

June 15, 2022

Delta Conveyance Design and Construction Authority
Board of Directors

Subject: ***Final Materials for the June 16, 2022 Regular Board Meeting***

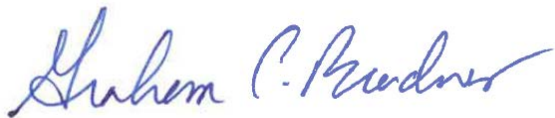
Members of the Board:

The next regular meeting of the Delta Conveyance Design and Construction Authority (DCA) Board of Directors is scheduled for **Tomorrow, June 16, 2022 at 2:00p.m.** and will be a hybrid meeting. Members of the public may attend the meeting in person or virtually. The call-in and video information, as well as meeting location is provided in the attached agenda. Meeting information will also be posted on the dcdca.org website.

Please note that given the current COVID-19 guidelines, the DCA will comply with public health recommendations regarding public meetings and social distancing efforts. Any meeting changes or cancellation will be communicated.

Enclosed are the final materials for the Board meeting in a PDF file, which has been bookmarked for your convenience.

Regards,



Graham Bradner
DCA Executive Director



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

REGULAR MEETING

Thursday, June 16, 2022

2:00 p.m.

Hybrid Meeting (In Person and Remote Attendance)

DCDCA Boardroom

980 9th Street, Suite 100

Sacramento, CA 95814

(Authorized by AB 361 / Government Code Section 54953(e))

Conference Access Information:

Phone Number: (650) 419-1505 Access Code: 665019510#

Electronic Meeting Link:

Please join my meeting from your computer, tablet, or smartphone

<https://v.ringcentral.com/join/665019510>

Additional information about participating by telephone or via the remote meeting solution is available here: <https://www.dcdca.org>

AGENDA

In compliance with Government Code Section 54953(e), the meeting will be held both in person and through the listed meeting link and telephone number. Assistance to those wishing to participate in the meeting in person or remotely 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 as soon as possible in advance of the meeting by contacting the DCA support staff at (888) 853-8486 or info@dcdca.org. Members of the public may speak regarding items on the agenda when recognized by the Chair as set forth below. Speakers are limited to three minutes each; however, the Chair may limit this time when reasonable based on the circumstances. Persons wishing to provide public comment remotely on Agenda Items are encouraged to complete a public comment request form at: <https://tinyurl.com/dcapubliccomment> by 2:15 pm. In addition, members of the public may use the “raise hand” function (*9 if participating by telephone only) during the meeting to request the opportunity to speak. Additional information will be provided at the commencement of the meeting.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PLEDGE OF ALLEGIANCE**
4. **PUBLIC COMMENT**

Members of the public may address the Authority on matters that are within the Authority’s jurisdiction

whether they are on or off the agenda. Speakers are limited to three minutes each; however, the Chair may limit this time when reasonable based on the circumstances. Persons wishing to speak may do so remotely through the electronic meeting link or teleconference number when recognized by the Chair.

5. APPROVAL OF MINUTES:

- (a) May 19, 2022 Regular Board Meeting

6. CONSENT CALENDAR

Items on the Consent Calendar are considered to be routine by the Board of Directors and will be enacted by one motion and one vote. There will be no separate discussion of these items unless a director so requests, in which event the item will be removed from the Consent Calendar and considered separately.

- (a) Approve Resolution Authorizing Virtual Board and Committee Meetings Pursuant to AB 361.

7. DISCUSSION ITEMS

- (a) June DCA Monthly Report
Recommended Action: Information Only
- (b) Proposed FY 22/23 Budget
Recommended Action: Adopt by Motion Order
- (c) Sr. Leadership Spotlight – Rob McCarthy, Program Support Manager
Recommended Action: Informational Only
- (d) Pass Resolution to Adopt Updated Investment Policy
Recommended Action: Adopt Resolution

8. STAFF REPORTS AND ANNOUNCEMENTS

- (a) General Counsel's Report
- (b) DWR Environmental Manager's Report
- (c) Verbal Reports, if any

9. FUTURE AGENDA ITEMS

10. ADJOURNMENT

* * * * *

Next scheduled meeting: August 18, 2022 Special Board Meeting at 2:00 p.m. (1:30 p.m. if there is a closed session).

BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING

Thursday, May 19, 2022

2:00 p.m.

(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 person and remotely - Conference Access Information: Phone Number: (669) 900-9128, code: 97054984924#, <https://sparkstreetdigital.zoom.us/j/97054984924> at 2:02 pm.

2. ROLL CALL

Board members in attendance remotely were Richard Atwater, Martin Milobar, Tony Estremera, Sarah Palmer, Gary Martin, Adnan Anabtawi. Robert Cheng participated from the DCA Board Room, constituting a quorum of the Board.

DCA staff members in attendance were Graham Bradner, Joshua Nelson, and Katano Kasaine participating remotely.

Department of Water Resources (DWR) staff member in attendance was Carrie Buckman.

3. PLEDGE OF ALLEGIANCE

President Richard Atwater convened the open session at approximately 2:02 p.m. and led all present in reciting the Pledge of Allegiance.

4. PUBLIC COMMENT

President Atwater opened Public Comment, there were no public comment requests received and he proceeded to close the comment period.

5. APPROVAL OF MINUTES: March 17, 2022 Regular Board Meeting, April 08, 2022 Special Board Meeting, and April 21,2022 Special Board Meeting

Recommendation: Approve the March 17, 2022 Regular Board Meeting, April 08, 2022 Special Board Meeting, and April 21,2022 Special Board Meeting

Motion to Approve Minutes from March 17, 2022, April 08, 2022, and April 21,2022, as

Noted:	Estremera
Second:	Palmer
Yeas:	Atwater, Milobar, Estremera, Palmer, Martin, Cheng, Anabtawi
Nays:	None
Abstains:	None
Recusals:	None

Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstain; 0 Absent. (Motion passed as MO 22-05-01).

6. CONSENT CALENDAR

Recommendation: Approve Resolution Authorizing Virtual Board and Committee Meetings Pursuant to AB 361

Motion to Approve Resolution Authorizing Virtual Board and Committee Meetings Pursuant to AB 361, as

Noted: Palmer
Second: Estremera
Yeas: Atwater, Milobar, Estremera, Palmer, Martin, Cheng, Anabtawi
Nays: None
Abstains: None
Recusals: None
Absent: None
Summary: 7 Yeas; 0 Nays; 0 Abstain; 0 Absent. (Motion passed as Resolution 21-08-08).

7. DISCUSSION ITEMS:

a) April DCA Monthly Report

Informational Item

Executive Director, Graham Bradner, provided an overview of the monthly board report, starting with Section 1: Worked Performed. In regard to Program Management, DCA Staff continues to develop the budget to Fiscal Year (FY) 22/23. Mr. Bradner highlighted that the Board Room Hybrid Meeting project is almost complete. DCA Staff also continue to push out project updates via social media. With respect to Engineering, the team is focused on supporting the Department of Water Resources (DWR) permitting efforts and furthering various engineering studies. The engineering studies are intended to document concepts for future consideration during later design phases. On the Field work side, DCA Staff maintain efforts to collect and evaluate Delta-wide subsurface data. This is to validate parameters assumed during the conceptual design. In April, most activities were associated with planning and preparing to conduct the spring program, including obtaining environmental clearances for the sites. The subsurface investigations are scheduled to start in May.

Director Robert Cheng inquired about the review work regarding the Mokelumne Aqueduct tunnel project.

Mr. Bradner informed the Board that East Bay Municipal Utility District issued a Notice of Preparation (NOP) regarding a proposed aqueduct tunnel project. The project has an alignment that would potentially intersect with the proposed Delta Conveyance Project. Because of this, DCA Staff reviewed the preliminary information and provided feedback.

Mr. Bradner continued to Section 3: Budget, stating that the total available funding for the current 21/22 fiscal year is just under \$24.5 million. He reminded the Board that the DCA originally started with \$21.5 million at the beginning of the fiscal year, which included zero (0) contingency or unallocated reserve. In July 2021 and January 2022, the DCA, with Board approval, rolled over underruns from the previous fiscal year, bringing the total available funding to just under \$24.5 million. Currently, the projection for an Estimate at Completion (EAC) for the current fiscal year is just under \$20 million, which leaves a collective underrun of between \$4.5 million to \$5 million.

Director Gary Martin asked if the DCA is projecting any schedule impacts for this year.

Mr. Bradner informed the Board that there are currently no projected schedule impacts. He also stated that the largest part of funding was associated with the collection of field data, which has recently started.

Director Robert Cheng commented that it seems there is approximately \$5 million in the variance, of which most is attributable to the field work, but due to unforeseen circumstances the projected field work is unable to get done in a timely manner.

Mr. Bradner agreed with Director Cheng's statement. He clarified that the underrun is comprised of \$3 million from FY 20/21 and \$1.5 million, almost \$2 million, from the current FY 21/22. Most of the underrun from FY 20/21 was due to projected field work that was unable to be completed.

Lastly, Mr. Bradner provided an overview of the program schedule, highlighting that the schedule is on track and the draft Environmental Impact Report (EIR) is scheduled to be released this summer.

Vice President Sarah Palmer stated that the program sequence on the bottom of Section 5: Program Schedule is useful, however, a yearly timeline with milestones, such as when construction is projected to start, would be a nice addition.

Mr. Bradner informed the Board that a yearly timeline with such milestones is intentionally not identified because there is a lot of unknown variables and uncertainty on the projected start date.

Treasurer Katano Kasaine requested clarification on if the DCA is seeking approval for the draft budget during this meeting.

Mr. Bradner clarified that the draft budget will be presented to the Board for approval at the June 2022 meeting.

No further questions or comments were presented from the Board.

b) Draft FY 22/23 Budget

Informational Item

Executive Director, Graham Bradner presented the draft FY 22/23 budget to the Board. The total proposed draft budget is \$31.16 million. The final budget will be presented at the June 2022 Board Meeting.

Mr. Bradner provided an overview of the planned technical work for the upcoming year, which includes continuing support of the permitting process with DWR, both in terms of preparing responses to any public comment on the engineering aspects of the project, and supporting other permit preparation. The DCA is also going to assist with stakeholder engagement with respect to the California Environmental Quality Act (CEQA) within the upcoming months. The execution of the geotechnical program is going to continue so to better understand conditions Delta-wide. The field data will support the evaluation of current assumptions on surface and underground conditions and is critical for validating conceptual design of the program components and providing information to DWR as it moves through the environmental review of the potential project. The DCA will be considering a range of engineering concepts and procurement contracting strategies to be further evaluated during future design phases.

Lastly, Mr. Bradner provided an overview of the proposed FY22/23 annual budget summary. He informed the Board that the budget does include an unallocated reserve of \$750,000 that's within the Executive Office subtask. He highlighted that the proposed program management office budget for FY 22/23 is very similar to FY 21/22. The main difference between the two (2) budgets is within the program initiation as there is approximately a \$4 million increase in the engineering field and approximately a \$2 million increase in the fieldwork field.

Director Adnan Anabtawi inquired about if the budget includes all of the underrun from the last two (2) fiscal years.

Mr. Bradner informed the Board that approximately \$3 million of the underrun is needed to cover the proposed budget for FY 22/23 and there will still be a balance remaining in the underrun.

Director Anabtawi asked if the underrun is expected to be spent in the following fiscal year or if there is a plan of when it is going to be spent.

Mr. Bradner informed the Board the underrun is currently not assigned to anything and is available for work that may be necessary.

Director Robert Cheng inquired about what the difference between the two (2) activities for DWR support identified on the schedule.

Mr. Bradner informed the Board that the first one identified on the schedule is 'request for information or design changes' and it is related to the work that has been done while getting ready for the public draft of the EIR and CEQA. The second one 'permit, preparations, and hearings' is associated with other permits that will be supporting DWR.

DWR Environmental Manager, Carrie Buckman, elaborated that the request for information or design changes is very much a request for information as when the environmental team is performing the analysis, they want more information or clarification around certain subjects or need information to be refined. The support is more focused on the water rights hearing, which DWR will request support from the DCA for that process.

