

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

REGULAR MEETING

Thursday, January 17, 2019
11:30 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 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 December 14, 2018

7. SCHEDULED ITEMS

- a. Status report on current Delta Conveyance Design and Construction Authority activities.
- b. Status report on DWR Consistency Opinion and State Water Resources Control Board Activities.
- c. Consider and approve membership of the Coachella Valley Water Agency.
- d. Consider and approve a reimbursement policy.
- e. Consider selection of General Counsel and authorize President and Executive Director to negotiate a contract with the selected firm for an amount not to exceed \$75,000 (Meyers Nave, Olivarez Madruga Lemieux O'Neill, and Richards Watson Gershon)

8. REPORTS AND ANNOUNCEMENTS

- a. Executive Director's Report
- b. Treasurer's Report

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING
Friday, December 14, 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 State Water Contractors Large Conference Room, 1121 L Street, Suite 1050, Sacramento, CA, at 11:30 a.m. President Record noted that Director Hsueh, representing the City of Santa Clara, was participating in the meeting via conference call, and all votes would be held via roll call vote.

2. PLEDGE OF ALLEGIANCE

President Record led the Pledge of Allegiance.

3. ROLL CALL

Board members in attendance were Randy Record, Valerie Pryor, Jeff Davis, Matt Stone, and Nai Hsueh (via conference line).

Directors Paul Sethy, Doug Headrick, Kathy Cortner, and Mark Krause were absent.

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

4. 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.

5. OTHER MATTERS

5.a. None.

6. CONSENT CALENDAR:

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

Motion:	Approve minutes from the meeting of November 15, 2018
Move to Approve:	Jeff Davis
Second:	Valerie Pryor
Yeas:	Valerie Pryor, Randy Record, Jeff Davis
Nays:	None
Abstains:	Matt Stone, Nai Hsueh

Recusals: None
Absent: Paul Sethy, Doug Headrick, Kathy Cortner, and Mark Krause
Summary: 3 Yeas; 0 Nays; 2 Abstains; 4 Absent. (Motion passed as MO 18-12-01)

7. SCHEDULED ITEMS

- 7.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.

Recommendation: Adopt the proposed Conflict of Interest Code for the Delta Conveyance Finance Authority

President Record opened the public hearing and asked for a brief report from staff. Interim Executive Director Brian Thomas provided the staff report to the Board, noting that the public hearing was being held to provide additional opportunity for the board to receive comment on the proposed Conflict of Interest Code for the Delta Conveyance Finance Authority. Mr. Thomas noted that the Code 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 and ends on December 28, 2018. He stated that the notices of the public hearing and the Finance Authority's intent to adopt the Conflict of Interest Code had been properly posted. Mr. Thomas noted that the approval of the 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 period (December 28, 2018).

President Record asked if there were any persons from the public that wished to comment on this matter. There were no comments provided from the public, and President Record closed the public hearing..

Motion: Adopt the proposed Conflict of Interest Code for the Delta Conveyance Finance Authority
Move to Approve: Jeff Davis
Second: Valerie Pryor
Yeas: Valerie Pryor, Randy Record, Jeff Davis, Matt Stone, and Nai Hsueh
Nays: None
Abstains: None
Recusals: None
Absent: Paul Sethy, Doug Headrick, Kathy Cortner, and Mark Krause
Summary: 5 Yeas; 0 Nays; 0 Abstains; 4 Absent. (Motion passed as MO 18-12-02)

7.b. Executive Director Performance Evaluation

Board President Record recused himself from this discussion noting he has done business with Mr. Thomas during the past year (Mr. Thomas and his wife are a member of the Record Family Wine Club). Board Secretary Davis took the gavel for this action. Director Davis asked if the Board would like to adjourn into closed session for this discussion, with Board members electing to not go into closed session. Board members shared their comments and observations regarding Mr. Thomas' performance over the past six months. Board members commented that they found Mr. Thomas to be well qualified, constructive, creative, unflappable, and displayed integrity.

7.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.

Recommendation: 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

Interim Executive Director Brian Thomas provided the staff report to the Board. Mr. Thomas noted that he has been serving as Interim Executive Director of the Finance Authority since its inception in July and that services have been provided through a professional services agreement with Michael Bell Management Consulting, Inc., with the agreement terminating on January 31, 2019. Mr. Thomas noted that 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

Motion: 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 and to amend Mr. Thomas' title to Executive Director

Move to Approve: Matt Stone

Second: Valerie Pryor

Yeas: Valerie Pryor, Jeff Davis, Matt Stone, and Nai Hsueh

Nays: None

Abstains: Randy Record

Recusals: None

Absent: Paul Sethy, Doug Headrick, Kathy Cortner, and Mark Krause

Summary: 4 Yeas; 0 Nays; 1 Abstains; 4 Absent. (Motion passed as MO 18-12-03)

8. REPORTS AND ANNOUNCEMENTS

8.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 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. Mr. Thomas discussed the debrief with EPA regarding the scoring of the Finance Authority's Letter of Interest, noting 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. EPA also noted the credit structure section of the Letter of Interest could be improved once the contractual commitments and arrangements are complete.

9. FUTURE AGENDA ITEMS:

Board President Record requested future agenda items be raised at this time. Executive Director Thomas noted that for the January 2019 meeting he anticipated receiving a report on activities from the Delta Conveyance Design and Construction Authority, discussion of the State Water Resources Control Board ruling, DWR's consistency determination, and a travel and reimbursement policy.

10. ADJOURNMENT:

President Record adjourned the meeting at 11:50 p.m.

