



## MEMORANDUM

TO: SLDMWA Board of Directors, Alternates

FROM: Federico Barajas, Executive Director

DATE: February 8, 2024

RE: Adoption of Finance & Administration Committee Recommendation Regarding Fiscal Year 2025 OM&R Budget, Water Resources Committee Recommendation Regarding Fiscal Year 2025 Activity Budget, and Resolution Adopting the Complete Fiscal Year 2025 Budget

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### BACKGROUND

The OM&R Technical Committee first considered a draft FY25 Operation, Maintenance, and Replacement (OM&R) Budget in its October 16, 2023 meeting, where the members present voted to recommend approval to the Board of Directors. Because a formal recommendation of the OM&R Technical Committee to the Finance & Administration Committee to adopt an OM&R Budget requires the “yes” vote of at least eight of ten members, and less than eight members were present, no formal recommendation was made.

The Finance & Administration Committee then considered a revised draft FY25 OM&R Budget in its November 9, 2023 meeting, where it adopted a recommendation that the Board adopt the proposed FY25 OM&R Budget with recommended salary and labor-related revisions discussed during the presentation.

The Water Resources Committee considered a draft FY25 Activity Budget in its December 4, 2023 meeting, where the members present voted to recommend approval to the Board of Directors.

Subsequently, members of the Finance & Administration Committee, Board of Directors, and Water Resources Committee participated in a special workshop to discuss the draft FY25 budgets and cost allocation on January 17, 2024.

Staff has prepared a draft resolution adopting the complete FY25 Budget, including both OM&R and Activity components. The resolution includes approval and authorization to extend specific contracts included in the FY25 Budget without further Board action, which contracts are listed below.

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Memo to SLDMWA Board of Directors

February 8, 2024

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**ISSUE FOR DECISION**

Whether to accept the Finance & Administration Committee recommendation regarding the FY25 OM&R Budget, Water Resources Committee recommendation regarding the FY25 Activity Budget, and Resolution Adopting the Complete FY25 Budget.

**RECOMMENDATION**

Staff recommends accepting the committee recommendations and adopting the proposed Resolution Adopting the Complete FY25 Budget.

**ANALYSIS**

The proposed resolution includes approval and authorization to extend specifically enumerated contracts and/or task orders with Kronick Moskovitz Tiedemann & Girard, Foley & Lardner LLP, California Strategies LLC, Woodard & Curran, EKI Environment & Water, Inc., Summers Engineering, and South Dakota Ag Laboratories. The Authority executed similar contracts with these vendors in FY24 and in prior years. Execution of the Woodard & Curran, EKI Environment & Water, Inc., Summers Engineering, and South Dakota Ag Laboratories contracts is further supported by SGMA Steering Committee and GBD Steering Committee recommendations to adopt the proposed FY25 SGMA and GBD budgets.

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY**

**RESOLUTION NO. 2024-\_\_\_**

**RESOLUTION ADOPTING THE COMPLETE FISCAL YEAR 2025 BUDGET**

**WHEREAS**, Article 22 of the San Luis & Delta-Mendota Water Authority’s (“**Water Authority**”) Joint Exercise of Powers Agreement provides that its Board of Directors (“**Board**”) will adopt a Budget for the Water Authority for the ensuing fiscal year; and

**WHEREAS**, the Water Authority’s Operation, Maintenance, & Replacement (“**OM&R**”) Technical Committee considered a draft of the proposed Fiscal Year 2025 OM&R Budget in its October 16, 2023 meeting, where the members present voted to recommend approval to the Board of Directors regarding the same; and

**WHEREAS**, the Water Authority’s Finance & Administration Committee considered a revised draft Fiscal Year 2025 OM&R Budget in its November 9, 2023 meeting, and adopted a recommendation that the Board adopt the proposed Fiscal Year 2025 OM&R Budget with recommended salary and labor-related revisions discussed during the presentation; and

**WHEREAS**, the Water Authority’s Water Resources Committee considered a draft Fiscal Year 2025 Activity Budget in its December 4, 2023 meeting, where the members present voted to recommend approval to the Board of Directors; and

**WHEREAS**, the Water Authority’s Board, Finance & Administration Committee, and Water Resources Committee considered a revised draft of the proposed Fiscal Year 2025 OM&R and Activity budgets (together, the “**Fiscal Year 2025 Budget**”) in a joint workshop on January 17, 2024; and

**WHEREAS**, the Board received and considered the proposed Fiscal Year 2025 Activity Budget at the public meeting held on February 8, 2024 and has considered all comments and information regarding the proposed Fiscal Year 2025 Budget received by the Board during, or prior to, the meeting.

**NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:**

Section 1. The facts stated in the recitals above are true and correct, and the Board so finds and determines.

Section 2. The Water Authority Board hereby adopts the complete Fiscal Year 2025 Budget, including the Fiscal Year 2025 OM&R Budget and the Fiscal Year 2025 Activity Budget, as summarized and set forth in the attached Exhibit.

