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

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

**SLDMWA Boardroom**
**842 6th Street, Los Banos, CA 93635**

**Join Zoom Meeting**
https://us02web.zoom.us/j/88300451064?pwd=alFuZXh5MURzc0RQc29HZFlHOUV0QT09

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NOTE: In accordance with Government Code section 54953(e) and Resolution 2021-490 adopted by the San Luis & Delta-Mendota Water Authority Board of Directors on October 7, 2021, members of the Finance & Administration Committee/Board and Water Authority staff will be participating in this meeting from multiple locations. This meeting will occur with an in-person option for members of the Finance & Administration Committee/Board interested in attending at the San Luis & Delta-Mendota Water Authority Los Banos Administrative Office, 842 6th Street, Los Banos, California. There will still be an option to attend by calling in for members of the Finance & Administration Committee, Board, and the public. 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.

Because the notice provides for a regular telephonic meeting of the Finance & Administration Committee ("FAC") and a joint regular telephonic 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 4, 2021 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, 2021**

6. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Accept the Final Fiscal Year 2021 Audited Financial Statements**

7. **Finance & Administration Committee to Consider the Operations and Maintenance (O&M) Technical Committee Recommendation to Approve the Fiscal Year 2023 O&M Budget and Recommendation to Board of Directors Regarding Same**

8. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Authorize Execution of ACWA JPIA Commitment to Excellence Program Letter of Acceptance**

9. **Finance & Administration Committee to Consider Financial Recommendations to Board of Directors Regarding B.F. Sisk Dam Raise and Expansion Project**

## REPORT ITEMS

10. Review of San Luis Transmission Project Bond Financing Options

11. FY22 Activity Agreements Budget to Actual Report through 9/30/21

12. FY22 O&M Budget to Actual Report through 9/30/21

13. Procurement Activity Report

14. 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)

15. Committee Member Reports

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

17. 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 via telephone (209) 826-9696 or email [cheri.worthy@sldmwa.org or sandi.ginda@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 REGULAR MEETING
# AND
# JOINT TELEPHONIC FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING / SPECIAL BOARD WORKSHOP
# MINUTES FOR OCTOBER 4, 2021

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority convened at approximately 12:00 p.m. at 842 6th Street, Los Banos, California, and via teleconference in accordance with Government Code section 54953(e) and Resolution No. 2021-488 adopted by the Board of Directors on September 30, 2021, with Chair Rick Gilmore presiding.

**Members and Alternate Members in Attendance**

**Ex Officio**
William Bourdeau (via Teleconference)

**Division 1**
Rick Gilmore, Member ~ Anthea Hansen, Alternate

**Division 2**
Bobbie Ormonde, Member (via Telephone)

**Division 3**
Chris White, Member ~ Jarrett Martin, Alternate (both via Teleconference)

**Division 4**
Sara Singleton, Member ~ Dana Jacobson, Alternate (both via Teleconference)

**Division 5**
Bill Pucheu, Member (via Teleconference) ~ Manny Amorelli, Alternate

**Friant Water Authority**
Wilson Orvis, 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 (both via Teleconference)

**Division 4**
Sara Singleton, Alternate for Joseph Tonascia (via teleconference)

**Division 5**
Bill Pucheu, Director (via teleconference)

Manny Amorelli, 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

**Others in Attendance**

None

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

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

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

General Counsel Rebecca Akroyd noted one correction to the agenda; the note at the very top of the agenda should state Resolution 2021-488.

**3. Opportunity for Public Comment**

No public comment.

**4. Finance & Administration Committee to Consider Approval of the September 13, 2021 Meeting Minutes.**

Chair Rick Gilmore pronounced the September 13, 2021 meeting minutes approved without any revisions.

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**5. Finance & Administration Committee to Consider Recommendation to Board of Directors to Adopt Resolution Providing for the Issuance of Revenue Bonds to Finance the San Luis Transmission Project, Authorizing the Execution of Certain Documents, and Authorizing Certain Other Actions in Connection Therewith.**

Special Projects Administrator Frances Mizuno presented the item and then introduced Robert Porr to walk through the PowerPoint presentation regarding the San Luis Transmission Project. Porr discussed various aspects of the project regarding necessary agreements, O&M rate payments, and money collected by the U.S. Bureau of Reclamation from other CVP contractors.

Porr also discussed the need for a liquidity reserve of $2.2 million assuming the $282 million project cost. Bond Counsel Doug Brown then provided an overview of key legal documents and reviewed power point slides regarding the Authority's current O&M obligations and the actions that would take place in the event of a non-payment.

In the discussion, Member Bobbie Ormonde identified a need to revise the proposed resolution to modify the sixth whereas to read: "Whereas, one or more Authority member agencies are expected to agree to provide the payment…" The Committee members agreed with this revision. Other members also asked questions, which were addressed by staff and consultants.

Member Bill Pucheu made the motion to adopt revised Resolution Providing for the Issuance of Revenue Bonds to Finance the San Luis Transmission Project, Authorizing the Execution of Certain Documents, and Authorizing Certain Other Actions in Connection Therewith. The motion was seconded by Ex Officio Member William Bourdeau and passed unanimously. The Committee action is reported as follows:

| | |
|---|---|
| AYES: | Bourdeau, Gilmore, Ormonde, White, Singleton, Pucheu, Orvis |
| NOES: | None |
| ABSTENTIONS: | None |

**REPORT ITEMS**

**6. FY22 Activity Agreements Budget to Actual Report through 8/31/21.**

Director of Finance Joyce Machado reported on the Budget to Actual Comparison Summary for August 31, 2021 for the member-funded activities. Machado stated that for the six-month period, the budget was trending positive with overall spending through August 31, 2021 at 30.12% of the approved budget.

**7. FY22 O&M Budget to Actual Report through 8/31/21.**

Director of Finance Joyce Machado reported to the Committee that for WY21 the self-funded routine O&M expenses through August 31, 2021 were under budget by $968,193. The WY19 and WY20 final accountings and the Intertie O&M cost recovery remain outstanding.

**8. Procurement Activity Report.**

No contracts were awarded under the Authority's informal bidding, formal bidding, or single-source procedures during this report period. There were also no contract change orders.

**9. Executive Director's Report.**

Executive Director Federico Barajas reminded the Committee that staff continues to be diligent about ensuring the Authority continues to focus on budget reduction and efficiency throughout the year and on a monthly basis and is extending that focus into the next fiscal year.

Next, Barajas informed the Committee that Staff will be initiating the O&M Technical Committee discussions as it relates to the upcoming fiscal year budget. Staff is in the beginning stages of putting together the proposed fiscal year 2023 RO&M and EO&M budgets. Barajas stated that based on the direction from the Board of Directors last week, the Authority will be discussing the need to establish a reserve capital account as part of the upcoming fiscal year 2023 O&M budget preparation.

Lastly, Barajas provided an update to the Committee on the DMC Subsidence Project. The Authority has been engaging with the state in regards to the $100 million allocation for subsidence funding. The Governor included $100 million in the budget for subsidence projects and DWR is the state agency that has been asked to coordinate the allocation of funds to different entities.

**10. Committee Member Reports.**

No reports given.

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

No reports given.

**12. Agenda Item 13: Adjournment.**

The meeting was adjourned at approximately 12:58 p.m.