation District	X				
City of Tracy	X				
Santa Nella County Water District	X				X
~~Broadview Water District~~		~~X~~			
Eagle Field Water District		X			
Mercy Springs Water District		X			
Oro Loma Water District		X			
Pacheco Water District		X			X
Panoche Water District		X			X
San Luis Water District	X	X	X		X
City of Dos Palos					X
~~Widren Water District~~		~~X~~			
State of California, Mendota Wildlife Area	X	X	X		
Fresno Slough Water District			X		
~~Hughes, M&M~~Tranquillity Public Utility District			X		
James Irrigation District			X		
Laguna Water District			X		
Reclamation District ~~#~~ 1606			X		
~~Traction Ranch~~Coelho Family Trust			X		
Tranquility Irrigation District			X		
Westlands Water District			X		X
Santa Clara Valley Water District				X	
San Benito County Water District				X	
Exchange Contractors					
Central California Irrigation District	X	X	X		
Firebaugh Canal Company		X	X		
Columbia Canal Company			X		
San Luis Canal Company			X		
City of Coalinga					X
City of Avenal					X
City of Huron					X
Refuge	X	X	X		X

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Meyers Farm Family Trust			X		
Dudley-Indart (CGH) (incl. Robinson Family Farms LP, Vista Verde Farms)			X		
Kenneth & Karen Carvalho Trust			X		

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Comparison – First Amended FWA-SLDMWA MOU and Exhibits and Proposed Second Amended FWA-SLDMWA MOU and Exhibits

Section in First Amended MOU	Section in Second Amended MOU	Substance of Change
Preamble [no heading]	**Preamble** [no heading]	Non-substantive updates, incl. to update reference from FWUA to FWA
Definitions 1. CVP Contractors 2. Friant Division Contractors 3. FWUA 4. FWUA Transfer Agreement 5. Memorandum of Understanding or "MOU" 6. OM&R 7. OM&R Costs 8. OM&R Program 9. Project Facilities 10. Settlement Contractors 11. Settlement Water 12. SLDMWA 13. SLDMWA Cost Plan 14. SLDMWA Transfer Agreement 15. USBR	**Definitions** 1. Extraordinary OM&R 2. Friant Division Contractors 3. FWA 4. FWA Transfer Agreement 5. Memorandum of Understanding or "MOU" 6. OM&R 7. OM&R Budget 8. OM&R Costs 9. OM&R Program 10. Party Entitled to Utilize or Receive Other Water 11. Project Facilities 12. Reserves 13. Settlement Contractors 14. Settlement Water 15. SLDM Contractors 16. SLDMWA 17. SLDMWA Cost Recovery Plan 18. SLDMWA Transfer Agreement 19. USBR 20. Water Delivery Contract 21. Water Delivery Contractor	Deleted definition of CVP Contractors, replaced w/ separate definitions of Water Delivery Contractors and Parties Entitled to Utilize or Receive Other Water 1. New Extraordinary OM&R definition, tracking Transfer Agreement 2. No substantive change 3. Replace Friant Water Users Authority w/ Friant Water Authority 4. Updated reference 5. Updated reference 6. No change 7. New "OM&R Budget" definition 8. No change 9. No substantive changes 10. New definition, added from Transfer Agreement 11. Updated to included changes in 2020 Transfer Agreement 12. New definition 13. Updated to reference potential agreement for charges 14. No change 15. Updated to replace CVP Contractors w/ Water Delivery Contractors, clarify scope 16. No substantive change 17. No substantive change 18. Updated reference 19. No substantive change 20. New definition, added from Transfer Agreement 21. New definition, added from Transfer Agreement
Recitals	**Recitals**	Non-substantive updates and references, plus replace "CVP Contractors" with "Water Delivery Contractor" and/or "Parties Entitled to Utilize or Receive Other Water," as appropriate
§ I. Purposes of the MOU	**§ I. Purposes of the MOU**	Mostly non-substantive updates, with clarification purpose of establishing principles for and rights of participation in decision-making by FWA in the OM&R Program
§ II. Standard for OM&R of the Project Facilities	**§ II. Standard for OM&R of the Project Facilities**	Non-substantive updates
§ III. Development of Cost Recovery Methodology	**§ III. Development of Cost Recovery Methodology**	Section III.A.1 amended to add reference to three agreed-upon principles of cost allocation Non-substantive updates made to III.A.2-4

A. Cost Recovery Methodology for OM&R Costs 1. Principles of Cost Allocation 2. Reserves 3. Disbursements of Interest or Reserves 4. Miscellaneous Revenues	A. Cost Recovery Methodology for OM&R Costs 1. Principles of Cost Allocation 2. Reserves 3. Disbursements of Interest or Reserves 4. Miscellaneous Revenues	
§ IV. Allocation, Collection and Remittance of Costs by FWUA A. Recovery from Friant Division Contractors B. Remedies for Non-Payment or Delinquent Payment	**§ IV. Allocation, Collection and Remittance of Costs by FWUA** A. Recovery from Friant Division Contractors B. Remedies for Non-Payment or Delinquent Payment	Non-substantive updates
§ V. FWUA Input and Participation in SLDMWA OM&R Activities A. FWUA Participation 1. Board of Directors 2. Finance and Administration Committee 3. OM&R Technical Committee 4. SLDMWA Committee Structure B. Provision of Information 1. Reports 2. Access C. Notices and Meeting Dates	**§ V. FWA Input and Participation in SLDMWA OM&R Activities** A. FWA Participation 1. Board of Directors 2. Finance and Administration Committee 3. OM&R Technical Committee 4. Planning Committee 5. SLDMWA Committee Structure B. Provision of Information 1. Reports 2. Access C. Notices and Meeting Dates	A.1. Substantive modifications to provide FWA voting rights on any item funded, in whole or in part, from any OM&R fund or Reserves to which Friant Division Contractors have contributed A.2-3. Non-substantive updates A.4. New section re new Planning Committee, including detail re committee makeup, jurisdiction A.5. Non-substantive updates B. Non-substantive updates C. Updated to add references to Board, Planning Committee
§ VI. Resolution of Disputes A. Process 1. Informal Dispute Resolution 2. Resolution through Trial by Reference B. Disputes Causing Cash Flow Difficulties C. Status of Obligations During Pendency of Dispute	**§ VI. Resolution of Disputes** A. Process 1. Informal Dispute Resolution 2. Alternative Dispute Resolution 3. Resolution by USBR B. Disputes Causing Cash Flow Difficulties C. Status of Obligations During Pendency of Dispute	A.1. Added requirement for initial informal dispute resolution meeting within 30 days of Dispute Notice; clarity that if no resolution within 90 days, parties can pursue other remedies A.2. New section describing availability of Alternative Dispute Resolution A.3. New section describing ability to have USBR resolve disputes B. Revisions to clarify when payment is required following Regional Director determination that payment is due

D. Termination of Transfers Agreements	1. Payment Obligations 2. Changes to Payment Obligations Resulting from Resolution of Dispute D. Termination of Transfer Agreements	C. New provisions dictating that FWA must pay all disputed annual OM&R Costs during course of dispute, and for disputed payment obligations re EO&M projects, payment during first 90 days of dispute must be paid into escrow or trust account D. Changed time period for notice of termination of Transfer Agreement from 12 months to 6 months
§ VII. Renegotiation Principles A. Basis for Agreement B. Events Triggering Renegotiation of MOU C. Inability to Reach Agreement on Modification of MOU	**§ VII. Renegotiation Principles** A. Basis for Agreement B. Events Triggering Renegotiation of MOU C. Inability to Reach Agreement on Modification of MOU	A-B. Non-substantive updates C. In the event a party seeks modification of this MOU neither party will give notice of termination of its Transfer Agreement for 6 months after the first negotiation date (shortened from 12 months)
§ VIII. Miscellaneous A. Term of MOU B. Attorneys Fees C. Entire Agreement	**§ VIII. Miscellaneous** A. Term of MOU B. Attorneys' Fees C. Entire Agreement D. Exhibits E. Interpretation	A-C. Non-substantive updates D. New section describing the exhibits to the MOU, process for amending same E. New section dictating that validity/interpretation of MOU is governed by California law

Exhibit A – Settlement Contractors
List of Settlement Contactors updated to match Exhibit B to SLDMWA 2020 Transfer Agreement, with review by Reclamation.

Exhibit B – 2024 SLDMWA OM&R Cost Recovery Plan		
Section in First Amended MOU Exhibit B	**Section in Second Amended MOU Exhibit B**	**Substance of Change**
§ I. Introduction	**§ I. Introduction**	Added intro paragraph to explain what the Cost Recovery Plan is, retroactive application. Facilities list updated to match Transfer Agreement facilities. Also amended to add reference to three agreed-upon principles of cost allocation.
§ II. Definitions 1. CVP Contractors 2. SLDM Contractors 3. Friant Division Contractors 4. FWUA Transfer Agreement	**§ II. Definitions** A. Extraordinary OM&R B. Friant Division Contractors C. FWA Transfer Agreement D. OM&R	Deleted definition of CVP Contractors, replaced w/ separate definitions of Water Delivery Contractors and Parties Entitled to Utilize or Receive Other Water A. New Extraordinary OM&R definition, tracking Transfer Agreement B. No substantive change C. Updated reference

5. OM&R 6. OM&R Costs 7. Project Facilities 8. Settlement Contractors 9. Settlement Water 10. SLDMWA 11. SLDMWA Transfer Agreement 12. USBR 13. Year	E. OM&R Budget F. OM&R Costs G. Party Entitled to Utilize or Receive Other Water H. Project Facilities I. Reserves J. Settlement Contractors K. Settlement Water L. SLDM Contractors M. SLDMWA N. SLDMWA Transfer Agreement O. USBR P. Water Delivery Contract Q. Water Delivery Contractor R. Year	D. No change E. New "OM&R Budget" definition F. No change G. New definition, added from Transfer Agreement H. Updated to included changes in 2020 Transfer Agreement I. New definition J. Updated to reference potential agreement for charges K. No change L. Updated to replace CVP Contractors w/ Water Delivery Contractors, clarify scope M. No substantive change N. Updated reference O. No substantive changes P. New definition, added from Transfer Agreement Q. New definition, added from Transfer Agreement R. No change
§ III. Cost Pools A. Upper Cost Pool B. Lower Cost Pool C. DWR Cost Pool D. Tracy Power Cost Pool E. O'Neill Cost Pool F. San Luis Drain Cost Pool	**§ III. Cost Pools** A. Upper Cost Pool B. Lower Cost Pool C. Intertie Variable Cost Pool D. Mendota Pool Cost Pool E. DWR Cost Pool F. Jones Power Cost Pool G. O'Neill Cost Pool H. San Luis Drain Cost Pool	A. Added costs associated w/ routine OM&R of Intertie to Upper Cost Pool B. Removed Mendota Pool costs from Lower Cost Pool C. Added new Intertie Variable Costs Cost Pool D. Added new Mendota Pool Cost Pool E-H. No substantive changes
§ IV. Cost Allocation to SLDM Contractors A. Upper and Lower Cost Pools B. DWR Cost Pool C. Tracy Cost Pool D. O'Neill Cost Pool E. San Luis Drain Cost Pool	**§ IV. Cost Allocation** A. Upper and Lower Cost Pools B. Intertie Variable Cost Pool C. Mendota Pool Cost Pool D. DWR Cost Pool E. Jones Power Cost Pool F. O'Neill Cost Pool G. San Luis Drain Cost Pool	A. Clarified allocation, including inclusion of 25% Lower Cost Pool costs being allocated in Mendota Pool Cost Pool B. Added Intertie Variable Cost Pool allocation, variable allocation to Friant Division Contractors dependent on ag contractual allocation, provisions regarding SJRRP Delta recapture flows C. New allocation for water delivered in Mendota Pool D-E. No substantive changes F. Clarified O'Neill Cost Pool allocation (not to Mendota Pool-only deliveries) G. No substantive changes
§ V. Miscellaneous Cost Allocation Provisions	**§ V. Miscellaneous Cost Allocation Provisions**	A. 60% minimum participation in flood flow years deleted per MOA term sheet B. No substantive changes

A. Minimum Participation B. Water Transfers C. Warren Act Contracts	A. Minimum Participation B. Water Transfers C. Other Water	C. References to "Other Water" updated to match Transfer Agreement, minor updates to losses section
§ VI. Reserves [No headings, just text in subsections A-D]	**§ VI. Reserves** A. Reserves B. Emergency Reserves C. Other	VI. Intro paragraph excludes Mendota Pool deliveries from Reserve allocation, unless pursuant to separate agreement A. Updated to clarify calculation/allocation of Reserve costs, updated section to explain treatment of Exchange Contractor transfers in calculation of 10-year rolling average of deliveries, shifting costs beginning WY2026 B. New section re: Emergency Reserves, consistent with Transfer Agreement C. New section confirming SLDMWA's ability to utilize reserve funds to repay costs that utilize long-term financing or debt
§ VII. Rate Component Calculations [No headings, just text in subsections A-C]	**§ VII. Rate Component Calculations / Water Rates** [No headings, just text in subsections A-C]	A. No substantive changes B. New section to explain OM&R Water Rate calculation, composition of cost pool / reserve components C. New section to explain use of "adjusted" rates.
§ VIII. Payment and Reconciliation [No headings, just text in subsections A-H]	**§ VIII. Payment and Reconciliation** [No headings, just text in subsections A-H]	A-B. No substantive changes C. Clarification that if FWA invoiced after 10th of month, a minimum of 5 calendar days to be afforded FWA for payment D. No substantive changes E. Updated timing re: Final Accounting, finality of Final Accounting F-H. No substantive changes

Exhibit C – Reserve Criteria
Exhibit amended to update descriptions and cost thresholds for various Reserve Categories, and to add new categories of Facility Infrastructure Rehabilitation/Replacement and Supervisory Control and Data Acquisition (SCADA). New sections added regarding Emergency Reserves and "Other," indicating ability of Finance & Administration Committee to recommend changes to Reserve Categories or additional Reserve funds.

Exhibit D – Contractor Service (Delivery) Areas
Table updated to include information in SLDMWA 2020 Transfer Agreement, with review by Reclamation.

San Luis & Delta-Mendota Water Authority
P.O. Box 2157
Los Banos, CA 93635
Phone:(209) 826-9696
Fax: (209) 826-9698

Friant Water Authority
854 N. Harvard Ave
Lindsay, CA 93247
Phone: (559) 562-6305

April XX, 2024

VIA EMAIL

Karl Stock, Regional Director
California-Great Basin Regional Office
Federal Office Building
2800 Cottage Way
Sacramento, CA 95825-1898
kstock@usbr.gov

Re: **Commitment to Assist U.S. Bureau of Reclamation in Seeking Additional Funds through Appropriations to Offset Potential Increases in OM&R Costs for Water Deliveries to Refuges**

Dear Regional Director Stock:

This letter memorializes the commitment of the San Luis & Delta-Mendota Water Authority ("SLDMWA") and Friant Water Authority ("FWA") (collectively, the "Agencies") to jointly assist the U.S. Bureau of Reclamation ("Reclamation") in seeking additional funds through appropriations to offset potential increases in costs related to water deliveries to wildlife refuges using the project facilities transferred to SLDMWA.

The Agencies, with the confirmation of Reclamation, have executed a *Second Amended and Restated Memorandum of Understanding Relating to Allocation, Collection and Payment of Operation, Maintenance & Replacement Costs for Water Delivered through Certain Central Valley Project Facilities* ("Second Amended MOU").

The Agencies recognize that the Second Amended MOU includes amendments to the SLDMWA OM&R Cost Recovery Plan, which may result in increased allocations of OM&R Costs to the United States to deliver water to the refuges. The Agencies acknowledge that OM&R Costs allocated to the United States for deliveries to refuges are paid primarily from the CVPIA Restoration Fund.

In recognition of potential increases in OM&R Costs allocated to the United States to deliver water to the refuges, FWA and SLDMWA agree to jointly assist Reclamation in seeking additional

funds through appropriations to offset these potential cost increases by taking such reasonable actions as may be appropriate for the Agencies to undertake.

We request that Reclamation reach out to the executive officers of the Agencies when such funding needs become apparent, to schedule a meeting or meetings where an appropriate course of action can be discussed.

The Agencies' commitment expressed in this letter agreement will be effective on the date of transmission to Reclamation, and will remain in effect unless and until the Agencies agree otherwise.

APPROVED AND AGREED. Friant Water Authority	APPROVED AND AGREED. San Luis & Delta-Mendota Water Authority
_____	_____
Jason Phillips Chief Executive Officer	Federico Barajas Executive Director

cc: Ernest Conant
Rain Emerson

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MEMORANDUM

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

FROM: Scott Petersen, Water Policy Director
Cynthia Meyer, Special Programs Manager

DATE: April 1, 2024

RE: Resolution Adopting an Indirect Cost Rate Policy for Scientific Activities

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BACKGROUND

On January 11, 2024, the Water Authority approved the Science Plan for implementation. The Science Plan, includes a priority task to "[i]ncrease capacity for Water Authority science through multiple avenues, including partnerships and scientific community capacity building." In the interest of developing the most cost effective and efficient contracts with the University of California and other academic institutions, a policy for contract indirect cost rates would maximize the application of available funding. According to the University of California, "Facilities and administrative (F&A) costs are the indirect costs of conducting research, instruction, or other sponsored activities that cannot be easily attributed to a specific sponsored project. When seeking the reimbursement of indirect costs on a sponsored project, the University is recovering for costs already spent to support these activities." Contracts with the University of California use an indirect cost rate for the purpose of the University recovering for its indirect costs. The subject Resolution provides the most efficient approach to establishing the Indirect Cost Rate Policy for Scientific Activities.

ISSUE FOR DECISION

Whether the Finance & Administration Committee should recommend, and the Board of Directors should adopt the proposed resolution establishing an Indirect Cost Rate Policy for Scientific Activities adopted through Resolution No. 2024-____.

RECOMMENDATION

Staff recommends the Finance & Administration Committee recommend, and the Board of Directors adopt the proposed resolution establishing an Indirect Cost Rate Policy for Scientific Activities adopted through Resolution No. 2024-____.

ANALYSIS

Currently, the Water Authority is required to adhere to the Federal Indirect Cost Rate for contracts with the University of California which ranges from 57% to 62% of the Modified Total

Direct Costs. The University of California has informed the Water Authority that if it adopts an Indirect Cost Rate Policy then it could utilize the UC Rate in contracts with the University of California. The UC Rate is an indirect cost recovery rate for projects funded by State of California agencies and typically would provide a more favorable rate for the Water Authority as compared to the Federal Indirect Cost Rate. The UC Rate schedule is set forth in the University of California, Office of the President's Research Analysis and Coordination Guidelines (https://www.ucop.edu/research-policy-analysis-coordination/policies-guidance/indirect-cost-recovery/state-of-california.html). The current indirect cost per the UC Rate schedule projections table established in RPAC Memo 16-1 is 35% (On-Campus) and 25% (Off-Campus) for the period of July 1, 2023 through June 30, 2025. If adopted by the Water Authority Board, the Resolution Adopting an Indirect Cost Rate Policy for Scientific Activities would align the indirect cost rate with the UC Rate as described herein. Without the adoption of the subject resolution, the Water Authority would be required to adhere to the Federal Indirect Cost Rate which ranges from 57% to 62%.

ATTACHMENTS

1. Resolution 2024-____

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2024-___

RESOLUTION ADOPTING AN INDIRECT COST RATE POLICY FOR SCIENTIFIC ACTIVITIES

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

WHEREAS, the adoption of an Indirect Cost Rate Policy for Scientific Activities would allow the Water Authority to utilize the State of California, University of California rate for indirect costs as set forth in the University of California, Office of the President's Research Policy Analysis and Coordination Guidelines ("UC Rate") (https://www.ucop.edu/research-policy-analysis-coordination/policies-guidance/indirect-cost-recovery/state-of-california.html); and

WHEREAS, the current indirect cost rate per the UC Rate schedule projections table established in RPAC Memo 16-1 is 35% (On-Campus) and 25% (Off-Campus) for the period of July 1, 2023 through June 30, 2025.

