

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY BOARD OF
DIRECTORS REGULAR MEETING
MINUTES MAY 4, 2023

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, with Chair Cannon Michael presiding.

Directors and Alternate Directors in Attendance

Division 1

Bobby Pierce, Director
Anthea Hansen, Director
Ed Pattison, Director - Lea Emmons, Alternate

Division 2

Ross Franson, Director

Division 3

Chris White, Alternate for Dan McCurdy
Jarrett Martin, Director (arrived during item 3)
Cannon Michael, Director (left after item 4)
Ric Ortega, Director

Division 4

Jim Beall, Alternate for Richard Santos (via ZOOM)
Steve Wittry, Director
Joe Tonascia, Director - Joyce Machado, Alternate

Division 5

Kirk Teixeira, Turner Island Water District
Manny Amorelli, Director

Authority Representatives Present

Federico Barajas, Executive Director
Rebecca Akroyd, General Counsel
Rebecca Harms, Deputy General Counsel
Scott Petersen, Water Policy Director
Ray Tarka, Director of Finance
Bob Martin, Facilities O&M Director
Jaime McNeill, Engineering Manager
Chauncey Lee, O&M Manager
Seth Harris, Water Operations Superintendent (Water Master)
Stewart Davis, IT Officer

Others in Attendance

Mitch Partovi, Water Agency
Chase Hurley, Pacheco Water District
Mike Wade, Farm Water Coalition (via ZOOM)
Dana Jacobson, Valley Water (via ZOOM)
Vince Gin, Valley Water (via ZOOM)

Dennis Cardoza, Foley & Lardner, LLP (via ZOOM)
Bill Ball, Foley, Foley & Lardner, LLP (via ZOOM)
Kristin Olsen, Calstrat (via ZOOM)
Steve Stadler, San Luis Water District (via ZOOM)

1. Call to Order/Roll Call

The meeting was called to order by Chair Cannon Michael and roll was called.

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

No additions or corrections.

3. Agenda Items 3-4: Closed Session Report.

Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 9:34 a.m. Upon return to open session at approximately 10:24 a.m., Chair Cannon Michael stated that no reportable actions were taken, and handed over the gavel to Director Anthea Hansen, who acted as Chair for the remainder of the meeting.

4. Agenda Item 5: Opportunity for Public Comment

No public comment.

CONSENT ITEMS

5. Agenda Items 6-9: Board to Consider: a) March 9, 2023 Meeting Minutes, b) Acceptance of the Financial & Expenditures Reports, c) Treasurer’s Report, d) Staff Reports.

On a motion of Director Joe Tonascia, seconded by Alternate Director Chris White, the Board accepted the March 9, 2023 Meeting Minutes with a minor correction, Financial Expenditures Reports, Treasurer’s Report, and Staff Reports. The vote on the motion was as follows:

AYES:	Pierce, Hansen, Pattison, Franson, White, Jarrett Martin, Ortega, Beall, Wittry, Tonascia, Teixeira, Amorelli
NAYS:	None
ABSTENTIONS:	None

ACTION ITEMS

6. Agenda Item 10: Board of Directors to Consider Water Resources Committee Recommendation Regarding Appointment to State and Federal Contractors Water Agency Board of Directors.

Executive Director Federico Barajas reviewed the memo included in the packet and reported that staff and the Water Resources Committee recommend the appointment of Director Ed Pattison as representative to the State and Federal Contractors Water Agency (SFCWA) Board of Directors to fill the Authority's vacant SFCWA Director seat.

On a motion of Director Bobby Pierce, seconded by Director Jarrett Martin, the Board appointed Director Ed Pattison to the State and Federal Contractors Water Agency Board of Directors. The vote on the motion was as follows:

AYES: Pierce, Hansen, Pattison, Franson, White, Jarrett Martin, Michael, Ortega, Beall, Wittry, Tonascia, Teixeira, Amorelli
NAYS: None
ABSTENTIONS: None

7. Agenda Item II: Board of Directors to Consider Water Resources Committee Regarding Adoption of Staff Recommendation for Positions on the following Legislation:

Water Policy Director Scott Petersen reported and provided staff and Water Resources Committee recommended positions for consideration on the following legislation:

