

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY BOARD OF
DIRECTORS REGULAR TELEPHONIC MEETING
MINUTES FOR JUNE 9, 2022

The Board of Directors of the San Luis & Delta-Mendota Water Authority convened at approximately 9:30 a.m. at 842 6th Street in Los Banos, California, with Chair Cannon Michael presiding.

Directors and Alternate Directors in Attendance

Division 1

Anthea Hansen, Director
Lea Emmons, Alternate for Rick Gilmore

Division 2

William Bourdeau, Director
Beau Correia, Director - Ara Azhderian, Alternate
Bill Diedrich, Director

Division 3

Chris White, Director (arrived during item 7)
Cannon Michael, Director
Ric Ortega, Director

Division 4

Aaron Baker, Alternate for John Varela
Jeff Cattaneo, Director

Division 5

Bill Pucheu, Director
Jose Gutierrez, Alternate for Tom Birmingham
Manny Amorelli, Director

Authority Representatives Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer
Rebecca Akroyd, General Counsel
Scott Petersen, Water Policy Director (via phone)
Ray Tarka, Director of Finance
Bob Martin, Facilities O&M Director
Jaime McNeil, Engineering Manager
Stewart Davis, IT Officer

Others in Attendance

Frances Mizuno, Mizuno Consulting (ZOOM)
Mike Wade, California Farm Water Coalition (ZOOM)
John Wiersma, Henry Miller Reclamation District
Tom Boardman, Westlands Water District
Vince Gin, Valley Water
John Varela, Valley Water (ZOOM)
Richard Santos, Valley Water (ZOOM)

Dan McCurdy, Firebaugh Canal Water District (ZOOM)
Don Wright, WaterWrights (ZOOM)
Lora Carpenter, Fieldman Rolapp & Associates (ZOOM)
Chuck Gardner, Hallmark Group
Jessica Alwan, Hallmark Group
Mitchell Partovi, The Water Agency

1. Call to Order/Roll Call

The meeting was called to order by Chair Cannon Michael and roll was called.

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

General Counsel Rebecca Akroyd reported that agenda item 11.a will moved to agenda item 8.

3. Opportunity for Public Comment

No public comment.

CONSENT ITEMS

4. Agenda Items 4-6: Board to Consider: a) Draft May 12, 2022 Meeting Minutes b) Acceptance of the Financial & Expenditures Reports, c) Staff Reports.

On a motion of Director William Bourdeau, seconded by Alternate Director Lea Emmons, the Board accepted the May 12, 2022 Meeting Minutes, Financial Expenditures Reports, and Staff Reports. The vote on the motion was as follows:

AYES: Hansen, Emmons, Bourdeau, Correia, Diedrich, Michael, Ortega, Baker, Cattaneo, Pucheu, Gutierrez, Amorelli
NAYS: None
ABSTENTIONS: None

ACTION ITEMS

5. Agenda Item 7: Board of Directors to Consider Appointment of Officer Position, Treasurer.

Executive Director Federico Barajas reported that Joyce Machado, who served as the Director of Finance, resigned March 15, 2022, which resulted in the need for the Board to appoint a new Treasurer. Barajas reported that staff is recommending that Raymond Tarka, who joined the Water Authority as its new Director of Finance, be appointed Treasurer.

On a motion of Director William Bourdeau, seconded by Director Chris White, the Board appointed officer position, Treasurer. The vote on the motion was as follows:

AYES: Hansen, Emmons, Bourdeau, Correia, Diedrich, White, Michael, Ortega,

Baker, Cattaneo, Pucheu, Gutierrez, Amorelli

NAYS: None

ABSTENTIONS: None

REPORT ITEMS

6. **Agenda Item 8: Executive Director’s Report.**

San Luis Transmission Report (SLTP) – Frances Mizuno provided an update on bond financing cost based on the market conditions as of May 17, 2022, and the new construction schedule from Western Area Power Administration. Mizuno introduced Lora Carpenter from Fieldman Rolapp & Associates. Lora Carpenter reviewed a PowerPoint presentation titled “San Luis Transmission Project (SLTP) Briefing, SLTP Financial Summary.” The presentation focused on: 1) SLTP Costs, 2) SLTP Benefits, 3) US Treasury Market Movement, and 4) SLTP Cost Comparison. Carpenter reported that current assumptions reflect construction cost of \$317 million and estimated energization date of December 2028.

Mizuno discussed projects and costs included in the California ISO 10-year plan (articles included in the packet). Mizuno reported that TAC forecast that is being used is very conservative and will likely go higher.

Executive Director Federico Barajas reported on concerns by CVP contractors relating to SLTP. Barajas reported that Reclamation recently stated that they are not in a position to sign the MOU for SLTP unless all of the CVP contractors come on board. Barajas stated that staff will continue to coordinate with Reclamation, and continue conversations with Golden State Energy.

