SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
BOARD OF DIRECTORS TELEPHONIC ADJOURNED REGULAR MEETING
MINUTES FOR JANUARY 14, 2021

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
Vince Lucchesi, Alternate for Bobby Pierce
Anthea Hansen, Director - Kyle Perez, Alternate
Rick Gilmore, Director

Division 2

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

Division 3

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

Division 4

John Varela, Director - Aaron Baker, Alternate
Gary Kremen, Director - Richard Santos, Alternate
Jeff Cattaneo, Director

Division 5

Bill Pucheu, Director
Tom Birmingham, Director
Manny Amorelli, 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, Facilities O&M Director
Laures Stiles, Director of HR & Admin

Others in Attendance

Mike Wade, California Farm Water Coalition
Tom Boardman, Westlands Water District
Dennis Cardoza, Foley & Lardner LLP
Dana Jacobson, Valley Water
Stephanie Rayna, City of Tracy
Don Willard, Friant Water Authority
Lora Carpenter, Fieldman Rolapp & Associates
Doug Brown, Stradling Yocca Carlson & Rauth
Chris Park, CITI Group
Mica Heilmann, Land IQ

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.

3. Opportunity for Public Comment

No public comment.

CONSENT ITEMS

4. Agenda Items 4-6: Board to Consider: a) December 10 and December 17, 2020 Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports, c) Staff Reports.

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

AYES:	Weisenberger, Lucchesi, Hansen, Gilmore, Ferguson, Bourdeau, Linneman, Diedrich, Bryant, White, Michael, Wehr, Varela, Kremen, Cattaneo, Pucheu, Birmingham, Amorelli
NAYS:	None
ABSTENTIONS:	None

ACTION ITEMS

5. Agenda Item 7: Board of Directors to Consider DHCCP Steering Committee Recommendation regarding Resolution Authorizing the Preparation and Distribution of a Preliminary Official Statement and the Preparation, Execution, and Delivery of an Official

Statement with Respect to Refunding Revenue Bonds to Refund the Outstanding San Luis & Delta-Mendota Water Authority Refunding Revenue Bonds (DHCCP Development Project), Series 2013a, Authorizing the Execution of Certain Documents, and Authorizing Certain Other Actions in Connection Therewith.

Chief Operating Office Pablo Arroyave reported that since the last DHCCP Steering Committee meeting in October all districts except for Pacheco, Byron Bethany, and Laguna have executed resolutions authorizing participation in the refunding. Arroyave reported that Pacheco will be taking action tomorrow, and Byron Bethany and Laguna have chosen to pay off their portion. Arroyave reported that the DHCCP committee met on Monday, and recommended Board approval of the resolution. Arroyave then introduced Lora Carpenter from Fieldman Rolapp & Associates.

Lora Carpenter presented a PowerPoint presentation titled "Refunding of DHCCP Series 2013A Bonds". Carpenter reviewed the prepayment option/amounts, potential refunding-financial benefits, and the current financing schedule. Carpenter reported that the Preliminary Official Statement will be posted January 18 2021, and if everything goes as planned the transaction will be closed January 28, 2021 along with successful pricing on January 21, 2021. Carpenter then introduced Doug Brown of Stradling Yocca Carlson & Rauth. Doug Brown provided a brief review of the Preliminary Official Statement and the Resolution.

On a motion of Director Tom Birmingham, seconded by Director William Bourdeau, the Board approved the Resolution authorizing the preparation and distribution of a Preliminary Official Statement and the preparation, execution, and delivery of an Official Statement with respect to Refunding Revenue Bonds to Refund the Outstanding San Luis & Delta-Mendota Water Authority Refunding Revenue Bonds (DHCCP Development Project), Series 2013a, authorizing the execution of certain documents, and authorizing certain other actions in connection therewith. The vote on the motion was as follows:

AYES:	Weisenberger, Lucchesi, Hansen, Gilmore, Ferguson, Bourdeau, Linneman, Diedrich, Bryant, White, Michael, Wehr, Varela, Kremen, Cattaneo, Pucheu, Birmingham, Amorelli
NAYS:	None
ABSTENTIONS:	None

6. Agenda Item 8: Board of Directors to Consider Water Resources Committee Recommendation Regarding Execution of Cost Share Agreement with State Water Contractors and Execution of Contract for up to $21,000 from the Leg Ops Budget for Structured Decision Making Facilitation Support for Delta Coordination Group Activities.

