

**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 December 7, 2020**

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

Members and Alternate Members in Attendance

Ex Officio

Cannon Michael
William Bourdeau

Division 1

Rick Gilmore, Member - Anthea Hansen, Alternate

Division 2

Bobbie Ormonde, Member

Division 3

Chris White, Member - Jarrett Martin, Alternate

Division 4

Sara Singleton, Director - Dana Jacobson, Alternate

Division 5

Bill Pucheu, Member

Friant Water Authority

Doug DeFlicht, Alternate for Jason Phillips

Board of Directors Present

Division 1

Anthea Hansen, Director
Rick Gilmore, Director

Division 2

William Bourdeau, Director

Division 3

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

Division 4

Aaron Baker, Alternate
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

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

Item number 12 was removed from the agenda.

3. Opportunity for Public Comment

There was no public comment.

4. Finance & Administration Committee to Consider Approval of the November 2, 2020 Meeting Minutes.

Chair Rick Gilmore pronounced the November 2, 2020 meeting minutes approved with no corrections.

5. Finance & Administration Committee to Consider Recommendation to Board of Directors to Adopt Resolution Authorizing the Preparation and Distribution of a Preliminary Official Statement and the Preparation, Execution and Delivery of an Official Statement with Respect to Revenue Bonds to Finance a Portion of the Cost of Extraordinary Maintenance to the Jones Pumping Plant, Authorizing the Execution of Certain Documents, and Authorizing Certain Other Actions in Connection Therewith.

Executive Director Federico Barajas provided a brief background regarding the Jones Pumping Plant Unit Rewind Project financing and the preliminary official statement. He noted that Friant has already executed their first payment based on the schedule from the funding agreement. Staff has updated all tables and any suggested changes from the prior meeting have been incorporated.

Chief Operating Officer Pablo Arroyave walked through the memo provided to the committee and the updated schedule with the goal of concluding the transaction by the end of January. Arroyave then introduced Doug Brown to review the resolution.

Member Bill Pucheu made the motion to recommend to the Board to authorize the preparation and distribution of a Preliminary Official Statement and the preparation, execution and delivery of an Official Statement with respect to Revenue Bonds to finance a portion of the cost of extraordinary maintenance to the Jones Pumping Plant, Authorizing the execution of certain documents, and authorizing certain other actions in connection therewith. The motion was seconded by Ex Officio Member Cannon Michael and passed unanimously. The Committee action is reported as follows:

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

REPORT ITEMS

6. Report on Richardson & Company, LLP's FY20 Financial Audit Management Letter.

Director of Finance Joyce Machado presented staff's update of responses to the FY19 Management Letter and provided responses to the current FY20 Management Letter. She explained that many of the auditor's suggestions will be incorporated as the Authority transitions into the NetSuite ERP system. Machado mentioned that both the Accounting and HR departments will be working together to begin filing the required annual State Controller's Report for 401(a) plans.

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

Director of Finance Joyce Machado reported on the Budget to Actual Comparison Summary for October 31, 2020 for the member-funded activities. Machado stated that for the eight-month period, the budget was trending positive with overall spending through October 31, 2020 at 48.16% of the approved budget.

8. FY21 O&M Budget to Actual Report through 10/31/20.

Director of Finance Joyce Machado reported to the Committee that for WY20 the self-funded actual routine O&M expenses through October 31, 2020 were under budget by

\$2,478,408. What remains outstanding is the WY18 and WY19 final accountings and the Intertie O&M cost recovery.

9. Procurement Activity Report.

Director of Finance Joyce Machado presented the November procurement activity report. On November 12, the Authority executed a contract for a purchase of weed and pest control chemicals from Target Specialty Products for \$116,984 and the funding source was from the routine O&M budget. Also on November 12th, the Authority executed a contract with National Electric Coil under the master contract for the Jones Pumping Plant Unit1 Rewind. The contract amount was for \$4,387,771 and the funding source was the EO&M approved budget. On November 24th, a contract was executed with DHR Hydro Services for Unit1 Rewind project management in the amount of \$514,170. The funding source was the EO&M approved budget. On October 29th a change order was approved for Hot Oil Reconditioning of three O'Neill Pumping Plant transformers. The contractor is ABB Enterprise and the change order amount was \$19,017.

10. Executive Director's Report.

Executive Director Federico Barajas introduced Aaron Baker, the new representative from Valley Water. He will be replacing Garth Hall as the new Board Alternate Director for John Varela. Barajas reminded the committee that there is a budget workshop on December 17th. Also, staff is working to complete the FY22 objectives for approval at Thursday's Board of Director's meeting in order to incorporate budget needs for the upcoming fiscal year. Lastly, the Sacramento Admin office will be moving to a new location with Kronick Moskowitz next month.

11. Committee Member Reports.

No reports given.

12. Reports Pursuant to Government Code Sec 54954.2

No reports given.

13. Agenda Item 13: Adjournment.

The meeting was adjourned at approximately 12:27 p.m.