



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

Thursday, May 16, 2019  
11:00 a.m.

Sacramento Public Library, Tsakopoulos Library Galleria  
828 I Street, Sacramento, CA 95814

**Telephone Participation:**  
2235 Old Page Mill Road, Palo Alto, CA  
2105 Ranchita Canyon Rd, San Miguel, CA. 93451

**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](mailto:Istandlee@dcfinanceauthority.org)

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PLEDGE OF ALLEGIANCE**
- 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 February 21, 2019

**7. SCHEDULED ITEMS**

- a. Approval of the 2019/20 proposed budget
- b. Consider and authorize the Executive Director to execute an agreement for audit services with Richardson & Company, for an amount not to exceed \$8,800 for fiscal year 2019/20.
- c. Report from Kathryn Mallon, Executive Director for the Delta Conveyance Design & Construction Authority

**8. REPORTS AND ANNOUNCEMENTS**

- a. Executive Director's Report
- b. General Counsel's Report
- c. Treasurer's Report

**9. CLOSED SESSION**

- a. **Conference with Legal Counsel: Government Code section 54956.9(d): potential litigation: one case**

**10. OPEN SESSION AND REPORT OUT OF CLOSED SESSION**

**11. FUTURE AGENDA ITEMS**

**12. ADJOURNMENT**

BOARD OF DIRECTORS MEETING

# MINUTES

REGULAR MEETING  
Thursday, February 21, 2019  
11:30 am

(Paragraph numbers coincide with agenda item numbers)

## 1. CALL TO ORDER

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

## 2. PLEDGE OF ALLEGIANCE

Director Pryor led the Pledge of Allegiance.

## 3. ROLL CALL

Board members in attendance were Randy Record, Gary Kremen, Valerie Pryor, Matt Stone, Paul Sethy, Doug Headrick, Kathy Cortner, Mark Krause, and Dwayne Chisam.

Board members absent were Jeff Davis and Robert Cheng.

Staff members in attendance were Brian Thomas, June Skillman, and Steve O'Neill.

## 4. PUBLIC COMMENT

President Record declared public comment open, limiting speaking time to three minutes.

Ms. Barbara Barrigan-Parrilla, Restore the Delta, expressed opposition to the project as well as concern that the DC Finance Authority did not provide video of its meetings, or archival of essential agenda materials. Ms. Barrigan-Parrilla also expressed opposition to the DC Finance Authority's hiring of Bond Counsel, given the change in the project from two tunnels to one, as identified in Governor Newsom's recent State of the State address.

Ms. Osha Meserve, Local Agencies of the North Delta, expressed her opinion that the DC Finance Authority was being wasteful and reckless moving forward, given the change in the project.

With no additional persons requesting time to speak, President Record closed public comment.

## 5. OTHER MATTERS

5.a. None.

**6. CONSENT CALENDAR:**

6.a. Approval of the minutes from the meeting of January 17, 2019.

Motion: Approve minutes from the meeting of January 17, 2019  
Move to Approve: Gary Kremen  
Second: Valerie Pryor  
Yeas: Randy Record, Gary Kremen, Valerie Pryor, Matt Stone, Paul Sethy, Doug Headrick, Kathy Cortner, Mark Krause, and Dwayne Chisam  
Nays: None  
Abstains: None  
Recusals: None  
Absent: Jeff Davis and Robert Cheng  
Summary: 9 Yeas; 0 Nays; 0 Abstains; 2 Absent. (Motion passed as MO 19-2-01)

**7. SCHEDULED ITEMS**

7.a. Election of board officers and appointment of Treasurer/Controller

Recommendation: Elect board officers and appoint Treasurer/Controller

Director Record noted that the DC Finance Authority bylaws require that the Board elect a President, Vice, President, and Secretary at the first meeting of each calendar year, and as this election did not occur at January's meeting, this was the proper time for the election. Mr. Record noted that the President, Vice President, and Secretary must be members of the DC Finance Authority Board, and that the Treasurer/Controller may be a Director of the JPA, an employee of a JPA member agency, or a director of a member agency. The current officers include (himself) Randy Record, President; Gary Kremen, Vice President; and Jeff Davis, Secretary. Ms. June Skillman from Metropolitan serves as Treasurer Controller.