Section 3. In adopting the complete Fiscal Year 2025 Budget, the Board specifically approves and authorizes the extension of the following contracts, each identified with reference to their specific locations on the FY25 Budget Expenditure Summary page:

- (1) Kronick, Moskovitz, Tiedemann & Girard: Legal Budget row 1, funds 1, 5, 35, 28, and 57;

- (2) Foley & Lardner LLP: Legislative Advocacy/Public Information Representation Budget row 14, fund 5;
- (3) California Strategies, LLC: Legislative Advocacy/Public Information Representation Budget row 15; fund 5;
- (4) Woodard & Curran: Other Professional Services Budget row 18, funds 63, 64, 65, and 67;
- (5) EKI Environment & Water, Inc.: Other Professional Services Budget row 18, funds 63, 64, and 65;
- (6) Summers Engineering: Grassland Basin Drainage Budget row 25, fund 22; and
- (7) South Dakota Ag Laboratories: Grassland Basin Drainage Budget row 25, fund 22.

The contracts will be executed in amounts not to exceed those specified in the Fiscal Year 2025 Budget. Additional information regarding these line items is included in the support documents for the Fiscal Year 2025 Budget.

Section 4. The Water Authority’s Executive Director and Chief Operating Officer are authorized to take all necessary actions to implement the provisions of the Budget as adopted by the Resolution.

**PASSED, APPROVED AND ADOPTED** this 8<sup>th</sup> day of February, 2024, by the Board of Directors of the San Luis & Delta-Mendota Water Authority.

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Cannon Michael, Chairman  
San Luis & Delta-Mendota Water Authority

Attest:

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Federico Barajas, Secretary

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I hereby certify that the foregoing Resolution No. 2024-\_\_\_ was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at the meeting thereof held on the 8<sup>th</sup> day of February, 2024.

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Federico Barajas, Secretary

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**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY  
FY24 PROJECTED ACTUAL SUMMARY**