Approved:

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

Date:



DCA

DELTA CONVEYANCE **DESIGN**
& **CONSTRUCTION AUTHORITY**

California WaterFix

CALIFORNIA WATERFIX PROGRAM DCA ACCOMPLISHMENTS

January 2019

OVERVIEW

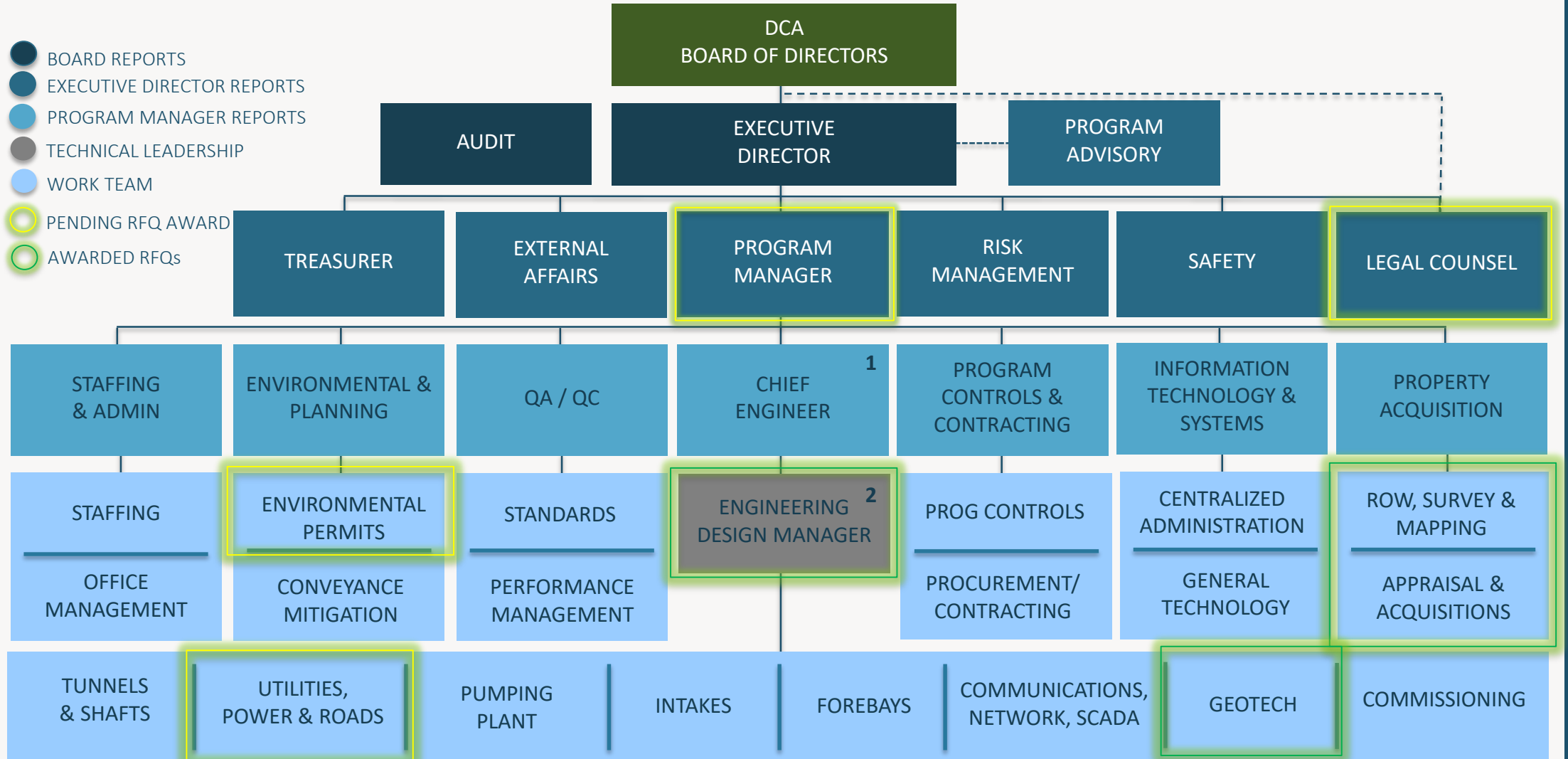
- Activities
 - RFQs and Contracts
 - Staffing
 - Accomplishments
- Budget update
- Schedule



DESIGN AND CONSTRUCTION AUTHORITY

ORGANIZATIONAL STRUCTURE (DRAFT)

- BOARD REPORTS
- EXECUTIVE DIRECTOR REPORTS
- PROGRAM MANAGER REPORTS
- TECHNICAL LEADERSHIP
- WORK TEAM
- PENDING RFQ AWARD
- AWARDED RFQs



1. Estimating function will report to the Chief Engineer
2. Engineering Support function will be provided by the Engineering Design Manager Team

RFQs AND CONTRACTS

Awarded contracts

- Interim Executive Director
- Interim General Council
- Other Interim Staff Via Inter-Agency Agreements
- Project Management Information System
- Transition Services
- Engineering Design Manager Services
- Geotechnical Engineering Services
- Real Estate Services
- Survey, Mapping, Right of Way Engineering/Title Services

Evaluating Statement of Qualifications Proposals

- Power Transmission and Substation Design
- General Counsel
- Program Manager and Associated Support Service
- Environmental and Permitting

Recruiting Long-Term Executive Director

STAFFING

- Filled Interim Staff Positions:
 - Interim Executive Director
 - Interim General Council
 - Interim Chief Engineer
 - Interim Environmental Manager
 - Interim Real Property Manager
 - Interim Information Technology Manager
 - Interim Contracts/Procurement Manager
 - Interim External Affairs Manager
 - Interim agency staff positions to monitor EDM, Geotech and Power Design



