



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

Thursday, February 20, 2020
11:00 a.m.

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

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 lindastandlee@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 January 16, 2020

7. SCHEDULED ACTION ITEMS

- a. 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

9. FUTURE AGENDA ITEMS

10. CLOSED SESSION

- a. Conference with legal counsel pursuant to Government Code section 54956.9, potential litigation: one case.

11. ADJOURNMENT

BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING
Thursday, January 16, 2020
11:00 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 Vice President Kremen at the Sacramento Public Library, Tsakopoulos Library Galleria, 828 I Street, Sacramento, CA, at 11:00 a.m.

2. PLEDGE OF ALLEGIANCE

Director Pryor led the Pledge of Allegiance.

3. ROLL CALL

Board members in attendance were Robert Cheng, Dwayne Chisam, Kathy Cortner, Jeff Davis, Mark Krause, Gary Kremen, Valerie Pryor, Paul Sethy, and Matt Stone.

Board members absent were Randy Record and Doug Headrick.

Staff members in attendance were Brian Thomas, Katano Kasaine, and Steve O'Neill.

4. PUBLIC COMMENT

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

No members of the public requested time to speak, therefore Vice President Kremen closed public comment.

5. OTHER MATTERS

5.a. None.

6. CONSENT CALENDAR:

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

Motion:	Approve the minutes from the meeting of October 17, 2019
Move to Approve:	Kathy Cortner
Second:	Valerie Pryor
Yeas:	Robert Cheng Dwayne Chisam, Kathy Cortner, Jeff Davis, Gary Kremen, Mark Krause, Valerie Pryor, and Matt Stone
Nays:	None
Abstains:	Paul Sethy

Recusals: None
Absent: Randy Record, Doug Headrick
Summary: 8 Yeas; 0 Nays; 1 Abstains; 2 Absent. (Motion passed as MO 20-01-01)

7. SCHEDULED ITEMS

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

Director Kremen discussed the election of board officers and the appointment of the Treasurer/Controller and suggested that the election and appointment be taken care of in two motions, with the election of the officers first. He noted that each of the current officers had offered to serve one more year at the Board's discretion.

Motion: That the Board Officers continue their service for another term.
Move to Approve: Valerie Pryor
Second: Kathy Cortner
Yeas: Robert Cheng Dwayne Chisam, Kathy Cortner, Jeff Davis, Gary Kremen, Mark Krause, Valerie Pryor, Paul Sethy and Matt Stone
Nays: None
Abstains: None
Recusals: None
Absent: Randy Record, Doug Headrick
Summary: 9 Yeas; 0 Nays; 0 Abstains; 2 Absent. (Motion passed as MO 20-01-02)

Director Kremen noted he would accept a motion to appoint Ms. Katano Kasaine, MWD's current Chief Financial Officer and DC Finance's current treasurer as DC Finance's treasurer.

Motion: That the Treasurer continue their service for another term.
Move to Approve: Kathy Cortner
Second: Valerie Pryor
Yeas: Robert Cheng Dwayne Chisam, Kathy Cortner, Jeff Davis, Gary Kremen, Mark Krause, Valerie Pryor, Paul Sethy and Matt Stone
Nays: None
Abstains: None
Recusals: None
Absent: Randy Record, Doug Headrick
Summary: 9 Yeas; 0 Nays; 0 Abstains; 2 Absent. (Motion passed as MO 20-01-03)

7.b. Executive Committee appointments

Director Kremen discussed the election of Executive Committee members. He noted that the DC Finance Executive Committee is comprised of the three officers and Director Sethy and Director Pryor, and that each of the current committee had offered to serve one more year.

Motion: That the Executive Committee members continue their service for another term.
Move to Approve: Jeff Davis
Second: Robert Cheng
Yeas: Robert Cheng Dwayne Chisam, Kathy Cortner, Jeff Davis, Gary Kremen, Mark Krause, Valerie Pryor, Paul Sethy and Matt Stone
Nays: None
Abstains: None
Recusals: None
Absent: Randy Record, Doug Headrick
Summary: 9 Yeas; 0 Nays; 0 Abstains; 2 Absent. (Motion passed as MO 20-01-04)

7.c. Report from Kathryn Mallon, Executive Director for the Delta Conveyance Design & Construction Authority [Information]