03 05 06 35 09 28 22 63 64 65 67 68 44 56 69 16

**BOD 02.08.24**

**FY24 PROJECTED ACTUAL SUMMARY**

Direct Expenses

	Total	General Membership (03)	Leg Ops (05)	Reallo Agreement (06)	Contract Renewal Coordinator (35)	Leg/Op #3 (09)	Yuba Co. Water Trans. (28) Sub Fund of Leg/Op#3	GBD Dr #3A (22)	SGMA Coordinateds (63)	SGMA Northern Delta-Mendota Region (64)	SGMA Central Delta-Mendota Region (65)	IRWM (67)	Los Vaqueros Reservoir Expansion Proj (68)	Exchange Contractor 5 Year Transfer (44)	Long-Term North to South Water Transfers (56)	B.F.Sisk Dam Raise & Reservoir Expansion Proj (69)	DHCCP (16)
<b>Legal:</b>																	
1 Linneman et al	\$ 10,000						\$ 10,000										
2 Kronick Moskovitz et al	\$ 667,000		\$ 602,000		\$ 40,000	\$ 5,000									\$ 20,000		
3 Kronick Moskovitz et al (annual costs)	\$ 17,500		\$ 15,000		\$ 1,500										\$ 1,000		
4 Pioneer Law Group	\$ 58,000		\$ 7,000				\$ 25,000								\$ 20,000	\$ 6,000	
5 Stoel Rives	\$ 15,000		\$ 15,000														
6 Baker Manock & Jensen	\$ 152,000						\$ -	\$ 65,000	\$ 43,000	\$ 43,000	\$ 1,000						
7 Cotchett, Pitre & McCarthy	\$ 40,000						\$ 40,000										
8 Kahn, Soares & Conway	\$ 10,000		\$ 5,000				\$ 5,000										
9 Misc. Legal Support	\$ -						\$ -										
10 Technical Legal Support	\$ 75,000		\$ 75,000														
11 Legal Contingency	\$ 50,000		\$ 50,000														
<b>Sub Total</b>	<b>\$ 1,094,500</b>	<b>\$ -</b>	<b>\$ 769,000</b>	<b>\$ -</b>	<b>\$ 41,500</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 80,000</b>	<b>\$ 65,000</b>	<b>\$ 43,000</b>	<b>\$ 43,000</b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 41,000</b>	<b>\$ 6,000</b>	<b>\$ -</b>
<b>Technical:</b>																	
12 Strategic Plan Update	\$ 100,000	\$ 100,000															
13 Science Program	\$ 28,000		\$ 28,000														
14 Previous Technical Project Commitment	\$ 75,000		\$ 75,000														
<b>Sub Total</b>	<b>\$ 203,000</b>	<b>\$ 100,000</b>	<b>\$ 103,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Legislative Advocacy/Public Information Representation:</b>																	
15 Federal Representation	\$ 360,000		\$ 360,000														
16 State Representation	\$ 204,000		\$ 204,000														
17 Public Information / Communication	\$ 183,150	\$ 183,150															
<b>Sub Total</b>	<b>\$ 747,150</b>	<b>\$ 183,150</b>	<b>\$ 564,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Professional Services:</b>																	
18 SGMA Services	\$ 2,442,732							\$ 1,203,072	\$ 619,830	\$ 619,830							
19 Integrated Regional Water Management	\$ 39,000										\$ 39,000						
20 Mizuno Consulting	\$ 62,000					\$ 12,000							\$ 15,000	\$ 35,000			
21 Previous BF Sisk Dam Raise Commitment*	\$ 708,000															\$ 708,000	
<b>Sub Total</b>	<b>\$ 3,251,732</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,000</b>	<b>\$ -</b>	<b>\$ 1,203,072</b>	<b>\$ 619,830</b>	<b>\$ 619,830</b>	<b>\$ 39,000</b>	<b>\$ -</b>	<b>\$ 15,000</b>	<b>\$ 35,000</b>	<b>\$ 708,000</b>	<b>\$ -</b>
<b>Grassland Basin Drainage:</b>																	
22 GBD Specific	\$ 997,011						\$ 997,011										
23 New UA Mud Slough Mitigation	\$ -						\$ -										
24 Use of Drain	\$ 158,400						\$ 158,400										
25 Biological Monitoring	\$ 250,000						\$ 250,000										
26 Groundwater WDR Specific	\$ 395,193						\$ 395,193										
<b>Sub Total</b>	<b>\$ 1,800,604</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,800,604</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>OTHER:</b>																	
27 Executive Director	\$ 273,432	\$ 197,100	\$ 74,453					\$ 500	\$ 394	\$ 394	\$ 591						
28 Executive Secretary	\$ 46,015	\$ 26,145	\$ 19,870														
29 General Counsel	\$ 243,336	\$ 144,914	\$ 71,871				\$ 6,292	\$ 471	\$ -	\$ -	\$ -	\$ 1,449		\$ 3,461	\$ 14,878		
30 Water Policy Director	\$ 259,803		\$ 235,037					\$ 14,566	\$ 4,500	\$ 4,500	\$ 1,200						
31 Water Resources Program Manager	\$ 200,354							\$ 70,354	\$ 60,000	\$ 60,000	\$ 10,000						
32 Special Programs Manager	\$ 145,742		\$ 145,742														
33 Deputy General Counsel	\$ 166,510	\$ 55,503	\$ 111,007												\$ -		
34 In-House Staff	\$ 126,768	\$ 22,740	\$ 17,781		\$ 1,603	\$ 6,626	\$ 2,741	\$ 2,650	\$ 21,500	\$ 21,500	\$ 500	\$ 3,197	\$ 3,768	\$ 1,022	\$ 21,017	\$ 123	
35 Los Banos Administrative Office (LBAO)	\$ 50,000	\$ 50,000						\$ -	\$ -	\$ -							
36 Dissolved Oxygen Aerator	\$ 12,724		\$ 8,036				\$ 4,688										
37 Other Services & Expenses	\$ 24,034	\$ 13,970	\$ 2,384				\$ -	\$ 6,430	\$ 500	\$ -	\$ 750						
38 License & Continuing Education	\$ 2,309	\$ 309	\$ 1,000					\$ 500	\$ 250	\$ 250							
39 Organizational Membership	\$ 101,750	\$ 101,750															
40 Conferences & Training	\$ 13,648	\$ 3,154	\$ 5,494					\$ 1,000	\$ 1,250	\$ 1,250	\$ 1,500						
41 Travel/Mileage	\$ 83,756	\$ 30,045	\$ 42,211					\$ 2,500	\$ 2,500	\$ 2,500	\$ 4,000						
42 Group Meetings	\$ 16,653	\$ 8,522	\$ 5,131					\$ 1,000	\$ 500	\$ 500	\$ 1,000						
43 Telephone	\$ 5,552	\$ 1,473	\$ 579					\$ -	\$ 500	\$ 1,250	\$ 500						
<b>Sub Total</b>	<b>\$ 1,772,386</b>	<b>\$ 655,625</b>	<b>\$ 740,596</b>	<b>\$ -</b>	<b>\$ 1,603</b>	<b>\$ -</b>	<b>\$ 6,626</b>	<b>\$ 13,721</b>	<b>\$ 100,471</b>	<b>\$ 92,644</b>	<b>\$ 92,144</b>	<b>\$ 20,041</b>	<b>\$ 4,646</b>	<b>\$ 3,768</b>	<b>\$ 4,483</b>	<b>\$ 35,895</b>	<b>\$ 123</b>
<b>Total Expenditures</b>	<b>\$ 8,869,372</b>	<b>\$ 938,775</b>	<b>\$ 2,176,596</b>	<b>\$ -</b>	<b>\$ 43,103</b>	<b>\$ -</b>	<b>\$ 23,626</b>	<b>\$ 1,894,325</b>	<b>\$ 1,368,543</b>	<b>\$ 755,474</b>	<b>\$ 754,974</b>	<b>\$ 60,041</b>	<b>\$ 4,646</b>	<b>\$ 18,768</b>	<b>\$ 80,483</b>	<b>\$ 749,895</b>	<b>\$ 123</b>