ACCOMPLISHMENTS

- Executed Joint Exercise of Powers Agreement (JEPA) with DWR, establishing collaborative approach with DWR's Delta Conveyance Office
- Phase 1 geotechnical investigations over 200 borings and field tests
- Completed planning for Conceptual Engineering Report
- Completed Bouldin Island launch pad design
- Caltrans access permit at Bouldin Island
- Identified Phase 2A geotechnical boring locations
- Selected new office location
- Agreements with SMUD and WAPA under negotiation
- Selected GIS system
- Purchased Project Management Information System and began implementation
- Developed draft policy and procedures for property acquisition, survey, mapping and right-of-way
- Completed initial title and mineral rights research
- Developed draft staff recruiting plan
- Prepared and issued RFQs for Program Manager, Power Services and Environmental support services



FY 2018-19 BUDGET STRATEGIC OBJECTIVES

- Establish DCA: Executive Office, support for Program Management Office, and key program areas
- Initiate critical path and long-lead time activities that could delay construction activities or impact overall program cost:
 - Environmental planning
 - Geotechnical investigations
 - Permitting
 - Property rights
 - Utility interconnections



FY 2018-19 ADOPTED BUDGET & REVISED FORECAST

Item	Activity	Adopted FY 2018-19 Budget (Millions \$)		Revised FY 2018-19 Forecast (Millions \$)	
1	Program Management ¹	\$	21.97	\$	17.30
2	Environmental	\$	6.92	\$	4.27
3	Engineering Management ²	\$	46.74	\$	40.31
4	Construction	\$	14.55	\$	0.00
5	Land Acquisition	\$	1.00	\$	0.00
6	Mitigation	\$	0.00	\$	0.00
7	Contingency	\$	42.40	\$	0.00
Total		\$	133.57	\$	61.88

¹ Includes 'Property Acquisition' budget (excluding land purchase) presented to DCA Board on 7/19/18.

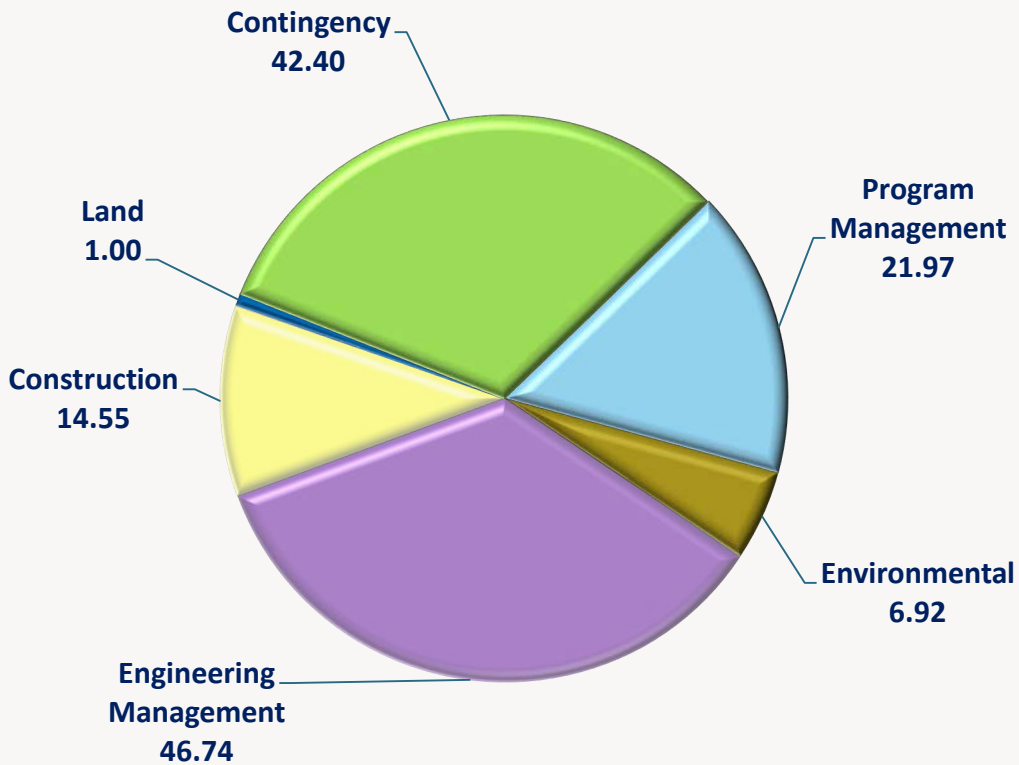
² Includes 'Utilities' budget presented to DCA Board on 7/19/18.

Totals may not add due to rounding



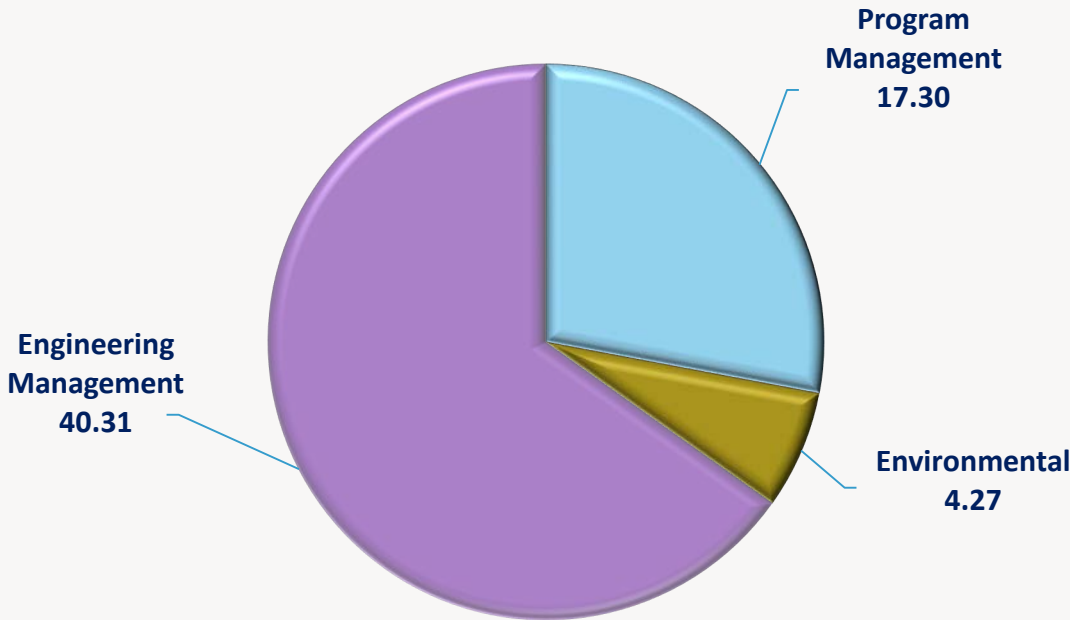
FY 2018-19 ADOPTED BUDGET & REVISED FORECAST

