

Water Wrights



Friant Water Authority March 26, 2020

By Don A. Wright

The **Friant Water Authority** board of directors met on Thursday, March 26, 2020 by telephone. My first several attempts to call in were met with an old fashioned busy signal. I called the **FWA** headquarters in Lindsay to see if the number posted on the website was correct. The courteous and helpful staff and I believe there might be a lot of folks calling in all at once. The Friant website also became sticky slow as the 10:00am announced time. I was able to get in at about 10:14am. I wasn't able to find an agenda or packet – which is something Friant has always been good about providing. It's a new day and when I joined the consent calendar was just being approved. We all will have to work together to adjust to teleconferencing. I've been going to Friant long enough to recognize many of the voices but that's not the same as direct observation and without an agenda . . . Keeping that in mind; there is a comment section at the end of this report and we'll entertain corrections.



Geoff Vandenheuvel kindly informed me there were two reportable actions from the closed session held just before this meeting. 1 – FWA will join the lawsuit to defend the federal 2019 Biops against the state and 2 – an ad hoc committee was formed to negotiate with the Eastern Tule GSA.

As I fully joined the flow the discussion of providing digital board packets was going on and if I'm not mistaken the board will pursue that. **COO Doug DeFlicht** is in charge of that project.

Item 12 b was next. **CFO Don Willard** spoke about the Friant payments to the San Luis Delta Mendota Water Authority for delivering exchanged water from the Delta to the Exchange Contractors. There is an audit going on and Davis sees a \$1.3 million refund to Friant. Allocations to SLDM are changing and therefore the amounts of money owed changes as well. **CEO Jason Phillips** said there could be a 15 percent allocation in April by the US Bureau of Reclamation. The cash reserve was set at \$600,000 for SLDM payments.

Willard then made a call for funds of \$? due April 30th. Chairman **Chris Tantau** called for the vote and it passed. The reason I don't know the amount was a robo-operator announced someone left the meeting at the exact time the figure was said. Again, learning teleconferencing skills.

Friant Kern Canal Fix

Item 13 was reports and it sounded like Phillips was speaking about permits to repair the Friant Kern Canal will be in place by December 2020. Tulare Irrigation District's General Manager **Aaron Fukuda** asked about the feasibility report and that's on schedule as well. **Tom Barcellos**, Lower Tule ID asked if the shelter in place will upset the schedule. I believe DeFlicht said Stantec Engineering is used to working from home – the USBR not so much but there are still unknowns for the next 30-60

days but from what he's hearing there shouldn't be a delay. Many of the appraisal inspections of the land acquisition have been completed. I think it was FWA attorney **Don Davis** who said that.

A financial update was given and it sounded like Phillips said there are five issues related to the FKC repair; the cost sharing agreement with the USBR decided at the local office, not I Colorado or Washington DC. I believe it was **Rick Borges**, TID who requested the reimbursable versus non-reimbursable be separated so there are no surprises later on. If I understand correctly the terms reimbursable and non-reimbursable means how much money Friant (or another entity working with the feds) will owe the government. In other words if the feds spend \$100 million on a project and it's reimbursable funds the entity benefiting from the expenditures must reimburse the feds for the money spent. Non-reimbursable funds are on the general USA taxpayer in the form of USBR expenditures from the USBR budget's pocketbook.

Fergus Morrissey GM Orange Cove ID wanted to know how much funding is secure at this time. Phillips took a guess at a commitment of funds to start construction by the end of this year but not the entire amount at this time. Phillips suggested a workshop to gather all the various possibilities. **Edwin Camp**, Arvin Edison WSD said it is important to remember to have as little private financing (not private companies and individuals but Friant contractors) as possible. That is a position favored by most districts downstream of the kink. **Kent Stephens**, Kern Tulare WD said delay is unacceptable.