Ms. Mallon discussed recent DCA events. She noted that draft engineering reports are currently planned for submittal in July 2020 to DWR. She noted that DCA is currently about five months behind schedule and is ramping up staffing to get back on schedule. She noted that the Notice of Preparation (NOP) had been released on January 15. With the release of the NOP, the project has now been defined as a 6,000 cfs tunnel project and includes two corridors to study, with descriptions of the facilities to develop a tunnel alternative. A stakeholder engagement committee has been established, which comprises 20 members that represent a variety of interests in the Delta. Two meetings have been held to date and were mostly foundational in nature. Future meetings will be focused on going through the NOP and looking at the intakes. The committee has been a collaborative and respectful process and DCA staff are appreciative that committee members have been willing to commit as much time as they have to help ensure what is put in the engineering documents respects their concerns and addresses them in a way that helps reduce effects in a manner that is mutually beneficial. Ms. Mallon discussed the preliminary budget and schedules that are currently being drafted, consistent with the JEPA. DCA is on target budget-wise and the budget will cover the DCA and DWR planning phases.

8. REPORTS AND ANNOUNCEMENTS

8.a. Executive Director Report

Mr. Thomas discussed activities he participated in during the last month, including meetings at ACWA and ongoing discussions with the Delta Conveyance Design & Construction Authority (DCA), State Water Project Contractors, and Department of Water Resources. In addition, he described needed administrative activities including submitting the audited financials to the State Controller's Office and acquiring insurance for the Authority were completed. Finally, Mr. Thomas reported on working with General Counsel to draft amendments to the JPA Agreement.

8.b. General Counsel Report

Mr. O'Neill reported on activities which occurred during the last month. He noted his recent activity involved working on revisions to the JPA and drafting a model resolution to share with member agencies. Mr. O'Neill discussed with the Board the anticipated

timeline for revision and approval of the revised JPA as well as changes to the language contained in the revised JPA.

8.c. Treasurer's Report

Ms. Katano Kasaine reported on the quarterly financial statements for quarter ending December 31, 2019 for the DC Finance Authority. She noted that activities were within budget.

9. FUTURE AGENDA ITEMS

There were no future agenda items.

10. CLOSED SESSION

10.a. Conference with legal counsel pursuant to Government Code section 54956.9, potential litigation: one case.

Mr. O'Neill noted discussion of one item, with no formal action taken in closed session.

11. ADJOURNMENT:

Vice President Kremen adjourned the meeting at 12:10 p.m.

Delta Conveyance Finance Authority

Board Memo

Contact: Brian Thomas, Executive Director

AGENDA DATE: February 20, 2020

Item No. 8.a

Subject: Executive Director's Report

Executive Summary

The primary activity this past month was completing the revised JPA Agreement. The revised agreement was distributed to all eleven members and staff. In addition, I continued discussions with DWR and State Water Project contractors.

Detailed Report

Activities

Administration. Working with General Counsel and after receiving input from several member attorneys, we completed a draft resolution and final amendments to the JPA agreement to update the purpose of the DCFA to be consistent with the project that evolves through the environmental and permitting process over the next few years. Agency staff will be taking the amended JPA Agreement through their approval processes over the next two months.

Attached is a table of actions approved by the board through January 31, 2020.

Meetings. I continued to discuss the project with staff from the DCA, Metropolitan and other state water project contractors. I also participated in several discussions with General Counsel, bond counsel and disclosure counsel, along with attorneys from DWR and Metropolitan regarding timeline and issues associated with any potential financing activity.

Future Activities

I will continue working with the members, the DCA, DWR and the state water project contractors to address the changes in the project scope and its impact on the Finance Authority's role. In addition, we will be working with the DCA to update the website over the next six months.

Funding

N/A

Recommended Action

Informational.

DELTA CONVEYANCE FINANCE AUTHORITY

Completed Actions as of:

January 31, 2020

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
Approved Fiscal Year 2019/20 Operating Budget and annual membership fees	5/16/2019
Approved execution of agreement with Richardson & Co. to provide external audit services	5/16/2019
Approved updated and amended Investment Policy	7/18/2019
Approved amendments to the DCFA bylaws	7/18/2019

DELTA CONVEYANCE FINANCE AUTHORITY

Completed Actions as of:

January 31, 2020

Action	Date
Approved no-cost extension to agreement with Michael Bell Management Consulting Services to provide Executive Director Services through December 2020	10/17/2019
Received and filed audited financial statements for fiscal year 2018/19	10/17/2019
Appointed Board Officers and Executive Committee	1/16/2020
Appointed MWD CFO as the Treasurer for the Authority	1/16/2020