San Luis & Delta-Mendota Water Authority
Monday, March 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

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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 February 1, 2021 Meeting Minutes**

5. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Adopt Resolution Modifying the Debt Management Policy Adopted through Resolution No. 2019-437**

REPORT ITEMS

6. FY21 Activity Agreements Budget to Actual Report through 1/31/21

7. FY21 O&M Budget to Actual Report through 1/31/21

8. Procurement Activity Report

9. Executive Director's Report, Barajas

    a. March 2021 Board Workshop
    b. (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)

10. Committee Member Reports

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

12. 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 FEBRUARY 1, 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

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, Member - Dana Jacobson, Alternate

Division 5
Bill Pucheu, Member

Friant Water Authority
Jason Phillips, Member

Board of Directors Present

Division 1

Anthea Hansen, Director

Rick Gilmore, Director

Division 2

None

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

Others in Attendance

Don Willard, Friant Water Authority

Minnie Moreno, Del Puerto Water District

1. Call to Order/Roll Call

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

2. Additions or Corrections to the Agenda

There were no additions or corrections.

3. Opportunity for Public Comment

There was no public comment.

4. Finance & Administration Committee to Consider Approval of the January 11, 2021 Meeting Minutes.

Member Jason Phillips stated Friant Water Authority requested they be part of the DMC subsidence cost allocation discussion during the January meeting and asked that the minutes be amended to reflect this request. Member Sara Singleton noted that in item 5, the ayes and noes are correctly delineated but unanimously needs to be removed from the narrative as that does not correctly reflect the action. Member Bill Pucheu moved to approve the January 11, 2021 meeting minutes as amended. The motion was seconded by Member Chris White and passed unanimously. The Committee action is reported as follows:

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

5. Finance & Administration Committee to Consider Recommendation to Board of Directors to Accept the Treasurer's Report for the Quarter Ending December 31, 2020.

Director of Finance Joyce Machado presented the Treasurer's report for the quarter ending 12/31/20. Operational cash totaled $48,826,405.23 while DHCCP cash totaled $4,100,256.30. Member Chris White made the motion to accept the Treasurer's Report for the quarter ending December 31, 2020. The motion was seconded by Member Sara Singleton and passed unanimously. The Committee action is reported as follows:

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

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

Member Rick Gilmore presented a recommendation for a 5% increase in executive compensation for the Executive Director, Chief Operating Officer, General Counsel, Water Policy Director, and Director of Finance positions. This suggested increase is based on performance evaluations for Executive Director and General Counsel and the results from the salary survey presented at the January meeting. The increase will be encompassed within the $300,000 placeholder that is currently in the FY22 proposed budget. Member Rick Gilmore made the motion to recommend to the Board to approve executive compensation as recommended. The motion was seconded by Ex Officio Member Cannon Michael and passed. The Committee action is reported as follows:

AYES:	Michael, Bourdeau, Gilmore, White, Pucheu, Singleton
NOES:	Ormonde
ABSTENTIONS:	Phillips

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

Director of Finance Joyce Machado presented the proposed water year 2021 O&M water rates. Machado stated that the Authority surveyed the districts for estimated water year 2021

deliveries based on a 10%, 20% and 25% Ag allocation. Machado went on to review the budgeted costs and delivery assumptions. It was recommended by the Committee that the water rates be approved by the Board based on the 10% Ag allocation until the Authority knows the final approved allocations. Member Bill Pucheu made the motion to approve Water Year 2021 O&M Water Rates. The motion was seconded by Member Rick Gilmore and passed unanimously. The Committee action is reported as follows:

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

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

Executive Director Federico Barajas presented the staff memo to the Committee members. Barajas stated that the memo is based on feedback received from the committee after the last performance evaluations. It was requested that staff research the performance evaluation forms and processes of other similar agencies, specifically for more relevant questions and rating scales. The proposed performance evaluation forms simplify the process and nature of the questions and revises the rating scale determination. Ex Officio Member Cannon Michael made the motion to approve modifications to Executive Director and General Counsel performance evaluation process. The motion was seconded by Member Bill Pucheu and passed unanimously. The Committee action is reported as follows:

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

REPORT ITEMS

9. Discussion regarding Modifications to Debt Management Policy.

General Counsel Rebecca Akroyd briefly reviewed the suggested edits to the Debt Management Policy from Friant Water Authority. Akroyd then stated she would be sending out

a Word version of the document that will include the suggested edits from Friant. The Authority is requesting that any members and agencies provide feedback no later than February 19, 2021.

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

Director of Finance Joyce Machado reported on the Budget to Actual Comparison Summary for December 31, 2020 for the member-funded activities. Machado stated that for the ten-month period, the budget was trending positive with overall spending through December 31, 2020 at 57.4% of the approved budget.

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

Director of Finance Joyce Machado reported to the Committee that for WY20 the self-funded routine O&M expenses through December 31, 2020 were under budget by $2,964,839. Machado stated that a big contributor to the positive spending is the Intertie DWR conveyance. The WY18 and WY19 final accountings and the Intertie O&M cost recovery remain outstanding. The goal to complete the WY19 final accountings has been extended to the end of March 2021 and staff plans to distribute the WY18 final accountings by the end of February 2021.

12. Procurement Activity Report.

Director of Finance Joyce Machado presented the procurement activity for the period of January 7th through January 27th. On January 12th, the Authority executed a contract with Fire and Risk Alliance for fire protection assessment of all plants. The contract amount was $161,100 and the funding source was from the EO&M approved budget. There were no contract change orders executed during this period.

13. Executive Director's Report.

Executive Director Federico Barajas reviewed the Authority's plan to incorporate the salary survey in to the FY22 salary increase determinations, as well as the plan to incorporate a 5-step salary structure process. Barajas explained that based on the action taken under agenda item #6, the executive salary increase will be covered under the 3% salary placeholder and the remaining funds will be allocated per the results of the salary survey. Positions within 5% of the average salary results will receive the CPI and other positions with the greatest disadvantage on salaries would receive a greater percentage than the CPI amount.

Once the placeholder has been allocated, Barajas will be working with the HR Director to create a 5-step salary structure process and benefits package. This is intended to be a multi-year approach in order to increase salaries into the average range based on the salary survey.

Barajas then provided an update on the FY22 budget approval process. He stated that a memo has been provided to the Board of Directors describing the approval process the Authority will be taking for the FY22 budget. He then referred to General Counsel Rebecca Akroyd to walk through the Board Budget memo.

Lastly, Barajas updated the committee that staff recently heard from EPA on the WIFIA loan application. EPA incurred some costs during the Jones Pumping Plant WIFIA application review process and will be sending the Authority an invoice for reimbursement of these costs.

14. Committee Member Reports.

No reports given.

15. Reports Pursuant to Government Code Sec 54954.2

No reports given.

16. Agenda Item 13: Adjournment.

The meeting was adjourned at approximately 1:13 p.m.

MEMORANDUM

TO: SLDMWA Finance & Administration Committee Members, Alternates
SLDMWA Board of Directors, Alternates

FROM: Pablo Arroyave, Chief Operating Officer

DATE: February 24, 2021

RE: Resolution Modifying the Debt Management Policy Adopted through Resolution No. 2019-437

BACKGROUND

On March 7, 2019 (via Resolution 2019-437), the Water Authority adopted a Debt Management Policy that establishes policies and procedures for the issuance and management of bonds, notes, installment purchase agreement to support certificates of participation, lines of credit, commercial paper, and other forms of indebtedness.

In the Water Authority's October 21, 2020 Special Board Meeting, Directors provided direction to staff to begin work on developing a policy that would govern the Board's financing of future extraordinary operation and maintenance (EO&M) projects and capital improvement projects (CIPs). Because the Debt Management Policy referenced above already includes provisions that govern the Authority's issuance of debt, the most efficient way to address the Board's direction is to propose modifications to the Debt Management Policy.

Water Authority staff discussed possible areas of revision in the January and February 2021 Finance & Administration Committee Meetings, and requested proposed revisions from Committee members in advance of the March 2021 Committee and Board meetings.

ISSUE FOR DECISION

Whether the Finance & Administration Committee should recommend, and the Board of Directors should adopt the proposed resolution modifying the Debt Management Policy adopted through Resolution No. 2019-437.

RECOMMENDATION

Staff recommends the Finance & Administration Committee recommend, and the Board of Directors adopt the proposed resolution modifying the Debt Management Policy adopted through Resolution No. 2019-437.

ANALYSIS

When the Board provided direction, Directors indicated it would be helpful to have a policy that clarifies when the Authority should finance a project via self-funding (e.g. funding over a short period) versus issuing debt. Authority consultants on current debt financing projects identified several factors as relevant to that determination, including useful life of the asset, cost and rates, and timing.

Committee Members have proposed a number of proposed modifications, including the following (references are to new page numbering):

- **Throughout**: Add section headings and table of contents to improve readability and make minor grammatical corrections and definitional references.
- **Page 2, ¶ 2**: Add maintaining reasonable credit quality as a stated intent.
- **Page 2, ¶ 3**: Modify paragraph to read as follows:
    - The Authority believes that Debt can provide an equitable means of financing projects if (i) it meets the intent of equitable treatment of all Authority member agencies and operation, and maintenance, and replacement ("OM&R") rate payers; (ii) it provides for an effective means of paying for assets over their useful lives in lieu of paying for the assets over a much shorter period with cash, helping to stabilize rates and avoid sharp increases in water users' OM&R rates, or charges paid by member agency land owners; (iii) can help to match payments over time with the life of the asset (the concept of intergenerational equity); (iv) is fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (v) if there are other important policy reasons therefor.
- **Page 2, ¶ 5**: Add language to refer to long-term debt, defined as debt that has a final maturity longer than five years from the date of issuance. Add language to clarify that long-term debt may be used for "other improvements" that are "including in the Authority's Capital Improvement Program . . . with useful lives of five-years or longer…"
- **Page 2, ¶ 5**: Add the following statement: "Generally speaking, the Authority shall ensure that the term of any long-term bonds issued does not exceed the useful life of the asset it is financing (e.g. an asset with a useful life of five years should be financed with debt that has a final maturity within the five year life)."
- **Page 3, ¶ 2**: Remove definition of long-term debt, in light of redline moving definition to page 2, paragraph 1. Add language identifying factors the Board will consider when making a decision to issue debt
    - Useful life. Generally, assets with short useful lives (e.g., software, computers, passenger vehicles, etc.) would be funded through cash ("pay-as-you-go") funding.
    - Cost and impact on rates. Debt may be used to fund large expenditures that will result in long-lived assets to help mitigate near-term rate impacts, as well as help ensure that future users will fund a portion of the cost of the asset (i.e., inter-generational equity.)

  - Timing. Some projects may be dictated by regulatory mandates or emergencies, where the need to place an asset into service quickly and the Authority may not have sufficient cash flow to meet the funding need. In this case, the Authority could issue debt to provide time to generate sufficient funding.
  - Self-funding. Prior to issuing debt, the Board will assess the ability and desire of the Authority's Contractors and others who pay for water deliveries to provide "self-funding." Some agencies may prefer to finance their share of a major project with existing funds, their own financing, or increases in local rates and charges, rather than participating in a bond issue by the Authority. The Authority will allow agencies who prefer to "self-fund" the ability to do so as long as such self-funding does not affect the schedule or impede the Authority's ability to make payments for the project. The Authority will provide the opportunity for the agencies to make such a decision before issuing debt on behalf of those entities who would prefer the Authority undertake a borrowing. If an agency elects to self-fund its properly allocable share of debt the Authority may assess and collect from the self-funding agency a reasonable fee for the management of cash payments and other administrative actions necessary to effectuate such self-funding for a period of time that corresponds to the planning, design, and construction for which the self-funding covers. Such fee shall be subject to review and approval of the self-funding agency to ensure the fee does not exceed the reasonable costs to the Authority of providing the cash management service.

- **Page 4, ¶ 1**: Add specific reference to MSRB's EMMA system in bullet regarding appropriate repositories.
- **Page 4, ¶ 3**: Replace reference to Assistant Executive Director with reference to Chief Operating Officer and add language to clarify that reference to disbursements is to "disbursements of bond proceeds."
- **Page 4, ¶ 4**: Replace reference to proceeds of any debt to proceeds of any borrowing.
- **Page 5, ¶ 3**: Add provision requiring compliance with relevant provisions of California law.
- **Page 5, ¶ 7**: Replace reference to bond sale with "issuance of Debt."
- **Page 6, ¶ 4**: Add language to Lines of Credit discussion to explain that lines of credit may be used to manage cash flow during a fiscal year.
- **Page 6, ¶ 5**: Add language to Commercial Paper discussion to explain that written report will summarize the amount of commercial paper outstanding and interest rates paid in addition to other information already required.
- **Page 7, ¶ 2**: Add provision prohibiting the Authority from entering into interest rate swap agreements**.**
- **Page 7, ¶ 5**: Add language requiring Director of Finance to report to the Board, no less than annually, a ten-year projection of capital expenditures and associated impacts on O&M rates.
- **Page 8, ¶ 1**: Add language to Competitive Bid Method discussion indicating that bids will generally be electronically transmitted offers, but may be hand-delivered bids.

- **Page 8, ¶ 3**: Make various clarifying edits to discussion regarding Negotiated Bid Method.
- **Page 9, ¶ 1**: Add language to Maturity discussion to reference tax-exempt debt and to require Board action under certain circumstances.
- **Page 10, ¶ 1**: Add language to Credit Enhancement discussion to provide examples of credit enhancements.
- **Page 10, ¶ 3**: Add language to Rating Agencies discussion to remove reference to current rating on one bullet, and add reference in later line item.
- **Page 10, ¶ 4 – Page 11**: Add language indicating that the Authority will target "a minimum of" 3% net present value savings. Add additional language to require advance refunding transactions to meet an efficiency threshold of at least 80%, and to replace reference to undesirable covenants with "outdated or restrictive covenants." Remove subparagraphs as policy sets quantitative objectives for refunding and the opportunity to refund bonds for other purposes.
- **Page 11, ¶ 1**: Add language to Reinvestment of Debt proceed to clarify that bond debt referenced is tax-exempt.
- **Page 12, ¶ 1**: Add language requiring posting on EMMA of certain information.
- **Page 13, ¶ 1**: Add clarifying language to Debt Database Management discussion regarding uses.

In addition, staff is proposing the following corrections and clarifying amendments:

- **Page 2, ¶ 1**: Remove reference to "the Settlement Agreement between the Authority and the SEC (the 'SEC Settlement Agreement')," which was included in the Policy in error.
- **Page 2, ¶ 3**: Change references from "O&M rate payers and "O&M rates" to "OM&R rate payers" and "OM&R rates," consistent with terminology in the Authority's Transfer Agreement.
- **Page 2, ¶ 4**: Replace sentence authorizing the Board to waive provisions of the policy with the following sentence: "The Board may determine that the incurrence of Debt by the Authority need not comply with the provisions of this Policy for reasons stated in the resolution or motion authorizing such Debt or the staff report or other materials considered by the Board in connection therewith."
- **Page 2, ¶ 6**: Add new paragraph that reads as follows:
    - For purposes of any long-term debt anticipated to be repaid from OM&R revenues collected pursuant to the Transfer Agreement, the Authority may issue debt for "OM&R" or "Capital Improvements," each as defined in the Transfer Agreement. For purposes of any long-term debt anticipated to be repaid from revenues collected by the Authority pursuant to an activity, project, or other agreement, the Authority may issue debt for the purposes authorized in the activity, project, or other agreement.

ATTACHMENTS

1. Resolution 2019-437, including Exhibit
2. Proposed Resolution, including Exhibit

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2019-437

RESOLUTION ADOPTING SAN LUIS & DELTA-MENDOTA WATER AUTHORITY DEBT MANAGEMENT POLICY

WHEREAS, the San Luis & Delta-Mendota Water Authority (the "Authority") is a joint powers agency organized under Section 6500, et seq., of the Government Code of the State of California and, as such, is a public entity.

WHEREAS, Government Code section 8855(i) requires the issuer of any proposed debt issue of local government to adopt a local debt policy prior to the sale of any debt issue.

WHEREAS, the Authority desires to adopt a Debt Management Policy to establish policies and procedures for the issuance and management of bonds, notes, installment purchase agreements to support certificates of participation, lines of credit, commercial paper, and other forms of indebtedness of the Authority.

WHEREAS, the purpose of the Debt Management Policy is to identify Debt Management Policy objectives, improve the quality of decision making processes, provide a basis for the determination of the appropriate structures, diversify the Authority's debt portfolio (to the extent such is cost effective) to support its financial needs, and demonstrate a commitment to best practices in municipal debt management planning and execution.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS:

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

Section 2. The Board hereby approves that certain document entitled "San Luis & Delta-Mendota Water Authority Debt Management Policy," dated March 7, 2019, a copy of which is attached to this resolution as Exhibit 1, has been presented to the Board, and is on file with the Secretary hereof.

