



Meeting Agenda

Date & Time: 10/6/2025 | 1:30 PM

Location: SLDMWA Boardroom

Notice of Planning Committee Regular Meeting / Joint Planning Committee Regular Meeting-Special Finance & Administration Committee, Water Resources Committee, Operations & Maintenance Technical Committee, and Board of Directors Workshop

842 6th Street, Los Banos
(List of Member/Alternate Telephonic Locations Attached)

Public Participation Information

Join Zoom Webinar - <https://us02web.zoom.us/j/83636547867?pwd=gjgROaddzO1yTrq1hsOYQdZdxbyAk2.1>

NOTE: Any member of the public may address the Planning Committee, Finance & Administration Committee, Water Resources Committee, Operations & Maintenance Technical Committee, or Board of Directors concerning any item on the agenda before or during consideration of that item.

Because the notice provides for a regular meeting of the Planning Committee ("PC") and a joint regular PC Meeting/Special Finance & Administration Committee ("FAC"), Water Resources Committee ("WRC"), Operations & Maintenance Technical Committee ("OMTC"), and Board of Directors ("BOD") workshop, FAC/WRC/OMTC/BOD Members/Alternates may discuss items listed on the agenda; however, only PC Members/Alternates may correct or add to the agenda or vote on action items.

Agenda

Item	Topic	Lead
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| 1. | Call to Order/Roll Call | |
| 2. | Planning Committee to Consider Additions and Corrections to the Agenda for the Planning Committee Meeting only, as Authorized by Government Code Section 54950 <i>et seq.</i> | |
| 3. | Opportunity for Public Comment – Any member of the public may address the Planning Committee/Finance & Administration Committee/Water Resources Committee/Board of Directors concerning any matter not on the agenda, but within the Committee or Board's jurisdiction. Public comment is limited to no more than three minutes per person. For good cause, the Chair of the Planning Committee may waive this limitation. | |

ACTION ITEMS

4. **Approval of September 8, 2025 Meeting Minutes**
5. **Recommendation to Finance & Administration Committee and Board of Directors to Adopt Cost Allocation Recommendations for Phase 1 of the DMC Subsidence Correction Project** Barajas, Arroyave
 - a. Review of Previously-Discussed Principles for Cost Allocation Recommendation
 - b. Review of New Information Relating to DMC Subsidence Correction Project, including Illustrative Cost Share Scenarios

REPORT ITEMS

6. Discussion and Action Items for Future Planning Committee Meetings Barajas
7. Reports Pursuant to Government Code Section 54954.2(a)(3)
8. ADJOURNMENT

Persons with a disability may request disability-related modification or accommodation by contacting Cheri Worthy or Sandi Ginda at the San Luis & Delta-Mendota Water Authority Office, 842 6th Street, P.O. Box 2157, Los Banos, California, via telephone at (209) 826-9696, or via email at cheri.worthy@sldmwa.org. Requests should be made as far in advance as possible before the meeting date, preferably 3 days in advance of regular meetings or 1 day in advance of special meetings/workshops.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Section 54950 et seq. and has not been prepared with a view to informing an investment decision in any of the Authority's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the Authority's bonds, notes or other obligations and investors and potential investors should rely only on information filed by the Authority on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at <https://emma.msrb.org/>.

SLDMWA PLANNING COMMITTEE REGULAR MEETING TELEPHONIC LOCATIONS

OCTOBER 6, 2025

2535 Dover Court
Lakewood, CO 80215



Meeting Minutes

Date & Time: 9/8/2025 | 9:00 AM

Location: SLDMWA Boardroom
842 6th Street, Los Banos

San Luis & Delta-Mendota Water Authority Planning Committee Special Meeting and Joint Planning Committee Special Meeting – Special Finance & Administration Committee, Water Resources Committee, Operations & Maintenance Technical Committee, and Board Workshop

