

BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING

Thursday, July 18, 2019

2:00 PM

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER

The regular meeting of the Delta Conveyance Design and Construction Authority (DCA) Board of Directors was called to order in the Sacramento Public Library, Tsakopoulos Library Galleria, 828 I Street, Sacramento, CA 95814, at 2:00 p.m.

2. ROLL CALL

Board members in attendance were Tony Estremera, Richard Atwater, Steve Blois, and Sarah Palmer constituting a quorum of the Board.

Staff members in attendance were Kathryn Mallon, Joshua Nelson, June Skillman, and Carrie Buckman.

3. PLEDGE OF ALLEGIANCE

President Estremera convened the open session at approximately 2:01 p.m. and led all present in reciting the Pledge of Allegiance.

4. PUBLIC COMMENT

President Estremera opened Public Comment, limiting speaking time to three minutes each.

There were no verbal or written comments from the public.

President Estremera closed Public Comment.

5. APPROVAL OF MINUTES: July 20, 2019 Regular Board Meeting

Recommendation: July 20, 2019 Regular Board Meeting

Ms. Sarah Palmer stated her support to approve last month's meeting minutes with the recommended amendments to paragraphs two and six on page 6.

Move to Approve Minutes from July 20, 2019: Atwater

Second: Palmer

Yeas: Atwater, Blois, Estremera, Palmer

Nays: None

Abstains: None
 Recusals: None
 Absent: None
 Summary: 4 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as MO 19-07-01).

6. CONSENT CALENDAR

There were no items on this month’s consent calendar.

7. DISCUSSION ITEMS:

a. Introduction of the new Environmental Manager

Ms. Mallon introduced the new Environmental Manager, Carolyn Buckman. Ms. Buckman presented a summary of her professional background. She has been active in Environmental compliance for 20-plus years in water resources related projects. Ms. Buckman’s focus has been on the California Environmental Quality Act, National Environmental Public Act, Endangered Species Act, California Endangered Species Act, and other environmental permitting efforts. Ms. Buckman expressed that she is looking forward to developing a collaborative and cooperative relationship with the DCA and other water contractor as we move forward with this project.

b. Presentation of the Projected Monthly Expenditures for Issued Task Orders

Ms. Kathryn Mallon presented a summary of the monthly expenditures for Fiscal Year 2019/2020, identifying a lag in the chart to account for payment processing. Ms. Mallon identified per the JEPA, that DWR had approved temporary funding of \$19.7 M. State Water Contactors (SWC), such as Santa Clarita, San Bernardino, and San Gorgonio are going to their boards in the fall to seek and receive approval to re-authorize funding; which would bring total funding to \$29.4 M. The remaining SWC members will seek and receive approval from their Boards towards the end of the year, contributing the remaining requested and approved budget, bringing the grand total to \$101.6M.

Mr. Richard Atwater inquired if the DCA is coordinating with the Finance Committee in which Ms. Mallon confirmed.

c. Discuss the new Monthly Board Report Template

Ms. Kathryn Mallon discussed the development of the new report template that will be included in the monthly packets as a summary of where we are in the project. Ms. Mallon opened up comment from the Board and encouraged the public to offer their feedback. Ms. Palmer asked if this report would be on the webpage with links in which Ms. Mallon confirmed that it would.

Mr. Tony Estremera voiced his agreement with Ms. Mallon with how the DCA would like to be transparent to the public regarding the project advancements. Mr. Estremera encouraged members of the public to send their suggestions for items they’d like to see incorporated in to the report.

Ms. Osha Meserve, Local Agencies of the North Delta, expresses concern of moving large amounts of fresh water from the North Delta. Ms. Meserve emphasized the importance of only taking water during high flows if the DCA proceeds with conveyance. Ms. Meserve references the format of the

new report regarding public engagement. She feels that there can be improvements to the report by adding a disposition column with a way to track comments and the responses to those comments. Ms. Mallon responded to Ms. Meserve confirming that we are developing a database that records the comments and responses which will be searchable by the public and accessible on the DCA website.

d. Consider passing Resolution to Approve the Letter of Credit for the DCA Office Lease

Recommendation: Adopt a Resolution to approve the letter of credit for the DCA office lease.

Mr. Joshua Nelson, General Counsel, presented a summary of last month’s approval of the lease at 980 9th Street. Mr. Nelson confirmed that the lease has been signed, although there was an issue regarding the security deposit. Due to the landlord having a private lender, the DCA wanted to ensure their security deposit was protected in the event of foreclosure. The DCA negotiated with the landlord a letter of credit in lieu of a security deposit. Bank of America has finalized the securement of the letter of credit and has requested a resolution from the DCA Board indicating that they approve the letter of credit. Mr. Nelson presented the resolution to the Board in order for Ms. Mallon to execute the letter of credit as well as to complete the remaining outstanding items to finalize the office space lease.

Move to Approve Resolution to Approve the Letter of Credit for the DCA Office Lease,

as noted: Atwater
 Second: Palmer
 Yeas: Estremera, Atwater, Blois, and Palmer
 Nays: None
 Abstains: None
 Recusals: None
 Absent: None
 Summary: 4 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as Resolution 19-10).

8. STAFF REPORTS AND ANNOUNCEMENTS:

a. Executive Director’s Report

A written report was provided in the Board package. Ms. Mallon gave a brief highlight of setting up the governance and policies and procedures by which the DCA governs itself. As of last week, the status of progress for this went from 93 not started, down to 57 not started. There are significant efforts to have everything completed by the 90-day target. Ms. Mallon also provided an update that the DCA is finalizing execution plans that define the scope of services that the DCA will provide to the DWR environmental planning process. The team is currently in their final stages that will soon be submitted for review. Additionally, Ms. Mallon confirms that the lease has been signed. Due to the delay in negotiations, this has extended the move in date to January 1, 2020.

b. General Counsel’s Report

A written report was provided in the Board package. Mr. Nelson gave a brief update on the status of the Environmental Committee and Public Engagement Committee in which they are working on this internally and will be providing a draft to the Board by the September meeting for consideration. Best Best and Krieger (BBK) continues to assist the DCA with procurement. Currently the IT and Communication procurements are under way.

Board members have requested a copy of the draft prior to finalizing in order for them to provide feedback.

c. Treasurer's Report

A written report was provided in the Board package. Ms. Skillman highlights the Fiscal Year 2018/2019 financial statement. Accrual statements are preliminary and will be finalized once the audit is completed which is happening on August 5th at the Metropolitan. Ms. Skillman informed the Board of the 3 payments issued to the DCA totally at \$2.8 M.

Mr. Dan Whaley, Delta Resident, expresses concern about stakeholders needing to be included in the engagement plan with DWR and DCA. He does not feel that locals have been a part of the process and would like this to change before litigation has to be enforced. Mr. Whaley noted that he is still unsure what the defined project is and expresses disappointment at the amount of taxpayer money that is being spent on drill testing for an alignment that has yet to be confirmed. In addition, Mr. Whaley references a few alternative options could be considered.

d. Verbal Reports

No verbal reports were provided.

9. FUTURE AGENDA ITEMS:

No requested future agenda items.

10. ADJOURNMENT:

President Estremera adjourned the meeting at 2:24 p.m., in the Sacramento Public Library, Tsakopoulos Library Galleria, 828 I Street, Sacramento.