



## MEMORANDUM

TO: SLDMWA Finance and Administration Committee/Board of Directors, Alternates

FROM: Pablo Arroyave, Chief Operating Officer

DATE: November 2, 2020

RE: Adoption of Resolution Updating Banking Relationship with and Signature Requirements for Central Valley Community Bank and Superseding Resolution Nos. 2009-293, 2017-415, and 2020-455

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### BACKGROUND

The Authority has an immediate need to increase the daily cash management and business Visa limits. The limits established in 2009 of \$300,000, through Resolution 2009-293, are no longer sufficient. Within the \$300,000, the current limit is \$225,000 for ACH transactions and \$75,000 for the total Visa credit limit. The Authority staff levels, salaries, overall budget and credit card needs have grown significantly since 2009. This limitation no longer allows for the payroll related ACH's to be processed in one day, which includes payroll, , retirement contributions and payroll tax payments., In addition, the Visa limit of \$75,000 precludes the Authority from adding additional cards or increasing limits without reducing or closing an existing card. Based on the analysis included below in this memo, an ACH limit of \$500,000 and a \$125,000 limit for business Visa cards for a total limit of \$625,000 would be sufficient.

### ISSUE FOR DECISION

Whether the Finance and Administration Committee should recommend to the Board and the Board adopt the Resolution Updating Banking Relationship with and Signature Requirements for Central Valley Community Bank and Superseding Resolution Nos. 2009-293, 2017-415, and 2020-455.

### RECOMMENDATION

Staff recommends adoption of the draft resolution superseding Resolution Nos. 2009—293, 2017-415, and 2020-455 and updating the banking relationship with and signature requirements for Central Valley Community Bank.

### ANALYSIS

In 2009 SLDMWA had 47 full-time employees. Total full-time employee count has more than doubled since that time. An increase in the total number of full-time employees also increases the expenses processed by ACH, which include: payroll, including taxes, retirement contributions, disability and unemployment insurance. The Visa limit in 2009 was shared by 15 employees and currently 18 employees share that same limit. The fiscal-year 2009 budget was \$17.5Mil and the current fiscal-year 2021 budget is \$39.1Mil. Staff anticipates the recommended updated daily limit of \$625,000 to be sufficient for the next ten years.

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

**RESOLUTION NO. 2020-**

**RESOLUTION UPDATING BANKING RELATIONSHIP WITH AND SIGNATURE REQUIREMENTS FOR CENTRAL VALLEY COMMUNITY BANK AND SUPERSEDING RESOLUTION NOS. 2009-293, 2017-415, AND 2020-455**

**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**, on or about February 5, 2009, the Board adopted Resolution No. 2009-293, which authorized expanding the Water Authority’s banking relationship at Central Valley Community Bank; and

**WHEREAS**, on or about February 9th, 2017, the Board adopted Resolution No. 2017-415, which amended the signature requirements for Central Valley Community Bank; and

**WHEREAS**, on or about February 6th, 2020, the Board adopted Resolution No. 2020-455, which further amended the signature requirements for Central Valley Community Bank; and

**WHEREAS**, the Board now seeks to update the authorization for its banking relationship with Central Valley Community Bank to increase the combined limit for cash management services and the business Visa credit cards, and to consolidate that authorization with the signature requirements for Central Valley Community Bank; and

**WHEREAS**, the Board, by adoption of this Resolution, desires to supersede Resolution Nos. 2009-293, 2017-415, and 2020-455 and memorialize the current banking relationship with and signature requirements for Central Valley Community Bank.

**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. Resolutions Nos. 2009-293, 2017-415, and 2020-455 are hereby superseded, which supersession is not intended to and shall not affect the validity of any actions previously taken under those resolutions.

Section 3. Water Authority officials and employees are hereby authorized and directed to conduct banking services with Central Valley Community Bank, including a general checking account, payroll checking account, additional savings accounts, cash management services, and issuance of business Visa credit cards, with a combined maximum for cash management services and business Visa credit cards of \$625,000; and any other services deemed necessary or desirable by the Executive Director or Treasurer.

Section 4. Account transactions shall be accomplished by remote deposit capture, deposit, check, wire transfers, and online cash management.

Section 5. Checks written on the Water Authority general checking account at Central Valley Community Bank shall be issued on two (2) original signatures, being any two (2) of the following: the Chairman of the Board, Vice Chairman of the Board, Executive Director, Chief Operating Officer, Treasurer/Auditor, Director of Finance, or Director of Human Resources.

Section 6. Checks written on the Water Authority payroll checking account at Central Valley Community Bank shall be issued on two (2) signatures, being any two (2) of the following: Chairman of the Board, Vice Chairman of the Board, Executive Director, Chief Operating Officer, Treasurer/Auditor, Director of Finance, or Director of Human Resources; provided, however, that each check shall have at least one (1) original signature. The second signature may be either an original signature or countersigned with a facsimile stamped signature of the Executive Director or the Chief Operating Officer.

Section 7. The provisions of any form of resolution prescribed by Central Valley Community Bank for adoption by the Water Authority to implement the actions authorized by this Resolution are hereby adopted and incorporated herein by reference as though fully set forth herein.