WHEREAS, the Indirect Cost Rate Policy for Scientific Activities does not require the Water Authority to utilize the UC Rate if it is not the most favorable rate, and the Water Authority may apply other applicable indirect cost rates in the best interest of the Water Authority; and

WHEREAS, the purpose of the Indirect Cost Rate Policy for Scientific Activities is to maximize the application of available funding to increase the scientific knowledge and capacity to provide essential information for the water operations and ecosystem quality of the Water Authority's area; and

WHEREAS, the Board, by adoption of this Resolution, desires to adopt the Indirect Cost Rate Policy for Scientific Activities of the Water Authority.

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

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

Section 2. The Board hereby approves the Indirect Cost Rate Policy for Scientific Activities consistent with the State of California, University of California, as described above.

Section 3. With the consent of the Executive Director, Chief Operating Officer, and General Counsel, updates are hereby authorized to be made to the Indirect Cost Rate Policy for Scientific Activities based on changed requirements of state or federal law without

further action by the Board.

Section 4. The San Luis & Delta-Mendota Water Authority Indirect Cost Rate Policy for Scientific Activities shall become effective immediately and shall remain in effect unless revoked or modified by the Board or updated pursuant to Section 3 above.

PASSED, APPROVED AND ADOPTED this ___ day of April, 2024, by the Board of Directors of the San Luis & Delta-Mendota Water Authority.

_____

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

Attest:

_____

Federico Barajas, Secretary

******

I hereby certify that the foregoing Resolution No. 2024-____ 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 __ day of April, 2024.

_____
Federico Barajas

MEMORANDUM

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

FROM: Scott Petersen, Water Policy Director

DATE: April 1, 2024

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

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Recommendation

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

Support and Amend

- Adopt a position of "Support and Amend" on S. 3830 (Padilla), Low-Income Household Water Assistance Program Establishment Act

Favor

- Adopt a position of "Favor" on AB 2302 (Addis), Open Meeting: local agencies: teleconferences.

Watch and Amend

- Adopt a position of "Watch and Amend" on AB 2060 (Soria), Lake and streambed alteration agreements: exemptions.
- Adopt a position of "Watch and Amend" on SB 1156 (Hurtado), Groundwater Sustainability Agencies: financial disclosures.
- Adopt a position of "Watch and Amend" on SB 1390 (Caballero), Groundwater recharge: floodflows: diversion.

Federal Legislation

S. 3830 (Padilla), Low-Income Household Water Assistance Program Establishment Act

RECOMMENDATION: SUPPORT AND AMEND

OBJECTIVE: Improve Water Infrastructure Affecting Authority Member Agencies

Summary

The bill would authorize the establishment the Low-Income Household Water Assistance Program, administered through the Environmental Protection Agency, which would provide funding to states or Indian tribes to assist low-income households in paying arrearages and other rates associated with the provision on drinking water or wastewater services.

The bill would also provide the opportunity to provide funding for non-profit organizations to assist low-income households with access to the program.

Status

S. 3830 was introduced on February 28, 2024 and has been referred to the Senate Committee on Health, Education, Labor and Pensions.

Importance to the Authority

The COVID-19 pandemic and associated economic challenges caused many low-income households to become in arrears on payments to water utilities, including some Authority member agencies and their customers. This legislation would establish a federal program that is based on the Low Income Household Energy Assistance Program (LIHEAP), providing financial assistance to low-income households to support payment of water and wastewater services.

Suggested Amendments

Suggested amendments would address variances in regional definitions of low-income to better address the totality of impacts to Authority member agencies and expanding the ability of water agencies to directly access the program.

State Legislation

A.B. 2302 (Addis), Open meetings: local agencies: teleconferences.

RECOMMENDATION: FAVOR

OBJECTIVE: Improve Outreach and Education

Summary

This bill would revise existing teleconference meeting participation limits in current law that prohibits virtual participation for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year, instead prohibiting such participation for more than the following number of meetings, as applicable:

1. Two meetings per year, if the legislative body regularly meets once per month or less;
2. Five meetings per year, if the legislative body regularly meets twice per month; or,
3. Seven meetings per year, if the legislative body regularly meets three or more times per month.

For the purposes of counting meetings attended by teleconference, a "meeting" shall be defined as any number of meetings of the legislative body of a local agency that begin on the same calendar day.

Status

A.B. 2302 was introduced on February 12, 2024 and has been referred to the Assembly Committee on Local Government.

Importance to the Authority

When the COVID-19 pandemic began and stay-at-home orders were implemented, many local agencies transitioned to remote participation options for conducting meetings. Through Executive Order N-29-20, Governor Newsom stated that local agencies could still comply with open meeting laws if notice and accessibility requirements are met, members of the public can observe and address the legislative body at the meeting, and that the legislative body provide a procedure for receiving and quickly resolving requests for reasonable accommodation for individuals with disabilities. Governor Newsom's executive order was beneficial to local agencies trying to conform with the Brown Act's public accessibility requirement during the pandemic, and it allowed the public to access and participate in meetings remotely.

Although the order has since expired, AB 361 (Chapter 165, Statutes of 2021) permits local agencies to continue to meet virtually and remotely during a state-declared emergency without being required to have a quorum present and abide by other requirements of teleconference meetings under the Brown Act. Pursuant to AB 361, local legislative bodies were authorized to continue meeting virtually until the end of the state's COVID-19 State of emergency, which was officially lifted on February 28, 2023, and during any future state of emergency until January 1, 2024, and must take a majority vote every 30 days in order to continue allowing members to participate virtually without being required to abide by existing Brown Act requirements.

AB 2449 (Chapter 285, Statutes of 2022) was introduced to plan for the eventual expiration of AB 361. The bill allows, until January 1, 2026, members of a legislative body of a local agency to use teleconferencing without noticing each teleconference location or making it publicly accessible, provided at least a quorum of the members of the body participates in person at a singular physical location. The bill does not require teleconferencing. Rather, it modernizes existing law to ensure greater public participation in meetings of the legislative bodies of local agencies who choose to utilize teleconferencing. Similarly, in acknowledgement of the critical importance of maintaining transparency and accountability, the bill requires that a quorum of the governing body be physically present at a clearly identified meeting location for all public meetings. It also places reasonable limits on the number of times individual governing body members utilize teleconferencing each year, maintaining regular accessibility by their constituents. Specifically, the bill stipulates that the provisions shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.

AB 2302 essentially leaves untouched the frequency by which a legislative body of a local agency can invoke the teleconferencing terms of AB 2449. This bill is advantageous for local agencies, however, in that it would define several meetings held on the same day as "one meeting" for the purposes of determining how many invocations of AB 2449 remain for the legislative body. This ensures that local agencies that split their closed session meetings off from their regular, open session meetings held on the same day won't rapidly burn through their annual allowance of teleconferenced meetings.

AB 2302

The City of Pismo Beach (City) has sponsored AB 2302 to remedy complications it has had with AB 2449's provisions. The City would split their closed session meetings off from their regular, open session meeting held on the same day. Their legal counsel advised that in so doing, when AB 2449's terms were being used, the City would have to invoke AB 2449 twice that day (once for each of those two meetings), therefore burning through two of their allowances. AB 2302 would remedy this situation, as those two meetings held on the same day would only count as "one meeting" towards their allowance, not two.

A.B. 2060 (Soria), Lake and streambed alteration agreements: exemptions.

RECOMMENDATION: WATCH AND AMEND

OBJECTIVE: Core Objective

Summary

Existing law prohibits a person, a state or local governmental agency, or a public utility from substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake, unless prescribed requirements are met, including written notification to the Department of Fish and Wildlife regarding the activity. Existing law requires the department to determine whether the activity may substantially adversely affect an existing fish and wildlife resource and, if so, to provide a draft lake or streambed alteration agreement to the person, agency, or utility. Existing law prescribes various requirements for lake and streambed alteration agreements. Existing law also establishes various exemptions from these provisions, including, until January 1, 2029, the diversion of floodflows for groundwater recharge, as provided.

This bill would indefinitely exempt from these provisions the temporary operation of existing infrastructure or temporary pumps being used to divert flood stage flows, as identified by the California Nevada River Forecast Center or the State Water Resources Control Board, or near-flood stage flows, as defined, to groundwater recharge as long as certain conditions are met.

The bill would also make conforming changes.

Status

A.B. 2060 was introduced on February 1, 2024 and has been scheduled for a hearing in the Assembly Water, Parks and Wildlife Committee on April 9.

Importance to the Authority

The legislation would remove the requirement to apply for a lake or streambed alteration agreement for a person, agency or utility, as long as diversions are near or at flood stage, as defined by the California

Nevada River Forecast Center or the State Water Resources Control Board. The provisions of the bill would expedite the ability of low-impact diversions to occur in or around streams at or near flood stage, but does not provide any language to address potential diversions that could impact CVP operations.

Suggested Amendments

Staff intends to pursue amendments that would protect CVP operations, including the Delta being in excess conditions, no releases from upstream storage to meet water quality standards, and all outflow conditions being met.

S.B. 1156 (Hurtado) – Groundwater Sustainability Agencies: financial disclosures.

RECOMMENDATION: WATCH AND AMEND

OBJECTIVE: Improve Outreach and Education

Existing Law

Existing law, the Sustainable Groundwater Management Act (SGMA), requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources (DWR) to be managed under a groundwater sustainability plan (GSP) or coordinated GSPs, except as specified. Existing law requires a GSP to be developed and implemented for each medium- or high-priority basin by a groundwater sustainability agency (GSA). Existing law authorizes any local agency or combination of local agencies overlying a groundwater basin to decide to become a GSA for that basin, as provided.

Existing provisions of the Political Reform Act of 1974 prohibit a public official from making, participating in making, or attempting to use their official position to influence a governmental decision in which they know or have reason to know that they have a financial interest, as defined. However, existing law permits a public official to make or participate in the making of a governmental decision, even if the public official knows or has reason to know that the official has a financial interest, if the official's participation is legally required for the action or decision to be made. Existing law makes a knowing or willful violation of the Political Reform Act a misdemeanor and subjects offenders to criminal penalties.

Summary

This bill would require members of the executive team, board of directors, and other groundwater management decision makers of GSAs to annually disclose any economic or financial interests pursuant to the Political Reform Act of 1974 that may reasonably be considered to affect their decision-making related to groundwater management. The disclosures shall include, but not be limited to, information on all of the following:

1. Investments, ownership, or financial interests in entities engaged in groundwater related activities or that may be impacted by groundwater related activities;
2. Receipts of gifts, loans, or other economic benefits due to the person's role in groundwater management; and,
3. Other economic or financial interests that may reasonably influence decision making pursuant to the Political Reform Act of 1974.

The bill would require the Fair Political Practices Commission (FPPC) to establish guidelines and procedures for the submission and review of those disclosures. The bill would authorize the FPPC to investigate and take appropriate enforcement actions for violations of the disclosure requirements.

Status

S.B. 1156 was introduced on February 14, 2023, and has been referred to the Senate Committee on Natural Resources and Water.

Importance to the Authority

The requirements of SB 1156 are intended to ensure greater accountability by those in leadership positions of GSAs. Many GSAs already adopt a conflict-of-interest policy, and individuals in positions of leadership must comply with the requirements of the California Political Reform Act and the regulations of the FPPC. The reporting requirements established by SB 1156 would be duplicative for individuals who hold positions on the Board of Directors of a GSA, as they are already required to file Form 700s. Additionally, staff are concerned with the term "groundwater management decision maker," as it is overly broad and may require a large swath of individuals to file with the FPPC. Staff recommend amending the bill to clarify which roles and positions would fall under the definition of "groundwater management decision maker" and insert provisions that would ensure GSA leadership who already files with the FPPC isn't burdened with duplicative reporting requirements.

SB 1156

According to the author's fact sheet, current law lacks appropriate transparency measures related to GSAs, which can exacerbate the risk of economic interests influencing decision-making processes. To address these deficiencies, SB 1156 creates policies and procedures promoting transparency, preventing conflicts of interest, and ensuring accountability within GSAs. As introduced, the bill would require members of the executive team, board of directors, and other groundwater management decision makers of GSAs to annually disclose any economic or financial interests as required by the Political Reform Act, that may reasonable be considered to affect their decision-making related to groundwater management.

Duplicative reporting?

Every elected official and public employee who makes or influences governmental decisions, including the Board of Directors of a GSA, is required to submit a Statement of Economic Interest (Form 700). In theory, the "executive committee" is part of the Board and already files as well. Establishing new financial disclosure reporting requirements for groundwater management decision makers of GSAs will require some individuals to submit another statement of economic interests in addition to the statements they are already required to disclose for the agency(s) they're employed by.

According to the FPPC, in the event someone holds two additional board positions in addition to a position with the county, for example, three statements of economic interests must be filed. However, an expanded statement may be completed, which shall disclose all reportable economic interests in all three jurisdictions on the expanded statement. The expanded statement shall be filed with all three agencies, as required by Regulation 18723.1(c). It appears that the requirement to submit an additional statement of economic interests wouldn't be an onerous effort.

Other Groundwater Management Decision Makers

The term "other groundwater management decision makers" in SB 1156 is very broad and could expand the list of individuals that would be required to file Form 700s. This definition could encompass a large variety of individuals that work for or consult with GSAs, including individuals appointed to standing committees, subcommittees, or ad hoc committees. The term "other groundwater management decision

makers" should be more clearly defined to ensure GSAs are well informed on which individuals are required to disclose any economic or financial interests.

S.B. 1390 (Caballero) – Open meetings: local agencies: teleconferences.

RECOMMENDATION: WATCH AND AMEND

OBJECTIVE: Core Objective

Summary

Existing law declares that all water within the state is the property of the people of the state, but the right to the use of the water may be acquired by appropriation in the manner provided by law. Existing law requires the appropriation to be for some useful or beneficial purpose. Existing law provides, however, that the diversion of floodflows for groundwater recharge does not require an appropriative water right if certain conditions are met, including that a local or regional agency has adopted a local plan of flood control or has considered flood risks part of its most recently adopted general plan. Existing law also requires the person or entity making the diversion to file with the State Water Resources Control Board a final report after the diversions cease, as provided. These requirements apply to diversions commenced before January 1, 2029.

This bill would extend the operation of these requirements to diversions commenced before January 1, 2034. The bill would revise, recast, and expand the conditions that are required to be met to include a requirement that a local or regional agency make a declaration that its proposed diversion is in accordance with one of certain enumerated plans relating to flood control or flood risk, as specified, or a county emergency operations plan. The bill would also require the final report to contain information, if applicable, describing the forecasting models used to determine a likely imminent escape of surface water and a description of the methodology used to determine the abatement of flood conditions.

Status

S.B. 1390 was introduced on February 16, 2024, and has been referred to the Senate Committee on Natural Resources and Water.

Importance to the Authority

The legislation would amend the requirement for a permit for diversion of flood flows from the State Water Resources Control Board for a person, agency or utility, as long as diversions are near or at flood stage, as defined by the California Nevada River Forecast Center or the State Water Resources Control Board. The provisions of the bill would expedite the ability of diversions to groundwater recharge to occur in or around streams at or near flood stage, but does not provide any language to address potential diversions that could impact CVP operations.

Suggested Amendments

Staff intends to pursue amendments that would protect CVP operations, including the Delta being in excess conditions without conditions, and clarifying amendments associated with protection of the existing water rights holders.

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 7, dated December 7, 2023, the Board adopted the Fiscal Year 2025 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

118TH CONGRESS
2D SESSION

S. 3830

To authorize the Low-Income Household Water Assistance Program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 28, 2024

Mr. PADILLA introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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A BILL

To authorize the Low-Income Household Water Assistance Program, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Low-Income Household Water Assistance Program Establishment Act''.

SEC. 2. LOW-INCOME HOUSEHOLD WATER ASSISTANCE PROGRAM.

(a) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Environmental Protection Agency.

(2) HOUSEHOLD.—The term ''household'' means any individual or group of individuals who are living together as 1 economic unit.

(3) LOW-INCOME HOUSEHOLD.—The term ''low-income household'' means a household—

(A) in which 1 or more individuals are receiving—

(i) assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(ii) supplemental security income payments under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

(iii) supplemental nutrition assistance program benefits under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.);

(iv) payments under—

(I) section 1315, 1521, 1541, or 1542 of title 38, United States Code; or

(II) section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978 (38 U.S.C. 1521 note; Public Law 95–588); or

(v) assistance under the Low-Income Home Energy Assistance Act of 1981; or

(B) that has a household income that, as determined by the State or Indian tribe, does not exceed the greater of—

(i) an amount equal to 150 percent of the poverty level;

(ii) an amount equal to 60 percent of the State median income for that State or the State in which the Indian tribe is primarily located; or

(iii) an amount equal to 60 percent of the area median income for the area in which the household is located.

(4) POVERTY LEVEL.—The term ''poverty level'' means the poverty line determined pursuant to section 673 of the Community Services Block Grant Act (42 U.S.C. 9902).

(5) PUBLIC WATER SYSTEM.—The term ''public water system'' has the meaning given the term in

section 1401 of the Safe Drinking Water Act (42 U.S.C. 300f).

(6) QUALIFIED NONPROFIT ORGANIZATION.—The term ''qualified nonprofit organization'' includes a nonprofit organization described in section 680(a)(3)(B) of the Community Services Block Grant Act (42 U.S.C. 9921(a)(3)(B)).

(7) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(8) STATE.—The term ''State'' means any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(9) TREATMENT WORKS.—The term ''treatment works'' has the meaning given the term in section 212 of the Federal Water Pollution Control Act (33 U.S.C. 1292).

(b) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary, in consultation with the Administrator, shall establish the Low-Income Household Water Assistance Program to award grants, in accordance with paragraph (3), to eligible entities described in paragraph (2) to provide funds to owners and operators of public water sys-

tems or treatment works to assist low-income households in paying arrearages and other rates charged to such households for drinking water or wastewater services.

(2) ELIGIBLE ENTITIES.—An eligible entity described in this paragraph is a State, or Indian tribe, that is eligible to receive or previously received a grant under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

(3) FORMULA.—In awarding grants under this subsection to eligible entities, the Secretary shall—

(A) allot amounts made available for grants under this subsection to an eligible entity that is a State or Indian tribe based on—

(i) the percentage of households in the State, or under the jurisdiction of the Indian tribe, with income equal to or less than 150 percent of the poverty level; or

(ii) the percentage of households in the State, or under the jurisdiction of the Indian tribe, that spend more than 30 percent of monthly income on housing; and

(B) reserve up to 3 percent of amounts made available for grants under this subsection to eligible entities that are Indian tribes.

(c) RURAL, UNDERSERVED, AND INDIAN TRIBE ACCESS GRANTS.—The Secretary shall provide grants to qualified nonprofit organizations to assist owners or operators of public water systems or treatment works, in rural or underserved areas or in the jurisdiction of an Indian tribe, in accessing funds through the Low-Income Household Water Assistance Program.

(d) APPLICATIONS.—Each eligible entity seeking a grant under subsection (b) shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary shall require.

(e) LIMITATIONS.—A recipient of a grant under subsection (b) or (c)—

(1) shall not use the funds from the grant to supplant any other funds for any program that assists low-income households in maintaining access to affordable drinking water or wastewater services; and

(2) may use the funds from the grant to supplement or otherwise enhance any such program that satisfies the requirements under this section.

(f) TECHNICAL ASSISTANCE FOR ELIGIBILITY REQUIREMENTS.—The Secretary shall provide technical assistance to eligible entities receiving a grant under subsection (b) for such eligible entities to establish data shar-

ing agreements to streamline categorical eligibility requirements for low-income households.

(g) TRANSFER TO THE ENVIRONMENTAL PROTECTION AGENCY.—

(1) IN GENERAL.—On the date on which the final report described in section 50109(d) of the Infrastructure Investment and Jobs Act (42 U.S.C. 300j–19a note; Public Law 117–58; 135 Stat. 1148) is submitted to Congress under such section, the Secretary, in coordination with the Administrator, shall transfer the Low-Income Household Water Assistance Program established under this section to the Environmental Protection Agency for administration of such program by the Administrator in accordance with this section.

(2) ADMINISTRATION.—

(A) IN GENERAL.—Beginning on the date described in paragraph (1)—

(i) the Administrator shall carry out all functions of the Secretary under this section; and

(ii) for purposes of administering the program established under this section, each reference in subsections (b)(3), (c),

(d), and (f) to the Secretary shall be deemed a reference to the Administrator.