No further questions or comments were presented from the Board.

c) **Conflict of Interest Code Amendment**

Adopt Resolution

Josh Nelson presented a Board Memo regarding this item. He informed the Board that the Political Reform Act requires the DCA to adopt a conflict-of-interest code. This code identifies those positions within the organization that are required to file a form 700 or a statement of economic interest. This form requires the person to list all of their potential financial interests which could potentially create a conflict of interest in the future. The DCA adopted their initial code in 2018 when the DCA was formed. The Fair Political Practices Commission, which is responsible for administering this area, requires agencies to periodically review and update their code as appropriate. In reviewing the initial code, there has been a number of changes to DCA's organizational structure. The edits proposed would update the code to reflect the current organizational structure. There was a notice period where the edits were available for public comment and the DCA did not receive any comments.

Vice President Sarah Palmer inquired about which category the DCA Board are a part of.

Mr. Nelson informed the Board that they are required to disclose their interests in all categories.

No further questions or comments were presented from the Board.

Recommendation: Consider Passing Resolution to Approve Conflict of Interest Code Amendment

Motion to Approve Passing Resolution to Approve Conflict of Interest Code Amendment, as

Noted:	Martin
Second:	Estremera
Yeas:	Atwater, Milobar, Estremera, Palmer, Martin, Cheng, Anabtawi
Nays:	None
Abstains:	None
Recusals:	None
Absent:	None
Summary:	7 Yeas; 0 Nays; 0 Abstain; 0 Absent. (Motion passed as Resolution 22-04).

d) **Travel Policy Update**

Adopt Resolution

Josh Nelson presented a Board Memo regarding this item. He informed the Board that the Joint Exercise of Powers Agreement (JEPA) with DWR requires the DCA to adopt a Travel Policy. The Travel Policy is approved by the DCA Board by resolution and then approved by DWR. The DCA has a current policy in place but in reviewing it, the DCA has identified areas that need to be updated. The edits are listed in the Staff Report. Mr. Nelson stated that the vast majority of DCA's contracts adhere to part one (1) of the Travel Policy, which uses a multiplier approach. The DCA has the more detailed Travel Policy because if the project were to receive federal funding, the DCA will be required to act under that portion of the policy to be consistent with federal guidelines. It

is also needed as some contracts do not adhere to part one (1), so the DCA ensures that the contracts abide by the detailed Travel Policy.

If approved by the Board, the DCA will review all current agreements to ensure they are consistent with the updated policy.

No questions or comments were presented from the Board.

Recommendation: Consider Passing Resolution to Approve Travel Policy Update

Motion to Approve Passing Resolution to Approve Travel Policy Update, as

Noted:	Palmer
Second:	Anabtawi
Yeas:	Atwater, Milobar, Estremera, Palmer, Martin, Cheng, Anabtawi
Nays:	None
Abstains:	None
Recusals:	None
Absent:	None
Summary:	7 Yeas; 0 Nays; 0 Abstain; 0 Absent. (Motion passed as Resolution 22-05).

8. STAFF REPORTS AND ANNOUNCEMENTS:

a. General Counsel's Report

A written report was provided in the Board package. Mr. Nelson reminded the Board that per AB361, the Board is able to meet remotely or in a hybrid format as long as the statewide declaration of emergency remains in effect or if social distance is recommended. There are two bills, AB1944 and AB2449, which are still in the early legislative process, that would make permanent changes to teleconference rules and provide greater flexibility for directors to participate remotely in meetings without having their location identified on the agenda. AB1944 would provide the most flexibility as it would allow the Board to make a finding that allows directors to participate in meetings from private locations remotely without making that private location accessible to the public. Under this bill, the name of the director participating remotely is required to be on the agenda, indicating that they are at a private location. AB2449 has more requirements, requiring that if a director is participating in the meeting remotely, a quorum of the Board has to be participating from a single physical location.

b. Treasurer's Report

Two written reports were provided in the Board package. Ms. Katano reminded the Board that she is reporting every two (2) months. She proceeded to provide an overview of the cash balances for the month of March and April. She stated that the DCA's year-to-date actual expenses are \$5.4 million below budget.

c. DWR Environmental Manager's Report

A written report was provided in the Board package. Ms. Buckman highlighted that DWR is continuing the development of the draft Environmental Impact Report (EIR) for the release this

summer. She also mentioned that the soil investigations have restarted and there is a link in the packet to a map that shows the planned explorations for the next two weeks. This map is updated weekly.

d. Verbal Reports

Nazli Parvizi provided a verbal report to the Board. She announced that in approximately a month, she will be wrapping up her time with the DCA. She expressed her appreciation for the opportunity to work with the Board, the DCA team, the DWR team, and the folks in the Delta.

President Atwater thanked Ms. Parvizi for her time at the DCA.

Director Gary Martin expressed his appreciation for Ms. Parvizi's efforts in working with stakeholders in the Delta.

Vice President Sarah Palmer expressed her gratitude with being able to work with Ms. Parvizi. She highlighted that Ms. Parvizi was well respected and trusted by the folks in the Delta, which is critical for the project. She stated that Ms. Parvizi was so valuable for moving this project forward.

Director Tony Estremera expressed his appreciation for Ms. Parvizi and her work with the Stakeholder Engagement Committee.

Director Robert Cheng stated that he regrets that he was unable to meet Ms. Parvizi in person. He enjoyed listening to her reports and her work with the DCA was a fine art.

Mr. Bradner thanked Ms. Parvizi on the behalf of the whole the DCA team. He recognized her for all of the work she has performed.

9. FUTURE AGENDA ITEMS:

Vice President Palmer requested for updates on the potential intersect of the East Bay Municipal Utility District with the proposed Delta Conveyance Project to be brought to the Board as a future agenda item.

Mr. Bradner and Ms. Buckman informed the Board that the NOP issued is strictly preliminary and something that the DCA and DWR will keep track of and coordinate if and when it is appropriate to do so. As of now, there is not anything to report.

Director Anabtawi requested for the DCA to incorporate more Sr. Leadership Spotlights on future agendas.

10. ADJOURNMENT:

President Atwater adjourned the meeting at 2:53 p.m., in person and remotely- Conference Access Information: Phone Number: (669)900-9128, code: 97054984924#, <https://sparkstreetdigital.zoom.us/j/97054984924>

Board Memo

Contacts: Josh Nelson, General Counsel

Date: June 16, 2022, Board Meeting

Item No. 6a

Subject:

Extend Resolution 2021-08 for Thirty Days to Re-Authorize Virtual Public Meetings in Accordance with AB 361.

General:

At the November Board Meeting, the Board adopted Resolution 2021-08, authorizing virtual public meetings in accordance with Assembly Bill (AB) 361. Meeting virtually helps contain the spread of the COVID-19 virus and keeps the Board, staff and the public safe.

Pursuant to AB 361, once a resolution is adopted, a local agency may meet virtually for a maximum period of 30 days. Prior to expiration of the 30 -day period, the local agency needs to renew its resolution if the Board would like to continue meeting virtually or in a hybrid format.

In accordance with Resolution 2021-08, the Board of Directors may extend the application of this Resolution, by motion and majority vote by up to thirty days at a time, if it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3). This item would extend Resolution 2021-08 for thirty days given the continued need to meet remotely in response to the COVID-19 pandemic. As set forth in the resolution, State and local officials have recommended social distancing and meeting in person presents imminent risks to the health and safety of attendees.

Recommended Action:

By motion, extend Resolution 2021-08 for thirty days to re-authorize virtual public meetings in accordance with AB 361.

Attachments:

Resolution 21-08

BOARD OF DIRECTORS OF THE DELTA CONVEYANCE DESIGN AND CONSTRUCTION AUTHORITY
RESOLUTION NO. 21-08

Introduced by Director: Sarah Palmer

Seconded by Director: Tony Estremera

AUTHORIZING VIRTUAL BOARD AND COMMITTEE MEETINGS PURSUANT TO AB 361

Whereas, the Delta Conveyance Design and Construction Authority (DCA) is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

Whereas, all meetings of DCA's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate in DCA's meetings; and

Whereas, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued several executive orders aimed at containing the COVID-19 virus; and

Whereas, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

Whereas, pursuant to the Governor's executive orders, DCA has been holding virtual meetings during the pandemic in the interest of protecting the health and safety of the public, staff, and Directors; and

Whereas, the Governor's executive order related to the suspension of certain provisions of the Brown Act expired on September 30, 2021; and

Whereas, on September 16, 2021 the Governor signed AB 361 (in effect as of October 1, 2021 – Government Code Section 54953(e)), which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

Whereas, such conditions now exist in the DCA, specifically, a state of emergency has been proclaimed related to COVID-19, Sacramento County officials are imposing and recommending measures to promote social distancing, and because of the ongoing threat of COVID-19, meeting in person would present imminent risks to the health and safety of attendees;

Now, therefore, be it resolved by the DCA Board of Directors as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Remote Teleconference Meetings. Consistent with the provisions of Government Code Section 54953(e), the Board of Directors finds and determines that (1) a state of emergency related to COVID-19 is currently in effect; (2) local officials in Sacramento County have imposed or recommended measures to promote social distancing in connection with COVID-19, including indoor mask requirements; and (3) due to the COVID-19 emergency, meeting in person would present imminent risks to the health and safety of attendees. Based on such facts, findings and determinations, the Board authorizes staff to conduct remote teleconference meetings of the Board of Directors, the Stakeholder Engagement Committee and all other DCA legislative bodies, under the provisions of Government Code Section 54953(e).

Section 3. Effective Date of Resolution. This Resolution shall take effect upon its adoption, and shall be effective for 30 days or until this Resolution is extended by a majority vote of the Board of Directors in accordance with Section 4 of this Resolution.

Section 4. Extension by Motion. The Board of Directors may extend the application of this Resolution by motion and majority vote by up to thirty days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3).

* * * * *

This Resolution was passed and adopted this 18th day of November, 2021, by the following vote:

Ayes:7

Noes:0

Absent:0

Abstain:0

Attest:

DocuSigned by:

Richard Atwater

12/15/2021

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Richard Atwater, Board President

DocuSigned by:

Martin Milobar

12/15/2021

CC3A6997DF1F4B7...

Martin Milobar, Board Secretary



DCA

DELTA CONVEYANCE DESIGN
& CONSTRUCTION AUTHORITY

Monthly Board Report

This document is fully interactive; use menus to navigate on-screen.

1

SUMMARY OF
WORK

2

COMMUNITY
ENGAGEMENT

3

BUDGET

4

CONTRACTS

5

SCHEDULE



Agenda Item 7a

JUNE 2022

(ACTIVITIES IN MAY)

Section 1 | Work Performed (May 2022 Activities)

Program Management. The team continued program-wide support activities and implementation of the Program Management Information System.

- Continue processing invoices for FY21/22
- Continue processing of Task Orders, Task Order Amendments and Purchase Orders for FY21/22
- Continue budget development for FY22/23 including WBS review and update
- Succession planning and implementation
- Continued development of master programmatic schedule

Administration. The Administrative team continued to support functions including IT support, in-person and virtual meetings, Social Media content/updates as well as COVID-19 facility response/preparedness.

- Supported DCA Board of Directors and coordination of DCA events
- FY 22/23 Budget Preparation
- Coordination of DCA Change Board meetings/actions
- DCA Website review and updates
- Pushed DCA updates via Social Media Outlets, created reminders about resource materials
- Created information videos about DCA formation, governance and work

- Continued coordination for Board Room Hybrid Meeting project. Installation activities have continued
- Launched automated Visitor system at DCA Headquarters
- Assisted remote workforce



Engineering. The engineering team primarily focused on supporting the Department of Water Resources (DWR) Delta Conveyance Office (DCO) permitting efforts and further developing future engineering studies.

- Progressed engineering studies to document concepts for consideration during future design phases.
- Responded to requests for information from environmental team regarding conceptual designs and/or quantities
- Developed responds to comments received on 2-Dimensional River Flood Flow Hydraulic Modeling technical memorandum

- Continued ADA compliance effort for EPRs and TMs
- Continued support of utility power coordination efforts with DCO
- Continued support of Caltrans draft preliminary design activities for potential state road and highway modifications
- Continued review of existing Delta-wide subsurface information
- Continued engineering support for Spring 2022 investigation program

Field Work. The field work team continued efforts to collect data to support evaluation of Delta-wide subsurface conditions and validation of parameters assumed during development of conceptual designs.

