



October 12, 2018

Delta Conveyance Design and Construction Authority
Board of Directors

Members of the Board,

The next meeting of the Delta Conveyance Design and Construction Authority (DCA) Board of Directors is scheduled for **Thursday, October 18, 2018, at 1:30 p.m.** at the **Tsakopoulos Library Galleria, 828 I Street, East Room (1st floor), in Sacramento.**

Enclosed are the materials for the Thursday, October 18, 2018 Board meeting in a PDF file, which has been bookmarked for your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read "JD", is located below the word "Sincerely,". The signature is written in a cursive, stylized font.

Jill Duerig
Interim Executive Director

**DELTA CONVEYANCE DESIGN AND CONSTRUCTION AUTHORITY
BOARD OF DIRECTORS MEETING**

REGULAR MEETING

Thursday, October 18, 2018

1:30 p.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 the Design and Construction Authority support staff at (916) 347-0486 or info@dcdca.org.

1. CALL TO ORDER

2. ROLL CALL

3. CLOSED SESSION – OPEN SESSION TO FOLLOW AT APPROXIMATELY 2:00 P.M.

(a) Conference with Legal Counsel - Significant exposure to litigation pursuant to Gov't Code section 54956.9(d) (2):

- a. Delta Stewardship Council California WaterFix Consistency Determination
- b. Food and Water Watch and Center for Food Safety v. Metropolitan Water District of Southern California, Case No. BC720692.

(b) Public Employee Appointment - Pursuant to Government Code Section 54957. Title: Executive Director

4. OPEN SESSION AND PLEDGE OF ALLEGIANCE, APPROXIMATELY 2:00 P.M.

5. REPORT OUT OF CLOSED SESSION

6. PUBLIC COMMENT

Members of the public may address the Authority on matters that are within the Authority's jurisdiction. Speakers are limited to three minutes each. Persons wishing to speak are requested to complete speaker cards.

7. APPROVAL OF MINUTES: September 20, 2018 Regular Board Meeting

8. 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. Amendments to the JEPA

9. DISCUSSION ITEMS

- a. Consider Passing Resolution to obtain Geotechnical Engineering Professional Services
- b. Consider Passing Resolution to obtain Real Estate (RE) Professional Services
- c. Consider Passing Resolution to obtain Survey, Mapping, Title and Right of Way Engineering Professional Services

10. STAFF REPORTS AND ANNOUNCEMENTS

- a. Executive Director's Report
- b. General Counsel's Report
- c. Treasurer's Report
- d. Verbal Reports, if any

11. FUTURE AGENDA ITEMS

12. ADJOURNMENT

* * * * *

Next scheduled meeting: November 15, 2018 Regular Board Meeting at 2 p.m. in the Sacramento Public Library, Tsakopoulos Library Galleria, 828 I Street, Sacramento, CA 95814

BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING

Thursday, September 20, 2018

1:30PM

(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 1:30 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 Jill Duerig, Interim Executive Director; Stefanie Morris, Interim General Counsel and June Skillman, Treasurer.

3. CLOSED SESSION

4. OPEN SESSION AND PLEDGE OF ALLEGIANCE

President Estremera convened the open session at approximately 2:00pm and led all present in reciting the Pledge of Allegiance.

5. REPORT OUT OF CLOSED SESSION

a. Conference with Legal Counsel – Significant exposure to litigation pursuant to Gov't Code section 54956.9(d) (2)

- i. Delta Stewardship Council California WaterFix Consistency Determination;**
- ii. Food and Water Watch and Center for Food Safety v. Metropolitan Water District of Southern California, Case No. BC720692.**

There were no actions to report out.

b. Public Employee Appointment – Pursuant to Gov't Code section 54957. Title Executive Directors:

The Board directed the Executive Director to create, if necessary, an ad hoc committee to assist with narrowing the Executive Director candidates for consideration by the Board.

6. PUBLIC COMMENT

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

Ms. Duerig noted that one email was received and provided to the Board and the public. There were no additional comments from the public.

President Estremera closed the Public Comment.

7. APPROVAL OF MINUTES: August 16, 2018 Regular Board Meeting

Recommendation: Approve minutes of the August 16, 2018 Regular Board Meeting.

No corrections to the minutes were noted.

Move to Approve Minutes: Palmer

Second: Blois

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 MO 18-9-01)

8. CONSENT CALENDAR

No items were on the consent calendar.

9. DISCUSSION ITEMS:

a. First Reading Conflict of Interest Code

Recommendation: Staff recommends that the Board authorize the Executive Director and General Counsel to take the necessary steps to bring the Conflict of Interest Code to the Board for consideration at the November meeting.

Staff report was provided by Ms. Morris noting the code would be posted for public comment for 45 days and brought back to the Board for consideration in November. Ms. Morris also noted that the draft code was attached to the September agenda and would be posted on the website with the appropriate notice.

Director Palmer requested clarification of the titles utilized in the code to ensure the Real Estate manager is not unintentionally omitted. Executive Director Duerig clarified that the titles used were intended to be consistent with the long-term staff titles and may be unintentionally representative of nomenclature differences in the organizational chart. Ms. Morris noted that the Real Estate Manager is covered but done so by the title in the Organization chart.

The Board authorized the Executive Director and General Counsel to take the necessary steps to bring the Conflict of Interest Code to the Board for consideration at the

November Meeting. President Estremera invited public comment on the code over the next 45 days.

b. Consider Passing Resolution to Award Contract to Supply a Project Management Information System

Recommendation: Adopt the attached resolution authorizing the Executive Director to negotiate and execute a multi-year agreement with Trimble e-Builder to provide a SaaS PMIS cloud solution and implementation services to be directed by the Executive Director and staff.

Mr. Soo, the Interim Information Technology Manager, explained the recommendation in his presentation which outlined the Request for Proposals (RFP) solicitation and subsequent evaluation process. Five (5) firms submitted responses to the RFP, of which the highest scoring firms were interviewed and the firm receiving the highest final score was eBuilder.

Move to authorize the Executive Director to negotiate and execute an agreement with Trimble e-Builder with an initial contract amount of \$855,633, over five years, with a not to-exceed total amount of \$1.6M for future PMIS optional features such as enhanced dashboards, document management, and additional system upgrades to meet evolving DCA needs: 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 18-10)

c. Consider Logo Options and Vote to Select One by Minute Order

Recommendation: Discuss and select a logo for the DCA.

Executive Director Duerig introduced the refined logos resulting from the previous month's Board discussions for consideration and, based on a communication from Gary Lippner, DWR's Deputy Director in charge of the DCO, encouraged consistency in branding with DWR's WaterFix logo to show program continuity.

President Estremera opened the item for discussion amongst the Board.

Director Palmer noted that the Board should take into consideration public perception in considering the logo and noted that the logo on page 3 maintained an element of the color green representing agriculture, as the base, which was favored by a member of the public who provided comments at the August meeting.

Director Atwater agreed that continuity is important and appreciated that the logo on page 3 looks good in both in color and in black and white.

Move to Adopt the logo on page 3 of the Board packet: Palmer
 Second: Blois
 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 MO 18-9-02)

10. STAFF REPORTS AND ANNOUNCEMENTS

a. Executive Director Report

Ms. Duerig provided a written report in the Board package. President Estremera requested a verbal status on identifying a facility for the DCA. Ms. Duerig noted that the comparison matrix outlining potential locations is being refined, taking into consideration various factors of importance, to develop a final recommendation for board consideration. Potential site layouts at the two facilities are being designed to facilitate an estimate for tenant improvement (TI) costs. It is anticipated that a recommendation may be ready soon.

b. General Counsel Report

Ms. Morris noted that her report was provided in the Board packet. The Board had no additional questions or comments.

c. Treasurer's Report

Ms. Skillman noted that her report was provided in the Board packet. The Board had no additional questions or comments.

d. Verbal Reports

There were no verbal reports at this session.

11. FUTURE AGENDA ITEMS:

Director Blois suggested that in the near future, the Board discuss potential project delivery alternatives. He noted that it would be helpful to examine the types of delivery systems available aside from the traditional design-bid-build and that it would be beneficial to have a presentation as an overview and the risks associated with each.

Executive Director Duerig responded that the October meeting will have four contracts for consideration: Geotech, Engineering Design Manager, Real Property, and Surveying, including a thorough discussion surrounding each of the items. There will likely be more time available for a discussion related to alternative delivery in November.

Director Palmer noted that she represents multiple agencies on the DCA Board and will be contacting the agencies she represents to provide an opportunity to voice comments to her directly.

12. ADJOURNMENT:

The next meeting of the DCA will be held on October 18, at 2 p.m., in the Sacramento Public Library, Tsakopoulos Library Galleria, 828 I Street, Sacramento.

President Estremera adjourned the meeting at 2:28 p.m.

CONTACT: Stefanie Morris, Interim General Counsel

AGENDA DATE: October 18, 2018

Item No. 8

SUBJECT: Amendments to the JEPA

SUMMARY: Throughout the last several months while coordinating with DWR related to application of the JEPA, both DWR and DCA staff have recognized the need for minor amendments to add clarity to the JEPA and for ease of administration by DWR and the DCA. There are minor amendments to sections 5, 6, 9 and 10 as described in detail below.

DETAILED REPORT: Staff recommends adopting the attached amendments as shown in track changes on Exhibit “A” and described in detail below. The amendments include an explanation in the recital language and an intent to amend and restate the agreement dating back to the original effective date.

The first amendment is to Section 5, dealing with Permits and Environmental Compliance. Specifically, the amendments to this section clarify that instead of the responsibilities for certain activities being as described in Exhibit C, DCA staff will draft a permit acquisition plan that will detail those responsibilities and will be submitted for DWR review. This amendment allows for greater coordination between DCA staff and DWR to deal with the nuances involved in some of the permits where there are responsibilities related to both construction and operation activities.