FY 2018-19 ADOPTED BUDGET



TOTAL: \$133.57M

FY 2018-19 REVISED FORECAST



TOTAL: \$61.88M

Totals may not add due to rounding

PROGRAM MANAGEMENT

Adopted FY 18-19 Budget	\$21.97M
Revised FY 18-19 Forecast	\$17.30M

- Executive office: Director, Legal, External Affairs
- Finance: Financial systems and controls, accounting, billing, audit
- Program Management: Project controls, document management, procurement support, project management
- Program office space: Interim and long-term office space
- Information Technology: Hardware/software purchases and technical support
- Property Acquisition: Survey and mapping, obtain temporary entry permits, develop real estate requirements, determine surface and subsurface property rights along entire program corridor, and investigate utility relocations

ENGINEERING MANAGEMENT

Adopted FY 18-19 Budget	\$46.74M
Revised FY 18-19 Forecast	\$40.31M

- Establish Engineering Office: Chief Engineer and support staff with subject matter experts
- Commence activities of Engineering Design Manager
- Update program budget and schedule
- Commence geotechnical investigations
- Commence utilities, power and roads design
- Initiate feature design consultant RFQ process
- Commence tunnel & shafts design

ENVIRONMENTAL

Adopted FY 18-19 Budget	\$6.92M
Revised FY 18-19 Forecast	\$4.27M

- Develop mitigation and compliance program
- Enter into air quality mitigation agreements and off-sets
- Develop mitigation property acquisition plan
- Conduct environmental surveys
- Implement avoidance measures and monitoring programs
- Develop wetlands restoration plan



CALIFORNIA WATERFIX REVISED FY 2018-19 FORECAST

QUARTERLY SPENDING

(MILLIONS \$)

Item	Activity	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Revised FY 2018-19 Forecast
1	Program Management	\$	1.66	\$	3.27	\$	5.33	\$	7.05	\$ 17.30
2	Environmental	\$	1.03	\$	1.49	\$	1.11	\$	0.64	\$ 4.27
3	Engineering Management	\$	0.41	\$	8.44	\$	16.10	\$	15.36	\$ 40.31
4	Construction		-		-		-		-	-
5	Land Acquisition		-		-		-		-	-
6	Mitigation		-		-		-		-	-
7	Contingency		-		-		-		-	-
Total		\$	3.10	\$	13.20	\$	22.54	\$	23.05	\$ 61.88

