

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
MINUTES – OPERATIONS & MAINTENANCE
TECHNICAL COMMITTEE
October 19, 2020**

The Operations & Maintenance Technical Committee of the San Luis & Delta-Mendota Water Authority convened at approximately 9:30 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 Chris White.

Committee Members Present

Exchange Contractors

Chris White, Chair/Member - Jarrett Martin, Alternate

Friant Water Authority

Chris Hickernell, Member

Lower DMC Area

Absent

Mendota Pool Area

Danny Wade, Member

San Felipe Area

Gary Nagaoka, Member

San Luis Canal Area

Kelly Vandergon, Alternate for Bill Pierce

Juan Cadena, Member

SLDMWA Technical Staff

Bob Martin, Member

Paul Stearns, Alternate

Upper DMC

Bobby Pierce, Member - Adam Scheuber

USBR

Nader Noori, Alternate

SLDMWA Staff Members Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer
Frances Mizuno, Special Projects
Administrator
Cathy Bento, Accountant II
Jim Lenhardt, Electrical Project Specialist
Rebecca Akroyd, General Counsel
Darlene Neves, Supervisor of Operational Accounting
Steve Larsen, Senior Plant Engineer
Jaime McNeil, Engineering Manager
Scott Petersen, Water Policy Director
Stewart Davis, IT Officer
Charles Reyes, Electrical Engineer

Others Present

Michael Peters, Kaweah Pump, Inc.

Corrections or Additions to the Agenda

None

Opportunity for Public Comment

None

I. Agenda Item 4: Committee to Consider Approval of October 21, 2019 O & M Technical Committee Meeting Minutes

Since the meeting minutes were not provided in advance, the Committee members were afforded a few minutes to read them over during the meeting.

Gary Nagaoka made a motion to approve the minutes as presented, and Danny Wade seconded the motion. The vote on the motion was as follows:

AYE:	White, Hickernell, Wade, Nagaoka, Vandergon, Cadena, B. Martin, Bobby Pierce
NOES:	None
ABSTENTIONS:	None

2. **Agenda Item 5: Committee to Consider Recommendation for Approval to the Finance and Administration Committee of the Proposed O&M Budget, Including the Extra-Ordinary, CIP, and Routine O&M Budgets for FY22.**

Paul Stearns reviewed the Total Budget Comparative Summary table (page 6) which outlines the differences in both the Total O&M and EO&M budgets between FY21 and FY22. He noted that the overall increase is 5.69% and that this proposal included a 3% salary adjustment placeholder. He also mentioned that a salary survey was being performed and the salaries will be adjusted accordingly upon completion and approval of the survey results. He then reviewed the O&M Budget Comparison table and discussed the individual line items where the budget difference was $\pm 5\%$ between FY21 and FY22. He pointed out that there was only a slight increase of 1.22% in the FY22 O&M Budget.

Bob Martin presented the justification for a new Engineering Technician position that was included in this budget proposal.

Water Authority staff provided justification information for the following Special Projects:

- Accusonic flowmeter panel replacements for SPP - \$50K (Bob Martin)
- DCI ventilation system improvements (\$17.K) (Steve Larsen)
- JPP unit discharge line 10" valve replacement – \$15K (Steve Larsen)
- JPP unit 4 CT upgrade – \$30K (Jim Lenhardt)
- Omicron CMC Test Set -\$50K (Jim Lenhardt)
- JPP main unit air vent, bypass, and cooling water valves rehab - \$12.5K (Steve Larsen)
- O'Neill cooling water piping & valves - \$16K (Paul Stearns)
- TFO Breaker upgrades \$30K (Jim Lenhardt)
- Upper DMC SCADA upgrades \$60K (Jaime McNeil)

Paul noted that this completed the presentation on the proposed FY22 O&M Budget and turned the meeting over to Bob Martin to complete the proposed FY22 EO&M Budget.

Bob began the presentation with a review of the SLDMWA 10 Year Plan for the EO&M and CIP projects. He mentioned that the 10 Year Plan identifies at least 10 projects each year until FY 2026. He noted that this plan is reviewed annually by the engineers and foreman and highlighted the importance of completing these projects in the year in which they are scheduled.

Bob reviewed the FY22 EO&M Project Funding Summary (page 28), identifying the estimated cost for each of the proposed FY22 EO&M projects.

Bob then reviewed, in detail, each of the proposed projects listed below:

EO&M Projects

- ONP Pump Bowl Replacement (Design & VE Study)
- TFO/LBFO/DCI Arc Flash Study
- Penstock Cathodic Protection System Replacement
- ONP Penstock Cathodic Protection System Replacement
- JPP Unit Rewind – Phase 5 (Labor Only) (U1 & U4 Partial)
 - Pablo Arroyave presented information on the financing options for the remaining phases of this project. The Board approved public financing the cost for the final two units for a total of up to \$12.5. Pablo noted that the Friant Water Authority preferred paying their share up front. He also noted that there will be a special Board meeting this week (10/21/2021) to discuss and provide further guidance on the financing for the project.
 - Chris White pointed out that the costs for the EO&M & CIP over the next several years are significantly higher than they have been in the past, but these projects are necessary and sufficient to keep the system reliable. Pablo concurred.
- ONP WECC Testing by USBR Denver Office
- JPP Purchase Wear Rings for Pumps
- ONP Main Transformer Rehabilitation - Phase 2
- DMC O&M Road Maintenance Program - Phase 1 of 10
- ONP UPS Battery Charging System Replacement
- DMC Turnout Flowmeter Upgrade - Phase 2 of 3

Reserve Projects

- Heavy Equipment Replacement Program (Jim Lenhardt presented the information)
- Vehicle Replacement (Jim Lenhardt presented the information)
 - Chris White requested Jim further evaluate the disposal of vehicle 2601, to ensure he is efficiently moving vehicles from the primary fleet to the secondary fleet and then to disposal
- Facility Infrastructure Replacement/Rehabilitation Program
- Replace Computer/Network Communication Equipment (Stewart Davis assisted with presentation)

Special Funded Projects

- JPP Unit Rewind – Phase 5 (U1 & U4 Partial) (Contract Costs Only)

Per Chris' request, Bob explained the next step in the process, which would be, if agreed by

the Committee, submitting the proposed budget to the Finance & Administration Committee for review on November 2nd and, ultimately, recommending it to the Board of Directors for approval.

