



**San Luis & Delta-Mendota Water Authority  
Monday, April 3, 2023, 12:00 p.m.**

**Notice of Finance & Administration Committee Regular Meeting and  
Joint Special Workshop of the Finance & Administration Committee, Board of  
Directors, and Water Resources Committee**

**SLDMWA Boardroom  
842 6th Street, Los Banos**

**Public Participation Information**

**Join Zoom Meeting**

**<https://us02web.zoom.us/j/83599302965?pwd=bit5TFRWVWxQeUNYMFuMVpza3ZHZz09>**

**Meeting ID: 835 9930 2965**

**Passcode: 304497**

**One tap mobile**

**+16699006833,,83599302965#,,,,\*304497# US (San Jose)**

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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 6<sup>th</sup> 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 March 6, 2023 Meeting Minutes, and March 13, 2023 Workshop Minutes**
5. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Ratify Purchase of Front End Loader and Related Expenditure of \$217,662 from FY24 EO&M Budget, Arroyave**
6. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Authorize Purchase of Dump Truck and Related Expenditure of Up to \$230,000 from EO&M Budgets, Arroyave**
7. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Second Adjustment to Water Year 2023 OM&R Water Rates, Barajas/Tarka**

## **REPORT ITEMS**

8. Discussion Regarding OM&R Rate Calculation Methodology
9. FY23 Activity Agreements Budget to Actual Report through 2/28/23
10. FY23 O&M Budget to Actual Report through 2/28/23
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](mailto:cheri.worthy@sldmwa.org) or [sandi.ginda@sldmwa.org](mailto: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 MARCH 6, 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 Anthea Hansen presiding.

**Members and Alternate Members in Attendance**

**Ex Officio**

Cannon Michael  
William Bourdeau

**Division 1**

Anthea Hansen

**Division 2**

Justin Diener, Member

**Division 3**

Chris White, Member - Jarrett Martin, Alternate

**Division 4**

Joyce Machado, Member - Dana Jacobson, Alternate

**Division 5**

Bill Pucheu, Member

**Friant Water Authority**

Wilson Orvis, Alternate for Jason Phillips

**Board of Directors Present**

**Division 1**

Anthea Hansen, Director

**Division 2**

Justin Diener, Alternate  
William Bourdeau, Director  
Ara Azhderian, Director

**Division 3**

Chris White, Alternate  
Jarrett Martin, Director  
Cannon Michael, Director

**Division 4**

Steve Wittry, Director  
Joyce Machado, Alternate

**Division 5**

Bill Pucheu, Director

## Authority Representatives Present

Federico Barajas, Executive Director  
Pablo Arroyave, Chief Operating Officer  
Scott Petersen, Water Policy Director  
Rebecca Akroyd, General Counsel  
Rebecca Harms, Deputy General Counsel  
Raymond Tarka, Director of Finance  
Cindy Meyer, Special Programs Manager (via ZOOM)  
Stewart Davis, IT Officer

## Others in Attendance

Minnie Moreno, Del Puerto Water District (via ZOOM)  
Bobbie Ormonde, Westlands Water District (via ZOOM)  
Manny Amorelli, James Irrigation District (via ZOOM)  
Steve Stadler, San Luis Water District (via ZOOM)  
Jim Erickson, Friant Water Authority  
Vince Gin, Valley Water  
Chase Hurley, Pacheco Water District  
Lea Emmons, City of Tracy (via ZOOM)  
Ed Pattison, Byron Bethany Irrigation District (via ZOOM)

### 1. Call to Order/Roll Call

Chair Anthea Hansen called the meeting to order at approximately 12:00pm and roll was called.

### 2. Additions or Corrections to the Agenda

No corrections or additions.

### 3. Opportunity for Public Comment

No public comment.

### 4. Finance & Administration Committee to Consider Approval of the February 6, 2023 Meeting Minutes.

On a motion made by Member Bill Pucheu, seconded by Alternate Wilson Orvis, the Committee approved the February 6, 2023 meeting minutes with minor corrections. The vote on the motion was as follows:

AYES: Michael, Bourdeau, Hansen, Diener, White, Machado, Pucheu, Orvis

NAYS: None

ABSTENTIONS: None

**5. Finance & Administration Committee to Consider Recommendation to Board of Directors to Execute Contract Extension with External Auditor.**

