

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING AND
JOINT FINANCE & ADMINISTRATION COMMITTEE REGULAR MEETING-SPECIAL
BOARD OF DIRECTORS WORKSHOP
MINUTES FOR JUNE 3, 2024**

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, Chair/Member

Division 2

Justin Diener, Member

Division 3

Chris White, Member

Division 4

Dana Jacobson, Member

Division 5

Bill Pucheu, Member - Manny Amorelli, Alternate

Friant Water Authority

Wilson Orvis, Alternate

Board of Directors Present

Division 1

Anthea Hansen, Director

Division 2

Justin Diener, Alternate Director
William Bourdeau, Director

Division 3

Chris White, Alternate
Cannon Michael, Chair/Director

Division 4

Absent

Division 5

Bill Pucheu, Director
Manny Amorelli, 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
Lauren Viers, Accounting Manager
Jaime McNeill, Engineering Manager
Chauncey Lee, O&M Manager
Jacob Bejarano, Senior Civil Engineer
Stewart Davis, IT Officer

Others in Attendance

None

1. Call to Order/Roll Call

Chair Anthea Hansen called the meeting to order at approximately 12:00 p.m. and roll was called.

2. Additions or Corrections to the Agenda

No additions or corrections.

3. Opportunity for Public Comment

No public comment.

4. Finance & Administration Committee to Consider Approval of the April 1, 2024 Meeting Minutes.

Chair Anthea Hansen deemed the May 13, 2024 meeting minutes approved as corrected.

REPORT ITEMS

5. Update on San Luis Joint Use Facilities O&M Rates

Director of Finance Raymond Tarka reviewed a memo regarding San Luis Joint Use Facilities O&M Rates with the committee. As described by Tarka, this memo outlines a request received by a member to review the billing process for San Luis Joint Use (SLJU). Tarka began by providing a brief background on the SLJU costs along with a 5-year cost comparison. Tarka stated that the SLJU rate component is calculated based on a budget provided by DWR. DWR is then supposed to bill the Water Authority on a quarterly basis on actual costs incurred. However, since COVID, understaffing has resulted in a delay in billings. Under the current process, the Water Authority is facing the challenge of under-collection due to the inaccuracies associated with DWR budget and estimated deliveries. Tarka further explained that the under-collection has not currently created a cash flow issue since DWR billings have been delayed, but if billings become

timely this may cause cash flow issues going forward. Tarka answered Committee member questions throughout the update.

6. Update on DMC Emergency Repairs

Chief Operating Officer Pablo Arroyave provided an update on two completed DMC emergency repair projects, including a brief background and information regarding the use of funding from the emergency reserves. Arroyave then referred to Senior Civil Engineer Jacob Bejarano, who presented a slide show showing storm damage along the DMC. Bejarano then explained the cost and time breakdown along with an outline of the repair. Authority staff answered questions throughout the presentation.

7. FY23 Activity Agreements Budget to Actual Report through 4/30/2024

Director of Finance Raymond Tarka presented the Budget to Actual Report through April 30, 2024 for the Activity Agreement funds. Tarka stated for the two-month period, the budget was trending positive overall with actual spending ending April 30, 2024 at 5.06% of the approved budget.

8. FY23 O&M Budget to Actual Report through 4/30/2024

Director of Finance Raymond Tarka reported that for WY24, the self-funded routine O&M expenses through April 30, 2024 were over budget by \$585,624. This is mainly due to the timing of expenditures for O&M expenses in most cost pools and labor expenses that will not be allocated to specific projects until later in the year. The water year 2022 final accountings, fiscal year 2023 audit, and the Intertie OM&R true-up remain outstanding.

9. Procurement Activity Report

Director of Finance Raymond Tarka presented the procurement activity report for the period of May 1, 2024 through May 31, 2024. During this period, there was one contract awarded under the Authority's single source bid procedures. On May 14th, a contract was awarded to Frank A. Olsen for O'Neill Pumping Plant water cooling Kinney strainers. The contract amount is \$123,921 and the funding source is the EO&M budget. No change orders were reported during this time.

10. Executive Director's Report. Executive Director Federico Barajas provided the following updates:

- a. **O'Neill Scheduled Outage** – Executive Director Federico Barajas introduced Chief Operating Officer Pablo Arroyave to provide a brief update. The current O'Neill scheduled outage has been postponed. Arroyave stated that they are looking into four shorter outages to complete the project throughout the year rather than one longer outage. More details to come as additional planning and coordination takes place with Reclamation.
- b. **Funding Announcement** –Barajas reported that Reclamation has awarded the B.F. Sisk Dam Raise and Reservoir Expansion Project \$75 million in funding in addition to the \$95 million already awarded.
- c. **Compensation Survey Year** – Barajas informed the committee that the Water Authority is going into a compensation survey year. A contract has been awarded to help the Authority provide an independent assessment.
- d. **JPA Amendment** – Barajas reminded the committee that action on the JPA amendment is needed by home boards in order to implement items outlined in the MOU with Friant Water Authority.

II. Committee Member Reports

No reports.

12. Reports Pursuant to Government Code Sec 54954.2

No reports.

13. Adjournment.

The meeting was adjourned at approximately 1:09 p.m.