

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY SPECIAL TELEPHONIC BOARD OF
DIRECTORS, AND JOINT BOARD OF DIRECTORS SPECIAL TELEPHONIC MEETING – SPECIAL
JOINT WATER RESOURCES COMMITTEE, AND FINANCE & ADMINISTRATION
COMMITTEE SPECIAL JOINT WORKSHOP MINUTES
DECEMBER 14, 2021

The Special Telephonic Meeting of the Board of Directors and Joint Special Telephonic Workshop of the Board, Water Resources Committee, and Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority convened at approximately 12:30 p.m. via teleconference in accordance with Government Code section 54953(e) and Resolution No. 2021-492 adopted by the San Luis & Delta-Mendota Water Authority Board of Directors on November 29, 2021, with Chair Cannon Michael presiding.

Directors and Alternate Directors in Attendance

Division 1

Vince Lucchesi, Alternate for Bobby Pierce
Anthea Hansen, Director
Rick Gilmore, Director - Lea Emmons, Alternate

Division 2

William Bourdeau, Director
Ara Azhderian, Alternate for Michael Linneman
Bill Diedrich, Director (arrived late)

Division 3

Chris White, Director - Jarrett Martin, Alternate
Cannon Michael, Director
Ric Ortega, Director (arrived late) - Ellen Wehr, Alternate

Division 4

Jeff Cattaneo, Director
Sara Singleton, Alternate for Joseph Tonascia

Division 5

Bill Pucheu, Director
Tom Birmingham, Director
Manny Amorelli, Director (arrived late)

Water Resources Committee Members Present

Ex-Officio

Cannon Michael
William Bourdeau

Division 1

Anthea Hansen, Alternate

Division 2

Bill Diedrich, Member

Division 3

Chris White, Director - Ric Ortega, Alternate

Division 4

Jeff Cattaneo, Alternate

Division 5

Tom Birmingham, Member - Manny Amorelli, Alternate

Finance & Administration Committee Members Present

Ex-Officio

Cannon Michael
William Bourdeau

Division 1

Rick Gilmore, Member - Anthea Hansen, Alternate

Division 2

Bobbie Ormonde, Member

Division 3

Chris White, Member - Jarrett Martin, Alternate

Division 4

Sara Singleton, Member - Dana Jacobson, Alternate

Division 5

Bill Pucheu, Member - Manny Amorelli, Alternate

Friant Water Authority

Wilson Orvis, Alternate for Jason Phillips

Authority Representatives Present

Federico Barajas, Executive Director
Pablo Arroyave, Chief Operating Officer
Rebecca Akroyd, General Counsel
Scott Petersen, Water Policy Director
Joyce Machado, Director of Finance
Lauren Neves, Accountant III
Cathy Bento, Accountant II
Darlene Neves, Accountant II
Stewart Davis, IT Officer

1. Call to Order/Roll Call

The meeting was called to order by Chair Cannon Michael and roll was called.

2. Opportunity for Public Comment

None.

3. Board of Directors to Consider Adopting Resolution Re-Ratifying the Proclamation of a State of Emergency by Governor Gavin Newsom (Mar. 4, 2020), Proclaiming the State of

Emergency Continues to Directly Impact the Ability of Members of the Legislative Bodies of the San Luis & Delta-Mendota Water Authority to Meet Safely in Person, and Re-Authorizing Remote Teleconference Meetings for Such Legislative Bodies for the Period December 14, 2021 through January 13, 2022 Pursuant to Brown Act Provisions.

General Counsel Rebecca Akroyd reported that because the Authority's Water Resources Committee and Finance & Administration Committee have meetings scheduled for January 10, 2022, and the Board of Directors meeting is scheduled for January 13, 2022, the Authority would like to allow the opportunity to conduct business remotely in compliance with Government Code section 54953(e). Akroyd reported that staff is proposing adoption of a new resolution, and as drafted, the resolution makes all the requisite findings to continue to meet via teleconference pursuant to AB 361.

