



**San Luis & Delta-Mendota Water Authority
Monday, November 7, 2022, 12:00 p.m.**

**Notice of Finance & Administration Committee Regular Meeting and
Joint Finance & Administration Committee Regular Meeting-Special Board
Workshop**

**SLDMWA Boardroom
842 6th Street, Los Banos
(List of Member/Alternate Telephonic Locations Attached)**

Public Participation Information

Join Zoom Meeting

<https://us02web.zoom.us/j/88909437595?pwd=Vk12cW1KaFJ0MDQvNks5aUViUjVIZz09>

Meeting ID: 889 0943 7595

Passcode: 390404

One tap mobile

+16699006833,,88909437595#,,,,*390404# US (San Jose)

+16694449171,,88909437595#,,,,*390404# US

Dial by your location

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Meeting ID: 889 0943 7595

Passcode: 390404

Find your local number: <https://us02web.zoom.us/j/88909437595?pwd=Vk12cW1KaFJ0MDQvNks5aUViUjVIZz09>

NOTE: Any member of the public may address the Finance & Administration Committee/Board concerning any item on the agenda before or during consideration of that item.

Because the notice provides for a regular meeting of the Finance & Administration Committee ("FAC") and a joint regular FAC Meeting/Special Board workshop, Board Directors/Alternates may discuss items listed on the agenda; however, only FAC Members/Alternates may correct or add to the agenda or vote on action items.

Agenda

1. Call to Order/Roll Call
2. Finance & Administration Committee to Consider Additions or Corrections to the Agenda for the Finance & Administration Committee Meeting only, as Authorized by Government Code Section 54950 et seq.
3. Opportunity for Public Comment – Any member of the public may address the Finance & Administration Committee/Board concerning any matter not on the Agenda, but within the Committee's or Board's jurisdiction. Public comment is limited to no more than three minutes per person. For good cause, the Chair of the Finance & Administration Committee may waive this limitation.

ACTION ITEMS

4. Finance & Administration Committee to Consider Approval of the October 3, 2022 Meeting Minutes

5. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Accept the Treasurer's Report for the Quarter Ending September 30, 2022**
6. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Adopt Resolution Authorizing Application for Extended Repayment and Funding in the Amount of \$841M from the Aging Infrastructure Account in Fiscal Year 2023 for Extraordinary Maintenance Work on Jones Pumping Plant and the Delta-Mendota Canal**
7. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve the Fiscal Year 2024 OM&R Budget**

REPORT ITEMS

8. Discussion Regarding Cost Allocation of Various Activity/Fund Budgets
9. FY23 Activity Agreements Budget to Actual Report through 9/30/22
10. FY23 O&M Budget to Actual Report through 9/30/22
11. Procurement Activity Report
12. Executive Director's Report, Barajas
(May include reports on activities within the Finance & Administration Committee's jurisdiction related to 1) CVP/SWP water operations; 2) California storage projects; 3) regulation of the CVP/SWP; 4) existing or possible new State and Federal policies; 5) Water Authority activities; 6) COVID-19 response)
13. Committee Member Reports
14. Reports Pursuant to Government Code Section 54954.2(a)(3)
15. **ADJOURNMENT**

Persons with a disability may request disability-related modification or accommodation by contacting Cheri Worthy or Sandi Ginda at the San Luis & Delta-Mendota Water Authority Office, 842 6th Street, P.O. Box 2157, Los Banos, California, via telephone at (209) 826-9696, or via email at cheri.worthy@sldmwa.org or sandi.ginda@sldmwa.org. Requests should be made as far in advance as possible before the meeting date, preferably 3 days in advance of regular meetings or 1 day in advance of special meetings/workshops.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Section 54950 et seq. and has not been prepared with a view to informing an investment decision in any of the Authority's bonds, notes, or other obligations. Any projections, plans, or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the Authority's bonds, notes, or other obligations and investors and potential investors should rely only on information filed by the Authority on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at <https://emma.msrb.org/>.

SLDMWA FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING
TELEPHONIC LOCATIONS
November 7, 2022

Westlands Water District
3130 N. Fresno Street
Fresno, CA 93703

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING AND
JOINT FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING / SPECIAL
BOARD WORKSHOP
MINUTES FOR OCTOBER 3, 2022**

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority convened at approximately 12:05 p.m. at 842 6th Street in Los Banos, California, with Board Chair Cannon Michael presiding.

Members and Alternate Members in Attendance

Ex Officio

Cannon Michael

Division 1

Anthea Hansen, Alternate for Rick Gilmore

Division 2

Absent

Division 3

Jarrett Martin Alternate for Chris White

Division 4

Jeff Cattaneo, Member - Dana Jacobson, Alternate

Division 5

Bill Pucheu, Member - Manny Amorelli, Alternate (ZOOM)

Friant Water Authority

Wilson Orvis, Alternate for Jason Phillips

Board of Directors Present

Division 1

Anthea Hansen, Director

Division 2

None

Division 3

Jarrett Martin, Alternate for Chris White
Cannon Michael, Director

Division 4

Jeff Cattaneo, Director

Division 5

Bill Pucheu, Director
Manny Amorelli, Director (ZOOM)

Authority Representatives Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer

Scott Petersen, Water Policy Director (ZOOM)
Rebecca Akroyd, General Counsel
Rebecca Harms, Deputy General Counsel (ZOOM)
Raymond Tarka, Director of Finance
Lauren Viers, Accountant III
Stewart Davis, IT Officer
Bob Martin, Facilities O&M Director
Jaime McNeill, Engineering Manager

Others in Attendance

Jim Erickson, Friant Water Authority
Steve Stadler, San Luis Water District

1. Call to Order/Roll Call

Ex Officio Member and Acting Committee Chair Cannon Michael called the meeting to order, and roll was called.