- Continued planning and coordination associated with the ongoing Spring 2022 Investigation Program
- Began and completed Cone Penetration Test (CPT) portion of Spring 2022 Investigation Program
- Began geotechnical boring and testing associated with Spring 2022 Investigation Program
- Continued planning of Summer/Fall 2022 investigation program and coordination with environmental team to plan overwater borings and review permitting requirements

Section 1 | One Month Look-Ahead (June 2022 Activities)

Program Management

- Continue support implementation of the Program Management Information System including build out of Funding Tracking and Management.
- Continue processing invoices for FY21/22
- Continue processing of Task Orders, Task Order Amendments and Purchase Orders for FY21/22
- Continue budget development for FY22/23 including WBS review and update
- Support Task Order development and new procurements for FY22/23
- Continue development of master programmatic schedule

Administration

- Continue support to DCA office including all Administrative, Facility and IT functions
- FY 22/23 Budget /Task Order preparation activities
- Continue support for DCA Board of Directors meetings and monthly report generation
- Preparation activities for future hybrid Board of Directors meetings including test hybrid meetings
- Continue coordination of DCA Change Control Board meetings/actions
- Continue support for stakeholder engagement and outreach efforts including community meeting preparation
- Support for DCA Procurement Activities
- Continue to manage and coordinate content for Social Media outlets

Engineering

- Continue to respond to requests for clarification on conceptual designs and/or quantities from environmental team
- Continue ADA compliance effort for EPRs and TMs
- Continue progressing engineering studies to document concepts for consideration during future design phases
- Continue assisting DWR with agency and utility coordination activities
- Continue review of existing Delta-wide subsurface information

Field Work

- Continue implementation of Spring 2022 Investigation Program
- Continue planning and coordination associated with Summer/Fall 2022 Investigation Program



Section 3 | Stakeholder Engagement

Community Engagement

DCA Staff, in coordination with DWR, continue efforts to coordinate meetings with Delta communities to provide an overview of the current proposed Delta Conveyance Project (DCP) and an opportunity for question-and-answer sessions. The Executive Director, Graham Bradner, also participated in various meetings this month to provide an update on DCP. Please refer to the calendar to see events and activities that occurred in May 2022.

1. Graham Bradner provided a DCP update to the Walnut Grove Rotary
2. Graham Bradner provided a DCP update to the North Stockton Rotary

DCA Social Media Updates

- The DCA YouTube channel is up to 61 subscribers
- The DCA Facebook post highlighting the DCA website had a total reach of 61,164
- The DCA had a total daily reach of 124,151 on Facebook
- The DCA received 1,526 likes on Facebook

Engagement and Activity Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
May 2	3	4	5	6
9 1. Walnut Grove Rotary	10 2. North Stockton Rotary	11	12	13
16	17	18	19	20
23	24	25	26	27
30	31			

Section 3 | Budget

Budget. The FY21/22 DCA budget is \$24.48M. We are now currently forecasting an Estimate at Completion budget of \$19.1M. The DCA has committed \$20.1M (details in Table 2) and has incurred \$13.5M in expenditures through May (details

in Table 2). Actual and planned cash flow curves are shown in Figure 1.

Table 1 | Monthly Budget Summary (FY 21/22)

Category	Original Budget	Current Budget	Current Commitments	Incurred to Date	EAC	Variance
Program Management Office						
Executive Office	2,202,245	4,271,146	2,728,452	1,971,557	2,403,182	(1,867,963)
Community Engagement	775,305	775,305	566,971	318,110	379,534	(395,772)
Program Controls	1,472,640	1,565,135	1,542,248	1,140,621	1,498,248	(66,887)
Administration	2,568,238	2,635,238	2,660,365	2,125,583	2,388,300	(246,938)
Procurement and Contract Administration	74,112	74,112	148,308	100,933	148,308	74,196
Property	516,280	393,640	409,895	305,222	371,710	(21,930)
Permitting Management	560,534	560,534	569,191	464,023	601,410	40,876
Health and Safety	21,600	21,600	13,600	675	5,600	(16,000)
Quality Management	14,016	14,016	34,016	2,340	54,016	40,000
Program Initiation Office						
Engineering	7,617,456	10,613,337	8,370,365	6,633,221	8,223,143	(2,390,194)
Fieldwork	5,677,574	3,554,333	3,070,416	469,029	3,076,023	(478,310)
	\$ 21,500,000	\$ 24,478,396	\$ 20,113,826	\$ 13,531,314	\$ 19,149,474	\$ (5,328,922)

Note: The undefined allowance EAC includes a \$500K cash advance from DWR to be used for prepayments that have short payment windows.

Section 3 | Budget *continued*

Table 2 | Budget Detail

Work Breakdown Structure	Original Budget	Current Budget	Commitments	Pending Commitments	Actuals Received	Remaining Budget	% of Budget Remaining	Estimate At Completion	Variance (Surplus)/Deficit
Delta Conveyance	\$ 21,500,000	\$ 24,478,396	\$ 20,113,826	\$ -	\$ 13,531,314	\$ 10,947,082	55%	\$ 19,149,474	\$ (5,328,922)
Executive Office	2,202,245	4,271,146	2,728,452	-	1,971,557	2,299,589	46%	2,403,182	(1,867,963)
Management	87,884	1,272,884	1,308,900	-	1,054,246	218,638	83%	1,314,891	42,007
Legal	556,915	556,915	556,915	-	170,518	386,397	31%	210,518	(346,397)
Audit	30,000	30,000	25,000	-	25,000	5,000	83%	25,000	(5,000)
Treasury	254,726	254,726	249,916	-	188,127	66,599	74%	249,916	(4,810)
Human Resources	87,720	87,720	87,720	-	33,666	54,054	38%	87,720	-
Undefined Allowance	1,185,000	2,068,901	500,000	-	500,000	1,568,901	24%	515,137	(1,553,763)
Community Engagement	775,305	775,305	566,971	-	318,110	457,195	41%	379,534	(395,772)
Management	118,877	118,877	170,583	-	121,488	-2,611	102%	170,583	51,706
Community Coordination	250,000	250,000	0	-	0	250,000	0%	0	(250,000)
Outreach	406,428	406,428	396,388	-	196,622	209,806	48%	208,951	(197,478)
Program Controls	1,472,640	1,565,135	1,542,248	-	1,140,621	424,514	73%	1,498,248	(66,887)
Management	387,840	387,840	379,590	-	279,120	108,720	72%	379,590	(8,250)
Cost Management	754,560	754,560	733,359	-	604,567	149,993	80%	733,359	(21,201)
Document Management	330,240	330,240	336,804	-	246,829	83,411	75%	292,804	(37,436)
Governance	0	92,495	92,495	-	10,105	82,390	11%	92,495	-
Administration	2,568,238	2,635,238	2,660,365	-	2,125,583	509,655	81%	2,388,300	(246,938)
Management	641,280	641,280	609,964	-	485,383	155,897	76%	606,964	(34,316)
Facilities	1,283,297	1,285,297	1,395,110	-	1,206,453	78,844	94%	1,204,089	(81,208)
Information Technology	643,661	708,661	655,291	-	433,748	274,913	61%	577,247	(131,414)
Procurement & Contract Administration	74,112	74,112	148,308	-	100,933	-26,821	136%	148,308	74,196
Procurement Management	74,112	74,112	148,308	-	100,933	-26,821	136%	148,308	74,196
Property	516,280	393,640	409,895	-	305,222	88,418	78%	371,710	(21,930)
Management	245,280	122,640	81,815	-	81,815	40,825	67%	13,630	(109,010)
Property Agents	150,000	150,000	178,080	-	95,937	54,063	64%	208,080	58,080
Temporary Entrance Permits	121,000	121,000	150,000	-	127,470	-6,470	105%	150,000	29,000

Section 3 | Budget *continued*

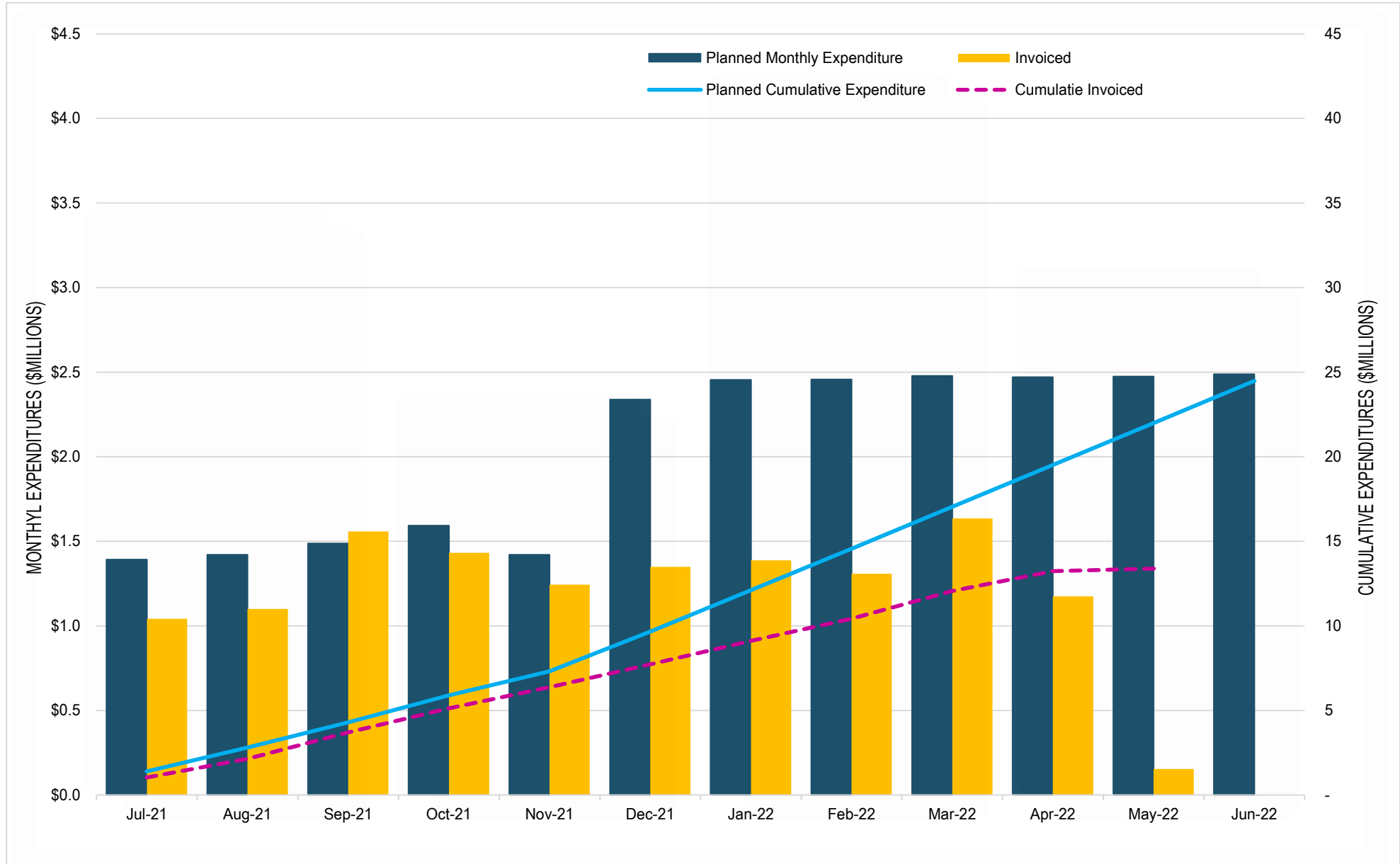
Table 2 | Budget Detail

Work Breakdown Structure	Original Budget	Current Budget	Commitments	Pending Commitments	Actuals Received	Remaining Budget	% of Budget Remaining	Estimate At Completion	Variance (Surplus)/Deficit
Permitting Management	560,534	560,534	569,191	-	464,023	96,511	83%	601,410	40,876
Management	560,534	560,534	569,191	-	464,023	96,511	83%	601,410	40,876
Health & Safety	21,600	21,600	13,600	-	675	20,925	3%	5,600	(16,000)
Management	21,600	21,600	13,600	-	675	20,925	3%	5,600	(16,000)
Quality Management	14,016	14,016	34,016	-	2,340	11,676	17%	54,016	40,000
Management & Auditing	14,016	14,016	34,016	-	2,340	11,676	17%	54,016	40,000
Engineering	7,617,456	10,613,337	8,370,365	-	6,633,221	3,980,115	62%	8,223,143	(2,390,194)
Management & Administration	900,316	1,022,956	988,755	-	731,376	291,580	71%	923,576	(99,380)
Engineering Support	4,436,666	4,436,666	2,361,723	-	2,257,978	2,178,688	51%	2,397,879	(2,038,787)
Facility Studies	2,280,474	2,280,474	5,019,887	-	3,643,868	-1,363,394	160%	4,901,688	2,621,214
Undefined Allowance	0	2,873,241	0	-	0	2,873,241	0%	0	(2,873,241)
Fieldwork	5,677,574	3,554,333	3,070,416	-	469,029	3,085,304	13%	3,076,023	(478,310)
Management	544,675	917,200	701,879	-	304,179	613,021	33%	737,298	(179,902)
Geotechnical Work	4,548,000	2,052,234	2,052,234	-	47,523	2,004,712	2%	2,052,234	-
Environmental Monitoring	584,899	584,899	316,303	-	117,327	467,572	20%	286,491	(298,408)

Note: The undefined allowance includes a \$500K cash advance from DWR to be used for prepayments that have short payment windows.

