



MEMORANDUM

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

FROM: Ray Tarka, Director of Finance
Scott Petersen, Director of Water Policy

DATE: August 7, 2023

RE: Staff Recommendation for Distribution of SFCWA Lower Yolo Ranch Project Funds (Refund Payment) Upon Receipt

BACKGROUND

SLDMWA is a member of the State and Federal Contractors Water Agency (SFCWA). SFCWA's mission is to assist its member agencies in assuring a sufficient and reliable high-quality water supply for their customers from the State Water Project and federal Central Valley Project. The core focus of activities in pursuing this mission is centered on facilitating habitat conservation measures and research related to the restoration of the Delta ecosystem while assuring sufficient and reliable export water supplies. One such restoration project undertaken by SFCWA was the Lower Yolo Ranch Habitat Restoration Project. Westlands Water District (WWD) completed construction of the Lower Yolo Ranch Habitat Restoration Project in 2022 and received payment from the California Department of Water Resources (DWR) for project costs. WWD agreed to reimburse SFCWA \$4,343,595.89 for previous expenses associated with project development once it was paid by DWR. SFCWA incurred those development expenses during SLDMWA Fiscal Years FY11 - FY15. At its July 20, 2023 meeting, the SFCWA Board of Directors approved refunding \$4,446,090.25 to its member agencies due to the completion of the project. The distribution amount directed to SLDMWA is \$1,770,517.73.

ISSUE FOR DECISION

Whether the Finance & Administration Committee should recommend, and the Board of Directors should adopt, staff's recommendation for distribution of SFCWA Lower Yolo Ranch Project Funds (refund payment) upon receipt.

RECOMMENDATION

Staff recommends a pro-rata allocation of the refund based on SLDMWA membership assessments collected for SFCWA participation during the FY11-FY15 time period. This time period coincides with monies spent for the development phase of the Lower Yolo Ranch Habitat Restoration Project.

ANALYSIS

The refund is for project development costs incurred during FY11 through FY15. During that time, \$9,771,760 was collected from participating members. The SFCWA activity was budgeted by SLDMWA and assessed through now inactive funds 12 (Delta Issues Participation, or "DIPS") and 7 (Leg Ops #1). Staff has scheduled these assessments by year and calculated each participating member's proportionate share of those assessments. The resulting percentages were then applied to the anticipated refund amount to derive the recommended refund to each participating member.

The accompanying attachments show the proportional dollar amounts that would be refunded to each member pursuant to staff's proposal, the results of the calculations, and the supporting SFCWA Board agenda for July 20, 2023 and related minutes from their February 16, 2023 meeting.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
FAC 08.07.23 BOD 08.10.23

REFUND ASSOCIATED WITH THE COMPLETION OF THE LOWER YOLO RANCH HABITAT RESTORATION PROJECT

SFWCA BOD Approved 07/20/23

Allocated on Membership Assessments: FUNDS 12 & 8, MARCH 1, 2014 - FEBRUARY 28, 2015

