

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
ADJOURNED REGULAR FINANCE & ADMINISTRATION
COMMITTEE MEETING
MINUTES FOR SEPTEMBER 13, 2018**

The Finance & Administration Committee of the San Luis & Delta-Mendota Water Authority convened at approximately 8:30 a.m. for a regular meeting, with Chair Rick Gilmore presiding.

Members and Alternate Members in Attendance

Ex Officio

Cannon Michael
Don Peracchi

Division 1

Rick Gilmore, Member - Anthea Hansen, Alternate

Division 2

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 – Steve Stadler, Alternate

Friant Water Authority

Absent

Authority Representatives Present

Frances Mizuno, Interim Executive Director
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)

1. Call to Order

Chair and Member Rick Gilmore 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 July 12, 2018 Meeting Minutes.

Interim Executive Director Frances Mizuno stated that Sarah Woolf needed to be added as a member under Division 2 and removed from Others in Attendance on the minutes. Member Bill Pucheu made the motion to approve the July 12, 2018 meeting minutes. The motion was seconded by Member Bobbie Ormonde and passed unanimously. The Committee action is reported as follows:

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

NOES: None

ABSTENTIONS: None

6. 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 6/30/2018.

Supervisor of General Accounting Joyce Machado presented the report on behalf of Director of Finance Tona Mederios. Machado asked the Committee to refer to the 6/30/18 report in their packet as she reviewed cash balances and noted outstanding amounts. Member Sara Singleton made the motion to Recommend to the Board of Directors to Accept the Treasurer's Report for the Quarter Ending 6/30/2018. The motion was seconded by Alternate Chris White and passed unanimously. The Committee action is reported as follows:

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

NOES: None

ABSTENTIONS: None

REPORT ITEMS

7. FY19 Activities Budget to Actual through 7/31/2018.

Supervisor of General Accounting Joyce Machado asked the Committee to refer to attachment #1 in their packet: Budget to Actual Paid/Pending Comparison Summary and Detail

through 7/31/18. Machado stated that the year to date overall spending was trending positive and actual spending was at 25.45% of the approved budget. Machado noted that the overall positive trend was due to the timing of invoices and projects. Machado then asked the Committee to refer to page #3 of attachment in their packet for detail on actual and pending expenditures by fund, page #4 for amounts remaining in each fund and page #5 which showed the variances between year to date budgeted amounts and year to date paid/pending amounts for each expense line item.

8. O&M Self-Funding Update

Supervisor of General Accounting Joyce Machado reported to the Committee that the O&M self-funded actual expenses for WY18 were under budget by \$1,323,878 through July 31, 2018. Machado stated that the WY17 delivery and revenue reconciliations are in progress and Contractor Records are projected to be sent out in late October 2018 for a thirty-day review. Machado added that revenue and delivery reconciliations for WY16 are complete and staff is working to complete remaining financial reconciliations. Machado stated that BOR's preliminary PUE true up cost through 9/30/17 was received in July and staff had completed their review. Machado noted that staff is waiting for BOR to allocate the cost to SLDMWA's meters and once all in agreement, a portion of the 9/30/17 PUE final costs will be included in the WY16 final true-up. Machado added that the Intertie O&M cost recovery still remains outstanding, but that Interim Executive Director Frances Mizuno has resumed the process to determine an allocation. Mizuno stated that there is a preliminary proposal that will hopefully be brought to the Committee soon.

9. Financial Audit Update

Interim Executive Director Frances Mizuno stated that an ad hoc committee was currently reviewing the activity agreement cost allocation and working on alternative cost allocation options to bring to the FAC at the October or November meeting. Mizuno added that if there is going to be a modified cost allocation the goal is to have it completed in time to prepare for next year's budget. Supervisor of General Accounting Joyce Machado asked Committee to refer to attachment #3 in their packet regarding the update on financial statement audits which included a copy of the executed engagement letter from external auditors Sampson, Sampson & Patterson, LLP for FY17. Interim Executive Director Frances Mizuno announced to the Committee that Joyce Machado had been selected to become the new Director of Finance upon Tona Mederios' retirement in April 2019. Mizuno added that staff has started recruiting for Machado's replacement.

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

There were no reports.

11. **Adjournment.**

The meeting was adjourned at approximately 8:55 a.m.