

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING AND
JOINT FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING / SPECIAL
BOARD WORKSHOP
MINUTES FOR NOVEMBER 7, 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
William Bourdeau

Division 1

Anthea Hansen, Alternate for Rick Gilmore

Division 2

Bobbie Ormonde, Member (via ZOOM)

Division 3

Absent

Division 4

Jeff Cattaneo, Member
Dana Jacobson, Alternate for Jeff Cattaneo

Division 5

Absent

Friant Water Authority

Wilson Orvis, Alternate for Jason Phillips

Board of Directors Present

Division 1

Anthea Hansen, Director

Division 2

William Bourdeau, Director

Division 3

Cannon Michael, Director

Division 4

Jeff Cattaneo, Director

Division 5

None

Authority Representatives Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer

Scott Petersen, Water Policy Director
Rebecca Akroyd, General Counsel
Rebecca Harms, Deputy General Counsel
Raymond Tarka, Director of Finance
Lauren Viers, Accountant III
Stewart Davis, IT Officer
Bob Martin, Facilities O&M Director
Jaime McNeill, Engineering Manager
Chauncey Lee, O&M Manager
Cathy Bento, Accountant II

Others in Attendance

Jim Erickson, Friant Water Authority
Lea Emmons, City of Tracy
Ara Azhderian, Panoche Water District
John Wiersma, Henry Miller Reclamation District

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 October 3, 2022 Meeting Minutes.

On a motion made by Alternate Member Anthea Hansen, seconded by Alternate Member Wilson Orvis, the Committee approved the October 3, 2022 meeting minutes. The vote on the motion was as follows:

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

5. Finance & Administration Committee to Consider Recommendation to Board of Directors to Accept the Treasurer's Report for the Quarter Ending September 30, 2022.

Director of Finance Raymond Tarka briefly reviewed the Treasurer’s Report. On a motion made by Ex Officio Member William Bourdeau, seconded by Alternate Member Anthea Hansen, the Committee accepted the Treasurer’s Report for the quarter ending September 30, 2022. The vote on the motion was as follows:

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

6. Finance & Administration Committee to Consider Recommendation to Board of Directors to Adopt Resolution Authorizing Application for Extended Repayment and Funding in the Amount of \$841m from the Aging Infrastructure Account in Fiscal Year 2023 for Extraordinary Maintenance Work on Jones Pumping Plant and the Delta-Mendota Canal.

Chief Operating Officer Pablo Arroyave referred to the memo and the printed PowerPoint presentation provided to the committee. Arroyave stated that the PowerPoint was from the October Reclamation meeting. Based on the outlined requirements, Authority staff is recommending submitting an application to fund the DMC Subsidence Correction Project and the Jones Pumping Plant Excitation Project. The application would request a 30-year repayment contract since any additional time would require an ability to pay analysis. During presentation of the item, staff answered questions relating to allocation of payments under any repayment contract awarded in response to the application. On a motion made by Member Jeff Cattaneo, seconded by Alternate Member Anthea Hansen, the Committee authorized application for extended repayment and funding in the amount of \$841m from the Aging Infrastructure account in Fiscal Year 2023 for extraordinary maintenance work on Jones Pumping Plant and the Delta-Mendota Canal. The vote on the motion was as follows:

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

7. Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve the Fiscal Year 2024 OM&R Budget.

Chief Operating Officer Pablo Arroyave introduced the item. Arroyave reviewed the updates made after the O&M Technical Committee meeting, such as office leases. Arroyave then provided a brief overview of the proposed budget, draft rates information, and salary placeholders. Alternate Member Wilson Orvis requested that a survey be taken prior to budget approval, including minimum participation if it is expected to be a dry/critical water year. On a motion made

by Alternate Member Wilson Orvis, seconded by Ex Officio Member William Bourdeau, the Committee recommended the Board of Directors approve the Fiscal Year 2024 OM&R Budget. The vote on the motion was as follows:

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

REPORT ITEMS

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

Executive Director Federico Barajas presented the item. Barajas stated that based on feedback received, the Hybrid 2a Revised option has been removed from the cost allocation worksheet. There are currently two tier allocation options. One version reflects the current assessment of approximately \$4 million and the second option which is based on a reduced budget cap of \$3.6 million. Barajas stated that the revised cost allocation options will be distributed to this committee, all members of Water Resources and the Board for review as well.

9. FY23 Activity Agreements Budget to Actual Report through 9/30/2022

Director of Finance Raymond Tarka reported on the Budget to Actual Comparison Summary through September 30, 2022 for the member-funded activities. Tarka stated that for the six-month period, the budget was trending positive overall with actual spending through September 30, 2022 at 30.80% of the approved budget.

10. FY23 O&M Budget to Actual Report through 9/30/22

Director of Finance Raymond Tarka reported that for WY22, the self-funded routine O&M expenses through September 30, 2022 were under budget by \$1,049,851. The water year 2020 and 2021 final accountings and the Intertie O&M cost recovery remain outstanding. Tarka stated that staff has completed WY20 final accounting calculations and will be sent out to members for review later this week.

II. Procurement Activity Report

Director of Finance Raymond Tarka presented the procurement activity report for the period of September 28th through October 31st. During this time, the Authority awarded one contract using informal bidding procedures, to Target Specialty Products for supply and delivery of pesticides. The contract amount was \$119,361.14 and the funding source is the RO&M budget.

There were no reported contract change orders issued during this period.

12. Executive Director's Report

Executive Director Federico Barajas provided an update on a letter from Reclamation for the reserve works funding application dated October 31, 2022. The letter describes Reclamation's intent to pursue funding and includes a list of proposed reserved works projects.

13. Committee Member Reports

No reports.

14. Reports Pursuant to Government Code Sec 54954.2

No reports given.

15. Adjournment.

The meeting was adjourned at approximately 12:59 p.m.