Section 3. The San Luis & Delta-Mendota Water Authority Debt Management Policy shall remain in effect from year to year, until and unless it is revoked or modified by the Board.

PASSED AND ADOPTED this 7th day of March, 2019.

Cannon Michael, Chairman

Attest:

Federico Barajas, Secretary

*****

I hereby certify that the foregoing Resolution was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at a regular meeting thereof held on the 7th day of March, 2019.

Federico Barajas, Secretar

ADOPTED: March 7, 2019
REVISED: N/A

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
POLICY FOR DEBT MANAGEMENT

Section I. Introduction

Purpose and Overview

This Debt Management Policy (the "Policy") establishes policies and procedures for the issuance and management of bonds, notes, installment purchase agreement to support certificates of participation, lines of credit, commercial paper, and other forms of indebtedness ("Debt") of San Luis & Delta-Mendota Water Authority (the "Authority"). The purpose of the Policy is to identify Debt policy objectives, improve the quality of decision making processes, provide a basis for the determination of the appropriate structures, diversify the Authority's Debt portfolio (to the extent such is cost effective) to support its financial needs and to demonstrate a commitment to best practices in municipal debt management planning and execution.

The Board of Directors of the Authority (the "Board") may, in its sole discretion, approve Debt that deviates from this Policy, upon the recommendation of management after consultation with the Authority's Municipal Advisor. The failure of the Authority to comply with any provision of this Policy shall not affect the authorization or the validity or enforceability of any Debt that is otherwise issued in accordance with law. The Authority shall conduct an annual review and evaluation of the Policy. As appropriate, the Authority shall amend the Policy to be consistent with changes in the federal and state securities laws, pronouncements, rules, and regulations of the Internal Revenue Service ("IRS"), the Municipal Securities Rulemaking Board ("MSRB"), the Securities and Exchange Commission ("SEC"), the Settlement Agreement between the Authority and the SEC (the "SEC Settlement Agreement") and such other matters as the Executive Director, or assigned designee deems necessary or desirable.

The Authority's overarching goal in issuing Debt is to respond to, and provide for the funding of capital projects and other financing needs of the Authority and its member agencies while ensuring that Debt is issued and managed prudently. Further, it is the intent of the policy to maintain a sound financial position.

The Authority believes that Debt can provide an equitable means of financing projects if (i) it meets the intent of equitable treatment of all Authority member agencies and operation and maintenance ("O&M") rate payers; (ii) it provides for an effective means of paying for assets over their useful lives in lieu of paying for the assets over a much shorter period with cash and thereby avoiding sharp spikes in water users' O&M rates, or charges paid by member agency land owners (the concept of intergenerational equity); (iii) it is fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (iv) if there are other important policy reasons therefor.

The Board may waive any of the provisions of this Policy.

Purpose for Borrowing

The Authority shall issue debt solely for the purpose of financing the cost of adding to or making improvements to the Authority's facilities, including Bureau of Reclamation facilities or other state or federal facilities used to provide water to the Authority or its members, land acquisition, the acquisition of long-term water supplies, capacity in water supply, other improvements in accordance with the Authority's Capital Improvement Program ("CIP"), including costs of environmental review, design, acquisition, and/or construction of new facilities, or other Board-approved program or for the refunding of prior debt.

The Authority may issue interim debt (such debt that the Authority expects to have outstanding temporarily until longer term financing may be issued), short term debt (such debt that has a final maturity of not more than five years from its date of issuance) and long-term debt (such debt that has a final maturity of more than five years from its date of issuance). The Authority will not issue Debt to fund improvements or to acquire capital assets without express approval of the Board. The Authority shall issue Debt only as provided for in this Policy.

Roles and Responsibilities

The Executive Director has delegated to the Director of Finance authority and primary responsibility for debt management. The Director of Finance shall:

- Provide for the issuance of Authority debt at the lowest cost, commensurate with risk;
- Monitor the available debt capacity of the Authority;
- Consistent with Board approvals, provide for the issuance of Authority debt at appropriate intervals and in reasonable amounts as required to fund approved capital expenditures;
- Recommend to the Board the method and manner of sale of Authority debt;
- Monitor opportunities to refund debt and recommend such refunding as appropriate to reduce costs or to achieve other Policy objectives;
- Comply with all IRS, MSRB, and SEC rules and regulations governing the issuance of debt;
- Maintain a current database with all outstanding debt;
- Provide for the timely payment of principal and interest on all debt;
- Comply with all terms and conditions, and disclosure required by the legal documents governing the debt issued;
- Submit to the Board all recommendations to issue debt in accordance with the Policy;
- If required by a Continuing Disclosure Certificate, distribute on a timely basis to appropriate repositories information regarding the Authority's financial condition and affairs at such times and in the form required by law, regulation and general practice;
- Comply with any Disclosure Policy adopted by the Authority;
- Provide for the frequent distribution of pertinent information to the rating agencies; and
- Apply and promote prudent fiscal practices.

Internal Controls

In order to comply with CDIAC rules and regulations promulgated pursuant to SB 1029 the following internal controls shall be followed:

The Executive Director, Assistant Executive Director, and Director of Finance and the Authority's designated project manager for the project shall share responsibility to assure that disbursements are made only after each request for disbursement is substantiated with appropriate invoices, requisitions and other supporting documentation. Each of the aforementioned shall thoroughly review any request for disbursement and may request further documentation as may be deemed appropriate.

Proceeds of any debt shall be managed and accounted for in accordance with its governing documents and this Policy. No disbursements shall be made without the written approval of the Director of Finance and the Executive Director. All draw requests shall be provided to the Authority by the designated project manager for the project with the consent of the Director of Finance. Approval shall only be provided when the Director of Finance is in receipt of all appropriate certifications with supporting invoices from suppliers and or contractors evidencing appropriate expenses in connection with the project.

The Authority shall also comply with Government Code Section 5852.1 by disclosing specified good faith estimates in a public meeting prior to the authorization of the issuance of bonds.

Section II. Legal Governing Principles

In the issuance and management of debt, the Authority shall comply with all legal constraints and conditions imposed by federal, state and local law. The following section highlights the key governing documents and certain debt limitations.

Governing Law

Federal Tax Law – The Authority shall issue and manage debt in accordance with the limitations and constraints imposed by federal tax law, to maximize its ability to issue tax-exempt debt. Such constraints include, but are not limited to, private activity tests, review of eligible projects, spend-down tests, and arbitrage rebate limitations. In the discretion of the Board, taxable debt may be issued, however, if the requirements of federal tax law for tax-exempt Debt are not met.

Securities Law – The Authority shall comply with the applicable requirements of federal and state securities laws in offering Authority debt and the Authority shall comply with securities law requirements in providing ongoing disclosure to the securities markets.

Governing Legal Documents

The Authority's issuance of debt is restricted in part by the Amended and Restated Joint Exercise of Powers Agreement, Administration Agreement, and any relevant Authority policies or resolutions (the "Debt Governing Documents"). The Authority shall comply with all limitations imposed under the Debt Governing Documents, so long as such are in full force and effect.

Permitted Debt by Type

The Authority may legally issue both short-term and long-term debt, using the debt instruments described below. The Director of Finance, in consultation with the Authority's Bond Counsel and Municipal Advisor shall determine the most appropriate instrument for a proposed bond sale.

JPA Revenue Bonds – The Authority would typically finance through the issuance of Authority revenue bonds or notes. These Authority bonds or notes would be secured by the general revenues of the Authority or payments received from members and others under activity agreements or other agreements.

Certificates of Participation – As an alternative, Certificates of Participation ("COP") provide debt financing through a lease, installment sale agreement or contract of indebtedness which are payable from net revenues, under the terms and conditions specified in the related governing documents.

Revenue Notes – The Authority may issue short-term indebtedness secured by revenues. The revenue notes will have a final maturity not exceeding five years from the date of issuance, unless expressly approved by the Board of Directors.

Refunding Revenue Bonds – The Authority is authorized to issue refunding revenue bonds to refund outstanding Authority indebtedness pursuant to the State of California local agency refunding revenue bond law (Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California).

Lines of Credit - The Authority may enter into financing arrangements with banks or other financial institutions providing for a source of funds that can be readily accessed by the Authority for capital needs.

Commercial Paper – The Authority may establish a commercial paper program ("Commercial Paper Program"). A Commercial Paper Program may be utilized and commercial paper notes may be issued from time to time to provide financing for projects, subject to the conditions that the projects and project financing will have prior approval from the Board. The Authority's commercial paper shall be payable from Authority specified revenues. The Director of Finance shall provide a written report to the Board twelve months following the initial issuance of commercial paper notes and annually thereafter so long as there is any commercial paper outstanding. The report shall summarize the status of projects financed with commercial paper; and identifying any long-term Debt issued to refund commercial paper notes.

Private Placements/Direct Loans - In the event the Authority chooses to proceed with a bank facility, or private placement of any form of Debt from a non-governmental entity, the Authority may issue a request for proposal from responsible and credit-worthy financial institutions. The request for bids shall include a description of the project and terms and conditions of the financing in accordance with prudent financial and industry standards. In awarding any Debt to a bank, or other financial institution, the Authority may consider interest rates, other fees, proposed terms and conditions, the experience of various banks as well as the ability of the proposed bank to close the transaction in a timely manner. The Authority will evaluate such

loans on a case-by-case basis.

Government Sponsored Direct Loans - The Authority may enter into loan agreements with federal or state agencies. The Authority will evaluate such loans on a case-by-case basis. Prior to entering into such loan, the Authority may consider alternative forms of Debt, interest rates, other fees, proposed terms and conditions, the history of completing such loans by the federal or state agency, the availability of likelihood of obtaining funding and the ability of the proposed government agency to close the transaction in a timely manner.

Other Obligations - There may be special circumstances when other forms of financing are appropriately utilized by the Authority. The Authority will evaluate such proposed transactions on a case-by-case basis. Such other forms include, but are not limited to, grant anticipation notes and judgment or settlement obligation bonds.

Ethical Standards Governing Conduct

Authority Directors, Authority staff, and Authority consultants, service providers, and underwriters shall adhere to standards of conduct as stipulated by the California Political Reform Act, as applicable. All debt financing participants shall maintain the highest standards of professional conduct at all times, in accordance with:

- MSRB Rules, including Rule G-37, shall be followed at all times;
- Debt financing participants will assist the Authority staff in achieving its goals and objectives as defined in this Policy; and
- All debt financing participants shall make cooperation with the Authority staff a high priority.

Section III. Integration of Capital Planning and Debt Activities

Evaluating Capital Improvement Program Spending

The Authority shall develop a financial model to evaluate the impact of capital program spending, operations and maintenance costs, and debt service on its financial condition.

Towards that end, the Director of Finance shall oversee the ongoing maintenance of quantitative modeling that includes, but is not limited to, the following:

- Historic and projected cash flows;
- Historic and projected capital expenditures;
- Historic and projected operating costs;
- Historic and projected fund balances, including the Enterprise Fund, General Membership Fund, Special Revenue Funds, Private Purpose Trust Funds, Agency Funds, and Debt Service Reserve Funds, if any;
- Historic and projected debt service coverage, if applicable;
- Projected revenue requirements; and
- Projected rates and charges.

Section IV. Transaction-Specific Policies

Method of Sale for Publicly Offered Debt

Unless otherwise authorized by the Board, and because of the complexity of the Authority's credit, the issuance and sale of all Authority debt shall generally be achieved through a negotiated process. Unless otherwise justified and deemed necessary upon the recommendation of the Director of Finance, after consultation with the Municipal Advisor, the Authority will utilize a request for proposal process to select an underwriter, or underwriters, in connection with the sale of publicly offered Debt.

Competitive Bid Method – Upon Board approval, at the recommendation of the Director Finance, after consultation with the Municipal Advisor, the Authority shall sell debt on a competitive basis. Such bids may take the form of hand- delivered or electronically transmitted offers to purchase the bonds. Authority debt issued on a competitive bid basis will be sold to the bidder proposing the lowest true interest cost to the Authority provided the bid conforms to the official notice of sale.

Negotiated Bid Method – A negotiated bond issue will provide for the sale of debt by negotiating the terms and conditions of the sale, including price, interest rates, credit facilities, underwriter or remarketing fees, and takedown. The Board will provide by Resolution specific parameters (not-to-exceed amounts for principal, true interest cost and underwriting compensation) for the pre-approval of the negotiated sale of debt. The final terms of the negotiated bond issue will be reported to the Board upon completion of the transaction.

If bonds are sold on a negotiated basis, the negotiations of terms and conditions shall include, but not be limited to, prices, interest rates, underwriting or remarketing fees, and underwriting spreads. The Authority, with the assistance of its Municipal Advisor, shall evaluate the terms offered by the underwriter(s). Guidelines with respect to price, interest rates, fees, and underwriting spreads shall be based on prevailing terms and conditions in the marketplace for comparable issuers.

If more than one underwriter is included in the negotiated sale of debt, the Authority shall establish appropriate levels of liability, participation and priority of orders. Such levels shall be based upon Authority policy with regards to the underwriting responsibility among the team members (Authority Staff, Municipal Advisor, Bond Counsel, and Disclosure Counsel), the desired allocation of total fees, and the desired distribution of bonds. Guidelines for establishing liability, participation, and priority of orders shall be based on prevailing terms and conditions in the marketplace for comparable issuers.

The Authority shall, with the assistance of its Municipal Advisor, oversee the bond allocation process. The bond allocation process shall be managed by the lead underwriter, with the following requirements:

- The bonds are allocated fairly among members of the underwriter(s), consistent with the

previously negotiated terms and conditions;

- The allocation process complies with all MSRB regulations governing order priorities and allocations;
- The lead underwriter shall submit to the Director of Finance a complete and timely account of all orders, allocations, and underwriting activities with the investor names identified as appropriate.

The Director of Finance shall require a post-sale analysis and reporting for each negotiated bond sale. The Municipal Advisor or the lead underwriter may perform such analysis. A post-sale analysis will include, but not be limited to:

- Summary of the pricing, including copies of the actual pricing wires;
- Results of comparable bond sales in the market at the time of the Authority's pricing;
- Detailed information on orders and allocation of bonds, by underwriting firm;
- Detailed information on final designations earned by each underwriter; and
- Summary of total compensation received by each underwriter.

Structural Elements

Maturity – The Authority may issue tax-exempt debt with an average life no greater than or equal to federal tax code requirements. Unless expressly approved by the Board at the recommendation of the Director of Finance after consultation with the Municipal Advisor and Bond Counsel the final maturity of fixed rate debt should be no longer than 35 years and the final maturity of variable rate debt should be no longer than 40 years. Factors to be considered to determine the final maturity of debt include: the average useful life of the capital assets being financed, relative level of interest rates, intergenerational equity and the year-to-year differential in interest rates. The Authority may not issue taxable debt with a final maturity longer than 50 years unless expressly approved by the Board at the recommendation of the Director of Finance after consultation with the Municipal Advisor and Bond Counsel.

Maturity Structure – The Authority's long-term debt may include serial and term bonds. Other maturity structures may also be considered if they are consistent with prudent financial management practices.

Coupon Structure – Debt may include par, discount, and premium bonds. Discount and premium bonds must be demonstrated to be advantageous relative to par bond structures, taking into consideration market conditions and opportunities. For variable rate debt, the variable rate may be based on one of a number of commonly used interest rate indices and the index will be determined at the time of pricing.

Variable Rate Debt – The Authority is authorized to issue variable rate debt including, but not limited to, public market indexed notes, indexed notes, or loans placed directly with financial institutions and other alternative variable rate and market access products as well as traditional variable rate demand obligations backed by bank liquidity facilities and unhedged floating rate debt. Prior to the issuance of variable rate debt, the savings and other possible advantages and disadvantages compared to a fixed rate borrowing shall be evaluated and a comparative analysis

presented to the Board. Issuance of variable rate debt may be approved by the Board at the recommendation of the Director of Finance after consultation with the Municipal Advisor and Bond Counsel. Unless expressly approved by the Board, the Authority will not have, as of the date of issuance of any variable rate debt, a percentage of variable rate debt outstanding greater than 20% of the total principal amount of all debt outstanding.

Debt Service Structure – Debt service may be structured primarily on an approximate level (combined annual principal and interest) basis. Certain individual Debt issues, such as refunding Debt, or Debt issued to achieve a specific policy objective, may have debt service that is not level. However, on an aggregate basis, debt service should be structured primarily on a level basis.

Redemption Features – In order to preserve flexibility and refinancing opportunities, Authority debt will generally be issued with call provisions. Upon approval by the Board, the Authority may issue Debt with calls that are shorter than traditional and/or non-callable debt when warranted by market conditions and opportunities. For each transaction, the Authority will evaluate the efficiency of call provision alternatives.

