

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 7, 2022

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority convened at approximately 12:00 p.m. via teleconference in accordance with Government Code section 54953(e) and Resolution No. 2021-499 adopted by the Board of Directors on January 13, 2022 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

Chris White, Member - Jarrett Martin, Alternate

Division 4

Sara Singleton, Member - Dana Jacobson, Alternate

Division 5

Bill Pucheu, Member - Manny Amorelli, Alternate

Friant Water Authority

Wilson Orvis, Alternate for Jason Phillips

Board of Directors Present

Division 1

Anthea Hansen, Director
Rick Gilmore, Director
Lea Emmons, Alternate

Division 2

William Bourdeau, Director
Ara Azhderian, Alternate

Division 3

Chris White, Director - Jarrett Martin, Alternate
Cannon Michael, Director

Division 4

Sara Singleton, Alternate

Division 5

Bill Pucheu, Director
Manny Amorelli, 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

1. Call to Order/Roll Call

Chair Rick Gilmore called the meeting to order at approximately 12:00 p.m., and roll was called.

2. Additions or Corrections to the Agenda

No additions or corrections.

3. Opportunity for Public Comment

No public comment.

4. Finance & Administration Committee to Consider Approval of the January 10, 2022 Meeting Minutes, and January 28, 2022 Special Meeting Minutes.

Chair Rick Gilmore pronounced the January 10, 2022 meeting minutes, and the January 28, 2022 Special Meeting Minutes approved without correction.

5. Finance & Administration Committee to Consider Recommendation to Board of Directors to Accept the Treasurer's Report for the Quarter Ending December 31, 2021.

Director of Finance Joyce Machado presented the Treasurer's Report for the quarter ending 12/31/21. Operational cash totaled \$36,606,150.08 while other cash totaled \$452,722.14. Machado stated that staff has no recommended changes to the investment policy. Member Sarah Singleton made the motion to accept the Treasurer's Report for the quarter ending December 31, 2021. The motion was seconded by Alternate Member Wilson Orvis and passed unanimously. The Committee action is reported as follows:

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

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

Executive Director Federico Barajas introduced the proposed executive salary and benefits for FY23. Barajas orally reviewed compensation for various positions on the table which included a 5% salary increase placeholder. Barajas stated that each of the benefits were tailored to the individual holding the position rather than budgeting everything at maximums as they have in the past.

Member Bill Pucheu made the motion to approve executive compensation for various positions. The motion was seconded by Ex Officio Member Cannon Michael and passed unanimously. The Committee action is reported as follows:

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

7. Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Water Year 2022 O&M Water Rates.

Chief Operating Officer Pablo Arroyave provided a brief overview of the water year 2022 O&M water rates. Arroyave discussed the various components that are influencing the rates such as delivery assumptions, use of the Intertie that was not included in the prior year, and a 25% decrease in the PUE estimate provided by Reclamation. These component changes create an overall reduction in the water year 2022 O&M rates.

Alternate Member Wilson Orvis made the motion to approve Water Year 2022 O&M water Rates. The motion was seconded by Ex Officio Member Cannon Michael and passed unanimously. The Committee action is reported as follows:

AYES: Michael, Bourdeau, Gilmore, Ormonde, White, Singleton, Pucheu, Orvis
NOES: None

ABSTENTIONS: None

REPORT ITEMS

8. Discussion regarding Cost Allocation of Various Activity/Fund Budgets

Executive Director Federico Barajas reported on feedback that staff has received in regards to the cost allocation survey that went out. Barajas stated that based on feedback additional time is required to fully evaluate the methodology and implications for all members.

9. FY22 Activity Agreements Budget to Actual Report through 12/31/21.

Director of Finance Joyce Machado reported on the Budget to Actual Comparison Summary through December 31, 2021 for the member-funded activities. Machado stated that for the ten-month period, the budget was trending positive overall with actual spending through December 31, 2021 at 58.77% of the approved budget

10. FY22 O&M Budget to Actual Report through 12/31/21.

Director of Finance Joyce Machado reported that for WY21, the self-funded routine O&M expenses through December 31, 2021 were under budget by \$1,639,415. The WY20 final accountings and the Intertie O&M cost recovery remain outstanding.

11. Procurement Activity Report.

Director of Finance Joyce Machado presented the procurement activity for the period of January 5th through February 2nd. On January 18th, the Authority executed a contract with McCrometer, Inc. for Phase 2 of the DMC Flowmeter Replacement and Telemetry Replacement in the amount of \$253,683.49. The funding source is the EO&M budget. There were no contract change orders issued during this report period.

12. Executive Director's Report.

Executive Director Federico Barajas provided updates in regards to the DMC Subsidence Correction project. The Authority has continued to work with the Department of Water Resources regarding potential state funding for the project. The Authority also applied for an additional funding opportunity under aging infrastructure federal funding from Reclamation, which applies specifically to O&M transfer entities such as the Authority. The deadline for this application was January 31st.

