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 Vice-Chair William Bourdeau presiding.

Directors and Alternate Directors in Attendance  Division 1
Bobby Pierce, Director ~ Vince Lucchesi, Alternate
Anthea Hansen, Director
Rick Gilmore, Director

Division 2
Dan Errotabere, Director
William Bourdeau, Director
John Bennett, Director
Bill Diedrich, Director

Division 3
Dan McCurdy, Director - Jeff Bryant, Alternate
Chris White, Director - Jarrett Martin, Alternate
Cannon Michael, Director
Ellen Wehr, Alternate for Ric Ortega

Division 4
John Varela, Director - Garth Hall, Alternate
Gary Kremen, Director - Richard Santos, Alternate
Jeff Cattaneo, Director
Sara Singleton, Alternate for Joe Tonascia

Division 5
Bill Pucheu, Director
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
Stewart Davis, IT Officer

Others in Attendance
Joe McGahan, Summers Engineering
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 identified a correction to agenda item 9a, where the year 2018 in the agenda item title would be replaced with year 2019.

3. Opportunity for Public Comment

No public comment.

CONSENT ITEMS

4. Agenda Items 4-6: Board to Consider: a) June 4, 2020 Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports, c) Staff Reports.

On a motion of Director Rick Gilmore, seconded by Director Gary Kremen, the Board accepted the Meeting Minutes, Financial Expenditures Reports, and Staff Reports. The vote on the motion was as follows:

AYES: Pierce, Hansen, Gilmore, Errotabere, Bourdeau, Bennett, Diedrich, McCurdy, White, Michael, Wehr, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None
ACTION ITEMS

5. Agenda Item 7: Board of Directors to Consider Grassland Basin Drainage Management Steering Committee Recommendation that the San Luis & Delta-Mendota Water Authority Act as Lead Agency and Project Applicant for the Mud Slough Restoration Project.

Joe McGahan reported that Mud Slough Restoration Project will require a CEQA document and associated permits, including an Army Corps 4040 permit, CDFW streambed alteration 1602 permit, and a 401 permit. McGahan reported that staff recommends that the Water Authority act as lead agency under CEQA for the two components of the project, including (1) removing structures from side channels near China Island, and (2) installing structures to restore the diversion of water from Mud Slough to Newman Lake. McGahan reported that the Water Authority would carry out the project and through the GBD Activity Agreement, would fund the project. McGahan reported that pending Board approval, staff anticipates submitting the relevant permit applications to the Army Corps, RWQCB/SWRCB, and CDFW in August 2020, with an anticipated Notice of Intent (NOI) expected in October 2020. McGahan reported that approximately one year is anticipated to obtain necessary permits and complete environmental review, with an additional year anticipated for construction. McGahan reported that an increase to the GBD Fund 22 FY 21 budget may be required for this work.

On a motion of Director John Bennett, seconded by Director Tom Birmingham, the Board approved that the Water Authority act as Lead Agency and Project Applicant for the Mud Slough Restoration Project. The vote on the motion was as follows:

AYES: Pierce, Hansen, Gilmore, Errotabere, Bourdeau, Bennett, Diedrich, McCurdy, White, Michael, Wehr, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

6. Agenda Item 8: Board of Directors to Consider Resolution and Finance & Administration Committee Recommendation Regarding Adoption of Reporting and Anti-Retaliation Policy.

Chief Operating Officer Pablo Arroyave provided a brief background on the draft Reporting and Anti-Retaliation Policy.

General Counsel Rebecca Akroyd reported that the proposed Reporting and Anti-Retaliation Policy describes the Water Authority’s process for addressing protected disclosures related to improper governmental activity. Akroyd reported that the policy is organized as follows: Article 1, entitled Introduction, states the Water Authority commitment to fostering a
culture of integrity and encouraging employees to report good faith concerns regarding business-related conduct that may be unlawful. **Article 2** defines “Protected Disclosure” and “Improper Governmental Activity,” which are key terms throughout the remainder of the policy. **Article 3** describes the Water Authority’s commitment to maintaining accountability and compliance with law and maintaining confidentiality. Akroyd reported that it also contains provisions governing false disclosures, disclosure procedure, evaluation of complaints, investigation, and findings of improper governmental activity. Akroyd reported that Article 3 also explains how employees who make protected disclosures will be protected from retaliation, and lays out the Water Authority’s commitment to providing appropriate training to its employees.