(B) GRANTS PREVIOUSLY AWARDED.—Notwithstanding paragraph (1) and subparagraph (A), the Secretary shall continue, after the transfer under paragraph (1), administering each grant awarded under this section prior to such transfer until the expiration of the term of such grant.

(3) UNOBLIGATED BALANCES.—On the date described in paragraph (1) and subject to section 1531 of title 31, United States Code, the Secretary shall initiate transfer of all unobligated balances of appropriations, authorizations, allocations, or other funds available to the Low-Income Household Water Assistance Program established under this section (except for any such balances related to grants awarded prior to the transfer under paragraph (1)) to the Administrator. The amounts of any such unobligated balances so transferred shall be used only for the purposes for which the amounts were originally authorized and appropriated.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

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ASSEMBLY BILL No. 2302

Introduced by Assembly Member Addis
(Coauthor: Senator Laird)

February 12, 2024

An act to amend Section 54953 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2302, as introduced, Addis. Open meetings: local agencies: teleconferences.

Existing law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body, as defined, of a local agency be open and public and that all persons be permitted to attend and participate. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Existing law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined.

Existing law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in specified circumstances if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda that is open

to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction, and the legislative body complies with prescribed requirements. Existing law imposes prescribed restrictions on remote participation by a member under these alternative teleconferencing provisions, including establishing limits on the number of meetings a member may participate in solely by teleconference from a remote location, prohibiting such participation for a period of more than 3 consecutive months or 20% of the regular meetings for the local agency within a calendar year, or more than 2 meetings if the legislative body regularly meets fewer than 10 times per calendar year.

This bill would revise those limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets. The bill, for the purpose of counting meetings attended by teleconference, would define a "meeting" as any number of meetings of the legislative body of a local agency that begin on the same calendar day.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

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

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

SECTION 1. Section 54953 of the Government Code, as amended by Section 1 of Chapter 534 of the Statutes of 2023, is amended to read:

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all

otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e).

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect

the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in either of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(B) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (A), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option.

(B) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(C) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(D) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(E) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (D), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (D), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (D), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 45 days after teleconferencing for the first time pursuant to subparagraph (A) or (B) of paragraph (1), and every 45 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(4) This subdivision shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(f) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(i) A two-way audiovisual platform.

(ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member’s relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) *(A)* The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for ~~a period of more than three consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, or more than two meetings if the legislative body regularly meets fewer than 10 times per calendar year.~~ *more than the following number of meetings, as applicable:*

(i) Two meetings per year, if the legislative body regularly meets once per month or less.

(ii) Five meetings per year, if the legislative body regularly meets twice per month.

(iii) Seven meetings per year, if the legislative body regularly meets three or more times per month.

(B) For the purpose of counting meetings attended by teleconference under this paragraph, a "meeting" shall be defined as any number of meetings of the legislative body of a local agency that begin on the same calendar day.

(g) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(h) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(i) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(j) For the purposes of this section, the following definitions shall apply:

(1) "Emergency circumstances" means a physical or family medical emergency that prevents a member from attending in person.

(2) "Just cause" means any of the following:

(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. "Child," "parent," "grandparent," "grandchild," and "sibling" have the same meaning as those terms do in Section 12945.2.

(B) A contagious illness that prevents a member from attending in person.

(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (g).

(D) Travel while on official business of the legislative body or another state or local agency.

(3) "Remote location" means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (f), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(4) "Remote participation" means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.

(5) "State of emergency" means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(6) "Teleconference" means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(7) "Two-way audiovisual platform" means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.

(8) "Two-way telephonic service" means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.

(9) "Webcasting" means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

(k) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

SEC. 2. The Legislature finds and declares that Section 1 of this act, which amends Section 54953 of the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

This act is necessary to ensure minimum standards for remote participation by a member of a legislative body in teleconference meetings.

O

ASSEMBLY BILL No. 2060

Introduced by Assembly Member Soria
(Coauthor: Assembly Member Alanis)

February 1, 2024

An act to amend Section 1610 of the Fish and Game Code, relating to fish and wildlife.

LEGISLATIVE COUNSEL'S DIGEST

AB 2060, as introduced, Soria. Lake and streambed alteration agreements: exemptions.

Existing law prohibits a person, a state or local governmental agency, or a public utility from substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or depositing or disposing of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake, unless prescribed requirements are met, including written notification to the Department of Fish and Wildlife regarding the activity. Existing law requires the department to determine whether the activity may substantially adversely affect an existing fish and wildlife resource and, if so, to provide a draft lake or streambed alteration agreement to the person, agency, or utility. Existing law prescribes various requirements for lake and streambed alteration agreements. Existing law also establishes various exemptions from these provisions, including, until January 1, 2029, the diversion of floodflows for groundwater recharge, as provided.

This bill would indefinitely exempt from these provisions the temporary operation of existing infrastructure or temporary pumps being

used to divert flood stage flows, as identified by the California Nevada River Forecast Center or the State Water Resources Control Board, or near-flood stage flows, as defined, to groundwater recharge as long as certain conditions are met.

The bill would also make conforming changes.

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

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

SECTION 1. Section 1610 of the Fish and Game Code is amended to read:

1610. (a) Except as provided in subdivision (b), this chapter does not apply to any of the following:

(1) Immediate emergency work necessary to protect life or property.

(2) Immediate emergency repairs to public service facilities necessary to maintain service as a result of a disaster in an area in which a state of emergency has been proclaimed by the Governor pursuant to Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code.

(3) Emergency projects undertaken, carried out, or approved by a state or local governmental agency to maintain, repair, or restore an existing highway, as defined in Section 360 of the Vehicle Code, within the existing right-of-way of the highway, that has been damaged as a result of fire, flood, storm, earthquake, land subsidence, gradual earth movement, or landslide, within one year of the damage. Work needed in the vicinity above and below a highway may be conducted outside of the existing right-of-way if it is needed to stop ongoing or recurring mudslides, landslides, or erosion that pose an immediate threat to the highway, or to restore those roadways damaged by mudslides, landslides, or erosion to their predamage condition and functionality. This paragraph does not exempt from this chapter any project undertaken, carried out, or approved by a state or local governmental agency to expand or widen a highway damaged by fire, flood, storm, earthquake, land subsidence, gradual earth movement, or landslide. The exception provided in this paragraph does not apply to a highway designated as an official state scenic

highway pursuant to Section 262 of the Streets and Highways Code.

(4) The temporary operation of existing infrastructure or temporary pumps being used to divert flood stage flows, as identified by the California Nevada River Forecast Center or the State Water Resources Control Board, or near-flood stage flows, which are defined to mean that flood stage flows are forecast within 10 days, to groundwater recharge as long as all of the following conditions are met:

(A) The diversions cease when the flows are no longer flood stage, near-flood stage, or within the State Water Resources Control Board permitted flows.

(B) Diverted water is not diverted or applied to any of the following:

(i) Dairy land application areas.

(ii) Any agricultural field where pesticide or fertilizer application has occurred in the last 30 days.

(iii) Any area that could cause damage to critical levees, infrastructure, wastewater and water systems, drinking water wells or drinking water supplies, or exacerbate the threat of flood and other health and safety concerns.

(iv) Any area that has not been in active irrigated agricultural cultivation within the past three years, including grazing lands, annual grasslands, and natural habitats. This limitation does not apply to facilities already constructed for the purpose of groundwater recharge or managed wetlands.

(C) The diversion utilizes all of the following:

(i) Existing diversion infrastructure or temporary pumps.

(ii) Existing groundwater recharge locations, where available.

(iii) No new permanent infrastructure or permanent construction.

(iv) Simple screens installed on pump intakes to minimize the impact of diversion to salmon and other aquatic life.

(D) Applicable fees are paid, pursuant to Section 1609.

(E) The temporary diversion is permitted by the State Water Resources Control Board under a temporary water rights permit.

(b) The entity performing the emergency work *or other necessary work* described in subdivision (a) shall notify the department of the work, in writing, within 14 days of beginning the work. Any work described in the ~~emergency~~ notification that

does not meet the criteria for the emergency work *or other necessary work* described in subdivision (a) is a violation of this chapter if the entity did not first notify the department in accordance with Section 1602 or 1611.

(c) This chapter does not apply to activities undertaken pursuant to Section 1242.1 of the Water Code.

O

SENATE BILL **No. 1156**

Introduced by Senator Hurtado

February 14, 2024

An act to add Section 10724.1 to the Water Code, relating to groundwater.

LEGISLATIVE COUNSEL'S DIGEST

SB 1156, as introduced, Hurtado. Groundwater sustainability agencies: financial disclosures.

Existing law, the Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, except as specified. Existing law requires a groundwater sustainability plan to be developed and implemented for each medium- or high-priority basin by a groundwater sustainability agency. Existing law authorizes any local agency or combination of local agencies overlying a groundwater basin to decide to become a groundwater sustainability agency for that basin, as provided.

Existing provisions of the Political Reform Act of 1974 prohibit a public official from making, participating in making, or attempting to use their official position to influence a governmental decision in which they know or have reason to know that they have a financial interest, as defined. However, existing law permits a public official to make or participate in the making of a governmental decision, even if the public official knows or has reason to know that the official has a financial interest, if the official's participation is legally required for the action or decision to be made. Existing law makes a knowing or willful violation of the act a misdemeanor and subjects offenders to criminal penalties.

This bill would require members of the executive team, board of directors, and other groundwater management decision makers of groundwater sustainability agencies to annually disclose any economic or financial interests pursuant to the Political Reform Act of 1974 that may reasonably be considered to affect their decision-making related to groundwater management, as provided. Because it would expand the scope of a crime, this bill would impose a state-mandated local program. The bill would require the Fair Political Practices Commission to establish guidelines and procedures for the submission and review of those disclosures. The bill would authorize the commission to investigate and take appropriate enforcement actions for violations of the disclosure requirements.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

SECTION 1. The Legislature finds and declares it is essential to establish mechanisms that promote transparency, prevent conflicts of interest, and ensure accountability within groundwater sustainability agencies to safeguard the sustainable management of groundwater resources.

SEC. 2. Section 10724.1 is added to the Water Code, to read:

10724.1. (a) (1) Members of the executive team, the board of directors, and other groundwater management decision makers of groundwater sustainability agencies shall annually disclose any economic or financial interests as required pursuant to Article 2 (commencing with Section 87200) of Chapter 7 of Title 9 of the Government Code that may reasonably be considered to affect their decision-making related to groundwater management.

(2) The disclosures shall be submitted to the Fair Political Practices Commission in a format specified by the commission.

(b) The disclosure shall include, but not be limited to, information on all of the following:

(1) Investments, ownership, or financial interests in entities engaged in groundwater related activities or that may be impacted by groundwater related activities.

(2) Receipts of gifts, loans, or other economic benefits due to the person's role in groundwater management.

(3) Other economic or financial interests that may reasonably influence decision-making pursuant to Article 1 (commencing with Section 87100) of, and Article 2 (commencing with Section 87200) of, Chapter 7 of Title 9 of the Government Code.

(c) (1) The Fair Political Practices Commission shall establish guidelines and procedures for the submission and review of disclosures required pursuant to this section.

(2) The commission may investigate and take appropriate enforcement actions for violations of the disclosure requirements.

(d) Failure to comply with the disclosure requirements pursuant to this section may result in penalties pursuant to Chapter 11 (commencing with Section 91000) of Title 9 of the Government Code.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

O

SENATE BILL No. 1390

Introduced by Senator Caballero
(Coauthor: Assembly Member Soria)

February 16, 2024

An act to amend Section 1242.1 of the Water Code, relating to groundwater.

LEGISLATIVE COUNSEL'S DIGEST

SB 1390, as introduced, Caballero. Groundwater recharge: floodflows: diversion.

Existing law declares that all water within the state is the property of the people of the state, but the right to the use of the water may be acquired by appropriation in the manner provided by law. Existing law requires the appropriation to be for some useful or beneficial purpose. Existing law provides, however, that the diversion of floodflows for groundwater recharge does not require an appropriative water right if certain conditions are met, including that a local or regional agency has adopted a local plan of flood control or has considered flood risks part of its most recently adopted general plan. Existing law also requires the person or entity making the diversion to file with the State Water Resources Control Board a final report after the diversions cease, as provided. These requirements apply to diversions commenced before January 1, 2029.

This bill would extend the operation of these requirements to diversions commenced before January 1, 2034. The bill would revise, recast, and expand the conditions that are required to be met to include a requirement that a local or regional agency make a declaration that its proposed diversion is in accordance with one of certain enumerated plans relating to flood control or flood risk, as specified, or a county emergency operations plan. The bill would also require the final report

to contain information, if applicable, describing the forecasting models used to determine a likely imminent escape of surface water and a description of the methodology used to determine the abatement of flood conditions.

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

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

SECTION 1. Section 1242.1 of the Water Code is amended to read:

1242.1. The diversion of floodflows for groundwater recharge shall not require an appropriative water right if all of the following conditions are met:

~~(a) (1) A local or regional agency that has adopted a local plan of flood control pursuant to Section 8201 or has considered flood risk as part of its most recently adopted general plan has given notice via its internet website, electronic distribution list, emergency notification service, or another means of public notice, that flows downstream of the point of diversion are at imminent risk of flooding and inundation of land, roads, or structures.~~

(a) (1) A local or regional agency has taken the following actions:

(A) Made a declaration that its proposed diversion is in accordance with one of the following:

(i) An adopted local plan of flood control pursuant to Section 8201.

(ii) An applicable general plan that considers flood risk.

(iii) A county emergency operations plan.

(iv) A publicly available regional flood plan certified by the department.

(B) Has given notice via its internet website, electronic distribution list, emergency notification service, or another means of public notice, that flows downstream of the point of diversion are at imminent risk of flooding and inundation of land, roads, or structures.

(2) As used in this section, "floodflow" means any of the following:

(A) Where a waterbody is subject to a defined flood stage, flows in excess of flood stage where actions are necessary to avoid threats to human health and safety.

(B) (i) Except as provided in clause (ii), where a waterbody is not subject to a defined flood stage, surface water escaped from or is likely to imminently escape from a channel or waterbody causing or threatening to cause inundation of residential or commercial structures, or roads needed for emergency response. Likely imminent escape from a channel or waterbody shall be demonstrated by measured *or projected* flows in excess of the maximum design capacity of a flood control project, where such a project is present and the maximum design capacity is readily available information.

(ii) This subparagraph does not apply to flows that inundate wetlands, working lands, or floodplains, events that constitute a "design flood," groundwater seepage, or waters confined to a "designated floodway."

(C) Where flows would inundate *or are projected to inundate* ordinarily dry areas in the bed of a terminal lake to a depth that floods dairies and other ongoing agricultural activities, or areas with substantial residential, commercial, or industrial development.

(3) As used in this subdivision, "imminent" means a high degree of confidence that a condition will begin ~~in the immediate~~ *or is projected to begin in the near* future.

(b) The diversions cease when the flood conditions described in the public notice provided pursuant to subdivision (a) have abated to the point there is no longer a risk of flooding and inundation of land, roads, or structures downstream of the point of ~~diversion.~~ *diversions, as determined by the local or regional agency making the diversion.*

(c) Any water diverted is not diverted to, and will not be applied to, any of the following:

(1) Any barns, ponds, or lands where manure or waste from an animal facility that generates waste from the feeding and housing of animals for more than 45 days per year in a confined area that is not vegetated are applied.

(2) Any agricultural field that has been identified as an outlier with respect to nitrogen application by any of the following:

(A) The board.

(B) The appropriate regional board.

(C) An agricultural coalition charged with implementation of the Irrigated Lands Regulatory Program.

(3) Any area that could cause damage to critical levees, infrastructure, wastewater and drinking water systems, drinking water wells or drinking water supplies, or exacerbate the threat of flood and other health and safety concerns.

(4) Any area that has not been in active irrigated agricultural cultivation within the past three years, including grazing lands, annual grasslands, and natural habitats. This limitation does not apply to facilities already constructed for the purpose of groundwater recharge or managed wetlands.

(d) With respect to diversions from water tributaries to the Sacramento-San Joaquin Delta (Delta), water rights holders are not making releases of stored water or reoperating facilities to provide flow for the purposes of meeting water quality control plan or endangered species requirements in the Delta at the time of the diversion.

(e) The diversion of floodflows for groundwater recharge uses the following as part of the diversion:

(1) Either existing diversion infrastructure or temporary pumps.

(2) Existing groundwater recharge locations, where available.

(3) No new permanent infrastructure or permanent construction.

(4) For diversions directly from rivers or streams, protective screens on temporary pump intakes to minimize the impacts of diversion to fish and other aquatic life. ~~Such~~ *Those* screens shall be constructed of any rigid material, perforated, woven, or slotted, that provides water passage while physically excluding fish. The screen face shall be parallel to the flow and adjacent to the water's edge. The upstream and downstream transitions to the screen structure shall be designed and constructed to minimize eddies upstream of, in front of, and downstream of the screen, while minimizing entrainment to the degree feasible. Prior to implementing this paragraph, the Department of Fish and Wildlife shall conduct at least one public workshop to review recommended design parameters and ranges of scenarios for deployment and use of protective screens. These recommendations and any other guidelines provided by the Department of Fish and Wildlife on the implementation of this paragraph shall not be subject to the Administrative Procedure Act (Chapter 3.5 (commencing with

Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(f) The person or entity making the diversion for groundwater recharge does not claim any water right based on that diversion and recharge.

(g) (1) The person or entity making the diversion for groundwater recharge files all of the following with the board and with any applicable groundwater sustainability agency, as defined in Section 10721, for the basin:

(A) A notice that provides the information specified in ~~Subparagraphs (A) through~~ *subparagraphs (A) to* (C), inclusive, of paragraph (2), 48 hours before whenever feasible, and in no event later than 48 hours after initially commencing diversion of floodflows for groundwater recharge.

(B) A preliminary report no later than 14 days after initially commencing diversion of floodflows for groundwater recharge.

(C) A final report no later than 15 days after diversions cease. *The final report shall contain information, if applicable, describing the forecasting models used to determine a likely imminent escape of surface water pursuant to subdivision (a). The final report shall also include a description of the methodology used to determine the abatement of flood conditions.*

(2) The preliminary and final reports shall do all of the following:

(A) Identify the person or entity making the diversion for groundwater recharge.

(B) Provide the Global Positioning System (GPS) coordinates for the point of diversion, a map identifying the approximate area inundated by the floodflows, and the corresponding assessor parcel numbers.

(C) Identify the time when diversions of floodflows to groundwater recharge commenced, and, for final reports, when diversions ceased.

(D) Provide an estimate, as of the report's date, of the amount of floodflows diverted for groundwater recharge.

(h) This section shall only apply to diversions commenced before January 1, ~~2029.~~ *2034.*

O

San Luis & Delta-Mendota Water Authority
Monday, April 1, 2024 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
(List of Member/Alternate Telephonic Locations Attached)

Join Zoom Meeting
https://us02web.zoom.us/j/85330463231?pwd=OTJXM2tTTEtLK1hmNDc3TDhjY2d0Zz09

Meeting ID: 853 3046 3231
Passcode: 781057

One tap mobile
+16699006833,,85330463231#,,,,*781057# US (San Jose)
+16694449171,,85330463231#,,,,*781057# US

Dial by your location
• +1 669 900 6833 US (San Jose)
• +1 669 444 9171 US

Find your local number: https://us02web.zoom.us/u/kdRtJM0Bdt

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 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. **Approval of the March 4, 2024 Meeting Minutes**

5. **Recommendation to Board of Directors to Adopt Staff Recommendation for Positions on Legislation**, Petersen
   A. S. 3830 (Padilla), Low-Income Household Water Assistance Program Establishment Act
   B. AB 2302 (Addis), Open Meeting: local agencies: teleconferences.
   C. AB 2060 (Soria), Lake and Streambed alteration agreements: exemptions.
   D. SB 1156 (Hurtado), Groundwater Sustainability Agencies: financial disclosures.
   E. SB 1390 (Caballero), Groundwater recharge: floodflows: diversion.