Section 3 | Budget *continued*

Figure 1 | FY 21/22 Cash Flow



Section 4 | Contracts

Contracts. Table 3 summarizes the status of all active commitments within the DCA for the current fiscal year. Any pending or approved commitment changes

are summarized in Table 4. SBE/DVBE participation in major contracts is summarized in Table 5. Currently, there are no active procurements.

Table 3 | Contract Summary

Contract Description	Commitment Amount	Pending Commitments	Invoiced to Date	Percent Invoiced
180005 - e-Builder, Inc.	\$ 86,285	- \$	86,285	100%
180006 - Jacobs Engineering Group	\$ 9,266,843	- \$	7,232,989	78%
180008 - Hamner, Jewell & Associates	\$ 20,000	- \$	6,489	32%
180009 - Bender Rosenthal, Inc.	\$ 148,080	- \$	87,864	59%
190005 - Management Partners	\$ 567,800	- \$	491,813	87%
190009 - Parsons Transportation Group, Inc.	\$ 3,529,094	- \$	2,689,034	76%
190011 - GV/HI Park Tower Owner, LLC	\$ 1,144,787	- \$	1,088,984	95%
190014 - Direct Technology	\$ 164,224	- \$	109,385	67%
190015 - Audio Visual Innovations, Inc.	\$ 124,037	- \$	90,326	73%
190016 - Consolidated Communications, Inc.	\$ 51,951	- \$	34,084	66%
190017 - AT&T	\$ 35,451	- \$	21,688	61%
190019 - VMACommunications, Inc.	\$ 282,400	- \$	136,450	48%
190021 - RingCentral	\$ 144,522	- \$	45,813	32%
190022 - Caltronics Government Services	\$ 119,029	- \$	20,930	18%

Section 4 | Contracts *continued*

Table 3 | Contract Summary

Contract Description	Commitment Amount	Pending Commitments	Invoiced to Date	Percent Invoiced
190023 - JAMBO-Silvacom LTD	\$ 22,000	- \$	20,370	93%
190024 - Stakeholder Engagement Committee Stipened	\$ 17,000	- \$	5,750	34%
200003 - Best Best & Krieger	\$ 556,915	- \$	170,518	31%
200013 - Metropolitan Water District of S. California	\$ 338,712	- \$	192,653	57%
200014 - Dept of Water Resources	\$ 150,000	- \$	127,470	85%
210005 - Alliant Insurance	\$ 26,190	- \$	26,190	100%
210006 - KPMG LLP	\$ 25,000	- \$	25,000	100%
210010 - Gwen Buchholz, Permit Engineer Inc	\$ 150,000	- \$	132,000	88%
210014 - Spark Street Digital	\$ 32,600	- \$	-	0%
210018 - AECOM Technical Services	\$ 2,424,759	- \$	72,195	3%
210019 - Santa Clara Valley Water	\$ 109,368	- \$	86,692	79%
210026 - Gwen Buchholz, Permit Engineer Inc	\$ 30,000	- \$	-	0%
- Agreements <\$15K	\$ 46,778	- \$	30,342	65%

Table 4 | Commitment Changes

WBS Description	Current Budget	Amount	% Change	Revised Budget	Description	Budget Source	Status (Pending, Approved)
Field Work Geotechnical	\$ 4,548,000	\$ 2,123,241		\$ 2,424,459	Move funds from previous Fugro Geotechnical budget (\$2,424,459) to AECOM Geotechnical budget. Move remaining funds to Undefined Allowance for the current year (\$2,123,241)	Field Work Geotechnical	Approved

Section 4 | Contracts *continued*

Table 5 | S/DVBE Status (FY 21/22)

	Commitment Amount	Invoiced to Date	Percent Committed	Percent Invoiced	
Delta Conveyance	\$ 17,793,872	\$ 13,531,314			
SBE Participation	1,908,975	1,204,456	10.7%	8.9%	
DVBE Participation	\$ 318,189	\$ 157,594	1.8%	1.2%	

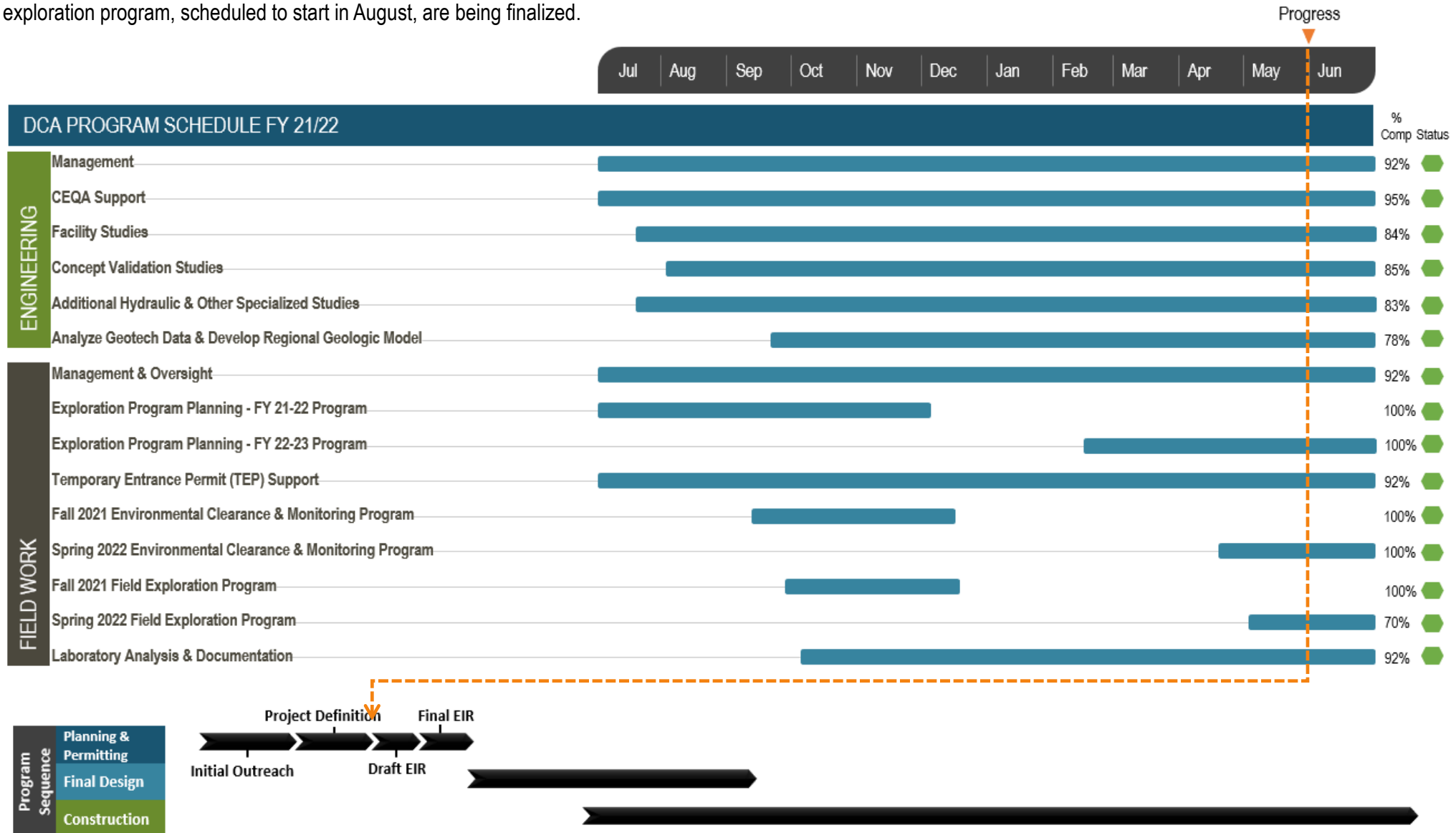
Consultant	Curent Commitment	Percent of Total Commitment	Invoiced to Date	Percent Invoiced SBE/DVBE	SBE/DVBE Status
Jacobs Engineering Group	9,266,843	5.3%	6,673,192	4.2%	
Anchor	318,189	3.4%	157,594	2.4%	SBE/DVBE
EETS	10,000	0.1%	1,593	0.0%	SBE
JMA	20,000	0.2%	12,123	0.2%	SBE
JASpezia	75,506	0.8%	69,386	1.0%	SBE
Nazparv	68,877	0.7%	40,748	0.6%	SBE
Parsons	3,529,094	30%	2,364,315	35.0%	
Chaves	1,060,480	30%	826,945	35%	SBE
Associated Right of Way Services, Inc.	10,000	100%	1,584	100%	SBE
Caltronics Government Services	119,029	100%	20,930	100%	SBE
Hamner Jewell & Associates	20,000	100%	6,489	100%	SBE
VMA Communications	282,400	100%	136,450	100%	SBE

Table 6 | Contract Procurement Summary

There are no current procurements to report this month.

Section 5 | Program Schedule

Schedule. The program remains generally on schedule through this reporting period. The Engineering Team continues to be ahead of schedule on its top priority activities and support to DWR. Additionally, the team made good progress on the planned Facilities Studies and are on track to submit the outstanding deliverables in June. Exploration site environmental clearances were completed on schedule in May. Exploration work commenced and is on track to be completed in June. Finally, plans for the FY 22-23 field exploration program, scheduled to start in August, are being finalized.



Board Memo

Contacts: Graham Bradner, Executive Director

Date: June 16, 2022 Board Meeting

Item No. 7b

Subject: Proposed Budget for Fiscal Year 2022/23

Summary:

Attached to this memorandum is the DCA proposed budget for Fiscal Year 2022/23 including both a summary table as well as a more detailed itemized list. The proposed budget is \$31.16M.

Planned technical work in the upcoming year will largely be focused on the following tasks:

- Providing support to the Department of Water Resources (DWR) preparation of permit documents and applications and preparing responses to public comment on engineering aspects of project alternatives.
- Continued execution of our geotechnical program to better understand conditions across the Delta. The field data will help define or support current assumptions on surface and underground conditions. These data are critical to validating the conceptual design of many of the program components and providing additional information to DWR as it moves through its environmental review of the potential project.
- Consideration of a range of engineering concepts and procurement and contracting strategies to be further evaluated during future design phases.

At this time, the FY 2022/23 budget includes an unallocated reserve of \$750,000 between planned expenditures and available funds. As appropriate, staff will update the Board regarding allocation of unallocated reserve for project implementation. The budget is in part based on an extrapolation of general operating costs from the fiscal years prior to the COVID pandemic.