Refund Amount: **\$ 1,770,517.73**

	PCT OF GRAND TOTAL OF MEMBER ASSESSMENTS FUNDS 12 & 08 FY2010-FY2015	REFUND ALLOCATED
DIVISION 1		
1. Banta-Carbona Irrigation District	0.9670000054%	\$ 17,120.91
2. City of Tracy	0.8500000051%	\$ 15,049.40
3. Del Puerto Water District	6.7905102724%	\$ 120,227.19
4. Patterson Irrigation District	0.8329722620%	\$ 14,747.92
5. Byron Bethany Irrigation District	0.9960000055%	\$ 17,634.36
6. West Side Irrigation District	0.2445102352%	\$ 4,329.10
7. West Stanislaus Irrigation District	2.4230102476%	\$ 42,899.83
Total Division 1	13.1040030333%	\$ 232,008.70
DIVISION 2		
1. Panoche Water District	4.5540000262%	\$ 80,629.38
2. San Luis Water District	6.0595000348%	\$ 107,284.52
3. Westlands Water District (1)	56.6059044360%	\$ 1,002,217.57
Total Division 2	67.2194044970%	\$ 1,190,131.47
DIVISION 3		
1. Central California Irrigation District	3.0430201557%	\$ 53,877.21
2. Firebaugh Canal Water District	0.4859999503%	\$ 8,604.72
3. Grassland Water District	0.3059999687%	\$ 5,417.78
4. HMRD #2131	0.9349999043%	\$ 16,554.34
5. Columbia Canal Company (Friend Member)	0.3369999655%	\$ 5,966.64
Total Division 3	5.1070199445%	\$ 90,420.69
DIVISION 4		
1. San Benito County Water District	2.1215000121%	\$ 37,561.53
2. Santa Clara Valley Water District (2)	7.4625102763%	\$ 132,125.07
Total Division 4	9.5840102884%	\$ 169,686.60
DIVISION 5		
1. Broadview Water District	1.3075000074%	\$ 23,149.52
2. Eagle Field Water District	0.2190000011%	\$ 3,877.43
3. Fresno Slough Water District	0.1981090417%	\$ 3,507.56
4. James Irrigation District	1.7662251584%	\$ 31,271.33
5. Laguna Water District	0.0385000002%	\$ 681.65
6. Mercy Springs Water District	0.1400000010%	\$ 2,478.72
8. Pacheco Water District	0.4905000030%	\$ 8,684.39
9. Reclamation District 1606	0.0125737850%	\$ 222.62
10. Tranquillity Irrigation District	0.7846644724%	\$ 13,892.62
Total Division 5	4.9570724702%	\$ 87,765.85
OTHER		
1. FT Land LLC	0.0284897666%	\$ 504.42
Total Other	0.0284897666%	\$ 504.42

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

FAC 08.07.23 BOD 08.10.23

**MARCH 1, 2010 - FEBRUARY 28, 2015
ANNUAL MEMBERSHIP ASSESSMENTS; FUNDS 12 & 8
STATE AND FEDERAL CONTRACTORS WATER AGENCY**