Director Tom Birmingham proposed changing the title on Section 3.4 to Unfounded Disclosures instead of False Disclosures.

On a motion of Director Tom Birmingham, seconded by Director Rick Gilmore, the Board approved the Adoption of Reporting and Anti-Retaliation Policy with the Section 3.4 title change. The vote on the motion was as follows:

**AYES:** Pierce, Hansen, Gilmore, Errotabere, Bourdeau, Bennett, Diedrich, McCurdy, White, Michael, Wehr, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Stadler

**NAYS:** None

**ABSTENTIONS:** None

7. **Agenda Item 9:** Board of Directors to Consider Adopting Resolutions relating to Integrated Regional Water Management.

a. **Resolution Authorizing Incorporation of Storm Water Resources Plan into the 2018 Westside-San Joaquin Integrated Regional Water Management Plan** – Water Policy Director Scott Petersen reported that the WSJ Integrated Regional Water Management Plan (IRWMP) was updated in 2019. The final approval of the WSJ SWRP for consideration during the July 9th SLMWVA Board of Directors meeting will ensure incorporation of the 2020 WSJ SWRP into the WSJ IRWMP through authorization of the proposed resolution. Petersen reported that the 2020 WSJ SWRP was recently finalized in May 2020 and submitted to the State Water Resources Control Board on May 29, 2020, which is another requirement to finalize the SWRP.

b. **Resolution Authorizing Execution of Special Project Agreement with the City of Huron pursuant to the Westside-San Joaquin Integrated Regional Water Management Activity Agreement**– Petersen reported that the WSJ IRWM Activity Agreement allows the Authority to enter into a Special Project Agreement with one or more of the Activity Agreement Members and/or IRWM Memoranda of Agreement Participants to carry out a special project that does not involve all IRWM Activity Participants. Petersen reported that since the City of Huron is the only IRWM Activity Participant that received an award through this funding round, the Water Authority seeks to enter into a Special Project
Agreement for the Water Authority to assist with managing and implementing the City of Huron project.

On a motion of Director John Bennett, seconded by Director Dan Errotabere, the Board approved the adoption of resolutions relating to Integrated Regional Water Management. The vote on the motion was as follows:

AYES: Pierce, Hansen, Gilmore, Errotabere, Bourdeau, Bennett, Diedrich, McCurdy, White, Michael, Wehr, Varela, Kremen, Cattaneo, Singleton, Pucheu

NAYS: None

ABSTENTIONS: Birmingham

8. Agenda Item 10: Board of Directors to Consider Authorizing Execution of Agreements with State Water Contractors and Expenditure of up to $109,000 from the Technical Budget to Jointly Fund Science Studies and Related Expenditures:

   a. Up to $75,000 for Delta Smelt Structured Decision Making - Water Policy Director Scott Petersen reported that this amount would jointly fund Phase 3 of the Delta Smelt Structured Decision Making, which is a facilitated process, led by Compass Resources, to rank and prioritize management actions to improve the conditions of smelt populations and to target investments in ways that will be of greater benefit to smelt populations.

   b. Up to $30,000 for CAMT Technical Support - Petersen reported that this amount would jointly fund Dr. Chuck Hanson’s participation in CAMT as technical expert.

   c. Up to $4,000 for Delta Smelt Science Plan Predictive Model Development - Petersen reported would enhance Decision-Support Prediction for Management Actions to Benefit Delta Smelt.