The changes to section 5 are shown below:

(a) The Parties acknowledge that the design and construction of the Conveyance Project will require numerous third party consents, permits, orders and/or agreements or other regulatory authorizations (the “Permits”) and compliance therewith, including without limitation those listed on Exhibit C attached hereto and incorporated herein by this reference. The Parties further acknowledge that DWR has already obtained or may obtain in the future for the Conveyance Project, certain of the Permits, which are identified on Exhibit C. Exhibit C, including the list of permits and responsibilities related to them will be clarified, updated, and detailed in a permit acquisition plan prepared by the DCA and approved by DWR. DWR hereby authorizes the Authority to act as DWR’s agent under those Permits DWR has already obtained and as applicable to construction related activities or requirements to the extent such authorization is allowed by the relevant Permits and applicable law and provided further that the Authority has first issued written notice to the issuer of the relevant Permit. DWR hereby authorizes the Authority to act as DWR’s agent to obtain certain construction-

related Permits, ~~as set forth on~~ pursuant to the permit acquisition plan developed consistent with Exhibit C, that have not already been obtained by DWR to the extent permitted by law. The Authority shall promptly and diligently pursue all such Permits and shall submit all such proposed Permits to the Delta Conveyance Office for approval prior to finalization by the issuer of the Permit. Any permits that cannot be issued to the Authority as the agent for DWR shall be promptly and diligently pursued, and after issuance to DWR, administered by DWR or the Authority, as appropriate. Subject to Section 3(b) of this Agreement, the Authority shall satisfy all terms and conditions in all Permits required for design and construction of the Project and all provisions of Exhibit C identified as Authority responsibilities. All Permits issued for the design and construction of the Conveyance Project, including compliance with all terms and conditions of those permits, and all ~~provisions of Exhibit C identified as~~ Authority responsibilities pursuant to Exhibit C and the permit acquisition plan, will be administered in cooperation with DWR.

The second amendment is to section 6. This section deals with procurement of goods and services. This section states that DWR will be a third party beneficiary to DCA contracts. However, it has been determined that there are some contracts where it would not be appropriate for DWR to be a third party beneficiary, such as a contract for legal services. Thus, this amendment adds the following language to allow DCA to request and DWR to grant an exception for the third party beneficiary requirement.

The language added reads:

“DWR may remove third-party beneficiary requirements for specific contracts upon request of the Authority.”

The third amendment is to section 9. This section deals with Budget and Payment. The amendment is to clarify that the DCA can receive payment for services. Specifically, it changes the words from “be reimbursed” to “receive payment.”

The relevant subsection would be amended as shown below:

- (a) The Authority shall ~~be reimbursed~~ receive payment, at the Authority’s actual cost, for all work performed, supervised and/or contracted for by the Authority under this Agreement to implement and construct the Conveyance Project, including without limitation all administrative costs incurred by the Authority to perform its obligations under this Agreement.

The final change is to section 10. This section deals with invoicing. As drafted it was ambiguous as to the applicability of a 10 percent retention. If the DWR were to withhold a 10 percent amount from payment to the DCA on all invoices it would create cash flow issues for the DCA. Thus, this section was amended to more accurately reflect that intent of the agreement that in public works contracts the DCA will withhold the maximum amount allowed by law.

The relevant subsection would be amended as shown below:

Each invoice must identify this Contract by the DWR Number and the applicable phase of work specified in Exhibit B and include receipts for materials, supplies and work accomplished by the Authority and its contractors. Billings must be in accordance with the cost breakdown in Exhibit B. Subject to the availability of funding for the Conveyance Project, DWR shall make payments on the undisputed portions of invoices as soon as State invoice processing procedures allow. For purposes of this Agreement funding is available (i) if and when DWR, in compliance with applicable law, legal decisions and contracts in each case as determined by DWR, issues and sells revenue bonds for the purpose of constructing and implementing the Conveyance Project or (ii) if sufficient funds have been contributed to DWR by the Authority, its member agencies or another entity comprised of agencies that receive water from the SWP or CVP sufficient to pay invoices as such invoiced become due for payment. The authority shall include within all its public works contracts a provision whereby it withholds from its payments a retention in the maximum amount permitted by law. ~~Ten percent of payments for each invoice shall be withheld pending satisfactory completion of each phase as set forth in Exhibit B.~~ Should DWR, in the exercise of its rights under section 6 of this Agreement, participate in any work described in this Agreement, the cost of such participation shall be reimbursed by the Authority and billed as a Conveyance Project cost.

These minor changes provide clarity and will allow both DCA and DWR staff to more effectively administer the JEPA agreement. For that reason, staff recommends adopting the changes.

RECOMMENDED ACTION:

Authorize the Board President to execute an amendment and restated JEPA that sets forth the above described amendments to sections 5, 6, 9 and 10.

ATTACHMENT

Exhibit A

AMENDED AND RESTATED
JOINT EXERCISE OF POWERS AGREEMENT
BETWEEN THE
DEPARTMENT OF WATER RESOURCES, STATE OF CALIFORNIA
AND THE
AUTHORITY

THIS AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT is made and effective as of ~~May~~October ____, 2018 by and between the Department of Water Resources of the State of California (“DWR”) and the Delta Conveyance Design and Construction Joint Powers Authority (the “Authority”), each of which is sometimes referred to below as “Party” and which are collectively referred to as the “Parties.”

RECITALS

WHEREAS, the Delta Reform Act of 2009, set forth in Water Code § 85000, *et seq.* (“Delta Reform Act”) recognizes the close connection that exists between the ecosystem health of the Sacramento-San Joaquin Delta (the “Delta”) and the ability to secure reliable water supplies transported through the Delta from its tributaries for water users throughout the State; and

WHEREAS, DWR is a department within the State of California Natural Resources Agency and is responsible for constructing, operating, and maintaining the State Water Resource Development System, more commonly known as the State Water Project (“SWP”); and

WHEREAS, DWR desires to design and construct a new Delta water conveyance facility (the “Conveyance Project”) described by the Specifications as defined in this Agreement, to be designed and constructed by the Authority under the supervision of DWR and owned and operated by DWR, that would convey water from the Sacramento River in the north Delta through the Delta directly to the existing SWP and federal Central Valley Project (“CVP”) pumping plants located in the South Delta; and

WHEREAS, the design and construction of the Conveyance Project necessarily includes all actions necessary to be implemented before the Conveyance Project can be operated; and

WHEREAS, the legislature has granted DWR broad discretion to implement the authority that it has under the Central Valley Project Act (Water Code section 11100 *et seq.*) and the Burns-Porter Act (*id.*, section 12930 *et seq.*), the provisions of which are to be construed liberally to effectuate the purposes of such acts for the benefit of the people of the State of California (Water Code section 11126); and

WHEREAS, the Authority is a separate public agency organized pursuant to the Joint Exercise of Powers Act (California Government Code Sections 6500, *et seq.*) pursuant to a joint powers agreement, effective May 22, 2018, to actively participate with DWR in the design and construction of the Conveyance Project in coordination with DWR, and under the control and supervision of DWR; and

WHEREAS, the Authority consists of public water agencies that contract for, or are comprised of public water agencies that contract for, water supplies from the SWP, the CVP or both; and

WHEREAS, DWR and the member agencies of the Authority wish to complete the Conveyance Project in a timely and efficient manner; and

WHEREAS, the Joint Exercise of Powers Act provides that public agencies may enter into agreements providing for the joint exercise of powers held in common by such agencies; and

WHEREAS, DWR and the Authority each have the power to build water works and do all things necessary and appropriate in the accomplishment thereof; and

WHEREAS, the design and construction of the Conveyance Project would require DWR to significantly increase the number of personnel in its employment in order to undertake the activities contemplated by this Agreement; and

WHEREAS, much of the increased workload requires skilled and professional employees that would take a significant amount of time to identify and hire and the Oroville Dam emergency response and recovery effort has already placed significant demands on DWR's human resources available to design and construct major water projects, in addition to the numerous ongoing duties and obligations DWR anticipates in the next 10-20 years; and

WHEREAS, these circumstances would authorize DWR to seek relief under Government Code sections 19130 *et seq.*; and

WHEREAS, DWR has determined that the timely and efficient design and construction of the Conveyance Project will require additional resources not available to DWR and that, therefore, it is in the best interest of the State of California and its citizens to partner with the Authority through this Agreement; and

WHEREAS, this Agreement is intended to obtain cost savings by allowing the Parties to explore and implement more flexible means of staffing, designing, contracting, constructing, and financing the Conveyance Project; and

WHEREAS, DWR and the Authority intend that the Authority will undertake those activities required to complete the design and construction of the Conveyance Project and upon acceptance of the Conveyance Project by DWR, the Authority will be dissolved; and

WHEREAS, the Parties entered into that certain Joint Exercise of Powers Agreement dated as of May 22, 2018 (the "Original Agreement"); and

WHEREAS, the Parties desire the amend and restate the Original Agreement in its entirety as set forth herein to make certain changes to sections 5, 6, 9 and 10 thereof to make the Parties' joint

exercise of powers more efficient, with effect from the execution of the Original Agreement on May 22, 2018.

NOW, THEREFORE, the Authority and DWR agree as follows:

AGREEMENT

1. Designation and Authorization. The Authority is hereby designated as the administering agency for the Conveyance Project under this Agreement and is authorized by DWR to design and construct, or cause the design and construction of, the Conveyance Project in accordance with this Agreement and the Specifications.

2. Specifications.

(a) DWR, in coordination with entities that comprise the Authority, has developed comprehensive project specifications and administrative parameters applicable to the design and construction of the Conveyance Project, hereinafter referred to as the “Specifications.” As of the effective date of this agreement, the Specifications consist of the Conceptual Engineering Report, dated July 1, 2015 and the Mitigation Monitoring and Reporting Plan (“MMRP”), dated July 2017, both incorporated by reference; the Performance Standards, attached as Exhibit A; the Preliminary Budget, attached as Exhibit B; and the Schedule, attached as Exhibit B. The Specifications may be refined over time by the Authority without amendment of this Agreement when such refinement(s) are not a material change (as defined below) or are not otherwise subject to concurrence, coordination or approval by DWR pursuant to this section or other sections of this Agreement, as the design and construction of the Conveyance Project progresses. The Authority, at its discretion, may present the 30%, 70% and 100% design packages for DWR’s review and approval as revisions to the Specifications; additional design detail and other packages may also be submitted to DWR for approval. The Authority shall at all times maintain a list of the then operative Specifications as well as the Specifications themselves.

