

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

July 6, 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/ZOOM 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

William Bourdeau

**Division 1**

Bill Koster, Member - Anthea Hansen, Alternate

**Division 2**

Bill Diedrich, Member

**Division 3**

Chris White, Member

**Division 4**

Garth Hall, Member - Jeff Cattaneo, Alternate

**Division 5**

Tom Birmingham, Member - Steve Stadler, Alternate

**Board of Directors Present**

**Division 1**

Anthea Hansen, Director

**Division 2**

William Bourdeau, Director

Bill Diedrich, Director - Lon Martin, Alternate

**Division 3**

Chris White, Director - Jarrett Martin, Alternate  
Cannon Michael, Director

**Division 4**

Garth Hall, Alternate  
Jeff Cattaneo, Director

**Division 5**

Tom Birmingham, Director  
Steve Stadler, 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  
Kristi Robinson, Water Wise  
Russ Freeman, Westlands Water District  
Lora Carpenter, Fieldman Rolapp & Associates  
Chris Park, CDM Smith

**1. Call to Order**

Committee Chair Tom Birmingham called the meeting to order.

Birmingham announced that Lon Martin was appointed as Alternate to Member Bill Diedrich.

**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 June 1, 2020 Meeting Minutes.**

Chair Tom Birmingham pronounced the June 1, 2020 meeting minutes approved.

**5. Water Resources Committee to Consider Recommendation to Board of Directors for approval of \$15,000 Expenditure from the Technical Budget to the Water Blueprint for the San Joaquin Valley 501 (c)(3) Education Fund.**

Water Policy Director Scott Petersen reported that staff is recommending that the Authority make a \$15,000 contribution to the San Joaquin Valley Water Blueprint 501(c)(3) Education Fund for the purposes of advancing the Phase 2 Socioeconomic Analysis, which will provide economic analysis support for various policy and project options advanced by the Technical Committee to address the water supply imbalance in the Valley. Petersen reported that the Science Program Technical Budget has obligated \$75,000 of the \$500,000 approved by the Board, so there is sufficient budget to accommodate this funding request without impacting other Science Program priorities at this time.

Member Bill Diedrich made a motion that the Water Resources Committee recommend the Board of Directors approve \$15,000 expenditure from the Technical Budget to the Water Blueprint for the San Joaquin Valley 501 (c)(3) Education Fund. The motion was seconded by Chair Tom Birmingham and passed unanimously. The Committee action is reported as follows:

*AYES:* Michael, Bourdeau, Koster, Diedrich, White, Hall, Birmingham

*NOES:* None

*ABSTENTIONS:* None

**6. Water Resources Committee to Consider Recommendation to Board of Directors to Authorize Execution of Agreements with State Water Contractors and Expenditure of up to \$109,000 from the Technical Budget to Jointly Fund CAMT Science Studies and Related Expenditures in the Following Amounts:**

- a. **Up to \$75,000:** Water Policy Director Scott Petersen reported that this amount would jointly fund Phase 3 of the Delta Smelt Structured Decision Making, which is a facilitated process led by Compass Resources, to rank and prioritize management actions to improve the conditions of smelt populations and to target investments in ways that will be of greater benefit to smelt populations.
- b. **Up to \$30,000:** Petersen reported that this amount would fund Dr. Chuck Hanson's participation in CAMT as a technical expert.
- c. **Up to \$4,000:** Petersen reported this funding would contribute to a study to enhance Decision-Support Prediction for Management Actions to Benefit Delta Smelt.

Petersen reported that each of these items would advance the objectives of CSAMP and advance the objectives of the Authority's Science Program. Petersen reported that the Authority's Science Program Coordination Group, including science support staff from member agencies, support these staff recommended expenditures.

Member Garth Hall made a motion that the Water Resources Committee recommend the Board of Directors authorize execution of agreements with State Water Contractors and expenditure of up to \$109,000 from the Technical Budget to jointly fund CAMT Science Studies and related expenditures in the amounts listed above. The motion was seconded by Member Bill Diedrich and passed unanimously. The Committee action is reported as follows:

*AYES:* Michael, Bourdeau, Koster, Diedrich, White, Hall, Birmingham

*NOES:* None

*ABSTENTIONS:* None

**7. Executive Director's Report.**

Executive Director Federico Barajas introduced Chris Park with CDM Smith, who provided a detailed presentation on the status of the B.F. Sisk Dam Raise Project. Park reported on the status of the alternative formulation, feasibility level design, feasibility report, administrative draft EIR/Supplemental EIS, Caltrans Coordination, and ESA consultation/CWA permitting.

