

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
SPECIAL JOINT WORKSHOP OF THE BOARD OF DIRECTORS, WATER RESOURCES
COMMITTEE, AND FINANCE & ADMINISTRATION COMMITTEE
MINUTES FOR MAY 30, 2019

The Board of Directors of the San Luis & Delta-Mendota Water Authority convened at approximately 8:10 a.m. at Shasta Dam Visitor Center, 16349 Shasta Dam Boulevard, in Shasta Lake, California for a Special Joint Workshop, with Chair Cannon Michael presiding.

Directors and Alternate Directors in Attendance

Division 1

Dave Weisenberger, Alternate for Jim McLeod
Anthea Hansen, Director
Rick Gilmore, Director

Division 2

John Bennett, Director
Bill Diedrich, Director - Lon Martin, Alternate for Bill Diedrich

Division 3

Chris White, Alternate
Cannon Michael, Chair/Director
Ric Ortega, Director

Division 4

Gary Kremen, Director

Division 5

Thomas Chaney, Alternate for Steve Stadler

Water Resources Committee Members Present

Ex-Officio

Cannon Michael

Division 1

Anthea Hansen, Alternate

Division 2

Bill Diedrich, Member

Division 3

Chris White, Alternate

Division 4

Absent

Division 5

Absent

Finance & Administration Committee Members Present

Ex-Officio

Cannon Michael

Division 1

Rick Gilmore, Member - Anthea Hansen, Alternate

Division 2

Absent

Division 3

Chris White, Alternate

Division 4

Absent

Division 5

Jason Phillips, Member

Authority Representatives Present

Federico Barajas, Executive Director

Frances Mizuno, Assistant Executive Director

Rebecca Akroyd, General Counsel

Scott Petersen, Water Policy Director

Bob Martin, Planning & Engineering Manager

Paul Stearns, O&M Manager

Brandon Soares, Civil Maintenance Superintendent

Chauncey Lee, Water Operations Superintendent

Others in Attendance

Nina Hawk, Valley Water

Dennis Cardoza

James Thoming, Banta-Carbona Irrigation District

Steve Chedester, San Joaquin River Exchange Contractors Water Authority

Jarrett Martin, Central California Irrigation District

Jeff Payne, Friant Water Authority

Don Bader, Reclamation

Richard Welsh, Reclamation

Tami Corn, Reclamation

Nick Janes, Byron-Bethany Irrigation District

Kathryn Boren, Westlands Water District

Diana Giraldo, Westlands Water District

Mike Wade, California Farm Water Coalition

Brandon Souza, California Farm Water Coalition

Derek Azevedo, Bowles Farming Company

1. Call to Order/Roll Call

Roll was called.

2. Opportunity for Public Comment

No public comments.

3. Shasta/McCloud River Tour

After Executive Director Federico Barajas and Reclamation's Northern California Area Manager Don Bader gave brief introductory remarks, the Bureau of Reclamation's Richard Welsh gave a PowerPoint presentation regarding the Shasta Dam and Reservoir Enlargement Project. Welsh highlighted the estimated cost of the project, applicable timelines, and funding issues.

Next, Reclamation Project Coordination Specialist Tami Corn led the group in a walking tour around Shasta Dam facilities.

At approximately 9:30 a.m., the group departed to continue on to a tour of the McCloud River, which included stops at the McCloud Bridge, the Bollibokka Fly Fishing Club, and other locations along the McCloud River, to hear additional information regarding the Shasta Dam and Reservoir Enlargement Project.

4. Agenda Item 9: Adjournment.

The meeting was adjourned at approximately 2:00 p.m. at a stop along the McCloud River, whereby attendees departed to their respective destinations.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
MINUTES FOR JUNE 6, 2019

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 for a regular meeting, with Chair Cannon Michael presiding.