Note:  
\* Previous BF Sisk Dam Raise Commitment  
Subject to rounding

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY  
FY25 BUDGET EXPENDITURE SUMMARY**

03 05 06 35 09 28 22 63 64 65 67 68 44 56 57 69 16

**BOD 02.08.24**

**FY25 BUDGET EXPENDITURE SUMMARY**

	Total	General Membership (03)	Leg Ops (05)	Reallo Agreement (06)	Contract Renewal Coordinator (35)	Leg/Op #3 (09)	Yuba Co. Water Trans. (28) Sub Fund of Leg/Op#3	GBD Dr #3A (22)	SGMA Coordinated (63)	SGMA Northern Delta-Mendota Region (64)	SGMA Central Delta-Mendota Region (65)	IRWM (67)	Los Vaqueros Reservoir Expansion Proj (68)	Exchange Contractor 5 Year Transfer (44)	Long-Term North to South Water Transfers (56)	North to South Water Transfers (57)	B.F.Sisk Dam Raise & Reservoir Expansion Proj (69)	DHCCP (16)
<b>Direct Expenses</b>																		
<b>Legal:</b>																		
1 Kronick Moskovitz et al	\$ 630,000		\$ 565,000		\$ 20,000		\$ 5,000										\$ 40,000	
2 Kronick Moskovitz et al (annual costs)	\$ 16,500		\$ 15,000		\$ 500												\$ 1,000	
3 Pioneer Law Group	\$ 105,000		\$ 30,000					\$ 25,000									\$ 50,000	\$ -
7 Stoel Rives	\$ 25,000		\$ 25,000															
4 Baker Manock & Jensen	\$ 93,840								\$ 33,120	\$ 27,600	\$ 27,600	\$ 5,520						
5 Cotchett, Pitre & McCarthy	\$ 20,000							\$ 20,000										
6 Kahn, Soares & Conway	\$ 15,000							\$ 15,000										
8 Misc. Legal Support	\$ 17,500							\$ 17,500										
9 Technical Legal Support	\$ 150,000		\$ 150,000															
10 Legal Contingency	\$ 250,000		\$ 250,000															
<b>Sub Total</b>	<b>\$ 1,322,840</b>	<b>\$ -</b>	<b>\$ 1,035,000</b>	<b>\$ -</b>	<b>\$ 20,500</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 77,500</b>	<b>\$ 33,120</b>	<b>\$ 27,600</b>	<b>\$ 27,600</b>	<b>\$ 5,520</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 91,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Technical:</b>																		
11 Strategic Plan Update	\$ -	\$ -																
12 Science Program	\$ 610,000		\$ 610,000															
13 Previous Technical Project Commitment	\$ 120,000		\$ 120,000															
<b>Sub Total</b>	<b>\$ 730,000</b>	<b>\$ -</b>	<b>\$ 730,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Legislative Advocacy/Public Information Representation:</b>																		
14 Federal Representation	\$ 360,000		\$ 360,000															
15 State Representation	\$ 249,000		\$ 249,000															
16 Public Information / Communication	\$ 391,400	\$ 391,400																
<b>Sub Total</b>	<b>\$ 1,000,400</b>	<b>\$ 391,400</b>	<b>\$ 609,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Professional Services:</b>																		
17 SGMA Services	\$ 2,408,129							\$ 1,703,997	\$ 352,066	\$ 352,066								
18 Integrated Regional Water Management	\$ 110,362										\$ 110,362							
19 Mizuno Consulting	\$ 72,000					\$ 12,000												
20 Previous Los Vaqueros Expansion Commitment*	\$ 1,239,000											\$ 1,239,000						
21 Previous BF Sisk Dam Raise Commitment**	\$ 2,200,000																\$ 2,200,000	
22 Additional BF Sisk Dam Raise Commitment***	\$ 2,800,000																\$ 2,800,000	
