

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
SPECIAL TELEPHONIC WATER RESOURCES COMMITTEE MEETING
AND SPECIAL TELEPHONIC JOINT WATER RESOURCES COMMITTEE
MEETING - SPECIAL BOARD WORKSHOP MINUTES**

May 11, 2020

The Special Telephonic Water Resources Committee and Joint Special Telephonic Water Resources Committee Meeting and Special Telephonic Board Workshop of the San Luis & Delta-Mendota Water Authority convened at approximately 10:00 a.m. This meeting was held via teleconference/BlueJeans in accordance with the Governor's Executive Order (N-29-20) and the declared State of Emergency as a result of the threat of COVID-19, with Committee Chair Tom Birmingham presiding.

Water Resources Committee Members Present

Ex-Officio

Cannon Michael

Division 1

Anthea Hansen, Alternate for Bill Koster

Division 2

Bill Diedrich, Member

Division 3

Chris White, Member

Division 4

Garth Hall, Member

Division 5

Tom Birmingham, Member/Committee Chair

Board of Directors Present

Division 1

Anthea Hansen, Director

Rick Gilmore, Director

Division 2

Bill Diedrich, Director

Division 3

Chris White, Director

Cannon Michael, Director

Division 4

None

Division 5

Tom Birmingham, Director

Authority Representatives Present

Federico Barajas, Executive Director

Scott Petersen, Water Policy Director

Rebecca Akroyd, General Counsel

Pablo Arroyave, Chief Operating Officer

Frances Mizuno, Special Projects Administrator

Joyce Machado, Director of Finance

Stewart Davis, IT Officer

Others Present

Tom Boardman, Westlands Water District

Sara Woolf, Water Wise

Russ Freeman, Westlands Water District

1. Call to Order

Chair Tom Birmingham called the meeting to order.

2. The Water Resources Committee to Consider Corrections to the Agenda of Items, as authorized by Government Code Section 54950 et seq.

No corrections.

3. Opportunity for Public Comment

No public comment.

4. Water Resources Committee to Consider Approval of the March 2, 2020 Meeting Minutes

Chair Tom Birmingham pronounced the April 6, 2020 meeting minutes approved with minor edits.

5. Water Resources Committee to Consider Recommendation to Board of Directors to

Adopt Support Position on Legislation: H.R. 6643 (Schneider) – Supporting State and Local Leaders Act.

Water Policy Director Scott Petersen reported that this bill would amend the Families First Coronavirus Response Act (“Act”) to allow tax credits to Federal, State, and local governments for additional paid sick leave and required paid family and medical leave required by the Act. Petersen reported that the Authority and its member agencies were required by the Act to provide an additional 80 hours of paid sick leave for employees and additional Family Medical Leave Act benefits related to coronavirus response.

Petersen reported that the Act provided an offsetting payroll tax credit for private businesses, but local and state agencies were excluded from receiving this tax credit. Petersen reported that the payroll tax credit is currently offered to business, corporations and non-profits for providing paid emergency sick and family leave for COVID-19-impacted employees in addition to established leave policies, and this legislation would address that inequity by extending the same payroll tax credit to units of state and local government.

Petersen reported that staff is performing an analysis of the potential tax credit benefit were this legislation enacted, but the Authority would have a financial benefit from the extension of the tax credit.

Member Garth Hall made a motion that the Water Resources Committee recommend the Board of Directors adopt a support position on Legislation: H.R. 6643 (Schneider) – supporting State and Local Leaders Act. The motion was seconded by Member Chris White and passed unanimously. The Committee action is reported as follows:

AYES: Michael, Hansen, Diedrich, White, Hall, Birmingham

NOES: None

ABSTENTIONS: None

6. Water Resources Committee to Consider Recommendation to Board of Directors to Authorize Execution of Agreements and Expenditures Relating to B.F. Sisk Dam Raise Project.

a. Contributed Funds Agreement with U.S. Bureau of Reclamation, Expenditure of up to \$279,062 from FY21 Leg Ops Budget

Executive Director Federico Barajas reported that in November, 2019 the Board authorized the execution of a Contributed Funds Agreement with the Bureau and authorized an amount of \$50,000 to cover Reclamation’s participation costs in the Project. Barajas reported that continued

assistance from Reclamation is necessary in the current fiscal year (FY21). Barajas reported that Reclamation's estimated cost for the work required this calendar year is as follows: 1) NEPA Support/EIS Review and Section 7 Consultation/Biological Opinion- \$105,160, 2) Cultural Resources Compliance - \$77,500, 3) Design, [Cost] Estimating, and Construction (DEC) Review- \$96,402, with a total estimated cost of \$279,062.