The urgency to get the money to fix the canal must ramp up. Phillips said there is a finance team in place and he understands the difference between the districts above, at and below the pinch point and there is frustration because of the different impacts both fiscally and from a water delivery standpoint. There will be a need for millions of dollars in financing payments. He said the meeting of districts downstream of the kink needs to have more directors with plans to join in the effort. If I understood correctly. Phillips said the priority is to work this out and he sees a need for more private investor involvement. He did say he has high confidence in reaching a cost share agreement with a target of keeping Friant's contribution at \$50 million. Orange Cove ID suggested the capacity increase and shares are a good start to model investments. There will be a workshop on this issues soon.

Title Transfer

Phillips said there isn't much happening to report but there will be a report and MOU being prepared. The next action will be whether or not to approve the MOU and that doesn't commit to title transfer of the FKC from the Bureau to FWA. It does give the process some parameters going forward.

Other Reports

Johnny Amaral gave his external affairs report saying even with the coronavirus response staff has been able to continue working with the state legislators and their staff. An outreach plan with State Senator **Melisa Hurtado** on a bill to fund FKC financing is going forward. There is a water bond being looked at. FWA's Government Affairs & Communication Manager **Alexandra Biering** reported the much of the state's funding focus is on the coronavirus but there is some good crossover with agricultural needs and what will likely find its way into the governor's budget. She said there is a growing awareness of ag's contribution to the people of California. Hollywood has shut down but farming is rolling along. Amaral said the Washington DC federal legislature will be shutdown until later in April. There is a \$2 trillion stimulus bill that has passed the Senate and is awaiting to be heard remotely by the House. The bill includes payments all over the place – billions for local and state governments, certain industries, health care and not so much for construction and infrastructure. There are other stimulus bills being contemplated in the near future.



Amaral said if this includes construction and infrastructure Friant will be looking for its place. The Washington DC trip has been postponed as was the annual meeting. There is no alternate date set. It sounded like a report on the NASA ASO reports were about to start but there was outer space noises and echo and feedback squeal.

Water Report

FWA's new Water Resource Manager **Ian Buck-Macleod** said the ASO flights should begin in April and that will inform the Bureau about the snowpack from March and so far the snow water content is at 50 percent and that's better than a poke in the eye with a sharp stick.

Buck-Macleod explained the scenario of a Shasta critical year that could reduce the Exchange Contractor's allocation 75 percent which has direct impact on how much San Joaquin River water goes to Friant contractors. The Bureau could and has redirected SJR water from Friant to Ex Con. That was in water years much worse than this year.

Phillips added the South of Delta allocations for the CVP is low but without the new biological opinions it would probably be zero before the Shasta temperature plan is developed. He said the cooperative operating agreement between the DWR and the feds has helped as well. He said without these new agreements this would be a very bad year for CVP supplies.

Friant allocations were next. Phillips said he believes **Michael Jackson** of the Fresno Bureau office is not anticipating an increase in allocations at this time. There are so many moving parts to determining allocations: flood flows into Millerton Lake. This reservoir holds about half a million acre feet while the SJR watershed can yield four or more times that amount. There are flows for restoration of salmon returning to Friant Dam. There is Class I and II water, Section 215 water. It's still early in the season for a final allocation.

San Joaquin Valley Water Blueprint

Austin Ewell spoke about recent tele-meetings of the Blueprint committees and there has been press coverage. A focus on Dr. **David Sunding's** economic impact report Phase I has been started in the outreach efforts. The next step will be a report from Stantec and MBK engineers on how to

mitigate the extremely negative impacts from SGMA. There are more opportunities to partner with NGOs, a meeting with growers from the Valley and the Delta has been rescheduled and Fresno State University is putting together a meeting for all the stakeholders and partners.

Someone said California Secretary of Resources **Wade Crowfoot** was told the Blueprint is a run around to get rid of SGMA. So there are still outreach efforts needed. Evidently Crowfoot straightened them out. Good for him, maybe, I wasn't clear. Phillips said there are plenty of NGOs out there that need to be reached. There are entities out there focused on retiring land. They don't want to talk about the economic impacts and the water balance. Efforts to get grants and bonds to pay for this land fallowing without consulting ag are already underway. No one spoke to growers about this.