(b) No material change in the Specifications shall be made by the Authority without the prior written approval of DWR, which shall not be unreasonably withheld. Prior to developing any material changes in the Specifications, the Authority shall consult with DWR to obtain DWR’s concurrence on the proposed changes. From time to time, DWR may request the Authority make changes in the Specifications and/or incorporate additional features or elements into the Conveyance Project, and such changes, additional features or elements shall become a part of the Conveyance Project for purposes of this Agreement upon, but only upon, written acceptance of responsibility therefore by the Authority, which shall not be unreasonably withheld.

(c) For purposes of this section, a “material change” means:

1. Any actions, including without limitation any agreement or series of related contracts for work to be performed in connection with the design, construction or implementation of the Conveyance Project, which in the reasonable judgment of

DWR or the Authority cumulatively would cause more than a five percent (5%) increase in budgeted costs (not including escalation) for any individual design feature and management cost as listed as a line item in Exhibit B hereto;

2. Any actions that, in the reasonable judgment of DWR or the Authority, could cumulatively add 6 months to the Conveyance Project schedule previously approved by the Parties;
3. Any actions that, in the reasonable judgment of DWR or the Authority, could impact the water delivery capability, reduce project life, or significantly increase operations and maintenance costs of the Conveyance Project; or
4. Any actions that, in the reasonable judgement of DWR or the Authority would be inconsistent with, or would require an amendment of, a Permit.

3. Cooperation and Coordination.

(a) Delta Conveyance Office. There is within DWR a Delta Conveyance Office. The Delta Conveyance Office shall be responsible for managing this Agreement on behalf of DWR. The Delta Conveyance Office shall be the Authority's primary point of contact within DWR for all matters relating to this agreement. Wherever in this Agreement it is provided that DWR shall or may take any action, or make any decision (e.g. "approve" or "concur"), and in each case whether mandatory or discretionary, such decision or action shall be done or made through the Delta Conveyance Office. The Delta Conveyance Office shall be supervised by a chief who is a Deputy Director of DWR and overseen by the Director of DWR.

(b) Workgroups. It is anticipated that the Authority will form multiple workgroups to address specific aspects of the Conveyance Project and the Parties activities under this Agreement. To facilitate coordination and oversight, the Authority shall advise DWR upon the formation of any such workgroup. DWR shall appoint at least one representative to each such workgroup who shall regularly participate therein on behalf of DWR. Workgroups, at a minimum, will include a Technical Review Workgroup for purposes of reviewing and resolving technical design issues at the staff level. It is the intent of the Parties that these workgroups be focused in nature and that such workgroups may be formed and dissolved from time to time depending upon the subject matter of the workgroup and the status of the Conveyance Project.

(c) The Parties acknowledge that design and construction of the Conveyance Project and the other activities contemplated by this Agreement will require frequent interaction between them. The Parties shall at all times work cooperatively, diligently and in good faith to accomplish the goals of this Agreement and the construction of the Conveyance Project. Each Party shall act with diligence and shall make their respective staffs available to each other as needed to efficiently implement this Agreement. Each Party shall designate a principal contact person for that Party, which in the case of DWR shall be the Deputy Director in the Delta Conveyance Office, who may be changed from time to time, and such other appropriate staff members and consultants to participate on such Party's behalf in activities undertaken pursuant to this Agreement. The principal contact person for each Party shall be responsible for

coordinating meetings and other activities under this Agreement with the principal contact person for the other Party. Meetings not specifically required by this Agreement shall occur as the principal contacts determine are necessary, and each Party shall make its expertise and resources reasonably available for activities under this Agreement.

4. Commencement of Work. The Authority shall commence work pursuant to this Agreement only upon written authorization by DWR.

5. Permits, Environmental Compliance.

(a) The Parties acknowledge that the design and construction of the Conveyance Project will require numerous third party consents, permits, orders and/or agreements or other regulatory authorizations (the "Permits") and compliance therewith, including without limitation those listed on Exhibit C attached hereto and incorporated herein by this reference. The Parties further acknowledge that DWR has already obtained or may obtain in the future for the Conveyance Project, certain of the Permits, which are identified on Exhibit C. Exhibit C, including the list of permits and responsibilities related to them will be clarified, updated, and detailed in a permit acquisition plan prepared by the DCA and approved by DWR. DWR hereby authorizes the Authority to act as DWR's agent under those Permits DWR has already obtained and as applicable to construction related activities or requirements to the extent such authorization is allowed by the relevant Permits and applicable law and provided further that the Authority has first issued written notice to the issuer of the relevant Permit. DWR hereby authorizes the Authority to act as DWR's agent to obtain certain construction-related Permits, ~~as set forth on~~ pursuant to the permit acquisition plan developed consistent with Exhibit C, that have not already been obtained by DWR to the extent permitted by law. The Authority shall promptly and diligently pursue all such Permits and shall submit all such proposed Permits to the Delta Conveyance Office for approval prior to finalization by the issuer of the Permit. Any permits that cannot be issued to the Authority as the agent for DWR shall be promptly and diligently pursued, and after issuance to DWR, administered by DWR or the Authority, as appropriate. Subject to Section 3(b) of this Agreement, the Authority shall satisfy all terms and conditions in all Permits required for design and construction of the Project and all provisions of Exhibit C identified as Authority responsibilities. All Permits issued for the design and construction of the Conveyance Project, including compliance with all terms and conditions of those permits, and ~~all provisions of Exhibit C identified as Authority responsibilities pursuant to Exhibit C and the permit acquisition plan,~~ will be administered in cooperation with DWR.

(b) In carrying out its obligations under this Agreement, and without regard to the named Permit holder, the Authority and its agents shall comply with all conditions of all applicable federal, State, or local Permits issued for design and construction of the Conveyance Project. Compliance with these conditions includes implementation of all measures required to be complete prior to conclusion of construction activities and commencement of operation of the Conveyance Project, including mitigation measures and environmental commitments in the MMRP and the Permits. For implementation of certain measures or Permit conditions that require restoration, the obligations of the Authority under this provision include design, construction, and management of restoration sites prior to transfer of title to DWR or its designee, to the extent approved by the issuer of the Permit. The Authority shall be solely liable

for any and all penalties or other costs associated with any enforcement actions related associated with to alleged violation of conditions or requirements of any Permit any such laws. Where DWR is the named holder of the Permit or is named as a party in any civil or criminal suit or administrative proceeding for violation or alleged violation of Permits, the Authority shall fully indemnify, defend and hold DWR harmless for all costs, including attorney and expert witness fees, accrued and monetary penalties issued to DWR or any of its officers, employees, or agents.

(c) In carrying out its obligations under this Agreement, the Authority and its agents shall comply with all applicable federal, State, or local laws existing during the term of this Agreement, including those pertaining to the use, storage, transportation and disposal of any hazardous substance as that term is defined in such applicable law. The Authority shall be liable for any and all penalties or other enforcement actions associated with violation of any such laws by the Authority or any of its officers, employees, contractors, or agents and shall indemnify, defend and hold DWR harmless for all associated costs accrued and penalties issued to DWR or any of its officers, employees, or agents.

6. Performance and Procurement of Services.

(a) The Authority shall perform the work described in this Agreement through its employees, agents, consultants and contractors. As soon as practicable following execution of this Agreement, the Authority shall develop and submit a project management plan to DWR for its approval.

(b) The Authority may enter into contracts for work to be performed under this Agreement; provided, that the Authority shall be fully responsible for all contracted work, including its quality and timeliness. For public works agreements, as defined in section 1101 of the Public Contract Code, relating to the Conveyance Project the Authority shall comply with all applicable provisions of the Public Contract Code and other applicable laws, and where additional requirements exist which are not in conflict with the law governing the Authority, with the provisions of the State Contract Act, Public Contract Code sections 10100 et seq. For service and consulting service agreements, as defined in Section 10335.5 of the Public Contract Code, relating to the Conveyance Project, the Authority shall solicit multiple competitive bids or proposals pursuant to applicable provisions of the Public Contract Code and other applicable laws. For architectural, landscape architectural, engineering, environmental, land surveying or construction project management services agreements, the Authority must solicit for such services in accordance with the provisions of sections 4525 et seq. of the Government Code. Notwithstanding the authorization in section 4, the Authority shall not enter into contracts as the agent of DWR without a separate written delegation of such authority to the Authority from DWR. All contracts issued by the Authority shall name DWR as a third-party beneficiary and shall inform the counterparty of the existence of this Agreement and of DWR's rights under this section 6. DWR may remove third-party beneficiary requirements for specific contracts upon request of the Authority. Notwithstanding anything herein, and where authorized by law, the Authority may utilize alternative project delivery methods for design and construction of the Conveyance Project.

(c) At all times DWR reserves the right to enter into contracts relative to the design and construction of the Conveyance Project in accordance with applicable law; provided, that any such contracts shall be complementary to the work of the Authority or of a review capacity, shall be coordinated with the Authority and shall not be administered by the Authority without prior written acceptance of the contract by the Authority. Section 12 of this Agreement shall not apply to contracts entered into by DWR pursuant to this paragraph.