	FY11		FY12		FY13		FY14		FY15		5 YEAR TOTAL		5 YEAR GRAND TOTAL	PCT OF GRAND TOTAL
	FUND 12	FUND 8	FUND 12	FUND 8	FUND 12	FUND 8	FUND 12	FUND 8	FUND 12	FUND 8	FUND 12	FUND 8	FUNDS 12 & 8	
Total	\$ 1,079,727	\$ 1,079,727	\$ 1,253,033	\$ 1,253,033	\$ 1,032,005	\$ 1,032,005	\$ 1,110,432	\$ 1,110,432	\$ 410,683	\$ 410,684	\$ 4,885,879	\$ 4,885,880	\$ 9,771,760	100.0000%
DIVISION 1														
1. Banta-Carbona Irrigation District	\$ 9,869	\$ 11,013	\$ 11,453	\$ 12,781	\$ 9,433	\$ 10,526	\$ 10,149	\$ 11,326	\$ 3,754	\$ 4,189	\$ 44,657	\$ 49,836	\$ 94,493	0.97%
2. City of Tracy	\$ 8,638	\$ 9,718	\$ 10,024	\$ 11,277	\$ 8,256	\$ 9,288	\$ 8,883	\$ 9,994	\$ 3,285	\$ 3,696	\$ 39,087	\$ 43,973	\$ 83,060	0.85%
3. Del Puerto Water District	\$ 69,221	\$ 77,416	\$ 80,332	\$ 89,842	\$ 66,162	\$ 73,996	\$ 71,190	\$ 79,618	\$ 26,329	\$ 29,446	\$ 313,234	\$ 350,319	\$ 663,552	6.79%
4. Patterson Irrigation District	\$ 8,886	\$ 9,116	\$ 10,312	\$ 10,579	\$ 8,493	\$ 8,713	\$ 9,139	\$ 9,328	\$ 3,380	\$ 3,450	\$ 40,211	\$ 41,185	\$ 81,396	0.83%
5. Byron Bethany Irrigation District	\$ 10,171	\$ 11,337	\$ 11,804	\$ 13,157	\$ 9,721	\$ 10,836	\$ 10,460	\$ 11,660	\$ 3,869	\$ 4,312	\$ 46,025	\$ 51,302	\$ 97,327	1.00%
6. West Side Irrigation District	\$ 2,473	\$ 2,807	\$ 2,870	\$ 3,258	\$ 2,363	\$ 2,683	\$ 2,543	\$ 2,887	\$ 940	\$ 1,068	\$ 11,190	\$ 12,703	\$ 23,893	0.24%
7. West Stanislaus Irrigation District	\$ 24,683	\$ 27,641	\$ 28,645	\$ 32,078	\$ 23,592	\$ 26,419	\$ 25,384	\$ 28,427	\$ 9,388	\$ 10,513	\$ 111,692	\$ 125,079	\$ 236,771	2.42%
Total Division 1	\$ 133,941	\$ 149,048	\$ 155,440	\$ 172,972	\$ 128,020	\$ 142,461	\$ 137,748	\$ 153,240	\$ 50,945	\$ 56,674	\$ 606,094	\$ 674,395	\$ 1,280,490	13.10%
DIVISION 2														
1. Panoche Water District	\$ 46,407	\$ 51,935	\$ 53,855	\$ 60,271	\$ 44,356	\$ 49,639	\$ 47,726	\$ 53,412	\$ 17,651	\$ 19,754	\$ 209,995	\$ 235,011	\$ 445,006	4.55%
2. San Luis Water District	\$ 61,750	\$ 69,103	\$ 71,661	\$ 80,194	\$ 59,020	\$ 66,048	\$ 63,506	\$ 71,068	\$ 23,487	\$ 26,284	\$ 279,423	\$ 312,696	\$ 592,120	6.06%
3. Westlands Water District (1)	\$ 576,837	\$ 645,531	\$ 669,421	\$ 749,150	\$ 551,338	\$ 617,004	\$ 593,237	\$ 663,926	\$ 219,403	\$ 245,549	\$ 2,610,237	\$ 2,921,160	\$ 5,531,397	56.61%
Total Division 2	\$ 684,994	\$ 766,569	\$ 794,937	\$ 889,615	\$ 654,714	\$ 732,691	\$ 704,469	\$ 788,406	\$ 260,541	\$ 291,587	\$ 3,099,655	\$ 3,468,867	\$ 6,568,522	67.22%
DIVISION 3														
1. Central California Irrigation District	\$ 65,712	\$ -	\$ 76,260	\$ -	\$ 62,808	\$ -	\$ 67,582	\$ -	\$ 24,995	\$ -	\$ 297,357	\$ -	\$ 297,357	3.04%
2. Firebaugh Canal Water District	\$ 10,495	\$ -	\$ 12,179	\$ -	\$ 10,031	\$ -	\$ 10,793	\$ -	\$ 3,992	\$ -	\$ 47,491	\$ -	\$ 47,491	0.49%