Mizuno and Barajas answered questions and acknowledged concerns from Board members throughout presentation of this item.

7. **Agenda Item 9: Communication Plan Update**

Water Policy Director Scott Petersen reviewed the memo included in the packet. Petersen reported that the Communications Plan is a guide for effective, multi-directional communications channels to both seek and convey information to and from all parties engaged with the Authority. Petersen reported status of key components within the Communications Plan.

Petersen reported that the California Farm Water Coalition has been distributing informational content on behalf of the Authority in the form of two monthly newsletters, Authority Insider and Executive Director In-Brief, as well as the daily publication, Media Monitor. Petersen reported that earlier this year, individuals who had been receiving Media Monitor were surveyed to find out what their impression of the publication was, how they viewed the timing, the quality of the content, and how it compared to other, similar publications. Petersen provided a brief summary of the survey results.

8. **Agenda Item 10: Briefing on Delta –Mendota Canal Subsidence Correction Project**

Facilities O&M Director Bob Martin, Chief Operating Officer Pablo Arroyave and Chris Park from CDM Smith presented a PowerPoint presentation on the Delta-Mendota Canal (DMC) Subsidence Correction Project. Bob Martin, Executive Director Federico Barajas, Water Policy Director Scott Petersen, and Chris Park answered questions throughout the presentation.

9. **Agenda Item 11: Report on State and Federal Affairs.**

Water Policy Director Scott Petersen reported included in the packet is a memo with active federal and state legislation being monitored by Authority staff, with Board-adopted positions for those pieces of legislation on which the Board has acted. Petersen reported that staff will keep this updated and intends to include this in monthly Board packets moving forward.

Petersen reported that after 8 years with the National Water Resources Association (NWRA), Ian Lyle will be moving on from his role as Executive VP at the end of June and transitioning to the electric sector. Water Strategies, in consultation with the NWRA Executive Committee will continue managing NWRA and begin the search for a new Executive VP. ACWA is working to ensure a California representative will be on the search committee.

Petersen reported that on June 7, 2022, the U.S. Fish and Wildlife Service is proposing to revise section 10(j) regulations under the ESA to allow for the introduction of listed species to suitable habitats outside of their historical ranges. . Petersen reported that the revised regulation will not change the rulemaking process for designating a 10(j) experimental population or require reevaluation of existing experimental populations. Petersen reported that the Service is also proposing other minor changes to provide more clarity in the regulations, and comments are being accepted from all interested parties until August 8, 2022.

Petersen reported that in May, Reclamation released what they are defining as Knowledge Based Papers for review and comment and reported that the Authority will be submitting comments to Reclamation on Friday.

Petersen reported that last month, the Biden Administration released the Drought Resilience Interagency Working Group's (IWG) Summary Report outlining the actions taken to date to improve drought-stricken communities' longer-term resilience to drought through financial and technical assistance.

Petersen reported that yesterday, the House adopted its fiscal 2023 deeming resolution . Petersen reported that with a \$1.6 trillion discretionary ceiling to match President Joe Biden's budget request, House appropriators will start to tick through markups next week on the 12 annual spending bills. Petersen reported that the House and Senate could pass a full fiscal 2023 budget resolution later, with

the ability to add language unlocking another round of reconciliation power to sidestep the Senate filibuster.

Petersen provided brief summaries on the Senate Committee on Agriculture Subcommittee Hearing, and the Senate Energy and Natural Resources Committee Hearing.

Petersen reported that Governor Newsom laid out his budget priorities in January and is expected to release his May revise this week. Petersen reported that a surplus recently projected to be \$29 billion is now estimated to be as high as \$97.5 billion.

Petersen reported that on Wednesday June 1, Senate and Assembly Budget Committee Chairs Senator Nancy Skinner and Assemblymember Phil Ting, along with Senate President pro Tempore Toni G. Atkins and Speaker Anthony Rendon, announced a 2022-23 Legislative budget agreement. Petersen reported that this joint legislative plan incorporates budget priorities laid out by each house of the Legislature and takes in elements of the Governor's proposed budget released in January and the May Revision. Petersen reported that this budget will invest \$37.5 billion in reserves and includes \$8 billion to assist Californians with rising costs. Petersen reported that the agreement includes a \$21-billion-dollar climate and Energy Package, with details subject to ongoing negotiations. Petersen reported that the package is expected to include drought resilience, wildfire resilience, sea level rise, extreme heat, biodiversity and outdoor access, energy, zero-emission vehicles and other climate actions, as well as \$100 million in dam safety funding. Petersen reported that legislators need to pass the budget by June 15, but expect trailer bills to follow with more spending details.

Petersen reported that AB 2639 failed to pass out of the Assembly on May 26, effectively stopping the bill.

