



Official Memorandum

PO Box 2157
Los Baños, CA 93635
sldmwa.org

To: SLDMWA Board of Directors, Alternates

From: Pablo Arroyave, Chief Operating Officer
Rebecca L. Harms, Deputy General Counsel

Date: October 9, 2025

RE: Ratification of Execution of Letter of Agreement 25-WC-20-6367 with the U.S. Bureau of Reclamation for Administrative Work Associated with the Preparation of Warren Act Contracts for Conveyance of Yuba Transfer Water

Background

In May 2025, the San Luis & Delta-Mendota Water Authority ("Water Authority") Board of Directors adopted Resolution No. 2025-543, which authorized execution of a new Yuba Transfers 2026-2050 Activity Agreement ("Activity Agreement") and Actions Related Thereto for Water Authority members who desire to participate in water transfers pursuant to the Yuba Accord Water Transfer Program. Twelve Water Authority members executed the Activity Agreement: Byron-Bethany Irrigation District, Del Puerto Water District, Eagle Field Water District, Mercy Springs Water District, Pacheco Water District, Panoche Water District, Patterson Irrigation District, San Benito County Water District, San Luis Water District, Santa Clara Valley Water District, Westlands Water District, and West Stanislaus Irrigation District ("Activity Agreement Members").

During the time period covered by the previous Yuba transfers activity agreement, 2008 through 2025, the U.S. Bureau of Reclamation ("Reclamation") considered Yuba transfer water to be CVP water. However, Reclamation informed the Water Authority that starting in 2026, Yuba transfer water will be considered non-CVP water, thus requiring Activity Agreement Members to enter into Warren Act contracts¹ in order to convey, exchange and store Yuba transfer water in CVP facilities.

In July 2025, the Water Authority requested that Reclamation prepare a series of temporary Warren Act contracts authorizing Yuba water transfer quantities for each Activity Agreement Member that when combined would not exceed 100,000 acre-feet per year. Reclamation confirmed that it is authorized to approve these types of actions pursuant to the Warren Act. On August 27, 2025, the Water Authority received from Reclamation Letter of Agreement 25-WC-20-6367 for Administrative Work Associated with the Preparation of Warren Act Contracts for Conveyance of Yuba Water ("Letter of Agreement"), attached hereto for your reference. The purpose of the Letter of Agreement is to provide for reimbursement, by the Water Authority, of all costs incurred by Reclamation resulting from its preparation of the Warren Act contracts. Reclamation will collect the estimated reimbursable costs based on an estimate of the actual costs expected to be incurred (Reclamation Directive and Standard PEC 07-01). The Letter of Agreement requires the Water Authority to submit to Reclamation an initial advance deposit of \$10,000.

¹ The Warren Act of February 21, 1911, authorized the United States to execute contracts for the conveyance and storage of non-CVP water in Federal facilities when excess capacity exists.

Reclamation requires the Water Authority to provide documentation of our signatory's authority to sign on behalf of the Activity Agreement Members.

Issue for Decision

Whether the Board of Directors should ratify the execution of the Letter of Agreement.

Recommendation

Staff recommends that the Board of Directors ratify the execution of the Letter of Agreement.

Analysis

Pursuant to the Activity Agreement, Activity Agreement Members are obligated to fund activities related to Warren Act contracts (see Activity Agreement Recitals, Paragraph U; Sections 1.B., 5.A.). Between September 9th and 11th, Water Authority staff gained the consent from each Activity Agreement Member to execute the Letter of Agreement. Due to the fact that Warren Act contracts must be fully executed for Yuba transfers beginning in 2026, the Water Authority executed the Letter of Agreement on September 12, 2025 so that Reclamation may start the process of developing the contracts. In addition to the terms of the Activity Agreement and the Activity Agreement Members' concurrences, the Water Authority, in order to thoroughly comply with Reclamation's requirement for documentation of our authority to execute the Letter of Agreement, now seeks Board ratification of the execution of the Letter of Agreement.

Budget

Reimbursement for Reclamation's administrative work associated with its preparation of the Warren Act contracts will be funded by the Activity Agreement Members. The costs related to this work will be directly invoiced to Activity Agreement Members for payment and, therefore, will not impact the Activity Budget dues payment or the budget for any other Water Authority activities.