Directors and Alternate Directors in Attendance

Division 1

Jim McLeod, Director - David Weisenberegger
Bobby Pierce, Director
Anthea Hansen, Director
Rick Gilmore, Director - Vince Lucchesi, Alternate

Division 2

Ryan Ferguson, Alternate for Don Peracchi
Michael Linneman, Alternate for John Bennett
Bill Diedrich, Director

Division 3

Dan McCurdy, Director - Jeff Bryant, Alternate
Chris White, Alternate for James O'Banion (Arrived during item 8)
Cannon Michael, Director
Ric Ortega, Director

Division 4

John Varela, Director - Garth Hall, Alternate
Jeff Cattaneo, Director (via teleconference, not counted towards quorum or for any vote)

Division 5

Tom Birmingham, Director
Steve Stadler, Director - Tom Chaney, Alternate

Authority Representatives Present

Federico Barajas, Executive Director
Frances Mizuno, Assistant Executive Director
Rebecca Akroyd, General Counsel
Scott Petersen, Water Policy Director
Lauren Neves, Accountant III
Diane Rathmann, Legal Counsel

Others in Attendance

Tom Boardman, Westlands Water District
Dennis Cardoza, Foley & Lardner LLP (via teleconference)
Duane Stroup, Bureau of Reclamation
Martin Rauch, Rauch Communications (via teleconference)
Russ Freeman, Westlands Water District (via teleconference)

Joe McGahan, Summers Engineering
Mike Wade, California Farm Water Coalition
Jarrett Martin, Central California Irrigation District
Rowan Azhderian, Grasslands Water District

1. Pledge of Allegiance

The Pledge of Allegiance was recited.

2. Call to Order/Roll Call

Roll was called.

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

No corrections or additions to the Agenda.

4. Opportunity for Public Comment

Alternate Director Jeff Bryant announced that Director Mike Stearns has officially retired from the SLDMWA Board of Directors, and introduced his replacement Don McCurdy.

Director John Varela complemented Executive Director Federico Barajas for his report at the Valley Water Board meeting, which helped give the Valley Board a better understanding of what the Authority is, and what it does for its members.

CONSENT ITEMS

5. Agenda Items 5-8: Board to Consider: a) Approval of May 16, 2019 Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports, c) Staff Reports

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

AYES:	McLeod, Pierce, Hansen, Gilmore, Ferguson, Linneman, Diedrich, McCurdy, Michael, Ortega, Varela, Birmingham, Stadler
NAYS:	None
ABSTENTIONS:	None

ACTION ITEMS

6. Agenda Item 8: Board of Directors to Consider the Finance and Administration Committee Recommendation to Approve Purchase of New Motor Grader from Pape Machinery for \$283,000 with a Zero Interest Loan.

Executive Director Federico Barajas explained to the Board that the original graders were purchased in 1992-1993, and are due for replacement. Barajas reported that the current FY20 O&M budget includes a line item of \$345,000 to purchase one of these graders with the second grader scheduled to be budgeted and replaced in FY21. Barajas informed the Board that Pape Machinery has offered the Authority the option to purchase a second motor grader this year with zero interest credit, and a balloon payment due in March 2020 so that the Authority can take advantage of the 2019 pricing, and budget the necessary funds in the FY21 O&M budget. Barajas reported that the loan required would be \$256,000 as Pape Machinery is providing \$27,000 trade-in value on the existing grader.

On a motion of Director Steve Stadler, seconded by Director Rick Gilmore, the Board approved purchase of a new Motor Grader from Pape Machinery for \$283,000 with a zero interest loan. The vote on the motion was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Ferguson, Linneman, Diedrich, McCurdy, Michael, Ortega, Varela, Birmingham, Stadler
NAYS: None
ABSTENTIONS: None

7. Agenda Item 9: Board of Directors to Consider the Finance & Administration Committee Recommendation to Approve Expenditure of \$15,000 from the Technical Budget to Provide Initial Funding Support to the San Joaquin Valley Blueprint Effort.

Water Policy Director Scott Petersen gave a brief background on this effort explaining that the Blueprint Effort, which was developed with input from a broad range of stakeholders, is intended to serve as a roadmap to modernizing the water infrastructure systems and optimizing system operations to address the Valley's water imbalance. Petersen reported that the Finance & Administration Committee recommended that the Board approve a \$15,000 expenditure from the Technical Budget to provide initial funding support to the San Joaquin Valley Blueprint effort, that the Authority's contribution would be applied toward economic analysis of the effort and would go to the 501(c)(3) organization involved with the effort.

