

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING AND
JOINT FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING / SPECIAL
BOARD WORKSHOP
MINUTES FOR MARCH 6, 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 Anthea Hansen presiding.

Members and Alternate Members in Attendance

Ex Officio

Cannon Michael
William Bourdeau

Division 1

Anthea Hansen

Division 2

Justin Diener, Member

Division 3

Chris White, Member - Jarrett Martin, Alternate

Division 4

Joyce Machado, Member - Dana Jacobson, Alternate

Division 5

Bill Pucheu, Member

Friant Water Authority

Wilson Orvis, Alternate for Jason Phillips

Board of Directors Present

Division 1

Anthea Hansen, Director

Division 2

Justin Diener, Alternate
William Bourdeau, Director
Ara Azhderian, Director

Division 3

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

Division 4

Steve Wittry, Director
Joyce Machado, Alternate

Division 5

Bill Pucheu, Director

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
Cindy Meyer, Special Programs Manager (via ZOOM)
Stewart Davis, IT Officer

Others in Attendance

Minnie Moreno, Del Puerto Water District (via ZOOM)
Bobbie Ormonde, Westlands Water District (via ZOOM)
Manny Amorelli, James Irrigation District (via ZOOM)
Steve Stadler, San Luis Water District (via ZOOM)
Jim Erickson, Friant Water Authority
Vince Gin, Valley Water
Chase Hurley, Pacheco Water District
Lea Emmons, City of Tracy (via ZOOM)
Ed Pattison, Byron Bethany Irrigation District (via ZOOM)

1. Call to Order/Roll Call

Chair Anthea Hansen called the meeting to order at approximately 12:00pm and roll was called.

2. Additions or Corrections to the Agenda

No corrections or additions.

3. Opportunity for Public Comment

No public comment.

4. Finance & Administration Committee to Consider Approval of the February 6, 2023 Meeting Minutes.

On a motion made by Member Bill Pucheu, seconded by Alternate Wilson Orvis, the Committee approved the February 6, 2023 meeting minutes with minor corrections. The vote on the motion was as follows:

AYES: Michael, Bourdeau, Hansen, Diener, White, Machado, Pucheu, Orvis

NAYS: None

ABSTENTIONS: None

5. Finance & Administration Committee to Consider Recommendation to Board of Directors to Execute Contract Extension with External Auditor.

Director of Finance Raymond Tarka presented the item. Tarka stated that the Authority's current auditors were contracted for fiscal years 2018 through 2022. State regulations allow the Authority to have the same auditor for a maximum of 6 years before needing to change. Staff is recommending one additional year with Richardson and Co. with a budgeted cost of about \$40,000. On a motion made by Ex Officio Member William Bourdeau, seconded by Member Joyce Machado, the Committee recommended the Board of Directors execute a contract extension with the external auditor. The vote on the motion was as follows:

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

6. Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Adjustment to Water Year 2023 OM&R Water Rates.

Executive Director Federico Barajas presented the item. Barajas stated that the Authority has approved water rates using a 10% Ag allocation. Since this initial allocation approval, Reclamation has announced an increase from 10% to a 35% Ag allocation. As a result of the increase in the allocation there is a request to adjust the Authority's water rates using a 35% Ag allocation. Barajas then referred to Director of Finance Raymond Tarka to review the memo in the packet and the changes in the rates using the 35% baseline. On a motion made by Member Bill Pucheu, seconded by Alternate Wilson Orvis, the Committee recommended the Board of Directors approve adjustment to Water Year 2023 OM&R Water Rates. The vote on the motion was as follows:

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

REPORT ITEMS

7. Discussion Regarding Rate Methodology Review Process

Chief Operating Officer Pablo Arroyave presented the item. Arroyave began by stating there is a Finance & Administration Committee Workshop scheduled for March 13th for in-depth discussion regarding the process for setting water rates and the treatment of minimum participation amounts. During this workshop, the Finance & Administration Committee and Board may be asked to consider adjustments to our rate setting processes. Staff is also open to recommendations regarding items that may be relevant and beneficial to discuss relating to the rate setting process.

8. FY23 Activity Agreements Budget to Actual Report through 1/31/2023

Director of Finance Raymond Tarka reported the Budget to Actual Comparison Summary through January 31, 2023 for the member-funded activities. Tarka stated that for the eleven-month period, the budget was trending positive overall with actual spending through January 31, 2023 at 51.17% of the approved budget.

9. FY23 O&M Budget to Actual Report through 1/31/23

Director of Finance Raymond Tarka reported that for WY22, the self-funded routine O&M expenses through January 31, 2023 were under budget by \$1,721,877. The water year 2021 final accountings were sent out for 30-day final review beginning February 27, 2023 and are to be completed once the fiscal year 2022 audit is finalized. The Intertie true-up remains outstanding, as well as the fiscal year 2022 audited financial statements.

10. Procurement Activity Report

Director of Finance Raymond Tarka presented the procurement activity report for the period of February 1st through February 28th. On February 9th, the Authority awarded a contract to Pape Machinery for the purchase of a John Deere Loader. The contract amount was \$217,546.34 and the funding source is the EO&M budget. There were no reported contract change orders issued during this period.

11. Executive Director's Report

Executive Director Federico Barajas informed the committee that there will be a workshop on March 13th in the Board Room at 10:30 a.m. The workshop will be open to all Board and Water Resources Committee members but will be a Finance & Administration Committee-led workshop.

Executive Director Federico Barajas then updated the committee on the strategic planning process. Barajas is currently in the process of securing a contract with Rauch Communication

Consultants Inc. Martin Rauch was the same individual who provided services during the strategic planning process in 2019.

12. Committee Member Reports

No reports.

13. Reports Pursuant to Government Code Sec 54954.2

No reports.

14. Adjournment.

The meeting was adjourned at approximately 12:37 p.m.