(d) By written notice to the Authority and if good cause is shown, DWR reserves the right to participate in any phase of work described in this Agreement. For purposes of this section, "good cause" means (1) a threatened or actual material breach of this Agreement or (2) or an action or anticipated action inconsistent with, or that would require an amendment of, a Permit. If good cause exists, DWR shall provide written notice to the Authority and a reasonable opportunity to cure. If not cured, after additional reasonable notice to the Authority by DWR, DWR may participate to any extent it deems necessary in the matter or matters giving rise to the good cause including, but not limited to, drafting specifications, participating in contractor selection, evaluating work performance, reviewing contracts prior to issuance, administering contracts and resolving contract claims, requiring the Authority to terminate contracts, and enter into new contracts. DWR may also require prior approval of specifications, solicitation documents, drawings, data, addenda, change orders, and contracts by written notice to the Authority. Approval of any of these documents shall not subject DWR to any liability nor liability under sections 5 and 17 of this Agreement. In exercising its rights under this section, DWR shall take all reasonable feasible steps to minimize or avoid any delay to the design, permitting and construction schedule.

(e) Should DWR determine, in its sole discretion and after exhaustion of the dispute resolution provision herein, that the Authority has failed or is likely to fail to construct the Conveyance Project or any facility thereof in accordance with the budget and schedule for the Conveyance Project or any facility thereof, upon written notice to the Authority, DWR may terminate the Authority's role in construction and take full charge and control of construction. All contracts issued by the Authority related to the subject matter of this Agreement shall provide for assignment to DWR upon written notice from DWR stating that it has exercised its rights under this section. At the election of DWR, all costs and expenses of any nature whatsoever incurred by DWR in the exercise of its rights under this section, including the cost of completion or abandonment of all or part of the Conveyance Project shall be paid by the Authority and billed as a Conveyance Project cost.

(f) Construction of the Conveyance Project shall not interfere with the operation or maintenance of existing State Water Project facilities. Before undertaking any activity that could reasonably be expected to have the potential to interfere with the operation or maintenance of existing State Water Project facilities, the Authority and its contractors shall obtain the DWR's written approval, which may be subject to conditions deemed necessary or desirable by DWR.

7. Project Design.

(a) Prior to the period that the Authority advertises for bids for any facilities to be built pursuant to this Agreement, the Authority shall furnish to the Delta Conveyance Office copies of all prepared contract drawings, specifications, drainage and grading plans, and data concerning said facilities and during the period the Authority advertises for bids, any significant changes thereto. The Delta Conveyance Office shall review all said documents to ensure compliance with the Specifications in accordance with Section (c) hereof. All of the Authority's drawings and specific actions shall be prepared under the responsible charge of a registered professional engineer as defined in Section 6701 of the California Business and Professions Code. Proposed changes must be submitted to DWR on drawings in the same manner that the original contract drawings are submitted. Such drawings, specifications, and data shall be submitted to DWR in a sequence that will allow their review in an orderly manner. Ten legible copies of each drawing and ten sets of specifications and data shall be furnished to DWR. Specifications, data and drawings shall be submitted to:

Delta Conveyance Office
901 P Street, Room 413, Sacramento, CA 94236

(b) DWR shall notify the Authority in writing of its comments and suggestions on original drawings, specifications, data, addenda, and proposed changes as soon as practicable after their receipt but, in no event, later than thirty (30) business days thereafter for initial submissions and fifteen (15) business days thereafter for changes to initial submissions. The comment periods may be extended by mutual consent of the Parties. The Authority shall only be obligated to consider DWR's comments made after the applicable comment period elapses to the extent reasonable under the circumstances. The Authority shall not commence construction of any facilities for which the drawings, specifications, addenda, change orders, and data have not been reviewed by DWR and discussed with the Authority unless the applicable comment period has expired without DWR commenting; provided, however, that the Authority shall first notify DWR in writing of the absence of comment from DWR and its proposed commencement of construction. Review of any drawings, specifications, or data shall not subject DWR to any liability nor shall such action modify or qualify the Authority's liability under this Agreement. Upon completion of the Conveyance Project and within one year of DWR's acceptance of the work, the Authority shall furnish to the DWR reproducible prints of as-built drawings for the facilities constructed under this Agreement.

8. Property Acquisition.

(a) The Parties acknowledge that the construction of the Conveyance Project will require the acquisition of a substantial amount of real and personal property ("Acquired Property") and the goal of the parties is to acquire such properties as efficiently and expeditiously as possible while meeting all applicable State requirements. Real property constituting Acquired Property may be acquired in the form of fee title, easements, or as other interests and shall be acquired according to process described in the Property Acquisition Plan attached hereto as Exhibit D, to the extent the same is not in conflict with this Section 8. The initial responsibility for identifying property that will become Acquired Property shall be the Authority's. DWR shall appoint an individual within its Real Estate Services Department as its Acquisition Coordinator who shall be the point of contact for DWR for matters relating to the

selection and acquisition of Acquired Property. The Acquisition Coordinator shall be empowered to bind DWR with respect to such matters under this Agreement.

(b) From time to time, the Authority shall identify the property it believes should be Acquired Property and conduct a thorough evaluation of such property, including (as appropriate) (i) a description of the property, (ii) an analysis of the condition of title to the property, (iii) environmental studies of the property (including without limitation a Phase 1 and if recommended or if requested by DWR, a Phase 2 environmental report), (iv) an appraisal of the property conducted in accordance with the applicable State of California requirements, (v) the Authority's recommended offering price and terms for the property and (vi) any other factors or circumstances the Authority or DWR believes to be relevant. To the extent practical, all evaluations shall be in a standard form developed by the Authority in cooperation with the Acquisition Coordinator.

(c) Within fifteen (15) business days after the presentation of any negotiated sale agreement of a property proposed by the Authority to be Acquired Property, the Acquisition Coordinator shall either (i) approve the proposed acquisition at the negotiated terms, in which case the Authority shall thereafter proceed to purchase the property on terms no less favorable to the Authority and DWR than those approved by the Acquisition Coordinator without any further approval from the Acquisition Coordinator or DWR, (ii) request more information about the property, in which case the Authority shall promptly develop and submit such information after which, the Acquisition Coordinator shall begin a new ten (10) business period of review for the Acquisition Coordinator under this Section 8(c), or (iii) deny the proposed acquisition, in which case the Authority and Acquisition Coordinator shall promptly meet and confer to determine if revisions in the proposed acquisition can be made that will allow the Acquisition Coordinator to approve the proposed acquisition.

(d) Upon approval of the proposed acquisition by the Acquisition Coordinator, the Authority shall acquire property from willing sellers in the name of DWR. The Authority shall use the acquisition procedures attached hereto as Exhibit E, as applicable.

(e) Where feasible, all Acquired Property shall be purchased from willing sellers. However, if any property proposed as Acquired Property by the Authority and approved for acquisition by the Acquisition Coordinator cannot be purchased from the owner on a willing seller basis, the Acquisition Coordinator may direct that DWR will proceed to eminent domain proceedings to acquire such property. Should such proceedings be required, they will be conducted entirely by DWR and the Authority shall cooperate fully with DWR in connection therewith as a part of the Authority's services under this Agreement.

(f) Notwithstanding anything to the contrary in this section 8, where the acquisition of property or an interest in property is required by a Permit, the terms and conditions of the Permit shall control to the extent the process described in this section 8 is inconsistent with the terms or conditions of such Permit, unless otherwise approved in writing by the issuer of the Permit.

9. Budget and Schedule.

(a) The Authority shall ~~be reimbursed~~ receive payment, at the Authority's actual cost, for all work performed, supervised and/or contracted for by the Authority under this Agreement to implement and construct the Conveyance Project, including without limitation all administrative costs incurred by the Authority to perform its obligations under this Agreement.

(b) The Parties shall conduct annual budget review meetings. At the first annual budget meeting and at the budget meeting of each subsequent calendar year, the Authority shall present an annual budget and schedule, a five-year forecast, and the overall Conveyance Project budget forecast and schedule for the approval of DWR. The budget presented by the Authority shall include, at a minimum, individual contract estimates with a contingency amount. In developing the schedule, the Authority shall coordinate closely with DWR regarding activities that are anticipated to require significant DWR participation (e.g. eminent domain).

(c) Both DWR and the Authority shall provide oversight of the Conveyance Project budget with all final budgetary decisions residing with DWR.

10. Invoicing and Payment. Invoices with sufficient detail to justify payment shall be submitted by the Authority in triplicate no more frequently than monthly in arrears to:

Delta Conveyance Office
901 P Street, Room 413, Sacramento, CA 94236

Each invoice must identify this Contract by the DWR Number and the applicable phase of work specified in Exhibit B and include receipts for materials, supplies and work accomplished by the Authority and its contractors. Billings must be in accordance with the cost breakdown in Exhibit B. Subject to the availability of funding for the Conveyance Project, DWR shall make payments on the undisputed portions of invoices as soon as State invoice processing procedures allow. For purposes of this Agreement funding is available (i) if and when DWR, in compliance with applicable law, legal decisions and contracts in each case as determined by DWR, issues and sells revenue bonds for the purpose of constructing and implementing the Conveyance Project or (ii) if sufficient funds have been contributed to DWR by the Authority, its member agencies or another entity comprised of agencies that receive water from the SWP or CVP sufficient to pay invoices as such invoiced become due for payment. The authority shall include within all its public works contracts a provision whereby it withholds from its payments a retention in the maximum amount permitted by law. Ten percent of payments for each invoice shall be withheld pending satisfactory completion of each phase as set forth in Exhibit B. Should DWR, in the exercise of its rights under section 6 of this Agreement, participate in any work described in this Agreement, the cost of such participation shall be reimbursed by the Authority and billed as a Conveyance Project cost.

11. Annual Report and Status Reports.

(a) The Authority shall provide detailed written reports to DWR at least monthly regarding progress made toward completing the Conveyance Project, including (i) actual and

forecasted expenditures, (ii) the Authority's review of expenditures and forecasts against the approved budget, and (iii) progress relative to the approved schedule.