Water Policy Director Scott Petersen reported that the Water Resources Committee recommended this item for approval by the Board on Monday. Petersen provided a brief background on the Delta Coordination Group (DCG) that was formed by the Bureau of Reclamation and California Department of Water Resources. Petersen reported that the DCG members have expressed that having a third-party facilitator with experience in Structured Decision Making (SDM) would benefit the product being produced by the DCG, and increase the transparency of the recommendations being provided by the DCG to the Bureau of Reclamation and the Department of Water Resources regarding potential Summer-Fall Habitat Actions for delta smelt. Petersen reported that staff has worked with the Department of Water Resources and the Bureau of Reclamation to identify a facilitator with SDM experience and has identified Dr. Jennie Hoffman, of Adaptation/Insight, as the preferred facilitator. Dr. Hoffman has experience working with Compass Resources, who is facilitating the Delta Smelt SDM process for the Collaborative Science and Adaptive Management Program (CSAMP).

On a motion of Director Gary Kremen, seconded by Director Bill Diedrich, the Board approved execution of the Cost Share Agreement with the State Water Contractors and execution of a contract for up to $21,000 from the Leg Ops Budget for structured decision making facilitation support for Delta Coordination Group Activities. The vote on the motion was as follows:

AYES:	Weisenberger, Lucchesi, Hansen, Gilmore, Ferguson, Bourdeau, Linneman, Diedrich, Bryant, White, Michael, Wehr, Varela, Kremen, Cattaneo, Pucheu, Birmingham, Amorelli
NAYS:	None
ABSTENTIONS:	None

7. Agenda Item 9: Board of Directors to Consider Resolution Adopting the 2021 Regular Meeting Calendar for the San Luis & Delta-Mendota Water Authority Board of Directors, Water Resources Committee, and Finance & Administration Committee.

Executive Director Federico Barajas reported that staff prepared an annual calendar for 2021 regular meetings of the Board of Directors, Water Resources Committee, and Finance & Administration Committee for the remainder of the calendar year 2021 for Board approval. Barajas reported that no changes were made since the calendar was presented to the Board in December.

On a motion of Director Tom Birmingham, seconded by Alternate Director Dave Weisenberger, the Board adopted the 2021 Regular Meeting Calendar for the San Luis & Delta-Mendota Water Authority Board of Directors, Water Resources Committee, and Finance & Administration Committee. The vote on the motion was as follows:

AYES:	Weisenberger, Lucchesi, Hansen, Gilmore, Ferguson, Bourdeau,

	Linneman, Diedrich, Bryant, White, Michael, Wehr, Varela, Kremen, Cattaneo, Pucheu, Birmingham, Amorelli
NAYS:	None
ABSTENTIONS:	None

REPORT ITEMS

8. Agenda Item 10: Presentation regarding Delta Fallowing Pilot Project.

Special Projects Administrator Frances Mizuno provided a brief background on this effort, reporting that in August 2017 the Authority entered into a letter of agreement with various parties to jointly participate and fund a pilot project to study the impacts of fallowing lands in the Delta. Mizuno reported that the Authority entered into a contract with Land IQ, and the Delta Watermaster's office entered into a contract with U.C. Davis, who jointly performed this study in 2018. Mizuno then introduced Mica Heilmann from Land IQto present the outcomes of the study.

Mica Heilmann presented a PowerPoint presentation titled "Evapotranspiration of Fallow Fields in California Delta". The presentation focused on the 2018 water year. Mica Hielmann, and Seth Mulder described the study methodology and presented study results. Heilmann added that results of the study indicate that continued management of fallowed in-delta lands is necessary to receive beneficial results for water supply. Lindsay Kammeier from the Watermaster's office expressed a perspective that the results of the study indicate that there is limited utility for in-delta water transfers resulting from fallowed lands. Mizuno added that the study results indicate in order for fallowed lands to substantially reduce consumption of water, the lands must be continued to be managed in addition to fallowing.

