

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
BOARD OF DIRECTORS SPECIAL TELEPHONIC MEETING
MINUTES FOR MAY 14, 2020

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

Directors and Alternate Directors in Attendance Division 1

Dave Weisenberger, Alternate for Jim McLeod
Vince Lucchesi, Alternate for Bobby Pierce
Anthea Hansen, Director
Rick Gilmore, Director

Division 2

Dan Errotabere, Director
William Bourdeau, Director
Michael Linneman, Alternate for John Bennett
Bill Diedrich, Director

Division 3

Dan McCurdy, Director - Jeff Bryant, Alternate
Chris White, Director
Cannon Michael, Director
Ric Ortega, Director - Ellen Wehr, Alternate

Division 4

John Varela, Director
Gary Kremen, Director - Richard Santos, Alternate
Jeff Cattaneo, Director
Sara Singleton, Alternate for Joseph Tonascia

Division 5

Bill Pucheu, Director (joined during item 8)
Tom Birmingham, Director
Steve Stadler, Director

Authority Representatives Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer
Frances Mizuno, Special Projects Administrator
Rebecca Akroyd, General Counsel
Scott Petersen, Water Policy Director
Joyce Machado, Director of Finance
Bob Martin, Facilities O&M Director
Diane Rathmann, Legal Counsel
Stewart Davis, IT Officer

Lois Neishi, Work & Asset Management (WAM) Manager

Others in Attendance

Mike Wade, California Farm Water Coalition
Russ Freeman, Westlands Water District
Tom Boardman, Westlands Water District
Dana Jacobson, Santa Clara Valley Water District
Kristi Robinson, Water Wise

1. Call to Order/Roll Call

The meeting was called to order and roll was called.

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

General Counsel Rebecca Akroyd informed the Board that the title in Agenda Item 9 should be corrected to reference “Grassland Bypass Project”.

3. Opportunity for Public Comment

No public comment.

CONSENT ITEMS

4. Agenda Items 4-7: Board to Consider: a) April 9, 2020 and April 22, 2020 Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports, c) Treasurer’s Report for the Quarter Ending 3/31/20, d) Staff Reports.

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

AYES:	Weisenberger, Lucchesi, Hansen, Gilmore, Errotabere, Bourdeau, Linneman, Diedrich, McCurdy, White, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Birmingham, Stadler
NAYS:	None
ABSTENTIONS:	None

ACTION ITEMS

5. Agenda Item 8: Board of Directors to Consider Resolution and Finance & Administration Committee Recommendation regarding Single Source Findings and Authorization to Execute Single Source Contracts with Oracle NetSuite, Shepherd CMMS,

and PyanGo, LLC. for Purchase of Business Software Solutions, Authorize Expenditure of up to \$220,830 from FY21 O&M Budget.

Chief Operating Officer Pablo Arroyave presented the need for a single source contract with Oracle NetSuite. Arroyave explained that the Authority had looked into several programs but NetSuite was the only one who was able to meet all of the needs of the Authority within the timeframe needed. Arroyave reported that the current version of Oracle used will no longer be supported at year-end and the Great Plains accounting software does not meet the requirements recommended in the strategic plan. Arroyave reported that in order to properly implement a new business software program, the Authority needs to award a contract by the end of May. Arroyave reported that there will be additional costs that were not included in the original budgeted amount which will be a one-time cost and NetSuite will also be providing a discount for the first year of implementation. Staff acknowledge the Finance & Administration Committee recommendation to adopt the resolution and authorize associated expenditures.

On a motion of Director Tom Birmingham, seconded by Director Ric Ortega, the Board authorized execution of Single Source Contract with Oracle NetSuite for the purchase of Business Software Solutions. The vote on the motion was as follows:

AYES:	Weisenberger, Lucchesi, Hansen, Gilmore, Errotabere, Bourdeau, Linneman, Diedrich, McCurdy, White, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Stadler
NAYS:	None
ABSTENTIONS:	None

6. Agenda Item 9: Board of Directors to Consider Resolution and GBD Steering Committee Recommendation regarding Execution of Use Agreement between the United States of America and the San Luis & Delta-Mendota Water Authority for Use of the San Luis Drain for the Grassland Bypass Long-Term Storm Water Management Plan, Confirming CEQA Findings, and Authorizing Actions Related Thereto.

