

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY  
MINUTES  
FINANCE & ADMINISTRATION COMMITTEE  
NOVEMBER 6, 2017**

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority met at approximately 12:00 p.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 (joined after item 4)

**Division 2**

Don Peracchi, Member

**Division 3**

Chris White, Alternate for Jim O'Banion

**Division 4**

Sara Singleton, Member - Dana Jacobson, Alternate

**Division 5**

Bill Pucheu, Chair and Member

**Friant Water Authority**

Kathy Bennett, Alternate for Jason Philips (joined after item 4)

**Authority Representatives Present**

Jason Peltier, Executive Director

Frances Mizuno, Assistant Executive Director

Jon Rubin, General Counsel

Rebecca Akroyd, Deputy General Counsel

Kathrin Odisho, Supervisor of Operational Accounting

Tona Mederios, Director of Finance

**1. Call to Order**

Chair and Member Bill Pucheu called the meeting to order.

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

There were no additions or corrections to the Agenda.

**3. Opportunity for Public Comment**

There was no public comment.

## ACTION ITEMS

### **4. Committee to Consider Approval of the October 5, 2017 Meeting Minutes.**

The Committee reviewed the October 5, 2017 meeting minutes and suggested some minor edits. Alternate Chris White made a motion to approve the October 5, 2017 meeting minutes. The motion was seconded by Member Don Peracchi and passed unanimously. The Committee action is reported as follows:

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

### **5. Finance & Administration Committee to Review and Consider Making a Recommendation to the Board of Directors to Accept the Treasurer's Report for the Quarter Ending 9/30/17.**

Director of Finance Tona Mederios reviewed the Treasurer's Report and noted for the Committee the new procedures the Water Authority is following to protect against fraudulent check cashing activity. Member Don Peracchi made a motion to accept the treasurer's report for the quarter ending 9/30/17. The motion was seconded by Member Sara Singleton and passed unanimously. The Committee action is reported as follows:

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

### **6. Finance & Administration Committee to Review and Consider Making a Recommendation to the Board of Directors to Approve the Resolution Making Findings Under California Environmental Quality Act, Authorizing Execution of Contract Between the United States of America and San Luis & Delta-Mendota Water Authority for the Repayment of Extraordinary Maintenance Costs for the C.W. "Bill" Jones Pumping Plant an Authorizing Actions Related Thereto.**

Assistant Executive Director Frances Mizuno reviewed the draft Repayment Contract noting the following:

1. Funding up to \$5 M.
2. 15-year term with first payment due on last day of February following the year the project is complete.
3. Interest is the treasury rate of the calendar year in which the project commences.
4. Authority will provide approximately \$800,000 from the Emergency Reserve fund toward this project. Reclamation funding will begin after the expenditure of the \$800,000.

Member Rick Gilmore made the motion recommending to the Board of Directors to approve the resolution and the motion was seconded by Member Don Peracchi. The motion passed unanimously. The Committee action is reported as follows:

AYES: Michael, Gilmore, Peracchi, White, Singleton, Pucheu, Bennett  
NOES: None

### REPORT ITEMS

**7. FY 19/20 O&M Budget Update.**

Assistant Executive Director Frances Mizuno reported that the O&M Technical Committee has reviewed and approved the O&M budget for recommendation to the Finance Committee. She will be reviewing the salary survey with the Ad Hoc Salary Committee; the survey salary results will then be incorporated into the O&M budget and will be presented to the Finance Committee meeting in December for consideration.

**8. FY19 Activity Agreement Schedule and Preliminary Thoughts.**

Executive Director Jason Peltier reported there will be a joint workshop to review the activity budget. The joint workshop may be held on the same day as Finance Committee meeting on December 4th at 10:00 a.m.

**9. FY18 Budget to Actual Expenditures Comparison Reports through 9/30/17**

Director of Finance Tona Mederios reported on the budget to actual expenditure comparison report through the month ending September 30, 2017. Mederios noted that actual expenditures were trending below budget by \$2,117,655 primarily in the line item areas of legal, technical support, legislative representation, GBD specific and other professional services.

**10. San Luis Transmission Project Funding Update**

Assistant Executive Director Frances Mizuno reported that the Water Authority will be working with Reclamation and WAPA on a plan to have DATC finance 100% of the cost to construct the SLTP. Mizuno then added that Reclamation intends to negotiate a 30-year lease for up to 400 MW of transmission capacity at a fixed annual payment. The Water Authority intends to assist Reclamation with the negotiations. Mizuno explained that, for the lease to make business sense, the lease would need to result in costs less than the base case (without DATC) and include a condition that at the end of the lease, DACT would sell to Reclamation for \$1.00 the 400 MW capacity. The goal is to have an agreement in place by June, 2018.

