

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
BOARD OF DIRECTORS SPECIAL TELEPHONIC MEETING
MINUTES FOR AUGUST 6, 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

James McCloud, Director - Dave Weisenberger, Alternate (both arrived after agenda item 7)
Bobby Pierce, Director - Vince Lucchesi, Alternate
Anthea Hansen, Director
Rick Gilmore, Director

Division 2

Ryan Ferguson, Alternate for Dan Errotabere
William Bourdeau, Director
Bill Diedrich, Director

Division 3

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

Division 4

John Varela, Director
Gary Kremen, Director
Sara Singleton, Alternate for Joe Tonascia (arrived after agenda item 7)

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
Bob Martin, Bob Martin, Facilities O&M Director

Others in Attendance

Mike Wade, California Farm Water Coalition
Tom Boardman, Westlands Water District

Dana Jacobson, Santa Clara Valley Water District
Lora Carpenter, Fieldman Rolapp & Associates
Robert Porr, Fieldman Rolapp & Associates
Doug Brown, Stradling Yocca Carlson & Rauth
Dennis Cardoza, Foley & Lardner LLP
Anusha Kashyap, CDM Smith
Erick Johnson, The Water Agency
Joe Hopkins

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.

No corrections to the Agenda.

3. Opportunity for Public Comment

No public comment.

CONSENT ITEMS

4. Agenda Items 4-7: Board to Consider: a) August 6, 2020 Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports, c) Treasurer's Report, d) Staff Reports.

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

AYES: Pierce, Hansen, Gilmore, Ferguson, Bourdeau, Diedrich, Bryant, White, Michael, Ortega, Varela, Kremen, Pucheu, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

ACTION ITEMS

5. Agenda Item 8: Board of Directors to Consider Finance & Administration Committee Recommendations Regarding Jones Pumping Plant Unit Rewind Project Financing.

Chief Operating Officer Pablo Arroyave provide a brief update on the WIFIA application for Jones Pumping Plant Project funding. Arroyave reported that it is currently anticipated that by the

end of September, there will be a better determination on the Water Authority's eligibility for WIFIA financing. Arroyave reported there has not yet been a final determination as to whether the Water Authority will ultimately qualify for the WIFIA loan due to the Jones Pumping Plant being a Federal asset, and that the Water Authority needs to consider alternative funding sources.

Arroyave reported a concurrent path to pursue an alternative source of funding in order to maintain the schedule for the project if the Water Authority does not proceed with the WIFIA loan or the project does not qualify for the loan. Arroyave reported that based on the Finance and Administration Committee (FAC) and Board of Directors (BOD) direction provided in July 2020, staff has further compared terms and associated costs for both public and private financing. Arroyave reported that the packet includes public and private financing schedules that indicate financing is achievable by November 2020, with both schedules requiring further direction, and a final decision in October by the Board. Arroyave reported that staff proposes to focus on the public financing option. Arroyave reported that the Water Authority has retained bond counsel and financial advisors specifically for these financing options. Lora Carpenter provided background, details, project costs, and a comparison of private and public financing.

Director Tom Birmingham made a motion to pursue solely a public financing, and Director William Bourdeau seconded, but after further discussion by the Board of Directors, both withdrew their motions.

Executive Director Federico Barajas provided additional details, and reported that staff recommends continuing with processing the WIFIA loan as it is still the least cost option, and in parallel working with bond counsel and financial advisors to pursue a public bond with a final decision in October on which option to secure. Robert Porr explained to the Board the differences between 25 and 30 year terms for public financing.

Director Rick Gilmore made a restated motion for the Board to Adopt the Finance & Administration Committee's recommendation to continue to pursue WIFIA application, and in parallel continue to pursue Public Bond financing. Director Tom Birmingham seconded the motion, and the Board accepted the motion. The vote on the motion was as follows:

AYES:	McCloud, Pierce, Hansen, Gilmore, Ferguson, Bourdeau, Diedrich, Bryant, White, Michael, Ortega, Varela, Kremen, Singleton, Pucheu, Birmingham, Stadler
NAYS:	None
ABSTENTIONS:	None

REPORT ITEMS

6. Agenda Item 9: Executive Director's Report.

Executive Director Federico Barajas introduced Anusha Kashyap from CDM Smith. Kashyap walked through a PowerPoint presentation regarding the B.F. Sisk Dam Raise project. She provided updates regarding the feasibility study and environmental analysis documents. Kashyap reported that the EIS/EIR public release is scheduled for August 14, 2020, a public meeting is scheduled August 24, 2020, and public comments are due September 28, 2020.

Barajas next provided a brief update on the San Luis Transmission Project. Barajas reported that staff is coordinating with Reclamation and that there have been additional meetings with a private solar company who has expressed interest in pursuing this endeavor. Barajas reported that Dennis Cardoza's firm (Foley) has someone in California that has expertise with power and Water Authority staff will be meeting with them to explore other potential partnership opportunities.