Outside Legal Counsel Diane Rathmann reported that in 2019 the Authority adopted an Addendum to the 2009 Final EIS/EIR for the Long-Term Storm Water Management Plan 2020-2045 in compliance with CEQA and approved execution of the GBP Agreement for Continued Use of the San Luis Drain for the Period January 1, 2020 through December 31, 2045 (2019 or 4th Use Agreement). Rathmann reported that after the Authority's approval, and as part of its review under the National Environmental Policy Act, Reclamation shortened the potential term of the new Use Agreement to 10 years in response to requests from the U.S Fish & Wildlife Service and the National Marine Fisheries Service. Rathmann reported that the term of the 4th Use Agreement was

further reduced to 6 months. Rathmann reported that Authority representatives have worked with interested stakeholders and Reclamation to describe aspirational goals addressing good faith efforts to achieve selenium and salinity water quality that exceed existing water quality objectives, in order to build a broad coalition of support for the Long-Term Stormwater Management Plan. Rathmann reported that this review period has resulted in the 5th Use Agreement, which has a term of 9 years and 6 months to December 31, 2029.

Rathmann reported that the Addendum adopted by the Authority in October 2019 analyzed the effects of implementation of the Long-Term Storm Water Management Plan for the 2020-2045 period, fully covers the effects of the proposed 5th Use Agreement, and no further review under the CEQA is required. Rathmann reported that in addition, the Central Valley Regional Board has issued Order R5-2015- 0094-01 establishing waste discharge requirements, and that Order continues in place and will fully cover this agreement

On a motion of Director Ric Ortega, seconded by Director Bill Diedrich, the Board approved the execution of Use Agreement between the United States of America and the San Luis & Delta-Mendota Water Authority for use of the San Luis Drain for the Grassland Bypass Long-Term Storm Water Management Plan, Confirming CEQA Findings, and Authorizing Actions Related Thereto. The vote on the motion was as follows:

AYES:	Weisenberger, Lucchesi, Hansen, Gilmore, Errotabere, Bourdeau, Linneman, Diedrich, McCurdy, White, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Stadler
NAYS:	None
ABSTENTIONS:	None

7. Agenda Item 10: Board of Directors to Consider Water Resources Committee Recommendation to Adopt Support Position on Legislation: H.R. 6643 (Schneider) – Supporting State and Local Leaders Act.

Water Policy Director Scott Petersen reported that this bill would amend the Families First Coronavirus Response Act (“Act”) to allow tax credits to Federal, State, and local governments for additional paid sick leave and required paid family and medical leave required by the Act. Petersen reported that the Authority and its member agencies were required by the Act to provide an additional 80 hours of paid sick leave for employees and additional Family Medical Leave Act benefits related to coronavirus response.

Petersen reported that the Act provided an offsetting payroll tax credit for private businesses, but local and state agencies were excluded from receiving this tax credit. Petersen reported that the payroll tax credit is currently offered to business, corporations and non-profits

for providing paid emergency sick and family leave for COVID-19-impacted employees in addition to established leave policies, and this legislation would address that inequity by extending the same payroll tax credit to units of state and local government.

Petersen reported that staff is performing an analysis of the potential tax credit benefit were this legislation enacted, but the Authority would have a financial benefit from the extension of the tax credit.

On a motion of Director Rick Gilmore, seconded by Director Tom Birmingham the Board adopted a support position on Legislation: H.R. 6643 (Schneider) – supporting State and Local Leaders Act. The vote on the motion was as follows:

AYES: Weisenberger, Lucchesi, Hansen, Gilmore, Errotabere, Bourdeau, Linneman, Diedrich, McCurdy, White, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

8. Agenda Item II: Board of Directors to Consider Water Resources Committee Recommendation to Authorize Execution of Agreements and Expenditures Relating to B.F. Sisk Dam Raise Project, Barajas

a. Contributed Funds Agreement with U.S. Bureau of Reclamation, Expenditure of up to \$279,062 from FY21 Leg Ops Budget

Executive Director Federico Barajas reported that in November, 2019 the Board authorized the execution of a Contributed Funds Agreement with the Bureau and authorized an amount of \$50,000 to cover Reclamation’s participation costs in the Project. Barajas reported that continued assistance from Reclamation is necessary in the current fiscal year (FY21). Barajas reported that Reclamation’s estimated cost for the work required this calendar year is as follows: 1) NEPA Support/EIS Review and Section 7 Consultation/Biological Opinion- \$105,160, 2) Cultural Resources Compliance - \$77,500, 3) Design, [Cost] Estimating, and Construction (DEC) Review- \$96,402, with a total estimated cost of \$279,062

b. Professional Services Agreement with CDM Smith, Expenditure of up to \$1,254,117 from FY20 and FY21 Leg Ops Budget