REPORT ITEMS

6. Executive Director's Report, Barajas
   A. Update Regarding Planned Amendments to Friant-SLDMWA MOU and Exhibits
   B. 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

7. Update on Water Policy/Resources Activities, Petersen
(May include reports on federal, state, and local agency regulatory, legislative, and administrative water policy/resources activities)

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 – 3 potential cases

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant Exposure to Litigation Pursuant to Paragraph (2) or (3) of Subdivision (d) of Government Code Section 54956.9 – 3 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. Stock, 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. 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)
E. 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)
F. 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)
G. 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)
H. 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)
I. 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)
J. 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)
K. Walsh v. Martin, et al., E.D. Cal., Case No. 1:23-CV-01774 (employment action)

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/.

WATER RESOURCES COMMITTEE TELEPHONIC LOCATIONS
APRIL 1, 2024

1025 Deerhaven Dr.
Vista, CA 92084

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
WATER RESOURCES COMMITTEE REGULAR MEETING AND JOINT WATER RESOURCES COMMITTEE REGULAR MEETING - SPECIAL BOARD WORKSHOP MINUTES
MARCH 4, 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
William Bourdeau

Division 1
Anthea Hansen, Alternate

Division 2
Absent

Division 3
Chris White, Member

Division 4
Vince Gin, Member - Steve Wittry, Alternate

Division 5
Kirk Teixeira, Member

Board of Directors Present

Division 1
Anthea Hansen, Director
Lea Emmons, Alternate (via ZOOM)

Division 2
Justin Diener, Alternate

Division 3
Chris White, Alternate
Jarrett Martin, Director

Division 4
Steve Wittry, Director
Megan Holland, Alternate

Division 5
Kirk Teixeira, Alternate

Authority Representatives Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer
Rebecca Akroyd, General Counsel (via ZOOM)
Rebecca Harms, Deputy General Counsel
Scott Petersen, Water Policy Director
Ray Tarka, Director of Finance
Stewart Davis, IT Officer

Others Present

Dana Jacobson, Valley Water
Tom Boardman, Westlands Water District (via ZOOM)

1. Call to Order/Roll Call

Committee 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 February 5, 2024 Meeting Minutes.

Chair William Bourdeau deemed the February 5, 2024 meeting minutes approved as submitted.

5. Executive Director's Report.

a. **SLDMWA/Friant MOU Update** - Executive Director Federico Barajas reported the Authority will bring the proposed Second Amended and Restated MOU to the Finance & Administration Committee and Board of Directors next month.

b. **O'Neill Pumping Plant (OPP) Outage** – Executive Director Federico Barajas provided a brief update, and then introduced Chief Operating Officer Pablo Arroyave to provide an additional update. Arroyave reported that after discussion with the Reclamation's Front Office and CVO, staff will wait until March 20 before making any final decisions regarding the OPP Outage. Arroyave reported that all three transformers are in "poor" condition and if the outage is rescheduled, it will need to

take place within the year to prevent any further repercussions, which will give the Authority 10-15 years before full replacements will need to be done.

c. **Reclamation Negotiations** - Executive Director Federico Barajas stated that the Authority is in negotiations with Reclamation regarding the B.F. Sisk Dam Raise and Reservoir Expansion Project, and the Jones Pumping Plant Excitation Project.

6. Update on Water Policy/Resources Activities.

Water Policy Director Scott Petersen provided a brief summary of the report included in the packet. Petersen provided updates regarding the Reinitiation of Consultation on Long-Term Operations of the CVP and SWP, Voluntary Agreements, Delta Conveyance Project, BOR Manual updates, the Water Quality Control Plan update, the San Joaquin Valley Blueprint, and the San Joaquin Valley Collaborative Action Program. Petersen reported that Pat O'Toole, long-time president of the Family Farm Alliance, passed away February 25, and they are now succession planning. Petersen answered Committee questions throughout the presentation.

7. Update on Water Operations and Forecasts.

Westlands Water District's Tom Boardman reported that Shasta storage is trending close to Reclamation's median forecast which shows Shasta refilling to 4.2 MAF by late May. Recent precipitation was noted along with the snowpack status for the Trinity and Shasta basins. Boardman also discussed the status of Folsom's watershed, storage management operations.

Delta operations were reported, including the status of export pumping and controlling factors. Boardman also mentioned near-term export operations and likely export constraints that will go into effect beginning April 1.

San Luis reservoir storage was noted, including refill projections during March.

Boardman answered Committee questions throughout the presentation.

8. Committee Member Reports.

No reports.

5. Closed Session

Committee Chair William Bourdeau adjourned the open session to address the items listed

on the Closed Session Agenda at approximately 10:51 a.m. Upon return to open session at approximately 11:50 a.m., Chair William Bourdeau reported that no reportable actions were taken in closed session.

9. **Agenda Item 13: Reports Pursuant to Government Code Section 54954.2**
No reports.

10. **Agenda Item 14: Adjournment**
The meeting was adjourned at approximately 11:51 a.m.

MEMORANDUM

TO: SLDMWA Water Resources Committee Members and Alternates

FROM: Scott Petersen, Water Policy Director

DATE: April 1, 2024

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 sheet[1] attached that included a non-exclusive list of agency actions that heads of the relevant agencies will review in accordance with the Executive Order. Importantly, the NOAA Fisheries and U.S. Fish and Wildlife Service Biological Opinions on the Long-Term Operation of the Central Valley Project and State Water Project were both included in the list of agency actions for review.

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 Project[2]. 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 Report[3] by Reclamation in June 2022.

On October 14, 2022, Reclamation released an Initial Alternatives Report (IAR).

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 provided feedback to Reclamation, in coordination with member agencies and other CVP contractors.

On June 30, 2023, Reclamation released a draft Qualitative Biological Assessment for review by agencies that have executed an MOU with Reclamation on engagement, though Reclamation is not accepting formal comments. Note that this release does not initiate formal ESA consultation and is being provided to assist the fishery agencies in setting up their documents and resources for the formal consultation, which we expect to begin in late September/early October.

On July 21, 2023, Reclamation released an Administrative Draft Terrestrial Biological Assessment for review by agencies that have an MOU with Reclamation on engagement, though Reclamation is not accepting formal comments. Note that this release does not initiate formal ESA consultation and is being provided to assist the fishery agencies in setting up their documents and resources for the formal consultation, which we expect to begin in late September/early October.

On September 15, Reclamation released a Draft Environmental Impact Statement for 30-day NEPA Cooperating Agency review. The SLDMWA coordinated review of the document with member agencies

[3] https://www.usbr.gov/mp/bdo/docs/lto-scoping-report-2022.pdf

and technical consultants and submitted both high-level and technical comments on the document[4] on October 16.

On October 10, Reclamation transmitted an Aquatic species Quantitative Biological Assessment, and on October 18, Reclamation transmitted a Terrestrial Species Quantitative Biological Assessment to the Services and to consulting agencies pursuant to the WIIN Act.

Current Milestones

- April 2024 – 2nd Cooperating Agency Draft EIS (2 week comment period)
- May-June 2024: Draft Biological Assessment/Biological Opinion
- Summer 2024 – Public Draft EIS
    - The public draft EIS will be the avenue for comments to Reclamation
    - Cooperating agencies will receive an administrative draft of the EIS
    - Anticipate a 45-day public comment period
- Fall 2024 – Final Biological Opinion
- Winter 2024 – Final EIS
- Winter 2024 – Record of Decision

Note: There are also Endangered Species Act consultations on the Trinity River and Klamath River that may have overlap/interactions with the consultation for the CVP/SWP. Timelines on the other consultations are unclear, but both are lagging the CVP/SWP consultation at this point in time.

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.[5] 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.

[4] Request from Authority staff.

[5] Available at https://water.ca.gov/-/media/DWR-Website/Web-Pages/Blogs/Voluntary-Settlement-Agreement-Meeting-Materials-Dec-12-2018-DWR-CDFW-CNRA.pdf.

Phase 1 Status: The State Water Board adopted a resolution[6] 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)[7] 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 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 include in the draft EIR.

In response to the release of the NOP, the Water Authority and member agencies provided scoping comments[8].

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 documents[9] 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.

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[6]Available at https://www.waterboards.ca.gov/board_decisions/adopted_orders/resolutions/2018/rs2018_0059.pdf.

[7] Available at https://www.waterboards.ca.gov/public_notices/notices/20220715-implementation-nop-and-scoping-dwr-baydelta.pdf

[8] Request from Authority staff

[9] Available at http://resources.ca.gov/docs/voluntary-agreements/2019/Complete_March_1_VA_Submission_to_SWRCB.pdf

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.

On September 28, The State Water Resources Control Board released a draft Staff Report in support of possible updates to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Bay-Delta Plan) that are focused on the Sacramento River watershed, Delta, and Delta eastside tributaries (Sacramento/Delta).

The draft Staff Report includes scientific information and environmental and economic evaluations to support possible Sacramento/Delta updates to the Bay-Delta Plan. The report assesses a range of alternatives for updating the Sacramento/Delta portions of the Bay-Delta Plan, including: an alternative based on a 2018 Framework document identifying a 55% of unimpaired flow level (within an adaptive range from 45-65%) from Sacramento/Delta tributaries and associated Delta outflows; and a proposed voluntary agreements alternative that includes voluntary water contributions and physical habitat restoration on major tributaries to the Delta and in the Delta. In addition, based on input from California Native American tribes, the draft Staff Report identifies the proposed addition of tribal and subsistence fishing beneficial uses to the Bay-Delta Plan.

The draft Staff Report is available for review on the Board's website. The Authority coordinated and submitted comments with member agencies[10].

Next steps include a planned workshop on the Agreements to Support Healthy Rivers and Landscapes from April 24-26, 2024, where detailed information about the current status of the Agreements will be presented.

Schedule

LSJR Flow/SD Salinity Implementation Next Steps Assuming Regulation Path (Phase 1)

- 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

[10] Request from Authority staff.

Sac/Delta Update: Key Milestones

- Fall 2024: Response to comments and development of proposed final changes to the Bay-Delta Plan
- Winter 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 understanding[11] that advances integrated efforts to improve ecosystem and fisheries health within the Sacramento-San Joaquin Bay-Delta. State and federal agencies also announced an agreement[12] 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.

Work continues to develop the working documents associated with execution and implementation of the VA's and workgroups for participating agencies have been formed. A number of documents continue to be developed, including a global agreement, implementing agreements for each tributary, enforcement agreements, an updated Science Plan, and governance plan.

Delta Conveyance Project

Petition for Change of Point of Diversion and Rediversion for the Delta Conveyance Project

On February 22, 2024, the State Water Resources Control Board (Board) received a Petition for Change from the Department of Water Resources (DWR) to add two new points of diversion (POD) and rediversion (PORD) to the water right permits associated with the State Water Project. Specifically, the petition seeks to change Water Right Permits 16478, 16479, 16481, and 16482 (Applications 5630, 14443, 14445A, and

[11] Available at https://resources.ca.gov/-/media/CNRA-Website/Files/NewsRoom/Voluntary-Agreement-Package-March-29-2022.pdf

[12] 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/

17512, respectively). The proposed new PODs/PORDs would consist of screened intakes 2.3 miles apart located on the lower Sacramento River between Freeport and Sutter Slough. The proposed new intakes are part of the Delta Conveyance Project, which would allow DWR to divert water from the northern Sacramento-San Joaquin Delta Estuary (Delta) and convey the water through a tunnel to existing water distribution facilities in the southern Delta.

This petition is available on the DWR website at: https://water.ca.gov/-/media/DWR-Website/Web-Pages/Programs/Delta-Conveyance/Public-Information/Revised_DCP_CPOD_Petition_Package_2024.pdf

Protests against the change petition must be filed by April 29, 2024, with a copy provided to the petitioner. Details regarding how to submit a protest can be found at: https://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/docs/2024/dcp-notice-of-change-petition.pdf

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

- RCD 03-01 Reclamation Manual Release Procedures (comments due 04/14/24)
- CMP 08-01 Capital Investment and Repair Needs (comments due 03/15/24)
    - Feb 28, 2024 CMP 08-01 Public Outreach Session Slides
- PEC 05-03 Funding and Extended Repayment of Extraordinary Maintenance Costs (comments due 12/21/23)
    - Nov 30, 2023 PEC 05-03 Public Outreach Session Slides

Draft Facilities Instructions, Standards, and Techniques (FIST)

- There are currently no Instructions, Standards, and Techniques our for review.

Draft Reclamation Safety and Health Standards (RSHS)

- There are currently no Safety and Health Standards out for review.

Draft Reclamation Design Standards

- There are currently no Design Standards out for review.

SLDWMA staff submitted letters on CMP 08-01 and PEC 05-03, which are included in Appendix 1.

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

Blueprint contribution requests have been circulated and Board members will be following up with participants. Hallmark's revised scope for defined services and deliverables (Develop & implement a strategic plan to protect operational flexibility of the 2019 Bi Ops) has been approved and will run from 3/1-8/31 and has been approved by the Board, with consultation from an ad-hoc committee of public water agency technical and policy professionals.

- Urban Water Agency Partnerships: A draft letter agreement with Urban Water Agencies, including Metropolitan Water District and the Blueprint, is being reviewed which would include monetary participation and review and analysis of water storage and conveyance opportunities. Discussions have focused on mutual concerns/issues faced by water scarcity as well as opportunities for collaboration including recharge, conveyance, and funding.
- The Blueprint has been accessed to provide input at the Urban Water Institute's Fall Water Conference in San Diego and the International Water Congress in Toronto. It includes leading water experts on today's most pressing water management issues, representing a broad range of expertise and perspectives.

Technical Committee

Two specific priorities/efforts to help bridge the water deficit in the San Joaquin Valley, the Patterson ID conveyance project, and Delta Operations have been selected. The committee is evaluating total recharge opportunities and potential environmental enhancement and utilization.

Activities

Farmer to Farmer Summit – Second Session

The second phase of the Farmer to Farmer Delta/SJV summit was held on January 29th and 30th and took place here in the Central Valley. The Summit was two nights, the first night in Bakersfield with a presentation and tour of the South Valley and the second night at Santa Nella with a presentation of the Westside and the San Luis unit. The group has agreed to focus on two priorities in the coming year: (1) the installation of a non-physical fish passage barrier at the Delta Cross Channel gates, and (2) South Delta Channel maintenance, including dredging.

Unified Water Plan for the San Joaquin Valley

The Blueprint and California Water Institute, Fresno State are developing a Unified Water Plan for the San Joaquin Valley, consistent with the Bureau of Reclamation grant[13]. Both Stantec and The Hallmark Group are helping develop the plan. The final water plan will include measures to address San Joaquin Valley needs and potential portfolios to address needs and objectives, this report will ultimately be transmitted to Congress by Reclamation in 2025.

[13] For background presentation, see Appendix A.

Fresno State received another round of funding for a groundwater recharge feasibility study. It can include 4 counties (Madera, Tulare, Fresno, Kern). The study will also include a layer of flood plain analysis. Fresno State will be reaching out to districts and GSAs to gather information during the partnership.

The group is focused on multi-benefits for recharge with a focus on drinking water with measurable results.

Central Valley Community Foundation

CA has engaged CVCF to develop an "inclusive 'community investment plan'" for Fresno, Madera, Tulare, and Kings Counties. It is a part of the State's "Jobs First" (formerly known as Community and Economic Resilience Fund) initiative, which has broken the state down into 13 economic regions and provided grant funding to civic organizations to engage a broad group of stakeholders to develop a "triple bottom line" (economy, environment, equity) economic development plan.

CVCF is working in partnership with the Urban Institute, Fresno State, United Way Fresno Madera Counties, Tulare Workforce Investment Board, and about 120+ community and civic leaders from the four-county region to develop this plan. They completed Phase I in 2023, which involved community engagement, outside learning, and developing the framework for our investment plan. Their framework identifies (1) three priority industry clusters for growth – "climate solutions" (includes clean energy generation and distribution), responsible food systems, and circular manufacturing; (2) essential infrastructure – water and broadband; and (3) community investment areas – education/skill building, community health, and small business development. Here is a link with information on the work so far: https://www.valleycerf.org/resources

They are planning an 8-week "investment plan sprint" in approximately May to June to get as much specificity as possible on the types of investments needed in each of these eight investment theme areas.

San Joaquin Valley Water Collaborative Action Program (SJVW CAP)

Background

The CAP Plenary Group adopted work groups to implement the CAP Term Sheet[14], adopted on November 22, 2022. During Phase II, Work Groups are continuing to meet and discuss priorities and drafting various documents for their respective areas: Safe Drinking Water; Sustainable Water Supplies; Ecosystem Health; Land Use, Demand Reduction and Land Repurposing; Implementation.

The Plenary Group met on March 26, to hear a presentation from John Watts about Reclamation engagement with the CAP, discussions around an updated decision making process advanced by the CAP, Proposition 218 legislation, and the Safe Drinking Water Needs Assessment updates by the State Water Resources Control Board. Additionally, during the upcoming April 8-9 Plenary in-person Plenary Group meeting, the White Paper[15] from the Water Supply Workgroup will be considered for adoption.

[14] Request from Authority staff

[15] See Appendix A.

APPENDIX A

San Luis & Delta-Mendota Water Authority

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VIA ELECTRONIC MAIL

March 22, 2024

Morgan Raymond
Program Analyst
Law Administration Division
Bureau of Reclamation
Denver Federal Center
Denver CO 80225-0007

RE: Draft CMP 08-01 Capital Investment and Repair Needs

Dear Morgan:

On behalf of San Luis & Delta-Mendota Water Authority ("Water Authority") this letter is in response to the Bureau of Reclamation's ("Reclamation's") draft CMP 08-01 "Capital Investment and Repair Needs".

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, to serve two important roles: 1) to provide representation on common interests of the Water Authority's member agencies; and 2) to operate and maintain the Delta Division and south of Delta Central Valley Project ("CVP") facilities, including the Jones Pumping Plant, the Delta- Mendota Canal ("DMC") and the O'Neill Pumping Plant, that the Water Authority's member agencies depend on for delivery of CVP water. 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 the San Joaquin, Santa Clara, and San Benito Valleys, a portion of the water supply for nearly 2 million people in the Silicon Valley, and millions of waterfowl that depend upon nearly 200,000 acres of managed wetlands and other critical habitat within the largest contiguous wetland in the western United States.

We largely concur with the comments submitted by the Central Valley Project Water Association (CVPWA). In addition to those comments, we make the following observations, all of which will require additional resources and time to implement:

Article 7.A requires a funding horizon of 30 years; the Water Authority currently manages projects on a horizon of 10 years per the terms of the transferred works agreement between Reclamation and the Water Authority. Development of a 30 year project horizon with cost estimates will take an unknown amount of time to complete .

Article 7.B has reference to advanced water user funding. This method of this funding source has yet to be developed between Reclamation and the Water Authority.
Article 7.C states that the project cost estimates must align with FAC 09-01; this would be incorporated into the transitional project to create a 30 year horizon which will take coordination between Reclamation and the Water Authority.
Article 8.A requires an annual certification on each of the projects that are identified on the CIRN by August 31. To the best of our knowledge, this currently isn't being done. The Water Authority will need to work closely with SCCAO and Regional Office annually to make sure the projects on the CIRN are appropriately prioritized, scheduled and the cost estimates are accurate prior to the August 31 deadline. A preliminary assessment and timeline is required to reach compliance.

Generally, the document makes sense but it is a directive that will require time to implement. The directive is silent as to a phase-in or transition period and we question if Reclamation has the resources to manage the D&S the way it is written.

Thank you for your consideration.

Sincerely,

Pablo Arroyave

Pablo Arroyave, Chief Operating Officer

Cc: Adam Nickels, CGB Principal Deputy Regional Director

San Luis & Delta-Mendota Water Authority

P.O. Box 2157

Los Banos, CA 93635

Phone: (209) 826-9696

Fax: (209) 826-9698

VIA ELECTRONIC MAIL

March 22, 2024

Morgan Raymond
Program Analyst
Law Administration Division
Bureau of Reclamation
Denver Federal Center
Denver CO 80225-0007

RE: Draft PEC 05-03 Extended Repayment of Extraordinary Maintenance Costs

Dear Morgan:

Thank you for the opportunity to provide comments on behalf of San Luis & Delta-Mendota Water Authority ("Water Authority") to the Bureau of Reclamation's ("Reclamation's") second draft revisions to PEC 05-03, "Extended Repayment of Extraordinary Maintenance Costs".