   Petersen reported that each of these items would advance the objectives of CSAMP and advance the objectives of the Authority’s Science Program. Petersen reported that the Authority’s Water Resources Committee, and the Science Program Coordination Group, including science support staff from member agencies, support these staff recommended expenditures.

   On a motion of Director Tom Birmingham, seconded by Director Steve Stadler, the Board authorized execution of agreements with State Water Contractors and expenditure of up to $109,000 from the Technical Budget to jointly fund science studies and related expenditures.

   AYES: Pierce, Hansen, Gilmore, Errotabere, Bourdeau, Bennett, Diedrich, McCurdy, White, Michael, Wehr, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Stadler

   NAYS: None

   ABSTENTIONS: None
9. Agenda Item 11: Board of Directors to Consider Water Resources Committee Recommendation Regarding Approval of $15,000 Expenditure from the Technical Budget to the Water Blueprint for the San Joaquin Valley 501(c)(3) Education Fund.

Water Policy Director Scott Petersen reported that staff is recommending that the Water Authority make a $15,000 contribution to the San Joaquin Valley Water Blueprint 501(c)(3) Education Fund for the purposes of advancing the Phase 2 Socioeconomic Analysis, which will provide economic analysis support for various policy and project options advanced by the Technical Committee to address the water supply imbalance in the Valley. Petersen reported that the Science Program Technical Budget has obligated $75,000 of the $500,000 approved by the Board, so there is sufficient budget to accommodate this funding request without impacting other Science Program priorities at this time.

On a motion of Director Bill Diedrich, seconded by Director Chris White, the Board approved $15,000 expenditure from the Technical Budget to the Water Blueprint for the San Joaquin Valley 501(c)(3) Education Fund. The vote on the motion was as follows:

AYES: Pierce, Hansen, Gilmore, Errotabere, Bourdeau, Bennett, Diedrich, McCurdy, White, Michael, Wehr, Varela, Kremen, Cattaneo, Singleton, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

REPORT ITEMS

10. Agenda Item 12: Executive Director’s Report.

Executive Director Federico Barajas introduced Chris Park with CDM Smith, who provided a detailed presentation on the status of the B.F. Sisk Dam Raise Project. Park reported on the status of alternative formulation, feasibility level design, feasibility report, administrative draft EIR/Supplemental EIS, Caltrans Coordination, and ESA consultation/CWA permitting.

Special Projects Administrator Frances Mizuno provided an update on the San Luis Transmission Project. Mizuno reported that the latest estimated total SLTP Project cost is $298,808,449, which includes costs already expended for planning and design. The amount actually needed for construction is $282,072,890. Mizuno reported that this amount includes $32.5M for Management Reserves for known risks and $26.5M contingency for unknown risk. Mizuno reported that Reclamation applying for TIP funding with the Water Authority as the backer is no longer a feasible option as Reclamation is unable to be an applicant for TIP funding. Mizuno reported that based on current information, the various options for potential funding
include: 1) Water Authority apply for TIP funding to fund 100% of the SLTP construction cost, 2) Water Authority fund 100% of the cost through a Bond issuance, 3) Water Authority pursue a Public-Private Partnership, either by a) working with a private investor for a Public-Private Partnership (P3) to fund 100% of the Project, or b) the Water Authority funding 50% and the private investor funding 50% of the Project. Mizuno reported that staff’s recommendation is to continue to explore Option 3.b as it is likely to be the least costly and most expedient option. The Board gave direction to pursue Option 3.b, and gather as much information as possible to bring back the Board.