3. Grassland Water District	\$ 6,608	\$ -	\$ 7,669	\$ -	\$ 6,316	\$ -	\$ 6,796	\$ -	\$ 2,513	\$ -	\$ 29,902	\$ -	\$ 29,902	0.31%
4. HMRD #2131	\$ 20,191	\$ -	\$ 23,432	\$ -	\$ 19,298	\$ -	\$ 20,765	\$ -	\$ 7,680	\$ -	\$ 91,366	\$ -	\$ 91,366	0.93%
5. Columbia Canal Company (Friend Member)	\$ 7,277	\$ -	\$ 8,445	\$ -	\$ 6,956	\$ -	\$ 7,484	\$ -	\$ 2,768	\$ -	\$ 32,931	\$ -	\$ 32,931	0.34%
Total Division 3	\$ 110,283	\$ -	\$ 127,985	\$ -	\$ 105,409	\$ -	\$ 113,420	\$ -	\$ 41,947	\$ -	\$ 499,044	\$ -	\$ 499,044	5.11%
DIVISION 4														
1. San Benito County Water District	\$ 21,627	\$ 24,186	\$ 25,098	\$ 28,068	\$ 20,671	\$ 23,117	\$ 22,242	\$ 24,874	\$ 8,226	\$ 9,199	\$ 97,864	\$ 109,444	\$ 207,308	2.12%
2. Santa Clara Valley Water District (2)	\$ 76,067	\$ 85,082	\$ 88,277	\$ 98,739	\$ 72,705	\$ 81,322	\$ 78,230	\$ 87,502	\$ 28,933	\$ 32,362	\$ 344,211	\$ 385,007	\$ 729,219	7.46%
Total Division 4	\$ 97,694	\$ 109,268	\$ 113,375	\$ 126,807	\$ 93,376	\$ 104,439	\$ 100,472	\$ 112,376	\$ 37,159	\$ 41,561	\$ 442,075	\$ 494,451	\$ 936,526	9.58%
DIVISION 5														
1. Broadview Water District	\$ 13,335	\$ 14,900	\$ 15,475	\$ 17,292	\$ 12,745	\$ 14,242	\$ 13,714	\$ 15,324	\$ 5,072	\$ 5,667	\$ 60,341	\$ 67,425	\$ 127,766	1.31%
2. Eagle Field Water District	\$ 2,246	\$ 2,483	\$ 2,606	\$ 2,882	\$ 2,147	\$ 2,374	\$ 2,310	\$ 2,554	\$ 854	\$ 945	\$ 10,163	\$ 11,238	\$ 21,400	0.22%
3. Fresno Slough Water District	\$ 2,084	\$ 2,210	\$ 2,418	\$ 2,565	\$ 1,992	\$ 2,112	\$ 2,143	\$ 2,221	\$ 793	\$ 821	\$ 9,430	\$ 9,929	\$ 19,359	0.20%
4. James Irrigation District	\$ 18,625	\$ 19,502	\$ 21,615	\$ 22,633	\$ 17,801	\$ 18,642	\$ 19,155	\$ 20,099	\$ 7,085	\$ 7,433	\$ 84,281	\$ 88,310	\$ 172,591	1.77%
5. Laguna Water District	\$ 399	\$ 432	\$ 464	\$ 501	\$ 382	\$ 413	\$ 411	\$ 444	\$ 152	\$ 164	\$ 1,808	\$ 1,954	\$ 3,762	0.04%
6. Mercy Springs Water District	\$ 1,404	\$ 1,620	\$ 1,629	\$ 1,880	\$ 1,342	\$ 1,548	\$ 1,444	\$ 1,666	\$ 534	\$ 616	\$ 6,352	\$ 7,329	\$ 13,680	0.14%
8. Pacheco Water District	\$ 4,978	\$ 5,615	\$ 5,776	\$ 6,516	\$ 4,758	\$ 5,366	\$ 5,119	\$ 5,774	\$ 1,893	\$ 2,136	\$ 22,524	\$ 25,407	\$ 47,930	0.49%
9. Reclamation District 1606	\$ 151	\$ 126	\$ 175	\$ 146	\$ 144	\$ 120	\$ 155	\$ 111	\$ 57	\$ 41	\$ 684	\$ 545	\$ 1,229	0.01%
10. Tranquillity Irrigation District	\$ 9,307	\$ 7,624	\$ 10,801	\$ 8,848	\$ 8,896	\$ 7,287	\$ 9,572	\$ 7,884	\$ 3,540	\$ 2,916	\$ 42,116	\$ 34,559	\$ 76,676	0.78%
Total Division 5	\$ 52,529	\$ 54,512	\$ 60,959	\$ 63,263	\$ 50,207	\$ 52,104	\$ 54,023	\$ 56,077	\$ 19,980	\$ 20,739	\$ 237,697	\$ 246,694	\$ 484,391	4.96%
OTHER														
1. FT Land LLC	\$ 292	\$ 324	\$ 337	\$ 376	\$ 279	\$ 310	\$ 300	\$ 333	\$ 111	\$ 123	\$ 1,318	\$ 1,466	\$ 2,784	0.03%
Total Other	\$ 292	\$ 324	\$ 337	\$ 376	\$ 279	\$ 310	\$ 300	\$ 333	\$ 111	\$ 123	\$ 1,318	\$ 1,466	\$ 2,784	0.03%