Attendance

Committee Members Present

Ex-Officio: Cannon Michael
William Bourdeau
Division 1: Anthea Hansen, Member
Division 2: Justin Diener, Alternate
Division 3: Chris White, Member
Ric Ortega, Alternate
Division 4: Aaron Baker, Member
Dana Jacobson, Alternate
Division 5: Allison Febbo, Member
Manny Amorelli, Alternate
Friant WA: Jason Phillips, Member
Wilson Orvis, Alternate

Finance & Administration Committee Present

Ex-Officio: Cannon Michael
William Bourdeau
Division 1: Anthea Hansen, Member
Division 2: Justin Diener, Alternate
Stephen Farmer, Alternate
Division 3: Chris White, Member
Jarrett Martin, Alternate
Division 4: Brett Miller, Member
Vince Gin, Alternate
Division 5: Absent
Friant WA: Jason Phillips, Member
Wilson Orvis, Alternate

Water Resources Committee

Ex-Officio: Cannon Michael
William Bourdeau
Division 1: Anthea Hansen, Member
Division 2: Lon Martin, Alternate
Division 3: Chris White, Member-Ric
Ortega, Alternate
Division 4: Vince Gin, Member

Dana Jacobson, Alternate
Division 5: Absent

Operations & Maintenance Technical Committee

Exchange Contractors:
Chris White, Chair/Member
Jarrett Martin, Alternate

Friant Water Users Authority:
Absent

Lower DMC Area:
Patrick McGowan, Alternate

Mendota Pool Area:
Absent

San Felipe Area:
Aaron Baker, Member

San Luis Canal Area:
Juan Cadena, Member

USBR Representatives:
Absent

Upper DMC Area:
Absent

Board of Directors Present

Division 1: Anthea Hansen, Director
Division 2: Justin Diener, Director
William Bourdeau, Vice-Chair/Director
Lon Martin, Alternate
Division 3: Chris White, Alternate
Jarrett Martin, Director
Cannon Michael, Director (item 5)
Ric Ortega, Director
Division 4: Aaron Baker, Director
Dana Jacobson, Director
Brett Miller, Director

Division 5: Absent	Bob Martin, Facilities O&M Director
FWA Representatives:	Jacob Bejarano, Senior Civil/Mechanical/Electrical Engineer
Jason Phillips, Representative-	Eddie Reyes, Information Systems Technician
Johnny Amaral, Alternate Representative	Stewart Davis, IT Officer

Authority Representatives Present

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

Others Present

Richard Welsh, Hallmark Group
Chase Hurley, Pacheco Water District
Russ Freeman, Westlands Water District
Stephen Farmer, Westlands Water District
John Wiersma, Henry Miller Reclamation District
Aniruddha Bhattacharya (Babi), Reclamation

Agenda

Item	Topic	Lead
1.	Call to Order/Roll Call – The meeting was called to order at approximately 9:02 a.m. by Chair Justin Diener and roll was called.	
2	Corrections to the Agenda of Items, as authorized by Government Code Section 54950 et seq. – Agenda item #4 was corrected to read “Recommendation to Finance & Administration Committee and Board of Directors...” rather than “Recommendation to Planning Committee and Board of Directors...”	
3.	Opportunity for Public Comment - No public comment.	
4.	Planning Committee to Consider Approval of the August 4, 2025 Meeting Minutes and August 14, 2025 Special Workshop Minutes - Chair Justin Diener deemed the minutes approved with two minor corrections: (1) 8/4/2025 Meeting Minutes: a correction to the attendance, to indicate the presence of Aaron Baker as a member of the O&M Technical Committee, and (2) 8/14/2025 Workshop Minutes: a typographical correction to the bottom of page 2.	
5.	Recommendation to Finance & Administration Committee and Board of Directors to Adopt Refinements to Cost Allocation Methodology and Scope for Phase 1 of the Upper DMC Portion of the Delta-Mendota Canal Subsidence Correction Project a. Review of Information Relating to the Delta-Mendota Canal Subsidence Correction Project, Including Illustrative Cost Share Scenarios Executive Director Federico Barajas reviewed the memo included in the packet, and then introduced Richard Welsh from the Hallmark Group. Welsh then reviewed information regarding proposed Phase 1, Task 1-3 work. Director of Finance Ray Tarka reviewed illustrative scenarios that included: 1) \$30 million EO&M – 5 years, 2) \$30 million Repayment – 30 years, 3) \$60 Million repayment – 30 years, and 4) \$60 million EO&M – 5 years. Staff and consultants answered committee member questions throughout the presentation. Committee members discussed the staff	Barajas

