

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 FEBRUARY 1, 2021

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

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

Friant Water Authority

Jason Phillips, Member

Board of Directors Present

Division 1

Anthea Hansen, Director

Rick Gilmore, Director

Division 2

None

Division 3

Chris White, Director - Jarrett Martin, Alternate

Cannon Michael, Director

Division 4

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

Others in Attendance

Don Willard, Friant Water Authority
Minnie Moreno, Del Puerto Water District

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 January 11, 2021 Meeting Minutes.

Member Jason Phillips stated Friant Water Authority requested they be part of the DMC subsidence cost allocation discussion during the January meeting and asked that the minutes be amended to reflect this request. Member Sara Singleton noted that in item 5, the ayes and noes are correctly delineated but unanimously needs to be removed from the narrative as that does not correctly reflect the action. Member Bill Pucheu moved to approve the January 11, 2021 meeting minutes as amended. The motion was seconded by Member Chris White and passed unanimously. The Committee action is reported as follows:

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

5. Finance & Administration Committee to Consider Recommendation to Board of Directors to Accept the Treasurer’s Report for the Quarter Ending December 31, 2020.

Director of Finance Joyce Machado presented the Treasurer’s report for the quarter ending 12/31/20. Operational cash totaled \$48,826,405.23 while DHCCP cash totaled \$4,100,256.30. Member Chris White made the motion to accept the Treasurer’s Report for the quarter ending December 31, 2020. The motion was seconded by Member Sara Singleton and passed unanimously. The Committee action is reported as follows:

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

6. Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Executive Compensation for Various Positions.

Member Rick Gilmore presented a recommendation for a 5% increase in executive compensation for the Executive Director, Chief Operating Officer, General Counsel, Water Policy Director, and Director of Finance positions. This suggested increase is based on performance evaluations for Executive Director and General Counsel and the results from the salary survey presented at the January meeting. The increase will be encompassed within the \$300,000 placeholder that is currently in the FY22 proposed budget. Member Rick Gilmore made the motion to recommend to the Board to approve executive compensation as recommended. The motion was seconded by Ex Officio Member Cannon Michael and passed. The Committee action is reported as follows:

AYES:	Michael, Bourdeau, Gilmore, White, Pucheu, Singleton
NOES:	Ormonde
ABSTENTIONS:	Phillips

7. Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Water Year 2021 O&M Water Rates.

Director of Finance Joyce Machado presented the proposed water year 2021 O&M water rates. Machado stated that the Authority surveyed the districts for estimated water year 2021

deliveries based on a 10%, 20% and 25% Ag allocation. Machado went on to review the budgeted costs and delivery assumptions. It was recommended by the Committee that the water rates be approved by the Board based on the 10% Ag allocation until the Authority knows the final approved allocations. Member Bill Pucheu made the motion to approve Water Year 2021 O&M Water Rates. The motion was seconded by Member Rick Gilmore and passed unanimously. The Committee action is reported as follows:

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

8. Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Modifications to Executive Director and General Counsel Performance Evaluation Process.

Executive Director Federico Barajas presented the staff memo to the Committee members. Barajas stated that the memo is based on feedback received from the committee after the last performance evaluations. It was requested that staff research the performance evaluation forms and processes of other similar agencies, specifically for more relevant questions and rating scales. The proposed performance evaluation forms simplify the process and nature of the questions and revises the rating scale determination. Ex Officio Member Cannon Michael made the motion to approve modifications to Executive Director and General Counsel performance evaluation process. The motion was seconded by Member Bill Pucheu and passed unanimously. The Committee action is reported as follows:

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

REPORT ITEMS

9. Discussion regarding Modifications to Debt Management Policy.

General Counsel Rebecca Akroyd briefly reviewed the suggested edits to the Debt Management Policy from Friant Water Authority. Akroyd then stated she would be sending out

a Word version of the document that will include the suggested edits from Friant. The Authority is requesting that any members and agencies provide feedback no later than February 19, 2021.

10. FY21 Activity Agreements Budget to Actual Report through 12/31/20.

Director of Finance Joyce Machado reported on the Budget to Actual Comparison Summary for December 31, 2020 for the member-funded activities. Machado stated that for the ten-month period, the budget was trending positive with overall spending through December 31, 2020 at 57.4% of the approved budget.

11. FY21 O&M Budget to Actual Report through 12/31/20.

Director of Finance Joyce Machado reported to the Committee that for WY20 the self-funded routine O&M expenses through December 31, 2020 were under budget by \$2,964,839. Machado stated that a big contributor to the positive spending is the Intertie DWR conveyance. The WY18 and WY19 final accountings and the Intertie O&M cost recovery remain outstanding. The goal to complete the WY19 final accountings has been extended to the end of March 2021 and staff plans to distribute the WY18 final accountings by the end of February 2021.

12. Procurement Activity Report.

Director of Finance Joyce Machado presented the procurement activity for the period of January 7th through January 27th. On January 12th, the Authority executed a contract with Fire and Risk Alliance for fire protection assessment of all plants. The contract amount was \$161,100 and the funding source was from the EO&M approved budget. There were no contract change orders executed during this period.

13. Executive Director's Report.

Executive Director Federico Barajas reviewed the Authority's plan to incorporate the salary survey in to the FY22 salary increase determinations, as well as the plan to incorporate a 5-step salary structure process. Barajas explained that based on the action taken under agenda item #6, the executive salary increase will be covered under the 3% salary placeholder and the remaining funds will be allocated per the results of the salary survey. Positions within 5% of the average salary results will receive the CPI and other positions with the greatest disadvantage on salaries would receive a greater percentage than the CPI amount.

Once the placeholder has been allocated, Barajas will be working with the HR Director to create a 5-step salary structure process and benefits package. This is intended to be a multi-year approach in order to increase salaries into the average range based on the salary survey.

Barajas then provided an update on the FY22 budget approval process. He stated that a memo has been provided to the Board of Directors describing the approval process the Authority will be taking for the FY22 budget. He then referred to General Counsel Rebecca Akroyd to walk through the Board Budget memo.

Lastly, Barajas updated the committee that staff recently heard from EPA on the WIFIA loan application. EPA incurred some costs during the Jones Pumping Plant WIFIA application review process and will be sending the Authority an invoice for reimbursement of these costs.

14. Committee Member Reports.

No reports given.

15. Reports Pursuant to Government Code Sec 54954.2

No reports given.

16. Agenda Item 13: Adjournment.

The meeting was adjourned at approximately 1:13 p.m.