



**San Luis & Delta-Mendota Water Authority
Monday, March 6, 2023, 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/82679774107?pwd=eW0rN3A4a1NwN1VQaWRQeE1SV09OQT09>

**Meeting ID: 826 7977 4107
Passcode: 272073**

One tap mobile

**+16699006833,,82679774107#,,,,*272073# US (San Jose)
+16694449171,,82679774107#,,,,*272073# US**

Dial by your location

**+1 669 900 6833 US (San Jose)
+1 669 444 9171 US**

**Meeting ID: 826 7977 4107
Passcode: 272073**

Find your local number: <https://us02web.zoom.us/j/82679774107>

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. **Finance & Administration Committee to Consider Approval of February 6, 2023 Meeting Minutes**
5. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Execute Contract Extension with External Auditor**
6. **Finance & Administration Committee to Consider Recommendation to Board of Directors to Approve Adjustment to Water Year 2023 OM&R Water Rates**

REPORT ITEMS

7. Discussion Regarding Rate Methodology Review Process
8. FY23 Activity Agreements Budget to Actual Report through 1/31/23
9. FY23 O&M Budget to Actual Report through 1/31/23
10. Procurement Activity Report
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; 6) COVID-19 response)
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 WORKSHOP
MINUTES FOR FEBRUARY 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
Bill Diedrich, Director

Division 3

Chris White, Alternate
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
Laures Stiles, HR Director
Stewart Davis, IT Officer
Lauren Viers, Accountant III

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)

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 January 9, 2023 Meeting Minutes.

On a motion made by Member Bill Pucheu, seconded by Alternate Wilson Orvis, the Committee approved the January 9, 2023 meeting minutes. 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 Accept the Treasurer's Report for the Quarter Ending December 31, 2022.

Director of Finance Raymond Tarka briefly reviewed the Treasurer's Report. On a motion made by Ex Officio Member William Bourdeau, seconded by Member Joyce Machado, the

Committee recommended the Board of Directors accept the Treasurer’s Report for the Quarter Ending December 31, 2022. 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 Appoint Representatives to Association of California Water Agencies – Joint Powers Insurance Authority (ACWA-JPIA) Board of Directors.

Executive Director Federico Barajas reviewed the memo provided to the committee. Barajas stated that Director and Alternate positions were open for the ACWA-JPIA board. Staff recommends an Authority Director to serve as an ACWA-JPIA Director and Director of Human Resources and Administration Laures Stiles to serve as the Alternate. On a motion made by Ex Officio Member William Bourdeau, seconded by Member Bill Pucheu, the Committee recommended the Board of Directors appoint the named representatives to Association of California Water Agencies – Joint Powers Insurance Authority (ACWA-JPIA) Board of Directors. The vote on the motion was as follows:

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

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

Chief Operating Officer Pablo Arroyave introduced the item and reviewed the memo provided to the committee. Arroyave then referred to Director of Finance Raymond Tarka to provide further detail on the rate calculation based on 0%, 5%, and 10% allocations. Tarka stated that overall water year 2023 OM&R rates were lower than prior year. Staff is recommending water year 2023 OM&R rates be recommended for Board approval assuming a 5% or 10% allocation, using the current ratesetting methodology.

The Committee discussed including minimum participation amounts (25%) in the ratesetting, and the implications of including this amount. Chair Anthea Hansen recommended holding workshops / having more discussion regarding ratesetting methodology, to provide an opportunity for committee members to consider how to make the process for efficient and

effective. Committee members also discussed revising the rates during the year if the contract allocation increases.

On a motion made by Ex Officio Member William Bourdeau, seconded by Member Bill Pucheu, the Committee recommended the Board of Directors approve Water Year 2023 OM&R Water Rates assuming a 10% allocation, using the current ratesetting methodology. The vote on the motion was as follows:

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

REPORT ITEMS

8. **FY23 Activity Agreements Budget to Actual Report through 12/31/2022**

Director of Finance Raymond Tarka reported the Budget to Actual Comparison Summary through December 31, 2022 for the member-funded activities. Tarka stated that for the ten-month period, the budget was trending positive overall with actual spending through December 31, 2022 at 46.96% of the approved budget.

9. **FY23 O&M Budget to Actual Report through 11/30/22**

Director of Finance Raymond Tarka reported that for WY22, the self-funded routine O&M expenses through December 31, 2022 were under budget by \$1,403,066. The water year 2021 final accountings 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 December 1st through January 3rd. On December 21st, the Authority awarded a single source contract to Terracon Consultants for DMC Subsidence Mitigation Geotechnical Exploration Work phases 2 and 3. The contract amount was \$2,708,556 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 referred to Director of Finance Raymond Tarka to update the committee on the Authority's upcoming audit actions. Tarka stated that currently the Authority

is engaged with Richardson and Company, LLP to complete our annual audit. This was a three year contract with the option of a two year extension for a total of five years ending with fiscal year 2022. However, state law allow you to use the same auditors for six years before needing to change audit leads. Staff is looking for guidance if we should request a sixth year with the same auditor and a 'not to exceed' amount for the fiscal year 2023 audit. Committee members provided direction to bring a contract extension back to the committee and Board for consideration.

Executive Director Federico Barajas then updated the committee that the Authority is beginning the strategic planning update process. The Authority will hold a workshop in the next few months to begin the dialog.

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 1:14 p.m.