Section 8. The Executive Director and the Treasurer/Auditor, or either of them, are each further authorized and directed to take any and all such additional actions, including without limitation, the execution of documents, as may be required or reasonable necessary to carry out the intention of this Resolution and this Resolution is hereby ratified and confirmed as the duly authorized action of the Water Authority.

**PASSED, APPROVED AND ADOPTED** this      day of November, 2020, by the Board of Directors of the San Luis & Delta-Mendota Water Authority.

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Cannon Michael, Chairman

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

Attest:

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Federico Barajas, Secretary

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I hereby certify that the foregoing Resolution No. 2020-\_\_ 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 \_\_th day of November, 2020.

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Federico Barajas, Secretary

## RESOLUTION NO. 2009-293

### *CONFORMED*

## RESOLUTION AUTHORIZING EXPANDING BANKING RELATIONSHIP AT CENTRAL VALLEY COMMUNITY BANK AND ESTABLISHING SIGNATURE REQUIREMENTS THEREFOR

WHEREAS, the Board of Directors of the San Luis & Delta-Mendota Water Authority (the "Board" and the "Authority," respectively) previously authorized the establishment of a commercial investment account at Service 1st Bank, which has now become Central Valley Community Bank.

WHEREAS, the Board has determined that it is in the best interest of the Authority and in compliance with the Authority's Investment Policy to expand its banking relationship with Central Valley Community Bank, Tracy, California, to open additional accounts, including a general checking account, payroll checking account and, and additional savings account as well as any other accounts or services deemed necessary or desirable by the Executive Director or Treasurer.

WHEREAS, the Treasurer anticipates that account transactions will be accomplished by remote deposit capture, deposit, check, wire transfers, and online cash management.

WHEREAS, the Treasurer recommends that checks written on the Authority general checking account at Central Valley Community Bank be issued on two (2) original signatures, being any two (2) of the following: the current Chairman of the Board, James McLeod, Dennis Falaschi, the Executive Director, the Treasurer or the Director of Human Resources, consistent with current Authority practice.

WHEREAS, the Treasurer recommends that checks written on the Authority payroll checking account at Central Valley Community Bank be issued on the signatures of two individuals, as follows: at least one (1) original signature from any one (1) of the following: the current Chairman of the Board, James McLeod, Dennis Falaschi, the Executive Director, the Treasurer or the Director of Human Resources, consistent with current Authority practice, countersigned with one (1) facsimile stamped signature of the current Chairman of the Board, or Dennis Falaschi; or two original signatures of any two individuals listed in this Section 5.

WHEREAS, in order to optimize investments consistent with the Authority's Investment Policy, expanded services with Central Valley Community Bank, Tracy, California, should be established as quickly as is convenient.

NOW, THEREFORE, BE IT RESOLVED, as follows:

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

Section 2. Authority officials and employees are hereby authorized and directed to expand banking services with Central Valley Community Bank, Tracy, California, including a general checking account, payroll checking account, additional savings accounts, cash management services, issuance of business Visa credit cards with a combined maximum of \$300,000, and any other services deemed necessary or desirable by the Executive Director or Treasurer.

Section 3. Account transactions shall be accomplished by remote deposit capture, deposit, check, wire transfers, and online cash management.

Section 4. Checks written on the Authority general checking account at Central Valley Community Bank shall be issued on two (2) original signatures, being any two (2) of the following: the current Chairman of the Board, James McLeod, Dennis Falaschi, the Executive Director, the Treasurer or the Director of Human Resources, consistent with current Authority practice.

Section 5. Checks written on the Authority payroll checking account at Central Valley Community Bank shall be issued on the signatures of two individuals, as follows: at least one (1) original signature, being any one (1) of the following: the current Chairman of the Board, James McLeod, Dennis Falaschi, the Executive Director, the Treasurer, or the Director of Human Resources, consistent with current Authority practice, countersigned with one (1) facsimile stamped signature of the current Chairman of the Board, or Dennis Falaschi; or two original signatures of any two individuals listed in this Section 5.

Section 6. The provisions of any form of resolution prescribed by Central Valley Community Bank for adoption by the Authority to implement the actions authorized by this Resolution are hereby adopted and incorporated herein by reference as though fully set forth herein.

Section 7. The Executive Director and the Treasurer, or either of them, are each hereby authorized and directed to execute all documents, including without limitation contracts for deposit of moneys, and to take any and all other steps which

may be necessary or convenient to implement the intent of this Resolution, and the prior action of any such authorized individual in conformity with the Investment Policy of the Authority and this Resolution is hereby ratified and confirmed as the duly authorized action of the Authority.

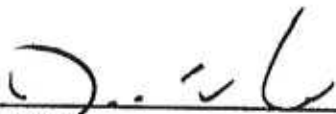
Section 8. The Treasurer and the Supervisor of Accounting, or either of them, are authorized to close all accounts at County Bank and wire or check deposit the amounts to Central Valley Community Bank, Tracy, California for deposit in Authority accounts as soon as conveniently can be done.

PASSED AND ADOPTED, this 5th day of February, 2009.