(b) Not later than March 1 of each calendar year, the Authority shall prepare and provide to DWR a draft annual report describing the Authority's activities under this Agreement during the immediately preceding calendar year as well as the status of the Conveyance Project. Upon receipt of such draft report, DWR shall have fifteen (15) business days within which to provide written comments on the draft report to the Authority, which shall consider such comments and incorporate those it determines to be appropriate. Within fifteen (15) business days after the receipt of DWR's comments, the Authority shall produce the final draft of the annual report for the relevant calendar.

12. Indemnity. Notwithstanding Government Code Section 895.2, the Authority agrees to indemnify, defend, and save harmless the State, its officers, agents, and employees from any and all liability, claims, and losses including attorney and expert witness fees, accruing or resulting to any and all contractors, subcontractors, suppliers, laborers and any other person, firm, or corporation furnishing or supplying work services, design services, consultant, or any other services, material or supplies in connection with the performance of this Agreement, and from any and all claims and losses including attorney and expert witness fees, accruing or resulting to any person, firm, or corporation who may be injured or damaged by the Authority, its officers, agents, employees, contractors, subcontractors, suppliers, and laborers in connection with the performance of this Agreement, including without limitation liability, claims and losses including attorney and expert witness fees, accruing or resulting as a result of the Authority's use, storage, transportation, or disposal of any hazardous material, including any petroleum derivative. Where the Authority is found in breach of this provision due to the issuance of a government order directing the Authority to cease and desist any illegal action in connection with a hazardous substance, or to remedy a contaminated condition caused by the Authority or any person acting under its direction, control or authority, the Authority shall be responsible for all costs and expenses of complying with such order, including any and all expenses imposed on or incurred by DWR in connection with or response to such government order. Nothing herein shall be interpreted as obligating the Authority to indemnify, defend, and hold harmless the State its officers, agents, and employees against State's sole negligence or willful misconduct.

13. Notices. Written communications concerning this Agreement shall be delivered in person to the following person or deposited in the United States mail, postage prepaid, addressed to the other Party at the following addresses:

Delta Conveyance Office
901 P Street, Room 413, Sacramento, CA 94236

14. Term. The term of this Agreement shall be from the date first above written until DWR's final acceptance of the Conveyance Project; provided, that this Agreement shall not become effective until approved by the Department of General Services.

15. Standard Clauses. The Standard Clauses attached hereto as Exhibit F are incorporated herein by this reference.

16. Insurance Requirements.

(a) During the term of the Agreement, the Authority shall maintain in effect commercial general liability and business automobile liability insurance in accordance with the Standard Clauses – Insurance in accordance with the Standard Clauses – Insurance Requirements attached as Exhibit F and incorporated into this Agreement by this reference. The Authority shall also either maintain and provide evidence to DWR of pollution liability insurance presently in effect for the Authority of not less than \$10,000,000 per occurrence and builder's risk insurance coverage for its public works contracts of not less than \$20,000,000 per occurrence or require its public works contractors to maintain pollution liability insurance and builder's risk coverage pursuant to the provisions of this Agreement.

(b) The Authority shall include in any contracts for public works and hazardous services the following provisions:

“The Contractor shall furnish to the Authority and the State of California (State) a certificate of insurance stating that there is commercial general liability insurance presently in effect for the contractor of not less than \$2,000,000 per occurrence for bodily injury and property damage liability combined and business automobile liability insurance presently in effect for the contractor of not less than \$2,000,000 combined single limit unless otherwise directed by CM1 Infrastructure Agency, pollution liability insurance presently in effect for the contractor of not less than \$2,000,000 per occurrence and builder's risk insurance of not less than \$2,000,000 per occurrence.

The certificate of insurance must include the following provisions:

1. The insurer will not cancel the insured's coverage without 30 days prior written notice to the Agency and the State.
2. The Agency and the State of California, its officers, agents, employees and servants are included as additional insureds but only insofar as the operations under this Agreement are concerned.

The Contractor agrees that the bodily injury liability insurance herein provided for shall be in effect at all times during the term of this contract. In the event said insurance coverage expires at any time or times during the term of this contract, Contractor agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the contract or for a period of not less than one (1) year. In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, the Agency may, in addition to any other remedies it may have, terminate this contract upon the occurrence of such event.”

(c) The Authority shall include in any contracts for architectural landscape architectural, engineering, consultants involved in hazardous waste remediation, and construction project management services the following provision:

“The Contractor shall furnish to the Authority and the State of California (State) a certificate of insurance stating that there is professional liability insurance presently in effect for the contractor of not less than \$2,000,000.

The certificate of insurance must include the following provisions:

1. The insurer will not cancel the insured’s coverage without 30 days prior written notice to the Authority and the State.
2. The Authority and the State of California, their officers, agents, employees, and servants are included as additional insureds but only insofar as operations under this contract are concerned.

Contractor agrees that the professional liability or errors and omissions insurance herein provided for shall be in effect at all times during the term of this contract. In the event said insurance coverage expires at any time during the term of this contract, contractor agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the contract, or for a period of not less than (1) year. In the event contractor fails to keep in effect at all times insurance coverage as herein provided, the Agency may, in addition to any other remedies it may have, terminate this contract upon the occurrence of such an event.”

(d) With the exception of the requirement for commercial general liability insurance, the Parties may modify or eliminate any of the insurance requirements specified in this Section 16. The Authority shall provide DWR with documentation showing compliance with the provisions of this Section. Failure by the Authority to comply with this section may be grounds for termination of this Agreement by DWR in addition to any other remedies it may have.

17. Risk of Loss. Until formal acceptance of the Conveyance Project by DWR, the Authority and any contractors it retains for the purposes of constructing the Conveyance Project shall bear all risk of loss or damage to any facilities, and all financial responsibility for construction of the Conveyance Project consistent with the Specifications.

18. Authority. The signatories for the Authority represent that they are appropriately authorized to enter into this Agreement. A certified copy of a resolution or minute order authorizing the Authority to enter into this Agreement shall be delivered to DWR at the time the Authority executes the Agreement.

19. No Agency. The relationship of the Parties under this Agreement is solely that of contracting parties and, where expressly specified, as principal and agent. No new public agency is created hereby.

20. No Waiver of Sovereign Authority. Nothing herein shall constitute a waiver or relinquishment of the sovereign authority of any Party with respect to any decision related hereto, including, but not limited to, the decision to participate in any action hereunder or to participate in an action separate and apart here from. Each Party retains all authorities and powers granted to it by law.

21. Amendment. This Agreement may be amended only by an agreement executed by the Parties.

22. Assignment and No Third-Party Beneficiaries. Except as expressly set forth in this Agreement, no rights and duties of any of the Parties under this Agreement may be assigned or delegated without the express prior written consent of all the other Parties, and any attempt to assign or delegate such rights or duties without such consent shall be null and void. This Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of the Parties. Except for such assignments, this Agreement does not create enforceable rights in favor of any person or entity other than the Parties.

23. Inspection and Acceptance. All of the construction authorized by this Agreement shall be subject to inspection by DWR for conformity with the reviewed drawings and specifications. Neither the inspection nor the lack of inspection of any portion of such construction, nor the presence or absence of any party's inspector during such construction, shall waive any of the requirements of the reviewed drawings and specifications. After construction has been completed, a final inspection will be performed by DWR. If the constructed facilities are found to be satisfactory, DWR shall forward to the Authority a formal statement of acceptance. Upon acceptance of the Conveyance Project by DWR, the Authority will be dissolved; provided, however, that the Authority shall not be dissolved while disputes between the Parties or between the Authority and its contractors remain unresolved.

24. Dispute Resolution.

(a) The Technical Review Workgroup shall be used to resolve disputes regarding technical and design issues, and material changes to Specifications. All other disputes should be resolved at the staff level if possible.

(b) If the event dispute cannot be resolved through the Technical Review Workgroup or otherwise, the Parties will describe the basis for the dispute and identify options that may be available to help resolve the matter. The Parties will meet and confer to consider these options and to determine whether agreement can be reached on the matter. If staff is unable to resolve the dispute after five (5) business days, the matter will be automatically escalated to the appropriate managers of each Party. If the managers are unable to resolve the dispute after five (5) business days, the matter will be automatically escalated to the Deputy Director in charge of the Delta Conveyance Office and the Authority's Executive Director. If the

Deputy Director and Executive Director are unable to resolve the dispute after a reasonable period of time, not to exceed fifteen (15) business days the matter will be automatically elevated to the Director of DWR and Executive Director of the Authority for resolution.

(c) Outside Review Panel.

At any time, the Parties may initiate a non-binding review process concerning the matter in dispute. The Party initiating such review shall provide written notice of the dispute that describes the nature of the dispute and a proposed approach to resolution. Within fourteen (14) days of the issuance of the written notice of dispute, the Parties will form a three-member panel of experts. One member of the panel will be selected by DWR, one member will be selected by the Authority, and a third member will be selected by mutual agreement of the first two panel members. Upon execution of this Agreement, the Parties will pre-screen panel members and direct their respective selections to pre-screen a third member and thereafter retain such members in a manner that ensures the members are at all times available to serve on the panel within 14 days of the issuance of a written notice of dispute required by this section. If at any time one or more members become unavailable the Party or member responsible for selecting the unavailable member shall promptly identify and retain a substitute member. 21 days after written notice of dispute, both Parties will submit letter briefs and documentary evidence. No discovery will be allowed. At its discretion, the panel may require rebuttals or responses from the Parties. If so required, the Parties will submit rebuttals or responses within 14 days of the request. Also, at its discretion, the panel may meet and confer with any of the Parties regarding the matter and gather whatever available information it deems necessary and appropriate. Within 14 days of the submittal of the written positions of the Parties, or rebuttals if so required, a non-binding recommendation will be issued by a majority of the panel, in writing, which will include a statement explaining the basis for the recommendation.

(d) In the event that a dispute cannot be resolved as provided in this Agreement, the Director of DWR shall make the final decision, after considering the recommendations of the non-binding Outside Review Panel, as well as any other relevant information concerning the issue at hand. The final decision by the Director of DWR shall not be arbitrary or capricious. Notwithstanding any other provisions of this Agreement, the Authority expressly reserves its right to seek relief from, and appropriate adjustment for, any such arbitrary or capricious decision. Prior to invoking paragraph 25, the procedures in this paragraph must be fully, and finally exhausted.