recommended refinements to cost allocation methodology: the utilization of all available state, federal, and local non-reimbursable funding to fund Phase 1 work; if less than \$90M in non-reimbursable funding is available, develop further refinements to Phase 1 scope; and continue to pursue cost allocation recommendations for each Project components. Committee members also discussed staff recommended refinements to scope: Task 1 (2 ft. freeboard raise between MP 3.5 and MP 7.2, est. cost \$19.75M); Task 2 (Sag area repairs, est. cost \$18.23M); Task 3 (Upper DMC panel repairs, est. cost \$27.9M); and Task 4 (Lower DMC panel repairs, est. cost \$28M).

M/S - Motion by Member Jason Phillips, seconded by Member Aaron Baker, the Committee adopted the staff recommended refinements to Cost Allocation Methodology and Scope for Phase 1 of the Upper DMC Portion of the Delta-Mendota Canal Portion of the Delta-Mendota Canal Subsidence Correction Project, with the understanding that if less than \$90M non-reimbursable funding is available, the Planning Committee will need to discuss and approve the cost allocation and distribution of non-reimbursable funds. Vote: Ayes - Hansen, Diener, White, Baker, Phillips; Nays – 0; Abstentions – 0.

6. **Discussion and Action Items for Future Planning Committee Meetings** Barajas
Executive Director Federico Barajas requested Committee members to send in any items that they would like included on next month's agenda.
7. **Adjournment** - The meeting was adjourned at approximately 10:02 a.m.



Official Memorandum

PO Box 2157
Los Baños, CA 93635
sldmwa.org

To: SLDMWA Planning Committee, Alternates

From: Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer

Date: October 6, 2025

RE: Recommendation to Adopt Cost Allocation Recommendations for Phase 1 of the DMC Subsidence Correction Project

Background

The Planning Committee began holding meetings in September 2024 to address the allocation of costs for the Delta-Mendota Canal (DMC) Subsidence Correction Project (Project). In May 2025, the Planning Committee recommended approval of a cost allocation methodology for the initial phase of the Upper DMC portion of the DMC Subsidence Correction Project that relies on non-reimbursable grant funding, with the commitment that the Planning Committee will develop a cost allocation methodology for Phase 1 prior to contract award. Also in May 2025, the Finance & Administration Committee recommended pursuit of a phased approach for the Upper DMC portion of the DMC Subsidence Correction Project. The Board of Directors adopted both committees' recommendations.

In September 2025, following Planning Committee and Finance & Administration Committee recommendation, the Board of Directors adopted refinements to the scope for Phase 1 of the Upper DMC portion of the Project, as well as refinements to the cost allocation methodology.

Issue for Decision

Whether the Planning Committee should recommend cost allocation recommendations for each task included in Phase 1 of the DMC Subsidence Correction Project.

Options for Decision

Staff recommends adoption of cost allocation recommendations for each task included in Phase 1, selecting from the options presented below:

Task 1 – 2ft freeboard JPP-DCI (~ \$19.75M)	Option A	Allocate Friant Water Authority (FWA) at 0%, remainder of contractors based on standard EO&M / reserve allocation
	Option B	Allocate FWA percentage based on Variable DCI costs in 2024 SLDMWA OM&R Cost Recovery Plan (detailed below), remainder of contractors based on standard EO&M / reserve allocation
	Option C	Allocate all contractors based on standard EO&M / reserve allocation
	Option D	Allocate all contractors based on 30-year repayment contract

