

Water Wrights



San Luis Delta Mendota Water Authority August 6, 2020

By Don A. Wright

The **San Luis Delta Mendota Water Authority** held its board of directors meeting remotely on Thursday, August 6, 2020 from its Los Banos headquarters. It was on Zoom and the audio was in good shape. So was most of the participants as far as could be discerned from a video image one by two inches in size. Not an official medial opinion.

At 9:30am Chairman **Cannon Michael** called the meeting to order after attorney **Becca Akroyd** confirmed there was a quorum. Michael read the Big Marxist Virus meeting rules and Akroyd called the official roll call. I noticed Valley Water Director **Gary Kremen** substituted the cover of Steinbeck's East of Eden for his image in aforementioned mini-screen. Interesting choice. Think of the possibilities; an image of Churchill or Lincoln to enhance one's perceived clout.

The first order of business was determining there was no need to alter the agenda and there was no public comment at this time. Next was the consent calendar, one of my favorite items. Nothing was pulled so the calendar was accepted; Akroyd called the roll on each vote and this one passed unanimously; as one would expect.

Action Items; Rewind the Pumps

COO **Pablo Arroyave** reported on the financing of rewinding the pumps at the federal Jones Pumping Plant. There are pros and cons to both public and private financing. **SLDMWA** already has a good bond rating which will help in securing bonds. The public financing seems to be the preferred method. Arroyave believes the process can be in place by this November. The pumps are massive; drive shafts a big as trees and I mean big trees. To rewind the electric motors is a multi million dollar cost. There are some great benefits to doing so. The pumps were design and constructed to run full out. For sometime the pumps have been operated to meet environmental considerations. They have to speed up and slow down, start and stop. I imagine just the torque to get these big fellers up and spinning is massive and place a great deal of stress on the machinery. The rewind, if I understand correctly, would allow converting the pumps to variable speed drive that will prolong the life of the pumps.

Lora Carpenter, don't know if she's bond counsel or staff, explained the ins and outs of different scenarios such as 25 versus 30 year pay back. There were many terms such as liquidity and



reserve funds. Executive Director **Federico Barajas** answered some questions from Westlands Water District's **Tom Birmingham** regarding the use of federal funds. Birmingham said he believes it unlikely to obtain federal legislation to pass by the end of September. This legislation is needed to round out the funding of one of the funding scenarios that includes a Water Infrastructure Finance & Innovation Act federal loan. He felt there would be enough members of congress to get the legislation started but maybe not getting it through both Houses and to the President's desk for signing. Barajas agreed there is a challenge there. He said lobbyist **Dennis Cardoza** and staff member **J. Scott Petersen** have been working diligently in trying to obtain this goal. Birmingham suggested shifting the efforts to securing the funding by bond debt. He made such a motion and Westlands Director William Bourdeau seconded it.

Barajas said getting the loan would cost about \$400,000 to go through the application process. These efforts are underway already and almost complete. Byron Bethany ID Director **Rick Gilmore** made an alternate motion to continue pursuing a WIFIA loan. Birmingham agreed this would be a good course to follow and withdrew his motion and seconded Gilmore's motion. If I understood correctly the \$400,000 won't kick in at this point. There is some breathing room before that happens; it sounded like the trigger would be pulled in October and Barajas said there would be time to get the bond deal closed by November. At this news Birmingham suggested instead of waiting that long the board may want to authorize issuing the bonds at a later date in September. Notice we're not talking about issuing, rather authorize issuing. He thought that would be good from a marketing perspective. Director Anthea Hansen of Del Puerto WD asked if the WIFIA isn't sought this time would it be available in the future. Petersen, I think, said yes, WIFIA could be in play in the future.

Barajas suggested deciding on the 25 or 30 year bond. Consultant **Robert Porr** (he identified himself when he started talking so I know he isn't staff) said with the 25-year bond the payments will be higher but the total cost will be lower. The 30-year bond will have lower payments but a higher total cost. Carpenter suggested taking into account the live of the project. Gilmore recommended taking a little more time and running this through the finance committee one more time. The packet was several pages long with plenty of spreadsheets if you want to get into it deeper. Director **Bill Diedrich**, San Luis WD said he believes the longer term bond would best suit the need. Birmingham said he agreed with Diedrich and asked Akroyd about the way the agenda was worded. The finance and admin committee recommended the WIFIA option and since the term length wasn't part of the item would it be lawful under the Brown Act to make such a determination. She said yes. Michael asked Gilmore if he was satisfied and Gilmore said he thinks it's a big enough to have another committee meeting. Birmingham asked if staff could come back with new recommendations by the end of the month and have a special meeting. Arroyave asked Porr if this would be doable. Porr said pending legal opinion this would be possible. Director **Sara Singleton** asked if staff needs anymore input. **Joyce Machado**, head of the Authority's accounting said she's on it.

Director **Bill Pucheu**, Tranquillity ID asked to restate the motion. Someone said this couldn't be voted on in a special meeting and would have to be brought back in September. But the current motion, if I understood correctly, would be to pursue WIFIA, have staff come up with more info on the 25 versus 30 year bond and it passed.