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, to serve two important roles: 1) to provide representation on common interests of the Water Authority's member agencies; and 2) to operate and maintain the Delta Division and south of Delta Central Valley Project ("CVP") facilities, including the Jones Pumping Plant, the Delta- Mendota Canal ("DMC") and the O'Neill Pumping Plant, that the Water Authority's member agencies depend on for delivery of CVP water. 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 the San Joaquin, Santa Clara, and San Benito Valleys, a portion of the water supply for nearly 2 million people in the Silicon Valley, and millions of waterfowl that depend upon nearly 200,000 acres of managed wetlands and other critical habitat within the largest contiguous wetland in the western United States.

We largely agree with the comments submitted by the Central Valley Project Water Association (CPVWA), specifically as it relates to the draft update's requirement of an ATP study for repayment terms beyond 30 years. 43 U.S.C. § 510b(b)(1) allows for up to 50-year repayment. 43 U.S.C. § 510b(b)(1) does not specify an ATP study as the means for financial justification for requesting an extended repayment period, so it is limiting for the draft update to require an ATP study. We believe funding for critical infrastructure repairs will be delayed if extended repayment terms beyond 30 years are reliant on the requirement of the ATP study. The Water Authority requests this requirement be removed from the draft before it is formally adopted and replaced with some alternative financial justification method that we understand has yet to be developed. We welcome the opportunity to collaborate with Reclamation and the CVPWA in developing an

alternative method.

Thank you for your consideration.

Sincerely,

Pablo Arroyave

Pablo Arroyave, Chief Operating Officer

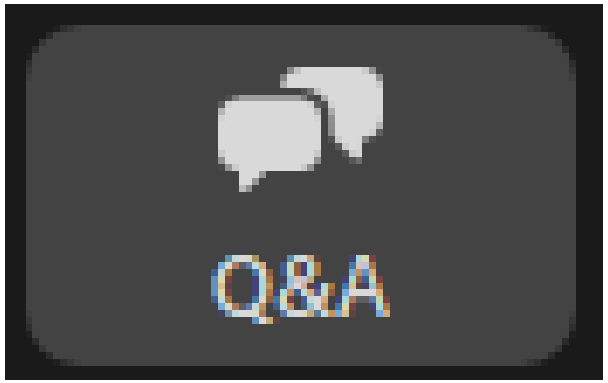
Cc: Adam Nickels, CGB Principal Deputy Regional Director

Unified Water Plan for the San Joaquin Valley

FRESNO STATE
California Water Institute

Water Blueprint
for the San Joaquin Valley

If you have questions during the presentation,
please click the Q&A button at the bottom of your screen.



Agenda

1. Authorizing Legislation
2. Project Overview
3. Project Organization
4. Timeline
5. Task Descriptions
6. Discussion

Authorizing Legislation

PART II of P.L. 111-11 (2009) authorized Reclamation to provide a grant to the California Water Institute for a study regarding the coordination and integration of sub-regional integrated regional water management plans into a **Unified Water Plan** for **Kern, Tulare, Kings, Fresno, Madera, Merced, Stanislaus, and San Joaquin counties** to address:

(A) water quality;
(B) water supply (both surface, ground water banking, and brackish water desalination);
(C) water conveyance;
(D) water reliability;
(E) water conservation and efficient use;
(F) flood control;
(G) water resource-related environmental enhancement; and
(H) population growth.



The Unified Water Plan will be a guide to address and solve long-term water needs in a sustainable and equitable manner.

Reclamation shall provide a report containing the results of the Integrated Water Plan to House of Representatives committees.

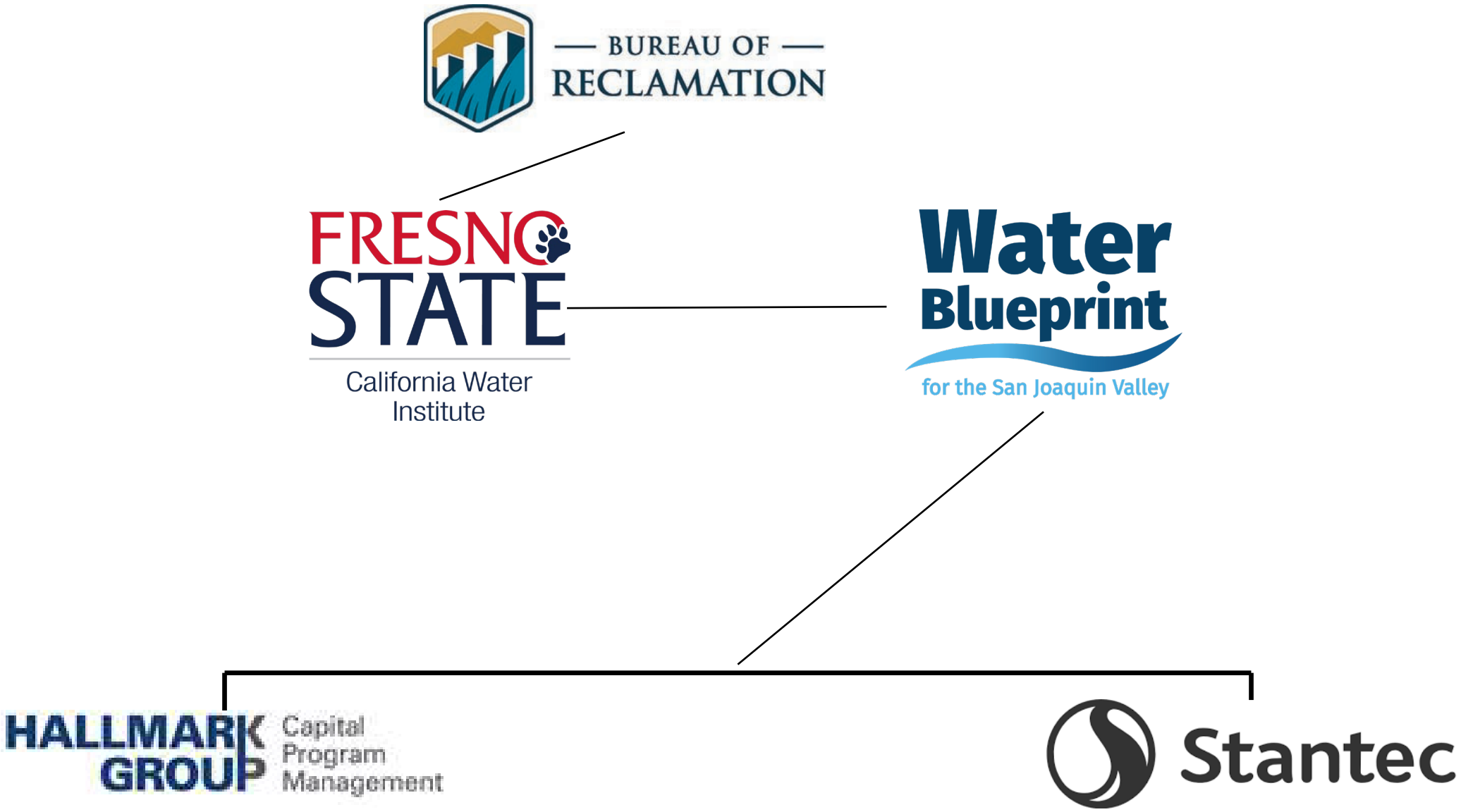
Project Overview

The California Water Institute, Research and Education Division and the Water Blueprint for the San Joaquin Valley Education Fund (Blueprint) will work together to develop a Unified Water Plan for the San Joaquin Valley.

In consideration of the range of ongoing, at times disconnected, work to identify water management solutions for areas of the Valley, the **Unified Water Plan Report** (Report) will leverage available information and assets and describe an approach for the development of comprehensive regional solutions.

The intent of the Report is not to review or evaluate individual projects or efforts, but rather to coordinate and integrate among San Joaquin Valley subregions in the development of a unified plan for the San Joaquin Valley, one that enables and is consistent with local projects/efforts.

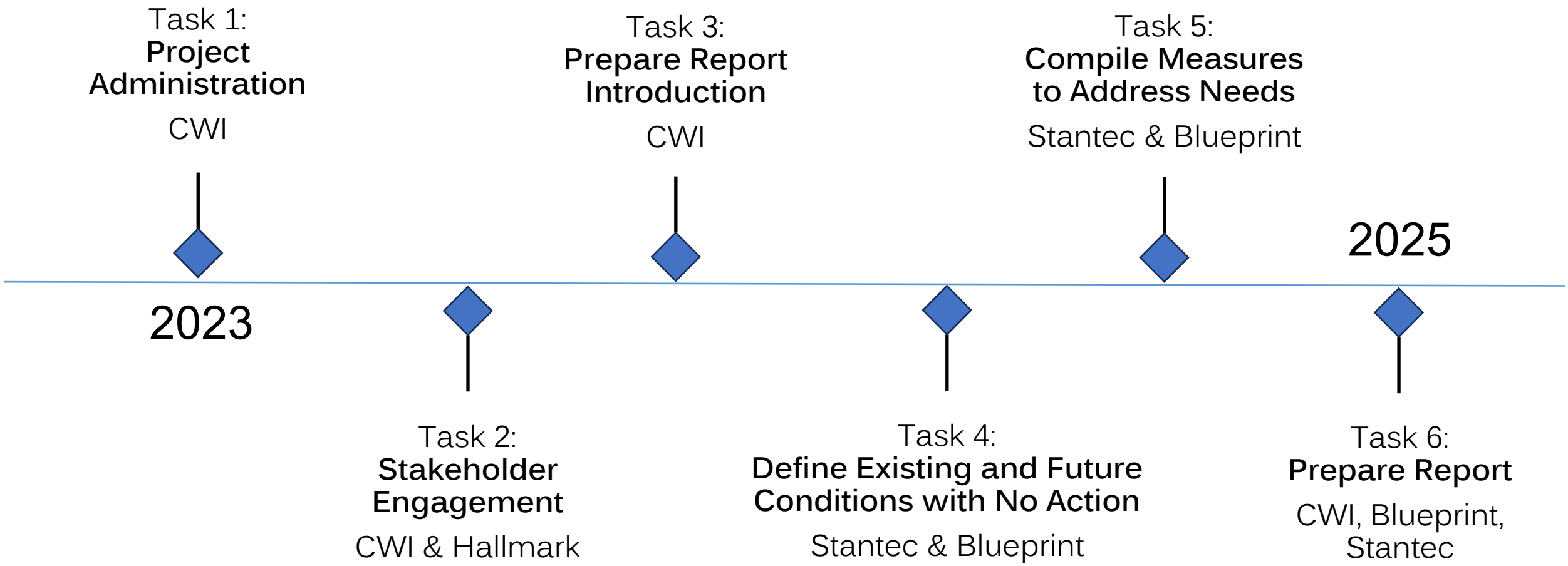
Project Organization



Task 2 – Stakeholder Engagement and Participation

- Regularly Engage Interested Stakeholder in Update Meetings
- Present and Facilitate Relevant Conversations at Blueprint Technical Work Group Meetings
- Identify other Regional Stakeholders
- Identify Established and Ongoing Stakeholder Forums to Present and Facilitate Relevant Conversations
- Conduct 2 Stakeholder Engagement Forums in Year 2

Project Tasks and Timeline



Task 3 – Prepare Report Introduction

Consideration Factors

As specified by legislation, the following criteria will be considered while compiling information:

A. Existing and Future Conditions
    A. Water Quality
    B. Water Supply (Surface Water and Groundwater)
    C. Water Conveyance Infrastructure
    D. Water Reliability
    E. Water Conservation and Efficiency
    F. Flood Control;
    G. Water Resource-related Environmental Enhancement and
    H. Population Growth

B. Potential Changes in the Future

C. Identify the Economic and Social Impacts of Existing Surface Water Supply

Task 3 – Prepare Report Introduction

Overview of 2016 Draft Report – Based on Integrated Regional Water Plans

- The Regional Water Management Planning Act (SB 1672) was passed by the Legislature in 2002.
- Several bonds incentivized regional water infrastructure and management solutions that improve self-sufficiency, reduce water use impacts, and support environmental protection and restoration.
- The 2016 Report was based on 19 IWRM reports available in 2014.
  - Nineteen IRWM regions were established in the San Joaquin Valley.
  - Each region developed a list of projects to address local needs, underscoring the value of integrated water data, conditions, facilities, goals and outcomes that were not available to individual entities, but collectively provide a structure to achieve regional goals.
  - The number one issue found in the assessment for the region was the lack of water reliability, either for surface water, groundwater, or both, depending on the location within region.

Overview of 2016 Draft Report – Cont'd

- The 2016 report recommended several strategies learned over the 2010-2016 period to improve the development and management of local water supplies to meet water demands.
  - Prior experience was that individual agencies focused on their own needs.
  - Integrated regional water management groups have developed relationships, information and synergies that can be used to solve agreed-upon regional problems.
  - A lack of overall information and integration of management plans for water sources impedes the development of a comprehensive water budget for the region.
- **However**, the 2016 Report did not address the effects of SGMA compliance, which had been recently enacted but not yet implemented.

Task 3 – Prepare Report Introduction

Reasons for Update – Changes After the 2016 Draft Report was Prepared

- **2012-2016** – Severe drought resulted in unprecedented water delivery reductions to Central Valley Project and State Water Project water users in the San Joaquin Valley.
- **2014** – The State of California enacted the Sustainable Groundwater Management Act (SGMA).
- **2015** – Reclamation prepared an Investment Strategy for the San Joaquin River Restoration Program that identifies projects that can reduce or avoid water supply impacts from the release of Restoration Flows.
- **2016** – Reclamation prepared the Sacramento and San Joaquin River Basins Study, which quantified the potential effects of future climate change on water supplies in the Central Valley.
- **2019** – The Water Blueprint for the San Joaquin Valley was established to champion water resource policies and projects to maximize accessible, affordable, and reliable supplies for sustainable and productive farms and ranches, healthy communities, and thriving ecosystems in the San Joaquin Valley.
- **2020** – GSAs throughout the Valley submitted initial GSPs that describe long-term groundwater sustainability objectives and identify potential projects and management actions.

Task 4 – Define Problems, Needs, and Potential Opportunities

Describe Existing and Future Conditions with No Action

- Compile information from existing public documents
- Confirm intended use of data with originators
- Example – water demand and supply estimates in GSPs

Describe Range of Needs and Opportunities

- Combine information to define needs
- Address uncertainty by presenting needs as ranges, not single values
- Confirm combination of data with originators

Task 5 – Compile Measures to Address Needs (All Examples are for Water Supply)

Identify Initial Project Concepts and Evaluate Completeness

- Organize projects by region and type
- Identify potential effectiveness (e.g. source and amount of water supply)
- Indicate level of detail in project description (conceptual --> planning --> design)

Describe Potential Portfolios to Address Identified Needs and Objectives

- Develop portfolios by theme
  - Maximize use of local supplies
  - Opportunity for increased imported supplies
- Describe combined effectiveness in meeting needs and range of costs

Develop Water Plan Implementation Approach

- Identify needs that can be address through existing Reclamation authorities
- Describe collaboration requirements for Regional or Valley-wide solutions

Task 6 – Prepare Report

Prepare concise summaries of

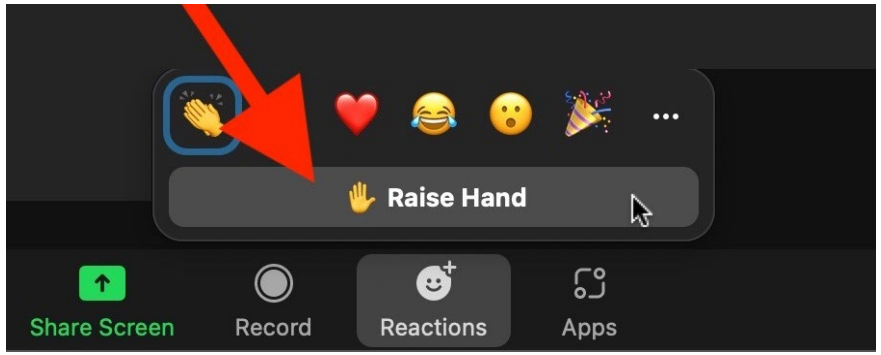
- Problems and needs
- Solution portfolios
- Potential Reclamation roles
- Regional approach to implement the plan

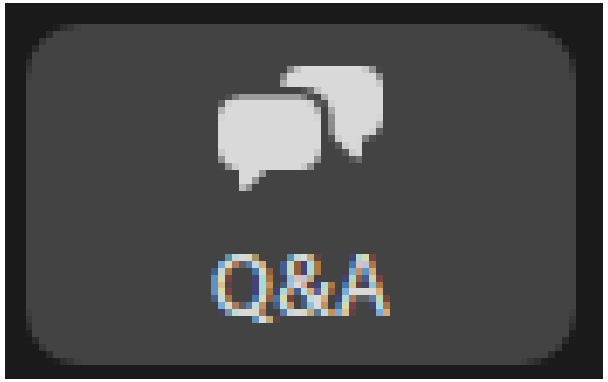
Incorporate Report into Water Blueprint for the San Joaquin Valley

- Assure stakeholder input is reflected in report
- Provide to Blueprint committees for review and approval

Questions?

Raise your hand!





Thank you

Contact us
Laura Ramos or Austin Ewell

Signup for updates: send an email to cwi@mail.fresnostate.edu

Wet Year Surplus Water

Draft 3/15/24

Overview and Approach

The CAP Sustainable Water Supply Workgroup was tasked to estimate the potential range of water available that could be utilized to address the supply-demand imbalance in the San Joaquin Valley consistent with the CAP Term Sheet. The Workgroup appointed a subgroup to develop the range. The subgroup agreed to accept, for purposes of discussion, the same regulatory outflow requirements as that in the analysis completed to support the Public Policy Institute of California (PPIC) Policy Brief, *Tracking Where Water Goes in a Changing Sacramento-San Joaquin Delta*, published in May of 2022 ("PPIC Report").

During the preliminary discussions, the subgroup agreed on a workflow that separated flows originating from the San Joaquin River or its tributaries from flows originating from the Sacramento River or its tributaries in order to later engage a broader set of impacted stakeholders in the discussions around Sacramento River origin flows (**Figure 1**).

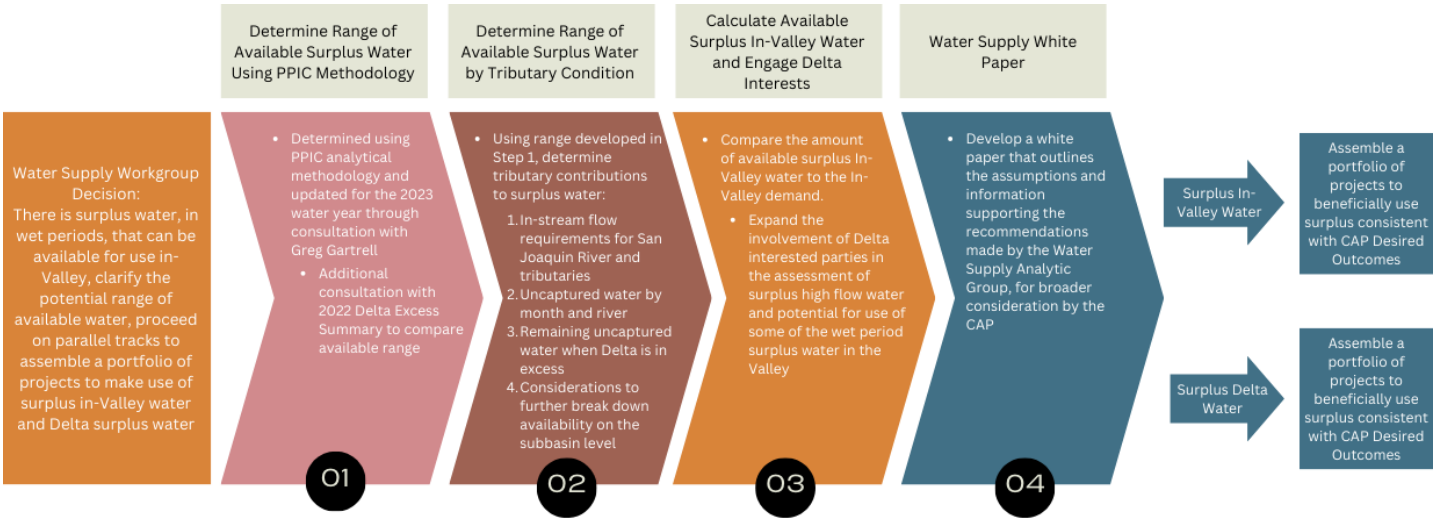


Figure 1: CAP Water Supply Process Diagram

This approach allows the CAP to consider potential actions to be undertaken with flows originating in the San Joaquin Valley while performing further analytical work on Sacramento River origin flows. To ensure the range did not "double count" San Joaquin River origin flows, it was important to ensure alignment in the approach taken to develop San Joaquin River origin flows from the estimate of flows available from the Delta described in the PPIC Report. Additionally, this approach created an opportunity to engage with recent work performed by the Department of Water Resources (DWR) and MBK Consulting Engineers to assess the availability of San Joaquin River and tributary origin flow available for recharge, which is summarized in a memo titled "Estimate of Available San Joaquin River Flow for Recharge" ("DWR Study").

