



**San Luis & Delta-Mendota Water Authority
Monday, February 6, 2023, 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**

Public Participation Information

Join Zoom Meeting

<https://us02web.zoom.us/j/86134766501?pwd=Sk1PQW84L0tFUDhmbis2MENiV3IRZz09>

Meeting ID: 861 3476 6501

Passcode: 903862

One tap mobile

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Dial by your location

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+1 669 444 9171 US

+1 719 359 4580 US

Meeting ID: 861 3476 6501

Passcode: 903862

Find your local number: <https://us02web.zoom.us/u/kylMry12q>

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.

NOTE FURTHER: Meeting materials have been made available to the public on the San Luis & Delta-Mendota Water Authority's website, <https://www.sldmwa.org>, and at the Los Banos Administrative Office, 842 6th Street, Los Banos, CA 93635.

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 January 9, 2023 Meeting Minutes**
5. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Accept the Treasurer's Report for the Quarter Ending December 31, 2022**
6. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Appoint Representatives to Association of California Water Agencies – Joint Powers Insurance Authority (ACWA-JPIA) Board of Directors**
7. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Water Year 2023 OM&R Water Rates**

REPORT ITEMS

8. FY23 Activity Agreements Budget to Actual Report through 12/31/22
9. FY23 O&M Budget to Actual Report through 12/31/22
10. Procurement Activity Report
11. Executive Director's Report, Barajas
 - a. Audit/Auditor Discussion
 - b. Strategic Plan Update
 - c. 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
12. Committee Member Reports
13. Reports Pursuant to Government Code Section 54954.2(a)(3)
14. 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/>.

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING AND
JOINT FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING / SPECIAL
BOARD WORKSHOP
MINUTES FOR JANUARY 9, 2023**

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority convened at approximately 12:00 p.m. at 842 6th Street in Los Banos, California, with Chair Cannon Michael presiding.

Members and Alternate Members in Attendance

Ex Officio

Cannon Michael
William Bourdeau

Division 1

Anthea Hansen, Alternate for Rick Gilmore

Division 2

Justin Diener, Member

Division 3

Chris White, Member

Division 4

Absent

Division 5

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

Friant Water Authority

Wilson Orvis, Alternate for Jason Phillips (via ZOOM)

Board of Directors Present

Division 1

Anthea Hansen, Director
Lea Emmons, Alternate

Division 2

Justin Diener, Alternate
William Bourdeau, Director

Division 3

Chris White, Alternate
Cannon Michael, Director

Division 4

Absent

Division 5

Bill Pucheu, Director
Manny Amorelli, Director

Authority Representatives Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer
Scott Petersen, Water Policy Director (via ZOOM)
Rebecca Akroyd, General Counsel
Rebecca Harms, Deputy General Counsel
Darlene Neves, Operational Accounting Supervisor
Lauren Viers, Accountant III (via ZOOM)
Cindy Meyer, Special Programs Manager (via ZOOM)
Jaime McNeill, Engineering Manager
Chauncey Lee, O&M Manager
Stewart Davis, IT Officer
Dan Nunes, Scada Engineer

Others in Attendance

Jeff Cattaneo, San Benito County Water District
Dana Jacobson, Valley Water
Chase Hurley, Pacheco Water District
Steve Stadler, San Luis Water District
John Wiersma, Henry Miller Reclamation District
Bobbie Ormonde, Westlands Water District
Kristi Robinson, Water Wise

1. Call to Order/Roll Call

Ex Officio Member Cannon Michael announced that Anthea Hansen will be taking over as Chair of the Finance & Administration Committee. Chair Anthea Hansen called the meeting to order and roll was called.

2. Additions or Corrections to the Agenda

Item 4 on the agenda was corrected to refer to the December 5, 2022 minutes.

3. Opportunity for Public Comment

No public comment.

