

Water Wrights



Friant Water Authority June 25, 2020

By Don A. Wright

The **Friant Water Authority** had its Thursday, June 25, 2020 board of directors meeting remotely. The meeting started up at 10:00am. Secretary **Toni Marie** asked those on the line to identify themselves and someone said, “Here.” Not really sure who that was.” Audio was so/so but I was on the computer rather than the phone. After roll call Chairman **Chris Tantau** invited public comment and there wasn’t any. The consent calendar was approved without comment as was the agenda. The roll call of actual **FWA** members was next. I swear I heard someone from Delano Earlimart ID reply, “No comment,” when it that district’s turn to respond.

The first action item was presented by attorney **Don Davis**. Gravelly Ford Water District has asked to join FWA on a trial membership. **Don Roberts** is the General Manager at GFWD and if they were to become a full member their percentage of membership would be about three percent of FWA. The board was

very welcoming and GFWD is in the que to give trial membership a . . . trial I guess.

COO **Doug DeFlitch** presented the board the 2020/2021 proposed O&M budget. He said there is about a three percent increase from last month and broke down the categories. It totals almost \$8 million for 2021. Since 2021 is a de-watering year its maintenance expenses will be higher than a normal year. There was some talk back and forth but the motion passed and the budget is in place for next year.

Contract Awards

Davis was next talking about how to contract for Friant Kern Canal repairs. FWA can send out bids and so can the US Bureau of Reclamation. **Richard Welsh**, the Bureau’s Principle Deputy Regional Director gave a presentation for the board to consider having the Bureau put out the bids and manage the project. Unfortunately Welsh’s audio was less than prime. The agenda item stated if FWA puts out the request for bids it can only use the low-bid method when awarding a contract. Reminds me of a **Bruce Willis** movie when he took a drill team to an asteroid on path to impact the world and



Figure 1 Doug DeFlitch at subsidence ground zero

destroy it. The team was strapped in the space shuttle awaiting liftoff when someone pointed out they were about to blast off into outer space sitting in a machine made up of 250,000 parts built by the lowest bidder. Well, if the Bureau puts out the request for bids it can use best value contract procurement which gives better flexibility in getting a contract that goes beyond lowest cost. Issues such as scheduling and technical ability can be taken into account. In Welch's experience this has proven very beneficial. It also allows partial funding upfront and a dedicated team from the Bureau and FWA would oversee the project. Welch said if FWA were to serve as the contracting entity it would have to hire staff and consultants the Bureau already has.

Welch said there is some paperwork that needs to be finished no matter who contracts but he said he recommends if Friant chooses the Bureau to handle this it needs to come to a decision within the next month or so for an October or November bid release. There were questions about costs of the proposed construction management organization. FWA CEO **Jason Phillips** explained the actual costs of having a management organization are minimal as there won't be needless redundancy. There will be oversight that protects FWA and the Bureau from cost overruns and ensures FWA will be involved in decisions at the highest level. Phillips said when he worked at USBR it was well recognized Welch is the man for construction projects. Welch thanked Phillips for the kind words and gave the board a run down of who he wants on his team. I wasn't able to keep up with all the names and experiences mentioned but it sounded pretty good to me. Many of the folks mentioned worked on the Tehama Colusa Canal project so there is some direct experience in this specialized area of expertise.

Much of this agenda item was covered in the recent Friant Executive Committee report from June 15th <https://waterwrights.net/2020/06/15/friant-water-authority-ex-cmt-june-15-2020/>, if you're curious. The City of Fresno wanted to know if voting yes on this will obligate paying for the repairs. It is true the urgency of investing financially into the Friant Kern Canal is in direct proportion to how much the subsidence is impacting supplies for some but not all contractors. Fresno Irrigation District has been the most vocal about limiting its contributions but it still acknowledges the need for the repairs. The board approved using USBR for contract procurement.

Right of Way

Davis next spoke about the need to address utility right of ways impacted by the canal repairs. Davis said planning has reached the 60 percent stage and specialist is needed to help with this very specialized task. Southern California Edison is impacted and it's not an easy bureaucracy to deal with. The firm of Bender Rosenthal Inc. has dealt with So Cal Ed many times and other utilities as well. Overland, Pacific & Cutler would be the support team for right of way clearance. The right of way was budgeted at \$1.2 million and this will add another \$441k to the bill. The board was polled and only FID was in opposition.

Conveyance Fees

DeFlicht and CFO **Don Willard** gave a proposal for the calculation of conveyance fees. The methodology needs to change as the types of water has changed. There are many types of water or colors of water. Central Valley Project water, non CVP water, Class I and Class II water, San Joaquin River restoration water and I don't know how many more types. The cost of \$10.66 per acre foot for long term Friant contractors and \$18.54 per a/f for non Friant contractors. The, I believe Lindsay Strathmore ID, was opposed to having its Watchumna supply charged extra conveyance fees. It was said after decades of integrating Watchumna water into the FKC to help out other districts in need to change the rules now is unfair. Phillips addressed this saying Friant will be working on updating the methodology further, most likely by the amount of water being conveyed but FWA is looking for a fair share payment methodology. Another consideration is if you want to move non CVP water in the FKC you have to get a Warren Act approval from the USBR and it works out to being charged twice for

conveyance – by the Bureau and by FWA. The Warren Act charge is an excess capacity fee or water rights administration fee of \$6-8 per a/f and a conveyance capacity fee of \$13 a/f that goes straight to the US Treasury and brings no benefit to the FKC. Phillips said he's given notice to the Bureau when there is more oxygen in the room this is an issue to be dealt with. Tantau asked if FWA takes title to the canal would the Bureau charges go away and the answer is yes. Friant would set the fees on the Friant Canal. The motion was for Friant fees of \$10.66 a/f and a non Friant cost of \$18.54 and it passed.