- a. **H.R. 872 (Calvert)**, Federally Integrated Species Health (FISH) Act
- b. **H.R. 2419 (Costa)**, Canal Conveyance Capacity Restoration Act
- c. **H.R. 2671 (Costa)**, To amend the Water Infrastructure Finance and Innovation Act of 2014 with respect to budgetary treatment of certain amounts of financial assistance, and for other purposes.
- d. **AB 939 (Pellerin)**, Santa Clara Valley Water District
- e. **AB 1469 (Kalra)**, Santa Clara Valley Water District
- f. **AB 1594 (Garcia)**, Medium- and heavy-duty zero-emission vehicles: public agency utilities
- g. **AB 345 (Wilson)**, Habitat Restoration: flood control: advance payment
- h. **SB 493 (Min)**, Air pollution: alternative vehicles and electric and hydrogen infrastructure
- i. **SB 550 (Grove)**, Water markets
- j. **SB 659 (Ashby)**, California Water Supply Solutions Act of 2023
- k. **AB 754 (Papan)**, Water management planning: automatic conservation plan
- l. **AB 1205 (Bauer-Kahan)**, Water rights: sale, transfer, or lease: agricultural lands

On a motion of Director Ric Ortega, seconded by Director Bobby Pierce, the Board adopted the staff-recommended support and favor positions on legislation (H.R. 872, H.R. 2419, H.R. 2671, AB 939, AB 1469, AB 1594, AB 345, SB 493, SB 550, SB 659, AB 1205). The vote on the motion was as follows:

AYES: Pierce, Hansen, Pattison, Franson, White, Jarrett Martin, Ortega, Beall, Wittry, Tonascia, Teixeira, Amorelli
NAYS: None
ABSTENTIONS: None

After a motion made by Alternate Director Chris White, and a second by Director Joe Tonascia, the vote on the motion regarding oppose on legislation (AB 754) failed for lack of an 85% affirmative vote.

AYES: Pierce, Hansen, Pattison, Franson, White, Jarrett Martin, Ortega, Wittry, Tonascia, Amorelli
NAYS: None
ABSTENTIONS: Teixeira, Beall

8. Agenda Item 12: Board of Directors to Consider Water Resources Committee Recommendation Regarding Adoption of Resolution Authorizing Award of Contract, Execution of Construction Agreement for O’Neill Pumping-Generating Plant Power Transformer Rehabilitations, and Expenditure of Up To \$3.2 Million from the FY22 and FY23, EO&M Budgets; CEQA Exemption.

Executive Director Federico Barajas introduced the item. Engineering Manager Jaime McNeill reviewed the memo included in the packet. McNeill reported that last year, the Authority solicited for the rehabilitation project and received one proposal. McNeill reported that in August 2022, the Water Resources and Finance & Administration Committees recommended, and the Board adopted Resolution No. 2022-507 authorizing award of contract pending successful negotiation on technical aspects of the proposal. McNeill reported that negotiations were ultimately unsuccessful, and the proposer withdrew their proposal. McNeill reported that on January 3, 2023 the contract was resolicited, and the Authority received one proposal from Cal Electro Inc. (CEI). McNeill reported that the proposal included all documents as required per the solicitation. McNeill reported that during the evaluation phase, evaluators requested a few clarifications regarding the proposal, and after obtaining clarifications from CEI, the Technical Proposal Evaluation Committee (TPEC) evaluated the proposal and its clarifications, and CEI received a passing score of 724/800 (90%). McNeill reported that the proposed expenditure of up to \$3.2M will be funded utilizing budgeted funds from Fiscal Year 2022 and 2023 EO&M budgets. McNeill reported that \$1.66M will be funded from FY22, and \$1.54M from FY23. Superintendent of Water Operations Seth Harris reviewed the Operations Plan and answered board member questions.

On a motion of Director Ric Ortega, seconded by Director Jarrett Martin, the Board approved resolution authorizing award of contract, execution of construction agreement for O’Neill Pumping-Generating Plant power transformer rehabilitations, and expenditure of up to \$3.2 million from the FY22 and FY23, EO&M budgets; CEQA exemption. The vote on the motion was as follows:

AYES: Pierce, Hansen, Pattison, Franson, White, Jarrett Martin, Ortega, Beall, Wittry, Tonascia, Teixeira, Amorelli
NAYS: None
ABSTENTIONS: None

9. Agenda Item 13: Board of Directors to Consider Finance & Administration Committee Recommendation Regarding OM&R Rate Setting Methodology/Practice.

Director of Finance Raymond Tarka presented the item. Tarka reported that based on a request of the Finance & Administration Committee (FAC), staff modeled an alternate approach to calculate rates under an adjusted rate setting model which would include a minimum participation of 25% during rate setting rather than solely upon true up. Tarka reported that historically, minimum participation amounts have been applied during final accountings after actual water deliveries for the water year are known. The Board discussed various options to proceed and agreed with the FAC to include minimum participation along with allocation and survey data in rate setting consistently for all water years.