<b>Sub Total</b>	<b>\$ 8,829,491</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,000</b>	<b>\$ -</b>	<b>\$ 1,703,997</b>	<b>\$ 352,066</b>	<b>\$ 352,066</b>	<b>\$ 110,362</b>	<b>\$ 1,239,000</b>	<b>\$ 5,000</b>	<b>\$ 20,000</b>	<b>\$ 35,000</b>	<b>\$ 5,000,000</b>	<b>\$ -</b>
<b>Grassland Basin Drainage:</b>																		
23 GBD Specific	\$ 957,713						\$ 957,713											
24 New UA Mud Slough Mitigation	\$ 50,000						\$ 50,000											
25 Use of Drain	\$ 95,000						\$ 95,000											
26 Biological Monitoring	\$ 215,000						\$ 215,000											
27 Groundwater WDR Specific	\$ 522,800						\$ 522,800											
<b>Sub Total</b>	<b>\$ 1,840,513</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,840,513</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>OTHER:</b>																		
28 Executive Director	\$ 384,190	\$ 299,037	\$ 80,821						\$ 2,736	\$ 456	\$ 456	\$ 684						
29 Executive Secretary	\$ 45,917	\$ 26,089	\$ 19,828															
30 General Counsel	\$ 350,271	\$ 214,557	\$ 53,639				\$ 35,000	\$ 4,836	\$ 6,696	\$ 6,696	\$ 2,046	\$ 5,000			\$ 3,461	\$ 3,461	\$ 14,878	
31 Water Policy Director	\$ 282,646		\$ 237,354					\$ 8,450	\$ 9,802	\$ 9,802	\$ 17,238							
32 Water Resources Program Manager	\$ 206,518							\$ 82,607	\$ 51,629	\$ 51,629	\$ 20,652							
33 Special Programs Manager	\$ 206,661	\$ 103,331	\$ 103,331															
34 Deputy General Counsel	\$ 164,084	\$ 43,756	\$ 109,389												\$ 5,469	\$ 5,469		
35 In-House Staff	\$ 268,145	\$ 79,624	\$ 74,624	\$ 1,500		\$ 6,000	\$ 3,250	\$ 4,752	\$ 28,288	\$ 28,288	\$ 3,696	\$ 4,000	\$ 4,000	\$ 5,000	\$ 10,000	\$ 15,000	\$ 123	
36 Los Banos Administrative Office (LBAO)	\$ 50,000	\$ 50,000																
37 Dissolved Oxygen Aerator	\$ 6,250		\$ 6,250															
38 Other Services & Expenses	\$ 31,150	\$ 13,970	\$ 10,000					\$ 6,430			\$ 750							
39 License & Continuing Education	\$ 2,800	\$ 800	\$ 1,000					\$ 500	\$ 250	\$ 250								
40 Organizational Membership	\$ 104,750	\$ 104,750																
41 Conferences & Training	\$ 30,000	\$ 15,000	\$ 10,000					\$ 1,000	\$ 1,250	\$ 1,250	\$ 1,500							
42 Travel/Mileage	\$ 156,500	\$ 65,000	\$ 80,000					\$ 2,500	\$ 2,500	\$ 2,500	\$ 4,000							
43 Group Meetings	\$ 13,000	\$ 5,000	\$ 5,000					\$ 1,000	\$ 500	\$ 500	\$ 1,000							
44 Telephone	\$ 5,552	\$ 1,473	\$ 579				\$ -	\$ 500	\$ 1,250	\$ 1,250	\$ 500							
<b>Sub Total</b>	<b>\$ 2,308,434</b>	<b>\$ 1,022,387</b>	<b>\$ 791,815</b>	<b>\$ -</b>	<b>\$ 1,500</b>	<b>\$ -</b>	<b>\$ 6,000</b>	<b>\$ 38,250</b>	<b>\$ 115,311</b>	<b>\$ 102,621</b>	<b>\$ 102,621</b>	<b>\$ 52,066</b>	<b>\$ 9,000</b>	<b>\$ 4,000</b>	<b>\$ 13,930</b>	<b>\$ 18,930</b>	<b>\$ 29,878</b>	<b>\$ 123</b>
<b>Total Expenditures</b>	<b>\$ 16,031,678</b>	<b>\$ 1,413,787</b>	<b>\$ 3,165,815</b>	<b>\$ -</b>	<b>\$ 22,000</b>	<b>\$ -</b>	<b>\$ 23,000</b>	<b>\$ 1,956,263</b>	<b>\$ 1,852,428</b>	<b>\$ 482,287</b>	<b>\$ 482,287</b>	<b>\$ 167,948</b>	<b>\$ 1,248,000</b>	<b>\$ 9,000</b>	<b>\$ 33,930</b>	<b>\$ 144,930</b>	<b>\$ 5,029,878</b>	<b>\$ 123</b>