Report Items

Barajas' Executive Report was first. He spoke about the raising of the B.F. Sisk Dam on San Luis Reservoir. Consulting Engineer **Anusha Kashayap** gave a rundown of the progress being made. There are many permits and assessments and such that must be completed. There's an online meeting August 25th and public comment deadline is in September.

Barajas talked about the San Luis Transmission line project. Come to find out Cardoza has a handle on that. One of his staff has experience in this rarified area. Barajas also said part of the updated communication plan is an executive in-brief. This is an extra report between meetings to keep the board better informed. The first one will take place soon. The managers meeting will take place next Monday.

Gov't Stuff

Petersen gave an update on government. He said the ESA has changed the definition on habitat to update the ESA. The distinction is occupied as opposed to unoccupied habitat. This is consistent with accepted science and court orders. You wouldn't know that reading the press, but now you do. The House has passed two spending packages and the White House has threatened veto. It's a partisan mess and this may well force a continuing resolution in September. The Senate is threatening to stay in session until the next Big Marxist Virus relief measure is finalized. Even more troubling is the House's threat to return to session.* The Water Resources Development Act was passed in the House. The Senate has heard Senator **Dianne Feinstein's** Water Infrastructure Act.

On the state side Delta operations and such are still being discussed. California's legislators are trying to get everything wrapped up with a deadline closing in. Many bill attempts have been paired back due to Big Marxist Virus legislation. Cardoza said Senator Majority Leader **Mitch McConnell** sent the Senate home for the weekend to display his frustration. That was about it.

COO & Water Report

Arroyave said there is a great deal of trash at the Jones Pumping Plant due to high tides and winds sending junk to the fish screens. SLDM has been on call to help the US Bureau of Reclamation in dealing with this problem. He said the situation is so bad some of the pumping has had to be reduced.

Tom Boardman, Westlands WD gave his water report saying the federal Jones Plant will start ramping down in a bit as demand drops. The state Banks Plant is planning 1,400 cfs pumping for the foreseeable future. Shasta has a good cold water pool, enough to meet the temperature plan. There should be carryover there. Folsom is starting to reduce releases and the Delta standards are relaxing this time of year and allow more exports. He expects the federal share of the San Luis Reservoir will drop below 100,000 a/f and start rising again after August. If there is a good fall and winter it will fill. Diedrich asked if Boardman thinks the state is being penalized and the feds are doing better due to the new biops. Boardman said he believes the state pumping has more to do with the situation in Oroville. The state isn't drawing much on SLR. He said the demands are lower than expected. He expects a bigger draw down in the fall.

Committee reports were next some of the committees didn't have the need to meet and those that did, such as the finance committee, the results were well discussed earlier. **Chris White**, Exchange Contractors said the O&M committee will met next week.

Mike Wade gave the Farm Water Coalition report saying a tour from last week will be posted today. The Sites Dam report is under-going ADA (Americans with Disability Act) transfers so folks with disabilities can read it too. Good for them.

Diedrich reported on ACWA saying the recent virtual conference was completed. He said the Governor's Water Resilience Portfolio was rolled out. Secretary **Wade Crowfoot**, DWR Chief **Karla Nemeth** and State Board Chair **Joaquin Esquivel** all spoke, eloquently and said the things folks wanted to hear. Diedrich said USBR's **Ernest Conant** reported on matters impacting the Central Valley Project.

Petersen said the San Joaquin Valley Water Blueprint is moving along. There will be a webinar on August 12th at noon presented by Maven's Notebook and WaterWrights.net on the Blueprint. Keep your eyes peeled for that one. We have some great panelists.

There were no board member reports and no further public comments. So, the meeting went to closed session at 11:10am. Nice length, got a lot covered and didn't bog down too much. That was that.

DISCLAIMER OF RESPONSIBILITY; Waterwrights strives to provide his clients with the most complete, up-to-date, and accurate information available. Nevertheless, Waterwrights does not serve as a guarantor of the accuracy or completeness of the information provided, and specifically disclaims any and all responsibility for information that is not accurate, up-to-date, or complete. Waterwrights' clients therefore rely on the accuracy, completeness and timeliness of information from DAW entirely at their own risk. The opinions expressed in this report are those of the author and do not represent any advertisers or third parties.



ALL RIGHTS RESERVED. Copyright © 2020 by WaterWrights.net/DAW

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY was established in January of 1992 and consists of approximately 2,100,000 acres of 29 federal and exchange water service contractors within the western San Joaquin Valley, San Benito and Santa Clara counties. The governing body of the Authority consists of a 19-member Board of Directors classified into five divisions with directors selected from within each division. The main conveyance is the Delta-Mendota Canal that delivers approximately 3,000,000-acre feet of water within the Authority service area. Of this amount, 2,500,000-acre feet are delivered to highly productive agricultural lands, 150,000 to 200,000-acre feet for municipal and industrial uses, and between 250,000 to 300,000 acre-feet are delivered to wildlife refuges for habitat enhancement and restoration.

Board - Chairman: Cannon Michael,

Staff - Executive Director: Federico Barajas, COO: Pablo Arroyave, Attorney: Becca Ackroyd.

Email: youtellus@sldmwa.org 209/826-9696

P.O. Box 2157 Los Banos, CA. 93635