	Option E	Allocate FWA at 0%, remainder of contractors based on 30-year repayment contract
Task 2 – Sag area repairs (~ \$18.23M)	Option A	Allocate FWA at 0%, remainder of contractors based on standard EO&M / reserve allocation
	Option B	Allocate FWA percentage based on Variable DCI costs in 2024 SLDMWA OM&R Cost Recovery Plan (detailed below), remainder of contractors based on standard EO&M / reserve allocation
	Option C	Allocate all contractors based on standard EO&M / reserve allocation
	Option D	Allocate all contractors based on 30-year repayment contract
	Option E	Allocate FWA at 0%, remainder of contractors based on 30-year repayment contract
Task 3 – Upper DMC repairs (~ \$27.9M)	Option C	Allocate all contractors based on standard EO&M / reserve allocation
	Option D	Allocate all contractors based on 30-year repayment contract
Task 4 – Lower DMC repairs (~ \$28.M)	Option C	Allocate all contractors based on standard EO&M / reserve allocation
	Option D	Allocate all contractors based on 30-year repayment contract

Analysis

1. Cost Allocation Scenarios

Cost allocation scenarios for each of the options are provided as attachments to this memorandum. An explanation of each option follows.

NOTE: For all options involving the “standard EO&M / reserve allocation,” there is no distinction between the upper and lower DMC. The 2024 SLDMWA OM&R Cost Recovery Plan explains: “In any one Year, Reserve expenditures may benefit some Project Facilities or cost pools more than others. However, in the long-term, it is expected that Reserves will be spent generally in accordance with the overall apportionment of the OM&R Budget for each facility as that facility's OM&R Budget relates to the entire OM&R Budget ...” (Cost Recovery Plan, § VI.A.3.) Thus, while routine O&M cost recovery is based on a per acre-foot charge based on deliveries using specific facilities, the standard EO&M / reserve allocation has never been recovered that way. Instead, it is collected based on the whole system, without distinction between the upper and lower DMC.

Option A - Allocate FWA at 0%, remainder of contractors based on standard EO&M / reserve allocation

This cost allocation scenario would first remove FWA from the cost allocation exercise, and then allocate remaining costs among the remaining contractors utilizing the formula described under Option C below (the formula described in the Cost Recovery Plan, which allocates costs based on the past ten years of historic water deliveries).

Option B - Allocate FWA percentage based on Variable DCI costs in Cost Recovery Plan, remainder of contractors based on standard EO&M reserve allocation

This cost allocation scenario would first allocate costs to FWA based on the percentage of Intertie Variable Cost Pool costs that are assigned to FWA in years when the south-of-Delta agricultural water allocation is 0% and/or in water years where 0% agricultural service water is available for delivery during the contract year (regardless of the

south-of-Delta agricultural service water allocation. In those years, 65% of variable Intertie OM&R Costs are allocated to Friant Division Contractors. Under this cost allocation scenario, the calculation would be depending on the number of 0% agricultural contract years.

For the same ten-year period used to calculate the ten-year rolling average referenced under Option C below, WY15 through WY24, there were three years with a 0% agricultural contract allocation. Thus, in 30% of the WY15 – WY24 ten-year period, FWA would have been allocated 65% of variable Intertie OM&R Costs. To apply that formula to calculate FWA's share of Task 1 (see attachment), staff calculated 65% of 30% of the estimated cost of the task. Then, consistent with the presented options, staff subtracted that dollar amount from the cost for the task, and then allocated the remaining costs among the remaining contractors utilizing the formula described under Option C below (the formula described in the Cost Recovery Plan, which allocates costs based on the past ten years of historic water deliveries).

Option C – Allocate all contractors based on standard EO&M / reserve allocation

This cost allocation scenario would utilize the formula described in the Cost Recovery Plan, which allocates costs based on the past ten years of historic water deliveries (ten-year rolling average of deliveries). Rather than using audited data, staff has used updated water delivery data, WY15 through WY24.

