

**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
September 14, 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

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, Member - Dana Jacobson, Alternate

Division 5

Bill Pucheu, Member - Steve Stadler, Alternate

Friant Water Authority

Doug DeFlitch, Alternate for Jason Phillips

Board of Directors Present

Division 1

Rick Gilmore, Director

Anthea Hanson, Director

Division 2

William Bourdeau, Director

Division 3

Chris White, Director - Jarrett Martin Alternate

Division 4

Sara Singleton, Alternate

Division 5

Bill Pucheu, Director

Steve Stadler, 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
Stewart Davis, IT Officer
Bob Martin, Facilities O&M Director

Others in Attendance

None

1. Call to Order/Roll Call

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

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 August 3, 2020 Meeting Minutes.

Member Sara Singleton made the motion to approve the August 3, 2020 meeting minutes. The motion was seconded by Member Bill Pucheu and passed unanimously. The Committee action is reported as follows:

AYES: Bourdeau, Gilmore, Ormonde, White, Singleton, DeFlicht

NOES: None

ABSTENTIONS: None

5. Finance & Administration Committee to Consider Recommendation to Board of Directors to Adopt Resolution Providing for the Issuance of 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.

Chief Operating Officer Pablo Arroyave provided a brief overview of the memo provided and reviewed background from the workshop, including direction to pursue a 25-year term for

public financing. Arroyave introduced Lora Carpenter and consultants to present the information in further detail. Carpenter walked through a PowerPoint presentation including a summary of the overall project and current funding sources. She then explained the amortization schedule and a breakdown of the costs that would be included in that. There is a meeting scheduled with Moody's on September 28th to set a rating for the bonds with the goal of receiving bids or potential bids by the beginning of October. Cameron Parks of CitiGroup provided a market update. He provided various statistics in regards to interest rates mentioning current 2020 rates are particularly low making it a very attractive time for borrowing. Doug Brown completed the presentation by reviewing the resolution and highlighting the disclosure agreement and certain covenants regarding the transfer agreement. Member Sara Singleton made the motion to recommend to the Board to Adopt Resolution Providing for the Issuance of 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 Member Bobbie Ormonde and passed unanimously. The Committee action is reported as follows:

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

REPORT ITEMS

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

Director of Finance Joyce Machado reported on the Budget to Actual Comparison Summary for March 1, 2020 through July 31, 2020 for the member-funded activities. Machado stated that for the five-month period, the budget was trending positive with overall spending through July 31, 2020 at 29.12% of the approved budget.

7. FY21 O&M Budget to Actual Report through 7/31/20.

Director of Finance Joyce Machado reported to the Committee that for WY20 the self-funded routine O&M expenses through July 31, 2020 were under budget by \$1,872,375. Joyce reminded the committee that WY19 draft contractor records were mailed out on June 23rd for water users to review their deliveries and water payments for accuracy. Minor exceptions were reported by July 30th all of which have been resolved. The WY17 and WY18 final accountings are being completed in conjunction with the FY20 audit. The Intertie cost recovery remains

outstanding.

8. Procurement Activity Report.

There were no contracts awarded between July 1 through July 31 utilizing the Authority's formal bidding, informal bidding, or single source procedures.

9. Fiscal Year 2020 Audit Update

Director of Finance Joyce Machado reported that the Fiscal Year 2020 audit is expected to be completed for the October Finance and Board meetings.

10. Executive Director's Report.

Executive Director Federico Barajas provided an update on the San Luis Transmission Project. He stated that there was a management/policy level meeting held with Reclamation and Western Area Power Administration to ensure all regional directors are aware of the direction the Authority has received from the Board. During the meeting, they discussed various funding options, the first funding option for the project being the Authority funding 50% and finding a private investor to fund the other 50%. The second option would be the Authority funding 100% of the project. Lastly, having an independent investor fund 100% of the project. The Authority is currently pursuing all options for funding and is in the process of weighing the pros and cons for each. Federico stated that the Authority may need someone on board with expertise in regards to power and may bring it to the Board for discussion in the near future.

Barajas next provided an update regarding an RFP for a compensation survey. This year the Authority will bring a consultant on-board to perform a full compensation survey for positions within the Authority. Staff is currently reviewing proposals submitted by three firms and will award a contract as soon as practical.

Next, Barajas updated the committee in regards to the Sacramento office. Currently the Authority is leasing office space from Kronick but their lease expires January 2021 and they will not be renewing it. Kronick has found new office space on Garden Highway and is willing to

continue subleasing with the Authority as they have in the past. Staff is coordinating with Kronick to secure office space at new location.

Lastly, the Authority has been working with EPA to continue advancing the WIFIA application process and meet their criteria. Congressman Garamendi introduced a bill on Friday called the WIFIA Improvement Act, which would allow the Authority to attend to any deficiencies as far as the federal nexus.

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 12:50 p.m.