Recommended Action:

Staff recommends the Board adopt the FY 2022/23 budget by minute order.

Attachments:

Attachment 1 – Proposed Budget Presentation

Attachment 2 – FY 2022/23 Proposed Budget Summary Table

Attachment 3 – FY 2022/23 Proposed Budget Detail



DCA

DELTA CONVEYANCE DESIGN & CONSTRUCTION AUTHORITY

DCA FY 2022/23 PROPOSED ANNUAL BUDGET

AGENDA ITEM 7b | Att. 1

June 16th, 2022

WWW.DCDCA.ORG | WWW.WATER.CA.GOV/DELTA CONVEYANCE

PROPOSED FY 2022/23 BUDGET REVIEW

- 1. Overview of DCA Work Breakdown Structure**
- 2. Review proposed FY 2022/23 budget by functional area**
- 3. Review proposed budget summary by major vendors**
- 4. Review proposed FY 2022/23 budget summary roll-up**

WBS

The Program Management team developed a programmatic **Work Breakdown Structure (WBS)** to organize all budgeted activities of the DCA for implementation of the Delta Conveyance program. The WBS was developed to for all phases of program delivery from initiation to program closeout. Work activities of the DCA at the highest level of the WBS are described below:

All Phases:

Program Management Office – All cross-organizational support functions throughout all phases of program delivery.

Current Phase:

Program Initiation – Engineering work to support the Environmental Planning Phase. The Phase ends with finalization of the Program Implementation Plan that identifies the individual projects that comprise the program.

Future Phases:

Program Execution – Delivery of individual capital projects.

Program Closeout – Closeout of all financial, record document, legal actions, etc. for the dissolution of the DCA.

PROGRAM MANAGEMENT OFFICE (PMO)

PMO-Executive Office

EO-Management

- EO-Executive Office
- EO-Chief Engineer
- EO-DCA Board Meetings

EO-General Counsel

- EO-General Counsel

EO-Audit

- EO-Audit

EO-Treasury

- EO-Treasury

EO-Human Resources

- EO-Human Resources

EO-Undefined Allowance

- EO-Undefined Allowance

PMO-Community Engagement

CE-Management

- CE-Management

CE-Community Coordination

- CE-Community Support

CE-Outreach

- CE-SEC Meetings
- CE-Social Media

PMO-Program Controls

PCTRL-Management

- PCTRL-Management

PCTRL-Risk Mgt

- PCTRL-Risk Mgt

PCTRL-Cost Mgt

- PCTRL-Cost Mgt

PCTRL-Schedule Mgt

- PCTRL-Schedule Mgt

PCTRL-Document Mgt

- PCTRL-Document Mgt

PCTRL-Program Governance

- PCTRL-Program Governance

PMO-Administration

AD-Management

- AD-Management

AD-Facilities

- AD-Office Rent
- AD-Office Furniture
- AD-Office Supplies
- AD-Other Direct Costs
- AD-Office Utilities

PROGRAM MANAGEMENT OFFICE (Cont.)

PMO-Administration (Cont.)

AD-Information Technology

- AD-IT Services
- AD-IT Software
- AD-IT Hardware

PMO-Procurement

PCA-Management

- PCA-Management

PMO-Property

PY-Management

- PY-Management

PY-Property Agents

- PY-Property Agents

PY-Temporary Entrance Permits

- PY-Temporary Entrance Permits

PMO-Permitting Management

PM-Management

- PM-Management

PMO-Health and Safety

HS-Management

- HS-Management

PMO-Quality Management

QM-Management & Auditing

- QM-Management & Auditing

PMO-Sustainability

ST-Management

- ST-Management

PROGRAM INITIATION PHASE (PI)

PI-Engineering

PIE-Management & Administration

- PIE-Management & Admin.
- PIE-Quality Review

PIE-CEQA Engineering Support

- PIE-CEQA Engineering Support

PIE-Facility Studies

- PIE-Facility Studies

PIE-Shared Support Services

- PIE-Shared Support Services

PI-Fieldwork

PIF-Management

- PIF-Management

PIF-Geotechnical

- PIF-Geotechnical Work

PIF-Surveying

- PIF-Surveying

PROGRAM MANAGEMENT OFFICE

The WBS for the current phase of program delivery includes the Program Management Office and the Program Initiation work activities.

The PMO include ten (10) budget categories that represent the functions which provide support across the entire organization.

WBS LEVEL 1 AND 2
PROGRAM MANGEMENT OFFICE
PMO-Executive Office
PMO-Community Engagement
PMO-Program Controls
PMO-Administration
PMO-Procurement and Contract Admin.
PMO-Property
PMO-Permitting Management
PMO-Health and Safety
PMO-Quality Management
PMO-Sustainability

EXECUTIVE OFFICE

- The Executive Office (EO) includes all activities of the Executive Director Office and the Chief Engineer as well as support for the DCA Board meetings. It also includes activities that provide financial, legal and human resource oversight to the DCA organization.
- Allocated reserves in Undefined Allowance for the fiscal year budget are included in the Executive Office budget.

PMO-Executive Office	\$	3,638,955
EO-Management		
EO-Executive Office	\$	849,435
EO-Chief Engineer	\$	866,930
EO-DCA Board Meetings	\$	34,900
EO-General Counsel		
EO-General Counsel	\$	699,095
EO-Audit		
EO-Audit	\$	30,000
EO-Treasury		
EO-Treasury	\$	297,115
EO-Human Resources		
EO-Human Resources	\$	111,480
EO-Undefined Allowance		
EO-Undefined Allowance	\$	750,000

COMMUNITY ENGAGEMENT

- Community Engagement (CE) includes all activities related to the DCA’s outreach with interested stakeholders. This includes supporting DWR with outreach efforts, as well as managing content on our website and social media outlets.

PMO-Community Engagement	\$	904,160
CE-Management		
CE-Management	\$	281,665
CE-Community Coordination		
CE-Community Liaison	\$	250,000
CE-Outreach		
CE-Stakeholder Engagement	\$	275,895
CE-Social Media	\$	96,600

PROGRAM CONTROLS

- The Program Controls (PCTRL) group provides management support across the entire organization for budget, cost, schedule, risk and document controls. The group is also responsible for maintenance of our policies and procedures that document our business processes.

PMO-Program Controls	\$ 2,062,255
PCTRL-Management	
PCTRL-Management	\$ 525,330
PCTRL-Cost Mgt	
PCTRL-Cost Mgt	\$ 659,875
PCTRL-Schedule Mgt	
PCTRL-Schedule Mgt	\$ 201,000
PCTRL-Document Mgt	
PCTRL-Document Mgt	\$ 336,000
PCTRL-Program Governance	
PCTRL-Program Governance	\$ 340,050

ADMINISTRATION

- The Administration (AD) group is responsible for managing the DCA's physical facilities and IT requirements. IT services include personnel PC support, hardware maintenance and software implementations.

PMO-Administration	\$ 2,721,210
AD-Management	
AD-Management	\$ 627,840
AD-Facilities	
AD-Office Rent	\$ 1,204,975
AD-Office Furniture	\$ 12,000
AD-Office Supplies	\$ 19,500
AD-Office Utilities	\$ 101,365
AD-Information Technology	
AD-IT Services	\$ 365,430
AD-IT Software	\$ 299,405
AD-IT Hardware	\$ 90,695

PROCUREMENT AND CONTRACT ADMINISTRATION

- The Procurement group is responsible for managing the procurement of all goods and services for the organization including Request for Proposal/Qualifications (RFP/Qs), bids, contract negotiation, insurance, contract amendments and closeout.
- The DCA anticipates several procurements in the next fiscal year for services, such as On-call Audio Visual Services and other services that are close to exceeding the authorized threshold.

PMO-Procurement and Contract Administration	\$ 87,175
PCA-Management	
PCA-Management	\$ 87,175

PROPERTY AND PERMITTING MANAGEMENT

- The Property group is responsible for securing all property-related permissions and acquisitions including temporary entrance permits for field work activities.
- The Permitting Management group is responsible for providing support in identifying and securing all necessary permits required for the project.

PMO-Property	\$ 490,160
PY-Management	
PY-Management	\$ 140,160
PY-Property Agents	
PY-Property Agents	\$ 300,000
PY-Temporary Entrance Permits	
PY-Temporary Entrance Permits	\$ 50,000
PMO-Permitting Management	\$ 589,245
PM-Management	
PM-Management	\$ 589,245

ADDITIONAL PMO FUNCTIONS

- The Health and Safety, Quality, and Sustainability groups are responsible for preparing their respective Program Management Plans and overseeing implementation of the plans across all DCA activities.

PMO-Health and Safety	\$	50,595
HS-Management		
HS-Management	\$	50,595
PMO-Quality Management	\$	62,020
QM-Management & Auditing		
QM-Management & Auditing	\$	62,020
PMO-Sustainability	\$	39,000
ST-Management		
ST-Management	\$	39,000

PROGRAM INITIATION

Program Initiation includes the engineering and fieldwork functional areas that support the DWR Environmental Planning efforts.

WBS LEVEL 1 AND 2	
PROGRAM INITIATION	
PI-Engineering	
PI-Fieldwork	

ENGINEERING

- The Engineering group is responsible for conducting technical studies and alternatives analyses to support development of conceptual level design reports. Design reports will be developed for all alternatives identified by DWR as part of the Environmental Planning process.
- Note: Once the Environmental Planning work is complete, the DCA engineering activities will transition into the Program Execution Phase with a new budget code structure reflective of delivery of individual capital projects.

PI-Engineering	\$ 12,785,225
PIE-Management & Administration	
PIE-Management & Administration	\$ 997,695
PIE-CEQA Engineering Support	
PIE-CEQA Engineering Support	\$ 2,555,065
PIE-Facility Studies	
PIE-Facility Studies	\$ 7,448,095
PIE-Project Definition Reports	
PIE-Project Definition Reports	\$ 1,784,370

FIELDWORK

- The Fieldwork group is responsible for the management and execution of all field investigatory activities including the geotechnical program, field surveying, and other exploratory work (e.g. gas well surveys, etc.) to support conceptual engineering work.

PI-Fieldwork	\$ 7,733,720
PIF-Management	
PIF-Management	\$ 1,349,355
PIF-Geotechnical Work	
PIF-Geotechnical Work	\$ 5,711,380
PIF-Environmental Monitoring	
PIF-Environmental Monitoring & Surveying	\$ 672,985

BUDGET BY VENDOR (\geq \$250,000; 95% OF BUDGET)

Consultant/Vendor	Proposed Budget	Services
Jacobs	14,277,613	Engineering
AECOM	6,719,270	Geotechnical Exploration
Parsons	4,482,712	Program Management Support; Software Implementation; Chief Engineer
GV/HI Park Tower	1,204,972	Office Lease
Management Partners	549,010	Executive Director
Best, Best & Krieger	699,091	General Counsel
Metropolitan	453,808	Treasury; Contract Administration Support, Human Resources

BUDGET SUMMARY

- Work activities for FY 2022/23 will focus on providing support to the DWR Environmental Planning and Permitting efforts, including continued implementation of field investigatory program
- Total Proposed Budget = \$31.16M

CODE	Description	Proposed FY 22/23 Budget \$
		\$ 31,163,720
10	PROGRAM MANAGEMENT OFFICE	\$ 10,644,775
100	PMO-Executive Office	\$ 3,638,955
110	PMO-Community Engagement	\$ 904,160
120	PMO-Program Controls	\$ 2,062,255
130	PMO-Administration	\$ 2,721,210
140	PMO-Procurement and Contract Administration	\$ 87,175
150	PMO-Property	\$ 490,160
160	PMO-Permitting Management	\$ 589,245
170	PMO-Health and Safety	\$ 50,595
180	PMO-Quality Management	\$ 62,020
190	PMO-Sustainability	\$ 39,000
30	PROGRAM INITIATION	\$ 20,518,945
300	PI-Engineering	\$ 12,785,225
310	PI-Fieldwork	\$ 7,733,720

Note: Numbers are rounded to the nearest dollar

Questions?

RECOMMENDATION

Staff recommends the Board adopt the FY 2022/23 budget by minute order.

