

# Water Wrights



Friant Water Authority September 24, 2020

By Don A. Wright

The **Friant Water Authority** met remotely on Webex on Thursday, September 24, 2020 from Visalia. A little after 10:00am Chairman **Chris Tantau** called the open session to order. Director **Cliff Loeffler** led with a prayer for peace and wisdom as millions of acres of forest has burned, unrest in our society and the matters beyond our control. Under public comment Tantau announced the report of the Creek Fire on the San Joaquin River watershed will be moved up on the agenda. And the consent calendar was passed.

## Budgets

FWA COO **Doug**

**DeFlicht** presented the board with the first action item, the adoption of the OM&R budgets for 2021-2022. It passed without comment. That was about \$15 million. The General Member Budget for 2021 was presented by FWA CEO **Jason Phillips**. Phillips said there is an increase for the litigation expenses and a reserve for the ASO, Airborne Snow Observatory. That totaled \$2.5 million. CFO **Don Willard** presented the board with a call



for funds of \$643,750 and that passed as well. The roll call could include non-FWA Friant Contractors but it didn't sound like there were any present. It's a bit difficult to tell in a remote meeting.

Attorney **Don Davis** presented the board with a request of no more than \$300,000 for utility relocation design and planning costs for moving powerlines, gas lines and the like as required for clearing the right of way while repairing the Friant Kern Canal. The money will go to the preconstruction portion of the project. Fresno Irrigation District Director **George Porter** asked if these costs will be deducted from the construction costs. This was a line item to the project and isn't a budget increase, but it won't be deducted from construction costs. The board approved spending the money. The FKC repair project is under some close time deadlines for funding and FWA is doing what it can to be as prepared as possible.

## Infrastructure Repairs

The rewinding of the pumps at the Jones Pumping Plant near Tracy was moved down the list as it will take some time that might interfere with other items scheduled so Willard asked the board to

give FWA employees a cost of living adjustment and they agreed. Friant's Director of Technology **Chris Hunter** presented the board with a request to upgrade the Authority's computer system for \$218,000 and the board approved.

DeFlitch gave an update on the FKC repair project saying both the US Bureau of Reclamation and Stantec Engineering did a Herculean effort to get the Environmental Impact Report finished in record time. DeFlitch said the permitting process is moving forward. Davis said the final EIS/EIR will be ready for approval at next month's meeting for adoption. He said it's a large document and will be reviewed at the executive committee. Land acquisition offers are moving along and sounded to me like that process may be moving faster than expected. He said the MOU with Tulare County that has yet to be decided and that's a reason to be concerned as mentioned above there's a tight timeline on the project. Director **Edwin Camp**, Arvin Edison asked how long after the award of the contract until dirt is moved. The plant is to award a construction contract in April 2021 and start within two months. Tantau said staff is available to present the situation to the home boards. Tantau also asked Davis if land acquisition could spoil things. Davis said the award won't be impacted but the phasing of the work schedule could be altered. He said this has been taken into account and if one location is still in negotiations the work can be conducted in a cleared location.

Phillips then spoke about how to pay for the FKC repairs. He said some of the figures in the funding table were skewed by mistake. Further discussion was postponed so USBR's **Michael Jackson** could talk about the Creek Fire. It's a big deal since 25 percent of the San Joaquin River watershed has been burnt. Many of the upstream facilities had to be evacuated. Operators set the flows to minimum and locked the doors. Fire has damaged powerlines and other property. The Bureau is working with Cal Fire and Southern California Edison.

### **Creek Fire**

Jackson said flows to Millerton Lake have been curtailed and the water level is dropping. He expects 10,000 a/f from Mammoth Pool will be released over the next week which will limit the drawdown, but also limit power generation. There is a human health and safety component to this. Getting personnel back to the evacuated properties has to be done safely. The goal is to get back to as close to normal operations as possible. Millerton Lake needs at least 135,000 a/f for the FKC to operate. If the water gets lower than that there's not enough to put into the canal.

**Eric Quinley**, GM Delano Earlimart ID asked about SoCalEd's ability to release additional flows impacting power generation. Jackson said he didn't push SCE for further info but it looks like 10,000 a/f is as big as they can go without further planning. There are a chain of reservoirs upstream of Millerton operated for power generation and have to lower their water levels to send more to Friant.

Arvin Edison GM **Jeevan Muhar** asked if some of the rescheduling can be moved around to help and Jackson said the Bureau will be flexible on this considering the unusual circumstances. Phillips said FWA Water Resource Manager **Ian Buck Macleod** has some impacts to add. Macleod said fall operation impacts will include inflow estimates. Much of the burn is between 5,000-6,000 feet in elevation. If a big rain comes the runoff could be heavier than usual because there is no vegetation and more bare earth. The snowpack estimates will be different as well because some of the Department of Water Resources snow course pillows maybe burnt beyond usage. Water quality can also be impacted by more silt and turbidity. Macleod said there is a federal Burned Area Emergency Response team that could come in and help address post-fire problems with land and wildlife that could help with water supplies.