On a motion of Director Tom Birmingham, seconded by Director Bill Diedrich, the Board approved expenditure of \$15,000 from the Technical Budget to provide initial funding to the

501(c)(3) organization to provide support to the San Joaquin Valley Water Blueprint Effort. The vote on the motion was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Ferguson, Linneman, Diedrich, McCurdy, White, Michael, Ortega, Varela, Birmingham, Stadler
NAYS: None
ABSTENTIONS: None

8. Agenda Item 10: Board of Directors to Consider the Finance & Administration Committee Recommendation to Authorize Submittal of Letter of Interest for Water Infrastructure and Innovation Act (WIFIA) Funding for the Jones Pumping Plant Unit Rewind Project.

Executive Director Federico Barajas reported that staff is planning on submitting a letter of interest to acquire WIFIA funding to seek funding for the 4 remaining units at Jones Pumping Plant on July 2, 2019 to ensure it is received by the deadline of July 5. Barajas explained that the WIFIA Program has opened their 2019 round of funding, and priority projects are evaluated based on readiness to proceed toward development and the extent to which the project will address needs for repair, rehabilitation or replacement of aging infrastructures. Barajas also reported that the minimum project size is \$20 million with the amount of WIFIA funding not to exceed 49% of reasonably anticipated eligible project costs. Barajas also reported that the WIFIA program lends at a low, fixed interest rate equal to the Treasury Rate averaging 3 percent. Barajas explained that the O&M budget is utilized to retain consultants, Fieldman, Rolapp and Associates to provide financial assistance and Stantec to prepare the letter of interest package. Both consultants have previous experience with WIFIA letter of interest and application submittal process. Some Board members expressed their position that staff already had existing authority to submit the letter of interest.

On a motion of Director John Varela, seconded by Director Rick Gilmore, the Board authorized submittal of a letter of interest for WIFIA funding for the Jones Pumping Plant Unit Rewind Project. The vote on the motion was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Ferguson, Linneman, Diedrich, McCurdy, White, Michael, Ortega, Varela, Stadler
NAYS: None
ABSTENTIONS: Birmingham

9. Agenda Item 11: Board of Directors to Consider Adopting Resolution Authorizing

Application for the 2018 IRWM Implementation Grant on behalf of the Tulare-Kern Funding Area and Execution of Agreement with the California Department of Water Resources.

Agenda Item 12: Board of Directors to Consider Adopting Resolution Authorizing Application for the 2018 IRWM Implementation Grant on behalf of the San Joaquin River Funding Area and Execution of Agreement with the California Department of Water Resources.

Water Policy Director Scott Petersen reported that the Prop 1 IRWM Implementation Grant Program will be the primary source of funds available to the Water Authority as the Regional Water Management Group for the region. He reported that the Proposal Solicitation Process outlining the requirements for applications for grant funding is out, and applications are being prepared and will be submitted beginning in November 2019. Petersen reported that staff recommends that the Board authorized the submittal of both grant applications and authorize the Executive Director to execute both state agreements, if funding is awarded for each Funding Area. Petersen reported that the cost of these applications and grant administration will be paid only by the participating agencies under the IRWM Activity Agreement and Memoranda of Agreements.

On a motion of Director Tom Birmingham, seconded by Director Anthea Hansen, the Board adopted both Resolutions authorizing application for the 2018 IRWM Implementation Grant on behalf of the Tulare-Kern funding area and the San Joaquin River funding area and execution of agreements with the California Department of Water Resources. The vote on the motion was as follows:

AYES: McLeod, Pierce, Hansen, Gilmore, Ferguson, Linneman, Diedrich, McCurdy, White, Michael, Ortega, Varela, Birmingham, Stadler

NAYS: None

ABSTENTIONS: None

REPORT ITEM

10. Agenda Item 13: Report on State and Federal Affairs.

Water Policy Director Scott Petersen reported that on the federal side, Congress held a number of Congressional hearings associated with Authority priorities, including nominations for the Assistant Secretary for Fish, Wildlife and Parks at the Department of the Interior, legislation including H.R. 2473, the SAVE Water Resources Act, and appropriations legislation. Authority staff submitted a letter of support on H.R. 2473 with proposed language to specifically

include Pacheco Reservoir in Section 5 of the bill, per Board direction. Petersen noted that an Authority Board Member, Anthea Hansen, will testify before the Water, Oceans and Wildlife Subcommittee, which marks the second Authority Board Member testifying before Congress during this calendar year.