CODE	Description	Proposed FY 22/23 Budget \$
		\$ 31,163,720
10	PROGRAM MANAGEMENT OFFICE	\$ 10,644,775
100	PMO-Executive Office	\$ 3,638,955
110	PMO-Community Engagement	\$ 904,160
120	PMO-Program Controls	\$ 2,062,255
130	PMO-Administration	\$ 2,721,210
140	PMO-Procurement and Contract Administration	\$ 87,175
150	PMO-Property	\$ 490,160
160	PMO-Permitting Management	\$ 589,245
170	PMO-Health and Safety	\$ 50,595
180	PMO-Quality Management	\$ 62,020
190	PMO-Sustainability	\$ 39,000
30	PROGRAM INITIATION	\$ 20,518,945
300	PI-Engineering	\$ 12,785,225
310	PI-Fieldwork	\$ 7,733,720

Note: Numbers are rounded to the nearest dollar

CODE	Description	Proposed FY 22/23 Budget
		\$ 31,163,720
10	PROGRAM MANAGEMENT OFFICE	\$ 10,644,775
100	PMO-Executive Office	\$ 3,638,955
1000	EO-Management	
10001	EO-Executive Office	\$ 849,435
10002	EO-Chief Engineer	\$ 866,930
10003	EO-DCA Board Meetings	\$ 34,900
1005	EO-General Counsel	
10050	EO-General Counsel	\$ 699,095
1015	EO-Audit	
10150	EO-Audit	\$ 30,000
1020	EO-Treasury	
10200	EO-Treasury	\$ 297,115
1025	EO-Human Resources	
10250	EO-Human Resources	\$ 111,480
1090	EO-Undefined Allowance	
10900	EO-Undefined Allowance	\$ 750,000
110	PMO-Community Engagement	\$ 904,160
1100	CE-Management	
11000	CE-Management	\$ 281,665
1110	CE-Community Coordination	
11001	CE-Community Liaison	\$ 250,000
1115	CE-Outreach	
11002	CE-Stakeholder Engagement	\$ 275,895
11003	CE-Social Media	\$ 96,600
120	PMO-Program Controls	\$ 2,062,255
1200	PCTRL-Management	
12000	PCTRL-Management	\$ 525,330
1210	PCTRL-Cost Mgt	
12002	PCTRL-Cost Mgt	\$ 659,875
1215	PCTRL-Schedule Mgt	
12003	PCTRL-Schedule Mgt	\$ 201,000
1220	PCTRL-Document Mgt	
12004	PCTRL-Document Mgt	\$ 336,000
1230	PCTRL-Program Governance	
12006	PCTRL-Program Governance	\$ 340,050
130	PMO-Administration	\$ 2,721,210
1300	AD-Management	
13000	AD-Management	\$ 627,840
1305	AD-Facilities	
13001	AD-Office Rent	\$ 1,204,975
13002	AD-Office Furniture	\$ 12,000
13003	AD-Office Supplies	\$ 19,500
13005	AD-Office Utilities	\$ 101,365

CODE	Description	Proposed FY 22/23 Budget
1310	AD-Information Technology	
13006	AD-IT Services	\$ 365,430
13007	AD-IT Software	\$ 299,405
13008	AD-IT Hardware	\$ 90,695
140	PMO-Procurement and Contract Administration	\$ 87,175
1405	PCA-Management	
14000	PCA-Management	\$ 87,175
150	PMO-Property	\$ 490,160
1500	PY-Management	
15000	PY-Management	\$ 140,160
1505	PY-Property Agents	
15001	PY-Property Agents	\$ 300,000
1510	PY-Temporary Entrance Permits	
15002	PY-Temporary Entrance Permits	\$ 50,000
160	PMO-Permitting Management	\$ 589,245
1600	PM-Management	
16000	PM-Management	\$ 589,245
170	PMO-Health and Safety	\$ 50,595
1700	HS-Management	
17000	HS-Management	\$ 50,595
180	PMO-Quality Management	\$ 62,020
1800	QM-Management & Auditing	
18000	QM-Management & Auditing	\$ 62,020
190	PMO-Sustainability	\$ 39,000
1900	ST-Management	
19000	ST-Management	\$ 39,000
30	PROGRAM INITIATION	\$ 20,518,945
300	PI-Engineering	\$ 12,785,225
3000	PIE-Management & Administration	
30000	PIE-Management & Administration	\$ 997,695
3005	PIE-CEQA Engineering Support	
30001	PIE-CEQA Engineering Support	\$ 2,555,065
3010	PIE-Facility Studies	
30002	PIE-Facility Studies	\$ 7,448,095
3011	PIE-Project Definition Reports	
30006	PIE-Project Definition Reports	\$ 1,784,370
310	PI-Fieldwork	\$ 7,733,720
3100	PIF-Management	
31000	PIF-Management	\$ 1,349,355
3105	PIF-Geotechnical Work	
31001	PIF-Geotechnical Work	\$ 5,711,380
3115	PIF-Environmental Monitoring	
31003	PIF-Environmental Monitoring & Surveying	\$ 672,985

Note: Numbers are rounded to the nearest dollar



DCA

DELTA CONVEYANCE DESIGN & CONSTRUCTION AUTHORITY

DCA LEADERSHIP SPOTLIGHT SERIES

Rob McCarthy, Program Support Manager

Agenda Item 7c | June 16, 2022

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BACKGROUND AND EXPERIENCE

Education

**B.S. Mechanical Engineering and Engineering Management,
United States Military Academy, West Point, 1994**

Experience

Parsons Corporation – Vice President, 1999 to present

- Established capital program business processes and tools in California, Kosovo, London, Pennsylvania, Iraq, North Carolina, New York, Saudi Arabia, Nevada, Texas, and Canada.
- Supported over 10 water agency capital programs including SFPUC, OCSD, FRWA, NYCDEP, SNWA

US Army Corps of Engineers – Captain, 1994-1999

- Combat Engineering Company XO, Platoon Leader in Germany, Bosnia, and Ukraine
- Ranger School, Airborne, Air Assault



Rob McCarthy
**Program Support Manager,
DCA**

Start date: March 2022

BACKGROUND AND EXPERIENCE - COLLABORATION



W11-048-039.ai

BACKGROUND AND EXPERIENCE – TEAM BUILDING



SIGNIFICANT PROJECTS

- **Program Management Office Transformation, Las Vegas Valley Water District – Southern Nevada Water Authority: 2018 – 2021** Project Manager for effort that streamlined 52 program management business processes including Budget, Funding, Schedule, Risk, Procurement, Contract Management, Design Management, and Construction Management. The new business processes and tools are in use for LVVWD-SNWA's \$5.8B budgeted capital program, across 300+ projects, and 750+ program participants.
- **Program Management Services, Southeast Queens Stormwater Management Program, New York City Department of Design and Construction, 2017 – 2018** Program Management Support leader for startup of the DDCs first structured \$3B Program. Part of the team that established the program management plan, procedures, and tools that better manage and communicate the activities for this essential program.
- **Program Management Office Transformation, New York City Department of Design and Construction: 2012 – 2016** Project Manager for the effort that streamlined 46 program management business processes including Budget, Funding, Schedule, Risk, Health & Safety, Permit Management, Procurement, Contract Management, Design Management, and Construction Management. The new business processes and tools are in use for DEPs \$14B capital program, across 300+ active projects, and 3,500 program participants.

ROLES ON DCA

- **Program Support Manager**
 - Oversee delivery of Health & Safety, Risk Management, Quality Management, Program Scheduling, and Contacting & Procurement services.
 - Provide direction and integrative coordination in the planning, development, and execution of support services.
 - Adapt program support services to meet the changing demands of the program.

ROB MCCARTHY, PROGRAM SUPPORT MANAGER

Thank You! Any Questions?

DELTA CONVEYANCE DESIGN AND CONSTRUCTION AUTHORITY (DCA)

BOARD POLICY ON INVESTMENT

PREAMBLE

This policy is intended to provide guidelines for the prudent investment of surplus cash, reserves, trust funds, bond proceeds, and restricted monies.

SECTION 1. POLICY

It is the policy of the Board of Directors of the Delta Conveyance Design and Construction Authority ("DCA") to invest public funds in a manner which conforms to the three fundamental criteria in order of importance, as listed:

- Safety of Principal
- Liquidity
- Return on Investment, or Yield

SECTION 2. INVESTMENT AUTHORITY

By Section 53600, *et seq.*, of the Government Code of the State of California, the authority to invest DCA public funds has been delegated to the DCA's Treasurer.

SECTION 3. DELEGATION OF AUTHORITY

Responsibility for the investment program is specifically delegated by the Board to the Board-appointed Treasurer or, if no such appointment has been made, to the Executive Director, hereafter referred to as Treasurer who will establish procedures for the investment program, consistent with this Investment Policy. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities, including procedures to execute investment transactions in the absence of the Treasurer.

SECTION 4. STATEMENT OF OBJECTIVES

Per Section 53600.5 of the California Government Code, the primary objective of the Treasurer shall be to safeguard the principle of the funds under his or her control when investing public funds. The secondary objective will be to maintain liquidity as required by the DCA and the third objective is to obtain a return on investment of these funds.

In order of priority, the three fundamental criteria shall be followed in the investment of funds:

- (1) Safety of Principal** – Investments shall be undertaken in a manner which first seeks to ensure the preservation of principal in the portfolio. Each investment transaction shall be entered only after taking into consideration the quality of the issuer, the underlying security or collateral, and the diversification of the portfolio. Cash flow analysis will be conducted and utilized to avoid the need to sell securities prior to maturity. The DCA shall seek to preserve

principal by mitigating both credit and market risk.

- (2) liquidity** – Every effort shall be made to ensure that the DCA’s portfolio is sufficiently liquid to meet current and anticipated operating requirements. Cash flow analysis should be performed on an ongoing basis. Investments shall be made to ensure maturities are compatible with anticipated cash flow requirements.
- (3) Return on Investment, or Yield** – Investments shall be undertaken to produce an investment return consistent with the primary objectives of Safety of Principal and Liquidity, and the Prudent Investor Standard.

The Treasurer shall have an overall investment objective of holding investments to maturity and not investing with the objective of actively trading or trading for speculative purposes. However, the Treasurer may, from time to time, swap or sell securities to reposition securities to current coupon issues, maintain proper asset allocation limits, or realize profits from market value appreciation.

The Treasurer may sell securities to protect the overall quality of the portfolio under the following circumstances:

- (1) To raise cash to meet unanticipated cash-flow requirements;
- (2) To swap old securities for current coupon securities;
- (3) To maintain portfolio allocation limits; and
- (4) To avoid further erosion and loss of investment principal due to deterioration in credit- worthiness, as well as to respond to rapidly changing interest rate environments.

SECTION 5. SCOPE

The Investment Policy applies to all available funds of the DCA with the exception of proceeds of notes, bonds, or similar external financings which would be invested pursuant to bond indentures or State of California Government Code Section 53600, *et seq.*, as applicable.

SECTION 6. PRUDENT INVESTOR STANDARD

All investments and evaluation of such investments shall be made with the Prudent Investor Standard as set forth in the California Government Code, Sections 53600.3 and 27000.3, which is defined as a standard of conduct whereby any person authorized to make investment decisions on behalf of the DCA acts with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the DCA to safeguard principal and meet the liquidity needs of the DCA.

SECTION 7. PORTFOLIO ADJUSTMENTS

Portfolio percentage limitations for each category of investment are applicable only at the date of purchase. Should an investment percentage be exceeded due to instances such as the fluctuation in overall portfolio size, or market valuation changes, the Treasurer is not required

to sell the affected securities.

Should security held in the portfolio be downgraded below the minimum rating criteria specified in this Investment Policy, the Treasurer shall sell such security in a manner designed to minimize losses. If the security is downgraded to a level that is less than investment grade, the Treasurer shall perform a credit analysis of such security to determine whether hold or sell the security. The Treasurer may elect to sell the security immediately to minimize losses in the event that an orderly disposition with minimal losses cannot be achieved. If the security matures within sixty (60) days of the rating decline, the Treasurer may choose not to sell the affected security.

