

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
ADJOURNED REGULAR FINANCE & ADMINISTRATION
COMMITTEE MEETING
MINUTES FOR JULY 12, 2018**

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority convened at approximately 8:45 a.m. for a regular meeting, with Chair Bill Pucheu presiding.

Members and Alternate Members in Attendance

Ex Officio

Cannon Michael

Division 1

Rick Gilmore, Member - Anthea Hansen, Alternate

Division 2

Sarah Woolf, Member - Bobbie Ormonde, Alternate

Division 3

Chris White, Alternate for Jim O'Banion

Division 4

Sara Singleton, Member - Dana Jacobson, Alternate

Division 5

Bill Pucheu, Member

Friant Water Authority

Absent

Authority Representatives Present

Frances Mizuno, Interim Executive Director

Tona Mederios, Director of Finance

Joyce Machado, Supervisor of General Accounting

Melody Hernandez, Accounting Tech I

Rebecca Akroyd, Interim General Counsel

Others in Attendance

Don Willard, Friant Water Authority (via teleconference)

Dan Pope, Westlands Water District

Sabri Ozun, Panoche Water District

1. Call to Order

Chair and Member Bill Pucheu called the meeting to order.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

3. Additions or Corrections to the Agenda

There were no additions or corrections.

4. Opportunity for Public Comment

There was no public comment.

ACTION ITEMS

5. Finance & Administration Committee to Consider Approval of the May 17, 2018 Meeting Minutes.

Member Rick Gilmore made the motion to approve the May 17, 2018 meeting minutes. The motion was seconded by Member Sara Singleton and passed unanimously. The Committee action is reported as follows:

AYES: Michael, Gilmore, Ormonde, White, Singleton, Pucheu

NOES: None

ABSTENTIONS: None

REPORT ITEMS

6. Finance Department Staffing

Director of Finance Tona Mederios reported to the Committee on the changes that have occurred in Finance Department staffing since November of 2017. Mederios also explained to the Committee the restructure that would occur within the Finance Department staffing with her approaching retirement in April 2019.

7. FY18 Leg Ops 1, Leg Ops 2, and DIPS Fund Balance True Up

Supervisor of General Accounting Joyce Machado reported to the Committee that a recent fund balance analysis had been done on the three funds. Interim Executive Director Frances Mizuno reminded the Committee that prior to the current fiscal year, Leg Ops 1, Leg Ops 2 and DIPS had been collapsed into one fund now called Leg Ops. Machado reported to the Committee that the true up of these funds resulted in a total refund distribution of \$1,868,320.09 and refund checks will be process by July 31, 2018. Machado noted that a subsequent true up may be necessary at the end of the current fiscal year. Interim Executive Director Frances Mizuno later directed the Committee to refer to attachment #1 in their packet which shows the fund balance refunds due to each district.

8. FY19 Activities Budget to Actual through 5/31/2018

Supervisor of General Accounting Joyce Machado asked Committee to refer to attachment #2 in their packet: Budget to Actual Paid/Pending Comparison Summary and Detail through 5/31/18 for FY19. Machado noted that the year-to-date spending was trending positive and actual spending was at 13.13% of the approved budget. Machado briefly reviewed Budget to Actual detail on some of the main funds including Fund 05 (Leg Ops) and Funds 64 and 65 (SGMA).

9. O&M Self-Funding Update

Supervisor of General Accounting Joyce Machado reported to Committee that the O&M self-funding expenses for WY18 were under budget by \$921,336 through May 31, 2018. Machado stated that the WY17 delivery and revenue reconciliations are in progress and when completed staff will send out the Contractor Records to Contractors for a 30-day review. Machado added that revenue and delivery reconciliations for WY16 are complete and staff is working on completing the rest of the financial reconciliations. Machado stated that a preliminary true-up of BOR's PUE costs through 9/30/17 had been received and staff would be beginning their review. Machado added the one item that remains outstanding is the WY12 – WY15 Intertie O&M cost recovery true up, but that Interim Executive Director Frances Mizuno had resumed the process to determine an allocation. Mizuno stated that she had met with a committee and there is a recommendation that will be brought to the FAC at the August meeting.

10. Financial Audit Update

Director of Finance Tona Mederios asked Committee to refer to attachments #4 and #5 in their packet regarding the external audits. Mederios reported to the Committee that the audit schedule had been updated but does not include any projected dates of completion. However, staff would continue to update the Committee once the dates are more definite. Mederios added that the FY16 audit would be completed soon and that staff will be working on FY17 and FY18 simultaneously. Mederios noted that staff continues to plan on getting these three audits completed within the current fiscal year. Mederios reviewed with the Committee the audit years that are currently out of compliance per the analysis provided in their packet and noted that the State Controllers reports are being filed timely. Mederios then informed Committee that staff plans to extend engagement with current external auditors Sampson, Sampson & Patterson, LLP one more year for the FY17 audit and then send out a Request for Proposal for the FY18 audit.

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

There were no reports.

12. **Adjournment.**

The meeting was adjourned at approximately 9:10 a.m.