**SPECIAL MEETING
OF THE
STATE AND FEDERAL CONTRACTORS WATER AGENCY
BOARD OF DIRECTORS
July 20, 2023
11:00 am**

Remote:

Microsoft Teams meeting

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 222 286 005 994

Passcode: PJysJ3

Or call in (audio only)

[+1 860-241-5247,,877092279#](#)

Phone Conference ID: 877 092 279#

MEETING AGENDA

1.0 CALL TO ORDER

- 1-1 The Board will Consider Corrections or Additions to the Agenda of Items Requiring Immediate Action that have come to the Attention of the Board after Posting the Agenda
- 1-2 Public Comment – Opportunity for members of the public to address the Agency on matters within the Agency’s jurisdiction (as required by Gov. Code Section 54954.3(a))

2.0 ACTION ITEMS (10 MIN)

- 2-1 Consider approval of Board Meeting Minutes of February 16, 2023 - (Wallace)
Recommendation: That the Board approve of the above-mentioned minutes by minute order – Attachment
- 2-2 Consider disbursement of funds from Westlands Water District associated with the completion of the Lower Yolo Ranch Habitat Restoration Project – (Walace)
Recommendation: That the Board approve the distribution of funds in the amounts of: \$679,031.25 to Metropolitan Water District of Southern California; \$1,770,517.73 to San Luis Delta Mendota Canal Authority; \$1,092,447.11 to State Water Project Contractors Agency; and \$904,094.16 to State Water Contractors.
Attachment
- 2-3 Consider schedule for future SFCWA Board meetings (Wallace)
Recommendation: That the Board schedule its next meeting for February 16, 2024 at 11 am.

3.0 INFORMATION REPORTS (40 MIN)

- 3-1 CalPERS Contract Options - (DiGennaro)

4.0 ADJOURNMENT

NOTE:

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Agency Administrator in advance of the meeting to ensure availability of the requested service or accommodation. At the discretion of the Board, all items appearing on this agenda and all committee agendas, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board.

STATE AND FEDERAL CONTRACTORS WATER AGENCY
DRAFT MEETING MINUTES
February 16, 2023

Directors Present: Federico Barajas, San Luis Delta Mendota Water Authority
Robert Cheng, Coachella Valley Water District
Cindy Kao, Valley Water District
Mark Krause, Desert Water Agency
Jose Gutierrez, Westlands Water District
Anthea Hansen, Del Puerto Water District
Randall Neudeck, Metropolitan Water District of Southern California
Thomas Pate, SCWA- DSPC
Craig Wallace, Kern County Water Agency

Staff Present: Bruce DiGennaro, SFCWA Executive Director
Nancy Miller, Renne Sloan Holtzman Sakai LLP
Julie Ramsay, SFCWA Accountant
Cathy MacLeod, MacLeod Watts, Inc.

CALL TO ORDER

Call to order: President Wallace called the meeting to order at 1:02 pm.

1-1 The Board will Consider Corrections or Additions to the Agenda of Items Requiring Immediate Action that have come to the Attention of the Board after Posting the Agenda

There were none.

1-2 Public Comment – Opportunity for members of the public to address the Agency on matters within the Agency’s jurisdiction (as required by Gov. Code Section 54954.3(a))

There were none.

ACTION ITEMS

2-1 Adopt Resolution 2023-1 making findings and determinations authorizing virtual teleconference meetings under Government Code Section 54953(e) (AB 361).

The board adopted the above-mentioned resolution by unanimous vote

2.2 Adopt Resolution 2023-2 authorizing the Chair to verify financial accounting for SFCWA for fiscal years 2020/2021 and 2021/2022.

The board adopted the above-mentioned resolution by unanimous vote.

2-3 Consider approval of Board Meeting Minutes of November 18, 2021

The board approved the above-mentioned minutes by unanimous vote, with one abstention.

2-4 Consider electing Board members Craig Wallace, Thomas Pate and Robert Cheng to serve as SFCWA Board President, Secretary and Treasurer respectively for Fiscal Year 2023/24.

The Board approved the above-mentioned election of officers by unanimous vote, with one abstention.