The Environmental Defense Fund has contracted with the East Kaweah GSA to start a fallowing plan and that is something Phillips warned about. Ewell said there have been one on one discussions with Crowfoot and some of the NGOs about how the Blueprint isn't about short circuiting SGMA.

Someone asked if it's known if The Nature Conservancy is opposing the Blueprint and Phillips said more behind the scenes. TNC wants to work with farmers but it doesn't fully support the Blueprint. Fukuda said we need to partner with groups willing to support ag and not just cherry pick projects.

Michael Hagman, Executive Director of the EKGSA said there will have to be fallowing in his GSA and unless someone can bring them more water it's best to do so in an organized manner. Partnering with EDF will help bring in some funds. Phillips said EDF is looking at fallowing and water markets as the only mitigation and the Blueprint goes beyond that. It's important the perception of partnering with EDF isn't an endorsement of water marketing as a fix of the water shortage. **Sean Geivet**, GM Porterville ID said water marketing isn't a fix to SGMA's economic impacts and Sacramento needs to know this.

Amaral said one indication in politics is you know you're over the target when you're getting flack. He said when the Blueprint began there wasn't much push back. Now entities are realizing its impact and value is getting traction. He said staying the course is the best way to deal with this opposition.

USBR

Jackson joined the meeting saying the COVID-19 action by the Bureau is all offices have gone to staggering employees to keep from too many people gathering. There is still some work at the office and some work at home. There are many teleconference meetings and some software updates for internal use. Anyone at the Bureau 65-years old and older or with underlying health conditions are working from home. There were some employees at Friant Dam under the weather but not confirmed as coronavirus. A contractor was retained to do a deep clean and disinfect that facility. Jackson said he just heard Fresno Mayor **Lee Brand** has extend the coronavirus shut down for another two weeks.

Jackson said the northern portion of the CVP hasn't been receiving much precipitation and the lower, earlier allocations haven't been changed yet. But this could change by April as the latest storms will be figured in. He sees a similar response with the Friant CVP division and he could see better news by early to mid-April. He'll have to confer with Regional Director **Ernest Conant**.

Updates

Someone gave an update on the FKC water quality ad hoc committee. A proposal for a comprehensive water quality plan is being worked on. This will ultimately be something all the Friant contractors and the Bureau can agree to. Camp added the ad hoc committee has done some great work and shown flexibility. He said there are some points yet to get wrapped up but it's close to being as palatable as its going to get and it move forward.

Attorney **Don Davis** said it has been a good thing the state has allowed more flexibility in meeting remotely. He said there is a fair amount of the public involved today and that's a good thing.

Phillips gave his CEO report saying the action taken last month on including non-FWA Friant contractor directors at the table needs the home boards to take this up and choose a director. Some districts said they will but none have responded just yet. That will allow for a wider dispersing of sensitive board material.

Tantau said he appreciates the hard work and willingness to meet under these extraordinary conditions. He's proud the farmers of the United States have been able to continue working to feed and clothe us. And that was that.

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FRIANT WATER AUTHORITY

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The Friant Water Authority is a Joint Powers Agreement with 15 districts to operate and maintain the Friant Division of the Central Valley Water Project. Water from the San Joaquin River is diverted at Friant Dam at Millerton Lake to the Madera/Chowchilla Canal to the north and the Friant/Kern Canal to the south. More than one million acres of mostly family farms and numerous communities get their surface supplies from the Friant Division.

Staff: CEO Jason Phillips, COO Doug DeFlicht, CFO Don Willard, Government Affairs & Communication Alexandra Biering, Water Resource Manager Ian Buck-Macleod, Superintendent Chris Hickernell and Attorney Don Davis.