

**DELTA CONVEYANCE FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING**

REGULAR MEETING

Friday, December 14, 2018
11:30 a.m.

State Water Contractors Large Conference Room
1121 L Street, Suite 1050, Sacramento, CA 95814

Telephone Participation:

Santa Clara Valley Water District
5700 Almaden Expy,
San Jose, CA 95118-3686

AGENDA

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Interested person must request the accommodation at least two working days in advance of the meeting by contacting support staff at (916) 347-0486 or Istandlee@dcfinanceauthority.org

California Environmental Quality Act (CEQA) Notice: Discretionary actions taken by the Delta Conveyance Finance Authority are in furtherance of financing the design and construction of the California WaterFix project. The Board of Directors of the Finance Authority, acting as a Responsible Agency under CEQA, determined that it has reviewed and considered Lead Agency DWR's Final Environmental Impact Report and Addendum for the California Water Fix Project and adopted DWR's CEQA determinations, and filed Notices of Determination in compliance with CEQA in July 2018.

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

4. PUBLIC COMMENT

Members of the public may address the Authority on matters that are within the Authority's jurisdiction but are not on the agenda today. Speakers are limited to three minutes each. Persons wishing to speak are requested to complete speaker cards. The Board Chair will call individuals to the podium in turn. Speaker comments should be limited to three minutes or as set by the Chair. The law does not permit Board action on, or extended discussion of, any item not on the agenda except under special circumstances. If Board action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Board may take action on any item of business appearing on the posted agenda.

5. OTHER MATTERS

a. None.

6. CONSENT CALENDAR

Items on the Consent Calendar are considered to be routine by the Board of Directors and will be enacted by one motion and one vote. There will be no separate discussion of these items unless a director so requests, in which event the item will be removed from the Consent Calendar and considered separately.

- a. Approval of the minutes from the meeting of November 15, 2018

7. SCHEDULED ITEMS

- a. Public Hearing on Proposed Conflict of Interest Code for the Delta Conveyance Finance Authority. Receive public comment and consider and adopt a Resolution Regarding Approval of a Conflict of Interest Code.
- b. Executive Director Performance Evaluation

[CLOSED SESSION-Public Employee Performance Evaluation; Title: Executive Director; to be heard in closed session pursuant to Government Code Section 54957(b).]

- c. Consider authorization of a professional services agreement with Michael Bell Management Consulting, Inc., for the continued services of Brian Thomas as Executive Director for a not-to-exceed amount of \$200,000, and authorize Member Contributions for payment of invoices for said services, to be allocated equally among Members

8. REPORTS AND ANNOUNCEMENTS

- a. Executive Director's Report

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING
Thursday, November 15, 2018
11:30 am

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER

The regular meeting of the Delta Conveyance Finance Authority (DC Finance Authority) Board of Directors was called to order in the Sacramento Public Library, Tsakopoulos Library Galleria, 828 I Street, Sacramento, CA, at 11:30 a.m.

2. PLEDGE OF ALLEGIANCE

President Record led the Pledge of Allegiance.

3. ROLL CALL

Board members in attendance were Randy Record, Paul Sethy, Valerie Pryor, Jeff Davis, Gary Kremen, and Doug Headrick.

Staff members in attendance were Brian Thomas. Treasurer June Skillman was also in attendance.

4. CLOSED SESSION

- a) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Gov't Code section 54956.9(d) (2):
Number of Potential Cases: Three

There were no reportable actions taken.

5. PUBLIC COMMENT

President Record declared public comment open, limiting speaking time to three minutes, each. With no persons requesting time to speak, President Record closed public comment.

6. OTHER MATTERS

6.a. None.

7. CONSENT CALENDAR:

7.a. Approval of the minutes from the meeting of August 16, 2018.

Motion:	Approve minutes from the meeting of August 16, 2018
Move to Approve:	Gary Kremen
Second:	Valerie Pryor

Yeas: Paul Sethy, Valerie Pryor, Randy Record, Jeff Davis, Gary Kremen, Doug Headrick
Nays: None
Abstains: None
Recusals: None
Absent: None
Summary: 6 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as MO 18-11-01)

8. SCHEDULED ITEMS

8.a. Consider adoption of Bylaws for the Delta Conveyance Finance Authority Board of Directors

Recommendation: The DC Finance Authority Executive Committee reviewed the Bylaws at its initial meeting on October 15, 2018, and recommends approval.