Chris White thanked the Water Authority staff for the thorough analysis and detailed presentation on the projects and budget information. He then asked if there were any other questions regarding the FY23 O&M and EO&M Budget submittal for the staff. Kelly Vandergon asked if the Board of Directors had considered the long term planning associated with work load availability for this position. Bob Martin noted that the staff presented a very comprehensive labor analysis to the O&M Technical Committee last year, which identified several positions that needed to be added to the Water Authority staff on both the engineering and the maintenance side of the house, and only about half of those positions were filled last year. He explained that, from discussions with management staff, it was decided to “ride this out” and see how the current staffing manages the number of projects. He continued, stating that this year, they are only asking for one position, the engineering technician position, based on the project needs. Of all the other positions identified, this position has been given the highest priority, and will be the most productive. Bob noted that the plan is to “ride this out” and if, at a later time, it is determined that the needs of the projects necessitates additional staff, then these positions will be presented in future years. Bob asked Kelly if this explanation answered his question, and Kelly said it did. Chris Hickernell asked if the Water Authority is considering other funding types for the major projects listed on the 10-year Plan. Federico Barajas explained that the Water Authority is evaluating a variety of funding options for the projects on the 10-year Plan, as well as the water infrastructure investments, such as the DMC Subsidence Correction Project and BF Sisk Dam Raise Project. The Water Authority is looking at WIFIA Funding, Reclamation’s RAX Program or Public Bond funding opportunities. The Water Authority will be developing funding strategy discussions with the Board. Chris Hickernell said thank you.

Member Chris Hickernell motioned for Approval to the Finance and Administration Committee of the Proposed O&M Budget, including the Extra-Ordinary, CIP, and Routine O&M Budgets for FY22. Member Bobby Pierce seconded the motion.

AYE:	White, Hickernell, Wade, Nagaoka, Vandergon, Cadena, B. Martin, Bobby Pierce, Noori
NOES:	None
ABSTENTIONS:	None

Both Bobby Pierce and Nader Noori verbally thanked the Water Authority staff for the effort associated with putting together this presentation. Bob Martin then thanked Cathy Bento for her effort in compiling all the budget information provided in the budget proposal.

3. Agenda Item 6: Review Status of Current O&M Projects, including Jones Pumping Plant Unit Rewind.

Chris White noted that we have already discussed the JPP Unit Rewind Project and turned it over to Bob. Bob mentioned that the Water Authority has been working with Reclamation on several projects associated with the DMC Subsidence Correction Project. The first project he mentioned was the installation of two additional pumps at the Intertie Pumping Plant and the status of each of the three contracts associated with the Project. The three contracts are: the pump & motor contract, the valves & gates contract and the installation contract. The estimated cost for the three contracts was \$3-4M. The second project mentioned was the USBR Appraisal Study. Bob listed the activities that were part of the study. He reviewed a table that was generated from the results of the HEC-RAS model. It indicated that almost 92 miles of the 116-mile-long DMC will require the concrete lining to be raised. He also reviewed a graph that showed the height, in feet, of the amount of concrete lining that needed to be raised for the entire length of the DMC. He then reviewed a table that identified the number and types of structures that needed to be modified based on the data from the HEC-RAS model. Bob then reviewed the items that remain to be completed in Reclamation's Appraisal Study on this project. Chris White asked when the Appraisal Study will be completed, and Federico Barajas noted that this project is one of the Reclamation's highest priority projects and it has provided the funding for this Appraisal Study. However, the schedule for completion of the Appraisal Study will be driven by the date the Continuing Resolution is lifted, which is supposed to be on December 11th. He also noted that the plan is to keep the priority level of this Project high, so that it moves directly to the Feasibility Analysis immediately following the completion of the Appraisal Level Study.

4. Agenda Item 7: Discuss Anticipated O&M Projects.

Bob provided a summary review of the larger scale projects identified on the 10-year plan. He also noted that the project cost information in the out years of the 10-year plan are just placeholders. He stated that the aim is to put a team together to perform a detailed cost analysis for each project on the plan, so there will be more confidence in the project estimates in the out years. Bob also noted that as a result of the recently renewed Transfer Agreement with Reclamation, the SLDMWA is only required to prepare and submit a budget for the upcoming fiscal year. As a result, the SLDMWA is not required to prepare the preliminary budget the following fiscal year. Bob stated that this package doesn't include any budget information for the following fiscal year (FY23).

5. Agenda Item 8: Review Action Items from Meeting

Bob noted that the only action item was the request by Chris White for Jim Lenhardt to efficiently move replaced vehicles from the primary fleet to the secondary fleet and then to disposal.

6. Agenda Item 9: Confirm Date, Time, and Location for Next Meeting

Bob stated that with the Committee's approval of the two agenda items, there is no need for another meeting for this year's process. The next meeting will be the tour of the projects next Spring, as long as the COVID protocols allow the meeting.

7. Agenda Item 10: Reports Pursuant to Government Code Sec 54954.2 (a)(3)

No Reports Given

8. Agenda Item 11: Adjournment

The meeting was adjourned at 12:17 p.m.