Director Rick Gilmore made the motion, seconded by Director William Bourdeau, for the Board to adopt the Resolution Re-Ratifying the Proclamation of a State of Emergency by Governor Gavin Newsom (March 4, 2020), Proclaiming the State of Emergency Continues to Directly Impact the Ability of Members of the Legislative Bodies of the San Luis & Delta-Mendota Water Authority to Meet Safely In-Person and Re-Authorizing Remote Teleconference Meetings for such Legislative Bodies for the Period December 14, 2021 through January 13, 2022 Pursuant to Brown Act Provisions. The vote on the motion was as follows:

AYES:	Lucchesi, Hansen, Gilmore, Bourdeau, Azhderian, White, Michael, Wehr, Cattaneo, Singleton, Pucheu, Birmingham, Amorelli
NAYS:	None
ABSTENTIONS:	None

4. Review Proposed FY23 O&M and Activity Budgets

Executive Director Federico Barajas reviewed the process of developing the proposed FY23 O&M and Activity budgets. Barajas discussed comparisons between the FY22 and proposed FY23 budgets. Barajas reported that the O&M budget has been approved by the O&M and Finance & Administration Committees, and it will be presented to the Board next month. Barajas reported that the Activity Agreement Budget will go to Water Resources Committee in January, and the Board in February.

Chief Operating Officer Pablo Arroyave then reviewed the proposed FY23 O&M budget in detail. Arroyave reported that the proposed FY23 O&M Budget, in total, is \$28,543,128. Arroyave reported that in comparison to the FY22 budget of \$28,451,353, this is an overall increase of 0.32%. The total proposed self-funded portion paid by the water users is \$28,470,317, which is a 0.32% increase from the FY22 budget. The Routine Operations & Maintenance portion of the budget increased by 11.82%. Arroyave reported that the Extraordinary Operations & Maintenance (EO&M) portion of the budget increased by 39.12% and the Capital Improvement Projects (CIP-USBR Funded) decreased by 48.6%. Arroyave reported that this budget includes a 3% salary adjustment placeholder, but this is not consistent with the

current salary policies. Arroyave reported that the Authority salary policy provides for salary adjustments based on salary surveys every three years and in the in-between years based on the Consumer Price Index (CPI) for Pacific Cities (West with less than 2,500,000 Population). Arroyave reported that the current CPI for August-November averages 6.7%. Pablo reported that the Authority is proposing two new additional positions, an apprentice control operator and an apprentice plant mechanic. Staff answered questions posed by Board and Committee members.

Executive Director Federico Barajas presented the draft proposed FY23 Activity Agreement Budget focusing on the General Membership and Leg Ops funds. General Counsel Rebecca Akroyd reviewed the legal components of the proposed budget. Policy Director Scott Petersen discussed the technical and legislative advocacy components of the proposed budget. Barajas presented the summary sheet included in the packet. Barajas reported that the projected actuals will be updated before it is brought to the Board. General Counsel Rebecca Akroyd provided information on the Deputy General Counsel position. Akroyd reported that if the Authority fills the Deputy General Counsel position, some of the work currently performed by outside counsel could be performed “in house”. Akroyd reported that some “Internal” matters in which the Deputy General Counsel would provide support include: (1) California Public Records Act requests, (2) Ralph M. Brown Act compliance, (3) drafting Board resolutions and other documents for Board and committee meetings, (4) contract/agreement drafting and review, and (5) Activity Agreement support. Some of the “external” areas where the Deputy General Counsel would support the General Counsel include: (1) administrative/regulatory actions proposed by federal or state agencies, (2) questions posed by Board and Committee members, (3) quasi-adjudicatory proceedings before state agencies, and (4) transactions between the Water Authority and federal, state, and local agencies. Staff answered questions posed by Board and Committee members.

5. Review Preliminary Illustrative WY22 O&M Rates

Finance Director Joyce Machado reviewed the preliminary illustrative WY22 O&M rates, which are based on a 0% Ag allocation using the same estimated deliveries that were used in the approved current rates. Machado reviewed the impact to rates from 5%-3% salary increase. Staff answered questions posed by Board and Committee members.

6. Executive Director’s Report.

Executive Director Federico Barajas reported that the San Luis Transmission Project package will be presented to the Board in February for action.

7. Agenda Items 7-8: Closed Session Report.

Chair Cannon Michael adjourned the open session to address the items listed on the Closed Session Agenda at approximately 2:37 p.m. Upon return to open session at approximately 3:28 p.m., General Counsel Rebecca Akroyd stated that no reportable actions were taken.

8. **Agenda Item 9: Reports Pursuant to Government Code Section 54954.2 (a) (3)**

No reports.

9. **Agenda Item 10: Adjournment.**

The meeting was adjourned at approximately 3:29 p.m.