Motion: To Re-Elect current board officers and reappoint Treasurer/Controller  
Move to Approve: Dwayne Chisam  
Second: Matt Stone  
Yeas: Randy Record, Gary Kremen, Valerie Pryor, Matt Stone, Paul Sethy, Doug Headrick, Kathy Cortner, Mark Krause, and Dwayne Chisam  
Nays: None  
Abstains: None  
Recusals: None  
Absent: Jeff Davis and Robert Cheng  
Summary: 9 Yeas; 0 Nays; 0 Abstains; 2 Absent. (Motion passed as MO 19-2-02)

7.b. Executive Committee appointments

Recommendation: Appoint Directors Pryor and Sethy to the Executive Committee

Director Record noted that the bylaws state that the Board can approve, by majority vote, additional members to the Executive Committee, not to exceed 5 members in total.

Motion: Appoint Directors Pryor and Sethy to the Executive Committee  
Move to Approve: Kathy Cortner  
Second: Gary Kremen  
Yeas: Randy Record, Gary Kremen, Valerie Pryor, Matt Stone, Paul Sethy, Doug Headrick, Kathy Cortner, Mark Krause, and Dwayne Chisam  
Nays: None  
Abstains: None  
Recusals: None  
Absent: Jeff Davis and Robert Cheng  
Summary: 9 Yeas; 0 Nays; 0 Abstains; 2 Absent. (Motion passed as MO 19-2-03)

7.c. Consider and authorize the executive director to negotiate a contract with Norton Rose Fulbright US LLP to serve as bond counsel for the Delta Conveyance Finance Authority for an amount not to exceed \$75,000 for fiscal year 2018/19

Recommendation: Consider and authorize the executive director to negotiate a contract with Norton Rose Fulbright US LLP to serve as bond counsel

Executive Director Brian Thomas provided the staff report to the Board. Mr. Thomas noted the Finance Authority distributed a request for proposals for Bond, Disclosure and Tax Counsel services on January 5, 2019. The Finance Authority received 7 responses, two of which were limited to disclosure counsel services. After review by a selection committee including the Executive Director, General Counsel, and staff from Metropolitan Water District, Santa Clara Valley Water District and Alameda County Water District, it is recommended that the Finance Authority retain Norton Rose Fulbright US LLP (Norton Rose) as bond counsel. In their role as bond counsel, Norton Rose will also provide tax counsel services. In response to Director Pryor, Mr. Thomas noted that bond and disclosure counsel would be helpful on any project, regardless of the size and could provide advice to the Finance Authority as the project moves through the next phase of planning and environmental review. Further, Norton Rose brought a depth of experience with complex financing projects and was very familiar with the conveyance project and process.

Motion: Authorize the executive director to negotiate a contract with Norton Rose Fulbright US LLP to serve as bond counsel  
Move to Approve: Valerie Pryor  
Second: Paul Sethy

## Agenda Item 6.a

Yeas: Randy Record, Gary Kremen, Valerie Pryor, Matt Stone, Paul Sethy, Doug Headrick, Kathy Cortner, Mark Krause, and Dwayne Chisam  
Nays: None  
Abstains: None  
Recusals: None  
Absent: Jeff Davis and Robert Cheng  
Summary: 9 Yeas; 0 Nays; 0 Abstains; 2 Absent. (Motion passed as MO 19-2-04)

- 7.d. Consider and authorize the executive director to negotiate a contract with Stradling Yocca Carlson & Rauth, P.C. to serve as disclosure counsel for the Delta Conveyance Finance Authority for an amount not to exceed \$50,000 for fiscal year 2018/19

Recommendation: Consider and authorize the executive director to negotiate a contract with Stradling Yocca Carlson & Rauth, P.C.

