

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
MINUTES
FINANCE & ADMINISTRATION COMMITTEE
OCTOBER 5, 2017**

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority met at approximately 8:30 a.m. at 842 6th Street in Los Banos with Chairman Bill Pucheu presiding.

FAC Committee Members Present

Ex-Officio

Cannon Michael

Division 1

Rick Gilmore, Member - Anthea Hansen, Alternate

Division 2

Don Peracchi, Member

Division 3

Chris White, Alternate for Jim O'Banion

Division 4

Absent

Division 5

Bill Pucheu, Chair and Member

Friant Water Authority

Absent

Authority Representatives Present

Jason Peltier, Executive Director

Frances Mizuno, Assistant Executive Director

Jon Rubin, General Counsel

Guy Wamocha, Supervisor of General Accounting

Kathrin Odisho, Supervisor of Operational Accounting

Tona Mederios, Director of Finance

Bob Martin, Planning & Engineering Manager

Others Present

Doug DeFlicht, Friant Water Authority

Gary Kremen, Santa Clara Valley Water District (joined at approximately 9:15 a.m.)

Mike Linneman, Panoche Water District (joined at approximately 9:20 a.m.)

Don Wright

Sarah Woolf, Westlands Water District

1. **Additions or Corrections to the Agenda**

There were no additions or corrections to the Agenda.

2. **Opportunity for Public Comment**

There was no public comment.

ACTION ITEMS

3. **Committee to Consider Approval of the September 11, 2017 Meeting Minutes.**

The Committee reviewed the September 11, 2017 meeting minutes and suggested some minor edits. Member Don Peracchi made a motion to approve the September 11, 2017 meeting minutes with minor edits. The motion was seconded by Member Rick Gilmore and passed unanimously. The Committee action is reported as follows:

AYES: Michael, Gilmore, Peracchi, White, Pucheu
NOES: None
ABSTENTIONS: None

REPORT ITEMS

4. **Update on C.W. “Bill” Jones Pumping Plant Unit 6 Rewind Project, Including Negotiations of a Repayment Contract with the United States.**

Assistant Executive Director Frances Mizuno introduced the item and then turned Bob Martin, Planning & Engineering Manager, presented an elaborate slide presentation depicting Unit #6 of the C.W. “Bill” Jones Pumping Plant. Mizuno then provided an update on the Unit 6 Rewind Project, including the negotiation of a Repayment Contract with the United States Bureau of Reclamation. Mizuno noted that the Region had requested in its basis at negotiation request that the funding for Unit 6 be up to \$5,250,000 for one year with a fifteen-year repayment period. Mizuno explained that the BOR’s Directives and Standards for such Repayment Contracts require the SLDMWA to use 75% of the \$1,500,000 or \$1.2 million of emergency reserve fund first toward funding the Project. However, Reclamation received authority to allow the Water Authority to direct fund the \$1.2M and allow for EO&M expenditures made or to be made by the Water Authority in FY17 and 18 at the Jones Pumping Plant as an offset toward the \$1.2 M obligation instead of drawing from the emergency reserve fund. The estimated FY17 and 18 expenditure is approximately \$400,000, therefore reducing the balance to approximately \$800,000. Mizuno requested guidance from the committee on how the balance of the \$800,000 should be funded. The committee agreed with the recommendation that the balance be funded from reserves. Mizuno did advise the Committee that per the Transfer Agreement, use of the emergency reserve fund requires that the funds be repaid to the reserve fund within 5 years. Mizuno also reviewed a spreadsheet outlining the potentially extensive future funding requirements necessary for anticipated major projects. Engineering & Planning Manager Bob Martin presented an elaborate slide presentation showing the condition of Unit 6 and the work to be done to refurbish the Unit.

5. FY18 Budget to Actual Expenditures Comparison Reports through 8/31/17

Supervisor of General Accounting Guy Wamocha reported on the budget to actual expenditure comparison report through the month ending August 31, 2017. Wamocha reported that actual expenditures were trending below budget by \$2,015,575 in the line item detail of legal, technical support, Westside Integrated Water Resources Plan, in-house salaries, GBD Specific and other professional services.

6. O&M Self-Funding Update

Director of Finance Tona Mederios reported that WY15 Final Accounting excluding the Intertie cost allocation is near completion. WY14 draft accountings will be out to Contractors by early November for a 30-day review. Mederios also reported to the Committee that on September 13, 2017 fraud was committed on a SLDMWA check issued to vendor Les Schwab for \$500.61. The check was cashed under a different name. Mederios added that staff was working with CVCB Bank to utilize Positive Pay a process by where the bank matches the clearing check to an image of the original check before the check is allowed to clear to prevent future incidents of fraud.

7. Financial Audit Update

Director of Finance Tona Mederios reported to the Committee that the FY15 audit was progressing well and staff expects a draft by October 20, 2017. The FY16 audit binder was to be delivered to the Auditor by November 15, 2017. The FY17 and FY18 audits will be completed during the FY19.

8. Reports Pursuant to Government Code Sec 54954.2

None

9. Adjournment

The meeting was adjourned at approximately 9:25 a.m.