**11. O&M Self-Funding Update**

Director of Finance Tona Mederios reported that WY15 Final Accounting was nearing completion and WY16 draft accounting will go out on following Wednesday to Contractors for thirty-day review.

Approved 2/5/2018

**12. Financial Audit Update**

Director of Finance Tona Mederios reported that FY15 audited financial statements were received on 10/31/2017 from the Auditors with a clean audit report. She also added that delivery of the FY16 audit binder to auditors will be postponed until January.

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

None.

**14. Adjournment**

The meeting was adjourned at approximately 1:10 p.m.

Approved 2/5/2018

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY  
MINUTES  
FINANCE & ADMINISTRATION COMMITTEE  
DECEMBER 4, 2017**

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority met at approximately 12:30 p.m. at 842 6th Street in Los Banos with Chairman Bill Pucheu presiding.

**FAC Committee Members Present**

**Ex-Officio**

Absent

**Division 1**

Anthea Hansen, Alternate for Rick Gilmore

**Division 2**

Bobbie Ormonde, Alternate for Don Peracchi

**Division 3**

Chris White, Alternate for Jim O'Banion

**Division 4**

Sara Singleton, Member - Dana Jacobson, Alternate

**Division 5**

Bill Pucheu, Chair and Member - Steve Stadler, Alternate

**Friant Water Authority**

Kathy Bennett, Alternate for Jason Philips (via teleconference, departed after item 5)

**Authority Representatives Present**

Jason Peltier, Executive Director

Frances Mizuno, Assistant Executive Director

Jon Rubin, General Counsel

Kathrin Odisho, Supervisor of Operational Accounting

**Others Present**

Ara Azhderian, Panoche Water District

Sabri Ozun, Panoche Water District

Randy Houk, Columbia Canal Company (arrived during item 5)

**1. Call to Order**

Chair Bill Pucheu called the meeting to order.

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

There were no additions or corrections to the agenda.

3. **Opportunity for Public Comment**

Ara Azhderian introduced Sabri Ozun, the controller for Panoche Water District.

**ACTION ITEMS**

4. **Finance & Administration Committee to Consider Approval of the November 6, 2017 Meeting Minutes.**

The Committee reviewed the November 6, 2017 meeting minutes and Alternate Anthea Hansen suggested some edits. The Committee deferred action on the minutes until a subsequent meeting.

5. **Finance & Administration Committee to Consider Recommendation to the Board of Directors that it Approve the Draft FY19 and Preliminary FY20 O&M Budgets.**

Assistant Executive Director Frances Mizuno provided a detailed review of the draft FY19 and preliminary FY20 O&M budgets. The Committee discussed the budget, with particular emphasis on compensation. The Committee asked that staff consider development of a methodology for the salary survey that reflects total Water Authority compensation and compensation provided by member agencies. The Committee also asked that the Water Authority consider development of that methodology prior to the next salary survey, as it may identify changes that are needed to ensure the Water Authority is competitive when recruiting new and retaining existing employees. In addition, the Committee asked staff to evaluate the current 3-step salary increase structure and to consider alternate salary progression options. Committee then considered the salary for the Assistant Executive Director. Mizuno excused herself from the meeting during that discussion. The discussion was complete and Mizuno returned. Alternate Anthea Hansen made a motion that the Committee recommend to the Board of Directors that it approve the Draft FY19 and Preliminary FY20 O&M Budgets, with the salary for the Assistant Executive Director adjusted to \$228,000. The motion was seconded by Alternate Chris White and passed unanimously. The Committee action is reported as follows:

AYES: Hansen, Ormonde, White, Singleton, Pucheu, Bennett  
NOES: None  
ABSTENTIONS: None

**REPORT ITEMS**

6. **FY18 Budget to Actual Expenditures Comparison Reports through 11/30/17**

Director of Finance, Tona Mederios was not able to attend the meeting and Assistant Executive Director Frances Mizuno asked the committee members to refer to the budget-to-actual expenditure report included in the Committee packet and if there were any questions, please follow up with Director of Finance Tona Mederios.

Approved 2/5/2018

7. **O&M Self-Funding Update**

No report provided.

8. **Financial Audit Update**

Assistant Executive Director Frances Mizuno stated that the Audit work remained on track and the outstanding audits will be completed in 2018 as previously scheduled.

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

None.

10. **Adjournment**

The meeting was adjourned at approximately 2:10 p.m.

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY  
MINUTES  
FINANCE & ADMINISTRATION COMMITTEE  
January 8, 2018**

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority convened at approximately 12:30 p.m. at 842 6th Street in Los Banos with Chairman Bill Pucheu presiding.