Executive Director Brian Thomas provided the staff report to the Board. Mr. Thomas noted that the Finance Authority distributed a request for proposals for Bond, Disclosure and Tax Counsel services on January 5, 2019. After review by a selection committee including the Executive Director, General Counsel, and staff from Metropolitan Water District, Santa Clara Valley Water District, and Alameda County Water District, it is recommended that the Finance Authority retain Stradling Yocca Carlson & Rauth PC (Stradling) as disclosure counsel.

Motion: Authorize the executive director to negotiate a contract with Stradling Yocca Carlson & Rauth, P.C.  
Move to Approve: Doug Headrick  
Second: Valerie Pryor  
Yeas: Randy Record, Gary Kremen, Valerie Pryor, Matt Stone, Paul Sethy, Doug Headrick, Kathy Cortner, Mark Krause, and Dwayne Chisam  
Nays: None  
Abstains: None  
Recusals: None  
Absent: Jeff Davis and Robert Cheng  
Summary: 9 Yeas; 0 Nays; 0 Abstains; 2 Absent. (Motion passed as MO 19-2-05)

## 8. REPORTS AND ANNOUNCEMENTS

### 8.a. Executive Director Report

Mr. Thomas discussed with the board the activities that occurred over the last month, noting that these activities included a review of responses to the request for proposals for bond and disclosure counsel, and coordinating the review committee. Mr. Thomas noted that he also discussed different financing approaches with members and state water project contractors. Mr. Thomas stated that work continues on the website, with a goal to be up and running by early 2019, bids for external audit services have been prepared, and that he will be working to schedule a workshop to discuss the Finance Authority's work in 2019.

**8.b. General Counsel Report**

Mr. O'Neill reported that a code of ethics is being drafted and will be presented to the board at a future meeting. He also noted that Form 700s are due at the end of this month. Lastly, Mr. O'Neill discussed that the Brown Act allows directors to report out from the General Counsel report at their Agency meetings, and that he would bring language addressing that topic at a future meeting.

**9. FUTURE AGENDA ITEMS:**

Board President Record requested future agenda items be raised at this time. Executive Director Thomas noted that the Finance Authority may not meet for the next few months, given the Governor's recent decision on tunnel configuration.

**10. ADJOURNMENT:**

President Record adjourned the meeting at 11:46 p.m.

# Delta Conveyance Finance Authority

## Board Memo

Contact: Brian Thomas, Executive Director

**AGENDA DATE: May 16, 2019**

**Item No. 7.a**

### Subject

2019/20 Proposed Budget

### Executive Summary

Each year, the Board of Directors is required to adopt an operating budget. The operating budget is funded in equal shares by each of the Finance Authority's members. The proposed expenditure budget (attached) totals \$597,000, with proposed revenues of \$550,600. Revenues consist of payments of \$50,000 from each member, as well as interest earnings of \$600. The difference between revenues and expenditures would be funded from reserves resulting from 2018/19 operations.

### Detailed Report

As shown in Table 1, fiscal year 2019/20 revenues are expected to be just over \$550,000, similar to the fiscal year 2018/19 budget, and \$150,000 higher than projected revenues for fiscal year 2018/19. Proposed 2019/20 expenditures of \$597,000 are approximately 8.6%, or \$47,000, higher than budgeted in 2018/19. Budgeted revenues (member payments) are flat compared to the 2018/19 budget, and \$150,000 above projected revenues, as approximately \$46,000 of expenditures will be funded from reserves. The reserve balance is a result of 2018/19 expenditures being less than budget since activities were delayed as the project was reconfigured.

As described more fully in the attached Proposed Budget, the majority of anticipated expenditures are associated with managing the Finance Authority's activities, legal expenses associated with general counsel, bond counsel and disclosure counsel, expenses, accounting and treasury activities, and insurance. This budget also includes expenditures for outreach, which includes maintaining the Finance Authority's own website (the Finance Authority uses the Delta Conveyance Design and Construction Authority's website.) The balance of the budget is for materials and supplies and meeting expenses.