Barajas reported on CVPIA-related items, including Reclamation's release of Business Practice Guidelines for a public review period and Reclamation's scheduled workshops on August 21, 2020 relating to the Proportionality Component, and CVPIA True-up on August 25, 2020.

7. Agenda Item 10: Report on State and Federal Affairs.

Water Policy Director Scott Petersen reported that on July 31, the U.S. Fish and Wildlife Service and the National Marine Fisheries Service proposed a regulatory definition of the term "habitat" that would be used in the context of critical habitat designations pursuant to the Endangered Species Act. Petersen reported that this broad definition includes both occupied and unoccupied critical habitat.

Petersen reported that the Water Authority provided a tour of CVP facilities and the San Luis National Wildlife Refuge to FWS Director Skipwith.

Petersen reported that the House finished the bulk of its initial fiscal 2021 appropriations work, but lawmakers still aren't close to sending measures to the president's desk, due to the Senate's inaction and the partisan divide over spending levels.

Petersen reported that the Senate remains in session this week and Majority Leader McConnell has announced that the Senate will stay in session until a deal is reached on the next COVID-19 response package. Petersen reported that the House wrapped up work on the floor on Friday, though the chamber does have some hearings scheduled this week. Petersen reported that House Majority Leader Steny Hoyer (D-Md.) told lawmakers last week he would give 24-hours' notice to return to vote if a deal is struck on a coronavirus relief measure.

Petersen reported that the House of Representatives passed the House's version of the Water Resources Development Act last week, and this action will provide the opportunity to begin pre-conference negotiations with the Senate.

Petersen reported that the Water Board conditionally approved the submitted revised TMP through September, and has indicated that it will be assessing performance of the plan and will continue to assess the plan for fall/winter operations in the September time frame. Petersen reported that staff is and will continue to coordinate with Reclamation, Board staff, as Members, and other impacted stakeholders on this issue and continue to provide the Committee and Board with any further updates as they develop.

Dennis Cardoza reported that the Senators have been sent home for the weekend.

8. Agenda Item 11: Chief Operating Officer's Report.

Chief Operating Officer Pablo Arroyave reported that Jones Pumping Plant is operating at 5 units for the foreseeable future. Arroyave reported that there have been some disruptions due to the volume of debris against the trash racks due to high tides and winds.

Arroyave reported that on the Delta Conveyance Project he is working to line up a briefing with DWR in the next month.

Arroyave reported that there is an opportunity for refunding on the DHCCP Activity Agreement, and a steering committee meeting will be scheduled soon.

9. Agenda Item 12: Update on Water Operations and Forecasts

Westlands Water District's Tom Boardman reported that Jones resumed pumping at capacity after a 2-day reduction early this month because of debris at the pumping plant's trash racks. Pumping is expected to remain at capacity through September as delta outflow and salinity standards are less restrictive. Shasta and Folsom storage was reported to be near Reclamation's projections and that the cold water pool in Shasta appears sufficient to meet the objectives of the recently approved temperature management plan per SWRCB order 90-5.

San Luis Reservoir projection graphs were discussed which showed that the CVP low point to be less than 200 TAF. Responding to a question from Director Diedrich, Boardman stated that the current reduction in Banks pumping is due to limited Oroville storage and not because of any restrictions imposed by the SWP's Incidental Take Permit.

10. Agenda Item 13: Committee Reports.

- a. **Water Resources Committee** – Committee Chair Tom Birmingham reported that the committee did not meet this month.
- b. **Finance & Administration Committee** – Committee Chair Rick Gilmore reported that the committee met, and discussed items on the agenda.
- c. **O&M Committee** – Committee Chair Chris White reported the next meeting is scheduled for October 19, 2020 to consider the project list.

11. Agenda Item 14: Outside Agency/Organization Reports.

a. State and Federal Contractors Water Agency (SFCWA)

No report.

b. Family Farm Alliance (FFA)

Report included in the packet.

c. Farm Water Coalition.

Mike Wade reported that a blog piece is going to be posted today regarding the Skipwith tour. Wade reported that the B.F. Sisk Dam Raise and Reservoir Expansion Project piece has been completed.

d. Association of California Water Agencies

Director Bill Diedrich reported that the ACWA just concluded the fall virtual conference.

e. San Joaquin Valley Water Blueprint Effort

Water Policy Director Scott Petersen reported that the Executive Committee met, and there was a full large group meeting to discuss the information that came out of the technical committee on the work that STANTEC is performing with Scott Hamilton.

12. Agenda Item 15: Board Member Reports.

No reports given.

13. Agenda Items 16-18: 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 11:30 a.m., General Counsel Rebecca Akroyd stated that the Board had met in closed session and taken action to participate as amicus curiae in an action, and that the action, the parties, and the other particulars shall, once formally commenced, be disclosed to any person upon inquiry. Akroyd orally reported the vote on that action of every member present.

14. Agenda Item 19: Reports Pursuant to Government Code Section 54954.2 (a) (3)

No reports.

15. Agenda Item 20: Adjournment.

The meeting was adjourned at approximately 11:35 p.m.