### **Rewinding Really Big Pumps**

Next was the rewinding of the pumps at the Jones Plant. Jones is the plant that sends water from the Delta down the Delta Mendota Canal. Phillips explained Friant's involvement. (Part of the

deal to build the Friant Division is for Friant contractors to pay for part of the San Luis Delta Mendota costs in exchange for more San Joaquin River water.) Phillips said rewinding pumps of that size is very expensive. SLDM is looking to pay for this with bonds. Friant has some options to pay its share of the rewinding costs. WIIFA is the initials for a water infrastructure financing loan program with the feds but they ain't lending. So, Friant could pay its share upfront or installments. SLDM needs to award the \$1.2 million check to the rewinding contractor to keep things rolling. The bond has to be issued by November and Friant can pay cash but it has to have it together by then. FWA's share of the rewind is \$5 million. That's also how much FWA will have to give before the bonds are issued if it wants to avoid bond fees and other financing costs. Phillips said the SLDW would be open to a hybrid of paying part cash and other ways. If FWA goes the bond route it can prepay to get out but not until eight years from now to cover its interest points. Quinley said DEID would like to prepay and that was a popular idea with other districts as well. Loeffler wanted to know if a district pays upfront there won't be any accounting taking place at SLDM that could wind up with some other costs. Phillips said Friant will be handling the accounting for the costs to Friant districts and not SLDM. He said it would be easiest if all the Friant districts would choose the same option. He also said if Friant came back to SLDM with \$500,000 in cash they might not consider it. City of Fresno's **Brock Buche** said they would have to finance. Phillips said Fresno's share is \$250,000. Quinley said his district will cover Fresno's cost if the city goes all in on FKC repairs. Phillips said the message to SLDM will be Friant is interested in self-funding and not bonding. Of course the home boards need some time to decide and if it's agreed to FWA will issue invoices.

Phillips said the board can expect to see more SLDM issues as it is big. FWA's O&M obligation to SLDM is twice its obligation to the FKC. He expects SLDM issue management to be a big part of the topic discussed at the upcoming retreat. On that note he said he'd like to talk about something cheaper like the FKC repairs.

Cash flow, said Phillips, has to be established before awarding the contract. That's a \$90 million to get started on segments D&E. A notice with a July 2, 2020 timeline was issued by FWA to gauge interest in Zone Three participation. This gets a bit complicated although if I needed \$90 million to keep my business running it would probably make more sense much quicker. To recap as I understand it: Zone One is do nothing. Zone Two is restore the canal to design capacity and Zone Three is to pay for above and beyond design capacity. There was a meeting last week from Zone Three interests.

### **Goberment Matters**

The lovely **Alex Biering** gave her External Affairs update. She said SB 559 is on the governor's desk. It has been modified from providing funding and now requires DWR to study the repairs of the FKC. It also depends on federal funding by March of 2021. There was an attempt to get some wildfire legislation but that got missed over the Big Marxist Virus legislation. There is a comment letter from FWA to Governor **Gavin Newsom** urging him to sign SB 559 and the final version of the bill in today's packet. Camp asked Biering if the State is just giving lip service helping with FKC repairs. Biering said getting SB 559 on the governor's desk was a big deal. State Senators **Melissa Hurtado** and **Andres Borges** are pushing hard and the real problem will be the Assembly. There are anti-ag elected officials who evidently don't care if people starve and the state's economy totally tank. Phillips said the state senate advocates, and those in the assembly are not giving lip service. However, giving support and getting a project across the finish line are two different things. Phillips said he talks with Hurtado and she and the other supports at the legislature are sincere and putting in the effort. FWA Chief of External Affairs **Johnny Amaral** said making SB 559 a study bill

will force the state to make a decision. He also said without question Valley representative on both sides of the aisle and both chambers in Sacramento are working hard.

Amaral continued giving the federal report. He said the House has passed a continuing resolution and the Senate will vote on it by sometime next week. This CR won't add anything to funding and only lasts until December and there will be a lame duck session. That's when some of the funding bills have a better chance of getting passed. The Senate won't convene after the CR but for confirmation hearings to appoint a new Supreme Court justice and that will suck all the oxygen out of all the rooms in all the government buildings in the United States.

## **Water Blueprint**

**Austin Ewell**, Chairman of the San Joaquin Valley Water Blueprint Committee said the Uncommon Dialog at Stanford University this past Monday was on Zoom and it was a good discussion he said. There will be a 14-member planning group coming together to form a Vision Statement for the SJVWB. A letter for a USBR Water Smart grant has been sent requesting funds. Ewell said one of the State Board members was impressed with Blueprint efforts of collaboration on finding recharge along the FKC to help disadvantaged communities and is willing to help if I understood correctly. He said the Madera/Chowchilla Sub Basins are also looking at how they can find mutual benefits with the Blueprint.

## **Does the Left Hand Know?**

Circling back to Macleod he said there has been some monkey business on Shasta temperance control. The California Sportfishing Protection Alliance sued the State Board and the two reached an agreement the USBR wasn't a part of that may violate other regulations and so on. It made me think that in Sacramento the folks running things don't always know exactly how best conduct business that will benefit the people who live in California.

DeFlicht gave the O&M report saying if ever there is a need and opportunity to de-water FKC this is the year. He also said some of the renovations to the FWA headquarters will be well on the way to completion by the end of the board retreat.

Phillips thanked everyone who has signed up for the retreat and staff is planning on schedules and events. He said things are looking good for the retreat. He said something like San Luis Obispo County is meeting Newson's tiers, tears, tyrannies on COVID so folks should be able to meet there. Tantau thanked Camp for a photo of them and President Trump and said he'll be sad to have to drive an electric truck. The meeting adjourned and board had lunch. I miss the Friant lunches. They always had a consistently good spread.

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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.