

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY  
FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING AND  
JOINT FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING / SPECIAL  
BOARD WORKSHOP  
MINUTES FOR JANUARY 9, 2023**

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 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**

Justin Diener, Member

**Division 3**

Chris White, Member

**Division 4**

Absent

**Division 5**

Bill Pucheu, Member - Manny Amorelli, Alternate (via ZOOM)

**Friant Water Authority**

Wilson Orvis, Alternate for Jason Phillips (via ZOOM)

**Board of Directors Present**

**Division 1**

Anthea Hansen, Director  
Lea Emmons, Alternate

**Division 2**

Justin Diener, Alternate  
William Bourdeau, Director

**Division 3**

Chris White, Alternate  
Cannon Michael, Director

**Division 4**

Absent

**Division 5**

Bill Pucheu, Director  
Manny Amorelli, Director

## Authority Representatives Present

Federico Barajas, Executive Director  
Pablo Arroyave, Chief Operating Officer  
Scott Petersen, Water Policy Director (via ZOOM)  
Rebecca Akroyd, General Counsel  
Rebecca Harms, Deputy General Counsel  
Darlene Neves, Operational Accounting Supervisor  
Lauren Viers, Accountant III (via ZOOM)  
Cindy Meyer, Special Programs Manager (via ZOOM)  
Jaime McNeill, Engineering Manager  
Chauncey Lee, O&M Manager  
Stewart Davis, IT Officer  
Dan Nunes, Scada Engineer

## Others in Attendance

Jeff Cattaneo, San Benito County Water District  
Dana Jacobson, Valley Water  
Chase Hurley, Pacheco Water District  
Steve Stadler, San Luis Water District  
John Wiersma, Henry Miller Reclamation District  
Bobbie Ormonde, Westlands Water District  
Kristi Robinson, Water Wise

### 1. Call to Order/Roll Call

Ex Officio Member Cannon Michael announced that Anthea Hansen will be taking over as Chair of the Finance & Administration Committee. Chair Anthea Hansen called the meeting to order and roll was called.

### 2. Additions or Corrections to the Agenda

Item 4 on the agenda was corrected to refer to the December 5, 2022 minutes.

### 3. Opportunity for Public Comment

No public comment.

### 4. Finance & Administration Committee to Consider Approval of the December 5, 2022 Meeting Minutes.

Chair Anthea Hansen deemed the December 5, 2022 meeting minutes approved without correction.

### 5. Finance & Administration Committee to Consider Recommendation to Board of

## Directors to Approve Revised Fiscal Year 2024 Operations Maintenance and Replacement (OM&R) Budget

Chief Operating Officer Pablo Arroyave presented the item, highlighting the changes made since the budget workshop. Arroyave noted the removal of a water truck purchase, a change to the salary placeholder to 8.4% from 8.7%, as well as additional minor changes. Staff is not recommending any new positions in Fiscal Year 2024. Arroyave also clarified that rates for new water year will be presented to Finance & Administration Committee at the next meeting. On a motion made by Ex Officio Member Cannon Michael, seconded by Member Bill Pucheu, the Committee recommended the Revised Fiscal Year 2024 Operations Maintenance and Replacement (OM&R) Budget for approval by the Board of Directors. The vote on the motion was as follows:

AYES:	Michael, Bourdeau, Hansen, Diener, White, Pucheu, Orvis
NAYS:	None
ABSTENTIONS:	None

## REPORT ITEMS

### 6. Discussion Regarding Cost Allocation of Various Activity/Fund Budgets

Executive Director Federico Barajas presented the item. Barajas stated that both the current and tier allocation options were presented at the budget workshop in December. Based on feedback received at the workshop, staff will be moving forward using the current allocation methodology and will continue the cost allocation discussion as part of the strategic plan update process.

### 7. FY23 Activity Agreements Budget to Actual Report through 11/30/2022

Supervisor of Operational Accounting Darlene Neves reported the Budget to Actual Comparison Summary through November 30, 2022 for the member-funded activities on behalf of Director of Finance Raymond Tarka. Neves stated that for the nine-month period, the budget was trending positive overall with actual spending through November 30, 2022 at 40.26% of the approved budget.

### 8. FY23 O&M Budget to Actual Report through 11/30/22

Supervisor of Operational Accounting Darlene Neves presented on behalf of Director of Finance Raymond Tarka. Neves reported that for WY22, the self-funded routine O&M expenses through November 30, 2022 were under budget by \$1,481,706. This is mainly due to lower

operating costs at Jones pumping plant and decreased DCI activity. The Water Year 2021 final accountings and the Intertie O&M cost recovery remain outstanding as well as the Fiscal Year 2022 audited financial statements.

## 9. Procurement Activity Report

Supervisor of Operational Accounting Darlene Neves presented the procurement activity report on behalf of Director of Finance Raymond Tarka for the period of December 1<sup>st</sup> through January 3<sup>rd</sup>. On December 21<sup>st</sup>, the Authority executed a single source contract with Terracon Consultants in the amount of \$2,708,556 for DMC Subsidence Mitigation Geotechnical exploration work. This is an amendment to the original professional services agreement approved by the Board in December and the funding source is the EO&M budget. There were no contract change orders issued during this report period.

## 10. Executive Director's Report

Executive Director Federico Barajas noted that in addition to the O&RM budget that was approved by the finance committee today, the Activity Agreement Budget was approved for recommendation by the WRC this morning. Hence, both the Activity Agreement budget and the OM&R will be presented to the Board of Directors for approval on Thursday.

Barajas then referred to Chief Operating Officer Pablo Arroyave to provide updates on the OM&R rates. Arroyave stated that the rates will take into account the survey data provided at 0%, 5%, and 10% South of Delta Ag Allocation and the appropriate M&I allocations. Staff is currently reviewing this information to consider the applicability of 25% minimums if they were applied at the beginning of the fiscal year. Although current practice includes minimums only upon true-up, the requested exercise will allow for illustration of impact in all scenarios as requested by Friant.

Executive Director Federico Barajas referred to Chief Operating Officer Pablo Arroyave, who provided a brief update regarding operations and the current state of hydrology.

## 11. Committee Member Reports

No reports.

## 12. Reports Pursuant to Government Code Sec 54954.2

No reports.

13. **Adjournment.**

The meeting was adjourned at approximately 12:30 p.m.