Interim Executive Director Brian Thomas provided the staff report to the Board. Mr. Thomas noted that the bylaws being presented to the Board had been reviewed and discussed by the DC Finance Authority Executive Committee. The Board members discussed language in Article 5 (Directors and Officers), specifically related to who could serve in the capacity of a Director on the DC Finance Authority Board. Interim Executive Director Thomas noted that the language in the bylaws was crafted to allow for flexibility for the DC Finance Authority Board members when designating a representative to the Board.

Motion: Adopt the Bylaws
Move to Approve: Jeff Davis
Second: Doug Headrick
Yeas: Paul Sethy, Valerie Pryor, Randy Record, Jeff Davis, Gary Kremen, Doug Headrick
Nays: None
Abstains: None
Recusals: None
Absent: None
Summary: 6 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as MO 18-11-02)

8.b. Consider and Introduce Conflict of Interest Code for the Delta Conveyance Finance Authority

Recommendation: That the Board consider and receive any preliminary comments on the proposed Conflict of Interest Code.

Interim Executive Director Brian Thomas introduced the draft conflict of interest code for the Delta Conveyance Finance Authority noting that it is being introduced here for preliminary Board and public comment and consideration and that a public hearing by the Finance Authority is scheduled for December 14, 2018. Mr. Thomas noted that the Political Reform Act requires local agencies like the Finance Authority to adopt and promulgate a conflict of interest code. He explained that the FPPC Model Code may be amended by the FPPC from time

to time and can be adopted and incorporated by reference by local agencies like the Finance Authority as their own conflict of interest code under the Political Reform Act. Designated officials who manage public investments are not subject to a local agency's conflict of interest code. Rather, these officials must disclose financial interests pursuant to Government Code section 87200. A primary function of the Finance Authority is making decisions about public investments. Mr. Thomas noted that the Conflict of Interest Code that is being introduced complies with all of these requirements and is being introduced as part of a statutorily required public comment and review period.

Mr. Thomas explained that the Conflict of Interest Code was reviewed by the Executive Committee on October 15, 2018 and recommended for further consideration by the full Board. The Political Reform Act and the Fair Political Practice Commission regulations that implement it require a 45-day public comment period before a public agency can give local approval of a proposed conflict of interest code and then submit the proposed code to the FPPC for final approval. Notice of the commencement of the 45-day comment period was issued on November 13, 2018, with Mr. Thomas noting that he was at this time, introducing the proposed Conflict of Interest Code to receive any preliminary comments from the Board and from the public. The proposed Conflict of Interest Code will be brought back to the Board at its December 14, 2018 meeting for a public hearing and for administrative authority to make the required submittals once the comment period ends on December 28, 2018.

9. REPORTS AND ANNOUNCEMENTS

9.a. Executive Director Report

Mr. Thomas discussed with the board the activities that occurred over the last month, with the majority of the work focused on drafting organizational policies and guiding documents including the bylaws and conflict of interest code, as well as meeting with state contractors and members regarding the financing structure, participation in the Finance Authority, and other issues associated with financing WaterFix, including procurement methods. He noted that the Executive Committee had its initial meeting to consider the bylaws and conflict of interest code. Mr. Thomas noted that an RFP had been issued for General Counsel services. He also noted that the EPA did not select the WaterFix project to move forward to the next round, and that he is scheduling a meeting to receive feedback.

9.b. Treasurer's Report

June Skillman, DC Finance Authority Treasurer, provided the report to the Board. Ms. Skillman noted that during the First Quarter of FY 2019 receipts totaled \$80,000, consisting of contributions from three member agencies. She noted there were no disbursements from the DCFA Trust during the First Quarter of FY 2019 and the balance in the DCFA Trust at September 30, 2018 was \$80,000. Ms. Skillman noted that accounts receivable totaled \$53,333, consisting of expected contributions from the two remaining member agencies.

Ms. Skillman also noted that the January invoice will reflect a reapportionment based on increased membership.

10. FUTURE AGENDA ITEMS:

Interim Executive Director Thomas noted the need to discuss and/or renew his contract with the DC Finance Authority.

Director Headrick asked for a compilation of all actions taken to date by the Board.

11. ADJOURNMENT:

President Record adjourned the meeting at 12:37 p.m.