Executive Director Federico Barajas reported that a total request for approval of funds from the remaining funds available from FY 20 and FY 21 Leg Ops budget for the agreements with CDM Smith, Reclamation and GBS is outlined on the B.F. Sisk –Funding worksheet, which is included in the packet. Barajas reported that as FY20 is not yet closed, and there is the opportunity to expend the FY20 Leg Ops water storage studies remaining funds of \$123,139 to supplement the \$1.5M in FY21 Leg Ops water storage studies for a total of \$1,623,139. Staff’s recommendation is to

expend up to \$1,254,117 from FY20 and FY21 Leg Ops Budgets for work under a Professional Services Agreement with CDM Smith.

On a motion of Director Tom Birmingham, seconded by Director Jeff Cattaneo the Board authorized execution of Agreements and Expenditures relating to B.F. Sisk Dam Raise Project. The vote on the motion was as follows:

AYES: Weisenberger, Lucchesi, Hansen, Gilmore, Errotabere, Bourdeau, Linneman, Diedrich, McCurdy, White, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

9. **Agenda Item 12: Board of Directors to Consider Resolution and Water Resources Committee Recommendation regarding Ratification and Adoption of Single Source Justification and Ratification of and Authorization to Execute Professional Services Agreement and Current and Future Task Orders with Gray-Bowen-Scott for B.F. Sisk Dam Raise Project Support, and Expenditures of \$10,000 from FY20 Leg Ops Budget and up to \$89,960 from FY21 Leg Ops Budget.**

Chief Operating Officer Pablo Arroyave reported that the B.F. Sisk Dam Raise project will impact Highway 152, which will require modification to the embankment along Highway 152 and issuance of a permit by the California Department of Transportation (Caltrans). Arroyave reported that staff concluded that retaining a consultant with experience with the Caltrans project development process and with direct contacts to the Caltrans policy team was necessary to expedite coordination. Arroyave reported that staff concluded, based on the facts summarized in Attachment 1 to the resolution pertaining to the Gray-Bowen-Scott agreement, that Gray-Bowen-Scott (GBS) was uniquely qualified to provide the required consulting services regarding obtaining a permit from Caltrans. Arroyave reported that the Authority entered into a Professional Services Agreement on February 3, 2020 for \$10,000 with GBS utilizing funds from the FY20 Leg Ops budget to assess the Project needs and formulate an approach to work with Caltrans to timely obtain necessary permits.

Arroyave reported that on March 2, 2020, the Authority executed a second task order for \$89,960, utilizing funds in FY 21 Leg Ops budget, to authorize additional professional services to implement the strategy developed during Phase 1 to navigate Caltrans project approval and environmental documentation phase for the proposed modifications to Highway 152. Arroyave explained that because the 2009 Purchasing Policy, which was in effect on both February 3, and

March 2, 2020, required a single source justification to be adopted by the Board under the circumstances described above, the adoption of the single source justification and the execution of the GBS agreement and task orders require ratification by the Board.

On a motion of Director John Varela, seconded by Director Gary Kremen the Board approved the ratification and adoption of Single Source Justification and ratification of and authorization to execute Professional Services Agreement and current and future task orders with Gray-Bowen-Scott for B.F. Sisk Dam Raise Project support, and expenditures of \$10,000 from FY20 Leg Ops Budget and up to \$89,960 from FY21 Leg Ops Budget. The vote on the motion was as follows:

AYES: Weisenberger, Lucchesi, Hansen, Gilmore, Errotabere, Bourdeau, Linneman, Diedrich, McCurdy, White, Michael, Ortega, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

REPORT ITEMS

10. Agenda Item 13: Discussion regarding Finance & Administration Committee Recommendation regarding Adoption of Bylaws for San Luis & Delta-Mendota Water Authority.

