

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
SPECIAL JOINT WORKSHOP OF THE FINANCE & ADMINISTRATION COMMITTEE, BOARD
OF DIRECTORS, AND WATER RESOURCES COMMITTEE
MEETING MINUTES FOR FEBRUARY 13, 2023

The Special Joint Workshop of the Finance & Administration Committee, Board of Directors, and Water Resources Committee convened at approximately 10:30 a.m. at 842 6th Street in Los Banos, California, with Chair Anthea Hansen presiding.

Finance & Administration Members and Alternates in Attendance

Ex Officio

Cannon Michael (arrived during agenda item 4)
William Bourdeau

Division 1

Anthea Hansen, Chair/Member - Lea Emmons, Alternate

Division 2

Bobbie Ormonde, Alternate (arrived during item 4)

Division 3

Chris White, Member - Jarrett Martin, Alternate

Division 4

Joyce Machado, Member - Dana Jacobson, Alternate

Division 5

Bill Pucheu, Member - Manny Amorelli, Alternate

Friant Water Authority

Wilson Orvis, Alternate for Jason Phillips (via ZOOM)

Board of Directors and Alternate Directors Present

Division 1

Anthea Hansen, Director
Lea Emmons, Alternate

Division 2

William Bourdeau, Director
Ara Azhderian, Alternate
Bill Diedrich, Director

Division 3

Chris White, Alternate for Dan McCurdy
Jarrett Martin, Director
Cannon Michael, Director (arrived during item 4)

Division 4

John Varela, Director (via ZOOM)
Steve Wittry, Director
Joyce Machado, Alternate

Division 5

Bill Pucheu, Director
Manny Amorelli, Director

Water Resources Committee Members and Alternates Present

Ex-Officio

Cannon Michael (arrived during item 4)
William Bourdeau

Division 1

Anthea Hansen, Alternate

Division 2

Bill Diedrich, Member

Division 3

Chris White, Member

Division 4

Vincent Gin, Member - Steve Wittry, Alternate

Division 5

Manny Amorelli, Member

Authority Representatives Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer
Rebecca Akroyd, General Counsel
Scott Petersen, Water Policy Director
Ray Tarka, Director of Finance
Marta Rivas, Supervisor of Water Accounting
Melody Hernandez, Accountant II
Jessica Gerard, Water Accounting Tech I
Rebecca Harms, Deputy General Counsel (via ZOOM)

Others in Attendance

Steve Stadler, San Luis Water District
Ed Pattison, Byron Bethany Irrigation District

1. Call to Order/Roll Call

The meeting was called to order by Chair Anthea Hansen at approximately 10:30 am.

2. Corrections to the Agenda

No corrections.

3. Opportunity for Public Comment

No public comment.

REPORT ITEMS

4. Discussion Regarding OM&R Rate Calculation Methodology

Executive Director Federico Barajas introduced the item and provided background and context for the workshop. Barajas then referred to General Counsel Rebecca Akroyd. Akroyd began by reviewing the memo provided to the committee and answering any initial questions regarding minimums. Akroyd then referred to relevant provisions in the MOU and Cost Recovery Plan regarding rate calculation, and described the current OM&R rate calculation methodology.

Director of Finance Raymond Tarka then presented a slide deck that explained the various components that make up the water rates. Tarka explained that delivery estimates are used for the Water Authority to get an understanding of the amount of water that is expected to be used during the water year and which district and project facilities are implicated for water delivery. These estimates are provided by members based on the water supply allocation percentages expected to be allowed by Reclamation for the Water Year. Tarka further explained that delivery volumes by cost pool are estimated from this data. Budgeted costs assigned for each cost pool are divided by the calculated delivery volumes to arrive at a cost pool rate component. These components are combined to arrive at the various conveyance rates charged throughout the system. Based on these rates derived from estimates, the Water Authority is able to bill monthly and then true up based on what is actually delivered. Tarka referred to a slide that showed an annual comparison of water estimates versus actual deliveries showing the deviations from year to year for Water Year 2010 through Water Year 2020. He pointed out that in some years, the estimated delivery volumes were lower to actual deliveries, while in others, the opposite was true. In the most recent year displayed, the difference was fairly small.

Next, Tarka reviewed comparisons between budgeted amounts and actual expenditures by cost pool. Tarka highlighted variability in budget/costs from Reclamation and WAPA for power and DWR for San Luis Joint Use. Executive Director Federico Barajas added that the Water Authority has been working with Reclamation to provide more accurate estimates, as their true ups can have a two-year delay.

Lastly, Director of Finance Raymond Tarka discussed the calculation and application of minimum participation amounts. Tarka walked through the application of minimum participation amounts in water year 2016 and water year 2017.

Staff answered questions throughout the presentation, and indicated that additional information regarding cash flow and other implications of changes to the rate setting process would be discussed in future meetings and/or workshops.

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

No reports.

6. **Adjournment.**

The meeting was adjourned at approximately 11:58 a.m.