In California, Senate Bill 1 passed out of the California Senate on May 30 on a 28-10 vote. Per direction from the Board, staff submitted a letter outlining concerns with the legislation and signed onto a coalition letter outlining water supply issues with the legislation, unless it's amended. Other Authority tracked bill activity included passage of Senate Bill 62, passage of Senate Bill 487, and Assembly passage of Assembly Joint Resolution 8. Staff will continue to monitor and provide updates as the legislative process continues.

11. Agenda Item 14: Update on Long-Term Storm Water Plan for the Grassland Drainage Area.

Joe McGahan from Summers Engineering provided a brief PowerPoint presentation providing a summary of Grassland Bypass Project and Long-Term Storm Water Plan, which was included in the Board packet.

12. Agenda Item 15: Update on Water Policy/Resources Activities.

Water Policy Director Scott Petersen gave a brief update on Reinitiation of Consultation on Long-Term Operations (ROC on LTO) reporting that on January 31, 2019 Reclamation transmitted a final Biological Assessment to U.S. Fish & Wildlife Service and the National Oceanic and Atmospheric Fisheries, beginning their review of the Biological Assessment and the 135-day requirement to issue Biological Opinions, which would need to be completed by June 17, 2019, in order to comply with the Presidential Memo, but recently Reclamation indicated that there will be a two-week delay. Petersen reported that on May 28, 2019, the Authority signed onto a letter commenting on the NOP of the Long-Term Operations for the State Water Project, indicating that coordinated operations between the CVP and SWP indicate that DWR should work closely with Reclamation in the development of the EIR for Long-Term Operations of the State Water Projects.

Petersen gave a brief update on the Bay Delta Water Quality Control Plan reporting that there is ongoing work to more fully develop the Voluntary Agreements package to be submitted to the State Water Resources Control Board in June and the Plenary Group has now formed multiple working groups associated with the implementation of potential Voluntary Agreements, including a Governance, Science and Adaptive Management work group, a Legal work group, and

Assets to Outcomes work group, and a Policy work group.

Petersen gave a brief update regarding California WaterFix, reporting that Reclamation hosted a meeting May 31, 2019 of CVP contractors to discuss federal participation in what is now known as the “Large Scale Delta Conveyance Project.” Petersen reported that there are multiple options for federal participation, and Reclamation intends to hold CVP workshops to explore options how Reclamation will interact with this revised project description. Petersen concluded stating that at this point, DWR will be the lead for the California environmental permitting process and CEQA scoping meetings are anticipated to begin in the fall.

13. Agenda Item 16: Update on California Storage Projects.

Executive Director Federico Barajas expressed his appreciation to all who were able to attend the Shasta/McCloud tour, and noted that all feedback was very positive. Barajas also informed the Board that a video will be available soon for those that were unable to attend.

Barajas gave a brief update on B.F. Sisk Raise, reporting that the Authority is continuing to work with Reclamation on that effort, and would like to form a small working group to look at different operational scenarios in order to have an operations plan to engage with Reclamation.

Barajas reported that there will be tour of Pacheco Reservoir next month. Authority staff coordinating logistics with Valley Water staff.

14. Agenda Item 17: Update on Strategic Planning Process.

Executive Director Federico Barajas gave a brief summary of the draft implementation plan. Barajas reported that the document will be sent out next week for a two-week review, and staff would like to present the final document for approval at the July Board meeting. Director Garth Hall requested scheduling a small working group to discuss Goal 5 regarding the Scientific and Technical Credibility and Influence.

15. Agenda Item 18: Update on Water Operations and Forecasts.

Westlands Water District’s Tom Boardman reported Jones pumping increased to capacity on June 1 following two months of a cap on pumping of 25-30% due to the San Joaquin river Inflow to Export ratio as required under the salmon BiOp. CVP pumping is expected to remain at capacity into September.