The Treasurer shall note in quarterly report security which has been downgraded below investment grade and the status of disposition.

SECTION 8. SAFEKEEPING AND CUSTODY

All securities transactions entered into by the DCA shall be conducted on a delivery-versus-payment (DVP) basis pursuant to a custodial safekeeping agreement. All securities owned by the DCA shall be held in safekeeping by an independent custodian designated by the Treasurer. Financial institutions providing safekeeping services shall provide reports or receipts which verify securities held in safekeeping.

SECTION 9. REPORTING

The Treasurer shall submit a quarterly report within 30 days following the end of the quarter covered by the report to the DCA Board of Directors pursuant to California Government Code Section 53646 (b)(1). The report shall at a minimum provide information on compliance with this policy and the composition of the portfolio for each fund with:

- Types of investment
- Issuer
- Maturity dates
- Par and dollar amount
- Market values including the source of the valuation
- Rates of Interest
- Expected yields to maturity

In addition, the quarterly report shall also include a statement denoting the ability to meet the DCA's expenditure requirements for the next six (6) months.

SECTION 10. INVESTMENT GUIDELINES AND ELIGIBLE SECURITIES

Section 53600, *et seq.*, of the Government Code of the State of California prescribes the statutory requirement relating to investments by local treasurers, guiding on:

- Allowable investments
- Portfolio diversification requirements include proportional limits on investment types, maximum maturity, and minimum credit rating criteria.

The maximum maturity of any investment in the portfolios shall not exceed five (5) years except

when specifically authorized by the DCA Board of Directors through resolution. When practical, the Treasurer shall solicit more than one quotation on each trade for the purpose of awarding investment trades on a competitive basis. The DCA will conform to the legal provisions set forth in the Government Code with further and more specific requirements about allowable investments and restrictions as detailed below:

10.1 US Treasury Bonds, Bill, and Notes

Bills, notes, and bonds issued by the U.S. Treasury which are direct obligations of the federal government.

- Maximum limit: 100% of the portfolio
- Maximum maturity of five (5) years
- Credit Requirement: N.A.

10.2 Federal Agency Bonds and Notes

Notes and bonds of federal agencies, government-sponsored enterprises, and international institutions. Not all are direct obligations of the U. S. Treasury but may involve federal sponsorship and/or guarantees, in some instances.

- Maximum limit: 100% of the portfolio
- Maximum maturity of five (5) years
- Credit Requirement: N.A.

10.3 Banker's Acceptances

Bills of exchange or time drafts drawn on and accepted by a commercial bank are typically created from a letter of credit issued in a foreign trade transaction.

- Maximum limit: Forty percent (40%) of the portfolio; five percent (5%) with any one issuer
- Issued by banks with total deposits of over one billion dollars (\$1,000,000,000)
- Maximum maturity of one-hundred eighty (180) days
- Credit requirement: A-1 or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO).
- Issued by banks from offices in the USA.

10.4 Commercial Paper

Commercial paper is defined as short-term, unsecured promissory notes issued by financial and non-financial companies to raise short-term cash. Financial companies issue commercial paper to support their consumer and/or business lending; non-financial companies issue operating funds.

- Maximum limit: Twenty-five percent (25%) of the portfolio; ten percent (10%) with any one issuer
- Maximum Maturity of two hundred seventy (270) days
- Credit requirement: Highest ranking or highest letter and number rating as provided by an NRSRO.
- Entity issuing the commercial paper must meet the conditions of California Government Code Section 53601(h)(1) or (2).

10.5 Medium Term Corporate Notes

Corporate Bonds, Corporate Notes and Deposit Notes. Issuers are banks and bank holding

companies, thrifts, finance companies, insurance companies, and industrial corporations. These are generally unsecured debt obligation obligations limit: Thirty percent (30%) of the portfolio; ten percent (10%) with any one issuer

- Maximum maturity of five (5) years
- Credit Requirement: A or its equivalent or better by an NRSRO.
- Eligibility: Limited to corporations organized and operating within the United States or depository institutions licensed by the United States or any State and operating within the United States.

10.6 Negotiable Certificates of Deposit

Issued by nationally or state-chartered banks, savings associations or fed federal association state or federal credit unions on, or federally licensed state-licensed branches of a foreign bank.

- Maximum limit: Thirty percent (30%) of the portfolio, with five percent (5%) per issuer
- Maximum maturity of five (5) years
- Credit Requirement: A (long-term) or A-1 (short-term) or their equivalents or better by an NRSRO
- Issued by banks with total deposits of one billion dollars (\$1,000,000,000) or more

10.7 Bank Deposit

Insured or collateralized time certificates of deposits, saving accounts, market-rate accounts, or other bank deposits.

- Maximum limit: Thirty percent (30%) of the portfolio for all deposits
- Maximum maturity of five (5) years
- Credit Requirement: All deposits must be collateralized as required by California Government Code Section 53630 *et seq.* The Treasurer may waive collateral for the portion of any deposits that are insured pursuant to federal law.
- Deposits are limited to a state or national bank, savings association or federal association a state or federal credit union, or a federally insured industrial loan company, located in California.
- Deposits must meet the conditions of California Government Code Section 53630 *et seq.*

Under Government Code 53637, the DCA is prohibited from investing in deposits of a state or federal credit union if a member of the legislative body or decision-making authority serves on the board of directors or committee.

10.8 Money Market Mutual Funds

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the SEC.

- Maximum Maturity: N/A
- Maximum limit: Twenty percent (20%) of the portfolio
- Credit Requirement: Highest ranking by not less than two NRSROs or must retain an investment advisor that meets specific requirements
- The use of money market funds is limited to Government money market funds that provide daily liquidity and seek to maintain a stable Net Asset Value (NAV)

10.9 The State of California, Local Agency Investment Fund (LAIF).

LAIF is a pooled investment fund overseen by the State Treasurer, which operates like a money market fund, but is for the exclusive benefit of governmental entities within the state. The maximum investment amount authorized by the Local Agency Investment Fund (LAIF) is set by the State Treasurer's Office. The LAIF is held in trust in the custody of the State of California Treasurer. The DCA's right to withdraw its deposited monies from LAIF is not contingent upon the State's failure to adopt a State Budget.

- Maximum limit: 100% of the portfolio
- Maximum Maturity: N/A
- Credit requirement: N/A

10.10 Municipal Bonds and Notes

Municipal obligations are issued by a municipality within the State of California and any other of the states in the union. This may include bonds, notes, warrants, or evidence of indebtedness to local agencies within the state.

- Maximum limit: Forty percent (40%) of the portfolio; five percent (5%) with any one issuer
- Maximum maturity of five (5) years
- Must be issued by the State of California, any of the other 49 states, or California local agency
- Credit Requirement: A (long-term) or A-1 (short-term) or their equivalents or better by an NRSRO

10.11 Repurchase Agreement

A repurchase agreement is a purchase of authorized securities with terms including a written agreement by the seller to repurchase the securities on a future date and price.

- Maximum limit: Twenty percent (20%) of the portfolio
- Maximum maturity of two hundred seventy (270) days
- Master Repurchase Agreement must be on file
- Limited to primary dealers or financial institutions rated "A" or its equivalent or higher by an NRSRO.
- Fully collateralized at the market value of at least one hundred two percent (102%) with US government or federal agency securities

10.12 California Asset Management Program (CAMP)

Shares of beneficial interest issued by a joint power's authority organized pursuant to Section 6509.7.

- Maximum limit: Forty percent (40%) of the portfolio
- Maximum maturity: N/A
- Credit requirement: AAAM or its equivalent or better by an NRSRO
- Joint powers authority has retained an investment adviser that is registered or exempt from registration with the Securities and Exchange Commission, has five or more years of experience investing in the securities and obligations authorized under California Government Code Section 53601, and has assets under management in excess of five hundred million dollars (\$500,000,000).

10.13 Supranationals

Securities issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB) and eligible for purchase and sale within the United States.

- Maximum allocation: Thirty percent (30%) of the portfolio
- Maximum maturity: Five (5) years
- Credit requirement: AA or its equivalent or better by an NRSRO.

10.14 Asset-Backed Securities

A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or another pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond.

- Maximum allocation: Twenty percent (20%) of the portfolio, five percent (5%) with any one issuer
- Maximum maturity: Five (5) years
- Credit requirement: AA or its equivalent or better by an NRSRO.

SECTION 11. CREDIT RATING

Credit rating requirements for eligible securities as specified in this policy specify the minimum credit rating category required at purchase without regard to +, -, or 1, 2, or 3 modifiers, if any. The security, at the time of purchase, may not be rated below the minimum credit requirement by any of the NRSROs that rate the security.

SECTION 12. MONITORING SAFETY AND LIQUIDITY

The Treasurer shall monitor on an ongoing basis investment for exposure to risk and credit deterioration to ensure primary objectives of the safety of principal and liquidity are adhered to. Such matters shall be reported to the DCA Board of Directors as part of the Treasurer's quarterly and/or annual report.

SECTION 13. ADMINISTRATION

The Treasurer may, at any time, establish more restrictive requirements for securities approved for investment as deemed appropriate in this Investment Policy. These restrictions may include, but are not limited to, higher credit ratings, lower percentage limits by security type or issuer, shorter maturities, and additional collateral requirements for collateralized investments.

SECTION 14. PURCHASING ENTITIES

Investments not purchased directly from the issuer will be purchased from institutions licensed by the State of California as a broker/dealer, including:

- National or California State Chartered Banks
- Federal or California Chartered Savings Institutions
- Brokerage firms designated as a primary government dealers by the Federal Reserve Bank
- Member of a federally-regulated securities exchange
- Institutions licensed by the State of California as a broker/dealer
- Federal or state savings institutions or associations as defined in Finance Code Section 5102

The Treasurer or designee will maintain a current and eligible list of reputable primary and

regional dealers, brokers, and financial institutions with whom securities trading and placement of funds are authorized. A strong capital base credit worthiness, and, where applicable, a broker/dealer staff experienced in transactions with California local governments are the primary criteria for inclusion on the DCA's approved list.

Approved dealers and brokers shall be limited to primary dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule) and which provide: proof of Financial Industry Regulatory DCA (FINRA) certification; proof of California State registration; and a completed agency broker/dealer questionnaire. In addition, prior to approval and for every two years thereafter, approved dealers and brokers must provide: an audited financial statement; certification of receipt, review of, and willingness to comply with the current Investment Policy; and certification of compliance with Rule G-37 of the Municipal Securities Rulemaking Board regarding limitations on political contributions to the Board of Directors of the DCA or any candidate for these offices.

The Treasurer may remove a firm from the approved list at any time due to: any failure to comply with any of the above criteria; any failure to successfully execute a transaction; any change in broker/dealer staff; or any other action, event, or failure to act which, in the sole discretion of the Treasurer is materially adverse to the best interests of the DCA.

SECTION 15. INVESTMENT SECURITY

To ensure a high degree of internal control, the DCA shall comply with the following:

- All securities purchased from dealers and brokers shall be held in safekeeping by the DCA's custodial bank, a national bank, a State-chartered bank, or a trusted company, established for this purpose as someone other than the selling party of the security. Securities purchased will be covered by a trust or safekeeping receipt in a manner that establishes the DCA's ownership. All transactions are completed on a delivery versus pay basis (DVP).
- All trade confirmation shall be received directly and reviewed for conformity to the original transaction by an individual other than the person originating the transaction. All trade confirmations must be original; copies of confirmations are not allowed. Any discrepancies will be brought to the attention of the Treasurer.

SECTION 16. PERFORMANCE REVIEW AND INTERNAL CONTROL

The Treasurer or designee shall maintain a system of internal controls designed to ensure compliance with the Investment Policy and to prevent losses due to fraud, employee error, and misrepresentations by third parties or unanticipated changes in financial markets. The internal control includes monitoring the activities of any subordinate officials acting on behalf of the DCA. Procedures should include references to individuals authorized to execute transactions or transfers, safekeeping agreements, repurchase agreements, wire transfer agreements, collateral/depository agreements, and banking services contracts, as appropriate. As part of the annual audit, the DCA's external auditor will perform a review of investment transactions to verify compliance with policies and procedures.