Special Projects Administrator Frances Mizuno provided an update on the San Luis Transmission Project. Mizuno reported that the latest estimated total SLTP Project cost is \$298,808,449, which includes costs already expended for planning and design. The amount actually needed for construction is \$282,072,890. This amount includes \$32.5M for Management Reserves

for known risks and \$26.5M contingency for unknown risk. Mizuno reported that Reclamation applying for TIP funding with the Water Authority as the backer is no longer a feasible option as Reclamation is unable to be an applicant for TIP funding. Mizuno reported that based on current information, the various options for potential funding include: 1) Water Authority apply for TIP funding to fund 100% of the SLTP construction cost, 2) Water Authority fund 100% of the cost through a Bond issuance, 3) Water Authority pursue a Public-Private Partnership, either by a) working with a private investor for a Public-Private Partnership (P3) to fund 100% of the Project, or b) the Water Authority funding 50% and the private investor funding 50% of the Project. Mizuno reported that staff's recommendation is to continue to explore Option 3.B as it is likely to be the least costly and most expedient option.

Executive Director Federico Barajas next provided a brief update on the Jones Pumping Plant (JPP) Unit Rewind Project funding options, including WIFIA loan status. Barajas reported that the WIFIA funding option has some obstacles to overcome due to Federal ownership of JPP facility. Special Projects Administrator Frances Mizuno reported that the cost of issuance for a WIFIA loan is higher than other financing options. However, the WIFIA loan interest rate will be in the range of 1.3% - 1.6%, which is much lower than any other financing options. Therefore, paying the higher cost of issuance is still the lowest cost option for funding. Mizuno reported that the Water Authority is currently in the due diligence phase of the loan review, and the next phase of drafting and negotiating the loan agreement will be the costliest phase. Mizuno reported that the Water Authority needs to assess the risk of proceeding to the next phase which will begin in early August. Chief Operating Officer Pablo Arroyave reported that if the Water Authority does not proceed with the WIFIA loan or the Project does not qualify for the loan, another source of funding will be required. Arroyave reported that in order to maintain the schedule for the Project, a parallel process with the WIFIA loan process is needed in order to have sufficient funds available for the fourth unit which is scheduled to begin in early November 2020. Arroyave reported that staff is evaluating a private placement versus a public offering financing option. Arroyave reported that the Water Authority is beginning the process of comparing terms and associated costs, and this will require the Water Authority to retain both a bond counsel and financial advisor specifically for this financing option.

Barajas also reported that Reclamation has executed the Jones Pumping Plant repayment contract after undergoing public review and comment period.

**8. Chief Operating Officer's Report.**

Chief Operating Officer Pablo Arroyave reported that Jones Pumping Plant Unit 2 is back online on schedule and within budget as of June 19, 2020. Arroyave reported that Unit 5 disassembly has begun.

Arroyave provided a brief update on the Delta Conveyance Project reporting that DWR filed a 404 application with the Army Corps on June 19, 2020. Arroyave reported that the primary reason that application was filed was to determine who will be the federal lead agency. Director Tom Birmingham asked staff to request DWR to provide informational workshop to the Authority's existing working group.

**9. Update on Water Policy/Resources Activities.**

Water Policy Director Scott Petersen reported that implementation of the new biological opinions continues, with the most recent example being the inaugural meeting of the Delta Coordination Group, an interagency group with three main charges: (1) resolve date conflicts between summer-fall protective actions for delta smelt between the BiOps and the State's Incidental Take Statement, (2) select an appropriate structured decision making model for those actions, and (3) develop a long-term science and adaptive management strategy.

Petersen reported that the State Water Resources Control Board has been engaged in an exchange of letters with Reclamation over Temperature Management on the Sacramento River and Water Rights Order 90-5. Petersen reported that the Authority sent a letter in response to Water Board Executive Director Eileen Sobeck's letter that has been provided to the Committee and Board. Petersen reported that since that time further action has taken place on this issue since that letter was sent. Petersen reported that on Thursday, July 2, the Water Board sent a letter requesting Reclamation modify the TMP pursuant to information presented at the Sacramento River Temperature Task Group, and requesting a response within 5 days. Petersen reported that staff will continue to coordinate with Reclamation on this issue and continue to provide the Committee and Board with any further updates as they develop.