Boardman reported both Shasta and Folsom are near capacity as reservoir inflow has reached or will soon reach its peak for the year. Flood flows into the Pool from Pine Flat and Millerton began in late May. Flood flows are currently meeting all Pools demands and are

expected to continue doing so through at least June.

Boardman briefly described two charts that illustrated different operational considerations that could have resulted in higher allocations to Authority member agencies. The charts showed that the current CVP San Luis draw down rate could support an Ag allocation much more than 70% and still keep CVP San Luis above 300 TAF at the end of August

16. Agenda Item 19: Executive Director's Report.

Executive Director Federico Barajas reported that a support letter was sent to the Honorable Josh Harder May 24, 2019 in support of H.R. 2473, along with a request to include language in the legislation that identifies both San Luis Reservoir expansion and Pacheco Reservoir expansion. A copy of the letter was included in the Board packet.

Barajas reported that a board member orientation will be offered to the new board members soon.

Barajas informed the Board that the July 11, 2019 board meeting will be held somewhere near the Pacheco Reservoir. Barajas reported that this meeting will be a board meeting, combined with a tour of B.F. Sisk and Pacheco Reservoir. More information will be sent out soon.

17. Agenda Item 20: Committee Reports.

a. Water Resources Committee Activities

No report given.

b. Finance & Administration Committee Activities

No report given.

c. O&M Technical Committee Activities

Alternate Director Chris White reported that there was an O&M tour on May 20, 2019, and the committee is working on financials for the next fiscal year.

18. Agenda Item 21: Reports on Activities of the Following Agencies that are Outside of the Authority.

a. State and Federal Contractors Water Agency (SFCWA)

Director Rick Gilmore reported that the next SFCWA meeting is June 14, 2019.

b. Family Farm Alliance (FFA)

No report given.

c. Farm Water Coalition.

Mike Wade reported that staff continues to work on the Shasta/McCloud tour video.

d. Association of California Water Agencies.

Director Bill Diedrich reported that he would like staff and leadership to engage more vigorously with ACWA on SB 1. Diedrich also reported that ACWA's Ag Committee will take on the Blueprint process, and it will be an action item in the near future.

e. San Joaquin Valley Water Infrastructure Authority. (SJVWIA)

Chair Cannon Michael reported they are still working on transition plan.

19. Agenda Item 22: Monthly Staff Reports.

a. Water Transfer/Exchanges/Release Program Update.

Assistant Executive Director Frances Mizuno reported that there are two water transfers available this year: 1) the 5-year Exchange Contractor Water Transfer (allocated based on the Ag water service allocation), and 2) 60taf of Yuba County Water Agency water is available, but there is no capacity to pump this water at this time.

b. San Luis Transmission Project Update

Assistant Executive Director Frances Mizuno reported that the current cost of the project is about \$290,000,000 and that the design is essentially complete and pending funding for the construction. Mizuno stated that the Authority had previously entered into an MOU with Duke American Transmission Company (DATC), Reclamation, and Western with the objective that DATC would partner with the Authority for the construction of the SLTP. The concept being considered is DATC will finance and won 100% of the SLTP. They will enter into a 30-year transmission service agreement with Reclamation/Western Area Administration for 400 MW necessary to serve the CVP load under an annual rate that would be paid by the CVP Contractors. The remaining capacity would be marketed by DATC. At the end of the 30-year agreement, the transmission capacity ownership will be transferred to Reclamation for \$1.00. Mizuno noted that the concept with DATC funding is to ensure the cost is less than if the Authority financed the project itself. Mizuno concluded reporting that current CVP San Luis load averages 200-250mw. Therefore, with 400mw there will be excess capacity that WAPA will re-market, and the revenue from this excess capacity sale will be applied to offset the cost.

20. **Public Comment:**

Director Bill Diedrich thanked Valley Water for allowing him to participate in their meeting.

21. **Agenda Items 23-25: Closed Session Report.**

Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 11:20 a.m. Upon return to open session at approximately 11:30 a.m., General Counsel Rebecca Akroyd stated that no reportable actions were taken.

22. **Agenda Item 26: Reports Pursuant to Government Code Section 54954.2**

No reports given.

23. **Agenda Item 27: Adjournment.**

The meeting was adjourned at approximately 11:30 a.m.