Executive Director Federico Barajas reported that the Authority's Joint Exercise of Powers Agreement (JPA) authorizes the Board to adopt "such bylaws, rules and regulations for the conduct of its affairs as may be required." Barajas reported that since its inception, the Authority has not adopted bylaws, and instead has looked to the JPA to govern the conduct of its affairs, and has adopted rules and regulations (policies) in the form of Board resolutions. Barajas reported that the policies contained in the Board resolutions have not been compiled into one central place, and in many cases, have not been reviewed by the Board or updated in a timely manner. Barajas reported that the 2019 Strategic Plan adopted by the Authority Board includes Goal 2, "Improve Governance and Policy Direction," and Objective 2.1.3, "Evaluate changes to governance documents and/or Board policies." Barajas reported that staff has worked with an ad hoc Governance Committee to develop draft Bylaws to develop an updated, comprehensive Consolidated Procurement Policy for the Authority. Barajas reported that the Finance & Administration Committee reviewed the draft bylaws and the minor changes that had been incorporated into the draft, and recommended approval by the Board. Barajas informed the Board that the Committee members recommended holding a workshop prior to the Board meeting, and

suggested clarifying the role of the Finance & Administration Committee in making audit recommendations.

General Counsel Rebecca Akroyd reported to the Board that she will send out a packet of the Resolutions that will be superseded once the Bylaws are approved.

The Board agreed to defer scheduling the Workshop until an in-person meeting can be held.

II. **Agenda Item 14: Report on State and Federal Affairs.**

Water Policy Director Scott Petersen reported that House Democrats are expected to release their next coronavirus proposal for the next round of relief funding this week, and vote on the package shortly thereafter, although Speaker Pelosi (D-CA) is facing pressure from a divided Democrat caucus about what the next package should look like.

Petersen reported that the Senate wrapped up its first week back and will continue next week with more COVID-19 hearings and advancing presidential nominations. Petersen reported that Senate Majority Leader McConnell (R-KY) continued to publically state his insistence on any future packages must deal with liability protections for businesses seeking to reopen.

Petersen reported, as it relates to water infrastructure, the Senate Environment and Public Works Committee marked up two pieces of legislation, the America's Water Infrastructure Act and America's Drinking Water Act, which together make up the Senate Water Resources Development Act.

Petersen reported that the AWIA was amended in markup to include language that aims to address the WIFIA issue for federally owned facilities that has raised concerns related to the Jones Pumping Plant WIFIA loan application.

Petersen reported that California is projecting a \$54 billion budget deficit through June 2021 and reports are indicating that the unemployment rate will reach 18% this year. Petersen reported that the size of the shortfall, equivalent to roughly one third of its annual general-fund spending, marks a significant change for a state that in January was expecting to build up its rainy-day fund to more than \$18 billion and was considering new services. Petersen reported that some state agencies are preparing for 30-40% budget reductions and some reductions in staffing. Petersen reported that this will have implications for the State's ability to fund new expenses and Authority priorities, including water infrastructure.

Water Policy Director Scott Petersen reported that in the midst of COVID-19, legislative staff is indicating that there will be significantly less legislative activity this term. Many bills are being held or shelved until next year.

Petersen reported that the Legislature has returned and is holding hearings in a limited fashion. Petersen reported that there was a hearing on the Governor's water bond proposal, and the general sentiment from Members of the Committee was that the bond proposal could function as economic stimulus and could be a part of the solution. Petersen reported that currently, many of the Authority priorities are not included, so staff will be working with members of our delegation to highlight infrastructure needs and other challenges faced by the Authority and its member agencies. Petersen reported that some members want to focus on climate change and resilience. Petersen reported that Sen. Stern and others sent a letter to Gov. Newsom. Petersen reported that they're interested in moving something involving bonds, state investment and federal investment; they don't want to wait for the state to act on climate change resilience.

The Senate and Assembly announced new calendars last week following the 45+ day shutdown in the height of policy committee hearings.

12. **Agenda Item 15: Executive Director's Report.**

Executive Director Federico Barajas reported that as staff began to implement the Procurement Policy that there was need for some clean-up of the language approved by the Board in May. Barajas asked General Counsel Rebecca Akroyd to review relevant Procurement Policy language that needed to be restated for clarity. Akroyd explained that the Finance & Administration Committee had recommended that section 1.1 of the policy include the requirement "to reference a specific project, service, or purchase in the budget" to allow for more comfort of the committee *if* the policy was going to delegate to the Executive Director the authority to enter into a contract over \$200,000 if specifically referenced in the budget. Akroyd reported that when the delegation over \$200,000 was removed during Board discussion, staff neglected to remove the corresponding language requiring specific reference to items in the budget. Akroyd reported that the Finance & Administration Committee agreed that the extraneous language should be removed, and the Board concurred with this direction.