Member Tom Birmingham made a motion that the Water Resources Committee recommend the Board of Directors authorize execution of a Contributed Funds Agreement with Reclamation and expenditure of up to \$279,062 from FY21 Leg Ops Budget. The motion was seconded by Member Bill Diedrich and passed unanimously. The Committee action is reported as follows:

AYES: Michael, Hansen, Diedrich, White, Hall, Birmingham

NOES: None

ABSTENTIONS: None

b. Professional Services Agreement with CDM Smith, Expenditure of up to \$1,254,117 from FY20 and FY21 Leg Ops Budgets

Executive Director Federico Barajas reported that a total request for approval of funds from the remaining funds available from FY 20 and FY 21 Leg Ops budget for the agreements with CDM Smith, Reclamation and GBS is outlined on the B.F. Sisk –Funding worksheet, which was included in the packet. Barajas reported that as FY20 is not yet closed, and there is the opportunity to expend the FY20 Leg Ops water storage studies remaining funds of \$123,139 to supplement the \$1.5M in FY21 Leg Ops water storage studies for a total of \$1,623,139. Staff's recommendation is to expend up to \$1,254,117 from FY20 and FY21 Leg Ops Budgets for work under a Professional Services Agreement with CDM Smith.

Member Bill Diedrich made a motion that the Water Resources Committee recommend the Board of Directors authorize execution of a Professional Services Agreement with CDM Smith and expenditure of up to \$1,254,117 from FY20 and FY21 Leg Ops budgets. The motion was seconded by Member Tom Birmingham and passed unanimously. The Committee action is reported as follows:

AYES: Michael, Hansen, Diedrich, White, Hall, Birmingham

NOES: None

ABSTENTIONS: None

7. Water Resources Committee to Consider Recommendation to Board of Directors to Ratify and Adopt Single Source Justification and Ratify and Authorize Execution of Professional Services Agreement and Current and Future Task Orders with Gray-Bowen-Scott for B.F. Sisk Dam Raise Project Support, and Expenditures of \$10,000 from FY20 Leg Ops Budget and up to \$89,960 from FY21 Budget.

Chief Operating Officer Pablo Arroyave reported that the B.F. Sisk Dam Raise project will impact Highway 152, which will require modification to the embankment along Highway 152 and issuance of a permit by the California Department of Transportation (Caltrans). Arroyave reported that staff concluded that retaining a consultant with experience with the Caltrans project development process and with direct contacts to the Caltrans policy team was necessary to expedite coordination. Arroyave reported that staff concluded, based on the facts summarized in Attachment 1 to the resolution pertaining to the Gray-Bowen-Scott agreement, that Gray-Bowen-Scott (GBS) was uniquely qualified to provide the required consulting services regarding obtaining a permit from Caltrans. Arroyave reported that the Authority entered into a Professional Services Agreement on February 3, 2020 for \$10,000 with GBS utilizing funds from the FY20 Leg Ops budget to assess the Project needs and formulate an approach to work with Caltrans to timely obtain necessary permits.

Arroyave reported that on March 2, 2020, the Authority executed a second task order for \$89,960, utilizing funds in FY 21 Leg Ops budget, to authorize additional professional services to implement the strategy developed during Phase 1 to navigate Caltrans project approval and environmental documentation phase for the proposed modifications to Highway 152. Arroyave explained that because the 2009 Purchasing Policy, which was in effect on both February 3, and March 2, 2020, required a single source justification to be adopted by the Board under the circumstances described above, the adoption of the single source justification and the execution of the GBS agreement and task orders require ratification by the Board.