Totals may not add due to rounding



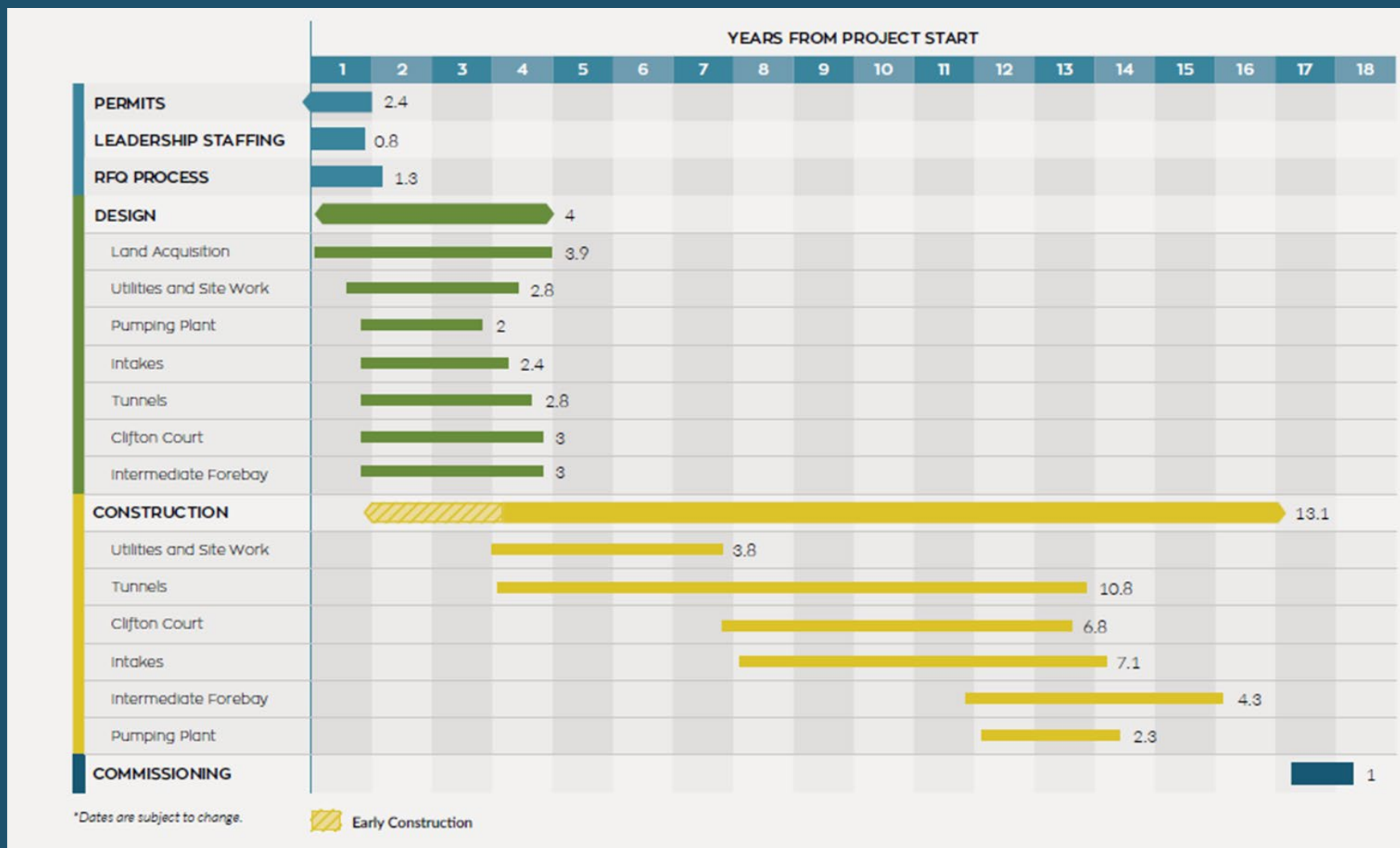
CALIFORNIA WATERFIX

FY 2018-19 FUNDING CONTRIBUTIONS

Item	Activity	Cost (Millions \$)	
1	Metropolitan Water District of Southern California	\$	86.00
2	San Bernardino Valley Municipal Water District	\$	10.00
3	Alameda County Flood Control and Water Conservation District Zone 7	\$	0.25
4	Other Contractors (2019 SOC)	\$	7.49
5	DWR Funding	\$	29.83
Total		\$	133.57

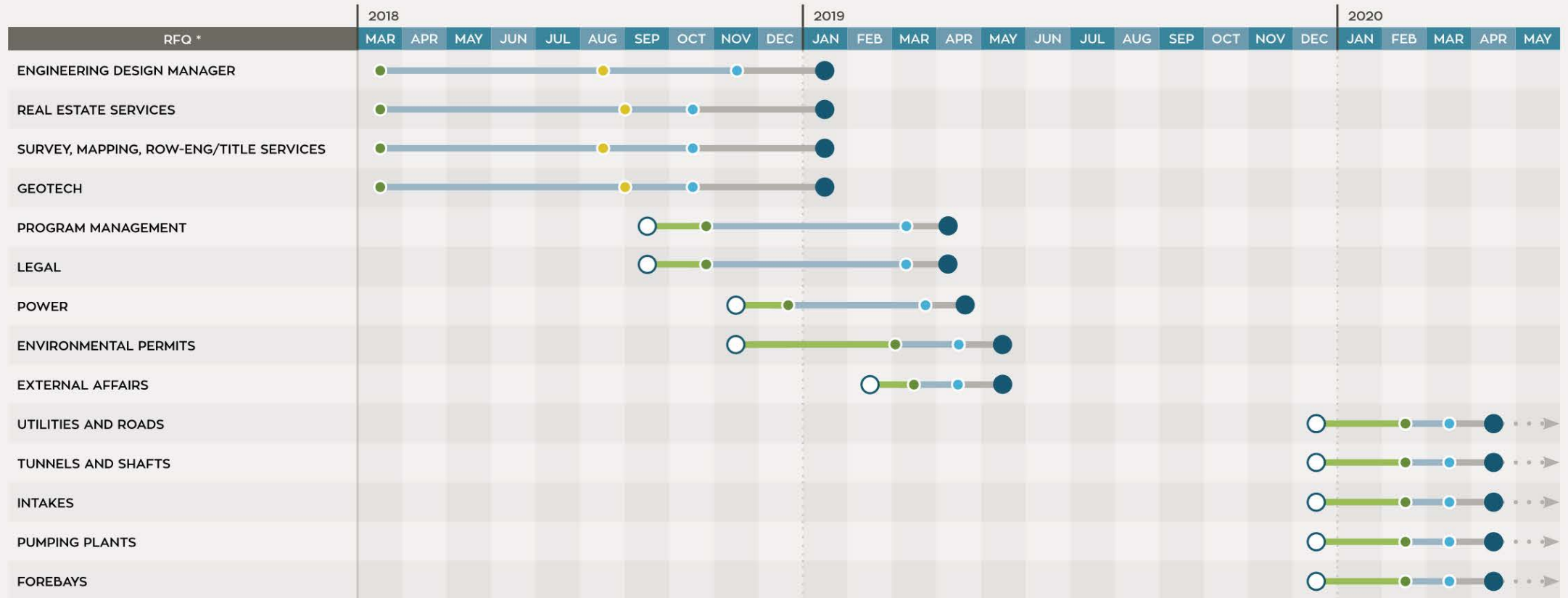
Totals may not add due to rounding

OVERALL PROJECT SCHEDULE



2018-2020 PROCUREMENT PLAN

Request For Qualifications (RFQ)



*Not a complete list; issuance dates are subject to change.
Executive Director to be advertised through an Executive Search process.

○ Advertise ■ Consultant Response Period ● Consultant Response Due ■ Agency Selection Period ● Interviews ● Board Award ● Notice to Proceed

Questions?

Delta Conveyance Finance Authority

Board Memo

Contact: Brian Thomas, Executive Director

AGENDA DATE: January 17, 2019

Item No. 7.c

Subject:

Approval of Coachella Valley Water District as a Member of the Finance Authority

Executive Summary

Section 15 of the Delta Conveyance Finance Authority Joint Powers Agreement requires a unanimous vote to approve any Public Water Agency requesting membership after December 3, 2018 (five months after the effective date of the Joint Powers Agreement.) The Coachella Valley Water District (Coachella) approved a resolution to join the Finance Authority on December 11, 2018.

