

MINUTES OF THE REGULAR MEETING
OF THE FINANCE & ADMINISTRATION COMMITTEE
OF WESTLANDS WATER DISTRICT

July 16, 2019

A regular meeting of the Finance and Administration Committee of Westlands Water District was held at the Fresno Office, 3130 N. Fresno Street, Fresno, CA 93703 at approximately 9:00 a.m.

Directors present:

Larry Enos
Ryan Ferguson
Stan Nunn
Don Peracchi

Staff present:

Tom Birmingham, General Manager
Jon Rubin, General Counsel
Jose Gutierrez, Chief Operating Officer
Bobbie Ormonde, Deputy General Manager – Finance and Administration
Steve Farmer, Supervisor of Customer Accounting
Anna Swanson, Supervisor of General Accounting
Kiti Campbell, Supervisor of Resources
Kathryn Boren, Special Advisor to the General Manager
Diana Giraldo, Public Affairs Representative
Shelley Ostrowski, Associate General Manager- Water Policy (video conference)

Call to Order

The meeting was called to order at approximately 9:00 a.m.

Corrections or Additions to the Agenda of Items

There were no changes, corrections or additions to the agenda of items.

Minutes

There being no additions or corrections, the minutes of the Committee's regular meeting held on June 24, 2019 stood approved as submitted.

Accounts Payable Reports

Ms. Ormonde presented the Accounts Payable reports. The Additional Accounts Payable Report for July 16, 2019 was distributed to the Committee. The Committee discussed various payments. Upon a motion duly made and seconded, the Committee adopted a motion to recommend to the Board approval of the Accounts Payable reports, with the vote as follows:

Director Enos: Aye

Director Ferguson:	Aye
Director Nunn:	Aye
Director Peracchi:	Absent

Board of Directors' July 16, 2019 Agenda Items

Ms. Ormonde briefly reviewed the agenda items to be presented to the Board.

Mr. Peracchi arrived at 9:12 a.m.

Requests for Waiver of Rules and Regulations, Terms and Conditions, or Other Financial Provisions

a. Friends Farms Request to Waive Cap Loss Charges. Mr. Steve Farmer presented this matter. On June 17, 2019, the District received a request from Mr. Bikram Singh, representing Friends Farms, requesting that the District waive cap loss charges. On March 7, 2019, the District updated its records of the only two parcels owned by V F & B Farms, Inc. by transferring ownership to Friends Farms. After communication between both V F & B Farms, Inc. and Friends Farms, and in accordance with Article 2, District staff transferred 685 acre-feet of 2018-2019 Interim Contract, 559 acre-feet of 2019-20 Interim Contract, and 13 acre-feet of 2018-2019 Other Water to Friends Farms. The prior water user no longer owns land within the District so all water from the prior water user was transferred to Friends Farms. Friends Farms was charged for 526 acre-feet of cap loss in the amount of \$47,297.92 on their May billing statement. Upon a motion duly made and seconded, the Committee approved a motion to deny the request for waiver of the District's Rules & Regulations, Terms and Conditions submitted by Friends Farms, with the vote as follows:

Director Enos:	Aye
Director Ferguson:	Aye
Director Nunn:	Aye
Director Peracchi:	Aye

Mr. Singh presented an oral appeal of the Committee's decision and Mr. Birmingham informed Mr. Singh that the appeal would be heard at the next Board meeting.

b. Todd Allen Request to Waive Delinquent Monitoring Fee. Mr. Steve Farmer presented this matter. On June 6, 2019, the District received a request from Todd Allen requesting the waiver of the delinquent monitoring fee billed as part of the late payment of his May 2019 water bill. Mr. Allen states that it was an error on his part, based on his accounting software auto-populating the payment amount. Upon a motion duly made and seconded, the Committee approved a motion to grant the request for waiver of the District's Rules & Regulations, Terms and Conditions submitted by Todd Allen, with the vote as follows:

Director Enos: Aye
Director Ferguson: Aye
Director Nunn: Aye
Director Peracchi: Aye

c. Sustainable Ag Farming Enterprises, LLC Request for Payment Plan. Mr. Steve Farmer presented this matter. On June 26, 2019, the District received a waiver request from Gary Norton representing Sustainable Ag Farming Enterprises, LLC (SAFE) requesting a payment plan for 2019-2020 Supplemental Water allocated to SAFE on June 20, 2019. Through the Supplemental Water allocation, the District made 1,800 acre-feet of 2019-2020 Supplemental Water available to SAFE with an advance payment of \$407,862.00. The advance payment appeared on their June water bill and was due on July 25, 2019. Mr. Norton requested to pay for and receive an initial 900 acre-feet, with an advance payment of \$203,931.00, with the payment to be made on or before July 25, 2019. The other 900 acre-feet would be paid for on or before August 25, 2019, in the amount of \$203,931.00. Mr. Norton addressed the Committee. Upon a motion duly made and seconded, the Committee approved a motion to grant the request for waiver of the District's Rules & Regulations, Terms and Conditions submitted by Sustainable Ag Farming Enterprises, LLC, with the vote as follows:

Director Enos: Aye
Director Ferguson: Aye
Director Nunn: Aye
Director Peracchi: Aye

Budget Transfers, Augmentations and Other Matters

a. 2019-2020 Budget Transfer for Air Conditioning Unit for the Fresno Office. Ms. Ormonde discussed the current situation in the Fresno facility. The Resources Division, which occupies the east side of the building, was experiencing excessive heat. The air conditioning unit serving the Resources Division also serves the Customer Accounting and Human Resources (HR) areas of the building. Nine staff are located on the east side of the building. Staff requested two vendors to review the air flow in the building and provide recommendations. Both vendors recommended a new 5-ton air conditioning unit be purchased for the Resources area. The lowest bid price for the air conditioning unit was \$27,955. Upon a motion duly made and seconded, the Committee approved for recommendation to the Board a 2019-2020 budget transfer in the amount of \$28,000 for the Fresno facility air conditioning unit new installation, with the vote as follows:

Director Enos: Aye
Director Ferguson: Aye
Director Nunn: Aye
Director Peracchi: Aye

Revised 2019-2020 Water Rates & Charges

At its March 19, 2019 meeting, the Board of Directors approved the District's Revised 2019-2020 Water Rates and Charges. On April 1, 2019, the Bureau of Reclamation released a revised Schedule of Irrigation Cost of Service Water Rates. The Cost of Service rate decreased from \$113.45 per acre-foot (AF) to \$103.58 per AF. On July 1, 2019, the San Luis and Delta-Mendota Water Authority (SLDMWA) Finance and Administration Committee approved a recommendation to its Board to approve WY 19 recalculated O&M rates. The SLDMWA Board would consider the recalculated rates at its July 11, 2019 meeting. If approved, the SLDMWA O&M rate would decrease from \$43.26 per AF to \$38.08 per AF. The District's current 2019-2020 Water Rates & Charges, adopted on March 19, 2019, were based on a 55% CVP allocation. Staff revised the District's O&M water rate based on the 75% CVP allocation. The revised 2019-2020 O&M Water rate includes the increase to the O&M water rate of \$3.41 per AF as a result of unsubscribed Supplemental Water being allocated as Other Water. The District's O&M Water Rate decreased from \$30.35 per AF to \$29.87 per AF. Upon a motion duly made and seconded, the Committee approved for recommendation to the Board for Revised 2019-2020 Water Rates and Charges, retroactive to March 1, 2019, with the vote as follows:

Director Enos:	Aye
Director Ferguson:	Aye
Director Nunn:	Aye
Director Peracchi:	Aye

Investment and Financial Reports

Mr. Enos deferred until the Board meeting the report on investments and financial reports.

Public Comment

There were no public comments.

Report from Closed Session

The Committee met in closed session pursuant to Government Code sections 54956.9(d)(2) or (3), and 54956.9(d)(4). Upon returning from closed session, Mr. Birmingham reported that while in closed session the Committee met with Counsel to discuss potential litigation and took action to file a complaint which will be identified at an appropriate time.

Adjournment

There being no further business, the meeting was adjourned at approximately 9:45 a.m.