Executive Director Federico Barajas next provided a brief update on the Jones Pumping Plant Unit Rewind Project funding options, including WIFIA loan status. Barajas reported that the WIFIA funding option has some obstacles to overcome due to Federal ownership of JPP facility. Special Projects Administrator Frances Mizuno reported that the cost of issuance for a WIFIA loan is higher than other financing options. However, the WIFIA loan interest rate will be in the range of 1.3% - 1.6%, which is much lower than any other financing options. Therefore, paying the higher cost of issuance is still the lowest cost option for funding. Mizuno reported that the Water Authority is currently in the due diligence phase of the loan review, and the next phase of drafting the loan agreement will be the costliest phase. Mizuno reported that the Water Authority needs to assess the risk of proceeding to the next phase which will begin in early August. Chief Operating Officer Pablo Arroyave reported that if the Water Authority does not proceed with the WIFIA loan or the Project does not qualify for the loan, another source of funding will be required. Arroyave reported that in order to maintain the schedule for the Project, a parallel process with the WIFIA loan process is needed in order to have sufficient funds available for the fourth unit which is scheduled to begin in early November, 2020. Arroyave reported that staff is evaluating a private placement versus a public offering financing option. Arroyave reported that the Water Authority is beginning the process of comparing terms and associated costs, and stated that this will require the Water Authority to retain both a bond counsel and financial advisor specifically for this financing option. Lora Carpenter, from Fieldman Rolapp & Associates, reviewed the three types of options available. Arroyave concluded reporting that the Finance & Administrative Committee suggested staff prepare a comparison between WIFIA and Plan B Options, and also requested an 18-year private placement schedule.


Water Policy Director Scott Petersen reported that the Administration this week released its Spring 2020 Unified Agenda of Regulatory and Deregulatory Actions, which reports on the actions administrative agencies plan to issue in the near and long term.
Petersen reported that the Water Authority has offered a facilities tour to U.S. FWS Director Aurelia Skipwith, who has indicated interest. Petersen reported that the facilities tour will be focused on FWS’s role in fisheries and refuge management in California, updates on new science, and current conditions. Petersen reported that Director Skipwith will be touring Jones Pumping Plant, the Tracy Fish Collection Facility, the Intertie, the DMC, and San Joaquin Valley refuges.

Petersen reported that the House recently passed H.R. 2, the Moving Forward Act, its version of infrastructure legislation. Petersen indicated that H.R. 2 is a broad infrastructure bill that touches on everything from roads to water infrastructure and regulation to environmental justice provisions. Petersen reported that it authorizes close to $70 billion dollars for water infrastructure. Petersen reported that in addition to funding authorizations, H.R. 2 expands and reinstates several tax provisions that will help members develop infrastructure and includes advanced refunding of bonds and tax parity for water conservation. Petersen reported that the legislation provides funding for water infrastructure and a number of other priorities, but also substantially modifies the approval process for projects in ways that will influence development timelines as well as modifying the types of projects that can qualify for federal funding. Petersen reported that Authority staff, in coordination with partner organizations and member agencies, supported an effort by Representative Costa to pass an amendment that would include funding for the Delta-Mendota Canal and California Aqueduct, paired with funding for habitat restoration and disadvantaged community drinking water grants, which garnered attention and support from environmental NGOs including EDF and TNC, water agencies, and agricultural organizations. Petersen reported that California Natural Resources Secretary Crowfoot sent a letter in support of this effort. Petersen reported that unfortunately, the effort was not successful, though Committee staff has reached out to indicate willingness to find a path forward for canal funding.

Petersen reported that House appropriators held all 12 subcommittee markups from July 6 to 8, which is a very aggressive schedule. Petersen reported that the full committee plans to hold markups later next week and into the following week. Petersen reported that the delayed appropriations schedule is another sign it will be difficult to get any spending measures signed into law before the September 30 deadline other than a stopgap measure. Petersen reported that throughout July, the House will consider appropriations bills, defense authorization, and Water Resources Development Act legislation.

Petersen reported that last week, the California State Legislature moved to approve the state’s budget package, Assembly Bill 89, which was signed by the Governor yesterday. Petersen reported that previously, both chambers had passed a “placeholder” budget on June 15 to meet a
constitutionally-mandated deadline. In addition to AB 89, the Legislature passed nearly a dozen trailer bills needed to implement provisions of the budget. Petersen reported that COVID-19 continues to dominate much of the discussion related to the budget process.

