



**San Luis & Delta-Mendota Water Authority
Monday, August 5, 2024, 12:00 p.m.**

**Notice of Finance & Administration Committee Regular Meeting and
Joint Finance & Administration Committee Regular Meeting-Special Board
Workshop**

**SLDMWA Boardroom
842 6th Street, Los Banos**

Public Participation Information

Join Zoom Meeting

<https://us02web.zoom.us/j/83389128817?pwd=ZlhhNXdlSHlE3Q1ZVWU5uSVdscckRDUT09>

Meeting ID: 833 8912 8817

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NOTE: Any member of the public may address the Finance & Administration Committee/Board concerning any item on the agenda before or during consideration of that item.

Because the notice provides for a regular meeting of the Finance & Administration Committee ("FAC") and a joint regular FAC Meeting/Special Board workshop, Board Directors/Alternates may discuss items listed on the agenda; however, only FAC Members/Alternates may correct or add to the agenda or vote on action items.

NOTE FURTHER: Meeting materials have been made available to the public on the San Luis & Delta-Mendota Water Authority's website, <https://www.sldmwa.org>, and at the Los Banos Administrative Office, 842 6th Street, Los Banos, CA 93635.

Agenda

1. Call to Order/Roll Call
2. Finance & Administration Committee to Consider Additions or Corrections to the Agenda for the Finance & Administration Committee Meeting only, as Authorized by Government Code Section 54950 et seq.
3. Opportunity for Public Comment – Any member of the public may address the Finance & Administration Committee/Board concerning any matter not on the Agenda, but within the Committee's or Board's jurisdiction. Public comment is limited to no more than three minutes per person. For good cause, the Chair of the Finance & Administration Committee may waive this limitation.

ACTION ITEMS

4. **Approval of July 8, 2024 Meeting Minutes**
5. **Recommendation to Board of Directors to Accept the Treasurer's Report for the Quarter Ending June 30, 2024**
6. **Recommendation to Board of Directors to Approve Adjustment to Water Year 2024 OM&R Water Rates and Separate Billing of Project Use Energy (PUE) True-Up According to Water Year Benefits, Tarka/Arroyave**
7. **Recommendation to Board of Directors to Adopt Resolution Authorizing Award of Contract, Execution of Professional Services Agreement with SANDIS Engineering for DMC Subsidence Utility Locating and Mapping Services, and Related Expenditure of up to \$2.14M from the DWR Subsidence Correction Project Grant Funds, and CEQA Exemption, Arroyave/McNeil**

REPORT ITEMS

8. FY25 Activity Agreements Budget to Actual Report through 6/30/24
9. FY25 O&M Budget to Actual Report through 6/30/24
10. Procurement Activity Reports
11. Executive Director's Report, Barajas
(May include reports on activities within the Finance & Administration Committee's jurisdiction related to 1) CVP/SWP water operations; 2) California storage projects; 3) regulation of the CVP/SWP; 4) existing or possible new State and Federal policies; 5) Water Authority activities)
12. Committee Member Reports
13. Reports Pursuant to Government Code Section 54954.2(a)(3)
14. **ADJOURNMENT**

Persons with a disability may request disability-related modification or accommodation by contacting Cheri Worthy or Sandi Ginda at the San Luis & Delta-Mendota Water Authority Office, 842 6th Street, P.O. Box 2157, Los Banos, California, via telephone at (209) 826-9696, or via email at cheri.worthy@sldmwa.org or sandi.ginda@sldmwa.org. Requests should be made as far in advance as possible before the meeting date, preferably 3 days in advance of regular meetings or 1 day in advance of special meetings/workshops.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Section 54950 et seq. and has not been prepared with a view to informing an investment decision in any of the Authority's bonds, notes, or other obligations. Any projections, plans, or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the Authority's bonds, notes, or other obligations and investors and potential investors should rely only on information filed by the Authority on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at <https://emma.msrb.org/>.

**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 JULY 8, 2024**

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, Chair/Member

Division 2

Justin Diener, Member

Division 3

Chris White, Member - Jarrett Martin, Alternate

Division 4

Dana Jacobson, Member

Division 5

Manny Amorelli, Alternate

Friant Water Authority

Wilson Orvis, Alternate

Board of Directors Present

Division 1

Anthea Hansen, Director

Division 2

Justin Diener, Alternate
William Bourdeau, Director

Division 3

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

Division 4

Absent

Division 5

Manny Amorelli, 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
Lauren Viers, Accounting Manager
Jaime McNeill, Engineering Manager (via ZOOM)
Laures Stiles, Director of HR & Administration
Stewart Davis, IT Officer
Eddie Reyes, Information Systems Technician

Others in Attendance

Jordyn Vannor, Waterwise

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 June 3, 2024 Meeting Minutes.

Chair Anthea Hansen deemed the June 3, 2024 meeting minutes approved as submitted.

5. Recommendation to Board of Directors to Ratify Change Order for \$16,674.10, Resulting in Total Expenditure of \$214,074.10 for Dive Services Utilizing Emergency Reserve Funds.