Credit Enhancement – The Authority may competitively procure credit enhancement for a sale of Debt if the Director of Finance, in consultation with the Municipal Advisor and the lead underwriter, determines that to do so is in the Authority's financial interest.

Debt Service Reserve Funds – The Authority may provide for debt service reserve funds to secure Authority debt when necessary and recommended by the Director of Finance in consultation with the Municipal Advisor and the lead underwriter.

Section V. Communication and Disclosure

Rating Agencies

The Authority, with the assistance of its Municipal Advisor, may secure one or more credit ratings on all Debt from any of the four major nationally recognized statistical rating organizations, provided it is economic to do so. The Authority shall seek to maintain its credit ratings once received through prudent fiscal management and consistent communications with the rating analysts. The Director of Finance shall manage relationships with the rating analysts assigned to the Authority's credit, using both informal and formal methods to disseminate information. Communication with the rating agencies shall include:

- Full disclosure on an annual basis of the financial condition of the Authority; which can be satisfied by providing the rating agencies then current rating on any debt of the Authority with the Authority's audited financial statements and continuing disclosure filings.
- Upon request of a ratings agency or when in the judgment of the Director of Finance as appropriate, a formal presentation, to the rating agencies, covering economic, financial, operational, and other issues that impact the Authority's credit;
- Timely disclosure of major financial events that impact the Authority's credit;
- Timely dissemination of the Financial Statements, following its acceptance by the

Authority's Board; and
- Full and timely distribution of any documents pertaining to the sale of bonds.

Section VI. Refunding Policies

The Director of Finance, with the assistance of the Municipal Advisor shall evaluate refinancing Debt to maximize savings and minimize the cost of funds as market opportunities arise. A net present value analysis will be prepared that identifies the economic effects of any refunding to be proposed to the Board. The Authority shall target a 3% net present value savings for current and 5% for advanced refunding transactions. Upon the advice of the Director of Finance, with the assistance of the Municipal Advisor and Bond Counsel, the Authority will consider undertaking refunding for other than economic purposes, such as to restructure debt, change the type of debt instruments being used, or to retire a bond issue and indenture in order to remove undesirable covenants.

Coupon on Refunded Bond – The Director of Finance may take into consideration whether the coupon on the refunded bond is significantly higher or lower than the most common outstanding bond coupons of approximately five percent.

General Interest Rate Environment – The Director of Finance may take into consideration whether the available refunding bond interest rates are generally high or generally low relative to long-term averages of historical rates.

General Interest Rate Outlook – The Director of Finance may take into consideration the general outlook for future interest rates, as derived from economic forecasts, market forecasts, implied forward rates, or other sources.

Debt Management Considerations – The Director of Finance may take into consideration debt management issues such as cost and staff efficiencies associated with combining multiple refunding bond issues or combining refunding and new money bond issues.

Call Date – The Director of Finance may take into consideration the amount of time between the pricing/closing date of the refunding debt and the call date of the debt to be refunded.

Final Maturity Date – The Director of Finance may take into consideration the amount of time remaining until the final maturity of the Debt to be refunded.

Section VII. Reinvestment of Debt Proceeds

General – The Authority shall comply with all applicable Federal, State, and contractual restrictions regarding the use and investment of Debt proceeds. This includes compliance with restrictions on the types of investment securities allowed, restrictions on the allowable yield of some invested funds, as well as restrictions on the period over which some bond proceeds may be invested. To the extent that a bond issue is credit enhanced, the Authority shall adhere to the investment guidelines of the credit enhancement provider. Funds generated from the sale of land shall be used in accordance with the applicable bond covenants and documents. Bond counsel

will be consulted to provide legal advice regarding the use of proceeds from the sale of Authority lands purchased with bond debt.

Requirements of Debt Governing Documents – The Authority will comply with all terms and conditions of the appropriate legal documents related to each series of debt; including, but not limited to Permitted Investments in the Indenture.

Section VIII. Creation and Maintenance of Funds

The Authority maintains several different funds integral to the long-range financial planning process. Each of these funds is held for a specific purpose and can generally be categorized as either a proprietary, governmental, or fiduciary fund. The Authority will comply with all requirements and limitations created under its Debt Governing Documents.

Section IX. Post-Issuance Compliance

Tax Compliance /Arbitrage Liability Management

The Authority shall minimize the cost of arbitrage rebate and yield restrictions while strictly complying with tax law. Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the Authority shall solicit the advice of Bond Counsel, Tax Counsel, and other qualified experts about arbitrage rebate calculations. The Authority shall contract with a qualified third-party for preparation of the arbitrage rebate calculation.

The Authority shall maintain an internal system for tracking expenditure of bond proceeds and investment earnings. The expenditure of bond proceeds shall be tracked in the financial accounting system by issue. Investment may be pooled for financial accounting purposes and for investment purposes. When investment of bond proceeds are co-mingled with other investments, the Authority shall adhere to IRS rules on accounting allocations.

Continuing Disclosure

The Authority shall comply with the requirements of any Continuing Disclosure Certificate executed by the Authority at the time bonds are issued. Annual information provided by the Authority shall mirror certain selected information in any Authority Official Statement at the time of a primary offering. Annual financial information required by such Continuing Disclosure Certificate, if any, will be sent by the Authority or its designated consultant, to all Nationally Recognized Municipal Information Depositories (NRMSIRs) designated by the SEC and to the State Information Depository (SID), if one exists. In addition to annual disclosure, to the extent required by the Continuing Disclosure Certificate the Authority shall provide ongoing information about certain enumerated events, as defined by regulation, ("Material Events") to the NRMSIRs and to the SID.

The Authority may engage a firm to assist it in ensuring timely completion and filing of annual reports and in identifying, and making timely filings with respect to, the occurrence of reportable enumerated events.

Legal Covenants

The Authority shall comply with all covenants and conditions contained in governing law and any legal documents entered into at the time of a bond offering, including but not limited to rate covenants.

State Reporting Requirements

Pursuant to Government Code section 8855(k), the Authority will submit annual debt transparency reports for any debt issued on or after January 21, 2017 every year until the later date on which the debt is no longer outstanding or the proceeds have been fully spent.

Section X. Debt Database Management

The Authority shall maintain complete information on its Debt portfolio, in a spreadsheet or database program format. The information in the database shall include, but not be limited to, the following:

- Issue Name
- Initial Issue Par Amount
- Dated Date of the Issue
- Principal Maturity Amounts
- Coupon Rate by Maturity
- Amount Outstanding
- Call Provisions
- Purpose of the Issue
- Credit Enhancer, if any
- Competitive or Negotiated Sale
- Names of Underwriter(s)

The Authority shall use the debt database for the following purposes:

- Generate reports
- Gross annual debt service
- Net annual debt service
- Refunding Analyses
- Output to Fund Accounting System

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2021-___

RESOLUTION MODIFYING THE DEBT MANAGEMENT POLICY ADOPTED THROUGH RESOLUTION NO. 2019-437

WHEREAS, the Board of Directors of the San Luis & Delta-Mendota Water Authority (the "Board" and the "Water Authority," respectively), pursuant to the Water Authority's procedures and the California Government Code, from time to time, may adopt policy for the administration of the Water Authority; and

WHEREAS, Government Code section 8855(i) requires the issuer of any proposed debt issue of local government to adopt a local debt policy prior to the sale of any debt issue; and

WHEREAS, on or about March 7, 2019, the Board adopted Resolution No. 2019-437, which approved that certain document entitled "San Luis & Delta-Mendota Water Authority Debt Management Policy," dated March 7, 2019; and

WHEREAS, the Board, by adoption of this Resolution, desires to modify the San Luis & Delta-Mendota Water Authority Debt Management Policy.

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 Board hereby approves that certain document entitled "San Luis & Delta-Mendota Water Authority Debt Management Policy," dated March 4, 2021, a copy of which is attached to this resolution as **Exhibit 1**, has been presented to the Board, and is on file with the Secretary hereof.

Section 3. The San Luis & Delta-Mendota Water Authority Debt Management Policy, as modified by this Resolution, shall remain in effect from year to year, until and unless it is revoked or modified by the Board.

PASSED, APPROVED AND ADOPTED this 4th day of March, 2021, by the Board of Directors of the San Luis & Delta-Mendota Water Authority.

_____

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

Attest:

_____

Federico Barajas, Secretary

*****

I hereby certify that the foregoing Resolution No. 2021-_ 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 4th day of March, 2021.

_____

Federico Barajas, Secretary

ADOPTED: March 7, 2019
REVISED: N/A
PROPOSED REVISIONS: February 24, 2021

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY POLICY FOR DEBT MANAGEMENT

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Section I. Introduction

A. Purpose and Overview

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This Debt Management Policy (the "Policy") establishes policies and procedures for the issuance and management of bonds, notes, installment purchase agreements to support certificates of participation, lines of credit, commercial paper, and other forms of indebtedness ("Debt") of San Luis & Delta-Mendota Water Authority (the "Authority"). The purpose of the Policy is to identify Debt policy objectives, improve the quality of decision making processes, provide a basis for the determination of the appropriate structures, diversify the Authority's Debt portfolio (to the extent such is cost effective) to support its financial needs and to demonstrate a commitment to best practices in municipal debt management planning and execution.

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The Board of Directors of the Authority (the "Board") may, in its sole discretion, approve Debt that deviates from this Policy, upon the recommendation of management after consultation with the Authority's Municipal Advisor ("Municipal Advisor"). The failure of the Authority to comply with any provision of this Policy shall not affect the authorization or the validity or enforceability of any Debt that is otherwise issued in accordance with law. The Authority shall conduct an annual review and evaluation of the Policy. As appropriate, the Authority shall amend the Policy to be consistent with changes in ~~the~~ federal and state securities laws, pronouncements, rules, and regulations of the Internal Revenue Service ("IRS"), the Municipal Securities Rulemaking Board ("MSRB"), the Securities and Exchange Commission ("SEC")~~, the Settlement Agreement between the Authority and the SEC (the "SEC Settlement Agreement")~~ and such other matters as the Executive Director, or assigned designee deems necessary or desirable.

The Authority's overarching goal in issuing Debt is to respond to, and provide for the funding of capital projects and other financing needs of the Authority and its member agencies while ensuring that Debt is issued and managed prudently. Further, it is the intent of the policy to maintain a sound financial position and reasonable credit quality.

The Authority believes that Debt can provide an equitable means of financing projects if (i) it meets the intent of equitable treatment of all Authority member agencies and operation, ~~and~~ maintenance, and replacement ("OM&~~M~~R") rate payers; (ii) it provides for an effective means of paying for assets over their useful lives in lieu of paying for the assets over a much shorter period with cash, helping to stabilize rates and avoid ~~and thereby avoiding~~ sharp ~~spikes~~ increases in water users' O~~&~~M&R rates, or charges paid by member agency land owners; (iii) can help to match payments over time with the life of the asset (the concept of intergenerational equity); (iv~~iii~~) ~~it~~ is fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (~~i~~v) if there are other important policy reasons therefor.

The Board may ~~waive any of the provisions of this Policy.~~determine that the incurrence of Debt by the Authority need not comply with the provisions of this Policy for reasons stated in the resolution or motion authorizing such Debt or the staff report or other materials considered by the Board in connection therewith.

Purpose for Borrowing

The Authority shall issue long-term debt (that is, debt that has a final maturity longer than five years from the date of issuance) solely for the purpose of financing the cost of adding to or making improvements to the Authority's facilities, including Bureau of Reclamation facilities or other state or federal facilities used to provide water to the Authority or its members, land acquisition, the acquisition of long-term water supplies, capacity in water supply, other improvements included in ~~in accordance with~~ the Authority's Capital Improvement Program ("CIP") with useful lives of five-years or longer, including costs of environmental review, design, acquisition, and/or construction of new facilities, or other Board-approved program or for the refunding of prior debt. Generally speaking, the Authority shall ensure that the term of any

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long-term bonds issued does not exceed the useful life of the asset it is financing (e.g. an asset with a useful life of five years should be financed with debt that has a final maturity within the five year life).

For purposes of any long-term debt anticipated to be repaid from OM&R revenues collected pursuant to the Transfer Agreement, the Authority may issue debt for "OM&R" or "Capital Improvements," each as defined in the Transfer Agreement. For purposes of any long-term debt anticipated to be repaid from revenues collected by the Authority pursuant to an activity, project, or other agreement, the Authority may issue debt for the purposes authorized in the activity, project, or other agreement.

The Authority may issue interim debt (such debt that the Authority expects to have outstanding temporarily until longer term financing may be issued), short term debt (such debt that has a final maturity of not more than five years from its date of issuance) and long-term debt ~~(such debt that has a final maturity of more than five years from its date of issuance)~~. The Authority will not issue Debt to fund improvements or to acquire capital assets without express approval of the Board. The ~~Authority shall issue Debt only as provided for in this Policy.~~Board shall consider the following when making its decision to issue debt:

a. Useful life. Generally, assets with short useful lives (e.g., software, computers, passenger vehicles, etc.) would be funded through cash ("pay-as-you-go") funding.
b. Cost and impact on rates. Debt may be used to fund large expenditures that will result in long-lived assets to help mitigate near-term rate impacts, as well as help ensure that future users will fund a portion of the cost of the asset (i.e., inter-generational equity.)
c. Timing. Some projects may be dictated by regulatory mandates or emergencies, where the need to place an asset into service quickly and the Authority may not have sufficient cash flow to meet the funding need. In this case, the Authority could issue debt to provide time to generate sufficient funding.
d. Self-funding. Prior to issuing debt, the Board will assess the ability and desire of the Authority's Contractors and others who pay for water deliveries to provide "self-funding." Some agencies may prefer to finance their share of a major project with existing funds, their own financing, or increases in local rates and charges, rather than participating in a bond issue by the Authority. The Authority will allow agencies who prefer to "self-fund" the ability to do so as long as such self-funding does not affect the schedule or impede the Authority's ability to make payments for the project. The Authority will provide the opportunity for the agencies to make such a decision before issuing debt on behalf of those entities who would prefer the Authority undertake a borrowing. If an agency elects to self-fund its properly allocable share of debt the Authority may assess and collect from the self-funding agency a reasonable fee for the management of cash payments and other administrative actions necessary to effectuate such self-funding for a period of time that corresponds to the planning, design, and construction for which the self-funding covers. Such fee shall be subject to review and approval of the self-funding agency to ensure the fee does not exceed the reasonable costs to the Authority of providing the cash management service.

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B. Roles and Responsibilities

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The Executive Director has delegated to the Director of Finance authority and primary responsibility for debt management. The Director of Finance shall:

- Provide for the issuance of Authority debt at the lowest cost, commensurate with risk;
- Monitor the available debt capacity of the Authority;
- Consistent with Board approvals, provide for the issuance of Authority debt at appropriate intervals and in reasonable amounts as required to fund approved capital expenditures;
- Recommend to the Board the method and manner of sale of Authority debt;
- Monitor opportunities to refund debt and recommend such refunding as appropriate to reduce costs or to achieve other Policy objectives;
- Comply with all IRS, MSRB, and SEC rules and regulations governing the issuance of debt;
- Maintain a current database with all outstanding debt;
- Provide for the timely payment of principal and interest on all debt;
- Comply with all terms and conditions, and disclosure required by the legal documents governing the debt issued;
- Submit to the Board all recommendations to issue debt in accordance with the Policy;
- If required by a Continuing Disclosure Certificate, distribute on a timely basis to appropriate repositories, including the MSRB's Electronic Municipal Market Access ("EMMA") system, information regarding the Authority's financial condition and affairs at such times and in the form required by law, regulation and general practice;
- Comply with any Disclosure Policy adopted by the Authority;
- Provide for the frequent distribution of pertinent information to the rating agencies; and
- Apply and promote prudent fiscal practices.

C. Internal Controls

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In order to comply with California Debt and Investment Advisory Commission ("CDIAC") rules and regulations promulgated pursuant to SB 1029 the following internal controls shall be followed:

The Executive Director, ~~Assistant Executive Director~~Chief Operating Officer, and Director of Finance and the Authority's designated project manager for the project shall share responsibility to assure that disbursements of bond proceeds are made only after each request for disbursement is substantiated with appropriate invoices, requisitions and other supporting documentation. Each of the aforementioned shall thoroughly review any request for disbursement and may request further documentation as may be deemed appropriate.

Proceeds of any ~~debt~~ borrowing shall be managed and accounted for in accordance with its governing documents and this Policy. No disbursements shall be made without the written approval of the Director of Finance and the Executive Director. All draw requests shall be provided to the Authority by the designated project manager for the project with the consent of the Director of Finance. Approval shall only be provided when the Director of Finance is in receipt of all appropriate certifications with supporting invoices from suppliers and or contractors evidencing appropriate expenses in connection with the project.