25. Specific Performance. Notwithstanding any other provisions of this Agreement, the Authority acknowledges and agrees that there can be no adequate remedy at law for any breach, or threatened breach, by the Authority of the terms of this Agreement, that any such breach, or threatened breach, would result in irreparable harm to DWR for which monetary damages would be inadequate to compensate DWR, and that DWR shall have the right, in addition to any other rights available under applicable law, to seek from any court of competent jurisdiction injunctive relief to restrain any breach or threatened breach of, or otherwise to specifically enforce, any covenant or obligation of the Authority under this Agreement, without the necessity of posting any bond or security.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

**STATE OF CALIFORNIA
DEPARTMENT OF WATER
RESOURCES**

By:_____

Karla Nemeth, Director

**DESIGN AND CONSTRUCTION
AUTHORITY**

By:_____

Tony Estremera, Board President

Approved as to form and consistency

By:_____

Spencer Kenner, Chief Counsel

Approved as to form and consistency

By:_____

Stefanie Morris, General Counsel

Board Memo

Contacts: Sergio Valles, Chief Engineer
Adrian Brown, Interim Procurement Manager
Jay Arabshahi, Agreement Administrator

Date: 10/18/2018 Board Meeting

Item No. 9a

Subject:

Consider Passing Resolution to obtain Geotechnical Engineering Professional Services.

Executive Summary:

After completing a competitive solicitation via a Request for Qualifications (RFQ) and evaluation process, staff recommends that the Board authorize the Executive Director to negotiate and execute a professional services agreement with the most qualified consultant, Fugro USA Land, Inc. (FUGRO), to provide Geotechnical Engineering Services (GE) Services for Phase 2A work for a term of five (5) years with a maximum amount payable of \$75,000,000 dollars.

Detailed Report:

The \$16 Billion California WaterFix (CWF) project involves constructing conveyance facilities which include three intakes, two large diameter tunnels, two forebays, a pumping plant and canals to deliver water from the Sacramento River to the existing State Water Projects (SWP) and Central Valley Project pumping plant located 42 miles away in the southern end of the Delta. During its estimated 15-year CWF construction period, a Geotechnical Engineering Services (GE) Consultant is needed to provide expert technical advice and consultation assisting in implementing the CWF during the design phase.

The GE Contractor will assist the DCA with 1) subsurface exploration, 2) laboratory testing of soil and water samples, and 3) preparing Geotechnical Data Reports (GDR).

RFQ 10134819 was issued on December 7, 2017 to procure Geotechnical Engineering Services (GE) Services. A total of two (2) statements of qualifications (SOQs) were received. A panel of five (5) members from agencies with a stake in the project, consisting of one (1) Chief Engineer, two (2) Managers of Engineering and two (2) Principal Engineers concurrently reviewed the written SOQs and conducted interviews with both prospective candidates.

The top scoring RFQ candidate is Fugro USA Land, Inc. (FUGRO). Staff recommends that the DCA Board authorize the Executive Director to negotiate and execute a professional services

agreement with the most qualified consultant, FUGRO, to provide Geotechnical Engineering (GE) Services for a term of five (5) years in a not-to-exceed amount of \$75,000,000 dollars.

Phase 1 geotechnical services were completed during the planning phase. The geotechnical program moving forward is designed as a two-part exploration program (Phase 2a and 2b) and Phase 3, to provide construction support services.

- Phase 2a exploration will focus mainly on collecting data to support preliminary engineering. The data to be collected will include both over-water and land-based soil borings, cone penetration tests (CPT) and test pits. Approximately 700 borings, Cone Penetration Testing (CPT) and test pit locations are proposed for this phase.
- Phase 2b exploration will collect geotechnical data to support Final Design, permitting requirements and planning for procurement- and construction-related activities. Approximately 780 boring, CPT and test pit locations for this phase.
- Phase 3 will be to provide Construction Support Services but will be pursued in the future as construction contracts are awarded.

Funding:

Current funding is for Phase 2a. Funding requests will be submitted to the board at each of the points identified above. The above points are not necessarily sequential. As various components of the conveyance system are designed the next phase of the exploration program may need to be initiated to further refine the design thus leading to an overlap of the phases 2a, 2b and construction support.

The fiscal year 2018-19 budget for Geotech work is \$18.3 million, which will be funded through contributions provided by DWR and the California WaterFix contractors.

Funding for successive years will be provided through remaining contributed funds, bonds issued by the DWR, or funds raised by the Delta Conveyance Finance Authority through WIFIA loans or bond issuances.

Recommended Action:

Adopt the attached resolution authorizing the Executive Director to negotiate and execute a five-year contract, in a not-to-exceed amount of \$75,000,000 for Phase 2A work, with Fugro USA Land, Inc., for Geotechnical Engineering Services (GE) Services.

Attachments:

Resolution and Presentation

**BOARD OF DIRECTORS OF THE DELTA CONVEYANCE DESIGN AND
CONSTRUCTION AUTHORITY**

RESOLUTION NO. 18-XX

Introduced by Director xxxx

Seconded by Director xxxx

PROFESSIONAL SERVICES AGREEMENT FOR GEOTECHNICAL ENGINEERING (GE)

Whereas, there is a need to procure Geotechnical Engineering (GE) Services; and

Whereas, Fugro USA Land, Inc., was selected as best qualified via an RFQ solicitation followed by evaluation by a scoring panel;

Now, therefore, be it resolved that the DCA Board hereby authorizes the Executive Director to negotiate and execute a professional services agreement with Fugro USA Land, Inc., to provide Phase 2A Geotechnical Engineering Services, to be directed by the Executive Director and staff, in a not-to-exceed total amount of \$75,000,000; and

Be it further resolved that the DCA Board directs the Executive Director to issue Task Orders as and when needed to direct the progress of work and expenditures, consistent with Board-adopted budgets.

* * * * *

This Resolution was passed and adopted this 18th day of October, 2018, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Tony Estremera, Board President

Attest:

Sarah Palmer, Secretary



GEOTECHNICAL, REAL ESTATE, SURVEYING

Delta Conveyance Design and Construction Authority (DCA)
October 18, 2018



BACKGROUND

The \$16 Billion California WaterFix (CWF) project involves constructing conveyance facilities which include three intakes, two large diameter tunnels, two forebays, a pumping plant and canals to deliver water from the Sacramento River to the existing State Water Project facilities (SWP)



REQUEST FOR QUALIFICATIONS

- Geotechnical Engineering Services (GE)
- Real Estate (RE)
- Survey & Mapping, Right of Way Engineering/
Title Services (RoW)



GEOTECHNICAL ENGINEERING SERVICES



BACKGROUND

Geotechnical Engineering Services will be needed to provide expert technical advice and consultation during the design and construction phases:

- Phase 1 – Completed during planning phase
- Phase 2a – Collect data to support preliminary engineering
- Phase 2b – Collect geotechnical data to support final design
- Phase 3 – Construction support



GE PROVIDES:

GE will assist the DCA in the following:

1. Subsurface exploration
2. Laboratory testing of soil and water samples
3. Preparing Geotechnical Data Reports (GDR)

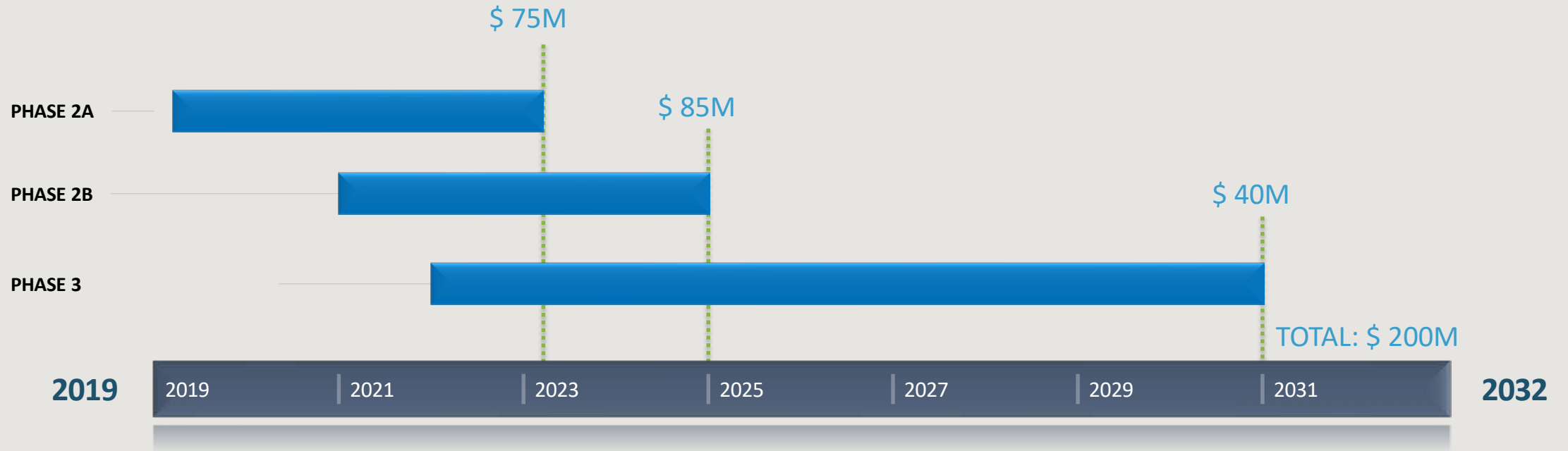


SOLICITATION PROCESS

- RFQ No. 10134819 was issued on December 7, 2017
- Two SOQs received on March 2, 2018
- Respondents who qualify as SBE/DVBE received 100 points (neither respondent qualified for incentive points but were deemed responsive)
- SOQs were assessed by evaluation committee (6 Criteria)
- A Best & Final Offer was requested from the top respondent (yielded reductions to their fee schedule)
- Recommend award for Phase 2a work to the highest scoring respondent, Fugro



GEOTECH SPENDING PLAN AND SCHEDULE





RECOMMENDED ACTION

Authorize the Executive Director to negotiate and execute a five-year professional services agreement with the following Consultant to provide Geotechnical Engineering Services for Phase 2a:

Respondent	Year Term	Maximum Amount Payable
FUGRO	5	Up to - \$75 Million

Board Memo

Contacts: Peter Wiseman, Interim Property Acquisition Manager
Adrian Brown, Interim Procurement Manager

Date: 10/18/2018 Board Meeting

Item No. 9b

Subject:

Consider Passing Resolution to obtain Real Estate (RE) Professional Services.

