

BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING

Thursday, November 15, 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. Sarah Palmer requested that her alternate, Doug Headrick, take her place.

Staff members in attendance were Jill Duerig, Stefanie Morris, Joshua Nelson, June Skillman, Sergio Valles.

3. CLOSED SESSION

4. PLEDGE OF ALLEGIANCE/NATIONAL ANTHEM

President Estremera convened the open session at approximately 2:00 p.m. 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 reportable actions taken.

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

There were no reportable actions taken.

6. PUBLIC COMMENT

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

Ms. Duerig noted that there was a piece of written correspondence received as a public comment and that copies were available for the board and public.

There was one verbal comment from the public.

Mr. Seth Jayne, President, Sierra Geotech expressed support for mandatory DBVE participation goals for procurement of professional engineering services contracts.

President Estremera closed Public Comment.

7. APPROVAL OF MINUTES: October 18, 2018 Regular Board Meeting

Recommendation: Approve minutes of the October 18, 2018 Regular Board Meeting

Move to Approve Minutes: Blois

Second: Atwater

Yeas: Estremera, Arakawa, Blois and Headrick

Nays: None

Abstains: None

Recusals: None

Absent: None

Summary: 4 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as MO 18-11-01)

8. CONSENT CALENDAR

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

9. DISCUSSION ITEMS:

a. Consider Adopting Conflict of Interest Code.

Recommendation: It is recommended that the Board of Directors approve and adopt Resolution No. 18-XX adopting the Conflict of Interest Code and directing that such Code be submitted to the Fair Political Practices Commission as the Authority's code-reviewing body (Gov. Code § 82011) requesting approval of the Code as required under Government Code section 87303.

Mr. Joshua Nelson, Acting Interim General Counsel, provided a summary of the process for adopting a Conflict of Interest Code. The draft code has been noticed and circulated for comment and no comments were received. The Code has been brought back to the Board for consideration and approval. He also described the next steps for submitting the Code to the Fair Political Practices Commission (FPPC) for review and approval. The Code is being filed with the FPPC due to being a multi-county agency.

Director Blois asked whether there have been any changes to the Code since it first came to the Board in September and Mr. Nelson advised that there have been no changes made.

Move to Approve Resolution No. 18-14 Adopting the Conflict of Interest Code,
as noted: Atwater
Second: Headrick
Yeas: Estremera, Atwater, Blois and Headrick
Nays: None
Abstains: None
Recusals: None
Absent: None
Summary: 4 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as Resolution
18-14)

b. Consider Passing Resolution Authorizing a Professional Services Agreement to Provide Engineering Design Management Services.

Recommendation: Adopt the attached resolution authorizing the Executive Director to negotiate and execute a five-year contract, in a not-to-exceed amount of \$110,000,000 dollars [\$93,000,000 dollars plus a contingency of \$17,000,000 dollars] for Phase 2 work, with CH2M HILL Engineers, Inc., for Engineering Design Management (EDM) Services, with spending to be managed via the issuance of Task Orders consistent with board-adopted budgets.

Mr. Sergio Valles, Interim Chief Engineer, presented a summary o the staff recommendation to award the contract for the Engineering Design Manager professional services agreement to CH2M Hill Engineers, Inc.:

- 5-year term
- NTE: \$110 million dollars (\$93 million plus \$17 million contingency), with spending to managed via the issuance of Task Orders consistent with board-adopted budgets.

This contract is for the EDM to assist the DCA on the following during Phase 2 (preliminary and final design).:

- Organizing, coordinating and managing design services for multiple engineering/technical firms.
- Conducting specialized engineering studies and providing design services to refine the scope of the CWF.
- Providing engineering planning and reporting activities.

Staff anticipate coming back to the board at some time in the future with a recommendation to contract for Phase 3 EDM services (construction support).

Move to authorize and negotiate a five-year professional services agreement with CH2M Hill Engineers, Inc. to provide Engineering Design Management Services for Phase 2 as noted: Atwater
Second: Headrick
Yeas: Estremera, Atwater, Blois and Headrick
Nays: None
Abstains: None
Recusals: None
Absent: None

Summary: 4 Yeas; 0 Nays; 0 Abstains; 0 Absent. (Motion passed as Resolution 18-15)

c. Presentations on Types of Alternative Delivery Methods, Financing and Case Studies.

The Board received two presentations on Alternative Delivery options and methods.

- Mr. Jim Gibbs and Mr. Garth Salisbury from Sperry Capitol in collaboration with Mr. Chris Margaronis from Indra Associates provided a presentation on alternative delivery options.

Director Blois requested an explanation of the difference between design-build and other variations of design-build, such as P3. Mr. Gibbs elaborated on the design-build falling under a large umbrella of public-private partnerships that represent an assignment of design and construction responsibility to a team. The team assumes more risk than the public sponsor when design-bid-build process is used. There are other factors that can be incorporated in a P3 including financing, long-term operation, maintenance, and virtual ownership role through contracts.

Director Blois asked Mr. Gibbs where the starting point should be for an alternative delivery method to be considered. Mr. Gibbs mentioned that the first thing is to have a clear sense of the project components and isolate project elements to analyze with regards to delivery. The second step in the process would be to compose a scenario for constructing the project based on a design-bid-build basis and identifying the risk in that approach. In addition, describing the cost benefit of the risk transfer and design and construction responsibility to a design-build team and then compare the increase in cost with the value of transferring the risk. This process is collaborative.

Director Blois asked Mr. Gibbs if this project is a candidate for considering alternative methods. Mr. Gibbs expressed that it's a good candidate. He provided an example of an Australian analysis which highlighted that bigger more complex projects have more benefit for alternative methods.

- Mr. John Bischoff from AECOM provided a presentation on Alternative Delivery Methods for Design and Construction of Major Civil Infrastructure Projects.

Director Blois asked why there was more discussion on Construction Manager at Risk (CMAR). Mr. Bischoff answered that it was simply a matter of available time and that if DCA wanted more information, it was certainly available.

10. STAFF REPORTS AND ANNOUNCEMENTS

a. Executive Director Report

A written report was provided in the Board package. Ms. Duerig provided a brief recap of items included in her report. President Estremera asked about the proposed DCA Office Space, Ms. Duerig mentioned that she anticipates bringing a recommendation to the Board in December.

b. General Counsel Report

A written report was provided in the Board package. The Board had no additional questions or comments.

c. Treasurer's Report

A written report was provided in the Board package. The Board had no additional questions or comments.

d. Verbal Reports

Ms. Duerig mentioned that the first invoice is paid in full, the DCA received wire transfer from the Delta Conveyance Office (DCO).

President Estremera requested a status update on the Executive Search, Ms. Duerig replied that the Executive Search is proceeding, and the recruiter is working with the Board on next steps.

11. FUTURE AGENDA ITEMS:

No future agenda items noted.

12. ADJOURNMENT:

The next meeting of the DCA will be held on November 15, at 2 p.m. in the Sacramento Public Library, Tsakopoulos Library Galleria, 828 I Street, Sacramento.

President Estremera adjourned the meeting at 3:07 p.m.