13. **Committee Member Reports.**

No reports given.

14. **Reports Pursuant to Government Code Sec 54954.2**

No reports given.

15. **Agenda Item 14: Adjournment.**

The meeting was adjourned at approximately 12:34 p.m.

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY JOINT SPECIAL TELEPHONIC
WORKSHOP OF THE FINANCE AND ADMINISTRATION COMMITTEE, BOARD OF
DIRECTORS, AND WATER RESOURCES COMMITTEE
MINUTES FOR February 23, 2022**

The Finance & Administration Committee, Board of Directors, and Water Resources Committee of the San Luis & Delta-Mendota Water Authority convened at approximately 2:00 p.m. via teleconference in accordance with Government Code section 54953(e) and Resolution No. 2021-501 adopted by the San Luis & Delta-Mendota Water Authority Board of Directors on February 10, 2022, with Finance & Administration Committee Chair Rick Gilmore presiding.

Finance & Administration Committee 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

Jarrett Martin, Alternate

Division 4

Sara Singleton, Member - Dana Jacobson, Alternate

Division 5

Bill Pucheu, Member - Manny Amorelli, Alternate

Friant Water Authority

Wilson Orvis, Alternate

Board Directors and Alternate Directors Present

Division 1

Dave Weisenberger, Director

Bobby Pierce, Director - Vince Lucchesi, Alternate

Anthea Hansen, Director

Rick Gilmore, Director - Lea Emmons, Alternate

Division 2

William Bourdeau, Director

Beau Correia, Director - Ara Azhderian, Alternate

Bill Diedrich, Director

Division 3

Jarrett Martin, Alternate

Ric Ortega, Director

Division 4

John Varela, Director - Aaron Baker, Alternate

Gary Kremen, Director - Richard Santos, Alternate

Jeff Cattaneo, Director

Sara Singleton, Alternate

Division 5

Bill Pucheu, Director

Tom Birmingham, Director - Manny Amorelli, Alternate

Water Resources Committee Members, and Alternate Members Present

Ex-Officio

William Bourdeau

Division 1

Anthea Hansen, Alternate

Division 2

Bill Diedrich, Member

Division 3

Ric Ortega, Alternate

Division 4

Vincent Gin, Member - Jeff Cattaneo, Alternate

Division 5

Tom Birmingham, Member - Manny Amorelli, Alternate

Authority Representatives Present

Federico Barajas, Executive Director

Pablo Arroyave, Chief Operating Officer

Rebecca Akroyd, General Counsel

Scott Petersen, Water Policy Director

Joyce Machado, Director of Finance

Stewart Davis, IT Officer

Darlene Neves, Supervisor of Operational Accounting

Lauren Neves, Accountant III

Cathy Bento, Accountant II

1. Call to Order/Roll Call

The meeting was called to order by Chair Rick Gilmore at approximately 2:00 p.m., and roll was called.

2. Board to Consider Corrections to the Agenda of Items, as authorized by Government Code Section 54950 et seq.

No corrections.

3. Opportunity for Public Comment

No public comment.

REPORT ITEMS

4. Agenda Item 4: Discussion regarding Cost Allocation of Various Activity/Fund Budgets, Barajas

a. Review Background Information

Executive Director Federico Barajas introduced the item and explained what would be discussed during the presentation. Barajas then referred to General Counsel Rebecca Akroyd to review the background of both the General Membership and Leg Ops funds, costs associated with each, and the current cost allocation for both budgets.

b. Discuss Alternative Options

Barajas then presented a document which further refined the four potential cost allocation options presented at the prior special FAC meeting. Barajas stated that based on feedback, options one and options four have been removed. Option one had included equal distribution of annual costs for General Membership and Leg Ops and option four included an Activity Agreement option that would have the General Membership fund allocated equally among members, and Leg Ops would be included as part of an Activity Agreement where members have the authority to make decisions and assessments would be the same for all participants.

Barajas further explained that based on the remaining options, staff further refined options creating a total of four hybrid options, which included various allocations based on differing percentages of assessments based on contract quantity or equal distribution among members. Throughout the presentation, Committee and Board members asked questions and commented and presented options.

c. Next Steps

After discussion, Committee Chair Rick Gilmore stated that based on input received, he and Chair Cannon Michael will meet with Executive Director Federico Barajas to determine next steps.

5. Agenda Item 5: Executive Director's Report.

Executive Director Federico Barajas informed the committee that the initial water allocation from the Bureau was released that morning.

6. Agenda Items 6-8: Closed Session.

No closed session was held.

7. Agenda Item 9: Gov. Code Section 54954.2(a)(3) Reports.

No reports.

8. Agenda Item 10: Adjournment.

The meeting was adjourned at approximately 3:11 p.m.