This memo describes studies consulted to date for developing an estimate of available flow for use in meeting the Desired Outcomes detailed in the CAP Term Sheet and recommendations for work to be performed by the Workgroup during 2024.

Major Conclusions

1. These two studies demonstrate that, in wet years, there is sufficient water available within the Delta watershed to meet the regulatory requirements during the period of the analysis and that there is uncaptured water that could be available for use in the San Joaquin Valley to achieve the CAP's Desired Outcomes. Water in the Valley could be used through diversions upstream of the Delta or through removing physical system capacity limitations that reduce Delta exports. As described in the CAP Term Sheet, the PPIC study indicates that between 400 and 800 TAF of water from the Delta is available in wet years (exclusive of water that might also be captured upstream). To further support this opportunity in the San Joaquin Valley, a DWR analysis indicates that an average annual wet year availability is approximately 775 thousand acre-feet (TAF). The total annual volume available during wet years is highly variable and ranges from zero to over seven (7) million acre-feet. The variability is due to conditions resulting from the preceding water year and, reservoir conditions at the start of the new water year, and of course annual variability in precipitation. The DWR analysis considers protections for the CVP and SWP operations and regulatory requirements for flow and water quality conditions in the Delta to estimate available SJR flow.
2. Importantly, the studies demonstrate that water availability during wet years is not the limiting factor for increasing diversions for in-Valley use, either from diversions within the San Joaquin River watershed or increases in Delta exports. Instead, the limiting factor is the diversion and storage capacity of projects within the San Joaquin River watershed and the capacity for conveyance and storage of Delta exports south of Delta.
3. Forthcoming changes in regulations and changes in climate will significantly affect how much water is available during what time period, although current proposals would not affect wet year results, as wet years may include significant periods of flood conditions in the San Joaquin watershed. While further research and analysis are important to better understand this variability and its impacts, the subgroup does not think it necessary to wait for additional analysis to move forward.
4. These analyses do not evaluate the full-face value of existing water rights, and water rights would have to be considered to understand better what water is legally available in the San Joaquin River watershed. The subgroup does not intend to complete a robust water availability analysis to determine the amount of unappropriated water.

Terms and Phrases to Consider

- "Surplus" is meant to describe water that is present in the system that is beyond the current regulatory flows required for ecosystems, water quality, etc. The term surplus does not imply that all potential needs or beneficial uses are being met in tributaries and upstream of the Delta, but rather that there is water available that is in excess of what is needed to meet regulatory flow requirements but goes uncaptured through the watershed and leaves the Delta. (Note: some regulatory requirements like water for wildlife refuges are not currently be met.)
- "Regulatory Baseline" reflects the agreed approach on which the CAP will base decisions and discussions. This is consistent with the baseline conditions utilized in the PPIC study. This would mean that discussions and recommendations are made considering the existing regulatory environment. While the subgroup recognizes the ongoing discussions about the Voluntary

Agreements (VAs), the impacts of the implementation of functional flows or VAs would not impact the amount of available water during flood conditions when most excess water is available.

- "Diversion(s)" reflects the use of surface water, either through actual diversion or inundation of existing or restored floodplains. The term "diversion" as used here does not differentiate between the ultimate beneficial use of the water or the legal basis through which the water is taken.

Summary of Analyses

PPIC Report

Overview

The PPIC Report originally considered data for 1980-2016 (Gartrell et al. 2017) and was later expanded to include data from 2017-2021. There is discussion on the policies and management decisions that affect where water is used, including the federal Water Infrastructure Improvements for the Nation (WIIN) Act and 2008-9 Record of Decision on the Long-Term Operations of the Central Valley Project ("CVP") and State Water Project ("SWP"), the associated 2009 Biological Opinions from the U.S. Fish and Wildlife Service and National Marine Fisheries Service, and the CDFW ITP (the more recent 2019 BiOp did not affect the 2019 analysis because it was implemented in the fall, water year 2020). The report provides details on a very dry water year, 2021, with measures taken to reduce outflow while maintaining water quality, and a very wet year, 2017, with potential opportunities to increase exports from the Delta while remaining consistent with the environmental baseline. The analysis includes the entire Delta watershed, including both Sacramento and San Joaquin River origin flows, and the update provided a more aggregated methodology for attributing water use through the Sacramento and San Joaquin River watershed. This includes how much water does not reach the Delta due to upstream diversion and use and how changes in reservoir operations impact potential surplus water availability.

Importantly, the PPIC Report is not written with the explicit intention of defining a range of excess flows that could be captured through upstream in-Valley diversions or Delta exports for in-Valley use. However, the methodology and results of the report provide general information that supports that there is excess water available in wet years (specifically, 2011, 2017, and 2019) for diversion while meeting the environmental baseline if physical system limitations were improved.

General Methodology

The PPIC Report estimates excess "Uncaptured Outflow" that would be available for diversion either upstream of the Delta or for export from the Delta while meeting the environmental baseline. The PPIC Report defines uncaptured outflow as the following:

> Outflow above that is required for system outflow and ecosystem outflow, including export limits. Most uncaptured outflow is beyond the physical capacity of the export facilities to take the water; in some situations, exports are occurring below authorized export limits, and there is capacity in the aqueducts but nowhere to put the water.

For the purposes of what the CAP is considering, this uncaptured outflow value is used as the determining factor for the water available for diversion upstream of the Delta or as additional export through the

pumping facilities if physical system capacity limitations are lessened or removed. The approach utilized by PPIC for characterizing water in the Delta can be summarized into the following four-step process:

1. Water is tracked from its origin to outflow accounting for use by cities and farms, including water stored and released from reservoirs and used upstream of the Delta and water exports and in-Delta uses.
2. Water is assigned for any day where there are flow and water quality regulations for exports and in-Delta uses ("system outflow" in the analysis) and further parsed into the categories of outflow to maintain water quality for exports, in-Delta municipal and industrial, and in-Delta agriculture.
3. Determine the additional water, on top of system outflow, needed to meet regulations that protect endangered species and the ecosystem ("ecosystem outflow" in the report), and further parsed for different regulations, including export restrictions for fish species.
4. Calculate the inflow that exceeds the system and ecosystem needs and get the resulting Delta outflow, resulting in the uncaptured outflow.

Caveats and Assumptions

A general caveat in the analysis is that the water necessary for system and ecosystem outflows does not always impact the ability to export water through the Delta pumps. When there is a sufficient volume of uncaptured outflow, the water needed for salinity and flow standards may not require tradeoffs with export pumping as there is sufficient water to meet all needs. In these cases, diversions are typically limited by export pumping capacity or a lack of physical capacity within the south-of-Delta water infrastructure system to convey and deliver uncaptured outflow. Alternatively, ecosystem regulations that limit export pumping may reduce exports even if there is uncaptured outflow; in this case, available export capacity is limited to the daily exports that were less than the export limit, if any (usually there is none).

When determining the required ecosystem outflows, the PPIC Report considered various levels of regulation. A methodology was developed to attribute water under these regulations for comparison and determination in the applicable years. In general, the following regulations were considered:

- D1485 (1978-94)
- D1641 (since 1995)
- Endangered Species Act Biological Opinions (BiOps) (since 1993, revised in 1995, 2008-09)[1]
- Central Valley Project Improvement Act (CVPIA, since 1992)
- Vernalis Adaptive Management Program (VAMP, 2000-11)

- The 2019 BiOps did not affect any of the wet years included in the PPIC analysis.

Results

The PPIC Report indicates that uncaptured outflows are typically present when Delta inflow exceeds all demands in the Delta, including in-Delta uses, exports, system outflows, and ecosystem outflows. This occurs most often during winter high-flow pulses or periods with high snowmelt runoff, and reservoirs are spilling water. There can also be uncaptured outflow in wet years when export pumping is reduced to

[1] ESA BiOps were also updated in 2019, but that baseline was not utilized in the analysis due to the timing of the rollout during the applicable period.

levels below those allowed by regulation. This typically occurs when there is a lack of capacity in CVP and SWP aqueducts or when current south-of-Delta storage is at capacity.

The PPIC Report indicates that a total of **400 to 800 thousand acre-feet (TAF)** of additional water is available in wet years for diversion or export from the Delta watershed while meeting the environmental baseline. This study examined how much water could be captured and pumped at the export facilities. It did not include the flows that could be taken upstream. For example, in 2017, up to almost 1 MAF could have been diverted upstream (reducing flood risk) in addition to that which could have been pumped with the excess capacity at the export pumps, bringing the total available to well over 1.5 MAF.

DWR Study

The Department of Water Resources (DWR) contracted with MBK Engineers to complete an estimate of available San Joaquin River Flow for Recharge (DWR Study). The results are an estimate of the flow in the San Joaquin River, measured at Vernalis, that exceeds monthly water demands and existing regulatory requirements.

General Methodology

The study utilized the CalSim 3.0 model to estimate monthly water demand based on land use and other model inputs. The study provides results for the average monthly available San Joaquin River flows by water year type and an average annual volume available by water year type.

A second analysis estimated the available volume of water at Vernalis after the diversion of water upstream of Vernalis within the tributaries or upper San Joaquin River, which considers the full diversion capacity at points of diversion to estimate current maximum in-valley use. This analysis tries to differentiate between what water may be used in Valley and what water flows to the Delta.

Caveats and Assumptions

The DWR analysis utilized four criteria to set the conditions under which water was determined to be "available" in the modeling and estimation of water quantity:

1. Delta outflow is in excess of the required Delta outflow
2. Vernalis flow is above the minimum flow requirements
3. Vernalis water quality standard is met
4. Consideration of the following restrictions on Delta exports:
    a. Old and Middle River flow requirements
    b. Actions in the SWP Incidental Take Permit (ITP)
    c. SJR inflow-to-export (I/E) requirements under Biological Opinions and Decision 1641

The DWR Study acknowledges that the CalSim 3.0 model does not assume that surface water diverters are using the full-face value of their existing water rights and, therefore, does not provide an estimation of the amount of unappropriated water in the San Joaquin River system. Consequently, it could not be used to support a water availability analysis for an appropriative water right application.

The second analysis, including the upstream diversion capacity in tributaries, utilized assumed maximum diversion capacities for each tributary, which is summarized in the table below.

Table 2: Assumed Diversion Capacity Utilized in DWR Study

River	Diversion Capacity (cfs)
Upper San Joaquin	6,750
Fresno	300
Chowchilla	370
Merced	1,900
Tuolumne	3,215
Stanislaus	1,800

Results

The first analysis estimates that the average annual San Joaquin River flow available for diversion is approximately 775 TAF in wet years. Within that, approximately 579 TAF of water is available in the months of January through March. The total annual volume available during wet years is highly variable and ranges from zero to over seven (7) million acre-feet. The variability is due to conditions resulting from the preceding water year, reservoir conditions at the start of the new water year, and of course annual variability in precipitation.

The second analysis estimates that the average annual available San Joaquin River flow is approximately 281 TAF in wet years after maximizing diversions at all existing diversion points (a proxy for estimating current, maximum in Valley uses). Within that, approximately 236 TAF of the water is available in the months of January through March. The total annual volume available during wet years ranges from zero to approximately 3.2 million acre-feet.

Important takeaways for the CAP from the study include:

- Findings of wet year water availability are similar between PPIC and DWR study with significant variability in wet year water availability, depending on wet year conditions and the prior year end-of-year storage conditions.
- Existing regulatory requirements for Delta conditions significantly limit water availability in the San Joaquin River watershed.
- Results of both studies indicate “physical” water available in the system, not “legal” water available. “Legal” water available will be a smaller number than those presented here (DWR and MBK are working on further analysis to understand this better).
- Better management during wet years, especially January through March, is needed to take advantage of when water is available and at times when there are fewer demands on the system.

How the Studies Interact

These two studies reach compatible conclusions on the availability of excess water in the Delta watershed without impacting operations. The PPIC Report considers the Delta watershed, while the DWR Study considers the amount of San Joaquin River water available for diversion as measured at Vernalis. These studies and their conclusions can likely be used in tandem to support the goals of the CAP in determining the amount of water that may be available for use in the San Joaquin Valley.

Through the analysis and numerous discussions with the lead author Greg Gartrell, the PPIC Report shows that, in wet years, diversions of water upstream of the legal Delta (often referred to as “in-Valley” diversions by CAP members) could occur without impacting flows required through the Delta, because

there is so much excess water available. Under these circumstances, the limiting factor on diverting water in Valley is the physical capacity of diversion facilities to move water to storage and available storage, and not the instream flow requirements. The results of this analysis also indicate that there could be the opportunity for additional Delta export pumping during wet years when there are uncaptured outflows if there was more south-of-Delta storage.

The DWR Study focuses specifically on water potentially available within the San Joaquin River watershed for diversion for recharge by utilizing flow thresholds at Vernalis and considering potential demands throughout the system. The secondary DWR analysis also considers the amount of water that would potentially be available at Vernalis, given the maximum capacity of upstream diversions from the San Joaquin River tributaries and upper San Joaquin River. This supports the assertion that water is available within the San Joaquin River watershed without impacting Delta outflow requirements.

Next Steps

The subgroup recommends the CAP Water Supply Workgroup review and discuss the findings of this memo and consider the following actions:

1. Evaluate and recommend an approach through which this uncaptured water may be captured and utilized, including through existing water rights, natural inundation of floodplains, administrative changes to the water right process, permitting and appropriation of legally available water, etc.
2. Identify ways to (a) maintain export capacity in conveyance facilities and (b) increase south-of-Delta water storage are critical components of capturing surplus flood flows for beneficial use.
3. Identify (a) the additional diversion, conveyance, and recharge capacity needed to capture high flows in the San Joaquin Valley not needed for environmental purposes and (b) additional recharge capacity needed to utilize uncaptured Delta flows available under existing regulations. Note that this identification can also provide information on reduction in downstream flood risk.
4. Determine the amount of available water by tributary conditions. The DWR study set the stage for some of this work and highlighted key areas the CAP should consider. The determination of available water by the tributary condition could be followed by comparing water available for in-Valley use and the in-Valley demand. The studies referenced to date do not consider the licensure and actual use of existing diversions within the San Joaquin River and tributaries.
5. Water right permitting, under existing procedures, can include the Water Board's streamlined process for diversions in December through March, the period which the DWR study indicates is when most uncaptured water is available.
6. The CAP could assess how Area of Origin laws may influence the implementation of the proposal to use more water upstream of the Delta and through Delta exports for recharge.

San Luis & Delta-Mendota Water Authority
Monday, April 1, 2024, 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/87390673686?pwd=aWh2MGdGVFpDNW1tc1F4WWNwRjJIdz09

Meeting ID: 873 9067 3686
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Find your local number: https://us02web.zoom.us/u/kbQscrgime

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. **Approval of March 4, 2024 Meeting Minutes**

5. **Recommendation to Board of Directors to Adopt Resolution Authorizing Execution of Contract Between the United States of America and San Luis & Delta-Mendota Water Authority for the Repayment of Extraordinary Maintenance Costs for the C.W. "Bill" Jones Pumping Plant Excitation Cabinet and Control Panel Refurbishment Project, Making Findings Under the California Environmental Quality Act, and Authorizing Actions Related Thereto**, Arroyave

6. **Recommendation to Board of Directors to Adopt Resolution Authorizing Execution of Second Amended and Restated Memorandum of Understanding with Friant Water Authority Relating to Allocation, Collection and Payment of Operation, Maintenance & Replacement Costs for Water Delivered Through Certain Central Valley Project Facilities and Related Letter Agreement, and Authorizing Actions Related Thereto**, Barajas/Akroyd

7. **Recommendation to Board of Directors to Adopt Resolution Adopting an Indirect Cost Rate Policy for Scientific Activities,** Petersen

REPORT ITEMS

8. FY24 Activity Agreements Budget to Actual Report through 2/29/24

9. FY24 O&M Budget to Actual Report through 2/29/24

10. Procurement Activity Reports

11. 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)

12. Committee Member Reports

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 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 MARCH 4, 2024

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority convened at approximately 12:04 p.m. at 842 6th Street in Los Banos, California, with Chair Anthea Hansen presiding.

Members and Alternate Members in Attendance

Ex Officio
William Bourdeau

Division 1
Anthea Hansen, Chair/Member

Division 2
Justin Diener, Member

Division 3
Chris White, Member - Jarrett Martin, Alternate

Division 4
Dana Jacobson, Member - Megan Holland, Alternate

Division 5
Bill Pucheu, Member

Friant Water Authority
Wilson Orvis, Alternate

Board of Directors Present

Division 1
Anthea Hansen, Director
Lea Emmons, Alternate (via ZOOM)

Division 2
Justin Diener, Alternate Director
William Bourdeau, Vice-Chair/Director

Division 3
Chris White, Alternate
Jarrett Martin, Director

Division 4
Steve Wittry, Director
Megan Holland, Alternate Director

Division 5
Bill Pucheu, Director
Kirk Teixeira, Alternate

Authority Representatives Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer

Scott Petersen, Water Policy Director
Rebecca Akroyd, General Counsel
Rebecca Harms, Deputy General Counsel (via ZOOM)
Raymond Tarka, Director of Finance
Lauren Viers, Accountant III
Stewart Davis, IT Officer

Others in Attendance

Bobbie Ormonde, Westlands Water District (via ZOOM)
John Wiersma, Henry Miller Reclamation District (via ZOOM)
Chase Hurley, Pacheco Water District
Vince Gin, Valley Water

1. Call to Order/Roll Call

Chair Anthea Hansen called the meeting to order at approximately 12:04 p.m. and roll was called.

2. Additions or Corrections to the Agenda

No additions or corrections.

3. Opportunity for Public Comment

No public comment.

4. Finance & Administration Committee to Consider Approval of the February 5, 2024 Meeting Minutes.

Chair Anthea Hansen deemed the February 5, 2024 meeting minutes approved as submitted.

REPORT ITEMS

5. Update Regarding Planned Amendments to Friant-SLDMWA MOU and Exhibits, including SLDMWA OM&R Cost Recovery Plan.

Executive Director Federico Barajas introduced the item then referred to General Counsel Rebecca Akroyd. Akroyd reviewed a slide deck that provided an overview of proposed changes to the Friant Water Authority (FWA)-SLDMWA MOU and highlighted proposed changes to the exhibits. FWA will be taking the revised MOU to their Board of Directors for action in the March meeting. Upon approval from FWA, the Authority intends to bring the revised MOU to the Authority Board of Directors for action.

6. FY23 Activity Agreements Budget to Actual Report through 1/31/2024

Director of Finance Raymond Tarka presented the Budget to Actual Report through January 31, 2024 for the Activity Agreement funds. Tarka stated for the eleven-month period, the budget was trending positive overall with actual spending ending January 31, 2024 at 67.44% of the approved budget.

7. FY23 O&M Budget to Actual Report through 1/31/2024

Director of Finance Raymond Tarka reported that for WY23, the self-funded routine O&M expenses through January 31, 2024 were over budget by $2,505,032. This is mainly due to over-budget DWR conveyance charges for DCI activity. The water year 2022 final accountings, fiscal year 2023 audit, and the Intertie OM&R true-up remain outstanding.

8. Procurement Activity Report

Director of Finance Raymond Tarka presented the procurement activity report for the period of February 1 through February 29, 2024. On February 27, a contract was executed with Richardson & Company in the amount of $139,150 for professional audit services. There were no contract change orders issued during this period.