Detailed Report

Section 15 of the Delta Conveyance Finance Authority Joint Powers Agreement requires a unanimous vote to approve any Public Water Agency requesting membership after December 3, 2018 (five months after the effective date of the Joint Powers Agreement.) On December 11, 2018, the Coachella Valley Water District approved a resolution to join the Finance Authority. This resolution (attached) indicates Coachella's intention to support bonds issued by the Finance Authority as required in the Joint Powers Agreement. Given that Coachella did not approve this resolution until after December 3, 2018, a unanimous vote of the existing members at a regular or special board meeting is needed to accept Coachella as a member.

Funding

Adding a new member will reduce the administrative costs for all members as the administrative costs are distributed among a larger number of participants.

Recommended Action

Approve Coachella Valley District as a member of the Delta Conveyance Finance Authority.

Attachment:

Coachella Valley Water District Resolution 2018-43 approving membership in the Delta Conveyance Finance Authority

RESOLUTION NO. 2018-43

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
COACHELLA VALLEY WATER DISTRICT AUTHORIZING MEMBERSHIP IN THE
CALIFORNIA WATERFIX DELTA CONVEYANCE FINANCE AUTHORITY AND
EXECUTION OF THE DELTA CONVEYANCE FINANCE AUTHORITY JOINT
POWERS AGREEMENT**

WHEREAS, the California WaterFix (WaterFix) is a critical component of the California Water Action Plan, the state of California's blueprint for a "sustainable and resilient future"; and

WHEREAS, the WaterFix is essential to protecting and assuring the California State Water Project's (SWP) future reliability by addressing the Delta's ecosystem and levee system which are increasingly vulnerable to earthquakes, flooding, saltwater intrusion, climate change, and environmental degradation; and

WHEREAS, on July 21, 2017 the California Department of Water Resources (DWR), acting as Lead Agency, certified the final environmental analysis for the WaterFix and signed the Notice of Determination thereby approving WaterFix as the proposed project under the California Environmental Quality Act; and

WHEREAS, on June 26, 2018, the Coachella Valley Water District Board of Directors (Board) approved a resolution in support of, and participation in, WaterFix that authorized the General Manager to negotiate, execute and deliver various WaterFix implementation agreements and related documents consistent with Coachella Valley Water District's allocation share of its total WaterFix project participation proportion; and

WHEREAS, the Coachella Valley Water District's participation proportion in the SWP under the State Water Contractors is 3.3% (determined by reference to Table A of such State Water Contracts), and the Coachella Valley Water District's WaterFix project participation proportion will be 3.41%; and

WHEREAS, on June 26, 2018 the Board approved its participation in the Delta Conveyance Design and Construction Joint Powers Authority (DCA) that will implement WaterFix, provide fiscal control and oversight and protection of the public's investment; and

WHEREAS, it is intended that the Delta Conveyance Finance Authority (Finance JPA) in exercising its powers, will serve as an issuer of bonds for the benefit of its members in implementing the WaterFix project; and

WHEREAS, the Board's approval of the attached Delta Conveyance Finance Authority Joint Powers Agreement (Finance JPA Agreement), in and of itself, does not impose any financial commitment on Coachella Valley Water District; but instead, financial commitments of the Coachella Valley Water District and any other members agencies of the Finance JPA, will be the

subject of further negotiations among the member agencies and the Finance JPA prior to the Finance JPA's first bond issuance; and

WHEREAS, per Section 15 of the Finance JPA Agreement, a Public Water Agency may become a Member of the Finance JPA by filing with the Finance JPA Board of Directors a certified copy of a resolution of its governing body whereby the Public Water Agency (1) agrees to the provisions of the Agreement and (2) requests to become a Member, and its admission is approved by unanimous vote of the Finance JPA Board of Directors; and

WHEREAS, it is the Board's expectation that any financial commitment by Coachella Valley Water District of any bonds issued by the Finance JPA, including the terms and conditions of such commitments, be brought to the Board for its consideration and approval.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Coachella Valley Water District does hereby:

1. Approves Coachella Valley Water District's membership in the Finance JPA and executes the Delta Conveyance Finance Authority Joint Powers Agreement; and
2. Expresses its intention to support bonds issued by the Finance JPA at a later date; and
3. Directs the General Manager to bring to the Board, for consideration and approval, any future potential financial commitment requested of the Coachella Valley Water District to support bonds issued by the Finance JPA.


PASSED AND ADOPTED by the Board of Directors of the Coachella Valley Water District, County of Riverside, State of California, this 11th day of December 2018, by the following vote:


AYES: Powell, Nelson, O'Dowd, Bianco, Estrada

NOES: None

ABSENT: None

ATTEST:


Sylvia M. Bermudez, CMC
Clerk of the Board
Coachella Valley Water District


John P. Powell, President
Coachella Valley Water District

Delta Conveyance Finance Authority

Board Memo

Contact: Brian Thomas, Executive Director

AGENDA DATE: January 17, 2019

Item No. 7.d

Subject:

Approval of Reimbursement Policy

Executive Summary

Section 5.1.3(e) of the Finance Authority's bylaws states the board shall establish a reimbursement policy under which a Director or others (e.g., staff) may receive reimbursement for travel and meeting expenses.