The Executive Committee reviewed the proposed budget at its meeting on May 9, 2019, and recommended approval of the proposed budget for 2019/20.

**Table 1. Delta Conveyance Finance Authority 2019/20 Budget Operating Budget Sources and Uses**

	Budget 2018/19	Projected 2018/19	Proposed 2019/20
Revenues			
Member Agency Payments	550,000	400,000	550,000
Interest Earnings	-	300	600
Total	550,000	400,300	550,600



	Budget 2018/19	Projected 2018/19	Proposed 2019/20
Operating Expenses	550,000	290,643	597,000
Net Income	-	109,657	(46,400)
<b>Fund Balance</b>	<b>-</b>	<b>109,657</b>	<b>63,257</b>

### **Funding**

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Funding would be from equal assessments to the Finance Authority Members. Invoices of \$50,000 per Member would be delivered on August 1, with payments due on September 1, 2019.

### **Recommended Action**

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That the Board approve the following CEQA finding:

The approval of the 2019/20 Proposed Budget is exempt from CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378 (b)(2) of the State CEQA Guidelines), and as such does not constitute a project: and

Approve the Proposed 2019/20 Budget to be funded with equal payments of \$50,000 by each of the Delta Conveyance Finance Authority Members and \$46,400 of available reserves.

### **ATTACHMENTS:**

**2019/20 Proposed Budget**

**FISCAL YEAR 2019/20**  
**PROPOSED BUDGET**



DELTA CONVEYANCE FINANCE AUTHORITY

**EXECUTIVE SUMMARY**

The Delta Conveyance Finance Authority (Authority or DCFA) was created in July 2018. Its eleven members are the Alameda County Water District, Alameda Flood Control & Water Conservation District - Zone 7, Antelope Valley-East Kern Water Agency, Coachella Valley Water District, Desert Water Agency, Metropolitan Water District of Southern California, Mojave Water Agency, San Bernardino Valley Municipal Water District, San Geronio Pass Water Agency, Santa Clara Valley Water District, and Santa Clarita Valley Water Agency. The purpose of the Authority is to help finance conveyance improvements for the State Water Project to enable the State Water Project to improve water supply reliability, while meeting environmental objectives. The State of California, through the Department of Water Resources (Department) owns and operates the State Water Project. The DCFA’s primary purpose is to enable the Department to access capital markets via the sale of municipal bonds to the Authority to provide funding for the conveyance improvements. As the Department conducts the planning and other work associated with the conveyance project, the DCFA will be assisting as needed by issuing Authority debt to secure the funding necessary to purchase the Department’s bonds.

**Table1. Budget Summary – Sources and Uses  
Delta Conveyance Finance Authority  
2019/20 Budget Operating Budget  
Sources and Uses**

	Budget 2018/19	Projected 2018/19	Proposed 2019/20
Revenues			
Member Agency Payments	550,000	400,000	550,000
Interest Earnings	-	300	600
Total	550,000	400,300	550,600
Operating Expenses	550,000	290,643	597,000
Net Income	-	109,657	(46,400)
<b>Fund Balance</b>	-	<b>109,657</b>	<b>63,257</b>

The DCFA is a conduit financing authority whose sole source of revenue comes from its members and investment earnings. As shown in Table 1, fiscal year 2019/20 revenues are expected to be just over \$550,000, similar to the fiscal year 2018/19 budget, and \$150,000 higher than projected revenues for fiscal year 2018/19. Proposed 2019/20 expenditures of \$597,000 are approximately 8.6%, or \$47,000, higher than budgeted in 2018/19. Budgeted revenues (member payments) are flat compared to the 2018/19 budget, as approximately \$46,000 of expenditures will be funded from reserves. The reserve balance is a result of 2018/19 expenditures being less than budget since activities were delayed as the project was reconfigured.

