



## MEMORANDUM

TO: SLDMWA Board of Directors, Alternates

FROM: Pablo Arroyave, Chief Operating Officer

DATE: July 13, 2023

RE: Adoption of Resolution Authorizing Execution of Letter of Agreement for Cost Share of Final Design and Construction Activities for the B.F. Sisk Dam Raise Project

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### BACKGROUND

The B.F. Sisk Dam Raise and Reservoir Expansion Project (“Reservoir Expansion Project” or “Project”) includes raising the dam crest an additional 10 feet above the 12-foot embankment raise under development by the B.F. Sisk Dam Safety of Dams (“SOD”) Modification Project. The 10-foot embankment raise would support an increase in reservoir storage capacity of 130,000 acre-feet. In addition, the Reservoir Expansion Project includes installation of downstream stability berms and crack filters and raising the existing outlet works, intake towers, access bridge, and spillway intake by 10 feet and other modifications, including to State Route 152.

The potential benefits from the Reservoir Expansion Project include increasing long-term reliability and quantity of yearly allocations to south-of-Delta contractors dependent on San Luis Reservoir and increasing the certainty of access to supplies stored by south-of-Delta contractors in San Luis Reservoir in subsequent water years.

In February 2019, the Water Authority Board of Directors authorized the expenditure of budget funds to support U.S. Bureau of Reclamation (“Reclamation”) initial exploratory work on the Reservoir Expansion Project (through execution of a contributed funds agreement). The Water Authority authorized additional FY19 budget expenditures in December 2019, and included funds in the FY20, FY21, and FY22 budgets for the project as well.

In March 2022, the Water Authority executed the B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement, and member agency participants<sup>1</sup> (“Activity Agreement Members”) have funded work to support the project since that time.

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<sup>1</sup> There are currently eight Activity Agreement Members: Byron-Bethany Irrigation District, City of Tracy, Del Puerto Water District, Pacheco Water District, San Benito County Water District, San Luis Water District, Santa Clara Valley Water District, and Westlands Water District.

As the Water Authority works with Reclamation to complete additional planning and design activities in advance of construction, the Water Authority requested that the parties execute a letter of agreement (LOA) to document cost sharing of total project costs.

**ISSUE FOR DECISION**

Whether the Board should adopt the Resolution authorizing execution of the Letter of Agreement for Cost Share of Final Design and Construction Activities for the B.F. Sisk Dam Raise Project.

**RECOMMENDATION**

We recommend the Board adopt the Resolution authorizing execution of the Letter of Agreement.

**ANALYSIS**

The LOA addresses recent and current Water Authority expenditures and how Reclamation intends to consider those expenditures under a future Construction Cost Share Agreement and any additional Contributed Funds Agreement for final design and construction activities of the Project. The LOA recognizes that Reclamation is limited to a maximum 50 percent cost share of total project costs for federally-led projects under the WIIN Act.

Adopting the Resolution and executing the LOA would allow the Water Authority, on behalf of Activity Agreement Members, to seek credit for certain Water Authority expenditures related to the Project. The LOA also identifies various commitments by the parties as they work toward Project construction.

**BUDGET IMPLICATIONS**

As this is an Activity Agreement action, there are no impacts to any other Water Authority activity. Activity Agreement Members will continue to fund Project-related activities.

**ATTACHMENT**

Letter of Agreement No. 23-WC-20-6136 for Cost Share of Final Design Construction Activities for the B.F. Sisk Dam Raise Project

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY**

**RESOLUTION NO. 2023-**

**RESOLUTION AUTHORIZING EXECUTION OF LETTER OF AGREEMENT FOR  
COST SHARE OF FINAL DESIGN AND CONSTRUCTION ACTIVITIES FOR THE  
B.F. SISK DAM RAISE PROJECT**

**WHEREAS**, the B.F. Sisk Dam Raise and Reservoir Expansion Project (“Reservoir Expansion Project” or “Project”) includes raising the dam crest an additional 10 feet above the 12-foot embankment raise under development by the B.F. Sisk Dam Safety of Dams (“SOD”) Modification Project, which would support an increase in reservoir storage capacity of 130,000 acre-feet; and

**WHEREAS**, the potential benefits from the Reservoir Expansion Project include increasing long-term reliability and quantity of yearly allocations to south-of-Delta contractors dependent on San Luis Reservoir and increasing the certainty of access to supplies stored by south-of-Delta contractors in San Luis Reservoir in subsequent water years; and

**WHEREAS**, the San Luis & Delta-Mendota Water Authority (“Water Authority”) Board of Directors (“Board”) first took action to authorize financial support of the Project in February 2019; and

**WHEREAS**, in March 2022, the Water Authority Board authorized execution of the B.F. Sisk Dam Raise and Reservoir Expansion Project Activity Agreement, and member agency participants (“Activity Agreement Members”) have funded work to support the project since that time; and

**WHEREAS**, in June 2023, the Water Authority requested a letter of agreement with Reclamation to document cost sharing of total Project costs, prior to undertaking additional planning, design, and construction activities; and

**WHEREAS**, the Water Authority received the subject Letter of Agreement (Agreement) No. 23-WC-20-6136 for Cost Share of Final Design and Construction Activities for the B.F. Sisk Dam Raise Project (Project), San Luis Division, Santa Nella, California; and

**WHEREAS**, the Board has reviewed the Agreement, subject to the Agreement having been presented to the Board and being on file with the Secretary hereof; and

**WHEREAS**, executing a letter agreement to document expenditures that may be credited toward the Water Authority’s cost share portion of the Project and other terms and conditions does not constitute a project under the California Environmental Quality Act (“CEQA”) because the proposed action represents an administrative activity of the Water Authority that will not result in direct or indirect physical changes in the environment (Section 15378(b)(5) of the CEQA Guidelines); further, where it can be seen with certainty that there is no possibility that the

proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the CEQA Guidelines).

**NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:**

Section 1. The facts stated in the recitals above are true and correct, and the Board so finds and determines.

Section 2. The Executive Director is hereby authorized and directed to execute the Letter of Agreement for Cost Share of Final Design and Construction Activities for the B.F. Sisk Dam Raise Project, substantially in the form presented to the Board and on file with the Secretary hereof.

Section 3. The Executive Director, Chief Operating Officer, and any Water Authority employees, consultants or agents directed by the Executive Director or Chief Operating Officer hereby are further authorized and directed to take such additional steps, and to execute such additional documents, as may be required or reasonably necessary or convenient for completing and implementing the activities as authorized by this Resolution.

**PASSED, APPROVED AND ADOPTED** this 13th day of July, 2023, by the Board of Directors of the San Luis & Delta-Mendota Water Authority.

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Cannon Michael, Chairman  
San Luis & Delta-Mendota Water Authority

Attest:

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Federico Barajas, Secretary

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I hereby certify that the foregoing Resolution No. 2023-   was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at the meeting thereof held on the 13th day of July, 2023.

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Federico Barajas, Secretary