Approved:

Move to Approve:
Second:
Yeas:
Nays:
Abstains:
Recusals:
Absent:
Summary:

Date:

Delta Conveyance Finance Authority

Board Memo

Contact: Brian Thomas, Interim Executive Director

AGENDA DATE: December 14, 2018

Item No. 7a

Subject:

Conflict of Interest Code

Executive Summary

As discussed at the November 15, 2018, board meeting, the Political Reform Act, Government Code Section 81000, et. Seq., requires local agencies like the Finance Authority to adopt and promulgate conflict of interest codes. The Code also requires an agency to provide a public comment period of 45 days and to file an approved Conflict of Interest Code with the Fair Political Practices Commission within six months of an agency's formation. The required 45-day public comment period began on November 13, 2018. Today's public hearing is to provide additional opportunity for the board to receive public comment.

Detailed Report

The proposed Conflict of Interest Code incorporates the standard model conflict of interest code as set forth in the California Code of Regulations 18730 and designates the positions required to file Form 700 with the FPPC and/or Finance Authority. As discussed in November, all board members and alternates, as well as the Executive Director and Treasurer will be required to file with the FPPC pursuant to Government Code section 87200.

The Political Reform Act and the Fair Political Practice Commission regulations that implement the Act require a 45-day public comment period before a public agency can give local approval of a proposed conflict of interest code and submit the proposed code to the Fair Political Practices Commission for final approval.

The notice of the public hearing and the Finance Authority's intention to adopt the Conflict of Interest Code has been posted and provided to all designated positions. The attached resolution authorizes the Executive Director to approve the Conflict of Interest Code on behalf of the Finance Authority and submit the Conflict of Interest Code to the Fair Political Practices Commission at the end of the 45-day comment period that ends on December 28, 2018.

Funding

N/A

Recommended Action

That the Board approve Resolution 18-6, Regarding Approval of a Conflict of Interest Code pursuant to the Political Reform Act of 1974.

ATTACHMENTS:

- a. Resolution
- b. Conflict of Interest Code

RESOLUTION NO. 18-6

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE DELTA CONVEYANCE FINANCE AUTHORITY
REGARDING APPROVAL OF
A CONFLICT OF INTEREST CODE
PURSUANT TO THE POLITICAL REFORM ACT OF 1974**

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code section 81000, et seq. (the “Act”), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the Delta Conveyance Finance Authority (the “Authority”) and requires all public agencies to adopt and promulgate a conflict of interest code; and

WHEREAS, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in the Agency being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

WHEREAS, notice of the time and place of a public hearing, and of consideration by the Board of Directors of, the proposed Conflict of Interest Code was provided to each designated position and publicly posted for review at the offices of the Authority; and

WHEREAS, said public hearing was held upon the proposed Conflict of Interest Code at a regular meeting of the Board of Directors on December 14, 2018, at which all present were given an opportunity to be heard on the proposed Conflict of Interest Code.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Delta Conveyance Finance Authority that the proposed Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the Interim Executive Director and available to the

public for inspection and copying during regular business hours, has undergone both public and Board review and that the Interim Executive Director is hereby authorized to give final written agency approval of the proposed Conflict of Interest Code pursuant to Fair Political Practices Commission Regulation 18750, with such modifications the Interim Executive Director deems appropriate in compliance with law, after the end of the mandated notice and comment period and the receipt of any additional public comment;

BE IT FURTHER RESOLVED that the proposed Conflict of Interest Code, as formally approved by action of the Interim Executive Director, shall be submitted to the Fair Political Practices Commission (“FPPC”) for approval and said Code shall become effective 30 days after the FPPC approves the proposed Conflict of Interest Code as submitted.

APPROVED AND ADOPTED this 14th day of December, 2018.

President, Board of Directors
Delta Conveyance Finance Authority

ATTEST:

Secretary, Board of Directors

**DELTA CONVEYANCE FINANCE AUTHORITY
CONFLICT OF INTEREST CODE**

The Political Reform Act, Government Code Section 81000, et seq., requires local agencies like the Delta Conveyance Finance Authority (“Finance Authority”) to adopt and promulgate local conflict of interest codes. The Fair Political Practices Commission has adopted a standard model conflict of interest code (“Model Code”), which is set forth in California Code of Regulations Section 18730. That Model Code may be amended by the Fair Political Practices Commission from time to time and can be adopted and incorporated by reference by local agencies like the Finance Authority as their own conflict of interest code under the Political Reform Act.

Pursuant to California Code of Regulations Section 18730(b)(3), certain designated officials who manage public investments are not subject to a local agency’s conflict of interest code. Rather, these officials must disclose financial interests pursuant to the state law of the Political Reform Act, Government Code section 87200, et seq. A primary function of the Finance Authority is making decisions about public investments.