Director of Finance Raymond Tarka presented the item. Tarka stated that the Authority's current auditors were contracted for fiscal years 2018 through 2022. State regulations allow the Authority to have the same auditor for a maximum of 6 years before needing to change. Staff is recommending one additional year with Richardson and Co. with a budgeted cost of about \$40,000. On a motion made by Ex Officio Member William Bourdeau, seconded by Member Joyce Machado, the Committee recommended the Board of Directors execute a contract extension with the external auditor. The vote on the motion was as follows:

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

**6. Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Adjustment to Water Year 2023 OM&R Water Rates.**

Executive Director Federico Barajas presented the item. Barajas stated that the Authority has approved water rates using a 10% Ag allocation. Since this initial allocation approval, Reclamation has announced an increase from 10% to a 35% Ag allocation. As a result of the increase in the allocation there is a request to adjust the Authority's water rates using a 35% Ag allocation. Barajas then referred to Director of Finance Raymond Tarka to review the memo in the packet and the changes in the rates using the 35% baseline. On a motion made by Member Bill Pucheu, seconded by Alternate Wilson Orvis, the Committee recommended the Board of Directors approve adjustment to Water Year 2023 OM&R Water Rates. The vote on the motion was as follows:

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

**REPORT ITEMS**

**7. Discussion Regarding Rate Methodology Review Process**

Chief Operating Officer Pablo Arroyave presented the item. Arroyave began by stating there is a Finance & Administration Committee Workshop scheduled for March 13th for in-depth discussion regarding the process for setting water rates and the treatment of minimum participation amounts. During this workshop, the Finance & Administration Committee and Board may be asked to consider adjustments to our rate setting processes. Staff is also open to recommendations regarding items that may be relevant and beneficial to discuss relating to the rate setting process.

**8. FY23 Activity Agreements Budget to Actual Report through 1/31/2023**

Director of Finance Raymond Tarka reported the Budget to Actual Comparison Summary through January 31, 2023 for the member-funded activities. Tarka stated that for the eleven-month period, the budget was trending positive overall with actual spending through January 31, 2023 at 51.17% of the approved budget.

**9. FY23 O&M Budget to Actual Report through 1/31/23**

Director of Finance Raymond Tarka reported that for WY22, the self-funded routine O&M expenses through January 31, 2023 were under budget by \$1,721,877. The water year 2021 final accountings were sent out for 30-day final review beginning February 27, 2023 and are to be completed once the fiscal year 2022 audit is finalized. The Intertie true-up remains outstanding, as well as the fiscal year 2022 audited financial statements.

**10. Procurement Activity Report**

Director of Finance Raymond Tarka presented the procurement activity report for the period of February 1<sup>st</sup> through February 28<sup>th</sup>. On February 9<sup>th</sup>, the Authority awarded a contract to Pape Machinery for the purchase of a John Deere Loader. The contract amount was \$217,546.34 and the funding source is the EO&M budget. There were no reported contract change orders issued during this period.

**11. Executive Director's Report**

Executive Director Federico Barajas informed the committee that there will be a workshop on March 13<sup>th</sup> in the Board Room at 10:30 a.m. The workshop will be open to all Board and Water Resources Committee members but will be a Finance & Administration Committee-led workshop.

Executive Director Federico Barajas then updated the committee on the strategic planning process. Barajas is currently in the process of securing a contract with Rauch Communication

Consultants Inc. Martin Rauch was the same individual who provided services during the strategic planning process in 2019.

**12. Committee Member Reports**

No reports.

**13. Reports Pursuant to Government Code Sec 54954.2**

No reports.

**14. Adjournment.**

The meeting was adjourned at approximately 12:37 p.m.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY  
SPECIAL JOINT WORKSHOP OF THE FINANCE & ADMINISTRATION COMMITTEE, BOARD  
OF DIRECTORS, AND WATER RESOURCES COMMITTEE  
MEETING MINUTES FOR FEBRUARY 13, 2023

The Special Joint Workshop of the Finance & Administration Committee, Board of Directors, and Water Resources Committee convened at approximately 10:30 a.m. at 842 6th Street in Los Banos, California, with Chair Anthea Hansen presiding.