**FISCAL YEAR 2019/20 PROPOSED OPERATING BUDGET**

The proposed operating budget is shown in Table 2, and totals \$597,000. The Authority will continue to receive support from the State Water Contractors, Inc. for administrative activities (e.g., meetings, minutes, agendas, etc.) But, 2019/20 will be the first full year for the Authority, and will entail more legal and other expenses than in 2018/19. Each of the major categories are described in more detail below.

Executive Director Compensation. This includes professional fees and expenses for the executive director to perform all services related to managing the activities of the Authority. The budget is \$25,000 higher than in 2018/19, reflecting anticipated work for a full fiscal year. The expenditure level is based on the existing contract, which was approved by the board in December 2018, and assumes a similar contract will be approved in December 2019.

Professional Services. This includes expenditures on general counsel, bond and disclosure counsel, municipal advisors, and audit services. In addition, the budget includes \$30,000 for outreach. This would include expenses for communication, website, etc. Unlike in fiscal year 2018/19, it is anticipated that bond and disclosure counsel will be working with the general counsel and executive director on the financing structure. The budget assumes these services would be paid on a time and material basis. Once a financing is completed, bond and disclosure counsel would be paid from bond proceeds. General Counsel fees are based on the existing contract and anticipated level of effort. Fees for the annual audit are also included as part of the Professional Services line item.

Accounting/Treasury Services. This line item accounts for the costs for services from the Metropolitan Water District to provide accounting and treasury services (e.g., accounting, financial reporting, banking, check processing, etc.) The 2019/20 budget is equal to the expenses in fiscal year 2018/19 and is consistent with the existing contract with Metropolitan.

**Table 2. Proposed Operating Budget  
Delta Conveyance Finance Authority  
2019/20 Budget Operating Budget**

Item	Object	Budget 2018/19	Projected 2018/19	Proposed 2019/20
1	Executive Director Compensation	\$ 175,000	\$ 175,000	\$200,000
2	Professional Services			
	General Counsel	75,000	35,000	80,000
	Bond Counsel	50,000	15,000	75,000
	Disclosure Counsel	50,000	15,000	50,000
	Municipal Advisor	50,000	-	50,000
	Audit	10,000	5,000	5,000
	Outreach	-	1,200	30,000
3	Accounting/Treasury Services	30,000	30,000	30,000
4	Insurance	35,000	11,943	14,000
5	Travel and Meeting	10,000	2,500	8,000
6	Materials and Supplies	10,000	-	5,000

Agenda Item 7.a (Attachment)

Item	Object	Budget 2018/19	Projected 2018/19	Proposed 2019/20
7	Contingency	55,000	-	50,000
	<b>Total</b>	<b>\$ 550,000</b>	<b>\$ 290,643</b>	<b>\$597,000</b>

Insurance. This is an estimate of the premium for liability and directors and officers insurance. The proposed budget accommodates an increase in premiums for insurance of up to \$2,000 or 17%.

Travel and Meeting. This expenditure reflects the cost of meeting rooms, travel (if any) for board members, and other similar expenses. The budget is lower than last year, and actual expenditures will depend on how many meetings are required.

Materials and Supplies. Materials and supplies includes basic office materials, and supplies. Many of these expenditures were incurred by the State Water Contractors, Inc. or Metropolitan in 2018/19, but expenditures are expected to remain small.

Contingency. A contingency of \$50,000 has been included in the proposed budget to account for activities that may arise during the course of the fiscal year.