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The Authority shall also comply with Government Code Section 5852.1 by disclosing specified good faith estimates in a public meeting prior to the authorization of the issuance of bonds.

Section II. Legal Governing Principles

In the issuance and management of debt, the Authority shall comply with all legal constraints and conditions imposed by federal, state and local law. The following section highlights the key governing documents and certain debt limitations.

A. Governing Law

California Law – State law dictates certain requirements when issuing debt and certain statutes must be followed for any issuance or refunding.

Federal Tax Law – The Authority shall issue and manage debt in accordance with the limitations and constraints imposed by federal tax law, to maximize its ability to issue tax-exempt debt. Such constraints include, but are not limited to, private activity tests, review of eligible projects, spend-down tests, and arbitrage rebate limitations. In the discretion of the Board, taxable debt may be issued, however, if the requirements of federal tax law for tax-exempt Debt are not met.

Securities Law – The Authority shall comply with the applicable requirements of federal and state securities laws in offering Authority debt and the Authority shall comply with securities law requirements in providing ongoing disclosure to the securities markets.

B. Governing Legal Documents

The Authority's issuance of debt is restricted in part by the Amended and Restated Joint Exercise of Powers Agreement, Administration Agreement, and any relevant Authority policies or resolutions (the "Debt Governing Documents"). The Authority shall comply with all limitations imposed under the Debt Governing Documents, so long as such are in full force and effect.

C. Permitted Debt by Type

The Authority may legally issue both short-term and long-term debt, using the debt instruments described below. The Director of Finance, in consultation with the Authority's Bond Counsel and Municipal Advisor shall determine the most appropriate instrument for a proposed ~~bond sale~~issuance of Debt.

JPA Revenue Bonds – The Authority would typically finance through the issuance of Authority revenue bonds or notes. These Authority bonds or notes would be secured by the general revenues of the Authority or payments received from members and others under activity agreements or other agreements.

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Certificates of Participation – As an alternative, Certificates of Participation ("COP") provide debt financing through a lease, installment sale agreement or contract of indebtedness which are payable from net revenues, under the terms and conditions specified in the related governing documents.

Revenue Notes – The Authority may issue short-term indebtedness secured by revenues. The revenue notes will have a final maturity not exceeding five years from the date of issuance, unless expressly approved by the Board of Directors.

Refunding Revenue Bonds – The Authority is authorized to issue refunding revenue bonds to refund outstanding Authority indebtedness pursuant to the State of California local agency refunding revenue bond law (Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California).

Lines of Credit - The Authority may enter into financing arrangements with banks or other financial institutions providing for a source of funds that can be readily accessed by the Authority for capital needs and/or to manage cash flow during a fiscal year.

Commercial Paper – The Authority may establish a commercial paper program ("Commercial Paper Program"). A Commercial Paper Program may be utilized and commercial paper notes may be issued from time to time to provide financing for projects, subject to the conditions that the projects and project financing will have prior approval from the Board. The Authority's commercial paper shall be payable from Authority specified revenues. The Director of Finance shall provide a written report to the Board twelve months following the initial issuance of commercial paper notes and annually thereafter so long as there is any commercial paper outstanding. The report shall summarize (1) the status of projects financed with commercial paper; (2) the amount of commercial paper outstanding and interest rates paid; and (3) identify~~ing~~ any long-term Debt issued to refund commercial paper notes.

Private Placements/Direct Loans - In the event the Authority chooses to proceed with a bank facility, or private placement of any form of Debt from a non-governmental entity, the Authority may issue a request for proposal from responsible and credit-worthy financial institutions. The request for bids shall include a description of the project and terms and conditions of the financing in accordance with prudent financial and industry standards. In awarding any Debt to a bank, or other financial institution, the Authority may consider interest rates, other fees, proposed terms and conditions, the experience of various banks as well as the ability of the proposed bank to close the transaction in a timely manner. The Authority will evaluate such loans on a case-by-case basis.

Government Sponsored Direct Loans - The Authority may enter into loan agreements with federal or state agencies. The Authority will evaluate such loans on a case-by-case basis. Prior to entering into such loan, the Authority may consider alternative forms of Debt, interest rates, other fees, proposed terms and conditions, the history of completing such loans by the federal or state agency, the availability of likelihood of obtaining funding and the ability of the proposed government agency to close the transaction in a timely manner.

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Other Obligations - There may be special circumstances when other forms of financing are appropriately utilized by the Authority. The Authority will evaluate such proposed transactions on a case-by-case basis. Such other forms include, but are not limited to, grant anticipation notes and judgment or settlement obligation bonds.

Interest Rate Swaps – The Authority shall not enter into interest rate swap agreements

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D. Ethical Standards Governing Conduct

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Authority Directors, Authority staff, and Authority consultants, service providers, and underwriters shall adhere to standards of conduct as stipulated by the California Political Reform Act, as applicable. All debt financing participants shall maintain the highest standards of professional conduct at all times, in accordance with:

- Municipal Securities Rulemaking Board ("MSRB") Rules, including Rule G-37, shall be followed at all times;
- Debt financing participants will assist the Authority staff in achieving its goals and objectives as defined in this Policy; and
- All debt financing participants shall make cooperation with the Authority staff a high priority.

Section III. Integration of Capital Planning and Debt Activities

A. Evaluating Capital Improvement Program Spending

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The Authority shall develop a financial model to evaluate the impact of capital program spending, operations and maintenance costs, and debt service on its financial condition.

Towards that end, the Director of Finance shall oversee the ongoing maintenance of quantitative modeling that includes, but is not limited to, the following:

- Historic and projected cash flows;
- Historic and projected capital expenditures;
- Historic and projected operating costs;
- Historic and projected fund balances, including the Enterprise Fund, General Membership Fund, Special Revenue Funds, Private Purpose Trust Funds, Agency Funds, and Debt Service Reserve Funds, if any;
- Historic and projected debt service coverage, if applicable;
- Projected revenue requirements; and
- Projected rates and charges.

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- The Director of Finance shall report to the Board, no less than annually, a ten-year projection of capital expenditures and associated impacts on O&M rates.

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Section IV. Transaction-Specific Policies

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A. Method of Sale for Publicly Offered Debt

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Unless otherwise authorized by the Board, and because of the complexity of the Authority's credit, the issuance and sale of all Authority debt shall generally be achieved through a negotiated process. Unless otherwise justified and deemed necessary upon the recommendation of the Director of Finance, after consultation with the Municipal Advisor, the Authority will utilize a request for proposal process to select an underwriter, or underwriters, in connection with the sale of publicly offered Debt.

Competitive Bid Method – Upon Board approval, at the recommendation of the Director Finance, after consultation with the Municipal Advisor, the Authority ~~shall~~ may sell debt on a competitive basis. Such bids ~~may~~ shall generally be ~~take the form of hand- delivered or~~ electronically transmitted offers to purchase the bonds, but may take the form of hand-delivered bids. Authority debt issued on a competitive bid basis will be sold to the bidder proposing the lowest true interest cost to the Authority provided the bid conforms to the official notice of sale.

Negotiated Bid Method – A negotiated bond issue will provide for the sale of debt by negotiating the terms and conditions of the sale, including price, interest rates, credit facilities, underwriter or remarketing fees, and takedown. The Board will provide by Resolution specific parameters (not-to-exceed amounts for principal, true interest cost and underwriting compensation) for the pre-approval of the negotiated sale of debt. The final terms of the negotiated bond issue will be reported to the Board upon completion of the transaction.

If bonds are sold on a negotiated basis, the negotiations of terms and conditions shall include, but not be limited to, prices, interest rates, underwriting or remarketing fees, expenses, and underwriting spreads. The Authority, with the assistance of its Municipal Advisor, shall evaluate the terms offered by the underwriter(s). Guidelines with respect to price, interest rates, fees, and underwriting spreads, including expenses, shall be based on prevailing terms and conditions in the marketplace for comparable issuers.

If more than one underwriter is included in the negotiated sale of debt, the Authority shall establish appropriate levels of liability, participation and priority of orders. Such levels shall be based upon Authority policy with regards to the underwriting responsibility among the underwriting/syndicate team members ~~(Authority Staff, Municipal Advisor, Bond Counsel, and Disclosure Counsel)~~, the desired allocation of total underwriting fees, and the desired distribution of bonds. ~~Guidelines for establishing liability, participation, and priority of orders shall be based on prevailing terms and conditions in the marketplace for comparable issuers.~~

The Authority shall, with the assistance of its Municipal Advisor, oversee the bond allocation process. The bond allocation process shall be managed by the lead underwriter, with the following requirements:

- The bonds are allocated fairly among ~~members of the underwriter(s)~~investors, consistent with the previously negotiated terms and conditions;
- The allocation process complies with all MSRB regulations governing order priorities and allocations;

- The lead underwriter shall submit to the Director of Finance a complete and timely account of all orders, allocations, and underwriting activities with the investor names identified as appropriate.

The Director of Finance shall require a post-sale analysis and reporting for each negotiated bond sale. The Municipal Advisor or the lead underwriter may perform such analysis. A post-sale analysis will include, but not be limited to:

- Summary of the pricing, including copies of the actual pricing wires;
- A summary of market conditions, including on the day of sale;
- Results of comparable bond sales in the market at or around the time of the Authority's pricing;
- Detailed information on orders and allocation of bonds, by investor, by maturity~~by underwriting firm~~;
- Detailed information on final designations earned by each underwriter; and
- Summary of total compensation received by each underwriter.

B. Structural Elements

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Maturity – The Authority may issue tax-exempt debt with an average life no greater than or equal to federal tax code requirements. Unless expressly approved by the Board at the recommendation of the Director of Finance after consultation with the Municipal Advisor and Bond Counsel the final maturity of ~~fixed~~ tax-exempt ~~rate~~ debt should be no longer than 35 years ~~and the final maturity of variable rate debt should be no longer than 40 years~~. Factors to be considered to determine the final maturity of debt include: the average useful life of the capital assets being financed, relative level of interest rates, intergenerational equity and the year-to-year differential in interest rates. The Authority may not issue taxable debt with a final maturity longer than 50 years. The Board, ~~unless expressly approved by the Board~~ at the recommendation of the Director of Finance after consultation with the Municipal Advisor and Bond Counsel, may approve maturities longer than outlined if market conditions and other policy considerations warrant.

Maturity Structure – The Authority's long-term debt may include serial and term bonds. Other maturity structures may also be considered if they are consistent with prudent financial management practices.

Coupon Structure – Debt may include par, discount, and premium bonds. Discount and premium bonds must be demonstrated to be advantageous relative to par bond structures, taking into consideration market conditions and opportunities. For variable rate debt, the variable rate may be based on one of a number of commonly used interest rate indices and the index will be determined at the time of pricing.

Variable Rate Debt – The Authority is authorized to issue variable rate debt including, but not limited to, public market indexed notes, indexed notes, or loans placed directly with financial institutions and other alternative variable rate and market access products as well as traditional variable rate demand obligations backed by bank liquidity facilities and unhedged floating rate

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debt. Prior to the issuance of variable rate debt, the savings and other possible advantages and disadvantages compared to a fixed rate borrowing shall be evaluated and a comparative analysis presented to the Board. Issuance of variable rate debt may be approved by the Board at the recommendation of the Director of Finance after consultation with the Municipal Advisor and Bond Counsel. Unless expressly approved by the Board, the Authority will not have, as of the date of issuance of any variable rate debt, a percentage of variable rate debt outstanding greater than 20% of the total principal amount of all debt outstanding.

Debt Service Structure – Debt service may be structured primarily on an approximate level (combined annual principal and interest) basis. Certain individual Debt issues, such as refunding Debt, or Debt issued to achieve a specific policy objective, may have debt service that is not level. However, on an aggregate basis, debt service should be structured primarily on a level basis.

Redemption Features – In order to preserve flexibility and refinancing opportunities, Authority debt will generally be issued with call provisions. Upon approval by the Board, the Authority may issue Debt with calls that are shorter than traditional and/or non-callable debt when warranted by market conditions and opportunities. For each transaction, the Authority will evaluate the efficiency of call provision alternatives.

Credit Enhancement – The Authority may competitively procure credit enhancement (e.g. letter of credit, line of credit, bond insurance) for a sale of Debt if the Director of Finance, in consultation with the Municipal Advisor and the lead underwriter, determines that to do so is in the Authority's financial interest.

Debt Service Reserve Funds – The Authority may provide for debt service reserve funds to secure Authority debt when necessary and recommended by the Director of Finance in consultation with the Municipal Advisor and the lead underwriter.

Section V. Communication and Disclosure

A. Rating Agencies

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The Authority, with the assistance of its Municipal Advisor, may secure one or more credit ratings on all Debt from any of the four major nationally recognized statistical rating organizations, provided it is economic to do so. The Authority shall seek to maintain its credit ratings once received through prudent fiscal management and consistent communications with the rating analysts. The Director of Finance shall manage relationships with the rating analysts assigned to the Authority's credit, using both informal and formal methods to disseminate information. Communication with the rating agencies shall include:

- Full disclosure on an annual basis of the financial condition of the Authority; which can be satisfied by providing the rating agencies ~~then current rating on any debt of the Authority~~ with the Authority's audited financial statements and continuing disclosure filings.
- Upon request of a ratings agency or when in the judgment of the Director of Finance as appropriate, a formal presentation, to the rating agencies, covering economic, financial,

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operational, and other issues that impact the Authority's credit;

- Timely disclosure of major financial events that impact the Authority's credit and financial position;
- Timely dissemination of the Financial Statements, following ~~its~~ acceptance by the Authority's Board; and
- Full and timely distribution of any documents pertaining to the sale of bonds.

Section VI. Refunding Policies

The Director of Finance, with the assistance of the Municipal Advisor shall evaluate refinancing Debt to maximize savings and minimize the cost of funds as market opportunities arise. A net present value analysis will be prepared that identifies the economic effects of any refunding to be proposed to the Board. The Authority shall target a minimum of 3% net present value savings for current and 5% for advanced refunding transactions. Advance refunding transactions should meet an efficiency threshold of at least 80%. Upon the advice of the Director of Finance, with the assistance of the Municipal Advisor and Bond Counsel, the Authority will consider undertaking a bond refunding for other than economic purposes, such as to restructure debt, change the type of debt instruments being used, or to retire a bond issue and indenture in order to remove ~~undesirable~~ outdated or restrictive covenants.

~~**Coupon on Refunded Bond** – The Director of Finance may take into consideration whether the coupon on the refunded bond is significantly higher or lower than the most common outstanding bond coupons of approximately five percent.~~

~~**General Interest Rate Environment** – The Director of Finance may take into consideration whether the available refunding bond interest rates are generally high or generally low relative to long-term averages of historical rates.~~

~~**General Interest Rate Outlook** – The Director of Finance may take into consideration the general outlook for future interest rates, as derived from economic forecasts, market forecasts, implied forward rates, or other sources.~~

~~**Debt Management Considerations** – The Director of Finance may take into consideration debt management issues such as cost and staff efficiencies associated with combining multiple refunding bond issues or combining refunding and new money bond issues.~~

~~**Call Date** – The Director of Finance may take into consideration the amount of time between the pricing/closing date of the refunding debt and the call date of the debt to be refunded.~~

~~**Final Maturity Date** – The Director of Finance may take into consideration the amount of time remaining until the final maturity of the Debt to be refunded.~~

Section VII. Reinvestment of Debt Proceeds

General – The Authority shall comply with all applicable Federal, State, and contractual restrictions regarding the use and investment of Debt proceeds. This includes compliance with

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restrictions on the types of investment securities allowed, restrictions on the allowable yield of some invested funds, as well as restrictions on the period over which some bond proceeds may be invested. To the extent that a bond issue is credit enhanced, the Authority shall adhere to the investment guidelines of the credit enhancement provider. Funds generated from the sale of land shall be used in accordance with the applicable bond covenants and documents. Bond counsel will be consulted to provide legal advice regarding the use of proceeds from the sale of Authority lands purchased with tax-exempt bond debt.

Requirements of Debt Governing Documents – The Authority will comply with all terms and conditions of the appropriate legal documents related to each series of debt; including, but not limited to Permitted Investments in the Indenture.

Section VIII. Creation and Maintenance of Funds

The Authority maintains several different funds integral to the long-range financial planning process. Each of these funds is held for a specific purpose and can generally be categorized as either a proprietary, governmental, or fiduciary fund. The Authority will comply with all requirements and limitations created under its Debt Governing Documents.

Section IX. Post-Issuance Compliance

A. Tax Compliance /Arbitrage Liability Management

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The Authority shall minimize the cost of arbitrage rebate and yield restrictions while strictly complying with tax law. Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, the Authority shall solicit the advice of Bond Counsel, Tax Counsel, and other qualified experts about arbitrage rebate calculations. The Authority shall contract with a qualified third-party for preparation of the arbitrage rebate calculation.