4. Finance & Administration Committee to Consider Approval of the December 5, 2022 Meeting Minutes.

Chair Anthea Hansen deemed the December 5, 2022 meeting minutes approved without correction.

5. Finance & Administration Committee to Consider Recommendation to Board of

Directors to Approve Revised Fiscal Year 2024 Operations Maintenance and Replacement (OM&R) Budget

Chief Operating Officer Pablo Arroyave presented the item, highlighting the changes made since the budget workshop. Arroyave noted the removal of a water truck purchase, a change to the salary placeholder to 8.4% from 8.7%, as well as additional minor changes. Staff is not recommending any new positions in Fiscal Year 2024. Arroyave also clarified that rates for new water year will be presented to Finance & Administration Committee at the next meeting. On a motion made by Ex Officio Member Cannon Michael, seconded by Member Bill Pucheu, the Committee recommended the Revised Fiscal Year 2024 Operations Maintenance and Replacement (OM&R) Budget for approval by the Board of Directors. The vote on the motion was as follows:

AYES:	Michael, Bourdeau, Hansen, Diener, White, Pucheu, Orvis
NAYS:	None
ABSTENTIONS:	None

REPORT ITEMS

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

Executive Director Federico Barajas presented the item. Barajas stated that both the current and tier allocation options were presented at the budget workshop in December. Based on feedback received at the workshop, staff will be moving forward using the current allocation methodology and will continue the cost allocation discussion as part of the strategic plan update process.

7. FY23 Activity Agreements Budget to Actual Report through 11/30/2022

Supervisor of Operational Accounting Darlene Neves reported the Budget to Actual Comparison Summary through November 30, 2022 for the member-funded activities on behalf of Director of Finance Raymond Tarka. Neves stated that for the nine-month period, the budget was trending positive overall with actual spending through November 30, 2022 at 40.26% of the approved budget.

8. FY23 O&M Budget to Actual Report through 11/30/22

Supervisor of Operational Accounting Darlene Neves presented on behalf of Director of Finance Raymond Tarka. Neves reported that for WY22, the self-funded routine O&M expenses through November 30, 2022 were under budget by \$1,481,706. This is mainly due to lower

operating costs at Jones pumping plant and decreased DCI activity. The Water Year 2021 final accountings and the Intertie O&M cost recovery remain outstanding as well as the Fiscal Year 2022 audited financial statements.

9. Procurement Activity Report

Supervisor of Operational Accounting Darlene Neves presented the procurement activity report on behalf of Director of Finance Raymond Tarka for the period of December 1st through January 3rd. On December 21st, the Authority executed a single source contract with Terracon Consultants in the amount of \$2,708,556 for DMC Subsidence Mitigation Geotechnical exploration work. This is an amendment to the original professional services agreement approved by the Board in December and the funding source is the EO&M budget. There were no contract change orders issued during this report period.

10. Executive Director's Report

Executive Director Federico Barajas noted that in addition to the O&RM budget that was approved by the finance committee today, the Activity Agreement Budget was approved for recommendation by the WRC this morning. Hence, both the Activity Agreement budget and the OM&R will be presented to the Board of Directors for approval on Thursday.

Barajas then referred to Chief Operating Officer Pablo Arroyave to provide updates on the OM&R rates. Arroyave stated that the rates will take into account the survey data provided at 0%, 5%, and 10% South of Delta Ag Allocation and the appropriate M&I allocations. Staff is currently reviewing this information to consider the applicability of 25% minimums if they were applied at the beginning of the fiscal year. Although current practice includes minimums only upon true-up, the requested exercise will allow for illustration of impact in all scenarios as requested by Friant.

Executive Director Federico Barajas referred to Chief Operating Officer Pablo Arroyave, who provided a brief update regarding operations and the current state of hydrology.

11. Committee Member Reports

No reports.

12. Reports Pursuant to Government Code Sec 54954.2

No reports.

13. **Adjournment.**

The meeting was adjourned at approximately 12:30 p.m.