# 2019/20 Budget

## Delta Conveyance Finance Authority

Board Meeting

Agenda Item 7a

May 16, 2019

# Delta Conveyance Finance Authority

## 2019/20 Budget Operating Budget

Object	Budget 2018/19	Projected 2018/19	Proposed 2019/20
Executive Director Compensation	\$175,000	\$ 175,000	\$200,000
Professional Services	235,000	71,200	290,000
Accounting/Treasury Services	30,000	30,000	30,000
Insurance	35,000	11,943	14,000
Travel and Meeting	10,000	2,500	8,000
Materials and Supplies	10,000	-	5,000
Contingency	55,000	-	50,000
<b>Total</b>	<b>\$550,000</b>	<b>\$290,643</b>	<b>\$597,000</b>

# Recommendation

That the Board approve the CEQA determination and approve the budget for Fiscal Year ending June 30, 2020 in the amount of \$597,000 and approve equal assessments to each member agency to fund the 2019/20 budget.



# Delta Conveyance Finance Authority

## Board Memo

Contact: Brian Thomas, Executive Director

**AGENDA DATE: May 16, 2019**

**Item No. 7.b**

**Subject: Audit Services**

### Executive Summary

The Finance Authority distributed a request for proposals for Audit services on March 29, 2019. The Finance Authority received 4 responses. After consulting with staff from several Finance Authority members, including Zone 7, Alameda County Water District, Santa Clara Valley Water District and Metropolitan, the top two responding firms were Vasquez & Company LLP and Richardson & Company, LLP. Given their experience working with finance authorities, joint powers agencies, and familiarity with both the State Water Project and the Central Valley Project, it is recommended that the Finance Authority retain Richardson & Company, LLP as external auditor.

### Detailed Report

State law requires an external audit of the Finance Authority each year and annual reports filed with the State Controller's office. Currently, the Finance Authority's financials are straightforward, with a limited number of transactions. Accounting and treasury services are provided under contract by the Metropolitan Water District. The Metropolitan Water District has set up a trust fund to manage the Finance Authority's activities.

The Finance Authority received responses from the following firms to the Request for Proposals:

Eadie & Payne LLP  
Vasquez & Company LLP  
Richardson & Company, LLP  
david farnsworth, CPA

After review of the proposals, Vasquez & Company LLP (Vasquez) and Richardson & Company, LLP (Richardson) were the top two firms. Each of these firms is technically qualified to conduct the audit of the Finance Authority (particularly given the limited number of transactions and the lack of complexity in the Finance Authority's operations.) Richardson is recommended due to their extensive experience auditing the State Water Contractors, work with the Central Valley Project, and work with other joint powers agencies and financing authorities, including the California Pollution Control Financing Authority. Richardson's proposal also demonstrated a solid understanding of the scope of work, and includes filing the state controller's report. The fee proposal is reasonable, at a not to exceed \$8,800, based on 100 hours of work. The Vasquez response was also responsive, and at a lower not to exceed cost of \$4,000. But – this included only 40 hours of effort. Vazquez's approach was not as comprehensive, and they have done work with a number of Southern California water agencies, including

Metropolitan, Upper San Gabriel Valley Municipal Water District and the Water Replenishment District.

### **Funding**

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The 2019/20 proposed budget includes \$5,000 for audit services as part of the professional services budget. Audit work would be paid with funds from the 2019/20 professional services budget.

### **Recommended Action**

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That the Board approve the following CEQA finding:

This action is exempt from CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378 (b)(2) of the State CEQA Guidelines), and as such does not constitute a project; and

Approve the selection of Richardson & Company to serve as auditor for the Delta Conveyance Finance Authority and authorize the Executive Director to negotiate a contract at a not to exceed level of \$8,800 for the fiscal year 2018/19 audit.

# Delta Conveyance Finance Authority

## Board Memo

Contact: Brian Thomas, Executive Director

**AGENDA DATE: May 16, 2019**

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**Item No. 8.a**

### **Subject:**

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Executive Director's Report

### **Executive Summary**

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Activity included review of responses to the request for proposals for audit service. The recommended firm is presented for approval at the May 16, 2019, meeting. I also participated in meetings regarding the change in project scope and schedule. In addition, I attended the Water and Wastewater CFO Forum and ACWA's spring meeting.

### **Detailed Report**

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#### Activities

**Administration.** The conflict of interest code was approved by the Fair Political Practices Commission, who made minor changes and provided for electronic filing by the Finance Authority board members, staff, and consultants.