9. Executive Director's Report

Executive Director Federico Barajas provided the following updates:

a. **O'Neill Scheduled Outage** – Executive Director Federico Barajas referred to Chief Operating Officer Pablo Arroyave to provide an update. Arroyave stated that staff will consider the March 1st forecast prior to making any final decisions regarding the O'Neill Outage. Arroyave reiterated that all three transformers are in "poor" condition and if the outage is rescheduled, it will need to take place within the year to prevent any further repercussions. The Authority is currently testing quarterly oil samples to monitor the transformers' condition.

b. **D&S Updates** – Barajas referred to Water Policy Director Scott Petersen to provide updates on Reclamation's proposed changes to Directives and Standards PECO 5-03 and CMP 08-01.

c. **JPP Excitation Project** – Barajas stated the Authority is involved in negotiations with Reclamation for a $25 million repayment contract relating to the **JPP Excitation Project**.

d. **B.F. Sisk Negotiations** – Barajas stated that the Authority is in ongoing

negotiations with Reclamation in regards to the B.F. Sisk Dam Raise and Reservoir Expansion Project. The planning phase is complete and the focus is the design phase of the project.

10. Committee Member Reports

No reports.

11. Reports Pursuant to Government Code Sec 54954.2

No reports.

12. Adjournment.

The meeting was adjourned at approximately 12:38 p.m.

Family Farm ALLIANCE®

PROTECTING WATER FOR WESTERN IRRIGATED AGRICULTURE

MEMORANDUM

TO: **SAN LUIS & DELTA-MENDOTA WATER AUTHORITY BOARD**

FROM: DAN KEPPEN, EXECUTIVE DIRECTOR

SUBJECT: UPDATE REPORT

DATE: APRIL 1, 2024

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, preparing comment letters for Bureau of Reclamation (Reclamation) and U.S. Fish and Wildlife Service (FWS) administrative proposals, engaging with Congress on new legislation, public outreach, and organizational administrative matters. These issues and other matters important to our members are further discussed in this memo.

BIDEN ADMINISTRATION

1. Administration Releases FY 2025 Budget Request

The Biden Administration last month released their FY 2025 budget request for the federal government. The budget impacts to those agencies we work with are summarized below.

a. Department of Interior (DOI), Reclamation

The FY 2025 budget request includes a proposed $17.8 billion for DOI in FY 2025, emphasizing increased funding for tribal programs, climate change initiatives, and various conservation efforts. Notably, the $1.6 billion budget request for Reclamation includes increased allocations to support the Columbia Basin Restoration Initiative aimed at restoring Pacific Northwest salmon populations. Additionally, the proposed Reclamation budget seeks to address ongoing drought issues in the western United States, particularly along the Colorado River System. DOI funds are

also budgeted amongst the agencies for national parks, wildlife refuges, endangered species conservation, forest management, wildland firefighting, and offshore energy development.

b. Environmental Protection Agency (EPA)

The Biden Administration's budget request also calls for an increase in the EPA FY 2025 budget to support the President's climate change legacy and support communities facing pollution challenges. The White House has proposed $11 billion for the EPA in FY 2025, a significant increase compared to the $9.2 billion appropriated for FY 2024. The budget aims to enhance EPA staffing levels, environmental justice initiatives, and enforcement efforts. Specifically, it allocates funds for air quality improvement, climate change mitigation, and tackling emerging contaminants like PFAS. The budget also prioritizes water infrastructure and cleanup programs, Superfund site remediation, and efforts to address toxic substances. Additionally, the proposal includes funding for the expansion of the American Climate Corps.

c. Department of Agriculture (USDA)

The administration has requested increased funding for USDA in the next fiscal year to address climate change, farmland conservation, and infrastructure needs. The proposed budget of $31.6 billion in discretionary spending includes nearly $12 billion for various climate crisis programs such as clean energy initiatives in rural areas and conservation efforts. The proposal also aims to expand USDA regional climate hubs and increases the budget by roughly $85 million and hire more workers at the Natural Resources Conservation Service (NRCS) and promote equity conservation agreements for underserved farmers. Additionally, the budget proposal includes funding for climate hubs programs, outreach on climate change effects in agriculture and forestry, and a program to incentivize farmers to plant cover crops. These initiatives are intended to promote the administration's stated vision of creating an equitable and climate-smart food and agriculture economy while addressing the needs of rural America.

d. Army Corps of Engineers (Corps)

The administration has proposed a 17 percent reduction in the Corps budget for water resources work, prioritizing funding for projects focused on climate resiliency, public safety, environmental protection, and economic benefits. The $7.2 billion budget request for FY 2025 follows a trend of past Administrations proposing cuts to the agency's budget to allocate resources to other policy priorities, expecting Congress to restore funding later. The proposed budget allocates $930 million for operations and maintenance of locks and dams, and $1.7 billion for coastal port maintenance—a significant reduction from previous years enacted levels. Notable investments include $444 million for ecosystem restoration in the Everglades and $145 million for salmon fisheries recovery in the Columbia River Basin. Additionally, the budget includes a paltry $13 million for small wetland restoration projects negatively impacted by the Supreme Court *Sackett* decision limiting federal Clean Water Act regulation of streams and wetlands.

The likelihood of Congress fully adopting the Biden Administration's FY 2025 budget request is highly unlikely as lawmakers typically use the President's request as a marker to create their own budget through the appropriations process.

2. Corps: Post-*Sackett* Wetlands Protections

The Corps has announced plans to safeguard wetlands no longer regulated by the Clean Water Act (CWA) following the Supreme Court ruling in *Sackett v. EPA*. For a wetland to be regulated by the CWA, it must have a continuous surface connection to a regulated "waters of the U.S." or WOTUS. The Corps is planning to utilize existing authorities and resources to conserve what they consider vulnerable water bodies, focusing on ecosystem restoration projects, nature-based flood solutions, and assisting states and tribes with water protection efforts in regions left vulnerable to development because of the Sackett ruling. Despite the impacts from *Sackett*, the Corps will continue to require mitigation for wetland losses in permitted projects. President Biden has in the past emphasized the Administration's commitment to protecting water resources amid concerns over rollbacks to clean water regulations due to *Sackett*. Meanwhile, some states are pursuing new permitting programs to safeguard waterways, while others, like Indiana, have reduced wetland protections under state law.

Elsewhere, the Waters Advocacy Coalition (WAC), representing various industrial and municipal entities, has submitted a Freedom of Information Act (FOIA) request seeking internal documents related to the implementation of the amended final WOTUS rule by the Corps and the Environmental Protection Agency (EPA). The coalition has concerns regarding internal guidance allegedly contradicting the Supreme Court's *Sackett* ruling. The FOIA request specifically targets undisclosed guidance statements from the Corps' headquarters to individual district offices. Industry groups expressed discontent with the agencies' transparency during WOTUS listening sessions, noting concerns over the definition of "continuous surface connection" and its interpretation in the amended WOTUS rule, asserting that the agencies' amended rule fails to adhere to the Sackett decision, particularly by omitting the requirement of wetlands to be "indistinguishable" from navigable waters.

3. Corps: Proposed ASPs for PR&Gs (Principles, Requirements and Guidelines)

Most of you know that the Corps has a presence in the West, although most of our members are more engaged with Reclamation. The Corps' most visible missions include planning, designing, building, and operating navigation locks and dams, flood control and dredging projects, and environmental regulation and ecosystem restoration. As a result of a congressional directive in the Water Resource Development Act (WRDA) of 2007, the Obama Administration's White House Council on Environmental Quality (CEQ) first developed PR&Gs for federal investments in water resources. These PR&Gs were originally intended to accelerate Corps' water project approvals, reduce costs, and support water infrastructure projects with the greatest economic and community benefits. Agency Specific Procedure (ASPs) provide agency specific guidance for identifying

which programs and activities are subject to the PR&G. The Corps has not issued final ASPs to implement the 2013 PR&G. The 2020 WRDA directed the Corps to issue its final ASPs. On February 15, the Corps published a proposed rule that does so.

The proposed rule would change how the costs and benefits of proposed water resource investments would be evaluated, and identify which Corps programs and activities are subject to the PR&G. The proposed rule would adjust cost-benefit assessment criteria for federal investment decision-making to include consideration of ecological benefits, public safety concerns, and environmental justice. Some environmental groups say this effort reflects a deeper understanding of "the true costs" associated with water resource development projects. Others believe that adding such requirements to the water project planning process could hinder and even stop key projects that are needed to meet rising water demands in fast-growing regions of the Nation.

The Alliance was part of a coalition of Western water and power users who sent detailed comments to the Obama Administration in 2015 as DOI was developing ASPs for Reclamation and other DOI agencies. In 2017-2018, the Alliance developed detailed regulatory recommendations to USDA, FWS, National Marine Fisheries Service (NMFS), Reclamation, Environmental Protection Agency, and U.S. Geological Survey. Where applicable, we raised our concerns regarding PR&Gs with each agency. Our letter to the Corps later this month will likely raise similar concerns expressed in these earlier processes. The deadline for comments on the proposal is April 15.

4. DOI, Reclamation: IIJA Implementation

The Alliance helped lead nation-wide coalitions in support of Congressional action to advance the IIJA and the Inflation Reduction Act (IRA). The IIJA includes $8.3 billion for Reclamation, as part of a proposal advanced by over 230 water, ag and urban organizations. That coalition was led by a steering committee that included the Alliance, Association of California Water Agencies (ACWA) , California Farm Bureau Federation, National Water Resources Association (NWRA) and Western Growers. The IIJA investment will repair aging water delivery systems, secure dams, complete rural water projects, and protect aquatic ecosystems. The Alliance now wants to ensure that most of these dollars would be spent on-the-ground for the intended purpose. Over the past two years, we worked with a subset of Reclamation leadership, led by the Commissioner's office, to find ways to make implementation of the IIJA - particularly the Aging Infrastructure Account (AIA) and the WaterSMART program - more efficient and responsive to water user concerns.

Reclamation has proposed two new implementing documents that impact use of IIJA funds. As previously reported, on February 28, at the request of the Alliance, Reclamation hosted a public outreach session on draft Directive and Standard (D&S) CMP 08-01 (Capital Investment and Repair Needs). Comments were due March 15. Our comment letter focused on concerns regarding Reclamation's use of information provided by project sponsors for transferred work extraordinary maintenance (XM) projects they believe are high priority. If the operating contractor cannot afford the work, this presents potential liability for those contractors.

Comments on draft D&S PEC 05-03, "Funding and Extended Repayment of Extraordinary Maintenance Costs" were due last month,. The Alliance and NWRA in 2021 worked closely with Reclamation to address some troubling provisions contained in the original draft D&S. It's now essentially been completely re-written. Overall, we are pleased with the changes Reclamation made to the revised draft PEC 05-03. The revised document shows the changes Reclamation has made to address our concerns regarding the requirement to use a large portion of the contractor's reserve fund prior to using AIA funds. However, we have remaining concerns in two areas: 1) Contracting and contract requirements; and 2) Eligibility for emergency extraordinary maintenance (EXM). These concerns are further detailed in our March 22, 2024 comment letter.

5. **Reclamation: $28 M for Small Storage Projects in California**

Reclamation last month announced a $35 million investment for six small surface and groundwater storage projects, five of them located in California. The projects, each receiving funding from the Infrastructure Investment and Jobs Act (IIJA), will increase water supply reliability, improve operational flexibility, and enhance community and landscape resilience to the effects of climate change. The Small Storage Program, authorized by the IIJA, funds projects with a water storage capacity between 200 acre-feet and 30,000 acre-feet. Eligible projects completed and submitted a feasibility study to Reclamation for review. Last month's funding builds upon $20 million announced through the program for projects in 2023. The California projects announced include:

- $9.1 Million for Rancho California Water District's Pauba Valley Groundwater Banking Project;
- $7 Million for Imperial Irrigation District's Upstream Reservoir Storage Project;
- $6.7 Million for San Benito County Water District's Accelerated Drought Response Project;
- $3.9 Million for Groundwater Banking Joint Powers Authority's Phase 1 of the Kern Fan Groundwater Storage Project; and
- $1.3 Million for Del Puerto Water District's Orestimba Creek Recharge and Recovery Project.

More information can be found on Reclamation's Small Storage Program website.

6. **Camille Touton's Address to Family Farm Alliance Annual Conference**

Following our conference in Reno last month, several attendees requested the video of Reclamation Commissioner Touton's February 22 morning address. It took a while, but here's the link, which is available on YouTube as an unlisted video at https://youtu.be/F6OxxV7xzxM.

7. **Administration Finalizes Endangered Species Act (ESA) Rules**

FWS and NMFS last month finalized rules that essentially reverse some several important reforms

to the implementation of the ESA promulgated by the Trump administration and supported by the Alliance:

- The "Revision of Regulations for Interagency Cooperation" rule makes changes to how federal agencies must consult with the Services under Section 7 of the ESA. Of particular concern with this rulemaking is it will significantly increase the discretion of both the Services to potentially require reasonable and prudent measures outside the action areas of a project to offset any remaining impacts of the incidental take of listed species, which is a departure from decades of regulatory precedent. In addition, the rule removes the framework that determines whether a consequence of a proposed project is "reasonably certain to occur," which will remove important considerations from the consultation process.

- The "Listing Endangered and Threatened Species and Designating Critical Habitat" rule makes sweeping changes to how critical habitat can be designated and the process for listing and delisting species under Section 4 of the ESA. Under the proposed changes, the Services would remove the need, when designating unoccupied critical habitat, that "it contains one or more of the physical or biological features essential to the conservation of the species." This will remove vital certainty for stakeholders as to what may be considered critical habitat.

- The "Regulations Pertaining to Endangered and Threatened Wildlife and Plants" rule (only proposed by USFWS), reinstates the so-called "blanket 4(d) rule." This goes against the intent of Congress in the ESA that threatened and endangered species should be treated differently because the "blanket rule" gives the USFWS the ability to treat threatened species the exact same way as endangered species. The blanket rule was rescinded by the Trump administration in 2019 and has never been implemented by NMFS.

With that said, some of the 2019 amendments, especially as related to Section 7 consultation and what is and is not part of the environmental baseline, are not meaningfully changed, which is a good thing. It would be an even better thing if NMFS actually followed the regulations. The Services also intend to release a new Section 7 Handbook, where we can likely expect some additional heartburn. Last September, House Republicans introduced legislation to prevent DOI and the Department of Commerce from finalizing these rule proposals and retain the Trump-era regulations within the ESA.

8. DOI, FWS: Refuge Rule

FWS has proposed a regulation (2024-02076.pdf) that would establish a policy to prohibit farming and grazing on public lands in the national wildlife refuge system, unless new, extra-statutory criteria are satisfied. This proposal is an update of a policy issued during the last week of the Clinton Administration, and targets, and points to the elimination of longstanding and widespread agricultural practices on those public lands. FWS late last month notified our friends at American

Farm Bureau that the comment period for the proposed regulation is being extended by 60 days. They also said they are happy to take these 60 days to do meetings with interested parties.

We have drafted a comment letter on this proposed rule, which has implications for farmers across the country. We -and many other agriculture and water organizations across the country - are urging that FWS not adopt the proposed regulations. The fact that some of the most litigious anti-farming and ranching organizations are supportive of this regulation speaks volumes. The rule proposes sweeping, self-granted power that is undefined. We believe this will only invite conflict and litigation that would not serve the public interest. Perhaps our biggest concern with the proposed regulation is that the notice of rulemaking recites reductions in wildlife populations and climate change but does not link the specific policy changes to these underlying concerns. In fact, the proposal imbeds a message that we often hear from certain litigious environmental activist groups. While irrigation has increased agricultural productivity in the arid American West, these critics often focus only on how it has altered the natural landscape. We will urge anyone who works closely with federal wildlife refuges to develop letters of their own.

DEVELOPMENTS IN CONGRESS

9. Congress Finalizes FY 2024 Government Funding

Congress last month passed the Further Consolidated Appropriations Act, 2024 (H.R. 2882). The $1.2 trillion second "minibus" package covers the Defense, Financial Services, Homeland Security, Labor-HHS-Education, Legislative Branch, and State-Foreign Operations bills. The House passed the bill by a vote of 286-134, and the Senate followed, passing the bill 74-24. President Biden signed the legislation into law to avoid a partial government shutdown. This comes after President Biden signed into law the first FY 2024 minibus package of six spending bills on Saturday, March 9. With these actions, all federal departments and agencies have full-year funding through September 30, 2024. Congress will now pivot to the Fiscal Year 2025 appropriations process following the release of President Joe Biden's $7.3 trillion budget request on March 11. To try to avert a partial shutdown, House Speaker Mike Johnson (R-LA) defied many of the funding conditions House conservatives forced upon former Speaker Kevin McCarthy — resulting in Rep. Marjorie Taylor Greene (R-Ga.) filing a motion to boot him from the speakership during the vote on Friday. Our advocates in Washington, D.C. – The Ferguson Group - published an in-depth analysis of the finalized FY 2024 funding HERE.

10. 2023 Farm Bill

The farm bill is an omnibus, multiyear law that is typically renewed about every five years. The House leadership chaos of January 2023 had wide implications for the farm bill — including holding up work on the bill and complicating its eventual path to passage. Given the delays from the debt ceiling and appropriations negotiations, lawmakers have yet to release the draft text of the Farm Bill legislation in both chambers. Key topics of debate between Democrats and Republicans

include SNAP (food stamp assistance) and funding levels for climate change and rural energy programs.

1. Briefings from House Agriculture Committee GOP Staff

Josh Maxwell, GOP staff director, House Committee on Agriculture earlier this month briefed the Alliance board of directors on the state of play on the 2023 Farm Bill, which was supposed to be passed by the end of September 2023, but now has a deadline that expires at the end of next September. Challenges remain on reaching agreement between Democrats and Republicans on the House and Senate ag committees. House Ag Committee Chairman Thompson thinks that the $20 billion IRA injected into USDA conservation programs, is the first opportunity for reinvestment. Because of the process used to pass the IRA, this increased conservation funding peaks in 2026 and ultimately all funds expire in 2031. These dollars are limited in use by climate sideboards and federal bureaucracy. Chairman Thompson thinks they should be refocused toward programs and policies that allow farmers to continue to make local decisions that work for them. Ag Committee Republicans believe the IRA's limitation on how conservation money is used works against farmers who benefit from other practices that don't meet USDA's "climate smart" definition.

Of special importance to Chairman Thompson is the Title 1 Safety Net, which has seen a significant decline in spending. There are three areas he is eying on how to boost funding for the Title. In addition to the IRA dollars – which he would like to see reinvested into the permanent baseline and research and development, he is looking the discretionary account set up using Commodity Credit Corporation authorities, and the thrifty food plan of SNAP.

Staff hope to see a committee markup before Memorial Day. The Chairman is in "go mode" now and they are pressing to mark up as soon as possible. They are waiting to hear back from the Congressional Budget Office and USDA technical services on a few items, and once that happens, things could break loose any day.

11. House Passes GOP Water Permitting Act

The House last month passed the *Confidence in Clean Water Permitting Act*, (H.R. 7023), on a 213-205 vote, with only two Democrats — Henry Cuellar of Texas and Don Davis of North Carolina — voting in favor and one Republican voting against it, Rep. Morgan Griffith of Virginia. The bill includes modifications to the CWA and was amended on the House floor to codify Florida's wetlands permit program (after a federal judge revoked their authority under the CWA) and to bar Chinese companies from obtaining federal water permits. While the legislation was defended by Transportation and Infrastructure Committee GOP leaders as an improvement to the CWA, Democrats and the White House argue it weakens environmental protections. Amendments also address staffing for federal water permits, permit length for public works projects, and exemptions for certain types of pollutants. However, contentious aspects, such as provisions shielding companies from liability for unlisted pollutants and shifting EPA's system for developing water quality criteria into a formal rulemaking process, drew criticism for potentially endangering

water quality. Despite passing the House, the bill faces opposition from the Democrat-controlled Senate and the White House and is unlikely to become law in this Congress.

IN THE COURTS

12. Alliance Engagement in Western Litigation

The Family Farm Alliance board of directors at our February meeting in Reno authorized that the Alliance sign on to two amicus briefs in cases that have implications for our members throughout the West. The first is *PCFFA v Conant*, which deals with the all-important irrigation return flow exemption under the CWA. The environmental litigants are challenging the exemption, and advancing arguments that would essentially render that exemption meaningless. The briefs filed by Reclamation and the San Luis & Delta-Mendota Water Authority were very good, as was the *amicus* brief we joined, which was filed earlier this month. The *amicus* includes the Association of California Water Agencies, California commodity groups, water purveyors and the Alliance. We think the brief is very good, and this effort was time and money well-spent.