On a motion of Director Joe Tonascia to include minimum participation along with allocation and survey data consistently for all water years, seconded by Alternate Director Chris White, the vote on the motion was as follows:

AYES: Pierce, Hansen, Pattison, Franson, White, Jarrett Martin, Ortega, Beall, Wittry, Tonascia, Teixeira, Amorelli
NAYS: None
ABSTENTIONS: None

10. Item 14: Board of Directors to Consider Acceptance of Delta-Mendota SGMA Coordination Committee Recommendation Regarding \$225,200 Increase to Activity Agreement (Fund 63) Budget for SGMA Support Services for the Delta-Mendota Subbasin.

Water Policy Director Scott Petersen reported that in late 2022, the Authority issued a Request for Proposals (RFP) to provide for the design of an ISWM Network in the D-M Subbasin. Petersen reported that the proposal, by Luhdorff & Scalmanini Consulting Engineers (LSCE), is for \$25,200. Petersen reported that the Authority has an existing Master Services Agreement with LSCE that was executed in March 2019 and staff is proposing to execute a new task order with LSCE under that Master Services Agreement for these services. Petersen reported that these services would be funded through the awarded grant funds, but were not included in the adopted FY 24 budget in Fund 63. Petersen reported that in December 2020, the D-M Subbasin parties submitted 6 Groundwater Sustainability Plans to DWR for review and approval, and in March 2023, DWR provided a letter indicating that DWR deemed the GSPs “Inadequate” for a number of reasons detailed in the letter transmitting the determination. Petersen reported that in response to the Inadequate determination, the regulatory authority for approving the

GSPs has shifted from DWR to the State Water Resources Control Board (SWRCB), and on April 4, the SWRCB held an informational hearing on the process to address the six basins that have been deemed inadequate. Petersen reported that in response to the inadequate determination, the D-M Coordination Committee has been meeting to develop a plan to address the deficiencies identified by DWR. the Coordination Committee met on April 24, 2023, and voted to recommend that the Authority Board approve a budget increase to the Fund 63 budget and an amendment to Task Order F24-AA63-001-EKI in the amount of \$200,000 to address deficiencies identified by DWR in its inadequate determination letter.

On a motion of Director Bobby Pierce, seconded by Director Ric Ortega, the Board approved the \$225,200 increase to Activity Agreement (Fund 63) Budget for SGMA Support Services for the Delta-Mendota Subbasin. The vote on the motion was as follows:

AYES: Pierce, Hansen, Pattison, Franson, White, Jarrett Martin, Ortega, Beall, Wittry, Tonascia, Teixeira, Amorelli

NAYS: None

ABSTENTIONS: None

REPORT ITEMS

II. Agenda Item 15: Report on State and Federal Affairs.

Water Policy Director Scott Petersen reported that staff is currently working on the development of a second education and advocacy trip to Washington, DC, and are targeting June for this trip. Petersen reported that they are planning to incorporate member agencies in this trip and asked the Board to let the Authority know if their agency is interested in coordinating/participating for this trip.

Petersen reported that President Biden signed an environmental justice (EJ) executive order (EO) seeking to toughen EPA and other agencies' reporting, analytical and other mandates aimed at limiting communities' adverse impacts. Petersen reported that the EO also creates a new White House Office of Environmental Justice at the Council for Environmental Quality to oversee the Administration's "whole-of-government" approach to EJ, including how the National Environmental Policy Act (NEPA) will be used to further EJ in federal decision making.

Petersen reported that the Biden Administration sent a proposed rule determining how federal agencies manage the ESA, from listing decisions to critical habitat designations, to the White House Office of Information and Regulatory Affairs for their review last month. Petersen reported that FWS and National Marine Fisheries Service (NMFS) share ESA responsibilities for different species and jointly submitted the proposals to the White House office, which is part of the Office of Management and Budget (OMB). Petersen reported that several ESA reforms were first announced by the Biden Administration nearly two years ago, and when finalized, the revised rules will also reverse ESA rulemakings completed during the Trump Administration.

On April 19, the House Committee on Natural Resources received testimony and was able to question Interior Secretary Deb Haaland on a number of issues related to the President's FY 2024 budget request. Representatives Bentz, McClintock and Duarte did a good job asking questions associated with water management actions and funding for key projects and secured a commitment from the Secretary to work together on the topic.