2. Additions or Corrections to the Agenda

No additions or corrections.

3. Opportunity for Public Comment

No public comment.

4. Finance & Administration Committee to Consider Approval of the September 12, 2022 Meeting Minutes.

On a motion made by Alternate Member Anthea Hansen, seconded by Alternate Member Wilson Orvis, the Committee approved the September 12, 2022 meeting minutes. The vote on the motion was as follows:

AYES: Michael, Hansen, Martin, Cattaneo, Pucheu, Orvis
NAYS: None
ABSTENTIONS: None

5. Finance & Administration Committee to Consider Recommendation to Board of Directors Regarding Reallocation of FY 2023 OM&R Budget Funds, Associated Payment to Fieldman, Rolapp & Associates, Inc.

Chief Operating Officer Pablo Arroyave referred to the memo provided to the committee. Between August 2021 and August 2022, Fieldman, Rolapp & Associates (FRA) incurred estimated costs of \$190,000 performing San Luis Transmission Project (SLTP)-related tasks for the Water

Authority. However, because it is customary within the municipal advisor industry for work to be conducted on a contingent basis with fees payable from bond proceeds, and there was an informal understanding with FRA regarding contingency, Water Authority staff and FRA staff have discussed payment of \$95,000, an amount less than the full cost of services. Staff is recommending use of the \$70,000 budgeted in the FY23 OM&R budget for outside consultant services and \$25,000 that was budgeted for SLTP legal costs to compensate FRA for their SLTP efforts. On a motion made by Member Bill Pucheu, seconded by Alternate Member Wilson Orvis, the Committee approved the reallocation of FY 2023 OM&R Budget Funds and associated payment to Fieldman, Rolapp & Associates, Inc. The vote on the motion was as follows:

AYES:	Michael, Hansen, Martin, Pucheu, Cattaneo, Orvis
NAYS:	None
ABSTENTIONS:	None

REPORT ITEMS

6. Discussion Regarding FY 2023 Budget Development Process.

Executive Director Federico Barajas presented the item. Barajas stated that work on the O&M budget has begun and an O&M Technical Committee meeting to review budget items is scheduled for later this month. Staff is looking for guidance on salary placeholders. Authority policy states that a 4-month CPI average is used as budgeting placeholder but due to unique financial positions with the drought, staff wanted to seek additional guidance from the committee. As part of the O&M budget formulation process staff will use the average of the August CPI (8.7%) and September 2022 CPI (should be available soon).

7. Discussion Regarding FY 2023 Bipartisan Infrastructure Law Aging Infrastructure Application for CVP Transferred and Reserved Works.

Chief Operating Officer Pablo Arroyave introduced the item. Arroyave stated that the application period for Transferred Works begins today and staff is looking for additional feedback on projects to be submitted with the application. Executive Director Federico Barajas added that Reclamation has roughly \$3.2 billion dollars and of that, about \$647 million is available in Reclamation's FY23 spending plan for funding both reserved works and transferred works extraordinary maintenance projects at a low interest rate. Reclamation is planning to follow the same general process for approximately the next 3 years with similar amounts of funding available each year. Arroyave presented a PowerPoint which highlighted the Bipartisan Infrastructure Law,

the application process, additional funding details, and initial Authority project criteria. He then referred to Facilities O&M Director Bob Martin to review the list of recommended projects for the next three years.

8. Discussion Regarding Cost Allocation of Various Activity/Fund Budgets

Executive Director Federico Barajas presented the item. Barajas stated that based on feedback from Water Resources and Finance committee members, several changes were made to the tier allocation. These changes include updates to the tier percentage breakdown, as well as the addition of a second option that is based on a reduced budget cap of \$3.6 million (down from \$4 million). Barajas stated that during the budgeting process staff plans to review and explore opportunities to minimize costs for the upcoming fiscal year.

9. FY23 Activity Agreements Budget to Actual Report through 8/31/2022

Director of Finance Raymond Tarka reported on the Budget to Actual Comparison Summary through August 31, 2022 for the member-funded activities. Tarka stated that for the six-month period, the budget was trending positive overall with actual spending through August 31, 2022 at 26.67% of the approved budget.

10. FY23 O&M Budget to Actual Report through 8/31/22

Director of Finance Raymond Tarka reported that for WY22, the self-funded routine O&M expenses through August 31, 2022 were under budget by \$979,019. The water year 2020 and 2021 final accountings and the Intertie O&M cost recovery remain outstanding. Tarka stated that staff anticipates the completion of WY20 final accountings by the end of October.

11. Procurement Activity Report

There is no activity to report during this time.

12. Executive Director's Report

a. **SLDMWA 30th Anniversary** - Executive Director Federico Barajas announced that there will be a social lunch at Wool Growers to celebrate the Authority's 30th anniversary after the Board meeting on Thursday.

13. Committee Member Reports

No reports.

14. **Reports Pursuant to Government Code Sec 54954.2**
No reports given.

15. **Adjournment.**
The meeting was adjourned at approximately 1:11 p.m.