San Luis & Delta-Mendota Water Authority
Monday, February 1, 2021, 12:00 p.m.

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

Join Zoom Meeting
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NOTE: In accordance with the Governor's Executive Order (N-29-20) and the declared State of Emergency as a result of the threat of COVID-19, members of the Finance & Administration Committee, Board of Directors, and Water Authority staff will be participating in this meeting remotely from multiple locations. This meeting will occur exclusively through ZOOM. If members of the public have any problems using the call-in number during the meeting, please contact the Authority office at 209-826-9696.

NOTE FURTHER: 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, as appropriate.

Because the notice provides for a special telephonic meeting of the Finance & Administration Committee ("FAC") and a joint special telephonic FAC Meeting/Special Board Workshop, Board Directors/Alternates may discuss items listed on the agenda; however, only FAC Members/Alternates may correct 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 January 11, 2020 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, 2020**

6. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Executive Compensation for Various Positions**

7. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Water Year 2021 O&M Water Rates**

8. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Modifications to Executive Director and General Counsel Performance Evaluation Process**

REPORT ITEMS

9. Discussion regarding Modifications to Debt Management Policy

10. FY21 Activity Agreements Budget to Actual Report through 12/31/20

11. FY21 O&M Budget to Actual Report through 12/31/20

12. Procurement Activity Report

13. Executive Director's Report, Barajas
    a. FY22 Salary Increases and 5-Step Salary Structure Process
    b. FY22 Budget Approval Process
    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

14. Committee Member Reports

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

16. ADJOURNMENT

Persons with a disability may request disability-related modification or accommodation by contacting Cheri Worthy or Felicia Luna at the San Luis & Delta-Mendota Water Authority Office via telephone (209) 826-9696 or email [cheri.worthy@sldmwa.org or felicia.luna@sldmwa.org] at least 3 days before a regular meeting or 1 day before a special meeting/workshop.

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
TELEPHONIC FINANCE & ADMINISTRATION COMMITTEE ADJOURNED REGULAR MEETING AND
JOINT TELEPHONIC FINANCE & ADMINISTRATION COMMITTEE ADJOURNED REGULAR MEETING / SPECIAL BOARD WORKSHOP
MINUTES FOR January 11, 2021

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority convened at approximately 12:00 p.m. This meeting was held via teleconference/ZOOM in accordance with the Governor's Executive Order (N-29-20) and the declared State of Emergency as a result of the threat of COVID-19, with Chair Rick Gilmore presiding.

Members and Alternate Members in Attendance

Ex Officio
Cannon Michael
William Bourdeau

Division 1
Rick Gilmore, Member - Anthea Hansen, Alternate

Division 2
Bobbie Ormonde, Member

Division 3
Chris White, Member - Jarrett Martin, Alternate

Division 4
Sara Singleton, Director - Dana Jacobson, Alternate

Division 5
Bill Pucheu, Member

Friant Water Authority
Doug DeFlitch, Alternate for Jason Phillips

Board of Directors Present

Division 1

Anthea Hansen, Director

Rick Gilmore, Director

Division 2

William Bourdeau, Director

Division 3

Chris White, Director - Jarrett Martin, Alternate

Cannon Michael, Director

Division 4

Sara Singleton, Alternate

Division 5

Bill Pucheu, Director

Authority Representatives Present

Federico Barajas, Executive Director
Rebecca Akroyd, General Counsel
Pablo Arroyave, Chief Operating Officer
Scott Petersen, Water Policy Director
Joyce Machado, Director of Finance
Lauren Neves, Accountant III
Frances Mizuno, Special Projects Administrator
Stewart Davis, IT Officer
Bob Martin, Facilities O&M Director

Others in Attendance

None

1. Call to Order/Roll Call

Chair and Member Rick Gilmore called the meeting to order at approximately 12:00 p.m.

2. Corrections to the Agenda

There were no corrections.

3. Opportunity for Public Comment

There was no public comment.

4. Finance & Administration Committee to Consider Approval of the December 7, 2020 Meeting Minutes.

Chair Rick Gilmore pronounced the December 7, 2020 meeting minutes approved without any revisions.

5. Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Changes to Proposed FY22 Operations and Maintenance (O&M) and Activity Budget Based on Salary Survey.

