



## MEMORANDUM

TO: SLDMWA O&M Technical Committee

FROM: Paul Stearns, O&M Manager, SLDMWA

DATE: October 11, 2018

RE: O&M Cost and Budgeting Consideration for the Delta-Mendota Canal (DMC)  
Tile Drain Sumps and Drainage Management

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### BACKGROUND

In 1953, in the effort to mitigate for drainage issues along the western side of the Lower DMC, a tile drain system was installed by Reclamation along an 11.5-mile stretch from the end of the lined section of the DMC (milepost 98.64) to Washoe Avenue (milepost 110.12). This tile drain system collects the subsurface drainage and carries it to a lateral tile drain system that parallels the DMC. The water was pumped from six collection sumps (A-B, C, D-E, F-G, H-J, K) into the DMC. These sumps were installed under a long-term commitment by Reclamation to mitigate for drainage impacts in the unlined portion of the Delta-Mendota Canal resulting from its construction and operation.

In 1988, the California Regional Water Quality Control Board imposed monitoring requirements on Reclamation's sumps. Since, concerns by U.S Fish & Wildlife Service (USF&WS) over the poor water quality entering the DMC from these tile drains were raised over the years. In 2009, it was the desire of Reclamation and the USF&WS to incorporate these sumps into the Grassland Bypass Project's San Joaquin River Improvement Project to eliminate the discharge from the freshwater deliveries to the managed wetland areas. This desire was incorporated into the 2010-2019 Grassland Bypass Project's San Luis Drain Use Agreement and Biological Opinion. In 2014, Reclamation entered into a license agreement with Panoche Drainage District to install new facilities to redirect the discharge from the six tile drain pumps to SJRIP and to O&M the new facilities, the DMC Sumps, and associated pumps on Reclamation's right-of-way. Reclamation also provided approximately \$500k of funding for the design and construction of the new facilities.

Prior to PDD assuming the responsibility for O&M, the Water Authority performed the work as part of the overall DMC O&M. The license contemplated the Authority, and Panoche entering into a separate agreement(s) for O&M of the facility. Unfortunately, that agreement was not completed. The license provided that PDD assume the O&M responsibility but was silent on who

was responsible for the cost related to the O&M work. However, since 2014 PDD assumed all the cost associated with the O&M of the pumps and motors including the cost to power the pumps and management of the redirected flow. In 2017, PDD informed Reclamation and the Authority that the O&M costs of the tile drain pumps as well as the cost of the drainage management should be more appropriately borne by Reclamation/SLDMWA under the Transfer Agreement. After several meetings with Reclamation, Reclamation informed the Authority in early October that they agree that the O&M costs at issue should now be part of the overall Delta-Mendota Canal O&M costs and should be included as part of the Authority's O&M rates. The Water Authority is awaiting a formal written notification from Reclamation on this requirement.

### **O&M COST**

Prior to 2014, the Water Authority's average costs per year to O&M the tile drain pumps were \$22,000.00.

PDD has provided the Authority the estimated FY19 O&M costs associated with the sump pump and drainage management (see attached). The cost includes the direct costs associated with O&M of the sump pumps/motors and 12% of the costs related to the O&M of the SJRIP. The twelve percent is based on the DMC flows constitutes 12% of the total SJRIP flows.

### **ISSUE FOR DECISION**

Whether to amend the FY19 and include in the FY20 O&M budget to accommodate these unanticipated costs associated for the O&M of the tile drain pumps and drainage management by PDD.

### **RECOMMENDATION**

We recommend following Reclamations decision and include the appropriate related O&M costs and in addition, enter into an agreement with PDD for the O&M for the DMC sump pumps and drainage management of the DMC subsurface drainage flows.

**Reclamation's DMC Sump Water Management  
SLDMWA Fiscal-Year Mar 2018 - Feb 2019**

<b>Premise</b>		
	1,300	Avg. Metered Sump Discharge (af/yr)
	12%	of SJRIP annual inflow
	\$2,648,724	2018-19 SJRIP Annualized O&M Budget
	\$788,701	2018-19 SJRIP Non-Participant Fee Revenue
<b>DMC Sump Operation</b>	<b>Budget</b>	<b>Forum</b>
100% Share Operation	\$16,000	PDD
100% Share Maintenance	\$6,500	PDD
Sub-Total:	\$22,500	
<b>SJRIP Discharge Management</b>		
12% Share of 2018-19 SJRIP NPF Revenue	-\$94,644	SJRIP
12% Share of 2018-19 SJRIP Cost	\$317,847	SJRIP
Sub-Total:	\$223,203	
<b>Discharge Management Monitoring and Mitigation</b>		
6% Share of Water Quality Monitoring	\$12,300	GBD
12% Share of Biological Monitoring and Habitat Mitigation	\$1,200	GBD
12% Share of Egg Monitoring	\$13,200	GBD
Sub-Total:	\$26,700	
TOTAL:	\$272,403	2018-19 Fiscal-Year