I worked with the general counsel to respond to two public record act (PRA) requests.

The Finance Authority distributed an RFP for audit firms to a dozen firms, and received four responses. Action is scheduled for the May board meeting.

Attached is a table of actions approved by the board.

**Meetings.** I participated in a number of discussions and meetings with financial consultants, investment bankers, state water project contractors and attorneys regarding the financing structure and other issues associated with the change in scope of the conveyance project. I attended the annual meeting of the Water and Wastewater CFO Forum and ACWA.

#### Future Activities.

Work will continue with the members and the DCA to address the changes in the project scope and its impact on the Finance Authority's role.

### **ATTACHMENTS:**

Table of Actions

**DELTA CONVEYANCE FINANCE AUTHORITY**

Completed Actions as of:

April 30, 2019

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
Approved extension of contract with Michael Bell Management Consulting for the services of Brian Thomas as Executive Director through December 31, 2019	12/14/2018
Adopted Conflict of Interest Code	12/28/2018
Approved Reimbursement Policy	1/17/2019
Approved execution of agreement with Oliverrez Madruga Lemieux O'Neill to serve as general counsel	1/17/2019
Approved execution of agreement with Norton Rose Fulbright to serve as bond counsel	2/21/2019
Approved execution of agreement with Stradling Yocca Carlson & Rauth to serve as disclosure counsel	2/21/2019

# Delta Conveyance Finance Authority

## Board Memo

Contact: June Skillman, Treasurer

**AGENDA DATE: May 16, 2019**

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**Item No. 8.c**

### Subject

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Treasurer's Report, Nine Months Ended March 2019

### Executive Summary

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For the nine months ended March 2019, receipts totaled \$294,152, consisting of contributions from eleven member agencies and interest receipts. Disbursements totaled \$127,207 during the nine months ended March 2019. The cash balance in the DCFA Trust at March 31, 2019 was \$166,945.

Attached is a schedule of Budget versus Actual through March 31, 2019.

### Recommended Action

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Information only.

### ATTACHMENTS:

DCFA FY 2019 Nine Months Financial Statements and Budget versus Actual

**DELTA CONVEYANCE FINANCE AUTHORITY**

**Budget versus Actual**

**FY 2018/19**

<b>Item</b>	<b>Actual Through March 31, 2019</b>	<b>Budget FY 2018/19</b>	<b>Budget Remaining</b>	<b>% of Budget Used</b>
<b>Executive Director</b>	\$74,942	\$175,000	\$80,058	42.8%
<b>Professional Services</b>	\$9,122	\$235,000	\$225,878	3.9%
<b>Accounting/Treasury Services</b>	\$30,000	\$30,000	\$0	100.0%
<b>Insurance</b>	\$11,943	\$35,000	\$23,057	39.8%
<b>Travel and Meetings</b>	\$1,200	\$10,000	\$8,800	12.0%
<b>Materials and Supplies</b>	\$0	\$10,000	\$10,000	0.0%
<b>Contingency</b>	\$0	\$55,000	\$55,000	0.0%
<b>Total</b>	<b>\$127,207</b>	<b>\$550,000</b>	<b>\$422,793</b>	<b>23.1%</b>

DELTA CONVEYANCE FINANCE AUTHORITY

Balance Sheet  
As of March 31, 2019

Assets:	
Cash	\$ 166,945
Interest receivable	262
	<hr/>
Total assets	<u>\$ 167,207</u>
Liabilities:	
Accounts payable	<u>\$ 12,631</u>
Total liabilities	12,631
Net position	<u>154,576</u>
Total liabilities and net position	<u><u>\$ 167,207</u></u>