Detailed Report

Section 5.1.3(e) of the Finance Authority's bylaws states the board shall establish a reimbursement policy under which a Director or others (e.g., staff) may receive reimbursement for travel and meeting expenses. The policy recognizes that the Directors are reimbursed by their appointed agencies for travel expenses associated with Finance Authority board and committee meetings. As such, the Finance Authority would not reimburse such expenses. It also notes the President must approve travel and meetings in which a Director participates on behalf of the Finance Authority for which a Director would be reimbursed. The policy describes the types of expenses that could be reimbursed (reasonable and necessary expenses). In addition, the guidelines for reimbursable expenses apply to staff who may be reimbursed for Finance Authority meetings (including consultants).

Funding

N/A

Recommended Action

Approve Delta Conveyance Reimbursement Policy.

ATTACHMENT:

Delta Conveyance Finance Authority Reimbursement Policy

Delta Conveyance Finance Authority Reimbursement Policy January 2019

1. Summary

This reimbursement policy governs board of director and staff travel and reimbursements. Directors are reimbursed by their appointing agency for travel and meeting expenses associated with attendance at Delta Conveyance Finance Authority board and committee meetings. As such, there will be no reimbursement of Director's expenses for such meetings. All other expense reimbursements will be subject to this Reimbursement Policy.

2. Conferences and Meetings

The President must approve attendance at conferences and meetings in which a board member participates on behalf of the Delta Conveyance Finance Authority (Finance Authority) and must approve all expense reimbursement requests for attendance at such meetings (e.g., travel to meet with rating agencies, insurers, state or federal loan officials, etc.)

3. Expense Reimbursement

Directors shall be reimbursed for all reasonable expenses incurred on approved travel on behalf of the Finance Authority. Requests for reimbursement will be submitted to the Executive Director, along with supporting documentation (receipts, invoices, credit card statements, etc.) along with the purpose of the meeting or conference.

Staff (including consulting staff) may be reimbursed for reasonable expenses associated with attending meetings on behalf of the Finance Authority, including board meetings. Staff (e.g., Treasurer) who are employees of Members are reimbursed by their agencies and will not be reimbursed by the Finance Authority.

4. Acceptable Travel and Meeting Expenses

Transportation. Directors and staff are expected to use the most appropriate commercial or private means of transportation. Airfare shall be coach or economy fare. Mileage will be reimbursed at the IRS rate per mile in effect for the year in which travel took place. Taxis and similar transportation (e.g., Uber, Lyft) may be used as appropriate. Parking fees may also be reimbursed.

Meals and Lodging. Expenditures for food and lodging shall be moderate and reasonable. A guideline for meals is \$150 per day. Expenditures for alcohol will not be reimbursed. Hotel rooms should be reasonable and acceptable for government business travel. Effort

should be made to stay at hotels with room rates (not including taxes, resort fees, etc.) of \$250 or less.

Entertainment. Expenditures for entertainment, including but not limited to, in room movies, shows, etc. will not be reimbursed.

Personal expenses. Expenditures for laundry, medicine and other personal expenses will not be reimbursed. Expenses for a spouse or travel companion will not be reimbursed.

Specific exceptions to these guidelines (e.g., higher costs for rooms due to conventions, locations, etc.) may be made by the Executive Committee. This policy may be revised from time to time based on recommendations from the Executive Committee and approved by the Board.

Delta Conveyance Finance Authority

Board Memo

Contact: Brian Thomas, Executive Director

AGENDA DATE: January 17, 2019

Item No. 7.e

Subject: Selection of General Counsel

Executive Summary

The Finance Authority distributed a request for proposals for General Counsel services on November 8, 2018. The Finance Authority received four responses. After review by a selection committee including board members and staff, three firms were invited to interviews on January 14, 2019. Upon conclusion of those interviews, the selection committee will recommend a firm among those listed below. A supplemental report will be issued on Tuesday.

Detailed Report

The Finance Authority received four responses to its Request for Proposals for General Counsel, issued on November 8, 2018. All four firms are high quality firms, with impressive experience as summarized below.

Briscoe Ivester & Brazel

Briscoe Ivester & Brazel was formed in 2005, with a particular emphasis on land use, environmental and natural resource law. The firm also has a good understanding of public agency law and governance, with the proposed attorneys experience as general counsel for local agencies and a joint powers agency. The firm has experience in water law and understands California water issues.

Meyers Nave

Meyers Nave was founded in 1986 and has grown to over 60 attorneys focusing on land use, general government law, environmental law, employee and labor law. Meyers Nave serves as City Attorney to 17 cities and general counsel to over 40 special districts in California. The attorneys have significant experience in public agency law, joint power agencies, and real estate law. In addition, they bring expertise in California water law, including groundwater litigation. Their attorneys are experienced attorneys who have worked with joint powers agencies, including winding down a joint powers agency.

Olivarez Madruga Lemieux O'Neill

OLMO was formed in 2017, with the merger of Olivarez Madruga and Lemieux & O'Neill. Lemieux & O'Neill was a long-time "boutique" firm whose focus was on all aspects of water law. Olivarez Madruga specialized in all aspects of public agency law, serving many agencies in Southern California. The combined firm brings public agency law, along with over twenty years of water law experience. They represent six joint powers agencies, as well as two water financing authorities in Southern California.

While they do not provide bond counsel services, they have participated in a number of financings.

Richards Watson Gershon

Richards Watson Gershon was founded in 1954, and provides the full range of public agency services. They have five offices in Northern and Southern California, including San Francisco and Los Angeles. They serve as city attorney for 26 cities and general counsel and special counsel to dozens of public agencies, including special districts. They have a number of joint powers agencies as clients. In addition, they also have a strong water law practice.

All of these firms bring a strong resume to the Finance Authority, and each received strong endorsements from their references. This agenda item will be updated with a final recommendation from the selection committee, following interviews on January 14, 2019.

Funding

The 2018/19 budget includes \$75,000 for general counsel services.

Recommended Action

Approve selection of one of the above listed firms to serve as general counsel for the Delta Conveyance Finance Authority, and authorize the President and Executive Director to negotiate a contract.