**Finance & Administration Members and Alternates in Attendance**

**Ex Officio**

Cannon Michael (arrived during agenda item 4)  
William Bourdeau

**Division 1**

Anthea Hansen, Chair/Member - Lea Emmons, Alternate

**Division 2**

Bobbie Ormonde, Alternate (arrived during item 4)

**Division 3**

Chris White, Member - Jarrett Martin, Alternate

**Division 4**

Joyce Machado, Member - Dana Jacobson, Alternate

**Division 5**

Bill Pucheu, Member - Manny Amorelli, Alternate

**Friant Water Authority**

Wilson Orvis, Alternate for Jason Phillips (via ZOOM)

**Board of Directors and Alternate Directors Present**

**Division 1**

Anthea Hansen, Director  
Lea Emmons, Alternate

**Division 2**

William Bourdeau, Director  
Ara Azhderian, Alternate  
Bill Diedrich, Director

**Division 3**

Chris White, Alternate for Dan McCurdy  
Jarrett Martin, Director  
Cannon Michael, Director (arrived during item 4)

**Division 4**

John Varela, Director (via ZOOM)  
Steve Wittry, Director  
Joyce Machado, Alternate

**Division 5**

Bill Pucheu, Director  
Manny Amorelli, Director



**Water Resources Committee Members and Alternates Present**

**Ex-Officio**

Cannon Michael (arrived during item 4)  
William Bourdeau

**Division 1**

Anthea Hansen, Alternate

**Division 2**

Bill Diedrich, Member

**Division 3**

Chris White, Member

**Division 4**

Vincent Gin, Member - Steve Wittry, Alternate

**Division 5**

Manny Amorelli, Member

**Authority Representatives Present**

Federico Barajas, Executive Director  
Pablo Arroyave, Chief Operating Officer  
Rebecca Akroyd, General Counsel  
Scott Petersen, Water Policy Director  
Ray Tarka, Director of Finance  
Marta Rivas, Supervisor of Water Accounting  
Melody Hernandez, Accountant II  
Jessica Gerard, Water Accounting Tech I  
Rebecca Harms, Deputy General Counsel (via ZOOM)

**Others in Attendance**

Steve Stadler, San Luis Water District  
Ed Pattison, Byron Bethany Irrigation District

**1. Call to Order/Roll Call**

The meeting was called to order by Chair Anthea Hansen at approximately 10:30 am.

**2. Corrections to the Agenda**

No corrections.

**3. Opportunity for Public Comment**

No public comment.

## REPORT ITEMS

## 4. Discussion Regarding OM&amp;R Rate Calculation Methodology

Executive Director Federico Barajas introduced the item and provided background and context for the workshop. Barajas then referred to General Counsel Rebecca Akroyd. Akroyd began by reviewing the memo provided to the committee and answering any initial questions regarding minimums. Akroyd then referred to relevant provisions in the MOU and Cost Recovery Plan regarding rate calculation, and described the current OM&R rate calculation methodology.

Director of Finance Raymond Tarka then presented a slide deck that explained the various components that make up the water rates. Tarka explained that delivery estimates are used for the Water Authority to get an understanding of the amount of water that is expected to be used during the water year and which district and project facilities are implicated for water delivery. These estimates are provided by members based on the water supply allocation percentages expected to be allowed by Reclamation for the Water Year. Tarka further explained that delivery volumes by cost pool are estimated from this data. Budgeted costs assigned for each cost pool are divided by the calculated delivery volumes to arrive at a cost pool rate component. These components are combined to arrive at the various conveyance rates charged throughout the system. Based on these rates derived from estimates, the Water Authority is able to bill monthly and then true up based on what is actually delivered. Tarka referred to a slide that showed an annual comparison of water estimates versus actual deliveries showing the deviations from year to year for Water Year 2010 through Water Year 2020. He pointed out that in some years, the estimated delivery volumes were lower to actual deliveries, while in others, the opposite was true. In the most recent year displayed, the difference was fairly small.

Next, Tarka reviewed comparisons between budgeted amounts and actual expenditures by cost pool. Tarka highlighted variability in budget/costs from Reclamation and WAPA for power and DWR for San Luis Joint Use. Executive Director Federico Barajas added that the Water Authority has been working with Reclamation to provide more accurate estimates, as their true ups can have a two-year delay.

Lastly, Director of Finance Raymond Tarka discussed the calculation and application of minimum participation amounts. Tarka walked through the application of minimum participation amounts in water year 2016 and water year 2017.

Staff answered questions throughout the presentation, and indicated that additional information regarding cash flow and other implications of changes to the rate setting process would be discussed in future meetings and/or workshops.

5. **Reports Pursuant to Government Code Section 54954.2(a)(3).**

No reports.

6. **Adjournment.**

The meeting was adjourned at approximately 11:58 a.m.