

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
MINUTES
FINANCE & ADMINISTRATION COMMITTEE
August 7, 2017

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority met at approximately 12:00 p.m. at 842 6th Street in Los Banos with Chairman Bill Pucheu presiding.

FAC Committee Members Present

Ex-Officio

Absent

Division 1

Anthea Hansen, Alternate for Rick Gilmore

Division 2

Bobbie Ormonde, Alternate for Don Peracchi

Division 3

Chris White, Alternate for Jim O'Banion

Division 4

Sara Singleton, Member

Division 5

Bill Pucheu, Chair and Member

Friant Water Authority

Kathy Bennett, Alternate for Jason Phillips (Via Teleconference)

Authority Representatives Present

Jason Peltier, Executive Director

Frances Mizuno, Assistant Executive Director

Jon Rubin, General Counsel

Guy Wamocha, Supervisor of General Accounting

Kathrin Odisho, Supervisor of Operational Accounting

Ara Azhderian, Water Policy Administrator

Others Present

None

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1. **Additions or Corrections to the Agenda**

There were no additions or corrections to the Agenda.

2. **Opportunity for Public Comment**

There was no public comment.

ACTION ITEMS

3. **Committee to Consider Approval of the July 10, 2017 Meeting Minutes.**

The Committee reviewed the July 10, 2017 meeting minutes. Alternate Anthea Hansen made a motion to approve the July 10, 2017 meeting minutes. The motion was seconded by Member Sara Singleton and passed unanimously. The Committee action is reported as follows:

AYES: Hansen, Ormonde, White, Singleton, Pucheu, Bennett
NOES: None
ABSTENTIONS: None

4. **Finance & Administration Committee to Consider Recommending the Board of Directors Accept the Treasurer's Report for the Quarter Ending 6/30/2017.**

Supervisor of General Accounting Guy Wamocha presented the Treasurer's Report for the Quarter ending June 30, 2017 noting the cash balances and composition. Wamocha also reported on the accounts receivable balances. After a brief discussion, Member Sara Singleton made a motion to recommend the Board of Directors to Accept the Treasurer's Report as presented. The motion was seconded by Alternate Chris White and passed unanimously. The Committee action is reported as follows:

AYES: Hansen, Ormonde, White, Singleton, Pucheu, Bennett
NOES: None
ABSTENTIONS: None

5. **Finance & Administration Committee to Review and Consider Recommending the Board of Directors Approve the FY14 Audited Financial Statements.**

Supervisor of General Accounting Guy Wamocha reported to the Committee that during the previous Committee meeting, external auditor William "Bill" Patterson of Sampson, Sampson & Patterson, LLP, CPA had presented the FY14 audited financial statements, with an unqualified opinion, which is the highest opinion awarded in a financial audit. Wamocha reported that the grammatical corrections and activity description clarifications previously identified by the Committee were made to the financial statements. Alternate Anthea Hansen made a motion to recommend to the Board of Directors to accept the FY14 Audited Financial Statements as presented. The motion was seconded by Alternate Chris White and passed unanimously. The Committee action is reported as follows:

AYES: Hansen, Ormonde, White, Singleton, Pucheu, Bennett
NOES: None
ABSTENTIONS: None

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6. Finance & Administration Committee to Consider Recommending the Board of Directors that Approve a New Position – Deputy General Counsel.

Executive Director Jason Peltier & General Counsel Jon Rubin discussed, based on information presented in the memorandum before the Committee, the need for a new position of Deputy General Counsel. After some discussion the Committee did not take any action and the staff indicated that it would provide additional information to assist the Committee in its consideration of the recommendation at the Committee's next meeting.

7. Finance & Administration Committee to Consider Recommending the Board of Directors Adopt Resolution Amending Dates for Meeting of Committees.

Executive Director Jason Peltier & General Counsel Jon Rubin noted to the Committee that the current Committee meeting dates rely on an exception to the general rule established by the previously adopted resolution setting the dates for Committee meetings. They explained that the proposed resolution would amend that previously adopted resolution to have it conform to existing practice. After a brief discussion, Member Sara Singleton made a motion to recommend to the Board of Directors to adopt a resolution amending the dates for meetings of Committees. The motion was seconded by Alternate Anthea Hansen and passed unanimously. The Committee action is reported as follows:

AYES: Hansen, Ormonde, White, Singleton, Pucheu, Bennett
NOES: None
ABSTENTIONS: None

REPORT ITEMS

8. Update on Funding Effort for San Luis Transmission Project.

Assistant Executive Director Frances Mizuno updated the Committee regarding the funding efforts for the San Luis Transmission Project and reviewed a Draft Memorandum of Understanding by and Among Duke-American Transmission Company, LLC and San Luis & Delta –Mendota Water Authority, which presents potential parameters for a possible partnership for the construction of the SLTP. Mizuno noted that the draft MOU will be brought to the Committee at the September meeting for the Committee to consider a recommendation that the Board of Directors authorize execution of the MOU.

9. Update on Funding (dues) for San Joaquin Valley Water Infrastructure Authority.

Water Policy Administrator Ara Azhderian reported to the Committee that the Water Resources Committee had recommended the Board of Directors accept an invitation to join the San Joaquin Valley Water Infrastructure Authority. Azhderian stated that if the Board accepted the invitation, it would result in a \$50,000 initial obligation. Azhderian explained that in order to avoid an amendment of the current fiscal-year budget to accommodate the unanticipated cost, the recommendation to the Board included making payment of the initial obligation in the Authority's next fiscal-year. If the recommendation to join

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is accepted by the Board, the Authority would budget for the payment under the Legislative & CVP Operational Affairs #1 Activity Agreement fund, Azhderian concluded.

10. Update on Funding Effort for C.W. “Bill” Jones Pumping Plant Unit Rewind Project.

Assistant Executive Director Frances Mizuno reported that she had just received a draft repayment contract from the United States Bureau of Reclamation for the funding effort for the C.W. “Bill” Jones Pumping Plant Rewind Project. Mizuno added that she would review the draft and report to the Committee accordingly.

11. FY18 Budget to Actual Expenditures Comparison Reports through 6/30/17

Supervisor of General Accounting Guy Wamocha reported on the budget to actual expenditure comparison report through the month ending June 30, 2017, noting that in total the actual expenses were trending below budget by 14.47% or \$1,381,912 for the activity agreement funds. The line items contributing to positive spending were legal, technical support, In-house salaries, GBD specific and Other Professional Services.

12. O&M Self-Funding Update

Supervisor of General Accounting Guy Wamocha informed the Committee the WY15 Final Accounting will be completed in August and the WY16 draft Accounting was in progress and would be provided to the Contractors for a 30-day review when completed.

13. Financial Audit Update

Supervisor of General Accounting Guy Wamocha reported to the Committee that FY14 audit was complete and would be published by the end of August, 2017. FY15 audit was provided to the Auditor on July 20, 2017. FY16 audit will be provided to the Auditor by November 15, 2017. FY17 and FY18 Audits will be completed during next fiscal year 2019.

14. Reports Pursuant to Government Code Sec 54954.2

None

15. Adjournment

The meeting was adjourned at approximately 1:35 p.m.