

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
ADJOURNED REGULAR FINANCE & ADMINISTRATION COMMITTEE MEETING
AND JOINT ADJOURNED REGULAR FINANCE & ADMINISTRATION COMMITTEE
MEETING - SPECIAL BOARD WORKSHOP MINUTES FOR DECEMBER 9, 2019**

The Adjourned Regular Finance & Administration Committee Meeting and Joint Adjourned Regular Finance & Administration Committee Meeting and Special Board Workshop of the San Luis & Delta-Mendota Water Authority convened at approximately 12:05 p.m. at 842 6th Street in Los Banos, California with Chair Rick Gilmore presiding.

Members and Alternate Members in Attendance

Ex Officio

Cannon Michael

Division 1

Rick Gilmore, Member - Anthea Hansen, Alternate

Division 2

Bobbie Ormonde, Alternate

Division 3

Chris White, Member

Division 4

Sara Singleton, Member - Dana Jacobson, Alternate

Division 5

Bill Pucheu, Member

Friant Water Authority

Jason Phillips, Member

Board of Directors Present

Division 1

Anthea Hansen, Director

Rick Gilmore, Director

Division 2

Absent

Division 3

Chris White, Alternate

Cannon Michael, Director

Division 4

Sara Singleton, Alternate

Division 5

Bill Pucheu, Director

Authority Representatives Present

Federico Barajas, Executive Director

Rebecca Akroyd, General Counsel
Pablo Arroyave, Chief Operating Officer
Joyce Machado, Director of Finance
Scott Petersen, Water Policy Director

Others in Attendance

Don Willard, Friant Water Authority
Minnie Moreno, Del Puerto Water District

1. Call to Order

Chair and Member Rick Gilmore called the meeting to order at approximately 12:05 pm.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

3. Additions or Corrections to the Agenda

There were no additions or corrections.

4. Opportunity for Public Comment

There was no public comment.

ACTION ITEMS

5. Finance & Administration Committee to Consider Approval of the November 4, 2019 Meeting Minutes.

Member Chris White made the motion to approve the November 4, 2019 meeting minutes. The motion was seconded by Member Bill Pucheu and passed unanimously. The Committee action is reported as follows:

AYES: Michael, Gilmore, Ormonde, White, Singleton, Pucheu, Phillips

NOES: None

ABSTENTIONS: None

6. Finance & Administration Committee to Consider Recommendation to the Board of Directors to Adopt a Records Retention Schedule, Authorize Destruction of Certain Agency Records, and Rescind Resolution 2011-350.

General Counsel Rebecca Akroyd presented an overview of the proposed comprehensive records retention schedule. This retention policy was developed with an outside agency with the purpose of improving efficiencies, eliminate duplication of effort, and to take advantage of current

technology. The policy is fully compliant with California law.

Member Bill Pucheu made the motion to recommend the Board of Directors Adopt a Records Retention Schedule, and Rescind Resolution 2011-350. The motion was seconded by Alternate Bobbie Ormonde and passed unanimously. The Committee action is reported as follows:

AYES: Michael, Gilmore, Ormonde, White, Singleton, Pucheu, Phillips

NOES: None

ABSTENTIONS: None

7. Finance & Administration Committee to Consider Recommendation to the Board of Directors to Authorize Execution of Agreement Between the United States of America and San Luis & Delta-Mendota Water Authority to Transfer the Operation, Maintenance and Replacement and Certain Financial and Administrative Activities Related to the San Luis and Delta-Mendota Canals, C.W. “Bill” Jones Pumping Plant, Delta-Mendota Canal/California Aqueduct Intertie Pumping Plant, O’Neill Pumping/Generating Plant, San Luis Drain and Associated Works.

Executive Director Federico Barajas provided an overview of the draft renewed OM&R Transfer Agreement. He explained that the Authority had approached Reclamation for an early renewal of the OM&R transfer agreement in order to support pursuing funding for water infrastructure investments. A draft of the agreement is available for public comment until December 20th with the goal of having a signed agreement at the beginning of the new calendar year. Akroyd then reviewed categories of noteworthy changes, including term of agreement, various clarifications, and the addition of standard article language.

Member Jason Phillips made the motion to recommend the Board of Directors authorize execution of agreement between the United States of America and San Luis & Delta-Mendota Water Authority to transfer the operation, maintenance and replacement and certain financial and administrative activities related to the San Luis and Delta-Mendota Canals, C.W. “Bill” Jones Pumping Plant, Delta-Mendota Canal/California Aqueduct Intertie Pumping Plant, O’Neill Pumping/Generating Plant, San Luis Drain and Associated Works. The motion was seconded by Member Chris White and passed unanimously. The Committee action is reported as follows:

AYES: Michael, Gilmore, Ormonde, White, Singleton, Pucheu, Phillips

NOES: None

ABSTENTIONS: None

REPORT ITEMS

8. FY19 Budget to Actual Reports through 10/31/19

Director of Finance Joyce Machado reported on the Budget to Actual Comparison Summary for March 1, 2019 through October 31, 2019 for the member funded activities. Machado stated that for the eight-month period, the budget was trending positive with overall spending through October 31, 2019 at 56.10% of the approved budget. The areas trending under-budget are legal, technical, and GBD Specific, with a total of about \$740,000 under-budget through the eight-month period.

9. O&M Self-Funding Update

Director of Finance Joyce Machado reported to the Committee that for WY19 the self-funded routine O&M expenses through October 31, 2019 were under budget by \$1,458,268. Machado stated that for WY18 draft contractor records 30-day review resulted with just a few minor revisions, none of which were related to water deliveries or payment figures. staff has begun the preliminary processes to complete the draft Contractor records. Machado stated that for WY17 the final accountings are being completed as the fiscal year 2018 audit work papers are being finalized. Machado added that the Intertie cost allocation still remains as an outstanding item.

10. Audits Status Update

Director of Finance Joyce Machado provided an audit status update, stating the Fiscal Year 2018 and 2019 audits are being completed concurrently and on schedule to be presented at the January Finance and Board meetings.

II. Executive Director's Report

Executive Director Federico Barajas provided several updates to the Finance committee. The first being an introduction of the new Chief Operating Officer, Pablo Arroyave. He will be transitioning with Assistant Executive Director Frances Mizuno who is scheduled to retire March of 2020. Secondly, Reclamation is holding a workshop in the board room on December 12th to

discuss the CVPIA true-up. Next, the B.F. Sisk Dam raise project is continuing to advance forward. The Authority is working with Reclamation on a contributed funds agreement, as well as with MBK and CDM on different alternatives scenarios of the expansion. Barajas was able to meet with DWR in order to discuss coordination with state operations. Lastly, Barajas informed the committee that he is planning to do a 2020 Board and Committee calendar rollout within the upcoming week, and there will be a presentation on Sites Reservoir and Del Puerto Canyon Reservoir during this Thursday's Board meeting.

12. Committee Member Reports

No report given.

13. Reports Pursuant to Government Code Sec 54954.2

No report given.

14. Adjournment.

The meeting was adjourned at approximately 1:05 p.m.