**DELTA CONVEYANCE FINANCE AUTHORITY**

Statement of Cash Receipts and Disbursements

	Quarter Ended Mar '19	Year to Date Jul '18 - Mar '19
	<u>                    </u>	<u>                    </u>
Receipts:		
Contributions from member agencies	\$ 160,000	\$ 293,333
Interest receipts	358	819
Total receipts	<u>160,358</u>	<u>294,152</u>
 Disbursements:		
Executive director	23,241	74,942
Insurance premiums	—	11,943
Treasury and accounting	15,000	30,000
Meeting expenses	—	1,200
Professional services	8,997	9,122
Total disbursements	<u>47,238</u>	<u>127,207</u>
 Net change in cash	113,120	166,945
 Cash at July 1, 2018	—	—
 Cash at January 1, 2019	<u>53,825</u>	<u>—</u>
 Cash at March 31, 2019	<u>\$ 166,945</u>	<u>\$ 166,945</u>



DELTA CONVEYANCE FINANCE AUTHORITY

Profit & Loss

	Quarter Ended Mar '19	Year to Date Jul '18 - Mar '19
Revenues		
Contributions from member agencies	\$ 160,000	\$ 293,333
Interest income	467	1,082
	<hr/>	<hr/>
Total Revenues	160,467	294,415
	<hr/>	<hr/>
Expenses		
Executive director	35,872	87,574
Insurance premiums	—	11,943
Treasury and accounting	15,000	30,000
Meeting expenses	—	1,200
Professional services	8,997	9,122
	<hr/>	<hr/>
Total Expenses	59,869	139,839
	<hr/>	<hr/>
Net Profit	<u>\$ 100,598</u>	<u>\$ 154,576</u>

**DELTA CONVEYANCE FINANCE AUTHORITY**

Schedule of Invoices Paid  
for the Nine Months Ended March 31, 2019

	<u>Vendor</u>	<u>Invoice #</u>	<u>Invoice Date</u>	<u>Payment Date</u>	<u>Period of Expense</u>	<u>Amount</u>	<u>Disbursement Category</u>
1	Sacramento Public Library Authority	3118	9/25/2018	10/11/2018	2/21/19-5/16/19	\$ 900	Meeting expenses
2	Alliant Insurance Services	947564	10/25/2018	10/31/2018	10/24/18-10/24/19	11,943	Insurance premiums
3	Michael Bell Management Consulting	425	10/26/2018	11/9/2018	7/17/18-9/30/18	21,344	Executive director
4	Michael Bell Management Consulting	430	11/30/2018	12/11/2018	10/1/18-10/31/18	13,147	Executive director
5	Keogh Multimedia	INV113018	11/30/2018	12/11/2018	9/18/18-11/30/18	125	Professional services
6	Michael Bell Management Consulting	433	12/16/2018	12/20/2018	11/1/18-11/30/18	17,210	Executive director
7	Sacramento Public Library Authority	3203	12/18/2018	12/20/2018	7/18/2019	300	Meeting expenses
8	Metropolitan Water District of Southern California	45477	12/17/2018	12/21/2018	7/19/18-10/31/18	15,000	Treasury and accounting
9	Keogh Multimedia	INV020119	2/1/2019	2/7/2019	12/1/18-1/31/19	1,225	Professional services
10	Michael Bell Management Consulting	440	1/31/2019	2/7/2019	12/1/18-12/31/18	12,158	Executive director
11	Michael Bell Management Consulting	443	2/12/2019	2/19/2019	1/1/19-1/31/19	11,083	Executive director
12	Metropolitan Water District of Southern California	45618	2/15/2019	3/1/2019	11/1/18-2/28/19	15,000	Treasury and accounting
13	Olivarez Madruga Lemieux O'Neill, LLP (OMLO)	6284	2/28/2019	3/19/2019	2/5/19-2/21/19	7,772	Professional services
						<u>\$ 127,207</u>	
					Executive director	\$ 74,942	
					Insurance premiums	11,943	
					Treasury and accounting	30,000	
					Meeting expenses	1,200	
					Professional services	9,122	
						<u>\$ 127,207</u>	

\*Totals may not foot due to rounding.