NOTE: staff returned to Item 10 later in the meeting, to read ZOOM Chat comments into the minutes. ZOOM Chat comments read as follows:

> From don@waterwrights.net to Everyone: What's NDVI stand for please?
> From Seth Mulder - Land IQ to Everyone: Normalized Difference Vegetation Index
> From Cannon Michael to Everyone: The normalized difference vegetation index (NDVI) is a simple graphical indicator that can be used to analyze remote sensing measurements, often from a space platform, assessing whether or not the target being observed contains live green vegetation.
> From don@waterwrights.net to Everyone: bless you
> From Seth Mulder - Land IQ to Everyone: Basically an index that provides relative plant vigor. Derived from aerial or satellite imager (imagery*)
> From Cannon Michael to Everyone: This OpenET effort is interesting as well - https://openetdata.org/
> From Seth Mulder - Land IQ to Everyone: The OpenET platform is interesting. I hear they plan to provide field level ET data as well at some point. I don't know if they have ground truthing stations to validate the results though.
> From don@waterwrights.net to Everyone: Thanks
> From David Weisenberger to Everyone: Remember the old Rodweeders on the farm, might be an inexpensive way to keep the weeds down.

From Bill Diedrich to Everyone: YES

ZOOM participants were encouraged to make any additional comments or questions orally, so that non-Zoom participants could also engage.

9. Agenda Item 11: Discussion Regarding Modification of Debt Management Policy and/or Development of O&M and Capital Improvement Financing Policy.

General Counsel Rebecca Akroyd reviewed the memo provided to the Board regarding potential modifications to the Authority's Debt Management Policy. Akroyd reported that during the October 21, 2020 Special Board Meeting, Directors provided direction to staff to begin developing a policy that would govern the Board's financing of future extraordinary operation and maintenance projects and capital improvement projects. Akroyd reported that the current policy was adopted in March 2019 and includes policies and procedures for the issuance of debt. Akroyd reported that staff is of the opinion that this is a logical place to include additional guidance that would help the Board decide in the future whether to self-fund versus financing. After a brief discussion with Directors/Alternates Akroyd reported that the next step is to work with existing consultants to draft language for consideration by the Finance & Administration Committee and Board of Directors.

10. Agenda Item 12: Report on State and Federal Affairs.

Water Policy Director Scott Petersen reported the incoming Biden Administration has made a number of key nominations for Cabinet positions. Petersen reported that the nominations of particular interest for the Authority made to date include, Secretary of Interior, Secretary of Commerce, Secretary of Agriculture, Secretary of Health and Human Services, California Attorney General, Office of Management and Budget, and Attorney General.

Dennis Cardoza provided information regarding Washington DC conditions, potential leadership changes regarding committees, and the elimination of pay-go offset for climate control legislation and COVID legislation.

11. Agenda Item 13: Executive Director's Report.

a) **San Luis Transmission Project (SLTP)** – Special Projects Administrator Frances Mizuno reported that three good proposals were received, and are being reviewed by the Authority along with the Bureau of Reclamation and the Western Area Power Administration. Mizuno reported that they are also looking to hire outside consultant. Mizuno reported that the goal is make a recommendation to the Board in March or April.

b) **Water Transfers** - Special Projects Administrator Frances Mizuno reported that the process for potential 2021 water transfers will start soon due to the dry hydrology. Mizuno

reported that the Authority has drafted a Letter of Intent to potential Sellers to allow for the preparation and submittal of water transfer proposals to begin prior to execution of any Water Purchase Agreements with the Sellers. The draft of the letter has been sent to potential sellers and we have received responses and comments back.

c) **B.F. Sisk Dam Raise Project** – Chris Park with CDM presented a PowerPoint presentation with updates on the B.F. Sisk Dam Raise Project. Parks provided updates on Feasibility Report, final EIR and Supplemental EIS, Caltrans coordination, ESA consultation/CESA permitting/NHPA consultation, and the schedule. Two key milestones accomplished in December include: 1) the final EIS/EIR document was completed and posted to the Federal Register on December 18, 2020, and 2) the feasibility report was completed at the end of December and transmitted to the U.S. Congress.

d) New Board Member Orientation – Executive Director Federico Barajas reported that staff is still working on scheduling new Board Member orientation.

e) **Milliken RFP** - Executive Director Federico Barajas reported that four proposals were received and will be reviewed by representatives from the Museum, Exchange Contractors, and the Authority.

f) **Sacramento Office** – Executive Director Federico Barajas **reported** that the Sacramento office location move is scheduled to take place the last week of this month.