The Authority shall maintain an internal system for tracking expenditure of bond proceeds and investment earnings. The expenditure of bond proceeds shall be tracked in the financial accounting system by issue. Investments may be pooled for financial accounting purposes and for investment purposes. When investment of bond proceeds are co-mingled with other investments, the Authority shall adhere to IRS rules on accounting allocations.

B. Continuing Disclosure

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The Authority shall comply with the requirements of any Continuing Disclosure Certificate executed by the Authority at the time bonds are issued. Annual information provided by the Authority shall mirror certain selected information in any Authority Official Statement at the time of a primary offering. Annual financial information required by such Continuing Disclosure Certificate, if any, will be sent by the Authority or its designated consultant, to all Nationally Recognized Municipal Information Depositories (NRMSIRs) designated by the SEC and to the State Information Depository (SID), if one exists, and posted on EMMA. In addition to annual disclosure, to the extent required by the Continuing Disclosure Certificate the Authority shall

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provide ongoing information about certain enumerated events, as defined by regulation, ("Material Events") to the NRMSIRs and to the SID and posted on EMMA.

The Authority may engage a firm to assist it in ensuring timely completion and filing of annual reports and in identifying, and making timely filings with respect to, the occurrence of reportable enumerated events.

C. Legal Covenants

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The Authority shall comply with all covenants and conditions contained in governing law and any legal documents entered into at the time of a bond offering, including but not limited to rate covenants.

D. State Reporting Requirements

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Pursuant to Government Code section 8855(k), the Authority will submit annual debt transparency reports for any debt issued on or after January 21, 2017 every year until the later date on which the debt is no longer outstanding or the proceeds have been fully spent.

Section X. Debt Database Management

The Authority shall maintain complete information on its Debt portfolio, in a spreadsheet or database program format. The information in the database shall include, but not be limited to, the following:

- Issue Name
- Initial Issue Par Amount
- Dated Date of the Issue
- Principal Maturity Amounts
- Coupon Rate by Maturity
- Amount Outstanding
- Call Provisions
- Purpose of the Issue
- Credit Enhancer, if any
- Competitive or Negotiated Sale
- Names of Underwriter(s)

The Authority shall use the debt database for the following purposes:

- Generate reports
- Calculate Gross annual debt service
- Calculate Net annual debt service
- Refunding Analyses
- Provide accounting ~~O~~output to the Fund Accounting System

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San Luis & Delta-Mendota Water Authority

Activity Agreements Budget to Actual

Paid/Pending Comparison Summary

March 1, 2020 through January 31, 2021

FAC 3/1/21 & BOD 3/4/21

		FY Budget 3/1/20 - 2/28/21	Actual To Date Paid/Pending 3/1/20 - 1/31/21	% of Budget		Amount Remaining
03	General Membership	756,961	469,627	62.04%		287,334
05	Leg/CVP Operations	5,028,999	3,341,132	66.44%		1,687,867
06	Reallocation Agreement	0	0	0.00%		0
35	Contract Renewal Coordinator	51,868	1,717	3.31%		50,151
09	Leg/CVP Operations #3	0	0	0.00%		0
28	Yuba County Water Transfers	3,420	14,364	420.01%	1	(10,944)
22	Grassland Basin Drainage #3A	2,237,570	1,447,054	64.67%		790,516
64	SGMA - Northern Delta-Mendota Region	832,572	333,900	40.10%		498,672
65	SGMA - Central Delta-Mendota Region	832,572	356,703	42.84%		475,869
67	Integrated Regional Water Management	229,754	105,329	45.84%		124,425
68	Los Vaqueros Reservoir Expansion	43,932	12,056	27.44%		31,876
44	Exchange Contractors - 5 Year Transfer	11,206	2,580	23.03%		8,626
56	Long-Term North to South Water Transfer	172,565	118,806	68.85%		53,759
16	DHCCP	5,472	1,116	20.39%		4,356
	TOTAL	**10,206,891**	**6,204,384**	**60.79%**		**4,002,507**

11/ 12 X 10,206,891 **$ 9,356,317** **91.67%**

Budget vs. Actual **3,151,932**

Notes:

1. Trending over budget due to Special Projects Coordinator salary expense.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
ACTUAL EXPENSE - PAID/PENDING
ACTIVITY AGREEMENTS BUDGET TO ACTUAL
Report Period 3/1/20 - 1/31/21

FAC 3/1/21

Actual to Date Paid/Pending Detail by Fund

	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 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)	DHCCP (16)	
			03	05	06	35	09	28	22	64	65	67	68	44	56	16	
	Legal:																
1	Linneman et al	$ 61,488		$ -				$ -	$ 61,488								1
2	Kronick Moskovitz et al	$ 930,657		$ 849,811		$ 1,682			$ 38,404						$ 40,759		2
3	Kronick Moskovitz et al (annual costs)	$ 14,562		$ 14,559		$ 3											3
4	Pioneer Law Group	$ 218,874		$ 79,652					$ 102,418						$ 36,805		4
6	Somach Simmons & Dunn	$ 6,752		$ 6,682					$ 70								6
6	Additional O&M Legal Support	$ -															6
7	Baker Manock & Jensen	$ 112,168							$ 9,219	$ 43,004	$ 57,163	$ 2,782					7
8	Additional GBD Legal Support (NEPA, CWA, etc.)	$ 32,222							$ 32,222								8
9	Technical Legal Support	$ -		$ -													9
10	Legal Contingency	$ 151,511		$ 151,511													10
	Sub Total	**$ 1,528,234**	**$ -**	**$ 1,102,215**	**$ -**	**$ 1,685**	**$ -**	**$ -**	**$ 243,821**	**$ 43,004**	**$ 57,163**	**$ 2,782**	**$ -**	**$ -**	**$ 77,564**	**$ -**	
	Technical:																
11	Direct Funding / Water Storage Studies	$ 1,526,442		$ 1,526,442													11
12	Science Program	$ 65,000		$ 65,000													12
13	Previous Technical Project Commitment	$ 66,036		$ 66,036													13
	Sub Total	**$ 1,657,478**	**$ -**	**$ 1,657,478**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	
	Legislative Advocacy/Public Information Representation:																
14	Federal Representation	$ 180,200		$ 180,200													14
15	State Representation	$ 17,800		$ 17,800													15
16	Public Information / Communication	$ 90,000	$ 90,000														16
	Sub Total	**$ 288,000**	**$ 90,000**	**$ 198,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	
	Other Professional Services:																
17	SGMA Services	$ 430,807								$ 216,634	$ 214,173						17
18	Integrated Regional Water Management	$ 82,708										$ 82,708					18
	Sub Total	**$ 513,515**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 216,634**	**$ 214,173**	**$ 82,708**	**$ -**	**$ -**	**$ -**	**$ -**	
	Grassland Basin Drainage:																
19	GBD Specific	$ 703,683							$ 703,683								19
20	New UA Mud Slough Mitigation	$ -							$ -								20
21	Use of Drain	$ 46,991							$ 46,991								21
22	Biological Monitoring	$ 179,812							$ 179,812								22
23	Groundwater WDR Specific	$ 267,174							$ 267,174								23
	Sub Total	**$ 1,197,661**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,197,661**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	
	OTHER:																
24	DHCCP Debt Service on Bond/Arbitrage/Trustee Admin	$ -															24
25	Executive Director	$ 222,882	$ 157,586	$ 65,296													25
26	Executive Assistant	$ 34,601	$ 19,689	$ 14,912													26
27	Special Projects Coordinator	$ 32,300											$ 7,078	$ 1,190	$ 24,032		27
28	General Counsel	$ 170,369	$ 114,561	$ 55,807													28
29	Water Policy Director	$ 221,263		$ 189,080						$ 16,150	$ 16,032						29
30	Science Manager/Special Projects Manager	$ 33,483		$ 33,483													30
31	In-House Staff	$ 187,827	$ -	$ -		$ 31		$ 14,364	$ 4,891	$ 56,391	$ 67,615	$ 19,839	$ 4,977	$ 1,390	$ 17,212	$ 1,116	31
32	Law Clerk	$ -	$ -														32
33	Sacramento Administrative Office (SAO)	$ 14,729	$ 4,131	$ 10,598	$ -		$ -	$ -									33
34	Other Services & Expenses	$ 11,278	$ 1,784	$ 7,776	$ -		$ -	$ -	$ -	$ 859	$ 859	$ -					34
35	License & Continuing Education	$ -	$ -	$ -	$ -		$ -	$ -		$ -	$ -						35
36	Organizational Membership	$ 76,000	$ 76,000														36
37	Conferences & Training	$ 1,879	$ (261)	$ 1,745	$ -		$ -	$ -		$ 198	$ 198	$ -					37
38	Travel/Mileage	$ 3,406	$ 1,825	$ 1,516	$ -		$ -	$ -		$ 32	$ 32	$ -					38
39	Group Meetings	$ 1,853	$ 1,502	$ 351	$ -		$ -	$ -		$ -	$ -	$ -					39
40	Telephone	$ 7,627	$ 2,810	$ 2,873	$ -		$ -	$ -	$ 681	$ 632	$ 632	$ -					40
	Sub Total	**$ 1,019,497**	**$ 379,627**	**$ 383,440**	**$ -**	**$ 31**	**$ -**	**$ 14,364**	**$ 5,572**	**$ 74,262**	**$ 85,368**	**$ 19,839**	**$ 12,056**	**$ 2,580**	**$ 41,243**	**$ 1,116**	
	Total Expenditures	**$ 6,204,385**	**$ 469,627**	**$ 3,341,132**	**$ -**	**$ 1,717**	**$ -**	**$ 14,364**	**$ 1,447,054**	**$ 333,900**	**$ 356,703**	**$ 105,329**	**$ 12,056**	**$ 2,580**	**$ 118,807**	**$ 1,116**	

Subject to rounding

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
AMOUNT REMAINING
ACTIVITY AGREEMENTS BUDGET TO ACTUAL
Report Period 3/1/20 - 1/31/21

FAC 3/1/21

	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 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)	DHCCP (16)	
			03	05	06	35	09	28	22	64	65	67	68	44	56	16	
			Amount Remaining Detail by Fund														
	Legal:																
1	Linneman et al	$ (32,988)		$ 3,500				$ -	$ (36,488)								1
2	Kronick Moskovitz et al	$ 119,343		$ 150,189		$ 48,318			$ (38,404)						$ (40,759)		2
3	Kronick Moskovitz et al (annual costs)	$ 2,938		$ 2,441		$ 497											3
4	Pioneer Law Group	$ (10,874)		$ (59,652)					$ (52,418)						$ 101,196		4
6	Somach Simmons & Dunn	$ 43,248		$ 33,318					$ 9,930								6
6	Additional O&M Legal Support	$ -															6
7	Baker Manock & Jensen	$ (58,888)							$ (9,219)	$ (19,964)	$ (34,123)	$ 4,418					
8	Additional GBD Legal Support (NEPA, CWA, etc.)	$ 57,778							$ 57,778								8
9	Technical Legal Support	$ 150,000		$ 150,000													9
10	Legal Contingency	$ 183,489		$ 183,489													10
	Sub Total	**$ 454,046**	**$ -**	**$ 463,285**	**$ -**	**$ 48,815**	**$ -**	**$ -**	**$ (68,821)**	**$ (19,964)**	**$ (34,123)**	**$ 4,418**	**$ -**	**$ -**	**$ 60,436**	**$ -**	
	Technical:																
11	Direct Funding / Water Storage Studies	$ (26,442)		$ (26,442)													11
12	Science Program	$ 435,000		$ 435,000													12
13	Previous Technical Project Commitment	$ 294,804		$ 294,804													13
	Sub Total	**$ 703,362**	**$ -**	**$ 703,362**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	
	Legislative Advocacy/Public Information Representation:																
14	Federal Representation	$ 75,825		$ 75,825													14
15	State Representation	$ (6,818)		$ (6,818)													15
16	Public Information / Communication	$ 31,550	$ 31,550														16
	Sub Total	**$ 100,557**	**$ 31,550**	**$ 69,007**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	
	Other Professional Services:																
17	SGMA Services	$ 757,275								$ 377,407	$ 379,868						17
18	Integrated Regional Water Management	$ 69,292										$ 69,292					18
	Sub Total	**$ 826,567**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 377,407**	**$ 379,868**	**$ 69,292**	**$ -**	**$ -**	**$ -**	**$ -**	
	Grassland Basin Drainage:																
19	GBD Specific	$ 396,509							$ 396,509								19
20	New UA Mud Slough Mitigation	$ 100,000							$ 100,000								20
21	Use of Drain	$ 63,009							$ 63,009								21
22	Biological Monitoring	$ 187,688							$ 187,688								22
23	Groundwater WDR Specific	$ 105,304							$ 105,304								23
	Sub Total	**$ 852,509**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 852,509**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	
	OTHER:																
24	DHCCP Debt Service on Bond/Arbitrage/Trustee Admin	$ -															24
25	Executive Director	$ 40,210	$ 17,809	$ 22,401													25
26	Executive Assistant	$ 14,299	$ 4,761	$ 9,538												$ -	26
27	Special Projects Coordinator	$ 45,563											$ 31,854	$ 6,596	$ 7,113		27
28	General Counsel	$ 50,830	$ 32,905	$ 17,926	$ -		$ -	$ -			$ -						28
29	Water Policy Director	$ 214,394		$ 68,687						$ 72,795	$ 72,913						29
30	Science Manager/Special Projects Manager	$ 216,517		$ 216,517													30
31	In-House Staff	$ 197,074	$ 65,000	$ 30,780		$ 1,337		$ (10,944)	$ 5,109	$ 49,655	$ 38,431	$ 25,090	$ 23	$ 2,030	$ (13,792)	$ 4,356	31
32	Law Clerk	$ 40,000	$ 40,000														32
33	Sacramento Administrative Office (SAO)	$ 40,271	$ 5,869	$ 34,403	$ -		$ -	$ -									33
34	Other Services & Expenses	$ 43,507	$ 19,776	$ (1,776)	$ -		$ -	$ -	$ 1,600	$ 7,641	$ 7,641	$ 8,625					34
35	License & Continuing Education	$ 4,800	$ 1,750	$ 2,550	$ -		$ -	$ -		$ 250	$ 250						35
36	Organizational Membership	$ 14,250	$ 14,250														36
37	Conferences & Training	$ 26,421	$ 4,886	$ 6,930	$ -		$ -	$ -		$ 4,803	$ 4,803	$ 5,000					37
38	Travel/Mileage	$ 102,719	$ 44,300	$ 38,484	$ -		$ -	$ -		$ 4,968	$ 4,968	$ 10,000					38
39	Group Meetings	$ 11,147	$ 4,498	$ 4,649	$ -		$ -	$ -		$ 500	$ 500	$ 1,000					39
40	Telephone	$ 3,463	$ (20)	$ 1,127	$ -		$ -	$ -	$ 119	$ 618	$ 618	$ 1,000					40
	Sub Total	**$ 1,065,465**	**$ 255,784**	**$ 452,212**	**$ -**	**$ 1,337**	**$ -**	**$ (10,944)**	**$ 6,828**	**$ 141,229**	**$ 130,123**	**$ 50,715**	**$ 31,876**	**$ 8,626**	**$ (6,678)**	**$ 4,356**	
	Total Expenditures	**$ 4,002,506**	**$ 287,334**	**$ 1,687,867**	**$ -**	**$ 50,151**	**$ -**	**$ (10,944)**	**$ 790,516**	**$ 498,672**	**$ 475,869**	**$ 124,425**	**$ 31,876**	**$ 8,626**	**$ 53,758**	**$ 4,356**	

Subject to rounding

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
SUMMARY ACTUAL EXPENSE - PAID/PENDING
ACTIVITY AGREEMENTS BUDGET TO ACTUAL
Report Period 3/1/20 - 1/31/21