Barajas provided a brief update regarding the B.F. Sisk Dam Raise project. Barajas asked Chief Operating Officer Pablo Arroyave to provide key milestones on the B.F. Sisk Dam Raise project schedule. Arroyave reported that the Notice of Intent pursuant to NEPA and the Notice of Preparation pursuant to CEQA were released today, and also, an administrative draft of the EIR was distributed to the technical team, with comments due May 22nd. Arroyave reported that in regards to the overall schedule, the first public draft of the EIR, and supplemental EIS is expected in late July.

Director Chris White provided a brief update on Del Puerto Reservoir. White reported that the DEC review process is completed. White reported that staff in in the process of

completing the Feasibility Report, and plan to have it completed by the June 1.

Director Jeff Cattaneo provided a brief update on Pacheco Reservoir. Cattaneo reported that staff is doing an Alternatives Analysis to look at the specific site and the dam type, which has been very involved.

Barajas reported that Jerry Brown is the new Executive Director for the Sites JPA.

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

Arroyave reported that on May 6, staff executed a new 5-year service contract with Reclamation for O&M support for Tracy Fish Facility, Delta Cross Channel Gates, and the Fish release sites.

Chief Operating Officer Pablo Arroyave reported that the O'Neill Unit 4 rehab is complete, and the next unit rehabilitation will not start another unit for at least a year.

Special Projects Administrator Frances Mizuno reported on Infrastructure and Transfers beginning with: 1) San Luis Transmission Project – Duke is not able to get subscribers for long-term contracts for their capacity. Staff is looking for other options for funding, including Reclamation applying for TIP Funding, 2) North-of-Delta – Thirteen Water Purchase and Sale Agreements have been executed with North of the Delta water contractors, and the proposals are being submitted to Reclamation/DWR for approval by the end of May, 3) Yuba Transfers – The initial quantity of 91,000 af of surface water to be made available has changed to 80,000 af of surface water with up to 11,000 af which may be available in October/November with new pricing (current pricing terms expires on September 30, 2020), 4) Exchange Contractors transfers – staff is waiting for a final declaration whether it is a critical or non-critical Shasta year. If it is a non-critical year there could be transfer water available in May.

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

Westlands Water District's Tom Boardman reported that Jones pumping will be limited to one unit during the remainder of May because of a federal court order issued earlier in the week. Boardman explained that the order requires the CVP to operate per the 2009 NMFS BiOp I:E ratio during May. The estimated export impact could be about 50 TAF.

Boardman stated that DWR's Bulletin 120 report for April is showing that a Shasta Critical year is projected under 90% exceedance conditions. Boardman described that although the Exchange Contractors may receive 100% under the terms of a 1996 agreement with Reclamation, the Exchange Contractors have proposed to Reclamation that EC demands would be limited to Shasta Critical levels to provide Reclamation with the flexibility to increase the Ag Service and Urban contractor allocations. Director Birmingham commended the Exchange Contractors for

its proposal.

15. Agenda Item 18: Committee Reports.

No reports given on Water Resources Committee or Finance & Administration Committee. Director Chris White provided a brief update on the O&M Committee reporting that the O&M Tour will be cancelled, and there will be a meeting in early June.

16. Agenda Item 19: Outside Agency/Organization Reports.

a. State and Federal Contractors Water Agency (SFCWA)

No Report given.

b. Family Farm Alliance (FFA)

Report included in the packet.

c. Farm Water Coalition.

Mike Wade reported that the Coalition participated in the distribution of Federal and State letters regarding COVID response and infrastructure investments, and are very pleased with the results.

d. Association of California Water Agencies

Director Bill Diedrich reported the ACWA Spring Conference has been changed to a virtual conference.

e. San Joaquin Valley Water Blueprint Effort

Water Policy Director Scott Petersen reported that the Blueprint Group elected to cancel the April Blueprint Large Group meeting. However, the Blueprint executive board was able to meet. Petersen reported that the technical committee continues their engineering and modeling work related to water balance efforts and project development. This work will inform the second phase of Dr. Sunding's economic report. Scott Hamilton is leading this work.

17. Agenda Item 20: Board Member Reports.

No reports given.

18. Agenda Items 21-23: Closed Session Report.

Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 11:10 a.m. Upon return to open session at approximately 11:25 p.m., General Counsel Rebecca Akroyd stated that no reportable actions were taken.

19. **Agenda Item 24: Reports Pursuant to Government Code Section 54954.2**
No reports.

20. **Agenda Item 25: Adjournment.**
The meeting was adjourned at approximately 11:25 p.m.