**Note:**  
\* Previous Los Vaqueros Expansion Project: Funds collected collected in FY24; expense in FY25  
\*\* Previous BF Sisk Dam Raise Commitment: Funds collected collected in FY24; expense in FY25  
\*\*\* Additional BF Sisk Dam Raise Commitment: Funds to be collected in FY25  
Subject to rounding

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY  
FY 24 TO FY 25 COMPARISON**

**BOD 02.08.24**

		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
					<b>(D = C - B)</b>
Direct Expenses		<b>FY 2024 Budget</b>	<b>FY 2024 Projected Actual</b>	<b>FY 2025 Draft 2</b>	<b>VARIANCE FY 2024 Compared to FY2025 Increase (Decrease)</b>
<b>Legal:</b>					
1	Linneman et al	\$ 20,000	\$ 10,000	\$ -	\$ (10,000)
2	Kronick Moskovitz et al	\$ 802,000	\$ 667,000	\$ 630,000	\$ (37,000)
3	Kronick Moskovitz et al (annual costs)	\$ 22,000	\$ 17,500	\$ 16,500	\$ (1,000)
4	Pioneer Law Group	\$ 170,000	\$ 58,000	\$ 105,000	\$ 47,000
8	Stoel Rives	\$ 50,000	\$ 15,000	\$ 25,000	\$ 10,000
5	Baker Manock & Jensen	\$ 112,720	\$ 152,000	\$ 93,840	\$ (58,160)
6	Cotchett, Pitre & McCarthy	\$ 40,000	\$ 40,000	\$ 20,000	\$ (20,000)
7	Kahn, Soares & Conway	\$ 60,000	\$ 10,000	\$ 15,000	\$ 5,000
9	Misc. Legal Support	\$ 10,000	\$ -	\$ 17,500	\$ 17,500
10	Technical Legal Support	\$ 150,000	\$ 75,000	\$ 150,000	\$ 75,000
11	Legal Contingency	\$ 150,000	\$ 50,000	\$ 250,000	\$ 200,000
<b>Sub Total Legal:</b>		<b>\$ 1,586,720</b>	<b>\$ 1,094,500</b>	<b>\$ 1,322,840</b>	<b>\$ 228,340</b>
<b>Technical:</b>					
12	Strategic Plan Update	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
13	Science Program	\$ 390,000	\$ 28,000	\$ 610,000	\$ 582,000
14	Previous Technical Project Commitment	\$ 125,000	\$ 75,000	\$ 120,000	\$ 45,000
<b>Sub Total Technical:</b>		<b>\$ 615,000</b>	<b>\$ 203,000</b>	<b>\$ 730,000</b>	<b>\$ 527,000</b>
<b>Legislative Advocacy/Public Information Representation:</b>					
15	Federal Representation	\$ 360,000	\$ 360,000	\$ 360,000	\$ -
16	State Representation	\$ 204,000	\$ 204,000	\$ 249,000	\$ 45,000
17	Public Information / Communication	\$ 183,150	\$ 183,150	\$ 391,400	\$ 208,250
<b>Sub Total Legislative Advocacy/PIR</b>		<b>\$ 747,150</b>	<b>\$ 747,150</b>	<b>\$ 1,000,400</b>	<b>\$ 253,250</b>
<b>Other Professional Services:</b>					
18	SGMA Services	\$ 1,243,240	\$ 2,442,732	\$ 2,408,129	\$ (34,603)
19	Integrated Regional Water Management	\$ 110,362	\$ 39,000	\$ 110,362	\$ 71,362
20	Mizuno Consulting	\$ 57,000	\$ 62,000	\$ 72,000	\$ 10,000
21	Previous Los Vaqueros Expansion Commitment**	\$ -	\$ -	\$ 1,239,000	\$ 1,239,000
22	Previous BF Sisk Dam Raise Commitment**	\$ 708,000	\$ 708,000	\$ 2,200,000	\$ 1,492,000
23	Additional BF Sisk Dam Raise Commitment**	\$ -	\$ -	\$ 2,800,000	\$ 2,800,000
<b>Sub Total Other Professional Services:</b>		<b>\$ 2,118,602</b>	<b>\$ 3,251,732</b>	<b>\$ 8,829,491</b>	<b>\$ 5,577,759</b>
<b>Grassland Basin Drainage:</b>					
24	GBD Specific	\$ 946,511	\$ 997,011	\$ 957,713	\$ (39,298)
25	New UA Mud Slough Mitigation	\$ 50,000	\$ -	\$ 50,000	\$ 50,000
26	Use of Drain	\$ 158,400	\$ 158,400	\$ 95,000	\$ (63,400)
27	Biological Monitoring	\$ 250,000	\$ 250,000	\$ 215,000	\$ (35,000)
28	Groundwater WDR Specific	\$ 459,376	\$ 395,193	\$ 522,800	\$ 127,607
<b>Sub Total GBD Specific:</b>		<b>\$ 1,864,287</b>	<b>\$ 1,800,604</b>	<b>\$ 1,840,513</b>	<b>\$ 39,909</b>
<b>OTHER:</b>					
29	Executive Director	\$ 273,930	\$ 273,432	\$ 384,190	\$ 110,757
30	Executive Secretary	\$ 48,061	\$ 46,015	\$ 45,917	\$ (99)
31	General Counsel	\$ 261,348	\$ 243,336	\$ 350,271	\$ 106,934
32	Water Policy Director	\$ 273,425	\$ 259,803	\$ 282,646	\$ 22,843
33	Water Resources Program Manager	\$ 246,064	\$ 200,354	\$ 206,518	\$ 6,164
34	Special Programs Manager	\$ 108,156	\$ 145,742	\$ 206,661	\$ 60,920
35	Deputy General Counsel	\$ 161,797	\$ 166,510	\$ 164,084	\$ (2,426)
36	In-House Staff	\$ 167,889	\$ 126,768	\$ 268,145	\$ 141,378
37	Los Banos Administrative Office (LBAO)	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
38	Dissolved Oxygen Aerator	\$ 6,250	\$ 12,724	\$ 6,250	\$ (6,474)
39	Other Services & Expenses	\$ 20,180	\$ 24,034	\$ 31,150	\$ 7,116
40	License & Continuing Education	\$ 2,800	\$ 2,309	\$ 2,800	\$ 491
41	Organizational Membership	\$ 101,750	\$ 101,750	\$ 104,750	\$ 3,000
42	Conferences & Training	\$ 45,500	\$ 13,648	\$ 30,000	\$ 16,352
43	Travel/Mileage	\$ 71,500	\$ 83,756	\$ 156,500	\$ 72,744
44	Group Meetings	\$ 12,000	\$ 16,653	\$ 13,000	\$ (3,653)
45	Telephone	\$ 6,300	\$ 5,552	\$ 5,552	\$ -
<b>Sub Total Other:</b>		<b>\$ 1,856,950</b>	<b>\$ 1,772,386</b>	<b>\$ 2,308,434</b>	<b>\$ 536,048</b>
<b>Grand Total Direct Expenditures</b>		<b>\$ 8,788,709</b>	<b>\$ 8,869,372</b>	<b>\$ 16,031,678</b>	<b>\$ 7,162,306</b>