ATTACHMENTS:

None.

Delta Conveyance Finance Authority

Board Memo

Contact: Brian Thomas, Executive Director

AGENDA DATE: January 17, 2019

Item No. 8.a

Subject

Executive Director's Report

Executive Summary

During the holidays, activity included review of general counsel proposals and preparing and distributing a request for proposals for bond and disclosure counsel. In addition, I continued to discuss financing options with a number of investment banks and advisors.

Detailed Report

Activities

Administration. The conflict of interest code was posted and distributed to the designated parties as required. No comments were received at the end of the comment period, and the Conflict of Interest Code and other required materials were submitted to the Fair Political Practices Commission on December 31, 2018, meeting our required deadline. I reviewed the general counsel submittals, and working with a committee that included Directors Stone and Cortner, as well as Adam Kear and Bryan Otake from Metropolitan and Charlene Sun from Santa Clara, we narrowed the selection to three firms. We scheduled interviews with those three firms and will recommend a firm to provide general counsel services at the January 17, 2019, meeting.

A reimbursement policy was prepared and is part of the board agenda packet. I have also attached a table of actions approved by the board, adding the Conflict of Interest Code.

Meetings. I participated in a number of discussions and meetings with financial consultants, investment bankers, and attorneys regarding the financing structure, participation in the Finance Authority, and other issues associated with financing WaterFix.

Future Activities

We will be reviewing bond and disclosure counsel (including tax counsel) responses, to select a firm or firms to assist the Finance Authority prepare for an initial borrowing. Work continues on the website, with a goal to be up and running by March 2019. In addition, we will be inquiring for external audit services with a goal to get a firm approved by March. We will be working with the board to schedule a workshop to discuss the Finance Authority's work in 2019.

Recommended Action

Informational.

ATTACHMENT:

Table of actions approved by the board

DELTA CONVEYANCE FINANCE AUTHORITY

Completed Actions as of:

December 31, 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
Adopted Conflict of Interest Code	12/28/2018

Delta Conveyance Finance Authority

Board Memo

Contact: June Skillman, Treasurer

AGENDA DATE: January 17, 2019

Item No. 8.b

Subject

Treasurer's Report, Six Months Ended December 2018

Executive Summary

For the six months ended December 2018, receipts totaled \$133,794, consisting of contributions from five member agencies and interest receipts. Disbursements totaled \$79,969 during the six months ended December 2018. The cash balance in the DCFA Trust at December 31, 2018 was \$53,825.

Attached is a schedule of Budget versus Actual through December 31, 2018.

Detailed Report

See attached statements.

Recommended Action

Information only.

ATTACHMENT:

DCFA FY 2019 Six Months Financial Statements and Budget versus Actual

DELTA CONVEYANCE FINANCE AUTHORITY
Statement of Cash Receipts and Disbursements
for the Six Months Ended December 31, 2018

Receipts:

Contributions from member agencies	\$	133,333	
Interest receipts		<u>461</u>	<u>\$ 133,794</u>

Disbursements:

Consulting services		66,701	
Insurance premiums		11,943	
IT systems expense		125	
Meeting expenses		<u>1,200</u>	<u>79,969</u>

Net change in cash			53,825
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Cash at July 1, 2018			<u>—</u>
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Cash at December 31, 2018			<u><u>\$ 53,825</u></u>
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DELTA CONVEYANCE FINANCE AUTHORITY
Balance Sheet
As of December 31, 2018

Assets:	
Cash	\$ 53,825
Interest receivable	<u>153</u>
Total assets	<u>\$ 53,978</u>
 Net position	 <u>\$ 53,978</u>

Agenda Item 8.b (Attachment)

DELTA CONVEYANCE FINANCE AUTHORITY
Profit & Loss
for the Six Months Ended December 31, 2018

	<u>Jul '18 - Dec '18</u>
Revenues	
Contributions from member agencies	\$ 133,333
Interest income	<u>614</u>
Total Revenues	<u>133,947</u>
Expenses	
Consulting services	66,701
Insurance premiums	11,943
IT systems expense	125
Meeting expenses	<u>1,200</u>
Total Expenses	<u>79,969</u>
Net Profit	<u><u>\$ 53,978</u></u>

DELTA CONVEYANCE FINANCE AUTHORITY

Schedule of Invoices Paid
Six Months Ended December 31, 2018

	<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	Consulting services
4	Michael Bell Management Consulting	430	11/30/2018	12/11/2018	10/1/18-10/31/18	13,147	Consulting services
5	Keogh Multimedia	INV113018	11/30/2018	12/11/2018	9/18/18-11/30/18	125	IT systems expense
6	Michael Bell Management Consulting	433	12/16/2018	12/20/2018	11/1/18-11/30/18	17,210	Consulting services
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	Consulting services
						<u>\$ 79,969</u>	
						Consulting services	\$ 66,701
						Insurance premiums	11,943
						IT systems expense	125
						Meeting expenses	1,200
						<u>\$ 79,969</u>	

*Totals may not foot due to rounding.

DELTA CONVEYANCE FINANCE AUTHORITY

Budget versus Actual

FY 2018/19

Item	Actual Through December 2018	Budget FY 2018/19	Budget Remaining	% of Budget Used
Executive Director	\$51,701	\$175,000	\$123,299	29.5%
Professional Services		\$235,000	\$235,000	0.0%
Accounting/Treasury Services	\$15,000	\$30,000	\$15,000	50.0%
Insurance	\$11,943	\$35,000	\$23,057	39.8%
Travel and Meetings	\$1,325	\$10,000	\$8,675	13.3%
Materials and Supplies		\$10,000	\$10,000	0.0%
Contingency		\$55,000	\$55,000	0.0%
Total	\$79,969	\$550,000	\$470,031	14.5%