Member Tom Birmingham made a motion that the Water Resources Committee recommend the Board of Directors ratify and adopt Single Source justification and ratify and authorize execution of Professional Services Agreement and current and future task orders with Gray-Bowen-Scott for B.F. Sisk Dam Raise Project support, and expenditure of \$10,000 from FY20 Leg Ops budget and up to \$89,960 from FY21 budget. The motion was seconded by Member Bill Diedrich and passed unanimously. The Committee action is reported as follows:

AYES: Michael, Hansen, Diedrich, White, Hall, Birmingham

NOES: None

ABSTENTIONS: None

8. Agenda Item 7: Update on Water Policy/Resources Activities.

Water Policy Director Scott Petersen reported the Record of Decision for the biological opinions was signed February 18, 2020, and subsequent to that, the State of California filed litigation against the federal government. Petersen reported that the impacts of this litigation remain unclear at this time, but it has created significant uncertainty in the many policy level items that are being worked on. Petersen reported that operation of the Central Valley pursuant to the new biological opinions continues, with Reclamation establishing regular engagement with public water agencies on requirements.

Petersen reported that various Voluntary Agreement proposals will have differential impacts to Water Authority member agencies as a result of the issuance of the SWP Incidental Take Permit will impact and staff will report further on any additional developments.

Petersen reported that the Delta Conveyance Project scoping period concluded on Friday, April 17, after a 93-day comment period during which the public and agencies, including the Authority, had an opportunity to provide input on the scope and content of the CEQA review, including the potential environmental impacts of a proposed single tunnel conveyance project and range of alternatives that will be analyzed in the EIR. Petersen reported that DWR is now in the process of reviewing all comments submitted during the scoping process and will publish a scoping report this summer that summarizes the information received during scoping. Petersen reported that DWR will utilize the scoping comments in developing the range of alternatives to be evaluated in detail in the Draft Environmental Impact Report (EIR) and the scope of the environmental impact analysis. Publication of the Draft EIR is expected in early 2021.

Petersen reported that the San Joaquin Valley Water Blueprint group elected to cancel the April Blueprint Large Group meeting, however, the Blueprint executive board was able to meet. Petersen reported that the technical committee continues their engineering and modeling work related to water balance efforts and project development. Petersen reported that this work will inform the second phase of Dr. Sunding's economic report, and that Scott Hamilton is leading this work.

9. Agenda Item 8: Update on State and Federal Affairs.

Water Policy Director Scott Petersen reported that House Democrats are expected to release their next coronavirus proposal for the next round of relief funding this week, and vote on the package shortly thereafter, although Speaker Pelosi (D-CA) is facing pressure from a divided Democrat caucus about what the next package should look like.

Petersen reported that the Senate wrapped up its first week back and will continue next week with more COVID-19 hearings and advancing nominations. Petersen reported that Senate Majority Leader McConnell (R-KY) continued to publically state his insistence on any future packages must deal with liability protections for businesses seeking to reopen.

Petersen reported, as it relates to water infrastructure, the Senate Environment and Public Works Committee marked up two pieces of legislation, the America's Water Infrastructure Act and America's Drinking Water Act, which together make up the Senate Water Resources Development Act.

Petersen reported that the AWIA was amended in markup to include language that aims to address the WIFIA issue for federally owned facilities that has raised concerns related to the Jones Pumping Plant WIFIA loan application.

Petersen reported that California is projecting a \$54 billion budget deficit through June 2021 and reports are indicating that the unemployment rate will reach 18% this year. Petersen reported that the size of the shortfall, equivalent to roughly one third of its annual general-fund spending, marks a significant change for a state that in January was expecting to build up its rainy-day fund to more than \$18 billion and was considering new services. Petersen reported that some state agencies are preparing for 30-40% budget reductions and some reductions in staffing. Petersen reported that this will have implications for the State's ability to fund new expenses and Authority priorities, including water infrastructure.

Water Policy Director Scott Petersen reported that in the midst of COVID-19, legislative staff is indicating that there will be significantly less legislative activity this term. Many bills are being held or shelved until next year.

Petersen reported that the Legislature has returned and is holding hearings in a limited fashion. Petersen reported that this week, there will be a hearing on the water bond proposal, and staff will provide an update after the hearing.