The second case involves Klamath Drainage District's lawsuit with the United States. This is a good appeal and has West-wide implications. It's another classic ESA vs state water right issue. Under the ESA, when an agency is proposing a federal action and there is some discretion involved, ancillary non-federal issues (such as diversion of state-based water rights, which have nothing to do with Reclamation) should not reach into these matters. Our brief focuses on this issue and was two weeks ago in the Ninth Circuit Court of Appeals.

13. Supreme Court Rio Grande Case Could Affect New Western Water Fights

The ultimate outcome of the Supreme Court case argued last month in *Texas v. New Mexico* and Colorado concerning the sharing of the Rio Grande's waters under a 1938 interstate compact, may have broader implications for water management in the West. The ruling could either weaken the federal government's role in managing major waterways or strengthen its authority, depending on the outcome. The Biden Administration's objections to a settlement between Texas, New Mexico, and Colorado underscore the federal government's concerns about its ability to mediate water disputes, especially in river basins with interstate compacts, like the Rio Grande. If the Court upholds the settlement, it could empower states to bypass federal involvement in water negotiations. Conversely, a ruling favoring the federal government could expand its role. The decision's ramifications could extend to issues such as hydropower, tribal water rights, and endangered species protection. The settlement itself proposes a new system for monitoring water usage along the Rio Grande, but its enforcement hinges on the Court's decision. If the case returns to negotiation, the timeline for reaching a new agreement is uncertain.

ALLIANCE INITIATIVES

14. Colorado River Initiative

The Colorado River is a vital water resource in the southwestern United States and northwestern Mexico. It irrigates nearly 5.5 million acres of farmland and sustains life and livelihood for over 40 million people in major metropolitan areas. The Colorado River provides water to two countries, seven western states, 30 Tribal Nations and 40 million residents. It is currently experiencing the longest and worst drought on record, driven by hotter temperatures under climate change. Efforts continue across the Colorado River Basin to find ways to stabilize water storage volumes in Lakes Powell and Mead. Reclamation and water agencies are working to take extraordinary actions to protect the River System. A recent Reclamation study found that an average of 1.3 MAF of water is lost annually as it evaporates between Lake Mead and Mexico.

1. States Submit Upper/Lower Basin Water Management Proposals

Officials from the seven states sharing the Colorado River presented conflicting proposals to the Biden Administration regarding how to implement necessary cuts amid worsening water scarcity and decades of drought conditions. Both Upper Basin (Colorado/Wyoming/Utah/New Mexico) and Lower Basin (California/Arizona/Nevada) states agree on potential cuts of up to 25% of the river's flows under extreme conditions but disagree on the distribution of the reductions. Disagreements also continue over accounting for water in the Colorado River system, including whether to include smaller reservoirs in the system alongside Lake Mead and Lake Powell.

DOI and Reclamation will review the proposals and work to seek consensus, aiming to draft a long-term operating plan by the end of the year before the current operating guidelines expire in 2026. The Upper Basin's plan suggests imposing cuts on the Lower Basin, while the Lower Basin's proposal advocates for shared cuts across all states. Despite the gap between the plans, basin state officials express a willingness to collaborate towards a common solution, recognizing the need for collective action to address the long-term challenges facing the Colorado River Basin. Last week, the Biden Administration released a final Supplemental Environmental Impact Statement (SEIS) for the near-term interim pre-2026 operation of Glen Canyon and Hoover Dams to address the ongoing drought and impacts from chronic water shortages in the Basin. The identified preferred alternative reflects a historic, consensus-based proposal secured in partnership with the seven Basin states that will lead to at least 3 million acre-feet of system water conservation savings through 2026, when the current guidelines expire.

2. New "Sustainable Waters" Study

Many of you likely saw the piece last week in the *Los Angeles Times*, where Bruce Babbitt and noted water speculator Brian Richter spotlight a recent study led by Richter that finds that more than half of the Colorado River's total annual water flow is being used to irrigate agricultural land: Hay consumes a vast share of the Colorado River's water - Los Angeles Times (latimes.com).

Brian Richter - the star of this story – is now president of Sustainable Waters, a "global water education service", and senior freshwater fellow at the World Wildlife Fund. The study was originally published in Research Communities by Springer Nature. His press release was picked up not only by the LA Times, but also the *Salt Lake Tribune*, *High Country News*, ABC News, *Newsweek*, NPR, and KNAU Arizona Public Radio.

Mr. Richter is also tied to the water speculation sector. In January 2021, an article in the *New York Times* focused on the Colorado River and included quotes from James Eklund, who works for Water Asset Management (WAM), which favors a market-driven approach to water distribution in the West. Mr. Richter – another WAM associate - shortly thereafter wrote this guest column: Western Slope needs to suspend irrigation to avert water shortage catastrophe that was published in the *Denver Post*. The Family Farm Alliance and others responded with guest columns of their own, including this one: *Lasting Colorado River solutions come from Main Street – not Wall Street*, co-authored by Scott Yates (Director, Western Water & Habitat Program, Trout Unlimited), Taylor Hawes (Colorado River Program Director, The Nature Conservancy), and yours truly. The *Denver Post* also ran this response: Collaboration will protect the Colorado River from drought and speculation alike from Rebecca Mitchell, Colorado's current Colorado River Commissioner and director of the Colorado Water Conservation Board. Colorado Commissioner of Agriculture Kate Greenberg penned this response: Big Money eyeing Colorado's Water, which was picked up by *Colorado Politics*.

We're working with our members and allies in the Colorado River Basin to assess how to best respond to this latest attack on alfalfa and hay production.

3. Steve Benson Guest Opinion

The *San Diego Union Tribune* last month ran an opinion piece written by Alliance Director Steve Benson on solving the Colorado River crisis. Steve is also the president of IVH2O, an organization of producers in the Imperial Valley. California Farm Water Coalition (CFWC) worked with Steve and the *Tribune* to get the column published. Steve's personal view is one of many held by Alliance members, who operate in all 7 Basin states. Despite the diversity of Colorado River policy opinions within our membership, the Alliance board of directors in 2015 and again in 2022 adopted principles and recommendations intended to guide state and federal decision-makers as they negotiate a long-term operating agreement on the Colorado River. The 2022 policy paper – which has also been adopted by several water agencies served by the Colorado River– has as its top principle the need to "recognize that Western irrigated agriculture is a strategic and irreplaceable national resource".

15. Farm Water Communications Team Reunites

CFWC has reinitiated its scheduled communications conference calls, something we participated in regularly, particularly during the last drought. In the past, these calls have been a valuable tool for sharing water-related information with the purpose of supporting a unified voice on California

agricultural water issues. Prior calls have addressed issues in every region of the state and CFWC strives to identify the best voices available for discussion on important water topics. CFWC has been a great and effective partner to the Alliance in recent years, co-leading the *Wall Street Journal* food security ad and co-authoring our "Alfalfa 101" paper later that year. On last week's call, CFWC staff summarized new media products they have developed to help better educate the public on food security matters. One product is a menu that shows how many gallons of water goes into each course that you eat during the day. Another is an excellent map of California, showing the amount of water that is consumed in the production of food and fiber. The other shows where those products are being consumed (i.e., the cities).

In this election year, where voters' top concerns are the economy, jobs and inflation, we may never have a better opportunity to educate the public on where their food comes from. There appears to be agreement that we need to begin having more public conversations about the degree to which mandates and regulations are contributing to rising food costs, which is by far the top concern expressed by voters relative to inflation. It was noted that farmers across the world are making their voices heard through protests and organized political actions and achieving success in defeating misguided policies that harm food production. Meanwhile, we're losing small and medium-sized farms, according to the latest USDA census.

NEWS FROM AROUND THE WEST

20. Klamath River Basin (CALIFORNIA/OREGON)

On February 15, the Klamath River Renewal Corporation (KRRC) announced the completion of the initial drawdown phase in the timeline for the Klamath Dam removal. The draining process for the Iron Gate, Copco, and JC Boyle reservoirs has allowed restoration crews to begin revegetation seeding work on the 2200 acres of exposed reservoir area. The facilities are expected to refill during spring runoff as the river retraces a path through the reservoir footprints. KRRC plans to begin demolition of Iron Gate, Copco, and J.C. Boyle Dams in May. They plan to breach the cofferdams for each dam in August, reconnecting Klamath river flows permanently. Meanwhile, the Siskiyou County Board of Supervisors proclaimed a local emergency last Tuesday and requested that the governor proclaim a state of emergency based on water quality concerns in the Klamath River as the four dams are being removed. Many residents spoke during public comment periods during the nearly six-hour meeting, expressing concerns about fish killed as the reservoirs were drained, deer trapped in mudflats and potential human health issues.

Mostly sailing under the media radar in recent weeks was the report that an unknown number of the 830,000 young Chinook salmon released from a new hatchery were found dead, their eyes bulging, in a federal sampling trap about 9 miles below Iron Gate Dam. State officials called it "a large mortality," but said there's no official count yet and released no additional details about the size of the die-off. California's fish and wildlife officials said they suspect "gas bubble disease," is to blame — possibly caused when the salmon traveled through a 9-foot-wide tunnel out of Iron Gate dam to reconnect with the Klamath downriver. Few seem to have picked up on the latest twist

regarding the juvenile fish killed. There are reports that the tunnel at the base of Iron Gate is experiencing unforeseen cavitation, due to the failure of a 45-foot section of air vent pipe in January. The vent pipe had been installed as a precautionary measure. KRRC's letter disclosing this failure dated January 19 was not received by FERC until February 26 and not publicly disclosed until March 11. Some are speculating that if CDFW biologists had known that the tunnel was experiencing cavitation due to the loss of the air vent, the decision to release the fish might have been different.

ADMINISTRATIVE & MISCELLANEOUS

- Last month, I had a phone conversation with Travis Brammer, Director of Conservation with the Property and Environment Research Center (PERC). Travis joined us in Reno for our February conference, and we've had a constructive relationship with his organization for nearly two decades. He wanted to give me a heads up that he was co-authoring a report on groundwater conservation easements. In Colorado's San Luis Valley, the creative use of a conservation easement to reduce groundwater pumping has attracted national attention as a more tailored alternative to traditional water-savings programs, as it allows farmers to choose how they achieve agreed-upon water reductions. Its recent implementation in Colorado is motivating efforts to apply similar approaches to other areas with overdrafted aquifers. Anyway – you can download it HERE.

- The steering committee set up to prepare for our July board of directors retreat in Northern Colorado has developed a conceptual strategy to move forward in the weeks ahead. Also - a date has been set for long-time Alliance President Pat O'Toole's memorial service at Ladder Ranch, near Savery, WY: Saturday, July 20. A fireside chat will take place the evening before, to share stories about Pat's amazing life.

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 541-892-6244 or ***dan@familyfarmalliance.org*** *if you would like further information about what the Alliance is doing to protect water for Western irrigated agriculture.*

CALIFORNIA FARM WATER COALITION

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Executive Director
Michael Wade

TO: San Luis & Delta-Mendota Water Authority Board of Directors
FROM: Mike Wade, Executive Director
DATE: April 2, 2024
RE: Program and Activities Update

Communications Conference Calls

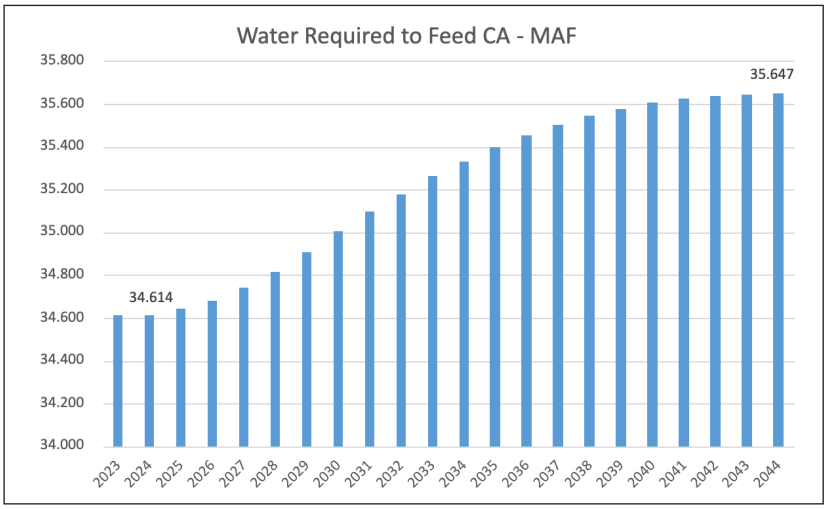
CFWC has hosted communications conference calls to keep water community and agricultural organizations updated on water issues, fact sheets and to share information. The calls are held semi-monthly and are open to individuals throughout the state.

The most recent comms call agenda included three new facts sheets and graphs, plus an update on the SWRCB staff report on unimpaired flows and the alternative Voluntary Agreements, or "Healthy Rivers and Landscapes".

Futures Water Demands for California

CFWC updated its "Where Does Farm Water Go?" fact sheet for 2024 (page 2), showing that the total water **used** on California farms is about 8.2 trillion gallons, or 25.2 MAF (depletion). That figure is compared to the total water demand to **feed** California's population, which is about 11.3 trillion gallons, or 34.6 MAF.

Based on expected population growth (California Department of Finance, Demographic Research Unit), it will require additional 1 MAF of water to produce the food needed for an additional 1.165 million individuals added to California's population by 2044 (20 years). The result is an ever increasing dependence of foreign-produced food.



Sample Daily Menu

CFWC produced a new fact sheet, titled "Sample Daily Menu," (page 3) designed to help consumers, elected officials, and the media understand the connection between farm water and the food we eat. Based on USDA "MyPlate" recipes (www.myplate.gov), UN FAOSTAT, 2017 and USDA FNS water data, the sample daily menu includes a selection of breakfast, lunch, and dinner items, plus a morning and afternoon snack. The combined total for all items is 810.3 gallons per person, per day in water needed to grow all of the included recipe items.

The United Nations reports that the global average for water needed to meet per capita food production demands is 3,000 liters per day, or 792.5 gallons.

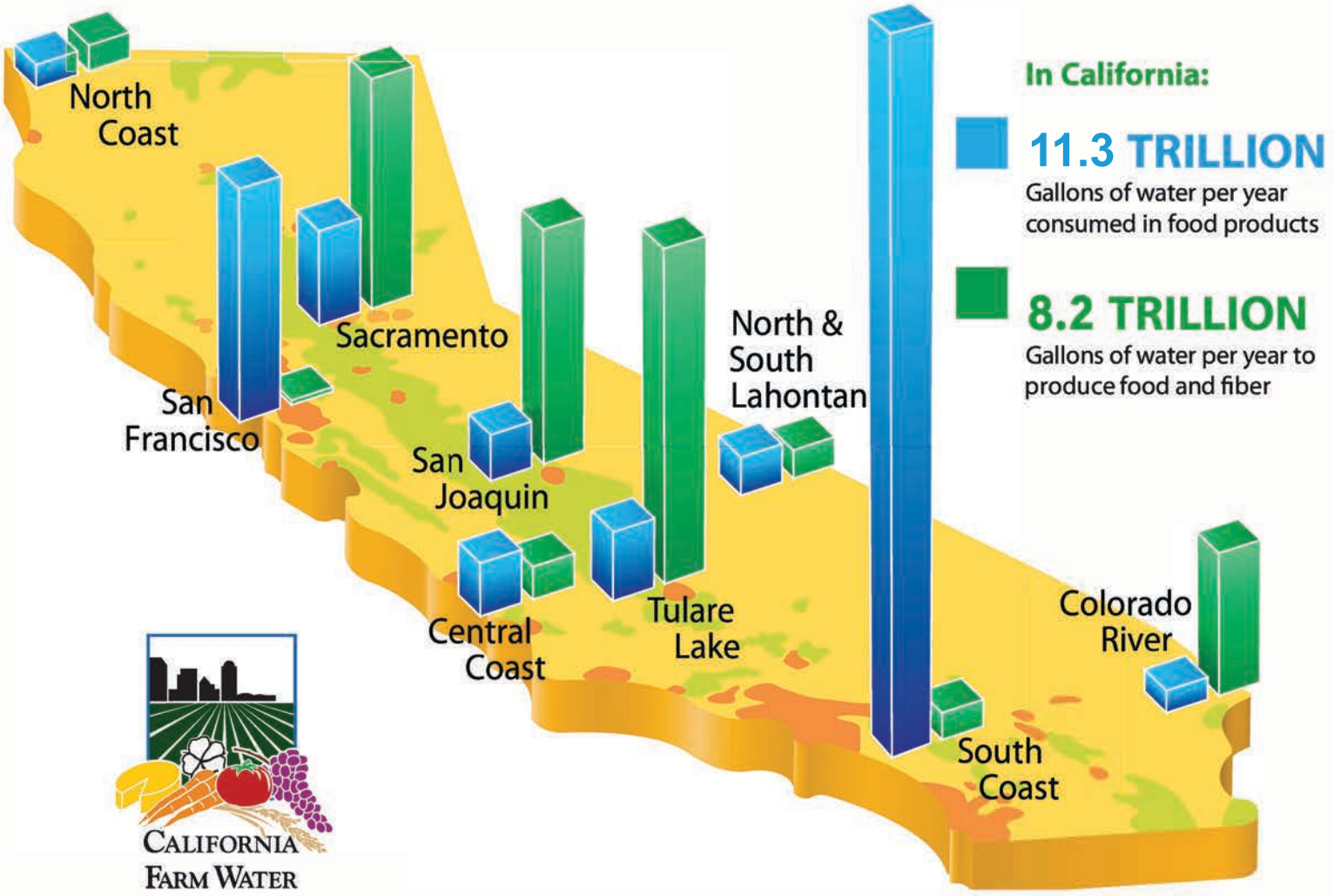
WHERE does farm water go?

New For 2024

Water that grows farm products doesn't stay on the farm

It becomes part of the food we eat and clothing we wear.

The green bars below represent the amount of water used to irrigate California's 9.6 million acres of farmland. The blue bars represent the water consumed as food by the people in each region.



CALIFORNIA FARM WATER COALITION

FOOD GROWS WHERE WATER FLOWS

farmwater.org
916-391-5030

DATA SOURCES:

Agricultural water numbers are based on depletion, or the amount of water that is no longer available for other uses. Population figures sourced from 2022 U.S. Census. Water use is DWR 2019 water year.

Per capita water demands for food supply is from the Food and Agriculture Organization of the United Nations. https://www.fao.org/water/en/

Sample Daily Menu

How much water does it take to grow the food we eat? You might be surprised ---

	Gallons of water required for food production
Breakfast	
Orange Juice	31.4
Spanish Omelette	40.1
Crunchy Berry Parfait	92.5
Breakfast Total	**164.0**
Morning Snack	
Apple Slices with Peanut Butter	19.1
Lunch	
Steak Fajitas	318.4
Bell Pepper and Apple Coleslaw	20.2
Lemonade	21.8
Lunch Total	**360.4**
Afternoon Snack	
Cinnamon Apple Raisin Cookie	42.1
Dinner	
Greek Pork Chops	154.1
Spring Vegetable Sauté	24.7
Mashed Potatoes with Margarine	22.5
Soft Drink	23.4
Dinner Total	**224.7**
Daily Total	**810.3**

Recipes: www.myplate.gov
Water data: UN FAOSTAT, 2017; USDA FNS

Farmers use water to grow food and fiber. However, the people who consume the farm products are the true users of water. The investment in water as a society is the essential component of producing a safe and nutritious domestic food supply.



CALIFORNIA FARM WATER COALITION

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Other Media Activity
CFWC submitted the following letters and opinion pieces to the following publications:

2/7/24	Letter	OC Register	Good News/Bad News on CA water supplies
2/14/24	Opinion	SDU Tribune	Managing CO River with Equitable Outcomes
3/14/24	Letter	SL Tribune	Water Conservation partnerships on CO River
3/18/24	Letter	SJ Mercury	Sites Reservoir update - Save wet year water for dry years
3/27/24	Letter	CalMatters	UCSB study on potential water savings by switching crops