Executive Summary:

After completing a competitive solicitation via a Request for Qualifications (RFQ) and evaluation process, staff recommends that the Board authorize the Executive Director to conduct negotiations and execute professional service agreements with the three most qualified consultants, Associated Right of Way Services, Hamner Jewell Associates and Bender Rosenthal, for Real Estate (RE) Services for a term of seven (7) years with a maximum amount payable of up to \$9,000,000 dollars per agreement. The combined total of the three (3) contracts will be no more than \$27,000,000 dollars.

Detailed Report:

The \$16 Billion California WaterFix (CWF) project involves constructing conveyance facilities which include three intakes, two large diameter tunnels, two forebays, a pumping plant and canals to deliver water from the Sacramento River to the existing State Water Projects (SWP) and Central Valley Project pumping plant located 42 miles away in the southern end of the Delta. During the preliminary stages (the first five to seven years) of a 15-year construction period, the Real Estate (RE) Services Consultants are needed to support the acquisition of real property interests and to assist in general real estate activities necessary for the implementation (and mitigation) of the CA WaterFix.

The RE Contractor will assist the DCA with 1) Temporary Entry Permits, 2) Right of Way Acquisition, 4) Real and Personal Property Appraisal and Review, 5) Utility Relocation Services, 6) Relocation Assistance, 7) Public Outreach and 8) Other Real Property Services.

RFQ 1 was issued on January 26, 2018 to procure Real Estate (RE) Services. A total of seven (7) statements of qualifications (SOQs) were received. A panel of five (5) members from agencies with a stakehold in the project, consisting of one (1) Land Surveyor, one (1) Right of Way Supervisor and three (3) Property Acquisition/Real Estate Managers, concurrently reviewed the submitted SOQs and conducted interviews with the seven prospective candidates.

The top three scoring RFQ candidates are Associated Right of Way Services, Hamner Jewell Associates and Bender Rosenthal.

Staff recommends that the Board authorize the Executive Director to negotiate and execute professional service agreements with the three most qualified consultants, Associated Right of Way Services, Hamner Jewell Associates and Bender Rosenthal for Real Estate (RE) Services for terms of seven (7) years with a maximum amount payable of up to \$9,000,000 dollars per agreement.

Funding:

The Fiscal Year 2018-19 budget for Real Estate Services Property Acquisition is \$2.0 million, which will be funded through contributions provided by DWR and the California WaterFix contractors.

Funding for successive years will be provided through remaining contributed funds, bonds issued by the DWR, or funds raised by the Delta Conveyance Finance Authority through WIFIA loans or bond issuances.

Recommended Action:

Adopt the attached resolution authorizing the Executive Director to negotiate and execute three seven (7) year professional service contracts with a maximum amount payable of up to \$9,000,000 dollars per agreement with Associated Right of Way Services, Hamner Jewell Associates and Bender Rosenthal, respectively, to provide Real Estate (RE) Services.

Attachments:

Resolution and Presentation

**BOARD OF DIRECTORS OF THE DELTA CONVEYANCE DESIGN AND
CONSTRUCTION AUTHORITY**

RESOLUTION NO. 18-XX

Introduced by Director xxxx

Seconded by Director xxxx

PROFESSIONAL SERVICES AGREEMENT FOR REAL ESTATE SERVICES

Whereas, there is a need to procure Real Estate (RE) Services; and

Whereas, Associated Right of Way Services, Hamner Jewell Associates and Bender Rosenthal have been selected via an RFQ solicitation followed by evaluation by a scoring panel;

Now, therefore, be it resolved that the DCA Board hereby authorizes the Executive Director to negotiate and execute professional services agreements with Associated Right of Way Services, Hamner Jewell Associates and Bender Rosenthal to provide Real Estate (RE) Services, with a contract amount of up to \$9,000,000 dollars each for a not-to-exceed three-contract total of \$27,000,000; and

Be it further resolved that the DCA Board directs the Executive Director to issue Task Orders as and when needed to direct the progress of work and expenditures, consistent with Board-adopted budgets.

* * * * *

This Resolution was passed and adopted this 18th day of October, 2018, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Tony Estremera, Board President

Attest:

Sarah Palmer, Secretary



REAL ESTATE



BACKGROUND

During the preliminary stages of CWF (the first five to seven years) of the 15-year construction period, Real Estate Services are needed to support the acquisition of real property and to assist in general real estate activities



REAL ESTATE SERVICES

Real Estate will assist the DCA in the following:

1. Temporary Entry Permits
2. Right of Way Acquisition
3. Real and Personal Property Appraisal and Review
4. Utility Relocation Services
5. Relocation Assistance
6. Public Outreach
7. Property Management
8. Other Real Property Services



SOLICITATION PROCESS

- RFQ No. 1 was issued on January 26, 2018
- Seven SOQs were received on March 9, 2018
- Respondents who qualify as SBE/DVBE received 100 points
- SOQs assessed by evaluation committee (six criteria)
- A best & final offer was requested on fee schedule from top three respondents
- Recommend award to the three highest scoring respondents



RECOMMENDED ACTION

Authorize the Executive Director to negotiate and execute three professional services agreements, one each with the following three consultants, to provide Real Estate Services:

Respondent	Year Term	Maximum Amount Payable
Associated Right of Way Services	7	Up to \$9 Million
Hamner Jewell Associates	7	Up to \$9 Million
Bender Rosenthal	7	Up to \$9 Million

*Not-to-exceed \$27 Million combined total

Board Memo

Contacts: Peter Wiseman, Interim Property Acquisition Manager
Adrian Brown, Interim Procurement Manager

Date: 10/18/2018 Board Meeting

Item No. 9c

Subject:

Consider Passing Resolution to obtain Survey, Mapping, Title and Right of Way Engineering Professional Services.

Executive Summary:

After completing a competitive solicitation via a Request for Qualifications (RFQ) and evaluation process, staff recommends that the Board authorize the Executive Director to conduct negotiations and execute professional services agreements with the three qualified consultants, PSOMAS, Michael Baker International and Hernandez Kroone, Associates, Inc., to provide Survey, Mapping, Right of Way Engineering/Title Services (RoW) for a term of seven (7) years with a maximum amount payable of up to \$15,000,000 for PSOMAS, up to \$8,000,000 for Michael Baker International and up to \$2,000,000 for Hernandez Kroone, Associates, Inc. The combined total of the three (3) contracts will be no more than \$25,000,000 dollars over the seven year period.

Detailed Report:

The \$16 Billion California WaterFix (CWF) project involves constructing conveyance facilities which include three intakes, two large diameter tunnels, two forebays, a pumping plant and canals to deliver water from the Sacramento River to the existing State Water Projects (SWP) and Central Valley Project pumping plant located 42 miles away in the southern end of the Delta. During the preliminary stages (the first five to seven years) of a 15-year construction period, Survey, Mapping, Right of Way Engineering/Title Services (RoW) Consultants are needed to provide professional services to the DCA including surveying, mapping, right of way engineering, and title research necessary for the implementation (and mitigation) of the CA WaterFix. The RoW Contractor will assist the DCA with 1) Survey, Mapping, and Right of Way Engineering Services, 2) Title Research.

RFQ 10139620 was issued on December 7, 2017 to procure these Survey, Mapping, Right of Way Engineering/Title Services (RoW). A total of four (4) statements of qualifications (SOQs) were received. Three firms (PSOMAS, Michael Baker International and Hernandez Kroone,

Associates, Inc.) were deemed responsive. A panel of five (5) members from agencies with a stakehold in the project, consisting of one (1) Chief Surveyor and four (4) Field/Land Surveying, Mapping and Geodetics Managers, concurrently reviewed the written SOQs and conducted interviews with the three prospective candidates.

All three RFQ candidates (PSOMAS, Michael Baker International and Hernandez Kroone, Associates, Inc.) were determined to be qualified.

Staff recommends that the Board authorize the Executive Director to negotiate and execute professional service agreements with the three qualified consultants, firms (PSOMAS, Michael Baker International and Hernandez Kroone, Associates, Inc.) for Survey, Mapping, Right of Way Engineering/Title Services (RoW) for terms of seven (7) years with a maximum amount payable of up to \$15,000,000 for PSOMAS, up to \$8,000,000 for Michael Baker International and up to \$2,000,000 for Hernandez Kroone, Associates, Inc.

Funding:

The fiscal year 2018-19 budget for Survey work is \$1.5 million, which will be funded through contributions provided by DWR and the California WaterFix Contractors.

Funding for successive years will be provided through remaining contributed funds, bonds issued by the DWR, or funds raised by the Delta Conveyance Finance Authority through WIFIA loans or bond issuances.

Recommended Action:

Adopt the attached resolution authorizing the Executive Director to negotiate and execute three seven (7) year contracts with a maximum amount payable of up to \$15,000,000 for PSOMAS, up to \$8,000,000 for Michael Baker International and up to \$2,000,000 for Hernandez Kroone, Associates, Inc., for Survey, Mapping, Right of Way Engineering/Title Services (RoW).