All officials and designated positions required to submit a statement of economic interests shall file their statements with the Executive Director as the Finance Authority’s Filing Officer/Official. The Executive Director shall make and retain a copy of statements filed by such officials and designated position holders and forward the originals to the Fair Political Practices Commission. The Executive Director shall retain the original statements filed by all other officials and designated position holders and make all retained statements available for public inspection and reproduction during regular business hours. (Gov. Code, § 81008.)

APPENDIX 1

DESIGNATED PERSONS

The positions and functions listed herein are “designated positions” for purposes of the Political Reform Act. Persons holding these positions as designated public officials, employees and consultants are deemed to make or participate in the making of decisions which may foreseeably have a material effect on any financial interest.

Officials/ Position Name	Disclosure Category
Finance Authority General Counsel	1
Outside financial consultants with discretion to make securities trades	1

Disclosure Category 1: Investments, business positions, or sources of income in the following business sectors: banking, investments, financial services, financial analysis, municipal finance, or related field.

Note: The disclosure category(ies) listed above identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned. The term "investment" means a financial interest in any business entity (including a consulting business or other independent contracting business) and is reportable if it is located in, doing business in, planning to do business in, or has done business during the previous two years in the jurisdiction of the Finance Authority.

APPENDIX 2

PUBLIC OFFICIALS WHO MAKE PUBLIC INVESTMENTS

The following positions are public officials who manage public investments. As such, these positions are not covered by this conflict of interest code. Rather, they are subject to the filing procedures and disclosure criteria in Government Code section 87200.

Members of Board of Directors

Treasurer/Controller

Executive Director

Delta Conveyance Finance Authority

Board Memo

Contact: Brian Thomas, Interim Executive Director

AGENDA DATE: December 14, 2018

Item No. 7c

Subject

Consulting contract with Michael Bell Management Consulting to provide Executive Director Services

Executive Summary

Brian Thomas has been serving as Interim Executive Director of the Finance Authority since its inception in July. These services have been provided through a professional services agreement with Michael Bell Management Consulting, Inc. This agreement terminates on January 31, 2019. Extending the contract for an additional year at a not-to-exceed amount of \$200,000 would ensure that the Finance Authority's needs for administrative and management support continue.

Detailed Report

It is anticipated that the Finance Authority's activities will continue to increase over the next year as California WaterFix proceeds through the various approval processes. In order to help ensure progress in preparation for an initial financing, the Finance Authority will need to assemble its team of professionals, including general counsel, bond and disclosure counsel, and municipal advisor(s). The Finance Authority is in the process of soliciting for those services, and the Executive Director will be responsible for coordinating those activities, as well as providing overall management and administrative functions for the Finance Authority. Brian Thomas has been serving as the Interim Executive Director, and is able to continue to provide these services.

As seen on the attached resume, Mr. Thomas has a long history in the municipal finance industry, with 35 years of work in the municipal utility industry. In addition, he has spent much of the past 15 years working on various aspects of the Bay-Delta, including California WaterFix. He has served as Assistant General Manager and Chief Financial Officer for the Metropolitan Water District, the Chief Financial Officer for the Las Vegas Valley Water District and Southern Nevada Water Authority, as well as the Assistant General Manager for the Cities of Anaheim and Riverside Public Utilities Departments. In addition, Mr. Thomas has been a successful municipal advisor.

Funding

The current 2018/19 budget includes \$175,000 for Executive Director compensation. Additional funds for the next fiscal year would be included in the 2019/20 budget. The cost of these services is distributed equally among the members of the Finance Authority.

Recommended Action

That the Board authorize a professional services agreement with Michael Bell Management Consulting, Inc. for the continued services of Brian Thomas as Executive Director in an amount not to exceed \$200,000, and authorize Member Contributions for such services, to be allocated equally among the Members.