FAC 3/1/21

	Direct Expenses	1 *Budget Excludes DMC and DHCCP Debt Service*	2 *Actual to Date Paid/Pending 3/1/20-1/31/21 Excludes DMC and DHCCP Debt Service*	3 *Variance Budget vs Actual Paid/Pending*	4 *11 months of Budget Excludes DMC and DHCCP Debt Service*	5 *Variance 11 months of Budget vs Actual Paid/Pending*	
	Legal:			(1-2)		(4 - 2)	
1	Linneman et al	$ 28,500	$ 61,488	$ (32,988)	$ 26,125	$ (35,363)	1
2	Kronick Moskovitz et al	$ 1,050,000	$ 930,657	$ 119,343	$ 962,500	$ 31,843	2
3	Kronick Moskovitz et al (annual costs)	$ 17,500	$ 14,562	$ 2,938	$ 16,042	$ 1,479	3
4	Pioneer Law Group	$ 208,000	$ 218,874	$ (10,874)	$ 190,667	$ (28,208)	4
6	Somach Simmons & Dunn	$ 50,000	$ 6,752	$ 43,248	$ 45,833	$ 39,081	6
6	Additional O&M Legal Support	$ -	$ -	$ -	$ -	$ -	6
7	Baker Manock & Jensen	$ 53,280	$ 112,168	$ (58,888)	$ 48,840	$ (63,328)	7
8	Additional GBD Legal Support (NEPA, CWA, etc.)	$ 90,000	$ 32,222	$ 57,778	$ 82,500	$ 50,278	8
9	Technical Legal Support	$ 150,000	$ -	$ 150,000	$ 137,500	$ 137,500	9
10	Legal Contingency	$ 335,000	$ 151,511	$ 183,489	$ 307,083	$ 155,573	10
	Sub Total	**$ 1,982,280**	**$ 1,528,234**	**$ 454,046**	**$ 1,817,090**	**$ 288,856**	
	Technical:						
11	Direct Funding / Water Storage Studies	$ 1,500,000	$ 1,526,442	$ (26,442)	$ 1,375,000	$ (151,442)	11
12	Science Program	$ 500,000	$ 65,000	$ 435,000	$ 458,333	$ 393,333	12
13	Previous Technical Project Commitment	$ 360,840	$ 66,036	$ 294,804	$ 330,770	$ 264,734	13
	Sub Total	**$ 2,360,840**	**$ 1,657,478**	**$ 703,362**	**$ 2,164,103**	**$ 506,626**	
	Legislative Advocacy/Public Information Representation:						
14	Federal Representation	$ 256,025	$ 180,200	$ 75,825	$ 234,690	$ 54,490	14
15	State Representation	$ 10,982	$ 17,800	$ (6,818)	$ 10,067	$ (7,733)	15
16	Public Information / Communication	$ 121,550	$ 90,000	$ 31,550	$ 111,421	$ 21,421	16
	Sub Total	**$ 388,557**	**$ 288,000**	**$ 100,557**	**$ 356,177**	**$ 68,177**	
	Other Professional Services:						
17	SGMA Services	$ 1,188,082	$ 430,807	$ 757,275	$ 1,089,075	$ 658,268	17
18	Integrated Regional Water Management	$ 152,000	$ 82,708	$ 69,292	$ 139,333	$ 56,625	18
	Sub Total	**$ 1,340,082**	**$ 513,515**	**$ 826,567**	**$ 1,228,409**	**$ 714,893**	
	Grassland Basin Drainage:						
19	GBD Specific	$ 1,100,192	$ 703,683	$ 396,509	$ 1,008,509	$ 304,826	19
20	New UA Mud Slough Mitigation	$ 100,000	$ -	$ 100,000	$ 91,667	$ 91,667	20
21	Use of Drain	$ 110,000	$ 46,991	$ 63,009	$ 100,833	$ 53,842	21
22	Biological Monitoring	$ 367,500	$ 179,812	$ 187,688	$ 336,875	$ 157,063	22
23	Groundwater WDR Specific	$ 372,478	$ 267,174	$ 105,304	$ 341,438	$ 74,264	23
	Sub Total	**$ 2,050,170**	**$ 1,197,661**	**$ 852,509**	**$ 1,879,323**	**$ 681,662**	
	OTHER:						
24	DHCCP Debt Service on Bond/Arbitrage/Trustee Admin						24
25	Executive Director	$ 263,092	$ 222,882	$ 40,210	$ 241,168	$ 18,286	25
26	Executive Assistant	$ 48,900	$ 34,601	$ 14,299	$ 44,825	$ 10,224	26
27	Special Projects Coordinator	$ 77,863	$ 32,300	$ 45,563	$ 71,374	$ 39,075	27
28	General Counsel	$ 221,199	$ 170,369	$ 50,830	$ 202,766	$ 32,397	28
29	Water Policy Director	$ 257,767	$ 221,263	$ 36,504	$ 236,286	$ 15,024	29
30	Science Manager/Special Projects Manager	$ 250,000	$ 33,483	$ 216,517	$ 229,167	$ 195,683	30
31	In-House Staff	$ 562,791	$ 173,462	$ 389,329	$ 515,892	$ 342,429	31
32	Law Clerk	$ 40,000	$ -	$ 40,000	$ 36,667	$ 36,667	32
33	Sacramento Administrative Office (SAO)	$ 55,000	$ 14,729	$ 40,271	$ 50,417	$ 35,688	33
34	Other Services & Expenses	$ 54,785	$ 9,560	$ 45,225	$ 50,220	$ 40,659	34
35	License & Continuing Education	$ 4,800	$ -	$ 4,800	$ 4,400	$ 4,400	35
36	Organizational Membership	$ 90,250	$ 77,718	$ 12,532	$ 82,729	$ 5,011	36
37	Conferences & Training	$ 28,300	$ 1,879	$ 26,421	$ 25,942	$ 24,063	37
38	Travel/Mileage	$ 106,125	$ 3,406	$ 102,719	$ 97,281	$ 93,875	38
39	Group Meetings	$ 13,000	$ 1,853	$ 11,147	$ 11,917	$ 10,064	39
40	Telephone	$ 11,090	$ 21,992	$ (10,902)	$ 10,166	$ (11,826)	40
		$ -	$ -	$ -	$ -	$ -	
	Sub Total	**$ 2,084,962**	**$ 1,019,497**	**$ 1,065,465**	**$ 1,911,215**	**$ 891,718**	
	Total Expenditures	**$ 10,206,891**	**$ 6,204,385**	**$ 4,002,506**	**$ 9,356,317**	**$ 3,151,932**	

Notes:

Subject to rounding

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

MARCH 1, 2020 - FEBRUARY 28, 2021

GENERAL MEMBERSHIP (FUND 03)

ACTIVITY AGREEMENTS BUDGET TO ACTUAL

Report Period 3/1/20 - 1/31/21

FAC 3/1/21

EXPENDITURES	Annual Budget	Paid/ Pending	Additional Pending	Total Expenses	Amount Remaining	% of Amt Remaining	Expenses Through
Legislative Advocacy/Public Info Representation:							
Public Information / Communication	$ 121,550	$90,000	$ -	$ 90,000	$ 31,550	26%	11/30/20
Other:							
Executive Director	$ 175,395	$ 157,586	$ -	$ 157,586	$ 17,809	10%	12/31/20
Executive Assistant	$ 24,450	$ 19,689	$ -	$ 19,689	$ 4,761	19%	12/31/20
General Counsel	$ 147,466	$ 114,561	$ -	$ 114,561	$ 32,905	22%	12/31/20
In-House Staff	$ 65,000	$ -	$ -	$ -	$ 65,000	100%	
Law Clerk	$ 40,000	$ -	$ -	$ -	$ 40,000	100%	
Sacramento Administrative Office (SAO)	$ 10,000	$ 4,131	$ -	$ 4,131	$ 5,869	59%	11/30/20
Other Services & Expenses	$ 21,560	$ 1,784	$ -	$ 1,784	$ 19,776	92%	12/31/20
License & Continuing Education	$ 1,750	$ -	$ -	$ -	$ 1,750	100%	
Organizational Membership	$ 90,250	$ 76,000	$ -	$ 76,000	$ 14,250	16%	12/31/20
Conferences & Training	$ 4,625	$ (261)	$ -	$ (261)	$ 4,886	106%	
Travel/Mileage	$ 46,125	$ 1,825	$ -	$ 1,825	$ 44,300	96%	
Group Meetings	$ 6,000	$ 1,502	$ -	$ 1,502	$ 4,498	75%	
Telephone	$ 2,790	$ 2,810	$ -	$ 2,810	$ (20)	-1%	
Total Expenditures	$ 756,961	$ 469,627	$ -	$ 469,627	$ 287,334	38%	

Note: Refund of Cancelled Conference original expense 2/10/20.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

MARCH 1, 2020 - FEBRUARY 28, 2021

LEG & CVP OPERATIONAL AFFAIRS (FUND 05)

ACTIVITY AGREEMENTS BUDGET TO ACTUAL

Report Period 3/1/20 - 1/31/21

FAC 3/1/21

EXPENDITURES	Paid Exp	Add Pend	Annual Budget	Paid/ Pending	Additional Pending	Total Expenses	Amount Remaining	% of Amt Remaining	Expenses Through
Legal:									
Linneman et al			$ 3,500	$ -	$ -	$ -	$ 3,500	100%	
Kronick Moskovitz et al			$ 1,000,000	$ 849,811	$ -	$ 849,811	$ 150,189	15%	11/30/20
Kronick Moskovitz et al (annual cost)			$ 17,000	$ 14,559	$ -	$ 14,559	$ 2,441	14%	12/31/20
Pioneer Law Group			$ 20,000	$ 79,652	$ -	$ 79,652	$ (59,652)	-298%	1/31/21
Somach Simmons & Dunn			$ 40,000	$ 6,682	$ -	$ 6,682	$ 33,318	83%	
Technical Legal Support			$ 150,000	$ -	$ -	$ -	$ 150,000	100%	
Legal Contingency			$ 335,000	$ 151,511	$ -	$ 151,511	$ 183,489	55%	10/31/20
Technical:	Paid Exp	Add Pend							
Direct Funding									
Water Storage Studies (BF Sisk Dam Raise)			$ 1,500,000	$ 1,526,442	$ -	$ 1,526,442	$ (26,442)	-2%	11/30/20
Science Program, Incl. CAMT Facilitation			$ 500,000	$ 65,000	$ -	$ 65,000	$ 435,000	87%	9/30/20
Previous Technical Project Commitment			$ 360,840	$ 66,036	$ -	$ 66,036	$ 294,804	82%	11/30/20
Fish Food	$ 38,932								
eDNA									
Delta Fallowing Pilot Prgm - Land IQ	$ 14,337	$ -							
Tule Red Agreement - USGS	$ 4,315								
Inter. Delta Export Effects	$ 8,452								
FY18 - Delta Smelt ITL									
Essex/Hansen - SWC									
Legislative Advocacy/Public Info Representation:									
Federal Representation			$ 256,025	$ 180,200	$ -	$ 180,200	$ 75,825	30%	11/30/20
State Representation			$ 10,982	$ 17,800	$ -	$ 17,800	$ (6,818)	-62%	11/30/20
Other:									
Executive Director			$ 87,697	$ 65,296	$ -	$ 65,296	$ 22,401	26%	12/31/20
Executive Assistant			$ 24,450	$ 14,912	$ -	$ 14,912	$ 9,538	39%	12/31/20
General Counsel			$ 73,733	$ 55,807	$ -	$ 55,807	$ 17,926	24%	12/31/20
Water Policy Director			$ 257,767	$ 189,080	$ -	$ 189,080	$ 68,687	27%	12/31/20
Science Manager/Special Projects Manager			$ 250,000	$ 33,483	$ -	$ 33,483	$ 216,517	87%	12/31/20
In-House Staff			$ 30,780	$ -	$ -	$ -	$ 30,780	100%	
Sacramento Administrative Office (SAO)			$ 45,000	$ 10,598	$ -	$ 10,598	$ 34,403	76%	1/31/21
Other Services & Expenses			$ 6,000	$ 7,776	$ -	$ 7,776	$ (1,776)	-30%	11/30/20
License & Continuing Education			$ 2,550	$ -	$ -	$ -	$ 2,550	100%	
Conferences & Training			$ 8,675	$ 1,745	$ -	$ 1,745	$ 6,930	80%	
Travel/Mileage			$ 40,000	$ 1,516	$ -	$ 1,516	$ 38,484	96%	12/31/20
Group Meetings			$ 5,000	$ 351	$ -	$ 351	$ 4,649	93%	12/31/20
Telephone			$ 4,000	$ 2,873	$ -	$ 2,873	$ 1,127	28%	1/31/21
Total Expenditures			$ 5,028,999	$ 3,341,132.05	$ -	$ 3,341,132	$ 1,687,867	34%	

Remaining FY20 SFCWA Funds-No Impact on	Expense	Remaining
SLDMWA Budget - Yellow Starthistle $48,405	$ 55,806	$ -

Note : For Water Storage Studies (BF Sisk Dam Raise), $279,062 was paid to BOR on 6/5/20 for the Sisk CFA. On 5/14/20, BOD approved the commitment of $123,139 from the FY20 budget for direct funding of the FY21 Water Storage Studies.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

MARCH 1, 2020 - FEBRUARY 28, 2021

REALLOCATION AGREEMENT (FUND 06)

ACTIVITY AGREEMENTS BUDGET TO ACTUAL

Report Period 3/1/20 - 1/31/21

FAC 3/1/21

EXPENDITURES	Annual Budget	Paid/ Pending	Additional Pending	Total Expenses	Amount Remaining	% of Amt Remaining	Expenses Through
Legal:							
Other:							
General Counsel							
Sacramento Administrative Office (SAO)							
Other Services & Expenses							
License & Continuing Education							
Conferences & Training							
Travel/Mileage							
Group Meetings							
Telephone							
Total Expenditures	$ -	$ -	$ -	$ -	$ -	0.00%	

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

MARCH 1, 2020 - FEBRUARY 28, 2021

CONTRACT RENEWAL COORDINATOR (FUND 35)

ACTIVITY AGREEMENTS BUDGET TO ACTUAL

Report Period 3/1/20 - 1/31/21

FAC 3/1/21

EXPENDITURES	Annual Budget	Paid/ Pending	Additional Pending	Total Expenses	Amount Remaining	% of Amt Remaining	Expenses Through
Legal:							
Kronick Moskovitz et al	$ 50,000	$ 1,682	$ -	$ 1,682	$ 48,318	97%	12/31/20
Kronick Moskovitz et al (annual costs)	$ 500	$ 3	$ -	$ 3	$ 497	99%	
Other:							
In-House Staff	$ 1,368	$ 31	$ -	$ 31	$ 1,337	98%	
Total Expenditures	$ 51,868	$ 1,717	$ -	$ 1,717	$ 50,151	96.69%	

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

MARCH 1, 2020 - FEBRUARY 28, 2021

LEG & CVP OPERATIONAL AFFAIRS #3 (FUND 09)

ACTIVITY AGREEMENTS BUDGET TO ACTUAL

Report Period 3/1/20 - 1/31/21

FAC 3/1/21

EXPENDITURES	Annual Budget	Paid/ Pending	Additional Pending	Total Expenses	Amount Remaining	% of Amt Remaining	Expenses Through
Other:							
General Counsel							
Sacramento Administrative Office (SAO)							
Other Services & Expenses							
License & Continuing Education							
Conferences & Training							
Travel & Mileage							
Group Meetings							
Telephone							
Total Expenditures	$ -	$ -	$ -	$ -	$ -	0.00%	

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
MARCH 1, 2020 - FEBRUARY 28, 2021
YUBA COUNTY WATER TRANSFERS
ACTIVITY AGREEMENTS BUDGET TO ACTUAL
Sub Fund of Leg Ops #3 (FUND 28)

Report Period 3/1/20 - 1/31/21
FAC 3/1/21

EXPENDITURES	Annual Budget	Paid/ Pending	Additional Pending	Total Expenses	Amount Remaining	% of Amt Remaining	Expenses Through
Legal:							
Linneman et al							
Other:							
General Counsel							
In-House Staff	$ 3,420	$ 14,364	$ -	$ 14,364	$ (10,944)	-320%	1/31/21
Sacramento Administrative Office (SAO)							
Other Services & Expenses							
License & Continuing Education							
Conferences & Training							
Travel/Mileage							
Group Meetings							
Telephone							
Total Expenditures	$ 3,420	$ 14,364	$ -	$ 14,364	$ (10,944)	-320.01%	

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

MARCH 1, 2020 - FEBRUARY 28, 2021

GRASSLAND BASIN DRAINAGE #3A (FUND 22)

