

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY BOARD OF
DIRECTORS REGULAR MEETING
MINUTES NOVEMBER 9, 2023

The Board of Directors of the San Luis & Delta-Mendota Water Authority convened at approximately 9:32 a.m. at 842 6th Street in Los Banos, California, with Chair Cannon Michael presiding.

Directors and Alternate Directors in Attendance

Division 1

Bobby Pierce
Anthea Hansen, Director
Ed Pattison, Director

Division 2

Ross Franson, Director
Bill Diedrich, Director (arrived during item 10)

Division 3

Chris White, Alternate for Dan McCurdy
Cannon Michael, Director
Ric Ortega, Director

Division 4

John Varela, Director - Aaron Baker, Alternate
Richard Santos, Director
Steve Wittry, Director
Joe Tonascia, Director

Division 5

Allison Febbo, Director
Manny Amorelli, Director

Authority Representatives Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer
Rebecca Akroyd, General Counsel
Rebecca Harms, Deputy General Counsel
Scott Petersen, Water Policy Director
Ray Tarka, Director of Finance
Stewart Davis, IT Officer

Others in Attendance

Mitch Partovi, Water Agency
Patrick McGowan, Panoche Water District
Bill Ball, Foley, Foley & Lardner, LLP (ZOOM)
Kristin Olsen, Calstrat (ZOOM)
Dennis Cardoza, Foley & Lardner, LLP (ZOOM)
Liz Kiteck, Bureau of Reclamation (ZOOM)
Mike Wade, Farm Water Coalition (ZOOM)
Don Wright, Water Rights

Jim Thoming, Banta Carbona Irrigation District
Ellen Wehr, Grasslands Water District

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.

No additions or corrections.

CONSENT ITEMS

3. Agenda Items 4-7: Board to Consider: a) October 5, 2023 Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports, c) Acceptance of Treasurer’s Report, d) Acceptance of Staff Reports.

On a motion of Director Richard Santos, seconded by Director Joe Tonascia, the Board accepted the October 5, 2023 Meeting Minutes, Financial & Expenditures Reports, Treasurer’s Report, and Staff Reports. The vote on the motion was as follows:

- AYES: Pierce, Hansen, Pattison, Franson, White, Michael, Ortega, Varela, Santos, Wittry, Tonascia, Febbo, Amorelli
- NAYS: None
- ABSTENTIONS: None

ACTION ITEMS

4. Agenda Item 8: Board of Directors to Consider Water Resources Committee Recommendation Regarding Adoption of Staff Recommendation for Positions on Legislation, Petersen

a. H.R. 5664 (Schrier), Water Infrastructure Finance and Innovation Act Amendments of 2023

Water Policy Director Scott Petersen reviewed staff’s recommendation to adopt a support position of H.R. 5664, and answered questions regarding the same. On a motion of Director John Varela, seconded by Director Ric Ortega, the Board adopted of staff recommendation for positions on Legislation. The vote on the motion was as follows:

- AYES: Pierce, Hansen, Pattison, Franson, White, Michael, Ortega, Varela, Santos, Wittry, Tonascia, Febbo, Amorelli
- NAYS: None
- ABSTENTIONS: None

5. Agenda Item 9: Board of Directors to Consider Finance & Administration Committee Recommendation Regarding Adoption of Resolution Authorizing Application for Extended Repayment and Funding in the Amount of up to \$873.1M from the Aging Infrastructure Account in Fiscal Year 2024 for Extraordinary Maintenance Work on O’Neill Pumping-Generating Plant and the Delta-Mendota Canal.

Chief Operating Officer Pablo Arroyave reviewed the memo and attachments provided in the packet. Arroyave reported that Authority staff recommends submitting an application for up to \$805 million to fund the DMC Subsidence Correction Project and \$68.1 million to fund the O’Neill Pumping-Generating Plant Project. Arroyave reported that applications are due by the end of November. Executive Director Federico Barajas reported that if selected, staff would negotiate a 30 to 50-year repayment contract that would come back to the Board.

On a motion of Director Richard Santos, seconded by Director Bobby Pierce, the Board adopted the resolution authorizing application for extended repayment and funding in the amount of up to \$873.1M from the Aging Infrastructure Account in Fiscal Year 2024 for extraordinary maintenance work on O’Neill Pumping-Generating Plant and the Delta-Mendota Canal. The vote on the motion was as follows:

AYES:	Pierce, Hansen, Pattison, Franson, White, Michael, Ortega, Varela, Santos, Wittry, Tonascia, Febbo, Amorelli
NAYS:	None
ABSTENTIONS:	None

5. Agenda Item 10: Board of Directors to Consider Finance & Administration Committee Recommendation Regarding Emergency Reserve Fund Expenditure Repayment.