Petersen reported that the Legislature broke and will return on July 13. Petersen reported that the Assembly will no longer allow telephone testimony in committee hearings, a step taken to minimize the crowds in the Capitol.

12. Agenda Item 14: Chief Operating Officer’s Report.

Chief Operating Officer Pablo Arroyave reported that Jones Pumping Plant Unit 2 is back online on schedule and within budget as of June 19, 2020. Arroyave reported that Unit 5 disassembly has begun. Arroyave reported that Jones Pumping Plant went to 5 units pumping, and Authority staff are working closely with the Tracy Facility to assist them with debris issues at the fish screens.

Arroyave provided a brief update on the Delta Conveyance Project reporting that DWR filed a 404 application with the Army Corps on June 19, 2020. Arroyave reported that the primary reason that application was filed was to determine who the federal lead agency will be. Arroyave also stated that DWR has offered to brief Authority member agencies.

13. Agenda Item 15: Update on Water Operations and Forecasts

Westlands Water District’s Tom Boardman reported that Jones Pumping Plant is pumping at capacity and is expected to maintain the current rate through at least September. However, Banks pumping will be at or below 30% of capacity through the summer because of low Oroville storage. Boardman stated that Shasta and Folsom storage and drawdown rates are less than the median operations forecast but are tracking better than the 90% exceedance forecast.

San Luis Reservoir projection graphs were discussed which showed that the CVP low point will be more than 200 TAF. Boardman also explained that CVP San Luis will fill by late February under median conditions but will only refill to approximately 500 TAF with a dry winter.

In response to a question from Director Dietrich, Boardman explained that the Shasta inflow threshold for avoiding a Shasta critical year in 2021 will increase by how much 2020 inflow is below 4.0 MAF.

14. Agenda Item 16: Committee Reports.

a. Water Resources Committee – Committee Chair Tom Birmingham reported that
the committee reviewed staff recommendations on the actions item, and received
staff reports from the Executive Director, Chief Operating Officer, and the Water
Policy Director.

b. Finance & Administration Committee – Committee Chair Rick Gilmore reported
that the Committee took action regarding the Reporting and Anti-Retaliation
Policy.

c. O&M Committee – Committee Chair Chris White reported that the next meeting
of the O&M Committee is scheduled for October 19, 2020.

15. Agenda Item 17: Outside Agency/Organization Reports.

   a. State and Federal Contractors Water Agency (SFCWA)

      Director Rick Gilmore reported that the Board meet on June 18, and amended some
contracts in regards to the Tule Red Project. Gilmore reported that in regards to the
CalPERS termination the Board decided to delay 1-year due to the economic conditions.

   b. Family Farm Alliance (FFA)

      Report included in the packet.

   c. Farm Water Coalition.

      Mike Wade reported that the Cultivate California Program has been restarted, and
have received approximately 1,000 hits a day. Wade reported that staff continues to work
on the Communications Plan.

   d. Association of California Water Agencies

      Director Bill Diedrich reported that ACWA’s virtual conference is at the end of
the month and Dr. David Sunding from U.C. Berkeley will present on the Water
Blueprint for the San Joaquin Valley Socioeconomic Impact Analysis. Director John
Varela reported that Region 5 will also be presenting on Safe Drinking Water in
California on July 30, and Varela will be moderating.

   e. San Joaquin Valley Water Blueprint Effort

      No update.

16. Agenda Item 18: Board Member Reports.

   No reports given.


   Vice-Chair William Bourdeau adjourned the open session to address the items listed on
the Closed Session Agenda at approximately 11:50 a.m. Upon return to open session at
approximately 12:30 p.m., General Counsel Rebecca Akroyd stated that no reportable actions were taken.

18. **Agenda Item 22: Reports Pursuant to Government Code Section 54954.2 (a) (3)**
    No reports.

19. **Agenda Item 23: Adjournment.**
    The meeting was adjourned at approximately 12:35 p.m.