**10. Update on State and Federal Affairs.**

Water Policy Director Scott Petersen reported that the Administration this week released its Spring 2020 Unified Agenda of Regulatory and Deregulatory Actions, which reports on the actions administrative agencies plan to issue in the near and long term.

Petersen reported that the Water Authority has offered a facilities tour to U.S. FWS Director Aurelia Skipwith, who has indicated interest. Petersen reported that the facilities tour will be

focused on FWS's role in fisheries and refuge management in California, updates on new science, and current conditions. Petersen reported that the Director will be touring Jones Pumping Plant, the Tracy Fish Collection Facility, the Intertie, the DMC, and San Joaquin Valley refuges.

Petersen reported that the House recently passed H.R. 2, the Moving Forward Act, its version of infrastructure legislation. Petersen indicated that H.R. 2 is a broad infrastructure bill that touches on everything from roads to water infrastructure and regulation to environmental justice provisions. Petersen reported that it authorizes close to \$70 billion dollars for water infrastructure. Petersen reported that in addition to funding authorizations, H.R. 2 expands and reinstates several tax provisions that will help members develop infrastructure and includes advanced refunding of bonds and tax parity for water conservation. Petersen reported that the legislation provides funding for water infrastructure and a number of other priorities, but also substantially modifies the approval process for projects in ways that will influence development timelines as well as modifying the types of projects that can qualify for federal funding. . Petersen reported that Authority staff, in coordination with partner organizations and member agencies, supported an effort by Representative Costa to pass an amendment that would include funding for the Delta-Mendota Canal and California Aqueduct, paired with funding for habitat restoration and disadvantaged community drinking water grants, which garnered attention and support from environmental NGOs including EDF and TNC, water agencies, and agricultural organizations. Petersen reported that California Natural Resources Secretary Crowfoot sent a letter in support of this effort. Petersen reported that unfortunately, the effort was not successful, though Committee staff has reached out to indicate willingness to find a path forward for canal funding.

Petersen reported that House appropriators plan to hold all 12 subcommittee markups from July 6 to 8, which is a very aggressive schedule. Petersen reported that the full committee plans to hold markups later next week and into the following week. Petersen reported that the delayed appropriations schedule is another sign it will be difficult to get any spending measures signed into law before the September 30 deadline other than a stopgap measure. Petersen reported that throughout July, the House will consider appropriations, defense authorization, and Water Resources Development Act legislation.

Petersen reported that last week, the California State Legislature moved to approve the state's budget package, Assembly Bill 89, which was signed by the Governor yesterday. Petersen reported that previously, both chambers had passed a "placeholder" budget on June 15 to meet a constitutionally-mandated deadline. In addition to AB 89, the Legislature passed nearly a dozen

trailer bills needed to implement provisions of the budget. Petersen reported that COVID-19 continues to dominate much of the discussion related to the budget process.

Petersen reported that the Legislature broke and will return on July 13. Petersen reported that the Assembly will no longer allow telephone testimony in committee hearings, a step taken to minimize the crowds in the Capitol.

**11. Agenda Item 11: Update on Water Operations and Forecasts**

Westlands Water District's Tom Boardman reported that Jones Pumping Plant was pumping at 4 units and would be increasing to capacity (5 units) within the next few days. Although DI641 standards are less restrictive during summer months, Banks pumping will be limited to about 30% of capacity due to low Oroville storage. Boardman stated that Shasta and Folsom operations are tracking near Reclamation's operations forecasts and that the projected carry over storage in Shasta was estimated to be more than 2.0 MAF.

Boardman briefly discussed two San Luis storage projection charts that showed that the low point for CVP San Luis should be above 200 TAF. The charts also showed that CVP San Luis will fill under median hydrology but will fall short of filling by about 450 TAF under dry conditions.

**12. Agenda Item 12: Committee Member Reports.**

No reports.

**13. Agenda Item 13: Closed Session**

Committee Chair Tom Birmingham adjourned the open session to address the items listed on the Closed Session Agenda at approximately 11:40 a.m. Upon return to open session at approximately 12:00 p.m., General Counsel Rebecca Akroyd reported that there were no reportable actions taken in closed session.

**14. Reports Pursuant to Government Code Section 54954.2**

None.

**15. Adjournment**

The meeting was adjourned at approximately 12:00 p.m.