10. Agenda Item 9: Executive Director's Report.

Executive Director Federico Barajas reported that as staff began to implement the

Procurement Policy that there was need for some clean-up of the language approved by the Board in May. Barajas asked General Counsel Rebecca Akroyd to review relevant Procurement Policy language that needed to be restated for clarity. Akroyd explained that the Finance & Administration Committee had recommended that section 1.1 of the policy include the requirement “to reference a specific project, service, or purchase in the budget” to allow for more comfort of the committee *if* the policy was going to delegate to the Executive Director the authority to enter into a contract over \$200,000 if specifically referenced in the budget. When the delegation over \$200,000 was removed during Board discussion, staff neglected to remove the corresponding language requiring specific reference to items in the budget. The Committee agreed that the extraneous language should be removed.

Barajas reported that Authority staff had a General Managers call earlier this month, which was part of the Communications Plan roll out that was presented to the Board. Barajas reported that the two-fold objectives were: 1) for Authority staff to communicate relative information to the General Managers, 2) for the General Managers to provide status updates on relevant topics.

Barajas provided an update regarding the B.F. Sisk Dam Raise project. In fiscal year 2020 there was a balance of \$123,139 uncommitted dollars and staff is recommending to the board to use this money to supplement the \$1.5 million in fiscal year 2021 to help with deliverables associated with this fiscal year.

Barajas asked Chief Operating Officer Pablo Arroyave to provide key updates on the B.F. Sisk Dam Raise project schedule. Arroyave reported that the Notice of Intent pursuant to NEPA and the Notice of Preparation pursuant to CEQA will be published this Thursday, and also, an administrative draft of the EIR was distributed to the technical team, with comments due May 22nd. Arroyave reported that in regards to the overall schedule, the first public draft of the EIR, and supplemental EIS is expected in late July.

Barajas reported that Jerry Brown is the new Executive Director for the Sites JPA.

II. **Agenda Item 10: Chief Operating Officer’s Report.**

Chief Operating Officer Pablo Arroyave reported that the O’Neill Unit 4 rehab is complete, and the next unit rehabilitation will not start for at least a year

Arroyave reported that on May 6, staff executed a new 5-year service contract with Reclamation for O&M support for Tracy Fish Facility, Delta Cross Channel Gates, and the Fish release sites.

Arroyave reported that Jones Pumping Plant unit 2 is expected to be back on-line in June.

Special Projects Administrator Frances Mizuno reported on Infrastructure and Transfers beginning with: 1) San Luis Transmission Project – Duke is still not able to get subscribers on a long-term contract for their capacity. Staff is looking for other options for funding, including Reclamation applying for TIP Funding, 2) Yuba Transfers – 91,000 af of surface water available has changed to 80 af of surface water, up to 11,000 af available in October/November with new pricing (current pricing expires September 30), 3) North-of-Delta – 13 Water Purchase Sales Agreements have been executed with North of the Delta water contractors, and the proposals are being submitted to Reclamation/DWR for approval by the end of May.

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

Westlands Water District's Tom Boardman reported that Jones pumping has been at 1-2 units during the past month because of export limitations during a San Joaquin pulse flow period per D-1641. Pumping may increase to 2-3 units later this week, but the increase will depend on a federal court ruling that is expected within the next 24 hours. Banks pumping was reported to be at minimum levels in accordance with the SWP's Incidental Take Permit.

Boardman reported that the recently updated Bulletin 120 shows a Shasta critical year under the 90% exceedance forecast but Shasta non-critical under 50% exceedance conditions. Boardman explained the various issues why it remains undetermined if the Exchange Contractor allocation will be reduced to 75% for the remainder of the year.

Two San Luis projection charts were discussed, and Boardman described the factors that have an effect on a potential 5% allocation increase to Ag Service and Urban contractors.

13. Agenda Item 12: Committee Member Reports.

No reports.

14. Agenda Item 13: Closed Session

Chair Tom Birmingham 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 reported that there were no reportable actions taken in closed session.

15. Reports Pursuant to Government Code Section 54954.2

None.

16. Adjournment

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