Petersen reported that a new analysis by both the Congressional Budget Office and the U.S. Department of the Treasury suggest that the debt ceiling could be breached as soon as June 8.

Dennis Cardoza, and Bill Ball provided additional information on federal affairs.

Petersen reported California's budget enters its climactic phase this month with Governor Newsom and lawmakers are at odds over closing a projected shortfall of \$22.5 billion. Petersen reported that Governor Newsom is expected to present his updated budget proposal May 12.

Petersen reported that the State Water Resources Control Board issued a Notice of Availability of the second revised draft Initial Biological Goals for Lower San Joaquin River Flow Objectives for review and comment. Petersen reported that written comment letters must be received by 12:00 pm on Friday, May 12, 2023.

Petersen reported that the California Water Plan team will begin a series of virtual workshops on the California Water Plan Update 2023 resource management strategies (RMSs). Petersen reported that the first workshop will collect public input on the draft Watershed Management RMS.

Petersen reported that on April 28, the California Air Resources Board voted to approve the Advanced Clean Fleets regulation. This means local government fleets must transition to 100% zero emission medium heavy-duty trucks by 2035.

Kristin Olsen provided additional information on state affairs.

12. **Agenda Item 16: Executive Director's Report.**

- a. **New Board Member Tour**- Executive Director Federico Barajas reported that a new Board member tour is scheduled for May 15, 2023.
- b. **Strategic Plan Workshop** – Executive Director Federico Barajas reported that the second Strategic Plan Workshop is scheduled for June 21, 2023.
- c. **Metropolitan Water District (Met)** – Executive Director Federico Barajas reported that Met owns land in the Delta and are in the process of developing a Wetland Restoration Program, and are requesting a letter of support from the Authority.

13. **Agenda Item 17: Chief Operating Officer's Report**

- a. **Hyacinth** - Facilities O&M Director Bob Martin reported that Mendota Pool Hyacinth control coordination meetings will be reconvening soon.

- b. **FY25 OM&R Budget Process** - Facilities O&M Director Bob Martin reported that the budget process has begun, and the Operations Maintenance Technical Committee Tour is scheduled for Monday, May 22, 2023.
- c. **Power Outage** - Facilities O&M Director Bob Martin reported that there was a complete PG&E power outage this morning at O'Neill. Martin reported that due to this outage there was a spill into the Volta Wasteway.

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

Executive Director Federico Barajas introduced Liz Kiteck from the Central Valley Operations Office (CVO) of the Bureau of Reclamation to provide an overview of CVP water operations and the latest forecasts. Kiteck reviewed storage levels for various CVP facilities, and highlighted that the federal share of San Luis Reservoir was expected to remain full for the rest of May. Kiteck further reported on excess conditions in the Delta, and contractor demands.

15. Agenda Item 19: Committee Reports.

- a. **Water Resources Committee** – No report.
- b. **Finance & Administration Committee** – Chair Anthea Hansen reported that the committee met and addressed agenda items.
- c. **O&M Committee** – Chair Chris White reported that there is an upcoming O&M Committee Tour scheduled May 22, 2023.

16. Agenda Item 20: Outside Agency/Organization Reports.

- a. **State and Federal Contractors Water Agency (SFCWA)** – Executive Director Federico Barajas reported that the next SFCWA meeting is June 15, 2023, with the board to discuss CalPERS obligations and refunds.
- b. **Family Farm Alliance (FFA)** – Report included in the packet.
- c. **Farm Water Coalition** – Mike Wade reported that they have been working with Authority staff on several newsletters, and multiple other outreach efforts including the Colorado River.
- d. **Association of California Water Agencies** – Executive Director Federico Barajas reported that the Spring ACWA Conference is next week.
- e. **Water Blueprint for the San Joaquin Valley (WBSJV)** - Water Policy Director Scott Petersen reported that the Blueprint Board met on February 15, approving the execution of a contract with the Hallmark Group for association management services and authorizing the Communications Committee to work with the Advocacy Committee to develop a

Communications Plan to guide communications for the organization.

- f. **SJV CAP** - Water Policy Director Scott Petersen reported the CAP Plenary authorized the formation and the development of charters for five work groups, who will be tasked with creating priorities to implement various provisions of the approved Term Sheet.
- g. **CVPWA** – No report.

17. Agenda Item 21: Board Member Reports.

No reports.

18. Agenda Item 22: Reports Pursuant to Government Code Section 54954.2(a)(3)

No report.

19. Agenda Item 23: Adjournment.

The meeting was adjourned at approximately 12:03 p.m.