

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 October 5, 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

Absent

Division 4

Sara Singleton, Member - Dana Jacobson, Alternate

Division 5

Bill Pucheu, Member - Steve Stadler, Alternate

Friant Water Authority

Jason Phillips, Member

Board of Directors Present

Division 1

Anthea Hansen, Director
Rick Gilmore, Director

Division 2

William Bourdeau, Director

Division 3

Cannon Michael, Director

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

Others in Attendance

Don Willard, Friant Water Authority

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 September 14, 2020 Meeting Minutes.

Chair Rick Gilmore pronounced the September 14, 2020 meeting minutes approved.

REPORT ITEMS

5. Discussion regarding Jones Pumping Plant Unit Rewind Financing, including Sources.

Chief Operating Officer Pablo Arroyave updated the Committee on the status of the Jones Pumping Plant Project Financing. He reviewed a memo provided to the Committee stating that it would be very unlikely the Authority would be awarded the WIFIA loan, therefore staff recommends focusing on public financing. He explained that Friant Water Authority requested the ability to pay their share outside of the bond issuance and reviewed the table in the packet showing the payment schedule if Friant were to do this. However, if Friant were to do this, the Authority could still seek a smaller amount of public financing, which could result in a higher interest rate. Arroyave then turned it over to General Counsel Rebecca Akroyd to review a draft

funding agreement term sheet created in the event the Authority were to move forward in this direction.

6. FY21 Activity Agreements Budget to Actual Report through 8/31/20.

Director of Finance Joyce Machado reported on the Budget to Actual Comparison Summary for March 1, 2020 through August 31, 2020 for the member-funded activities. Machado stated that for the six-month period, the budget was trending positive with overall spending through August 31, 2020 at 35.43% of the approved budget.

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

Director of Finance Joyce Machado reported to the Committee that for WY20 the self-funded routine O&M expenses through August 31, 2020 were under budget by \$2,607,660. Joyce reminded the committee that WY19 draft contractor records were mailed out and minor exceptions have been resolved with the goal of December 2020 to complete WY19 final accountings. The WY17 final accountings are completed and were mailed to water users on September 28th. Staff plans to complete WY18 final accountings soon and the Intertie O&M cost recovery remains outstanding.

8. Procurement Activity Report.

Director of Finance Joyce Machado presented the procurement activity report through September 2020. On September 18th the Authority executed a letter of agreement with the Bureau for design services for O'Neil Pumping Plant main transformer rehab. The contract was for \$325,000 and is an EO&M approved project.

9. Executive Director's Report.

Executive Director Federico Barajas updated the Committee on the San Luis Transmission Project. Authority staff has been working with Reclamation and Western Area Power Administration (WAPA) to develop a Request for Proposal (RFP) to seek potential investors. Barajas stated that Foley & Lardner LLP (Foley) has experience with power marketing in CA and has provided the Authority advice on how to enlist interest from other potential private entities. As a result, an RFP has been drafted and is to be sent out to the appropriate people by the end of the day for review. Foley will also be helping the Authority with the release and outreach necessary to be able to go out with the RFP. Frances has also been working with a solar company to review

their proposals. The Authority is taking the approach of expressing their preference for the 50/50 investment scenario as previously discussed with the committee.

Federico's second update was regarding the Sacramento office space. He explained that he met with Kronick and they are in the process of completing negotiations with a new landowner and he is working closely with them to secure office space needed for the Authority. The expectation is that the current lease arrangements with Kronick will carry over into the new office. The move will be taking place at the beginning of the calendar year.

Lastly, Federico mentioned that the Authority is working with a consulting firm that was recently awarded the contract to complete a salary survey. An Ad hoc committee comprised of FAC members has been formed and will be working on who the consultant should go out and survey and ensuring deliverables meet timeline requirements for the Authority's FY22 budget.

10. Committee Member Reports.

No reports given.

11. Reports Pursuant to Government Code Sec 54954.2

No reports given.

12. Agenda Item 13: Adjournment.

The meeting was adjourned at approximately 12:50 p.m.