

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY  
TELEPHONIC FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING  
AND  
JOINT TELEPHONIC FINANCE & ADMINISTRATION COMMITTEE REGULAR  
MEETING / SPECIAL BOARD WORKSHOP  
MINUTES FOR SEPTEMBER 13, 2021

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority convened at approximately 12:00 p.m. at 842 6<sup>th</sup> Street, Los Banos, California, and via teleconference in accordance with the Governor's Executive Order (N-08-21), with Chair Rick Gilmore presiding.

**Members and Alternate Members in Attendance**

**Ex Officio**

Cannon Michael (via Teleconference)

**Division 1**

Rick Gilmore, Member - Anthea Hansen, Alternate

**Division 2**

Bobbie Ormonde, Member (via Telephone)

**Division 3**

Chris White, Member - Jarrett Martin, Alternate (both via Teleconference)

**Division 4**

Dana Jacobson, Alternate for Sara Singleton (via Teleconference)

**Division 5**

Manny Amorelli, Alternate for Bill Pucheu (via Teleconference)

**Friant Water Authority**

Wilson Orvis, Alternate for Jason Phillips (via Teleconference)

**Board of Directors Present**

**Division 1**

Anthea Hansen, Director

Rick Gilmore, Director

Lea Emmons, Alternate (via Teleconference)

**Division 2**

Absent

**Division 3**

Chris White, Director - Jarrett Martin, Alternate (both via Teleconference)

Cannon Michael, Director (via Teleconference)

**Division 4**

Jeff Cattaneo, Director

**Division 5**

Jose Gutierrez, Alternate for Tom Birmingham (via Teleconference)

Manny Amorelli, Alternate for Bill Pucheu (via Teleconference)

### **Authority Representatives Present**

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

### **Others in Attendance**

Kristi Robinson, Water Wise  
John Wiersma, Henry Miller Reclamation District  
Steve Stadler, San Luis Water District  
Lora Carpenter, Fieldman Rolapp & Associates  
Robert Porr, Fieldman Rolapp & Associates  
Richard Sanchez, USBR  
Steve Melavic, USBR  
Doug Brown, Stradling Yocca Carlson & Rauth  
Cameron Parks, CITI Group

#### **1. Call to Order/Roll Call**

Chair Rick Gimore called the meeting to order at approximately 12:00 p.m., and roll was called.

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

Item 6 on the agenda was corrected to refer to a recommendation to “authorize execution of Delta-Mendota Canal Subsidence Correction Project Cooperative Agreement and Memorandum of Agreement with the U.S. Bureau of Reclamation.”

#### **3. Opportunity for Public Comment**

No public comment.

#### **4. Finance & Administration Committee to Consider Approval of the August 2, 2021 Meeting Minutes.**

General Counsel Rebecca Akroyd reported that there was a minor correction to the minutes to show Bobbie Ormonde present. Chair Rick Gilmore pronounced the August 2, 2021 meeting minutes approved with correction.

**5. Finance & Administration Committee to Consider Recommendation to Board of Directors to Accept the Treasurer’s Report for the Quarter Ending June 30, 2021.**

Director of Finance Joyce Machado presented the Treasurer’s Report for the quarter ending 6/30/21. Operational cash totaled \$65,459,124.43 while other cash totaled \$452,745.01. Member Rick Gilmore made the motion to accept the Treasurer’s report for the quarter ending June 30, 2021. The motion was seconded by Member Bobbie Ormonde and passed unanimously. The Committee action is reported as follows:

AYES:	Michael, Gilmore, Ormonde, White, Jacobson, Amorelli, Orvis
NOES:	None
ABSTENTIONS:	None

**6. Finance & Administration Committee to Consider Recommendation to Board of Directors to Execute Delta-Mendota Canal Subsidence Correction Project Cooperative Agreement and Memorandum of Agreement with the U.S. Bureau of Reclamation.**

Executive Director Federico Barajas provided a brief background on the status of the project and highlighted the need to establish cost share agreement with the U.S. Bureau of Reclamation. Barajas then asked Bob Martin to present a PowerPoint on the project. In this presentation, Martin provided some history behind the project and discussed the current condition of the Delta-Mendota Canal. Martin then reviewed the appraisal study results from U.S. Bureau of Reclamation and provided a brief project timeline to the committee. Lastly, Martin discussed the cooperative agreement and the Memorandum of Agreement required between the Water Authority and the U.S. Bureau of Reclamation. Member Rick Gilmore made the motion to recommend to the Board of Directors to authorize execution of the Delta-Mendota Canal Subsidence Correction Project Cooperative Agreement and Memorandum of Agreement with the U.S. Bureau of Reclamation. The motion was seconded by Alternate Wilson Orvis and passed unanimously. The Committee action is reported as follows:

AYES:	Michael, Gilmore, Ormonde, White, Jacobson, Amorelli, Orvis
NOES:	None
ABSTENTIONS:	None

**7. Finance & Administration Committee to Consider Recommendation to Board of Directors to Adopt Staff Recommendation for Allocation of Settlement Payment.**

Chief Operating Officer Pablo Arroyave presented a memo regarding the allocation of the Panoche settlement payment received on August 6. Arroyave referred to Director of Finance Joyce Machado to discuss staff recommendations for redistribution of funds back to member agencies. Machado stated that \$952,317 in settlement funds related to water year 2009 through water year 2019 have been allocated based on final deliveries excluding Panoche from the allocation. Machado then stated that staff recommends \$26,711 be treated as miscellaneous revenue in fiscal year 2021, and that the remaining \$68,776.99 to be treated as miscellaneous revenue in fiscal year 2022. Staff plans to redistribute the \$952,317 to members within the next week. Ex Officio Member Cannon Michael made the motion to adopt staff recommendation for allocation of settlement payment. The motion was seconded by Member Bobbie Ormonde and passed unanimously. The Committee action is reported as follows:

AYES:	Michael, Gilmore, Ormonde, White, Jacobson, Amorelli, Orvis
NOES:	None
ABSTENTIONS:	None

**8. Finance & Administration Committee to Consider Recommendation to Board of Directors to Pursue Self-Funding or Public-Private Partnership Option for San Luis Transmission Project Financing.**

Special Projects Administrator Frances Mizuno presented the item to the committee. Mizuno began by briefly outlining the financing options presented to the Board at the special workshop on August 23rd, these options being to pursue self-funding or a public-private partnership. If the Authority were to self-fund the project this would mean the issuance of a 100% taxable bond. In addition to the self-funding option, the Authority has received three separate private proposals through the RFP process. Subsequent to the special workshop, the Authority submitted an addendum to the RFP requesting the investors of the three proposals to submit a best and final offer that would be comparable to Authority financing. Mizuno then went on to present the final proposals in comparison to the self-financing option. Action was deferred to Thursday's Board of Directors meeting.

## REPORT ITEMS

### 9. Discussion regarding ACWA JPIA Risk Assessment

Chief Operating Officer Pablo Arroyave presented a letter received from ACWA JPIA in regards to the risk assessment performed at the Tracy facilities on August 3<sup>rd</sup>. Arroyave reviewed the letter which lists findings and an additional attachment that relates specifically to their review of the Authority's injury and illness prevention plan. Arroyave explained that this review typically happens once a year to ensure the Authority is staying current with CalOSHA regulations.

### 10. FY22 Activity Agreements Budget to Actual Report through 7/31/21.

Director of Finance Joyce Machado reported on the Budget to Actual Comparison Summary for July 31, 2021 for the member-funded activities. Machado stated that for the five-month period, the budget was trending positive with overall spending through July 31, 2021 at 24.99% of the approved budget

### 11. FY22 O&M Budget to Actual Report through 7/31/21.

Director of Finance Joyce Machado reported to the Committee that for WY21 the self-funded routine O&M expenses through July 31, 2021 were under budget by \$776,971. What remains outstanding is the WY19 and WY20 final accountings and the Intertie O&M cost recovery.

### 12. Procurement Activity Report.

Director of Finance Joyce Machado presented the procurement activity for the period of July 30<sup>th</sup> through September 8<sup>th</sup>. On August 11<sup>th</sup>, the Authority executed a contract with Kingsbury, Inc. for the JPP unit one rewind thrust collar and bearing repair. The contract amount was \$233,160 and the funding source was the EO&M budget. On September 3<sup>rd</sup> the Authority executed a contract with Talley Oil, Inc. for DMC O&M road maintenance chipseal. The contract amount was \$191,879.64 and the funding source was the EO&M budget. There were no contract change orders during this time.

### 13. Executive Director's Report.

No report.

14. **Committee Member Reports.**

No reports given.

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

No reports given.

16. **Agenda Item 13: Adjournment.**

The meeting was adjourned at approximately 2:02 p.m.