

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING AND
JOINT FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING-SPECIAL
BOARD OF DIRECTORS WORKSHOP
MINUTES FOR NOVEMBER 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

William Bourdeau

Division 1

Anthea Hansen, Chair/Member

Division 2

Justin Diener, Member

Division 3

Chris White, Member

Division 4

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

Division 2

Justin Diener, Alternate

William Bourdeau, Vice-Chair/Director

Division 3

Chris White, Alternate

Division 4

Steve Wittry, Director

Division 5

Bill Pucheu, Director

Manny Amorelli, Director

Authority Representatives Present

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
Bob Martin, Facilities O&M Director
Jaime McNeill, Engineering Manager
Chauncey Lee, O&M Manager
Deanna Ratliff, Accountant II
Stewart Davis, IT Officer

Others in Attendance

Bobbie Ormonde, Westlands Water District (ZOOM)

1. Call to Order/Roll Call

Chair Anthea Hansen 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 September 11, 2023 Meeting Minutes.

On a motion made by Alternate Member Wilson Orvis, seconded by Member Chris White, the Committee approved the September 11, 2023 meeting minutes with no corrections. The vote on the motion was as follows:

AYES: Bourdeau, Hansen, Diener, White, Jacobson, Pucheu, 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, 2023.

Director of Finance Raymond Tarka briefly reviewed the Treasurer’s Report. On a motion of Member Bill Pucheu, seconded by Alternate Member Wilson Orvis, the Committee accepted the Treasurer’s Report for the quarter ending September 30, 2023. The vote on the motion was as follows:

AYES: Bourdeau, Hansen, Diener, White, Jacobson, Pucheu, 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 up to \$873.1M from the Aging Infrastructure Account in Fiscal Year 2024 for Extraordinary Maintenance Work on O’Neill Pumping-Generating Plant and the Delta-Mendota Canal.

Chief Operating Officer Pablo Arroyave referred to the memo provided to the committee. Arroyave stated Authority staff is recommending submitting an application to fund the DMC Subsidence Correction Project for up to \$805 million and the O’Neill Pumping Plant Project for \$68.1 million. If selected, staff would negotiate a 30 to 50-year repayment contract. On a motion of Member Bill Pucheu, seconded by Alternate Member Dana Jacobson, the Committee adopted Resolution authorizing application for extended repayment and funding in the amount of up to \$873.1M from the Aging Infrastructure Account in Fiscal Year 2024 for extraordinary maintenance work on O’Neill Pumping-Generating Plant and the Delta-Mendota Canal. The vote on the motion was as follows:

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

7. Finance & Administration Committee to Consider Recommendation to Board of Directors Regarding Emergency Reserve Fund Expenditure Repayment.

Chief Operating Officer Pablo Arroyave introduced the item. Arroyave began by providing background on the process with Reclamation in order to use reserve funds. Arroyave stated there are two projects that will need to be funded by the reserves, the first being repairs to check 18 for up to \$500,000 and DMC at Salado Creek for \$750,000. Per recommendation by the committee, staff is seeking repayment over 2 years collected through water rates. On a motion of Member Justin Diener, seconded by Alternate Member Wilson Orvis, the Committee approved recommendation to Board of Directors regarding Emergency Reserve Fund expenditure repayment. The vote on the motion was as follows:

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

8. Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve the Proposed Fiscal Year 2025 OM&R Budget, including Routine OM&R and Extraordinary OM&R/Capital Improvement Project Budgets.

Chief Operating Officer Pablo Arroyave introduced the item. Arroyave provided an overview of the proposed budget. Arroyave then noted areas with significant change from the prior year budget, draft rates information, and salary placeholders. On a motion of Alternate Member Dana Jacobson, seconded by Member Justin Diener, the Committee approved the proposed Fiscal Year 2025 OM&R Budget, including Routine OM&R and Extraordinary OM&R/Capital Improvement Project Budgets. The vote on the motion was as follows:

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

REPORT ITEMS

9. FY23 Activity Agreements Budget to Actual Report through 9/30/2023

Director of Finance Raymond Tarka presented the Budget to Actual Report through September 30, 2023 for the Activity Agreement funds. Tarka stated for the six-month period, the budget was trending positive overall with actual spending through September 30, 2023 at 36.54% of the approved budget.

10. FY23 O&M Budget to Actual Report through 9/30/23

Director of Finance Raymond Tarka reported that for WY23, the self-funded routine O&M expenses through September 30, 2023 were over budget by \$655,527. This is mainly due to over-budget DWR conveyance charges for DCI activity. The water year 2022 final accountings, fiscal year 2023 audit, and the Intertie OM&R true-up remain outstanding.

II. Procurement Activity Report

Director of Finance Raymond Tarka presented the procurement activity report for the period of September 26th through October 31st. On September 27th, the Authority awarded a contract to Frank A. Olsen Co. for S.P. Kinney automatic self-cleaning strainer purchase. The contract amount was \$75,125.13 and the funding source is the EO&M budget. On October 3rd, the Authority awarded a contract to F.D. Thomas, Inc. for plant water storage tank rehab. The contract amount was \$200,112 and the funding source is the EO&M budget. On October 25th, the Authority awarded a contract to Mountain F. Enterprises, Inc. for wood grinding and pole

disposal. The contract amount was \$61,145 and the funding source is the O&M budget. One contract change order was issued on October 24th to F.D. Thomas, Inc. in the amount of \$3,485 for plant water storage tank rehab change order 1.

12. Executive Director's Report

Chief Operating Officer Pablo Arroyave provided updates to the committee on behalf of Executive Director Federico Barajas.

- a. **Budget Workshop** – Arroyave stated that there will be a budget workshop in December, however, the date has not been set.
- b. **SWRCB Phase 2 Update** – Arroyave updated the committee regarding the State Water Resources Control Board water quality control plan update, including opportunity for public review and comment. Water Policy Director Scott Petersen provided further detail.

13. Committee Member Reports

No reports.

14. Reports Pursuant to Government Code Sec 54954.2

No reports.

15. Adjournment.

The meeting was adjourned at approximately 1:16 p.m.