Each contractor's ten-year rolling average of deliveries includes all contract deliveries, water transferred out to other contractors that utilize Project Facilities for which costs are allocated under the SLDMWA OM&R Cost Recovery Plan, and other water deliveries to that contractor. (Cost Recovery Plan, § VI.A.1.) The ten-year average also includes annual Minimum Participation amounts, where appropriate. (*Id.*, § VI.A.2.i.)

The ten-year rolling average does not include water transferred in by the contractor, water transferred out by the contractor that does not use Project Facilities for which costs are allocated under the Cost Recovery Plan, or deliveries to Mendota Pool not conveyed through the Lower DMC.

Beginning in Water Year 2026, deliveries associated with the Exchange Contractors transfer program are excluded from FWA's Reserve/EO&M cost allocation, and are instead included in the Exchange Contractors' total deliveries for purposes of allocating Reserve cost and EO&M costs, including under this option/allocation formula. (*Id.*, § VI.A.2.iii.)

Option D - Allocate all contractors based on 30-year repayment contract

This cost allocation scenario would utilize the formula described above, based on the past ten years of historic water deliveries, but extending the repayment over a 30-year period, assuming the treasury rate of 4%.

Option E - Allocate FWA at 0%, remainder of contractors based on 30-year repayment contract

This cost allocation scenario would first remove FWA from the cost allocation exercise, and then allocate remaining costs among the remaining contractors utilizing the formula described under Option D above.

2. Application of Non-Reimbursable Funding to Phase 1 Tasks

Staff continues to recommend utilizing non-reimbursable grant funds to fund Phase 1 of the upper DMC portion of the DMC Subsidence Correction Project. If Phase 1 is wholly funded with non-reimbursable grant funding, there will be no rate impact associated with this action. Staff understands that even if Phase 1 is wholly funded with non-reimbursable grant funding, the direction from the Planning Committee is for non-reimbursable funding to be applied equitably across the entire project.

This means that if \$30M non-reimbursable funding is initially received, the \$30M could be applied to fund Task 1 and part of Task 2, or part of Task 1, 2, 3, and 4. At the end of a phase or phases, there would be a true up so that all contractors would benefit from the non-reimbursable funds equitably. See the tables below for an explanation.

Phase 1 Hypothetical

Step 1: Calculate contractor percentages for each task based on agreed-upon cost allocation recommendations:

Contractor	Task 1		Task 2		Task 3		Task 4		Step 1 Total	
A	50%	\$9,875,000	0%	\$0	40%	\$11,160,000	40%	\$11,200,000	34%	\$32,235,000
B	20%	\$3,950,000	40%	\$7,292,000	30%	\$8,370,000	30%	\$8,400,000	30%	\$28,012,000
C	30%	\$5,925,000	60%	\$10,938,000	30%	\$8,370,000	30%	\$8,400,000	36%	\$33,633,000
		\$19,750,000		\$18,230,000		\$27,900,000		\$28,000,000		\$93,880,000

Step 2: Deduct non-reimbursable funding amount from total cost after phase(s), then calculate contractor costs based on reduced total cost using previous percentages of total cost:

Original Project Cost:		\$93,880,000
		MINUS \$30,000,000
Revised Cost:		\$63,880,000
% Total		\$63,880,000
Contractor A	34%	\$21,719,200
Contractor B	30%	\$19,164,000
Contractor C	36%	\$22,996,800

As the “true up” occurs, the dollar amount that each contractor owes relative to the phase of the Project and the total Project will be adjusted consistent with the agreed upon percentages for each task.

3. Development of Additional Scenarios for Future Cost Allocations Recommendations

Staff intends to develop additional scenarios for future cost allocation recommendations, e.g. based on calculations of indirect benefits, at the direction of Planning Committee, for future phase and task recommendations.

NOTE: The recommendations adopted for each task in Phase 1 will be for the tasks in Phase 1 only. New cost allocation recommendations will be required for any future task items or phases beyond what is identified here.

Attachments

Referenced Illustrative Cost Scenarios for Tasks 1, 2, 3, and 4

Comparison of Various Scenarios, Effects of Cost Allocation Recommendations for Phase 1