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

Chief Operating Officer Pablo Arroyave reported that the NetSuite transition is almost complete. Arroyave thanked Authority staff and management that have spent considerable time on the transition.

Arroyave reported that the Jones Pumping Plant Unit 5 rewind during rebuilding and testing experienced an unexpected electrical discharge on one of the coils, and Authority staff has been coordinating with Reclamation and NEC on the proper repair process.

Arroyave reported that staff has verified with Reclamation that there will not be any substantive changes to the February 2020 San Luis Reservoir Rescheduling Guidelines, and that final requests are due February 12, 2021.

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

Westlands Water District's Tom Boardman reported Jones pumping remains at minimum levels due to limited delta inflow. Banks has been pumping more than the CVP during the past

few weeks in efforts to minimize the cycling of pumping units at Jones. Since allowable export sharing is in accordance with the COA, Jones and Banks may soon be trading export pumping rates as part of COA accounting.

Accumulated precipitation for January at Shasta and for Northern California is at 40% and 22% of average, respectively. Boardman explained that, based on DWR's latest forecast, a Shasta Critical year will occur unless hydrology is above normal for the remainder of the winter and spring. Shasta and Folsom storage levels are trending slightly less than Reclamation's latest 90% exceedance forecast

Boardman reported that CVP exports fell short of even Reclamation's conservative projection during December and during the first half of January. As such, CVP San Luis is expected to fill to only 50% of capacity with continued dry conditions. With the return of average hydrology soon, the reservoir may refill to about 740 TAF or 77% of capacity. Boardman briefly discussed possible allocations under dry and median hydrology.

Responding to a question from the public, Boardman stated that conditions south of the delta are tracking noticeably worse than 90% exceedance conditions, but hydrology north of the delta is only slightly drier than the 90% forecast. Boardman also provided a clarification to a question from Director Diedrich that projections based on median conditions assume conditions improve to median hydrology for the remainder of the year. Boardman agreed with Director Bourdeau when Mr. Bourdeau rhetorically asked if the CVP should be storing more water in wet years to soften dry year impacts.

14. Agenda Item 16: Committee Reports.

a. **Water Resources Committee** – Chair Tom Birmingham reported that the committee met, and reviewed the proposed Activity Budget.

b. **Finance & Administration Committee** – Chair Rick Gilmore reported that the committee met.

c. **O&M Committee** – No report.

15. Agenda Item 17: 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 they worked on a number of publications and

announcements this month on behalf of the Authority. Wade reported that they are working with Water Policy Director Scott Petersen and other Authority staff on a series of information sheets that overlay Authority member service area boundaries with legislative districts.

d. Association of California Water Agencies

Director Bill Diedrich announced Ryan Ferguson was appointed to Region 6 Board. Diedrich informed the Board that Jim McLeod was member of ACWA Board for twenty-two years.

e. San Joaquin Valley Water Blueprint Effort

No report.

f. CVPWA

Director Anthea Hansen reported that Larry Baumann retired, and the new Executive Director is Kevin Casberg. Hansen encouraged involvement with the CVPWA. Director Birmingham requested that the CVPWA be added to future agendas.

16. Agenda Item 18: Board Member Reports.

Chair Cannon Michael called for a moment of silence to remember long-time Director Jim McLeod. Director David Weisenberger shared a few memories of Jim McLeod, and also shared some of Jim's favorite quotes. Director Tom Birmingham, and Bill Diedrich also expressed their admiration, and respect for Jim McLeod. Also, at the beginning of the meeting Chair Cannon Michael announced the passing of Jim McLeod, and expressed his admiration.

Chair Cannon Michael reminded the Board that trainings are coming up to stay in compliance, and to send their certificates to Felicia Luna.

17. Agenda Items 19-21: Closed Session Report.

Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 12:05 p.m. Upon return to open session at approximately 1:07 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 1:08 p.m.