- 2.5 Consider schedule for future SFCWA Board meetings.
The Board approved April 20, 2023 at 1pm as the date and time for its next meeting.
- 2.6 Consider approving a no-cost time extension amendment to the contract with Julie Ramsay for accounting services to extend the term to February 28, 2024.
The Board approved the above-mentioned amendment by unanimous vote.
- 2.7 Consider approving a no cost time extension amendment to the contract with The Essex Partnership for Executive Director services to extend the term to February 28, 2024.
The Board approved the above-mentioned amendment by unanimous vote.
- 2.8 Consider adopting a FY2023/24 budget.
The Board approve the proposed FY2023/24 budget

INFORMATION REPORTS

3-1 Tule Red and Lower Yolo Ranch

The Executive Director reported on the status of the Tule Red Habitat Restoration Project and the Lower Yolo Ranch Habitat Restoration Project. Board member Gutierrez confirmed that WWD had been paid by DWR for Lower Yolo Ranch in December 2022 and noted that the funds due to SFCWA member agencies for Lower Yolo Ranch are slightly more (\$4,446,090.25) than reported by the Executive Director. Based on discussion, the Executive Director agreed to undertake the following actions:

1. Send a letter to DWR officially closing SFCWA's contract with DWR for Tule Red;
2. Follow-up with DWR staff regarding habitat credits for Tule Red; and
3. Work with WWD regarding the distribution of funds associated with the completion of Lower Yolo Ranch to SFCWA member agencies.

3-2 CalPERS Contract Options

The Executive Director reported on the status of the CalPERS contract and options for termination. Cathy MacLeod clarified the following:

- There are 3 past SFCWA employees currently receiving retirement benefits (Retired), one past employee working for another CalPERS agency (Transferred) and 4 past employees currently working for non-CalPERS agencies (Separated).
- Salary increases will apply to service incurred with SFCWA and separated employees could return to agencies with CalPERS contracts in the future – all of which would contribute to future liabilities.
- There is a right to survivorship for spouses.
- Time will reduce risk.

Based on discussion, the Executive Director agreed to undertake the following actions:

1. Reconvene the CalPERS Termination Committee (Hansen, Gilmore, Gutierrez, Kao) to develop a proposal for Board consideration.
2. Focus on Options 2 and 3 which involve maintaining SFCWA to service the CalPERS contracts (status quo) or transferring the liability to another entity;
3. Consider a new option (3a) where an agency assumes the liability with a contractual arrangement whereby SFCWA members contribute funds if there are future unfunded liabilities.
4. Refine costs estimates for Options 2 and 3, including extending the status quo option past 12 yrs.

5. Compile data on the status of past employees to aid in calculations of liability exposure.
6. Check with CalPERS on who liabilities can be transferred to, and if the two contracts can be combined.
7. Explore member agency willingness to take on the CalPERS liability with compensation.
8. Investigate CalPERS pre-funding account options.

ADJOURNMENT

Director Wallace adjourned the meeting at 2:08 pm.

July 20, 2023

TO: Board of Directors

FROM: Bruce DiGennaro, Executive Director

RE: Distribution of Funds from Completion of Lower Yolo Ranch Habitat Restoration Project

A. Lower Yolo Ranch Habitat Restoration Project

- Westlands Water District (WWD) completed construction of the Lower Yolo Ranch Habitat Restoration Project in 2022 and received payment from DWR for the project.
- WWD agreed to reimburse SFCWA \$4,446,090.25 for expenses associated with project development once it was paid by DWR.
- \$679,031.25 of the SFCWA funded activities were paid for directly by MWD for EIR preparation. The remainder of the SFCWA costs (\$3,767,059.00) were paid by SFCWA with dues collected from SWC, SWPCA and SLDMWA.

B. Distribution of Funds

- A logical approach to distribution would be in accordance with the contributions made by member agencies during the period of time that SFCWA funded development costs.
- SFCWA funded activities related to Lower Yolo Ranch from 2010 to 2015.
- Dues received from member agencies from 2010 to 2015 were 47% from SLDMWA, 29% from SWPCA and 24% from SWC.
- In accordance with the above, I propose that the SFCWA Board consider distribution of the Lower Yolo Ranch funds as follows:
 - \$679,031.25 to MWD;
 - \$1,770,517.73 to SLDMWA;
 - \$1,092,447.11 to SWPCA; and
 - \$904,094.16 to SWC.