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

- b. **B.F. Sisk Dam Raise and Reservoir Expansion Project** – Chief Operating Officer Pablo Arroyave reported that there are now ten participants in the Activity Agreement. Arroyave reported that the first invoices will likely be sent out in the end of June. Arroyave reported that the Authority has contracted with the Hallmark Group and introduced Chuck Gardner and Jessica Alwen. Gardner described roles of the various team members.
- c. **New City of Los Banos Museum/Water Agency Office Complex Project** -- Executive Director Federico Barajas reported that there is a Stakeholder meeting today at 5:00 p.m. Handout with more details included in the packet.
- d. **Training Requirements** – Barajas requested Board Members and Alternates to submit confirmation of satisfaction of ethics training and sexual harassment prevention training requirements as soon as possible.

- e. **Upcoming Event** – Barajas reported that all of the Board Members and Alternates should have received an invite from Reclamation to the 120-Year Anniversary & Groundbreaking for the safety of dams Project coming up on June 17, 2022.
- f. **Yuba Site Tour** – Barajas reported that the Authority is working on scheduling a site tour of Yuba County in July or August, which may include an overnight stay.

11. Agenda Item 13: Chief Operating Officer’s Report

Chief Operating Officer Pablo Arroyave reported Jones Pumping Plant rewind continues, and things are going well and as expected.

Arroyave reported the Central Valley Operations office indicated that on or around July 1, 2022 Jones Pumping Plant will likely be able to ramp up to 3 units.

Arroyave reported that Reclamation indicated that as a result of the FY21 PUE true-up, it was determined that the Authority overpaid due to the drought year and that therefore the Authority will not receive any more PUE bills for the duration of FY22, which should result in a saving of approximately \$6 million.

Yuba Transfer Update – Arroyave reported there is still a possibility of an opportunity for up to 25,000 af of CIwater, and expects to hear something next week.

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

Westlands Water District’s Tom Boardman reported Shasta storage conditions and compared the current storage to 2014, 2015, & 2021. The projected carry over storage and summer release rates were also included in the report. Boardman described the improved storage conditions in Folsom reservoir and how the additional storage would be used this summer to support higher exports.

The current export constraint in the Delta was explained which included a forecast of increased Jones pumping starting by early July as a result of the higher Folsom storage. Boardman explained the current accounting under the Coordinated Operations Agreement. This was followed by a report on CVP San Luis storage conditions and a brief explanation of the status of Friant Dam releases to the Mendota Pool to meet Exchange Contractor demands.

Responding to a questions, Boardman provided an estimate of the amount of non-project water currently stored in CVP San Luis and confirmed that low Trinity storage may hinder upper Sacramento River temperature management this year and increase operational difficulties next year absent near normal or wet hydrology.

13. Agenda Item 15: Committee Reports.

- a. **Water Resources Committee** – The June meeting was cancelled.

- b. **Finance & Administration Committee** – Chair Cannon Michael reported that the committee met, and addressed agenda items.
- c. **O&M Committee** – Chair Chris White reported that the committee met, and addressed agenda items.

14. **Agenda Item 16: 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 on work with the Authority, which Scott Petersen covered in his communications report. Wade reported that Bill Diedrich has been appearing on several major network TV news programs. Wade reported that they have been running a social media campaign for the last 4 weeks. Wade reported that he appeared on Los Angeles public radio yesterday regarding the State of California Senate proposal for purchasing farmland and taking over senior water rights and returning that water to environmental purposes. Wade reported that the link to the proposal will be in the Authority Media Monitor.
- d. **Association of California Water Agencies**
Director Bill Diedrich reported that he is no longer the ACWA Ag Committee Chair. Director John Varela reported that Scott Petersen circulated the ACWA virtual events programs, and you must register to participate in these events. Varela reported that ACWA DC conference is coming up.
- e. **Water Blueprint for the San Joaquin Valley**
Water Policy Director Scott Petersen reported that the Water Blueprint for the San Joaquin Valley underwent strategic planning and has proposed a Mission Statement and Vision Statement. Petersen reported that the 2022-2025 strategic priorities focus on: 1) Advocacy, 2) Groundwater Quality and Disadvantage Communities, 3) Land Use Changes Environmental Plan, 4) Outreach Communications, 5) SGMA Implementation, 6) Water Supply Goal, 7) Governance, Operations, and Finance.

15. **Agenda Item 17: Board Member Reports.**

Director William Bourdeau reported that Don Devine passed away June 4, 2022.

16. **Agenda Items 18-19: Closed Session Report.**

Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 12:02 p.m. Upon return to open session at approximately 12:40 p.m., Chair Cannon Michael stated that no reportable actions were taken.

17. **Agenda Item 20: Reports Pursuant to Government Code Section 54954.2(a)(3)**
No reports.

18. **Agenda Item 21: Adjournment.**
The meeting was adjourned at approximately 12:42 p.m.