ACTIVITY AGREEMENTS BUDGET TO ACTUAL

Report Period 3/1/20 - 1/31/21

FAC 3/1/21

EXPENDITURES	Annual Budget	Paid/ Pending	Additional Pending	Total Expenses	Amount Remaining	% of Amt Remaining	Expenses Through
Legal:							
Linneman et al	$ 20,000	$ 48,435	$ -	$ 48,435	$ (28,435)	-142.17%	10/31/20
Linneman et al WDR Specific	$ 5,000	$ 13,053	$ -	$ 13,053	$ (8,053)	-161.07%	12/31/20
Kronick Moskovitz et al	$ -	$ 38,404	$ -	$ 38,404	$ (38,404)	0.00%	1/31/21
Pioneer Law Group - CEQA Legal Consultant	$ 50,000	$ 102,418	$ -	$ 102,418	$ (52,418)	-104.84%	12/31/20
Joe Cotchett	$ 40,000	$ 25,484	$ -	$ 25,484	$ 14,516	36.29%	12/31/20
Somach Simmons & Dunn - CEQA Legal Consulta	$ 10,000	$ 70	$ -	$ 70	$ 9,930	99.30%	
NEPA Support (New UA/Newman Land)	$ 50,000	$ 6,738	$ -	$ 6,738	$ 43,263	86.53%	9/30/20
Baker Manock & Jensen	$ -	$ 9,219	$ -	$ 9,219	$ (9,219)	0.00%	1/31/21
GBD Specific:							
Drainage Coordinator (Summers)	$ 200,000	$ 120,709	$ -	$ 120,709	$ 79,291	39.65%	12/31/20
Quality Data Processing/Load Calc (Summers)	$ 123,000	$ 102,738	$ -	$ 102,738	$ 20,262	16.47%	12/31/20
Flow Calculation/Station Maint. (Summers)	$ 55,000	$ 43,685	$ -	$ 43,685	$ 11,315	20.57%	12/31/20
Field Coordinator (PDD)	$ 30,000	$ 22,829	$ -	$ 22,829	$ 7,171	23.90%	1/31/21
Real Time Monitoring Equip (PDD)	$ 13,000	$ 4,850	$ -	$ 4,850	$ 8,150	62.69%	1/31/21
Panoche Creek Gauging Station	$ 7,900	$ -	$ -	$ -	$ 7,900	100.00%	
Water Quality Monitoring (Reg. Sites)	$ 161,000	$ 138,209	$ -	$ 138,209	$ 22,791	14.16%	1/31/21
Newman Water Costs	$ 111,953	$ -	$ -	$ -	$ 111,953	100.00%	
Restoration of Mud Slough Channel (Newman L	$ 180,000	$ 216,975	$ -	$ 216,975	$ (36,975)	-20.54%	12/31/20
Waste Discharge Permit Fees	$ 42,839	$ -	$ -	$ -	$ 42,839	100.00%	
CEQA Support Susan Hootkins (Newman Land)	$ 50,500	$ 23,730	$ -	$ 23,730	$ 26,770	53.01%	1/31/21
SJRIP Monitor Wells	$ 25,000	$ -	$ -	$ -	$ 25,000	100.00%	
Drainage Management Plan	$ 100,000	$ 29,958	$ -	$ 29,958	$ 70,042	70.04%	12/31/20
New UA Mud Slough Mitigation:							
Remove Sediment in SLD	$ 100,000	$ -	$ -	$ -	$ 100,000	100.00%	
Use of Drain:							
Operation & Maintenance (PDD)	$ 110,000	$ 46,991	$ -	$ 46,991	$ 63,009	57.28%	1/31/21
Biological Monitoring:							
Biological Monitoring/Mitig Habitat	$ 10,000	$ -	$ -	$ -	$ 10,000	100.00%	
Pacific Eco Risk	$ 134,000	$ 72,128	$ -	$ 72,128	$ 61,872	46.17%	1/31/21
HT Harvey-SJRIP Egg Monitoring	$ 123,500	$ 102,872	$ -	$ 102,872	$ 20,628	16.70%	1/31/21
Fish Biologist - Splittail/Sturgeon	$ 100,000	$ 4,813	$ -	$ 4,813	$ 95,187	95.19%	8/31/20
Groundwater WDR Specific:							
Membership Enrollment/List (Summers)	$ 70,260	$ 70,438		$ 70,438	$ (178)	-0.25%	1/31/21
Farm Evaluation Plan (Summers)	$ 45,000	$ 27,209	$ -	$ 27,209	$ 17,791	39.54%	12/31/20
NMP Summary Report	$ 18,080	$ 12,311	$ -	$ 12,311	$ 5,769	31.91%	1/31/21
MPEP Group Workplan	$ 8,650	$ 7,702	$ -	$ 7,702	$ 948	10.96%	8/31/20
Groundwater Protection Formula	$ 10,000	$ 3,521	$ -	$ 3,521	$ 6,479	64.79%	12/31/20
Prioritization and Optimization Study-CVSalts	$ 9,908	$ -	$ -	$ -	$ 9,908	100.00%	
Trend Monit Prgrm	$ 63,070	$ 52,438	$ -	$ 52,438	$ 10,632	16.86%	1/31/21
Develop Web Portal	$ 4,200	$ 1,045	$ -	$ 1,045	$ 3,155	75.12%	1/31/21
Collect State Board Fee	$ 89,910	$ 60,814	$ -	$ 60,814	$ 29,096	32.36%	6/30/21
Annual Monitoring Report (Summers)	$ 45,000	$ 25,572	$ -	$ 25,572	$ 19,428	43.17%	12/31/20
SQMP	$ 4,700	$ 6,124	$ -	$ 6,124	$ (1,424)	-30.29%	1/31/21
CVGMC Data	$ 3,700	$ -	$ -	$ -	$ 3,700	100.00%	
Other:							
In-House Staff	$ 10,000	$ 4,891	$ -	$ 4,891	$ 5,109	51.09%	12/31/20
Other Services & Expenses	$ 1,600	$ -	$ -	$ -	$ 1,600	100.00%	
Telephone	$ 800	$ 681	$ -	$ 681	$ 119	14.93%	11/30/20
Total Expenditures	$ 2,237,570	$ 1,447,054	$ -	$ 1,447,054	$ 790,516	35.33%	

Note: On 9/18/20, committee approved services from Baker Manock & Jensen.

Per action taken at the 9/18/20 GBD Meeting, an additional expenditure of $10,000 was approved for legal costs. This action will not result in an overall FY20 budget increase.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

MARCH 1, 2020 - FEBRUARY 28, 2021

SUSTAINABLE GROUNDWATER MANAGEMENT ACT SERVICES AGREEMENT

ACTIVITY AGREEMENTS BUDGET TO ACTUAL

NORTHERN DELTA-MENDOTA REGION (FUND 64)

Report Period 3/1/20 - 1/31/21
FAC 3/1/21

EXPENDITURES	Annual Budget	Paid/ Pending	Additional Pending	Total Expenses	Amount Remaining	% of Amt Remaining	Expenses Through
Legal:							
Outside Counsel	$ 23,040	$ 43,004	$ -	$ 43,004	$ (19,964)	-87%	1/31/21
Coordinated legal	$ -						
Other Professional Services:							
Contracts	$ 594,041	$ 216,634	$ -	$ 216,634	$ 377,407	64%	1/31/21
Other:							
Program Mgr/Sr. Engineer/Water Policy Dir.	$ 88,945	$ 16,150	$ -	$ 16,150	$ 72,795	82%	1/31/21
SCADA Engineer	$ 2,308	$ -	$ -	$ -	$ 2,308	100%	
Water Resources Coordinator	$ 37,722	$ 17,163	$ -	$ 17,163	$ 20,559	55%	1/31/21
Assistant Engineer 1	$ 39,367	$ -	$ -	$ -	$ 39,367	100%	
Accounting	$ 6,561	$ 250	$ -	$ 250	$ 6,311	96%	12/31/20
General Counsel	$ -	$ 164	$ -	$ 164	$ (164)	0%	9/30/20
Hydrotech 3	$ 20,088	$ 7,771	$ -	$ 7,771	$ 12,317	61%	12/31/20
Contract Staff	$ -	$ 31,043	$ -	$ 31,043	$ (31,043)	0%	8/31/20
License & Continuing Education	$ 250	$ -	$ -	$ -	$ 250	100%	
Conferences & Training	$ 5,000	$ 198	$ -	$ 198	$ 4,803	96%	
Travel/Mileage	$ 5,000	$ 32	$ -	$ 32	$ 4,968	99%	3/31/20
Group Meetings	$ 500	$ -	$ -	$ -	$ 500	100%	
Telephone	$ 1,250	$ 632	$ -	$ 632	$ 618	49%	12/31/20
Equipment and Tools	$ 4,175	$ 859	$ -	$ 859	$ 3,316	79%	
Software	$ 4,325			$ -	$ 4,325	100%	
Total Expenditures	$ 832,572	$ 333,900	$ -	$ 333,900	$ 498,672	59.90%	

Note: 7/30/20 committee meeting approved the extension of EKI"S services through the end of this fiscal year.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

MARCH 1, 2020 - FEBRUARY 28, 2021

SUSTAINABLE GROUNDWATER MANAGEMENT ACT SERVICES AGREEMENT

ACTIVITY AGREEMENTS BUDGET TO ACTUAL

CENTRAL DELTA-MENDOTA REGION (FUND 65)

Report Period 3/1/20 - 1/31/21
FAC 3/1/21

EXPENDITURES	Annual Budget	Paid/ Pending	Additional Pending	Total Expenses	Amount Remaining	% of Amt Remaining	Expenses Through
Legal:							
Outside Counsel	$ 23,040	$ 57,163	$ -	$ 57,163	$ (34,123)	-148%	1/31/21
Coordinated legal							
Other Professional Services:							
Contracts	$ 594,041	$ 214,173	$ -	$ 214,173	$ 379,868	64%	1/31/21
Other:							
Program Mgr/Sr. Engineer/Water Policy Dir.	$ 88,945	$ 16,032	$ -	$ 16,032	$ 72,913	82%	1/31/21
SCADA Engineer	$ 2,308	$ -	$ -	$ -	$ 2,308	100%	
Water Resources Coordinator	$ 37,722	$ 17,925	$ -	$ 17,925	$ 19,797	52%	1/31/21
Assistant Engineer 1	$ 39,367	$ -	$ -	$ -	$ 39,367	100%	
Accounting	$ 6,561	$ 250	$ -	$ 250	$ 6,311	96%	12/31/20
General Counsel	$ -	$ 1,936	$ -	$ 1,936	$ (1,936)	0%	12/31/20
Hydrotech 3	$ 20,088	$ 7,918	$ -	$ 7,918	$ 12,170	61%	12/31/20
Contract Staff	$ -	$ 39,586	$ -	$ 39,586	$ (39,586)	0%	8/31/20
Other Services & Expenses	$ -		$ -	$ -	$ -	0%	
License & Continuing Education	$ 250	$ -	$ -	$ -	$ 250	100%	
Conferences & Training	$ 5,000	$ 198	$ -	$ 198	$ 4,803	96%	
Travel/Mileage	$ 5,000	$ 32	$ -	$ 32	$ 4,968	99%	3/31/20
Group Meetings	$ 500	$ -	$ -	$ -	$ 500	100%	
Telephone	$ 1,250	$ 632	$ -	$ 632	$ 618	49%	12/31/20
Equipment and Tools	$ 4,175	$ 859	$ -	$ 859	$ 3,316	79%	
Software	$ 4,325	$ -	$ -	$ -	$ 4,325	100%	
Total Expenditures	$ 832,572	$ 356,703	$ -	$ 356,703	$ 475,869	57%	

Note: 7/30/20 committee meeting approved the extension of EKI"S services through the end of this fiscal year.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

MARCH 1, 2020 - FEBRUARY 28, 2021

INTEGRATED REGIONAL WATER MANAGEMENT (FUND 67)

ACTIVITY AGREEMENTS BUDGET TO ACTUAL

Report Period 3/1/20 - 1/31/21
FAC 3/1/21

EXPENDITURES	Annual Budget	Paid/ Pending	Additional Pending	Total Expenses	Amount Remaining	% of Amt Remaining	Expenses Through
Legal:							
Outside Counsel	$ 7,200	$ 2,782	$ -	$ 2,782	$ 4,418	61%	7/31/20
Other Professional Services:							
Contracts	$ 130,000	$ 82,708	$ -	$ 82,708	$ 47,292	36%	11/30/20
Stormwater Resources Plan	$ 22,000	$ -	$ -	$ -	$ 22,000	100%	
Other:							
In-House Staff / Contract Staff	$ 44,929	19,838.58	$ -	$ 19,839	$ 25,090	56%	1/31/21
Other Services & Expenses	$ 8,625	$ -	$ -	$ -	$ 8,625	100%	
Conferences & Training	$ 5,000	$ -	$ -	$ -	$ 5,000	100%	
Travel/Mileage	$ 10,000	$ -	$ -	$ -	$ 10,000	100%	
Group Meetings	$ 1,000	$ -	$ -	$ -	$ 1,000	100%	
Telephone	$ 1,000	$ -	$ -	$ -	$ 1,000	100%	
Total Expenditures	$ 229,754	$ 105,329	$ -	$ 105,329	$ 124,425	54.16%	

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

MARCH 1, 2020 - FEBRUARY 28, 2021

LOS VAQUEROS RESERVOIR EXPANSION PROJECT (FUND 68)

ACTIVITY AGREEMENTS BUDGET TO ACTUAL

Report Period 3/1/20 - 1/31/21
FAC 3/1/21

EXPENDITURES	Annual Budget	Paid/ Pending	Additional Pending	Total Expenses	Amount Remaining	% of Amt Remaining	Expenses Through
Other:							
Special Projects Coordinator	$ 38,932	$ 7,078	$ -	$ 7,078	$ 31,854	82%	1/31/21
In-House Staff	$ 5,000	$ 4,977	$ -	$ 4,977	$ 23	0%	1/31/21
Total Expenditures	$ 43,932	$ 12,056	$ -	$ 12,056	$ 31,876	72.56%	

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

MARCH 1, 2020 - FEBRUARY 28, 2021

EXCHANGE CONTRACTOR 5-YEAR TRANSFER (FUND 44)

ACTIVITY AGREEMENTS BUDGET TO ACTUAL

Report Period 3/1/20 - 1/31/21
FAC 3/1/21

EXPENDITURES	Annual Budget	Paid/ Pending	Additional Pending	Total Expenses	Amount Remaining	% of Amt Remaining	Expenses Through
Other:							
Special Projects Coordinator	$ 7,786	$ 1,190	$ -	$ 1,190	$ 6,596	85%	1/31/21
In-House Staff	$ 3,420	$ 1,390	$ -	$ 1,390	$ 2,030	59%	1/31/21
Total Expenditures	$ 11,206	$ 2,580	$ -	$ 2,580	$ 8,626	76.97%	

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

MARCH 1, 2020 - FEBRUARY 28, 2021

LONG-TERM NORTH TO SOUTH WATER TRANSFER PROGRAM (FUND 56)

ACTIVITY AGREEMENTS BUDGET TO ACTUAL

Report Period 3/1/20 - 1/31/21
FAC 3/1/21

EXPENDITURES	Annual Budget	Paid/ Pending	Additional Pending	Total Expenses	Amount Remaining	% of Amt Remaining	Expenses Through
Legal:							
Pioneer Law Group	$ 138,000	$ 36,805	$ -	$ 36,805	$ 101,196	73%	1/31/21
Kronick Moskovitz et al	$ -	$ 40,759	$ -	$ 40,759	$ (40,759)	0%	12/31/20
Other:							
Special Projects Coordinator	$ 31,145	$ 24,032	$ -	$ 24,032	$ 7,113	23%	1/31/21
In-House Staff	$ 3,420	$ 17,212	$ -	$ 17,212	$ (13,792)	-403%	1/31/21
Total Expenditures	$ 172,565	$ 118,806	$ -	$ 118,806	$ 53,759	31.15%	

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

MARCH 1, 2020 - FEBRUARY 28, 2021

DELTA HABITAT CONSERVATION & CONVEYANCE PROGRAM (FUND 16)

ACTIVITY AGREEMENTS BUDGET TO ACTUAL

Report Period 3/1/20 - 1/31/21
FAC 3/1/21

EXPENDITURES	Annual Budget	Paid/ Pending	Additional Pending	Total Expenses	Amount Remaining	% of Amt Remaining	Expenses Through	
Other:								
DHCCP Debt Service on Bond/Arbitrage/Trustee Admin	$ 2,460,000	Debt Service not reported with monthly budget to actual						2
In-House Staff	$ 5,472	$ 1,116	$ -	$ 1,116	$ 4,356	80%	1/31/21	1
Total Expenditures	$ 2,465,472	$ 1,116	$ -	$ 1,116	$ 4,356	0.18%		

1 = All Participants 2 = Financing Participants (Bond)

MEMO

TO: Pablo Arroyave, Chief Operating Officer
FROM: Joyce Machado, Director of Finance
SUBJECT: FY21 O&M Budget to Actual Report
DATES: 3.1.21 FAC and 3.4.21 BOD

2020 Water Year (FY 3/1/20-2/28/21) *attachment 1*
Self-funding actual expenses (paid and pending) for SLDMWA Routine O&M through January 31, 2021 are under budget by $3,759,788 or 22.22%. Contributing to this large result in positive spending is the Intertie DWR Conveyance. Excluding the Intertie Conveyance, the result would be 12% under budget.

Outstanding

2019 Water Year (FY 3/1/19-2/29/20)
The goal to complete the WY19 Final Accountings has been extended to end of March 2021.