ATTACHMENTS:

Brian Thomas Resume

Brian Thomas is currently serving as the Interim Executive Director for the Delta Conveyance Finance Authority, and is also a Director in Public Financial Management Inc.'s (PFM) Los Angeles office. Brian was the head of PFM's water and wastewater practice in the West from 2011 until 2017, when he assumed the role as Chief Financial Officer for the Las Vegas Valley Water District/Southern Nevada Water Authority. At that time, Mr. Thomas became a director at PFM, assuming a part-time role in PFM Group Consulting. Mr. Thomas served as co-manager of the Los Angeles office, helping to grow the office from four professionals to almost twenty. Mr. Thomas' clients ranged from some of the largest water utilities in the West, such as the Los Angeles Department of Water & Power, Las Vegas Valley Water District, Metropolitan Water District, Southern Nevada Water Authority, Eastern Municipal Water District, Coachella Valley Water District and Contra Costa Water District to small and medium sized entities like Irvine Ranch Water District, City of Riverside Public Utilities, Santa Margarita Water District, Moulton Miguel Water District and Truckee Meadows Water Authority. Prior to his work at PFM, Mr. Thomas served as the Assistant General Manager and Chief Financial Officer for the Metropolitan Water District of Southern California for over a decade, with a total of thirty years of experience as a professional in the municipal water and power industry.

EDUCATION

- University of California, Riverside, Ph.D. in Economics, 1986
- University of California, Riverside, Masters in Economics, 1981
- California State Polytechnic University, Pomona, B.S. in Economics, 1977
- California State Polytechnic University, Pomona, B.S. in Biology, 1977

PROFESSIONAL BACKGROUND***Director, PFM Group Consulting, 2017 - present***

- Provided financial planning services to water and wastewater utilities, including Board of Water Supply for Honolulu, Moulton Niguel Water District and Santa Margarita Water District
- Participated in the Board of Water Supply stakeholder meetings, and successful rate implementation process
- Served as facilitator for Santa Margarita Water District's strategic planning session
- Serves as Treasurer for Southern California Water Coalition

Chief Financial Officer, Las Vegas Valley Water District/Southern Nevada Water Authority, 2017 - 2018

- Responsible for all of the District and Authority's financial functions, including treasury management, financial planning, budgeting, rates and charges, financial reporting and controls, purchasing, and debt management
- Served on the management team for the District's retirement fund
- Led community outreach process resulting in a five year rate plan for the Big Bend Water District
- Managed credit rating process resulting in an upgrade to AA+ from AA by Standard & Poor's

Managing Director, Public Financial Management, Inc., 2011 to 2017

- Head of Water Practice in the West, co-manager of Los Angeles office.
- Successfully advised on more than \$4 billion of municipal financings completed on utility related projects for clients
- Expertise in all aspects of water financing, including planning, capital markets, rates and revenues, and budgeting

Relevant Project Experience (2006-2017)**Southern Nevada Water Authority**

- Advised on restructuring of \$3 billion debt portfolio to prepare SNWA for lower revenues during the financial crisis
- Prepared ten year financial plan and assisted SNWA raise additional revenues to meet debt service, introducing a new fixed infrastructure charge
- Advised on \$1 billion of new debt to fund third intake and pump station
- Negotiated \$400 million line of credit to support Commercial Paper program

Las Vegas Valley Water District

- Developed ten year financial and rate plan to finance \$600 million capital improvement program
- Negotiated \$120 million private placement to refund variable rate debt
- Developed credit rating strategy to address Standard and Poor's new rating criteria

Los Angeles Department of Water and Power

- Primary author of feasibility analysis of alternative financing strategies for LADWP groundwater recovery project, including securitization, public private partnership, and traditional municipal bonds
- Advised on joint powers agency formation to facilitate securitization financing
- Currently assisting in financing strategy for exchange of water between LADWP and San Geronio Pass Water Agency

Eastern Municipal Water District

- Led PFM's engagement and advisory efforts to refund and restructure almost \$1 billion of debt over a three year period.
- Assisted in the development of funding strategy for Other Post- Employment Benefits, resulting in fully funding the Actuarially Required Contribution

California WaterFix

- Provided financing analysis and alternatives, working with State Water Project Contractors and Federal Contractors to evaluate financial impacts of the project
- Developed financing models to evaluate impact of different funding methods, including traditional municipal bonds, WIFIA, and bank letters of credit and short-term financing

Contra Costa Water District

- Led PFM's engagement with Contra Costa Water District for the past 5 years, advising on all aspects of Contra Costa Water District's debt program, including refunding \$200 million of fixed rate bonds and short-term notes
- Coordinated the authorization of \$80 million of Extendable Municipal Commercial Paper (EMCP) and ongoing management of the program

Assistant General Manager and Chief Financial Officer, Metropolitan Water District of Southern California, 2001-2011