Chief Operating Officer Pablo Arroyave reviewed the memo included in the packet. Arroyave provided background on the process with Reclamation required to use reserve funds. Arroyave reported that there are two projects that will need to be funded by the reserves, the first being repairs to Check 18 for up to \$500,000 and second, the DMC at Salado Creek for up to \$750,000. Arroyave reported that the Finance and Administration Committee recommended seeking repayment over two years collected through water rates.

On a motion of Director Richard Santos, seconded by Director John Varela, the Board approved Emergency Reserve Fund expenditure repayment, and repayment collected over two years through water rates. The vote on the motion was as follows:

AYES:	Pierce, Hansen, Pattison, Franson, Diedrich, White, Michael, Ortega, Varela, Santos, Wittry, Tonascia, Febbo, Amorelli
NAYS:	None
ABSTENTIONS:	None

6. Agenda Item II: Board of Directors to Consider Adoption of Resolution Adopting the 2024 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 reviewed the memo included in the packet regarding regular meetings of the Board of Directors, Water Resources Committee, and Finance & Administration Committee for calendar year 2023, and the proposed resolution for Board approval. Barajas noted the five meeting dates outside of the normal calendar dates due to holidays, and the ACWA conferences.

On a motion of Director Joe Tonascia, seconded by Director Richard Santos, the Board adopted 2024 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:	Pierce, Hansen, Pattison, Franson, Diedrich, White, Michael, Ortega, Varela, Santos, Wittry, Tonascia, Febbo, Amorelli
NAYS:	None
ABSTENTIONS:	None

7. Agenda Item 12: Board of Directors to Consider Adoption of Resolution Authorizing Execution of the Exchange Contractors 2024-2025 Transfers Activity Agreement and Actions Related Thereto.

Deputy General Counsel Rebecca Harms reported that based upon and consistent with the analysis done in the 2013 EIS/EIR, the Exchange Contractors, Reclamation, and the Water Authority are in the process of finalizing a new 2024-2025 Transfer Agreement, the current draft of which provides the terms and conditions for the sale and transfer by the Exchange Contractors, and for purchase by Reclamation for refuge supply and the Water Authority for irrigation and M&I uses, of up to 80,000 acre-feet per year of water for a period of two-years, to be implemented through successive one-year transfers. Harms reported that the Water Authority is also in the process of finalizing a new Activity Agreement for the 2024-2025 Transfer Agreement.

On a motion of Director Richard Santos, seconded by Director Ross Franson, the Board adopted the resolution authorizing execution of the Exchange Contractors 2024-2025 Transfers Activity Agreement and actions related thereto. The vote on the motion was as follows:

AYES:	Pierce, Hansen, Pattison, Franson, Diedrich, White, Michael, Ortega, Varela, Santos, Wittry, Tonascia, Febbo, Amorelli
NAYS:	None
ABSTENTIONS:	None

8. Agenda Item 13: Board of Directors to Consider Adoption of Resolution Authorizing Execution of the Exchange Contractors 2024-2025 Transfer Agreement and Actions Related

There to.

Deputy General Council Rebecca Harms reported that the Water Authority also entered into Activity Agreements for the 2014-2018 and 2019-2023 Transfer Agreements. Harms reported that pursuant to these Activity Agreements, the Water Authority purchased transfer water on behalf of the Activity Agreement Participants. Harms reported that with the exception of 2014, 2015, 2021 and 2022, when the Exchange Contractors did not receive their full allocation, Water Authority Activity Agreement participants obtained supplemental water supply each year through these agreements. Harms reported that these agreements provide the largest block of reliable south of Delta supplemental water supply for Water Authority members.

On a motion of Alternate Director Richard Santos, seconded by Director Ed Pattison, the Board adopted resolution authorizing execution of the Exchange Contractors 2024-2025 Transfers Agreement and actions related thereto. The vote on the motion was as follows:

AYES:	Pierce, Hansen, Pattison, Franson, Diedrich, Michael, Ortega, Varela, Santos, Wittry, Tonascia, Febbo, Amorelli
NAYS:	None
ABSTENTIONS:	White

REPORT ITEMS

9. **Agenda Item 14: Update on Executive Director and General Counsel Performance Evaluation Process.**

Chair Cannon Michael highlighted slight changes to process, timeline, and survey mechanism for evaluating Executive Director and General Counsel performance. Michael highly encouraged Board member participation.