(A) (B) (C) (D)

- (A) Total FY24 Budget
- (B) Total FY24 Projected Actual
- (C) Total FY25 Proposed Final Budget
- (D) Total reflects variance between FY25 Proposed Final Budget and FY24 Projected Actuals

**\*\* Note:**  
 Previous Los Vaqueros Expansion Project: Funds collected collected in FY24; expense in FY25  
 Previous BF Sisk Dam Raise Commitment: Funds collected collected in FY24; expense in FY25  
 Additional BF Sisk Dam Raise Commitment: Funds to be collected in FY25





## MEMORANDUM

TO: SLDMWA Board of Directors, Alternates

FROM: Pablo Arroyave, Chief Operating Officer

DATE: January 17, 2024

RE: Proposed Fiscal Year (FY) 2025 OM&R Budget, including Routine OM&R and Extraordinary OM&R/Capital Improvement Project (CIP) Budgets

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### BACKGROUND

The O&M Technical Committee (OMTC) reviewed the proposed FY25 Operation, Maintenance, and Replacement (OM&R) Budget in detail in its October 16, 2023 meeting. The participating committee members recommended approval of the FY2025 O&M budget to the Finance and Administration Committee. Because a formal recommendation of the OMTC to the FAC to adopt an OM&R Budget requires the "yes" vote of at least eight of ten members, and less than eight members were present, no formal recommendation was made.

The Finance & Administration Committee (FAC) then considered the proposed FY25 OM&R Budget in its November 9, 2023 meeting, where it adopted a recommendation that the Board adopt the proposed FY25 OM&R Budget with recommended salary and labor related revisions discussed during the presentation.

The proposed FY2025 OM&R budget is **\$26,117,868**. The major budget components include the following:

- Routine OM&R Budget: **\$17,288,268** (includes \$512,791 for USBR contract)
- Extraordinary OM&R Budget: **\$8,829,600**
- CIP Budget: **\$0**

In conjunction with the OM&R budget, staff is proposing, and the OMTC and FAC recommended, the addition of two new positions: a Computer Technician (to support the IT Officer) and an Accountant III (to support the Director of Finance). Position justifications for the Computer Technician and Accountant III positions are provided in Attachment 2.b.

The proposed FY2025 OM&R Budget also includes salary increases of 3.5%. The Water Authority salary policy provides for salary adjustments based on salary surveys every three years and in the in-between years on the Consumer Price Index (CPI) for Pacific Cities (West with less than 2,500,000 Population). In 2006, the Water Authority established a policy of basing salary adjustments on the four-month average CPI of August-November for any given year the index is used. The August-November 2023 CPI average is 3.5%.

**ATTACHMENT 4** provides an update on the carryover EO&M/CIP funds for reserve, EO&M, and CIP projects. Based on the expenditures-to-date through August 31, 2023 for each of the active EO&M/CIP Projects, the projected carryover balance is \$610,087. Relative to FY2025, staff recommends the carryover of funds from previous fiscal year Extraordinary OM&R/CIP budgets.

**ATTACHMENT 5** provides a comparison of the WY2023 and WY2024 Water Rates based on the Proposed FY25 OM&R Budget and assuming a 100% SOD AG allocation. Draft rates for a 20% SOD AG allocation year and 40% SOD AG allocation will be available for review during the special budget workshop scheduled for 1/17/24.

**EXHIBIT A** is the Memorandum to the Finance & Administration Committee (FAC) dated November 9, 2023 providing the Proposed FY25 OM&R Budget including the Routine OM&R and Extraordinary OM&R/Capital Budgets.