**FAC Committee Members Present**

**Ex-Officio**

Absent

**Division 1**

Rick Gilmore, Member - Anthea Hansen, Alternate

**Division 2**

Don Peracchi, Member

**Division 3**

Chris White, Alternate for Jim O'Banion

**Division 4**

Sara Singleton, Member - Dana Jacobson, Alternate

**Division 5**

Bill Pucheu, Chair and Member - Steve Stadler, Alternate

**Friant Water Authority**

Kathy Bennett, Alternate for Jason Philips (via teleconference)

**Authority Representatives Present**

Frances Mizuno, Assistant Executive Director

Jon Rubin, General Counsel

Rebecca Akroyd, Deputy General Counsel

Tona Mederios, Director of Finance

Darlene Neves, Accountant II

Melody Hernandez, Accounting Tech I

**Others Present**

Sabri Ozun, Panoche Water District

Ric Ortega, Grassland Water District

Sarah Woolf, Westlands Water District

**1. Call to Order**

Chair Bill Pucheu called the meeting to order.



Approved 2/5/2018

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

There were no additions or corrections to the agenda.

3. **Opportunity for Public Comment**

There was no public comment.

**ACTION ITEMS**

4. **Finance & Administration Committee to Consider Approval of the December 4, 2017 Meeting Minutes.**

The Committee reviewed the December 4, 2017 meeting minutes and Committee Members suggested edits regarding discussion on the salary survey. To allow for the edits to be made, the Committee deferred action on the minutes until a subsequent meeting.

**REPORT ITEMS**

5. **FY18 Budget to Actual Expenditures Comparison Reports through 11/30/17**

Director of Finance Tona Mederios reported on the budget to actual expenditure comparison reports through the month ending November 30, 2017. Mederios stated that there were some errors discovered on the detailed reports, but that the summary included in the Committee packet was correct. Mederios reported that within the nine-month period budget is at 48.72%. The one activity trending above budget is Long Term North to South Water Transfer Program. Mederios added that the activities trending below budget are legal, technical support, legislative advocacy, other professional services, Westside Water Resource Plan and GBD specific, for an overall total of about \$2,500,000 under budget. General Counsel Jon Rubin followed with additional information as to why these activities are trending below budget.

6. **O&M Self-Funding Update**

Director of Finance Tona Mederios reported that WY17 is currently under budget by about \$570,000. Mederios stated that the WY16 draft accountings were sent out to Contractors on November 8, 2017 for a 30-day review and their response was due by December 15, 2017. Mederios noted that a few of the draft accountings still remain pending, staff is awaiting receipt of water delivery information from BOR and a few others. She also reported that all components for WY15 are complete except for the Intertie and that a substantial refund in total can be expected to Contractors by the end of the fiscal year.

7. **Financial Audit Update**

Director of Finance Tona Mederios asked the Committee to refer to the updated audit schedule in

Approved 2/5/2018

the packet. Mederios reported to the Committee that FY15 Draft Audit was received back from the auditors on October 31, 2017. After reviewing the audit and tracing back to Financial Statements, she found no exceptions other than some formatting errors which she marked up and sent back to auditors along with completed MDA on January 3, 2018. The Auditors have already sent back for review and she plans to get this to the Committee before the next meeting and have auditor Bill Patterson present to Committee at the next meeting. Mederios stated that the FY16 audit binder will be postponed until late February and should be expected back from the auditors in late April or May.

**8. Proposed Activity Budget Cost Allocation Adjustments**

Assistant Executive Director Frances Mizuno and General Counsel Jon Rubin presented to the Committee the proposal of combining three activity agreement funds, Leg Ops 1, Leg Ops 2, and DIPS and creating one new fund to reduce the amount of administrative work associated with allocating and tracking costs. The FY19 allocation percentages to the Ag Service, M&I, Exchange Contractors and Refuges for this new fund would be set to ensure an equivalent assessment to each Member based on the FY18 allocation percentages of three funds. This percentage based on the FY19 allocation would remain for five years at which time an analysis will be performed to ensure there continues to be equality in allocation based on benefits received. Mizuno noted that the Water Resources Committee requested an analysis be prepared to determine the trend over time as to what the equivalent allocation would have been starting in 1995 and every 5 years thereafter. Mizuno indicated that staff will work to have this analysis available at the Board meeting.

**9. Update on Draft FY19 Activity Budget Development**

General Council Jon Rubin provided a detailed review of the FY19 Draft Budget Expenditure Summary.

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

None.

**11. Adjournment**

The meeting was adjourned at approximately 1:45 p.m.