- Responsible for managing all financial activities of the District, including budget, investments, debt management, financial planning, rates and charges, financial controls, accounting and reporting
- Issued over \$2 billion of debt, including \$1 billion of interest rate swaps
- Managed rate and revenue changes – including needed rate increases
- Updated long range finance plan and adopted new reserve and other financial policies
- Negotiated water wheeling, exchange and transfer agreements

Assistant General Manager, City of Anaheim Public Utilities, 1999-2000

- Responsible for Financial Planning, Budget, Power Resources, and Customer Service activities
- Managed debt issuances, including Certificates of Participation (COPs)
- Served as Anaheim's representative on Southern California Public Power Authority Board of Directors

Assistant Chief of Planning & Resources, Metropolitan Water District of Southern California, 1994-1999

- Managed financial planning, capital planning, environmental planning, and resource planning activities
- Integral member and co-author of initial Integrated Resources Plan
- Revised local resources program
- Negotiated water transfer and exchange agreements
- Served as expert witness in wheeling litigation

Assistant Director of Finance, Metropolitan Water District of Southern California, 1993-1994

- Managed financial planning, treasury and debt management
- Participated in rate restructuring program
- Provided financial analysis for water rates and charges

Assistant Utilities Director – Finance and Administration, City of Riverside Public Utilities, 1989-1993

- Manager of all financial activities, rates and charges, budget, accounting and reporting, conservation, communications and customer service
- Managed credit rating process, joint action agency financings and water and power planning

Delta Conveyance Finance Authority

Board Memo

Contact: Brian Thomas, Interim Executive Director

AGENDA DATE: December 14, 2018

Item No. 8a

Subject

Executive Director's Report

Executive Summary

Since the last board meeting, activities have focused on meetings with new members and exploring financing alternatives. In addition, the Finance Authority issued a Request for Proposals for general counsel services – receiving four responses.

Detailed Report

Administration. The conflict of interest code was posted and distributed to the designated parties in preparation for the December 14, 2018 public hearing. The agreement with Metropolitan to provide accounting and treasury services will be executed the week of December 10. Proposals for audit services should be received in January. We received four responses to the RFP for general counsel services, and will review the proposals over the next week. We will schedule interviews with the board, if that is the desire of the board. We will also have member staff review the responses. I have also attached a table of actions approved by the board for reference.

WIFIA Loan. As noted last month, the EPA did not select the WaterFix project to move forward to the next round. We had our debrief with EPA regarding the scoring of the Finance Authority's Letter of Interest. EPA noted that readiness to proceed was a significant factor in the selection process – and that the WaterFix project still had hurdles to overcome to ensure that all permits were secured. They also noted the credit structure section of the Letter of Interest could be improved once the contractual commitments and arrangements are complete. EPA noted the Letter of Interest scored very well with regard to project impact, and the importance and significance of the project to California and the region was clear. Lastly, the significant cost of the project relative to other projects was noted, and we discussed different ways to approach the funding request in our next Letter of Interest to help address some of those issues.

Meetings. I participated in a number of discussions and meetings with state water contractors, financial consultants, engineering firms, and attorneys regarding the financing structure, participation in the Finance Authority, and other issues associated with financing WaterFix. In addition, I attended the ACWA conference in San Diego.

Future Activities. We will be preparing and distributing RFQ/RFPs for bond and disclosure counsel, tax counsel, and municipal advisor. We are drafting other policies including a reimbursement policy for the board's review and approval. We are developing an independent website for the Finance Authority, and anticipate it will be up

and running during the first quarter next year. We will be working with the board to schedule a workshop to discuss the Finance Authority's work in 2019.

Recommended Action

Informational

ATTACHMENTS:

Board Actions

DELTA CONVEYANCE FINANCE AUTHORITY

Completed Actions as of:

November 30, 2018

Action	Date
Adopted the CEQA determination for actions related to California Water Fix – that the Board has reviewed and considered the BDCP/California WaterFix environmental documentation and adopts the lead agency’s Findings of Fact, Statement of Overriding Considerations, Mitigation Monitoring and Reporting Program	7/19/2018
Approved agreement with Metropolitan to provide treasury and accounting services	7/19/2018
Approved submittal of WIFIA Letter of Interest	7/19/2018
Approved execution of agreement with Michael Bell Consulting to retain the services of Brian Thomas as Interim Executive Director	7/19/2018
Approved Fiscal Year 2018/19 Operating Budget	8/16/2018
Approved Debt Management Policy	8/16/2018
Approved Investment Policy	8/16/2018
Approved Bylaws	11/15/2018