#### **ATTACHMENTS**

1. FY2025-FY2024 Budget Comparison Summary Page
2. Routine OM&R Budget
  - a. Routine OM&R Budget line-item variances greater than 5% explanation
  - b. Staffing Information
    - FY2025 Organization Chart
    - Staffing Levels
    - New Position Justifications
  - c. Special Projects Justifications
    - Parts & Materials
    - Equipment
    - Services
3. Extraordinary OM&R Budget
  - a. FY2025 Projects Funding Summary Page
  - b. EO&M Project 10-Year Plan
  - c. Project Descriptions/Justifications
4. EO&M/CIP Project Carryover Information
5. WY2023-2024 Rate Comparison

#### **EXHIBITS**

- A. Memorandum to Finance & Administration Committee (FAC) dated November 9, 2023

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY**  
**FY2024 APPROVED, PROPOSED FY2025 TOTAL BUDGET SUMMARY**

<b>O&amp;M Budget Summary</b>	<b>Approved FY24 Budget A</b>	<b>Proposed FY25 Budget B</b>	<b>% Change FY24 - FY25 (B-A)/A</b>
<u>Routine O&amp;M (Water Users)</u>	\$ 17,940,253	\$ 16,775,477	-6.49%
<u>USBR Funded O&amp;M (Service Contract)</u>	\$ 83,950	\$ 512,791	510.83%
<b><u>TOTAL (Water Users &amp; USBR)</u></b>	<b><u>\$ 18,024,203</u></b>	<b><u>\$ 17,288,268</u></b>	<b><u>-4.08%</u></b>
<u>Extraordinary O&amp;M (Water Users)</u>	\$ 6,198,000	\$ 8,829,600	42.46%
<u>Capital Improvements Projects</u>	\$ 2,297,700	\$ -	-100.00%
<b><u>TOTAL (EO&amp;M/CIP)</u></b>	<b><u>\$ 8,495,700</u></b>	<b><u>\$ 8,829,600</u></b>	<b><u>3.93%</u></b>
<b><u>TOTAL (includes Service Contract)</u></b>	<b><u>\$ 26,519,903</u></b>	<b><u>\$ 26,117,868</u></b>	<b><u>-1.52%</u></b>
<b><u>Total Self Funded Budget (Water Users, excludes Service Contract)</u></b>	<b><u>\$ 26,435,953</u></b>	<b><u>\$ 25,605,077</u></b>	<b><u>-3.14%</u></b>

**NOTE:**  
SLDMWA received approval on Bipartisan Infrastructure Law (BIL) funding applications for the DMC Subsidence Correction Project and the JPP Excitation Cabinet and Control Panel Refurbishment Project. Each project was awarded \$25M. Both projects are multi-phased and multi-year projects. As a result of this funding, there will be no funding requested in FY25 for either of these projects. Repayment of this funding will be addressed separately.

## BUDGET LINE ITEM DETAIL COMPARISON

### Parts, Materials and Services (\$418.4K increase)

- Office Services and Supplies increased \$15.1K (26.10%)
  - Increase in Maintenance Contract costs for Department 10
- Clothing, Personal Protective Equipment (PPE) increased \$5.2K (10.14%)
  - Requirement for arc-flash rated clothing
  - Safety boot allowance raised to \$200/year
  - One-time \$2K expense for SLDMWA hats per QIC agreement
- Janitorial Supplies and Services increased \$900 (7.17%)
  - Increased to better match existing
- Engineering Consultant decreased \$18.5K (-10.91%)
  - Decreased due to most of the surveying costs being covered under the EO&M budget
- Auditing Increased \$9K (18.00%)
  - \$9K expense for assistance with development of indirect cost (Dept 20)
- Legal increased \$39.5K (36.07%)
  - Adjusted to match current projects
    - Increase in Dept 10 of \$31.5K (Kronik and Diepenbrock)
    - Increase in Dept 30 of \$3K (Kronik)
    - Increase in Dept 50 of \$5K (Diepenbrock for Legal review of contract templates)
- Other Professional Services increased \$76.7K (20.28%)
  - Increase in Dept 10 of \$29.8K (Network Cyber Security Services and SCADA Professional Services)
  - Increase in Dept 30 of \$45K (Salary Survey)
- Fees and Licenses increased \$1.4KK (6.39%)
  - Increase to Dept 10 due to EPA and HazMat annual fees
- Other Services and Expenses increased \$59.5K (13.43%)
  - Increased expenses in Dept 10 for SCADA Cyber Security, SCADA Software Maintenance, SCADA MMI Comprehensive Support and Tuition Reimbursement
  - Increase in Dept 50 of \$10K for document shredding services
- Computer Software increased \$20.2K (33.39%)
  - Increase due to expenses in Dept 10 for mobile device management software (\$17.5K)
- Rents/Leases – Office Machines and Equipment increased \$360 (12.24%)
  - Increase in rental fee for stamp machine at LBAO (Dept 05)