Attachments:

Resolution and Presentation

**BOARD OF DIRECTORS OF THE DELTA CONVEYANCE DESIGN AND CONSTRUCTION
AUTHORITY**

RESOLUTION NO. 18-XX

Introduced by Director xxxx

Seconded by Director xxxx

***PROFESSIONAL SERVICES AGREEMENT FOR SURVEY, MAPPING, RIGHT OF WAY
ENGINEERING/TITLE SERVICES***

Whereas, there is a need to procure Survey, Mapping, Right of Way Engineering/Title Services (RoW); and

Whereas, PSOMAS, Michael Baker International and Hernandez Kroone, Associates, Inc., have been selected via an RFQ solicitation followed by evaluation by a scoring panel;

Now, therefore, be it resolved that the DCA Board hereby authorizes the Executive Director to negotiate and execute professional service agreements of up to \$15,000,000 for PSOMAS, up to \$8,000,000 for Michael Baker International and up to \$2,000,000 for Hernandez Kroone, Associates, Inc. to provide Survey, Mapping, Right of Way Engineering/Title Services (RoW); and

Be it further resolved that the DCA Board directs the Executive Director to issue Task Orders as and when needed to direct the progress of work and expenditures, consistent with Board-adopted budgets.

* * * * *

This Resolution was passed and adopted this 18th day of October, 2018, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Tony Estremera, Board President

Attest:

Sarah Palmer, Secretary



SURVEY & MAPPING, RIGHT OF WAY ENGINEERING/TITLE SERVICES



BACKGROUND

During the preliminary stages of CWF (the first five to seven years) of the 15-year construction period, Survey, Mapping, Right of Way Engineering/Title Services (RoW) are needed to support preliminary and final engineering design, real estate and environmental work



RoW SERVICES

RoW will assist the DCA in the following areas:

1. Survey: Geodetic, Boundary, Topographic, Utility, environmental, etc.
2. Mapping: aerial, regulatory, encumbrance, court exhibits, etc.
3. Right of Way Engineering Services
4. Title Research: ownership, oil, gas and mineral, sovereign rights, etc.



SOLICITATION PROCESS

- RFQ No. 10139620 was issued on December 7, 2017
- Four SOQs received on March 2, 2018
- One SOQ was deemed unresponsive
- Respondents who qualified as SBE/DVBE received 100 points
- SOQ's assessed by evaluation committee (five criteria)
- Recommend award to the three highest scoring respondents



RECOMMENDED ACTION

Authorize the Executive Director to negotiate and execute three professional services agreements, one each with the following three consultants, to provide Survey, Mapping, Right of Way Engineering/Title Services (RoW):

Respondent	Year Term	Maximum Amount Payable
PSOMAS	7	Up to \$15 Million
Michael Baker International	7	Up to \$8 Million
Hernandez Kroone, Associates, Inc.	7	Up to \$2 Million

*Not-to-exceed \$25 Million combined total



QUESTIONS?

Executive Director's Report

CONTACT: Jill Duerig, Interim ED

AGENDA DATE: October 18, 2018

Item No. 10a

SUBJECT: Status Update

SUMMARY:

Activities since the September meeting have been focused on cash flow and continued direction to the transition team. Coordination with DWR continues through its Design Construction Oversight (DCO) team.

DETAILED REPORT:

Recent efforts included the addition of one additional key DCA transition staff member from MWD, Nathan Purkiss, the Interim Outreach Manager who has already begun meeting with stakeholders and other agency outreach staff. Weekly meetings for the DCA transition team have been established. DCO-DCA coordination, including weekly executive meetings, continue. Key coordination items have been based on interpretation of language in the Joint Exercise of Powers Agreement (JEPA) and specific assignments during the transition period, such as environmental permits and agreements with power utilities.

The evaluation teams completed reviewing and ranking the four sets of proposals received before the DCA was formed (for Engineering Design Manager, geotechnical services, real estate support services and surveying). Recommendations to award three of these are in the current board package and the fourth (the Engineering Design Manager) is anticipated to be brought to the DCA Board for award in November of this year. The next two solicitations, for the Program Manager and for legal support services, were posted in September and close by the end of October; information is available on the DCA website under a new tab entitled "Business Opportunities" (http://www.dcdca.org/Business_Opportunities.htm).

Facility selection continues to move forward. Space planning for the two top options is underway to allow an apples-to-apples price comparison. Recommendations to negotiate a lease should come to the Board by the end of the year.

Other recruitments and procurement processes are proceeding. Ralph Andersen & Associates closed the Executive Director recruiting on October 15th (see <https://www.ralphandersen.com/jobs/executive-director-california-waterfix/>).

RECOMMENDED ACTION:

Information, only.

General Counsel's Report

CONTACT: Stefanie Morris, Interim General Counsel

AGENDA DATE: October 18, 2018

Item No. 10b

SUBJECT: Status Update

SUMMARY: General Counsel has spent a majority of time working on necessary regulatory filings, drafting policies and procedures, and coordination with the Executive Director and the DWR Delta Conveyance Office on various matters.

DETAILED REPORT: General Counsel has continued to work with the Executive Director to develop Inter-Agency agreements and other necessary consultant contracts. General Counsel continues to coordinate with Executive Director regarding application of the JEPA with DWR, as well as coordination with DWR. General Counsel is working with DCA staff related to implementing the appropriate document control for the Program that is consistent with the Document Retention Policy adopted by the Board. General Counsel is also working with DCA staff to respond to Public Records Act ("PRA") requests received and to develop a consistent practice for responding to PRA requests. Finally, General Counsel is reviewing and monitoring new and ongoing litigation related to the California WaterFix Project to assess potential liability to the DCA.

RECOMMENDED ACTION:
Information, only.

Treasurer's Report

CONTACT: June Skillman, Treasurer

AGENDA DATE: October 18, 2018

Item No. 10c

SUBJECT: Treasurer's Monthly Report, September 2018

SUMMARY:

During September 2018, receipts totaled \$1,241, consisting of interest earned on the DCA Start-up Trust cash balance in August 2018. There were no disbursements from the DCA Start-up Trust during September 2018. The balance in the DCA Start-up Trust at September 30, 2018 was \$716,373.

For the first quarter of FY 2019, receipts totaled \$3,626, consisting of interest earned on the DCA Start-up Trust cash balances during the quarter. Disbursements totaled \$83,691. Budgeted disbursements for the First Quarter of FY 2019 were \$12.95 million; disbursements are significantly under budget, reflecting spending that is slower to materialize than budgeted.

DETAILED REPORT:

See attached Statements.

RECOMMENDED ACTION:

Information, only.

ATTACHMENTS:

Attachment 1 – September 2018 DCA Start-up Trust Statement

Attachment 2 – First Quarter FY 2019 Financial Statements

DELTA CONVEYANCE DESIGN AND CONSTRUCTION AUTHORITY
Statement of Cash Receipts and Disbursements
Month Ended September 30, 2018

Receipts:

Interest receipts from August	\$ 1,241
	<hr/>
Net change in cash	1,241
Cash at beginning of month	<hr/> 715,132
Cash at end of month	<hr/> <hr/> \$ 716,373

DELTA CONVEYANCE DESIGN AND CONSTRUCTION AUTHORITY
Statement of Cash Receipts and Disbursements
Three Months Ended September 30, 2018

Receipts:

Interest receipts		\$	3,626
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Disbursements:

Insurance premiums	\$	30,876	
Consulting services		26,050	
Legal services		<u>26,765</u>	<u>83,691</u>

Net change in cash			(80,065)
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Cash at July 1, 2018			<u>796,438</u>
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Cash at September 30, 2018		\$	<u><u>716,373</u></u>
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DELTA CONVEYANCE DESIGN AND CONSTRUCTION AUTHORITY

Balance Sheet

As of September 30, 2018

Assets:

Cash	\$	716,373
Accounts receivable		<u>87,253</u>
Total assets	\$	<u><u>803,626</u></u>

Liabilities:

Accounts payable	\$	<u>33,813</u>
Total liabilities		33,813

Net position

		<u>769,813</u>
Total liabilities and net position	\$	<u><u>803,626</u></u>

DELTA CONVEYANCE DESIGN AND CONSTRUCTION AUTHORITYAccounts Payable Aging Schedule
As of September 30, 2018

<u>Payable To:</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>Total</u>
Management Partners					
Invoice # INV06305	\$ 12,313	\$ —	\$ —	\$ —	\$ 12,313
Invoice # INV06459	21,500	—	—	—	21,500
	<hr/>				
	\$ 33,813	\$ —	\$ —	\$ —	\$ 33,813
	<hr/>				

Accounts Receivable Aging Schedule
As of September 30, 2018

<u>Receivable From:</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>Total</u>
Department of Water Resources					
Invoice #DCA 2018-01	\$ 87,253	\$ —	\$ —	\$ —	\$ 87,253
	<hr/>				
	\$ 87,253	\$ —	\$ —	\$ —	\$ 87,253
	<hr/>				

DELTA CONVEYANCE DESIGN AND CONSTRUCTION AUTHORITY

Schedule of Invoices Paid

Three Months Ended September 30, 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 Best, Best, & Krieger	825750	7/5/2018	7/26/2018	6/4/18-6/28/18	\$ 12,363	Legal services
2 Management Partners	INV06081	7/3/2018	8/2/2018	6/1/18-6/29/18	7,300	Consulting services
3 Best, Best, & Krieger	828084	8/6/2018	8/21/2018	7/2/18-7/31/18	14,402	Legal services
4 Liberty Mutual Insurance	002321540AUG18	8/7/2018	8/22/2018	7/25/18-7/24/19	3,040	Insurance premiums
5 Alliant	907130	8/22/2018	8/28/2018	8/13/18-8/13/19	27,836	Insurance premiums
6 Management Partners	INV06194	8/3/2018	8/31/2018	7/2/18-7/31/18	18,750	Consulting services
					<u>\$ 83,691</u>	
					Insurance premiums	\$ 30,876
					Consulting services	26,050
					Legal services	26,765
					<u>\$ 83,691</u>	