10. **Agenda Item 15: Report on State and Federal Affairs.**

Water Policy Director Scott Petersen provided updates related to federal appointments, Reclamation funding opportunities including the WaterSmart program, Reclamation Manual updates, Reinitiation of Consultation on Long-Term Operations of the CVP and SWP, the possible upcoming government shutdown, hearings, reconvening of the California State Legislature, and January legislative tours. Petersen answered Board questions throughout his presentation. Additional information was provided by Dennis Cardoza and Kristin Olsen.

11. **Agenda Item 16: Executive Director's Report.**

- a. **FY25 Budget Process** – Executive Director Federico Barajas reported the O&M Budget has moved through the Operations & Maintenance Technical Committee and the Finance &

Administration Committee. Barajas reported that the Budget Workshop is scheduled for December 19, 2023.

- b. **Strategic Plan Completion**– Executive Director Federico Barajas extended his appreciation to the Board for taking the time to complete survey for strategic plan process and provide feedback.
- c. **October 20, 2023 B.F. Sisk Event** - Executive Director Federico Barajas reported that the event was a great success. Barajas thanked Water Policy Scott Petersen for all his work on logistics for the event.

12. **Agenda Item 17: Chief Operating Officer’s Report**

- a. **O’Neill Pumping-Generating Plant** - Chief Operating Officer Pablo Arroyave reported that there are planned outages that will limit pumping next week.
- b. **San Luis Reservoir** - Arroyave reported that the Authority is working hard to line up critical O&M activities that will require some conveyance limitations to the period in the winter or spring when the San Luis Reservoir is full.
- c. **Water Hyacinth** – Arroyave reported that water hyacinth is showing up near Tracy Fish Facility, and Authority staff is standing by to assist if it becomes a problem.

13. **Agenda Item 18: Update on Water Operations and Forecasts**

Chief Operating Officer Pablo Arroyave introduced Liz Kiteck from the Central Valley Operations Office (CVO) of the Bureau of Reclamation. Kiteck provided updates regarding CVP storage, operations, and the latest forecasts.

14. **Agenda Item 19: Committee Reports.**

- a. **Water Resources Committee** – No report.
- b. **Finance & Administration Committee** – No report.
- c. **O&M Committee** – Chair Chris White reported that the committee met and forwarded a budget recommendation to the Finance & Administration Committee.

15. **Agenda Item 20: Outside Agency/Organization Reports.**

- a. **State and Federal Contractors Water Agency (SFCWA)** – Executive Director Federico Barajas reported that reimbursement payments will be coming this week.
- b. **Family Farm Alliance (FFA)** – Report included in the packet.
- c. **Farm Water Coalition (FWC)** – Mike Wade provided a brief overview of the report included in the packet. Director Bill Diedrich also commented regarding FWC activity.
- d. **Association of California Water Agencies (ACWA)** – Director John Varela reported that

the Fall ACWA Conference will occur November 27-30, 2023 in Indian Wells. Varela highlighted the planned DEI foundation one-year anniversary celebration.

- e. **Water Blueprint for the San Joaquin Valley (WBSJV)** - Water Policy Director Scott Petersen, Chair Cannon Michael, and Director Allison Febbo provided a brief report on the Farmer to Farmer Delta/SJV Summit last week.
- f. **SJV CAP** - Water Policy Director Scott Petersen provided a brief report.
- g. **CVPWA** - No report.

16. **Agenda Item 21: Board Member Reports.**

Director Ric Ortega reported that the flood project proposal was approved for \$10 million funding. Chair Cannon Michael reminded the Board to turn in their training reports.

17. **Agenda Items 22-23: Closed Session Report.**

After allowing an opportunity for public comment, Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 11:17 a.m. Upon return to open session at approximately 1:25 p.m., Chair Cannon Michael stated that no reportable actions were taken.

18. **Agenda Item 24: Reports Pursuant to Government Code Section 54954.2(a)(3)**
No report.

19. **Agenda Item 25: Adjournment.**

The meeting was adjourned at approximately 1:26 p.m.