

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING AND
JOINT FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING / SPECIAL
BOARD WORKSHOP
MINUTES FOR SEPTEMBER 12, 2022**

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority convened at approximately 12:00 p.m. at 842 6th Street in Los Banos, California, with Board Chair Cannon Michael presiding.

Members and Alternate Members in Attendance

Ex Officio

Cannon Michael

Division 1

Anthea Hansen, Alternate for Rick Gilmore

Division 2

Bobbie Ormonde, Member

Division 3

Chris White, Member

Division 4

Jeff Cattaneo, Member - Dana Jacobson, Alternate

Division 5

Manny Amorelli, Alternate for Bill Pucheu (ZOOM, joined at item #5)

Friant Water Authority

Wilson Orvis, Alternate for Jason Phillips

Board of Directors Present

Division 1

Anthea Hansen, Director

Division 2

None

Division 3

Chris White, Director

Cannon Michael, Director

Division 4

Jeff Cattaneo, Director

Division 5

Manny Amorelli, Director (ZOOM)

Authority Representatives Present

Federico Barajas, Executive Director

Pablo Arroyave, Chief Operating Officer

Scott Petersen, Water Policy Director
Rebecca Akroyd, General Counsel
Raymond Tarka, Director of Finance
Lauren Viers, Accountant III
Cindy Meyers, Special Programs Manager
Stewart Davis, IT Officer

Others in Attendance

None

1. Call to Order/Roll Call

Ex Officio Member and Acting Committee Chair Cannon Michael called the meeting to order, 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 August 1, 2022 Meeting Minutes.

On a motion made by Alternate Member Anthea Hansen, seconded by Alternate Member Wilson Orvis, the Committee approved the August 1, 2022 meeting minutes. The vote on the motion was as follows:

AYES:	Michael, Hansen, Ormonde, White, Cattaneo, Orvis
NAYS:	None
ABSTENTIONS:	None

REPORT ITEMS

5. Discussion Regarding Proposed Actions to Mitigate Interest Rate Risk in Connection to SLDMWA Investment Policy.

Chief Operating Officer Pablo Arroyave introduced the item and then referred to Director of Finance Raymond Tarka to provide background and further details on Water Authority investment options. Tarka went on to explain that the volatility of interest rates has had a negative impact on CalTrust investments due to underlying maturities. Because of this, Tarka suggests reallocating funds to reduce risk leaving \$1 million in each of the existing Medium and Short Term

CalTrust investment options and transferring the remaining \$24.7 million equally across the CalTrust Liquidity Fund, LEAF, and FedFund. Tarka stated that this would diversify the Authority's investment held with CalTrust and provide greater liquidity and safety from interest rate risk. As requested by the committee, after the funds are reallocated, Director of Finance Raymond Tarka will look further into treasury and agency notes as investment options.

6. Discussion Regarding Funding for San Luis Transmission Project Support.

Executive Director Federico Barajas presented the item. Barajas began by stating the Authority facilitated discussions between Golden State Energy (GSE), U.S. Bureau of Reclamation, and Western Area Power Administration together to ensure GSE was presenting their funding proposal directly to the federal agencies. Reclamation then assessed the proposal from GSE. Ultimately, after an exchange between Reclamation and GSE relating to Gianelli TAC, GSE withdrew their proposal. Subsequently, the Authority received a letter from Western Area Power Administration indicating they no longer have the ability to allocate resources to this project without a reliable funding scenario and will cease all work related to the project. Barajas stated that Authority staff will continue to monitor for any other developments going forward.

Barajas then referred to Chief Operating Officer Pablo Arroyave to discuss the payment to Fieldman, Rolapp & Associates for their services on this project. Based on a recommendation from Committee Member Jeff Cattaneo, staff will bring this as an action item to board for approval prior to payment.

7. Discussion Regarding Cost Allocation of Various Activity/Fund Budgets

Executive Director Federico Barajas presented the item, stating that all documents presented at the August FAC meeting were also presented in the Water Resources Committee meeting. Staff is providing an opportunity for comment through September 26th. Draft proposals will then be updated to incorporate suggested changes and brought back to both the WRC and FAC committees for further review.

8. FY23 Activity Agreements Budget to Actual Report through 7/31/2022

Director of Finance Raymond Tarka reported on the Budget to Actual Comparison Summary through July 31, 2022 for the member-funded activities. Tarka stated that for the five-month period, the budget was trending positive overall with actual spending through July 31, 2022 at 20.11% of the approved budget.

9. FY23 O&M Budget to Actual Report through 7/31/22

Director of Finance Raymond Tarka reported that for WY22, the self-funded routine O&M expenses through July 31, 2022 were under budget by \$846,690. The water year 2020 and 2021 final accountings and the Intertie O&M cost recovery remain outstanding. Tarka stated that staff anticipates the completion of WY20 final accountings by the end of September.

10. Procurement Activity Report

Director of Finance Raymond Tarka presented the procurement activity report for the period of July 28, 2022 to September 6, 2022. There is no activity to report during this time.

11. Executive Director's Report

a. DMC Subsidence Correction Project - Executive Director Federico Barajas stated that Reclamation has completed their Design, Engineering and Construction Study on the DMC Subsidence Correction Project. Reclamation is currently undergoing the drafting of their findings.

b. O'Neill Transformer Rehabilitation Project - Executive Director Federico Barajas referred to Chief Operating Officer Pablo Arroyave to update the committee on the item. Arroyave stated that after the Board approved the contract award, the contractor rescinded their bid and discussions were ceased based on action of the contractor. The Authority will seek new proposals in the future.

12. Committee Member Reports

No reports.

13. Reports Pursuant to Government Code Sec 54954.2

No reports given.

14. Adjournment.

The meeting was adjourned at approximately 12:52 p.m.