PDD = Panoche Drainage District

SJRIP = San Joaquin River Improvement Project

GBD = Grassland Basin Drainage



# United States Department of the Interior

BUREAU OF RECLAMATION  
Mid-Pacific Region  
South-Central California Area Office  
1243 N Street  
Fresno, California 93721-1813

IN REPLY REFER TO

SCC-100/114  
2.2.4.22

OCT 18 2018

VIA ELECTRONIC MAIL AND U.S. POSTAL SERVICE

Ms. Frances C. Mizuno  
Interim Executive Director/Assistant Executive Director  
San Luis & Delta-Mendota Water Authority  
P.O. Box 2157  
Los Banos, CA 93635

Subject: Operation and Maintenance Costs Associated with Delta-Mendota Canal Sump Pumps  
And Drainage Water – Firebaugh, California – San Luis Unit – Central Valley Project

Dear Ms. Mizuno:

*Frances*

On September 5<sup>th</sup>, 2018, the San Luis and Delta-Mendota Water Authority (Authority) and Panoche Drainage District (PDD) met with the Bureau of Reclamation (Reclamation) regarding the above subject. The purpose of this meeting was to discuss the Operation and Maintenance (O&M) for the Delta-Mendota Canal (DMC) sump pumps (A-B, C, D-E, F-G, H-J, K) and the cost of handling drainage water produced by these sump pumps, which is relatively high in selenium content.

To support compliance with the terms and conditions of the Grassland Bypass Project Biological Opinion, Reclamation provided approximately \$500,000 under grant R09AP20025 to PDD to re-plumb existing DMC sump pump discharge points from the DMC to the San Joaquin River Improvement Project (SJRIP). The SJRIP is managed by PDD on non-Reclamation lands. In 2014, Reclamation issued a license (14-LC-20-0520) to PDD to install, operate, and maintain facilities on Reclamation's right-of-way for the above noted DMC sump pump re-plumbing. Pursuant to the license, the licensee (PDD) had agreed to provide O&M of the new facilities, DMC sumps, and associated pumps pursuant to the terms and conditions of a separate agreement that was being negotiated between the licensee and the Authority. However, for reasons unknown to Reclamation, the separate agreement was never executed and PDD has absorbed the costs associated with the O&M of the DMC sump pumps since 2014.

PDD believes the costs should be shared more broadly, and Reclamation believes its SJRIP related grants totaling more than \$30 million over about the past 10 years more than covers its past and future share.

Absent any other acceptable arrangement for the O&M of the DMC sumps, Reclamation must rely on the existing agreement with the Authority titled "*Agreement to Transfer the Operation,*

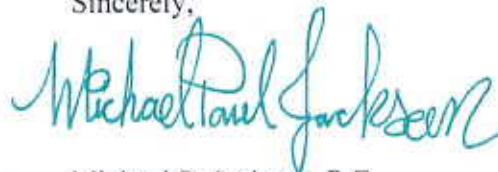
*Maintenance and Replacement and Certain Financial and Administrative Activities Related to the San Luis and Delta-Mendota Canals, Tracy Pumping and O'Neill Pumping/Generating Plant, San Luis Drain and Associated Works*", Contract No. 8-07-20-X0354 ("Authority Transfer Agreement").

Under the Authority Transfer Agreement, the Authority is responsible for the DMC sumps O&M. Although Reclamation has determined that the O&M of the DMC sumps falls under the Authority Transfer Agreement, Reclamation has not made any determination on the appropriate activities, costs, or methods of assessment associated with such O&M.

In closing, Reclamation is hopeful that PDD and the Authority can reach an equitable and amicable understanding and agreement to resolve this matter.

If you should have any questions regarding this letter, please contact Mr. Jeffrey Papendick at 559-262-0310, by email at [jpapendick@usbr.gov](mailto:jpapendick@usbr.gov), or myself at 559-262-0300, or for the hearing impaired at 800-877-8339.

Sincerely,



Michael P. Jackson, P.E.  
Area Manager

cc: Mr. Ara Azhderian  
Panoche Water District  
52027 West Althea Avenue  
Firebaugh, CA 93622