Michael Stearns, Chairman

Attest:

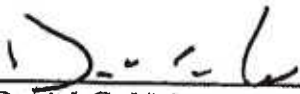


Daniel G. Nelson, Secretary



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I hereby certify that the foregoing is a true and correct copy of a resolution duly adopted by San Luis & Delta-Mendota Water Authority, at a regular meeting of the Board of Directors thereof duly called and held at 842 6th Street, Los Banos, California on the 5<sup>th</sup> day of February, 2009.

  
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Daniel G. Nelson, Secretary

## **RESOLUTION NO. 2017-415**

### **RESOLUTION AMENDING SIGNATURE REQUIREMENTS FOR CENTRAL VALLEY COMMUNITY BANK**

WHEREAS, the Board of Directors of the San Luis & Delta-Mendota Water Authority (the "Board" and the "Authority," respectively) previously authorized the establishment of commercial investment, checking, and savings accounts at Central Valley Community Bank; and

WHEREAS, through Resolution 2009-293, the Board identified the signatures by which checks could be written from the Authority's general checking and payroll accounts; and

WHEREAS, the Board now seeks to update the signatures required to write checks from a general checking and payroll accounts.

NOW, THEREFORE, BE IT RESOLVED, as follows:

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

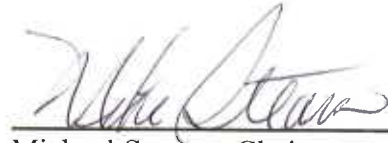
Section 2. Checks written on the Authority's general checking account at Central Valley Community Bank shall be issued on two (2) original signatures, being any two (2) of the following: the Chairman of the Board, Vice Chairman of the Board, the Executive Director, the Assistant Executive Director, the Treasurer/Auditor, Director of Finance, or the Director of Human Resources.

Section 3. Checks written on the Authority's payroll checking account at Central Valley Community Bank shall be issued on two (2) signatures, being any two (2) of the following: the Chairman of the Board, Vice Chairman of the Board, the Executive Director, the Assistant Executive Director, the Treasurer/Auditor, Director of Finance, or the Director of Human Resources; provided, however, that each check shall have at least one (1) original signature. The second signature may be either an original signature or countersigned with a facsimile stamped signature of the Executive Director or the Assistant Executive Director.

Section 4. The Executive Director and the Treasurer/Auditor, or either of them, are each hereby authorized and directed to take any and all other steps which may be necessary or convenient to implement the intent of this Resolution, and the prior action of any such authorized individual in conformity with the Investment Policy of the Authority and this Resolution is hereby ratified and confirmed as the duly authorized action of the Authority.

PASSED AND ADOPTED, this 9th day of February, 2017.

AYES:  
NAYS:  
ABSTAIN:  
ABSENT:



Michael Stearns, Chairman

Attest:



Jason Feltier, Secretary

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I hereby certify that the foregoing is a true and correct copy of a resolution duly adopted by San Luis & Delta-Mendota Water Authority, at a regular meeting of the Board of Directors thereof duly called and held at 842 6th Street, Los Banos, California on the 9th day of February, 2017.

  
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Jason Peltier, Secretary

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

**RESOLUTION NO. 2020-455**

**RESOLUTION AMENDING SIGNATURE REQUIREMENTS FOR  
CENTRAL VALLEY COMMUNITY BANK**

**WHEREAS**, the Board of Directors of the San Luis & Delta-Mendota Water Authority (the "Board" and the "Authority," respectively) previously authorized the establishment of commercial investment, checking, and savings accounts at Central Valley Community Bank; and

**WHEREAS**, through Resolution 2017-415, the Board identified the signatures by which checks could be written from the Authority's general checking and payroll accounts; and

**WHEREAS**, the Board now seeks to update the signatures required to write checks from a general checking and payroll accounts.

**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. Checks written on the Authority's general checking account at Central Valley Community Bank shall be issued on two (2) original signatures, being any two (2) of the following: Chairman of the Board, Vice Chairman of the Board, Executive Director, Chief Operating Officer, Treasurer/Auditor, Director of Finance, or Director of Human Resources.

Section 3. Checks written on the Authority's payroll checking account at Central Valley Community Bank shall be issued on two (2) signatures, being any two (2) of the following: Chairman of the Board, Vice Chairman of the Board, Executive Director, Chief Operating Officer, Treasurer/Auditor, Director of Finance, or Director of Human Resources; provided, however, that each check shall have at least one (1) original signature. The second signature may be either an original signature or countersigned with a facsimile stamped signature of the Executive Director or the Chief Operating Officer.

Section 4. The Executive Director and the Treasurer/Auditor, or either of them, are each further authorized and directed to take any and all such additional actions, including without limitation, the execution of documents, as may be required or reasonably necessary to carry out the intention of this Resolution and this Resolution is hereby ratified and confirmed as the duly authorized action of the Authority.

**PASSED, APPROVED AND ADOPTED** this 6th day of February, 2020, 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

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I hereby certify that the foregoing Resolution No. 2020-255 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 6th day of February, 2020.

  
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Federico Barajas, Secretary