2018 Water Year (FY 3/1/18-2/28/19)
Staff plans to distribute the WY18 Final Accountings soon.

Intertie O&M Cost Recovery
WY12 Intertie True-Up: outstanding, no cost recovery
WY13 Intertie True-Up: outstanding, no cost recovery
WY14 Intertie True-Up: outstanding, no cost recovery
WY15 Intertie True-Up: outstanding, no cost recovery
WY16 Intertie True-Up: outstanding, no cost recovery
WY17 Intertie True-Up: outstanding, no cost recovery

ANNUAL R, O&M BUDGET BY COST POOLS MARCH 1, 2020 - FEBRUARY 28, 2021

						O'NEILL O&M		
	Total	UPPER	Intertie	Volta Wells	LWR/POOL	DIRECT	STORAGE	SL DRAIN
DMC	$ 7,767,111	$ 4,686,675			$ 3,080,436			
JPP	$ 3,594,969	$ 3,594,969						
WW	$ 161,164	$ 120,873			$ 40,291			
Intertie O&M / Intertie DWR Conveyance	$ 3,409,666		$ 3,409,666					
Volta Wells *(SLDMWA O&M + Monitoring)*	$ 156,834			$ 156,834				
Pool	$ 203,020				$ 203,020			
O'Neill	$ 3,036,146					$ 2,702,170	$ 333,976	
SL Drain	$ 128,214							$ 128,214
	$ 18,457,122	$ 8,402,516	$ 3,409,666	$ 156,834	$ 3,323,747	$ 2,702,170	$ 333,976	$ 128,214

R, O&M BUDGET BY COST POOLS THROUGH January 31, 2021
91.67%

						O'NEILL O&M		
	Total	UPPER	Intertie	Volta Wells	LWR	DIRECT	STORAGE	SL DRAIN
DMC	$ 7,119,852	$ 4,296,119			$ 2,823,733			
JPP	$ 3,295,388	$ 3,295,388						
WW	$ 147,734	$ 110,800			$ 36,933			
Intertie & Intertie DWR Conveyance	$ 3,125,527		$ 3,125,527					
Volta Wells *(SLDMWA O&M + Monitoring)*	$ 143,764			$ 143,764				
Pool	$ 186,101				$ 186,101			
O'Neill	$ 2,783,134					$ 2,476,989	$ 306,145	
SL Drain	$ 117,529							$ 117,529
	$ 16,919,029	$ 7,702,307	$ 3,125,527	$ 143,764	$ 3,046,768	$ 2,476,989	$ 306,145	$ 117,529

R, O&M Actual COSTS BY COST POOLS THROUGH January 31, 2021

						O'NEILL O&M		
	Total	UPPER	Intertie	Volta Wells	LWR	DIRECT	STORAGE	SL DRAIN
DMC	$ 5,861,900	$ 3,537,070			$ 2,324,830			
JPP	$ 3,098,288	$ 3,098,288						
WW	$ 118,989	$ 89,242			$ 29,747			
Intertie Maint & DWR Conveyance	$ 1,392,245		$ 1,392,245					
Volta Wells *(SLDMWA O&M + Monitoring)*	$ 8,034			$ 8,034				
Pool	$ 123,964				$ 123,964			
O'Neill	$ 2,336,578					$ 2,079,554	$ 257,024	
SL Drain	$ 219,244							$ 219,244
	$ 13,159,241	$ 6,724,600	$ 1,392,245	$ 8,034	$ 2,478,541	$ 2,079,554	$ 257,024	$ 219,244

R, O&M BUDGET vs Actual COSTS THROUGH January 31, 2021

						O'NEILL O&M		
	TOTAL	UPPER	INTERTIE & DWR Conveyance	Volta Wells	LWR/POOL	DIRECT	STORAGE	SL DRAIN
R, O&M Budget	$ 16,919,029	$ 7,702,307	$ 3,125,527	$ 143,764	$ 3,046,768	$ 2,476,989	$ 306,145	$ 117,529
R, O&M Actual	$ 13,159,241	$ 6,724,600	$ 1,392,245	$ 8,034	$ 2,478,541	$ 2,079,554	$ 257,024	$ 219,244
Difference	$ 3,759,788	$ 977,707	$ 1,733,282	$ 135,730	$ 568,227	$ 397,435	$ 49,121	$ (101,715)
	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	OVER

22.222243% under budget

subject to rounding

attachment 1

San Luis & Delta-Mendota Water Authority
DMC without CIP / E O&M
Budget to Actual Paid/Pending Comparison Summary
March 1, 2020 through January 31, 2021
FAC 3/1/21 & BOD 3/4/21

		FY Budget 3/1/20 - 2/28/21		Actual To Date Paid/Pending	% of Budget	Notes	Budget Amount Remaining
Operate & Maintain DMC	**S/F 02**	5,842,138		4,247,274	72.70%		1,594,864
Operate & Maintain Wasteways	**S/F 04**	119,046		83,448	70.10%		35,598
Mendota Pool	**S/F 05**	146,558		117,177	79.95%		29,381
Operate & Maintain JPP	**S/F 11**	2,601,571		2,167,333	83.31%		434,238
Intertie Maintenance	**S/F 12**	134,799	**A**	208,885	154.96%		(74,085)
Volta Wells Pumping	**S/F 13**	124,550		6,277	5.04%		118,273
Operate & Maintain O'Neill	**S/F 19**	2,159,728		1,619,362	74.98%		540,366
Maintain Tracy Fish Facility	**USBR 30**	229,458		318,859	138.96%		(89,401)
Maintain Fish Release Site	**USBR 32**	6,130		-	0.00%		6,130
Operate & Maintain Tracy USBR	**USBR 33**	19,187		1,590	8.29%		17,596
Operate & Maintain San Luis Drain	**S/F 41**	96,529		156,437	162.06%		(59,908)
Maintain Delta Cross Channel	**USBR 44**	58,588		16,832	28.73%		41,756
Warehousing	**52**	120,866		173,746	143.75%		(52,880)
Tracy Field Office Expense	**54**	509,168		366,433	71.97%		142,734
Direct Administrative/General Expense	**56**	1,215,544		1,273,744	104.79%		(58,200)
Indirect O & M LBAO Admin.	**58**	2,265,550		1,742,116	76.90%		523,434
TOTAL		**15,649,410**		**12,499,513**	**79.87%**		**3,149,897**
Total from Self-Funding - page 2		15,227,361		12,033,180	79.02%		3,194,181
Total from USBR - page 3		422,049		411,164	97.42%		10,885
Total from Special Projects - page 4		-		55,169			(55,169)
Totals		15,649,410		12,499,513			3,149,897
		YTD %		**91.67%**			

A. Does NOT include DWR Wheeling

San Luis & Delta-Mendota Water Authority
Self-Funding Portion of DMC
Budget to Actual Paid/Pending Comparison Summary
March 1, 2020 through January 31, 2021

FAC 3/1/21 & BOD 3/4/21

		FY Budget 3/1/20 - 2/28/21		Actual To Date Paid/Pending	% of Budget	Budget Amount Remaining
Operate & Maintain DMC	**02**	5,842,138		4,247,274	72.70%	1,594,864
Operate & Maintain Wasteways	**04**	119,046		83,448	70.10%	35,598
Mendota Pool	**05**	146,558		117,177	79.95%	29,381
Operate & Maintain TPP	**11**	2,601,571		2,167,333	83.31%	434,238
Intertie Maintenance	**12**	134,799	A	208,885	154.96%	(74,085)
Volta Wells Pumping	**13**	124,550		6,277	5.04%	118,273
Operate & Maintain O'Neill	**19**	2,159,728		1,619,362	74.98%	540,366
Operate & Maintain San Luis Drain	**41**	96,529		156,437	162.06%	(59,908)
Total Direct O & M		**11,224,919**		**8,606,192**	**76.67%**	**2,618,727**
Warehousing	**52**	117,671		167,441	142.30%	(49,770)
Tracy Field Office Expense	**54**	495,707		353,135	71.24%	142,572
Direct Administrative/General Expense	**56**	1,183,408		1,227,519	103.73%	(44,110)
Indirect O & M LBAO Admin.	**58**	2,205,655		1,678,893	76.12%	526,762
Total Indirect Allocated to O & M		**4,002,442**		**3,426,988**	**85.62%**	**575,454**
Total SLDMWA O&M		**15,227,361**		**12,033,180**	**79.02%**	**3,194,181**

A. Does NOT include DWR Wheeling

San Luis & Delta-Mendota Water Authority
USBR Service Agreement portion of DMC
Budget to Actual Paid/Pending Comparison Summary
March 1, 2020 through January 31, 2021

FAC 3/1/21 & BOD 3/4/21

		FY Budget 3/1/20 - 2/28/21	Actual To Date Paid/Pending	% of Budget	Budget Amount Remaining
Maintain Tracy Fish Facility	**30**	229,458	318,859	138.96%	(89,401)
Maintain Fish Release Site	**32**	6,130	-	0.00%	6,130
Operate & Maintain Tracy USBR	**33**	19,187	1,590	8.29%	17,596
Maintain Delta Cross Channel	**44**	58,588	16,832	28.73%	41,756
Total Direct USBR Facilities		**313,363**	**337,281**	**107.63%**	**(23,919)**
Warehousing	**52**	3,195	3,610	112.97%	(415)
Tracy Field Office Expense	**54**	13,461	7,613	56.56%	5,848
Direct Administrative/General Expense	**56**	32,136	26,464	82.35%	5,671
Indirect O & M LBAO Admin.	**58**	59,895	36,196	60.43%	23,699
Total Indirect Allocated USBR Facilities		**108,687**	**73,883**	**67.98%**	**34,804**
TOTAL USBR FACILITIES		**422,049**	**411,164**	**97.42%**	**10,885**

San Luis & Delta-Mendota Water Authority
DMC Indirect Cost Allocated to Special Projects
March 1, 2020 through January 31, 2021
FAC 3/1/21 & BOD 3/4/21

		Allocated To Date
Special Projects allocated		
Indirect allocated to Special Projects		
Warehousing	**52**	2,696
Tracy Field Office Expense	**54**	5,685
Direct Administrative/General Expense	**56**	19,761
Indirect O & M LBAO Admin.	**58**	27,028
Total Indirect Allocated to SPECIAL PROJECTS		**55,169**

TOTAL INDIRECT ALLOCATED TO SPECIAL PROJECTS	**55,169**

San Luis & Delta-Mendota Water Authority
DMC WITH CIP / E O & M
Budget to Actual Paid/Pending Comparison Summary
March 1, 2020 through January 31, 2021
FAC 3/1/21 & BOD 3/4/21

		FY Budget 3/1/20 - 2/28/21		Actual To Date Paid/Pending	% of Budget	Notes	Budget Amount Remaining
Capital Improvement Projects	**CIP 25**	6,238,400		6,692,895	107.29%		(454,495)
Extra Ordinary O&M	**EO&M 26**	3,880,803		2,246,732	57.89%		1,634,072
Participatory Grants	**PAT 45**	-		-	0.00%		-
Operate & Maintain DMC	**S/F 02**	5,842,138		4,247,274	72.70%		1,594,864
Operate & Maintain Wasteways	**S/F 04**	119,046		83,448	70.10%		35,598
Mendota Pool	**S/F 05**	146,558		117,177	79.95%		29,381
Operate & Maintain JPP	**S/F 11**	2,601,571		2,167,333	83.31%		434,238
Intertie Maintenance	**S/F 12**	134,799	**A**	208,885	154.96%		(74,085)
Volta Wells Pumping	**S/F 13**	124,550		6,277	5.04%		118,273
Operate & Maintain O'Neill	**S/F 19**	2,159,728		1,619,362	74.98%		540,366
Maintain Tracy Fish Facility	**USBR 30**	229,458		318,859	138.96%		(89,401)
Maintain Fish Release Site	**USBR 32**	6,130		-	0.00%		6,130
Operate & Maintain Tracy USBR	**USBR 33**	19,187		1,590	8.29%		17,596
Operate & Maintain San Luis Drain	**S/F 41**	96,529		156,437	162.06%		(59,908)
Maintain Delta Cross Channel	**USBR 44**	58,588		16,832	28.73%		41,756
Warehousing	**52**	140,801		186,204	132.25%		(45,403)
Tracy Field Office Expense	**54**	593,146		392,706	66.21%		200,439
Direct Administrative/General Expense	**56**	1,416,025		1,365,069	96.40%		50,956
Indirect O & M LBAO Admin.	**58**	2,639,210		1,867,023	70.74%		772,187
TOTAL		**26,446,667**		**21,694,102**	**82.03%**		**4,752,565**

Total from Self-Funding - page 2	15,227,361	12,033,180	79.02%	3,194,181
Total from USBR - page 3	422,049	411,164	97.42%	10,885
Total from Special Projects - page 4	-	55,169		(55,169)
Total from EO&M	10,797,257	9,194,589	85.16%	1,602,668
Totals	26,446,667	21,694,102		4,752,565

YTD % **91.67%**

A Does NOT include DWR Wheeling

San Luis & Delta-Mendota Water Authority
DMC WITH CIP / E O & M With Indirect Allocated
Budget to Actual Paid/Pending Comparison Summary
March 1, 2020 through January 31, 2021
FAC 3/1/21 & BOD 3/4/21

		Actual Paid/Pending Expense	% Direct Labor to Total Labor	Allocated Indirect Based on Direct Labor %	Total Expense Direct & Indirect	
Operate & Maintain DMC	**S/F 02**	4,247,274	42.37%	1,614,626	5,861,900	*
Operate & Maintain Wasteways	**S/F 04**	83,448	0.93%	35,541	118,989	*
Mendota Pool	**S/F 05**	117,177	0.18%	6,788	123,964	*
Operate & Maintain Jones Pumping P	**S/F 11**	2,167,333	24.43%	930,955	3,098,288	*
Intertie Maintenance	**S/F 12**	208,885	1.50%	57,299	266,183	*
Intertie DWR Conveyance	**S/F 12**	1,126,062			1,126,062	*
Volta Wells Pumping	**S/F 13**	6,277	0.05%	1,757	8,034	*
Operate & Maintain O'Neill	**S/F 19**	1,619,362	18.82%	717,216	2,336,578	*
Maintain Tracy Fish Facility	**USBR 30**	318,859	1.91%	72,701	391,560	
Maintain Fish Release Site	**USBR 32**	-	0.00%	-	-	
Operate & Maintain Tracy USBR	**USBR 33**	1,590	0.02%	694	2,284	
Operate & Maintain San Luis Drain	**S/F 41**	156,437	1.65%	62,807	219,244	*
Maintain Delta Cross Channel	**USBR 44**	16,832	0.01%	488	17,320	
CIP	**25**	6,692,895	0.00%	-	6,692,895	
EO&M & Scada Project	**26**	2,246,732	6.69%	254,962	2,501,694	
SPECIAL PROJECTS	**XX**		1.45%	55,169	55,169	
			100.00%			
Warehousing	**52**	186,204		3,811,002	22,820,163	
Tracy Field Office Expense	**54**	392,706				
Direct Administrative/General Expense	**56**	1,365,069				
Indirect Administrative/General Expense	**57**	-			(9,194,589)	less CIP&EO&M
Indirect O & M LBAO Admin.	**58**	1,867,023			(411,164)	less USBR Facilities
Total Indirect to be Allocated			3,811,002		(55,169)	less Special Projects
TOTAL		**22,820,163** includes intertie DWR conveyance			13,159,241	*SLDMWA O&M Costs

Subject to Rounding
11_DMC_B to A_BOD thru Jan Jan FY21 SF

San Luis & Delta-Mendota Water Authority
Procurement Activity Report
From January 28, 2021 to February 24, 2021

Date Executed	Contract Title	Vendor or Service Provider	Contract Amount	Contract Solicitation Type	Contract Type	Funding Source	Notes
2/24/2021	Statewide Contract Vehicle Purchase (PO No. PO0298)	Downtown Ford, Sacramento	$ 146,469.66	Coperative Purchase Agreement	State of CA DGS CMAS	EO&M (Fund Code - D1)	2 - 2021 Ford Transit T150 1 - 2021 Ford 3/4T Pickup F250 2 - 2021 Ford 1/2T Pickup F150

CONTRACT CHANGE ORDER NOTIFICATIONS:

Date Executed	Contract Title	Vendor or Service Provider	Change Order Amount	Original Contract Amount	% Change	Justification
NOTE: NO CONTRACT CHANGE ORDERS WERE ISSUED DURING THIS REPORT PERIOD						

This Procurement Activity Report is intended to satisfy the requirements in the San Luis & Delta-Mendota Water Authority's Consolidated Procurement Policy that the Board be notified of all contracts awarded under informal and formal bidding procedures and single-source procedures promptly following award.