Chief Operating Officer Pablo Arroyave introduced the item. Arroyave provided a brief background on the project and noted that due to the contract change order, the Authority is now seeking recommendation for board approval due to the Procurement Policy requiring Board approval for contracts exceeding \$200,000. On a motion made by Member Justin Diener, seconded by Alternate Wilson Orvis, the Committee approved a recommendation to ratify execution of a change order for \$16,674.10, resulting in total expenditure of \$214,074.10 for dive services utilizing Emergency Reserve Funds. The vote on the motion was as follows:

AYES: Michael, Bourdeau, Hansen, Diener, White, Jacobson, Amorelli, Orvis

NAYS: None
ABSTENTIONS: None

6. Recommendation to Board of Directors to Adopt Resolution Authorizing Execution of Agreement for Services and Equipment for O’Neill Pumping/Generator Plant Unit Upgrades Project, Adoption of Single Source Procurement Justification, and Related Expenditure of up to \$1,796,000 from the FY23 EO&M Budget.

Chief Operating Officer Pablo Arroyave introduced the item and reviewed the memo provided to the Committee. Arroyave then referred to Engineering Manager Jaime McNeil to provide an overview of project phases, terms of the agreement, and the need for a single source procurement. In the course of her presentation, McNeil clarified the memo and resolution’s references to the Phase 2 amount, correcting the reference to \$18,033,768. On a motion of Member Dana Jacobson, seconded by Ex Officio Member Cannon Michael, the Committee adopted a recommendation to adopt the corrected resolution authorizing execution of Agreement for Services and Equipment for O’Neill Pumping/Generator Plant Unit Upgrades Project, adoption of Single Source Procurement Justification, and related expenditure of up to \$1,796,000 from the FY23 EO&M Budget. The vote on the motion was as follows:

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

REPORT ITEMS

7. Update on Pending Fiscal Year 2023 Power Costs.

Director of Finance Raymond Tarka informed the Committee that the Bureau of Reclamation fiscal year 2023 project use energy (PUE) true-up was in process. Tarka stated the Authority was notified of a significant variance from the budgeted expenses of \$34.1 million to estimated actual costs of \$51 million due to the Western Area Power Administration (WAPA). Reclamation expects that SLDMWA’s share of this variance could exceed \$14 million. Staff indicated that more information would be presented to the Committee in coming months.

8. Update on Adjustment to Water Year 2024 OM&R Water Rates.

Executive Director Federico Barajas introduced the item, indicating that there will be revised Water Year 2024 rates due to adjusted allocations, updated cost recovery methodology, and updated PUE costs. Barajas then referred to Director of Finance Raymond Tarka to provide

additional details. Tarka also stated that in addition to changes noted by Barajas, there will be changes to the Jones Pumping Plant repayment contract payments as the repayment schedules are being revised and finalized.

9. Report on Historical Analysis of Deliveries Through San Luis Joint Use Facilities.

Director of Finance Raymond Tarka stated that at the June Finance & Administration Committee meeting, staff was asked to perform a historical analysis of customer deliveries through the San Luis Joint Use facilities to determine the feasibility of correlating use percentages on a customer-by-customer basis. Tarka informed the Committee that the results of this exercise were inconclusive to draw a consistent pattern for allocating delivery costs on an annual basis.

10. FY23 Activity Agreements Budget to Actual Report through 5/31/2024

Director of Finance Raymond Tarka presented the Budget to Actual Report through May 31, 2024 for the Activity Agreement funds. Tarka stated for the three-month period, the budget was trending positive overall with actual spending ending May 31, 2024 at 10.47% of the approved budget.

II. FY23 O&M Budget to Actual Report through 5/31/2024

Director of Finance Raymond Tarka reported that for WY24, the self-funded routine O&M expenses through May 31, 2024 were over budget by \$472,456. This is mainly due to the timing of expenditures for O&M expenses in most cost pools and labor expenses that will not be allocated to specific projects until later in the year. The water year 2022 final accountings, fiscal year 2023 and 2024 audits, and the Intertie OM&R true-up remain outstanding.

12. Procurement Activity Report

Director of Finance Raymond Tarka presented the procurement activity report for the period of June 1, 2024 through June 30, 2024. During this period, there were two contracts awarded under the Authority's single source bid procedures. On June 6th, a contract was awarded to Coker Pump & Equipment Company for OPP Cooling Water Pumps. The contract amount is \$126,751.75 and the funding source is the EO&M budget. On June 24th, a contract was awarded to Dryco Construction, Inc. for TFO parking lot seal coat and striping. The contract amount is \$97,782 and the funding source is the EO&M budget. No change orders were reported during this time.

13. **Executive Director’s Report.** Executive Director Federico Barajas provided the following updates:

- a. **SLDMWA Governance Documents Update** – Executive Director Federico Barajas introduced General Counsel Rebecca Akroyd. Akroyd reported that 17 members took action approving the JPA amendments. Akroyd reported that Authority staff will email the suite of updated governance documents to the Board and Member agencies.
- b. **Salary Survey Process** – Executive Director Federico Barajas referred to Director of Human Resources and Administration Laures Stiles to discuss the process for the upcoming salary survey. Stiles updated the Committee on the retained contractor, and the comparison agencies that will be included in the Salary Survey Process.
- c. **BIL Funding Application** – Executive Director Federico Barajas stated that staff has begun the BIL funding application process for the O’Neill and DMC projects. The Authority received partial funding during the last application process and will be applying for the remaining funds in the current year.

14. **Committee Member Reports**

No reports.

15. **Reports Pursuant to Government Code Sec 54954.2**

No reports.

16. **Adjournment.**

The meeting was adjourned at approximately 1:06 p.m.