Funding Repairs

Just when you thought things couldn't getting any more meaty the funding of the FKC was next. Phillips said one piece of "really, really good news" came out yesterday. The Bureau has indicated if the project is more than \$500 million it would put up half, with \$150 million repayable by Friant. Once again the WIIN Act has been helpful as this will provide some of the identified funds. Phillips did say the federal administration needs to include allocation of fees as well as appropriation of fees to congress as a part of the budget. However, if I heard correctly, the feds have cut lose \$71 million with \$68 million is dedicated to construction. He said what President **Donald Trump** said in Bakersfield about fixing the FKC is making its way through the maze and coming out the other side. I had faith in The Don. Will Uncle Gavin come through like Uncle Sam? Remains to be seen. History provides a mixed bag on this. Governor **Gavin Newsom** has been generally supportive of the San Joaquin Valley water needs. It's unfortunate there is such an anti-personality cult in Sacramento. Political theater is safe, it's also preaching to the choir. There's got to be a lot of pressure to ride that car but true leadership should be steering and I'm optimistic Newsom will understand while the initial funding and current O&M is a federal matter the Friant Kern Canal benefits all Californians.

Phillips gave a pretty impassioned plea to all Friant contractors to participate in funding. He said the Bureau's position is all in or all out in the CVP. As an example from the Bureau's point of view folks in Porterville don't receive water from Folsom but they pay for participation and benefit from participation in the CVP and part of that payment goes to Folsom needs. Everyone in the Friant area benefits from the Friant Kern Canal, but that's not exactly the same as direct supply delivery benefits. Orange Cove ID helped put together a committee to look at how that needs to be dealt with by Friant members.

Friant has broken down the levels of investment into three Zones. Zone One is do nothing. Let the canal sink and deal with the reduced capacity. Zone Two is repair the canal to its historic capacity and Zone Three is increasing the capacity for those who want to pay extra. There is a good deal of interest in Zone Three participation and I think I heard it's about \$300k per cfs but that is expected to actually drop due to policy in the Bureau changing. It sounded like a negotiation ploy in which the Bureau asks congress for a deluxe everything upfront and sweetens the pot by trimming the fat.* In addition to the major subsidence at the Tulare Kern County line there are some kinks at the Kings River. FKC siphons its supply under the Kings River and that process constricts the cfs. This agenda item was informational and asking for input from the members.

Reports

Next was an update from the Stantec Engineering project update and DeFlitch said the project management supplied by Stantec's Janet Atkinson and seriously bad A drummer/engineer Bill Swanson and the Bureau the quantity and quality of work has been "stellar." There have been many milestones completed on or ahead of schedule. Davis said he'd trade DeFlitch responsibilities since adhering to schedule is a constant challenge. Davis said there is a great amount of work being done in coordination with Tulare County on roads and bridges and such. DeFlitch said there has also been a good deal of work on turnouts with the impacted districts.

Sean Geivet, GM Porterville ID asked who will be connecting the contractors to the new canal. DeFlicht said the specifics of head pressure and demarcation need to be decided. He said the project is responsible for this and there will be continued discussions. That satisfied Geivet.

Johnny Amaral, External Affairs authorized Phillips to give his report saying some money for Friant has made it into a proposed stimulus bill. That is a significant congressional possibility.

Ian Buck-MacLeod, Water Resource Manager must have also given Phillips authorization because Phillips said yesterdays earthquake may have shook another five percent allocation from the Bureau. After that Buck took over the report and it turns out the radical enviros were stymied in court on the Shasta temperature flow plan. However the State Board is still trying to figure out how to get its nose and nuts in the process but so far the Bureau has been responding. The Bureau can't legally do what the State Board wants and what the State Board wants won't have any positive or negative impact on fish and the State Board is trying to make the radical enviros happy. More face saving political theater. There is a very old and true saying, "You can save face or save your butt, but not both at the same time."

Phillips pointed out water quality in the FKC is under the control of the Bureau. FWA has been trying to solve any problems in this area as a family. There is a committee working on this matter and if any contractor has a problem with water quality go to the Bureau. In the meantime as this committee develops solutions it will be presented to the Bureau with a request for changes.

The San Joaquin Valley Water Blueprint will be able to make a presentation on Dr. **David Sunding's** economic report at the upcoming remote ACWA conference. At present we need more leadership from the Valley's elected officials – they need to step up and clearly state the economic picture Sunding's report presents isn't acceptable.

The O&M report was in the packet and pretty routine. Phillips said FWA has added six months more to a very long stretch of safety.

Phillips gave his report saying the dates for a November board retreat of the 16th is still pending. He said feedback from last time was very positive. But there was a trend to have a longer retreat with shorter sessions. That could work. I've been to retreats where the day was so jampacked with sessions you're just wore out. I think they're planning on holding it at Pismo Beach. How fun. Directors were told they can bring their spouse instead of a general manager if that helps.

Tantau thanked staff for getting a room at the Visalia Convention Center so most of the board and staff was able to meet in person at a safe social distance. That was pretty much that the board went into closed session with lunch served.

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FRIANT WATER AUTHORITY

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The Friant Water Authority is a Joint Powers Agreement with 17 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.