Attachment

Executed Letter of Agreement



IN REPLY REFER TO:

United States Department of the Interior

BUREAU OF RECLAMATION
California Great-Basin
South-Central California Area Office
1243 N Street
Fresno, CA 93721



SCC-400
2.2.4.22

Letter of Agreement 25-WC-20-6367

VIA ELECTRONIC MAIL

Federico Barajas
Executive Director
San Luis & Delta-Mendota Water Authority
P.O. Box 2175
Los Banos, CA 93635
federico.barajas@sldmwa.org

Subject: Letter of Agreement 25-WC-20-6367 (Agreement) – Reimbursable Account for Administrative Work Associated with the Preparation of Warren Act Contracts for Conveyance of Yuba Water – San Luis & Delta-Mendota Water Authority (Authority) – Central Valley Project

Dear Mr. Barajas:

The Bureau of Reclamation (Reclamation) is in receipt of the Authority's July 29, 2025, email requesting Reclamation prepare a series of temporary Warren Act contracts to annually convey up to 100,000 acre-feet of Yuba Accord water in federal facilities. Reclamation is authorized to approve these types of action pursuant the Warren Act of February 21, 1911 (Pub. L. 406).

The purpose of this Agreement is to provide for reimbursement, by the Authority, of all costs incurred by Reclamation resulting from the Authority's request. Pursuant to Reclamation's Directive and Standard PEC 07-01, Advance Collection of Reimbursable Costs for Water-Related Contracting Activities, Reclamation staff will collect the estimated reimbursable costs based on an estimate of the actual costs expected to be incurred.

Reclamation's team may include, but is not limited to, staff from the following disciplines: Contracts, Environmental, and Operations. Costs incurred by Reclamation may encompass, but are not limited to, all expenses associated with the preparation and review of documents to comply with the National Environmental Policy Act (NEPA), as amended, as well as costs related to the preparation, review, and execution of Warren Act contract(s).

By countersigning this Agreement, the Authority agrees to the following conditions:

INTERIOR REGION 10 • CALIFORNIA-GREAT BASIN

CALIFORNIA*, NEVADA*, OREGON*

* PARTIAL

1. The Authority shall submit to Reclamation an initial advance deposit of \$10,000 to be deposited into an account established for this action. Reclamation agrees the total costs will not exceed \$10,000 absent further written approval by the Authority. If any mitigation is required for compliance with NEPA for this action, all costs associated with such mitigation shall be the responsibility of the Authority.
2. Upon written request, Reclamation will provide the Authority with a quarterly statement of account balance and a summary of expenses incurred by Reclamation in connection with this action. In the event Reclamation foresees expenditures in excess of the account balance, Reclamation will notify the Authority of the need for additional deposits in excess of the foregoing amount and will provide the Authority with a detailed itemization of anticipated expenditures, and the Authority shall pay the amount requested to Reclamation within ten (10) days of the request.
3. At the District's request, Reclamation will provide a detailed record of actual costs incurred by Reclamation within sixty (60) days of such request.
4. This Agreement is effective as of the date signed by the Authority and will remain in effect until a) this Agreement is terminated by either party upon thirty (30) days written notice to the other party or b) September 28, 2035, provided that the Authority shall submit additional funds, if needed, to pay Reclamation's costs up to date of termination. Any excess funds in the account will be refunded to the Authority within sixty (60) days after termination of this Agreement.

Please have the appropriate individual sign this Agreement and return this Agreement, along with documentation authorizing the individual to sign on behalf of District, to the Bureau of Reclamation, South-Central California Area Office, Attn: SCC-440, 1243 "N" Street, Fresno, CA 93721.

A down payment (DP) invoice will be forwarded to you via email from bor-sha-cgb-rm1@usbr.gov. For information related to pay.gov and bank wire details, please contact the Operating Accounting Team at bor-sha-cgb-rm1@usbr.gov.

If you should have any questions regarding this approval, please contact Mr. David E. Hyatt at (559) 262-0334, by email at dhyatt@usbr.gov. If you have a hearing, or speech impairment, please dial 7-1-1 to access telecommunications relay services.

Sincerely,

**RAIN
EMERSON**

Digitally signed by RAIN
EMERSON
Date: 2025.08.25
12:18:27 -07'00'

Rain L. Emerson
Acting Area Manager

On behalf of San Luis & Delta-Mendota Water Authority, I concur with the foregoing:

SAN LUIS & DELTA-MENDOTA AUTHORITY



Authorizing Official Signature

9/12/2025

Date

Federico Barajas

Authorizing Official Name (Print)

Executive Director

Authorizing Official Title (Print)

cc: Pablo Arroyave
San Luis & Delta-Mendota Water Authority
P.O. Box 2175
Los Banos, CA 93635
pablo.arroyave@sldmwa.org