Chief Operating Officer Pablo Arroyave reviewed the memo provided to the committee, he noted that a placeholder of 3% was included in the budget for increased salaries. Arroyave then introduced consultant Georg Krammer of Koff & Associates who reviewed the findings of the compensation study. Krammer explained that in comparison to 12 other similar agencies the Authority was, on average, 11.5% below market with management positions being the furthest below market. Member Rick Gilmore made the motion to recommend to the Board to approve

the proposed FY22 O&M and Activity Budgets, including the equivalent of 3% for salary increases, based on the salary survey. The motion was seconded by Ex Officio Member Cannon Michael and passed unanimously. The Committee action is reported as follows:

AYES:	Michael, Bourdeau, Gilmore, Ormonde, White, Pucheu, DeFlitch
NOES:	Singleton
ABSTENTIONS:	None

6. Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Additional Changes to the Proposed FY22 Operations and Maintenance (O&M) Budget.

Chief Operating Officer Pablo Arroyave presented the proposed change to the FY22 budget. Arroyave explained that during the December budget workshop it was discussed that there was $500,000 in the activity agreement budget that was to be used for DMC subsidence and that it would be a better fit if this budgeted amount was moved from the Leg-Ops budget to the EO&M budget. Ex Officio Member Cannon Michael made the motion to recommend to the Board to approve additional changes to the proposed FY22 Operations and Maintenance (O&M) Budget. The motion was seconded by Member Rick Gilmore and passed unanimously. The Committee action is reported as follows:

AYES:	Michael, Bourdeau, Gilmore, Ormonde, White, Pucheu, Singleton, DeFlitch
NOES:	None
ABSTENTIONS:	None

REPORT ITEMS

7. Discussion regarding Modification of Debt Management Policy and/or Development of O&M and Capital Improvement Financing Policy.

General Counsel Rebecca Akroyd reviewed the memo provided to the committee regarding potential modifications to the Authority's Debt Management Policy. The current policy was adopted in March 2019 and includes policies and procedures for the issuance of debt. Staff is of the opinion that this is a logical place to include additional guidance that would help the Board decide in the future whether to self-fund versus financing. Akroyd reviewed the suggested additions made

by bond counsel.

8. FY21 Activity Agreements Budget to Actual Report through 11/30/20.

Director of Finance Joyce Machado reported on the Budget to Actual Comparison Summary for November 30, 2020 for the member-funded activities. Machado stated that for the nine-month period, the budget was trending positive with overall spending through November 30, 2020 at 51.61% of the approved budget.

9. FY21 O&M Budget to Actual Report through 11/30/20.

Director of Finance Joyce Machado reported to the Committee that for WY20 the self-funded routine O&M expenses through November 30, 2020 were under budget by $2,936,482. What remains outstanding is the WY18 and WY19 final accountings and the Intertie O&M cost recovery.

10. Procurement Activity Report.

Director of Finance Joyce Machado presented the procurement activity for the period of December 2nd through January 6th. She reported that there were no contracts awarded during this report period, however there were two change order updates. On December 3rd, a change order was approved for $1,400 under the Shepherd CMMS Program and Implementation contract. On December 28th, a change order was approved for Jones Pumping Plant excitation armature repair. The Vendor was Unico Mechanical Group and the change order was for a credit of $800.62.

11. Executive Director's Report.

Executive Director Federico Barajas provided an update regarding the B.F. Sisk Dam Raise Project. He stated the final EIR/SEIS was completed and posted to the Federal Register on December 18, 2020. Barajas reported that the feasibility report was also completed at the end of December and transmitted to the U.S. Congress. He then reminded the committee that the Sacramento office will be moving from downtown to the Garden Hwy location this month and should be fully operational by 1st week of February.

12. Committee Member Reports.

No reports given.

13. Closed Session / Report from Closed Session, if any Required by Government Code Section 54957.1

Chair Rick Gilmore adjourned the open session to address the items listed on the Closed

Session Agenda at approximately 1:28 p.m. Upon return to open session at approximately 1:45 p.m., General Counsel Rebecca Akroyd stated that no reportable actions were taken.

14. Reports Pursuant to Government Code Sec 54954.2

Ex Officio Member Cannon Michael asked that staff provide the opportunity to discuss updating the performance evaluation process on the next agenda.

15. Agenda Item 13: Adjournment.

The meeting was adjourned at approximately 1:47 p.m.