SECTION 17. ETHICS AND CONFLICT OF INTEREST

All officers and employees involved in the investment process shall refrain from engaging in any

personal business activity which could conflict with the proper execution of investments subject to this Policy. Any material financial interests in financial institutions which do business with the DCA should be disclosed to the Executive Director of the DCA. All individuals involved in the investment process are required to report all gifts and income in accordance with California State Law.

SUMMARY TABLE OF
INVESTMENT GUIDELINES AND ELIGIBLE SECURITIES

Authorized Investments	Maximum % Holdings	Purchase Restrictions	Maximum Maturity	Credit Quality
US Treasury Bonds, Bills, and Notes	100%	N/A	5 Years	<i>N/A</i>
Federal Agency Bonds & Notes	100%	N/A	5 Years	<i>N/A</i>
Bankers' Acceptance	40%	5% per issuer ¹	180 days	<i>"A-1" or its equivalent to or higher by an NRSRO</i>
Commercial Paper	25%	10% per issuer ¹	270 days	<i>The highest-ranking or of the highest letter and number rating as provided by an NRSRO</i>
Medium-Term Corporate Notes	30%	10% per issuer ¹ , US licensed and operating corporations	5 years	<i>A or its equivalent or higher by an NRSRO</i>
Negotiable CD	30%	5% per issuer ¹ , National or state chartered bank, S&L, or branch of foreign bank	5 years	<i>"A-1"(short-term) or "A" (long-term) or their equivalents or higher by an NRSRO</i>
Bank Deposit	30%	See California Government Code Section 53637	5 Years	<i>Collateralized/FDIC Insured in accordance with California Government Code</i>
Money Market Mutual Funds	20%	Gov't MMF, stable NAV	Daily Liquidity	<i>Highest ranking by two NRSROs or advisor requirements</i>

Authorized Investments	Maximum % Holdings	Purchase Restrictions	Maximum Maturity	Credit Quality
The state of California, Local Agency Investment Fund ("LAIF")	LAIF limit for operating accounts	Subject to California Government Code Section 16429.1 limitations	N/A	<i>N/A</i>
Municipal Bonds & Notes	40%	The state of California, the other 49 states, or California agencies	5 Years	<i>"A" or its equivalent or higher by an NRSRO</i>
Repurchase Agreements ("REPO")	20%	Limited to primary dealers or financial institutions rated "A" or better by an NRSRO	270 days	<i>Collateralized (min 102% of funds invested) with US Government or federal agency securities with maximum 5-year maturities</i>
California Asset Management Program ("CAMP")	40%	N/A	Daily Liquidity	<i>"AAA is equivalent or higher by an NRSRO</i>
Supranationals	30%	Limited to IBRD, IFC, IADB	5 Years	<i>"AA" or its equivalent or higher by an NRSRO</i>
Asset-Backed Securities	20%	5% per issuer ¹	5 Years	<i>"AA" or its equivalent or higher by an NRSRO</i>

Notes:

1. Per issuer limits, when listed, are calculated across investment types at the parent company level.

RATING DESCRIPTION TABLE

Long Term Debt Ratings			
Credit Quality	Moody's	S&P	Fitch
Strongest Quality	Aaa	AAA	AAA
Strong Quality	Aa1/Aa2/Aa3	AA+/AA/AA-	AA
Good Quality	A1/A2/A3	A+/A/A-	A
Medium Quality	Baa1/Baa2/Baa3	BBB+/BBB/BBB-	BBB
Speculative	Ba1/Ba2/Ba3	BB+/BB/BB-	BB
Low	B1/B2/B3	B+/B/B-	B
Poor	Caa	CCC+	CCC
Highly Speculative	Ca/C	CCC/CCC-/CC	CC
Short Term Debt Ratings			
Credit Quality	Moody's	S&P	Fitch
Strongest Quality	P-1	A-1+	F1
Strong Quality		A-1	
Good Quality	P-2	A-2	F2
Medium Quality	P-3	A-3	F3

Note: Investment Grade ratings apply to securities with at least a medium credit quality or higher by one of the nationally recognized dating organizations, anything below the medium credit quality is noninvestment grade.

EXHIBIT A GLOSSARY

ACCRETION: Adjustment of the difference between the prices of a bond bought at an original discount and the par value of the bond.

AGENCIES: Federal agency securities and/or Government-sponsored enterprises (GSEs), also known as U.S. Government instrumentalities. Securities issued by Government National Mortgage Association (GNMA) are considered true agency securities, backed by the full faith and credit of the U.S. Government. GSEs are financial intermediaries established by the federal government to fund loans to certain groups of borrowers, for example, homeowners, farmers, and students, and are privately owned corporations with a public purpose. The most common GSEs are Federal Farm Credit System Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Association, and Federal National Mortgage Association.

AMORTIZATION: Accounting procedure that gradually reduces the cost value of limited life or intangible asset through periodic charges to income. For fixed assets, the term used is “depreciation”. It is common practice to amortize any premium over par value paid in the purchase of preferred stock or bond investments.

APPRECIATION: Increase in the value of an asset such as a stock bond, commodity, or real estate.

ASKED PRICE: The price a broker/dealer offers to sell securities.

ASSET-BACKED: A type of security that is secured by receivables, such as credit cards and auto loans. These securities typically pay principal and interest monthly.

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer. This money market instrument is used to finance international trade.

BASIS POINT: One-hundredth of one percent (i.e., 0.01%).

BENCHMARK: A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation between the level of risk and the average duration of the portfolio's investment.

BID PRICE: The price a broker/dealer offers to purchase securities.

BOND: A financial obligation for which the issuers promise to pay the bondholder a specified stream of future cash flows, including periodic interest payments and principal repayment.

BOOK VALUE: The value at which debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

BROKER: A broker acts as an intermediary between a buyer and seller for a commission and does not trade for his/her own risk and account or inventory.

CALLABLE SECURITIES: A security that can be redeemed by the issuer before the scheduled maturity date.

CASH EQUIVALENTS (CE): Highly liquid and safe instruments or investments that can be converted into cash immediately. Examples include bank accounts, money market funds, and Treasury bills.

CASH FLOW: An analysis of all changes that affect the cash account during a specified period.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of a deposit, or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COLLATERALIZED MORTGAGE OBLIGATION (CMO): A type of mortgage-backed security that creates separate pools of pass-through rates for different classes of bondholders with varying maturities, called tranches. The repayments from the pool of pass-through securities are used to retire the bonds in the order specified by the bonds' prospectus.

COMMERCIAL PAPER: Short-term, unsecured, negotiable promissory notes of corporations.

CORPORATE NOTE: Debt instrument issued by a private corporation.

COUPON: The annual rate at which a bond pays interest.

CREDIT RATINGS: A grade given to a debt instrument that indicates its credit quality. Private independent rating services such as Standard & Poor's, Moody's, and Fitch provide these

CREDIT RISK: The risk that an obligation will not be paid and a loss will result due to a failure of the issuer of a security.

CUSIP: Stands for Committee on Uniform Securities Identification Procedures. A CUSIP number identifies most securities, including stocks of all registered U.S. and Canadian companies, and U.S. government and municipal bonds. The CUSIP system—owned by the American Bankers Association and operated by Standard & Poor's—facilitates the clearing and settlement process of securities. The number consists of nine characters (including letters and numbers) that uniquely identify a company or issuer and the type of security.

CURRENT YIELD: The annual interest on an investment divided by the current market value.

Since the calculation relies on the current market value rather than the investor's cost, the current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSTODIAN: A bank or other financial institution that keeps custody of stock certificates and other assets.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his/her own risk and account or inventory.

DEBENTURES: A bond secured only by the general credit of the issuers.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

DERIVATIVES: A financial instrument that is based on, or derived from, some underlying asset, reference date, or index.

DIRECT ISSUER: The issuer markets its paper directly to the investor without use of an intermediary.

DISCOUNT: The difference between the cost of a security and its value at maturity when quoted at lower than face value.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns and risk profiles.

DURATION: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. Duration measures the price sensitivity of a bond to changes in interest rates.

FACE VALUE: The principal amount owed on a debt instrument. It is the amount on which interest is computed and represents the amount that the issuer promises to pay at maturity.

FAIR VALUE: The amount at which security could be exchanged between willing parties, other than in a forced or liquidation sale. If a market price is available, the fair value is equal to the market value.

FANNIE MAE: Trade name for the Federal National Mortgage Association (FNMA), a U.S. Government-sponsored enterprise.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that provides insurance on bank deposits, guaranteeing deposits to a set limit per account, currently \$250,000.

FEDERAL FARM CREDIT BANK (FFCB): Government-sponsored enterprise that consolidates the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks, and the Banks for Cooperatives. Its securities do not carry direct U.S. government guarantees.

FEDERAL FUNDS RATE: The rate of interest at which Federal funds are traded. This rate is considered to be the most sensitive indicator of the direction of interest rates, as it is currently pegged by the Federal Reserve through open-market operations.

FEDERAL GOVERNMENT AGENCY SECURITIES: Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

FEDERAL HOME LOAN BANKS (FHLB): Government-sponsored enterprise (currently made up of 12 regional banks) that regulates and lends funds and provides correspondent banking services to member commercial banks, thrift institutions, credit unions, and insurance companies. Although the banks operate under a federal charter with government supervision, the securities are not guaranteed by the U. S. Government.

FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC): Government A sponsored enterprise that helps maintain the availability of mortgage credit for residential housing. FHLMC finances these operations by marketing guaranteed mortgage certificates and mortgage participation certificates. Its discount notes and bonds do not carry direct U.S. government guarantees.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): Government A sponsored enterprise that is the largest single provider of residential mortgage funds in the United States. FNMA is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted.

FEDERAL OPEN MARKET COMMITTEE (FOMC): A committee of the Federal Reserve Board, which establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

FEDERAL RESERVE SYSTEM: The central bank of the U.S. which consists of a seven-member Board of Governors, 12 regional banks, and about 5,700 commercial banks that are members.

FED WIRE: A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

FREDDIE MAC: Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. government-sponsored enterprise.

GINNIE MAE: Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB): A standard-setting body, associated with the Financial Accounting Foundation, which prescribes standard accounting practices for governmental units.

GUARANTEED INVESTMENT CONTRACTS (GICS): An agreement acknowledging receipt of funds, for a deposit, specifying terms for withdrawal, and guaranteeing a rate of interest to be paid.

INTEREST RATE: The annual yield earned on an investment, expressed as a percentage.

INTEREST RATE RISK: The risk of gain or loss in market values of securities due to changes in interest-rate levels. For example, rising interest rates will cause the market value of portfolio securities to decline.

INVESTMENT AGREEMENTS: A contract providing for the lending of issuer funds to a financial institution which agrees to repay the funds with interest under predetermined specifications.

INVESTMENT GRADE (LONG TERM RATINGS): The minimum, high-quality ratings for long-term debt such as corporate notes. Investment Grade ratings are as follows: A3 (Moody's), A- (S&P), and A- (Fitch).

INVESTMENT PORTFOLIO: A collection of securities held by a bank, individual, institution, or government DCA for investment purposes.

LIQUIDITY: A liquid asset can be converted easily and rapidly into cash with minimum risk of principal.

LOCAL DCA INVESTMENT FUND (LAIF): An investment pool sponsored by the State of California and administered/managed by the State Treasurer. Local government units, with the consent of the governing body of that agency, may voluntarily deposit surplus funds for the purpose of investment. Interest earned is distributed by the State Controller to the participating governmental agencies on a quarterly basis.

LOCAL AGENCY INVESTMENT POOL: A pooled investment vehicle sponsored by a local agency or a group of local agencies for use by other local agencies.

MARKET RISK: The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates. Systematic risk of a security that is common to all securities of the same general class (stocks, bonds, notes, money market instruments) and cannot be eliminated by diversification (which may be used to eliminate non-systematic risk).

MARKET VALUE: The price at which a security is currently being sold in the market. See FAIR VALUE.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase agreements and reverse repurchase agreements that establish each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date that the principal or stated value of a debt instrument becomes due and payable.

MEDIUM-TERM CORPORATE NOTES (MTNs): Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts either on a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or investor preferences.

MODIFIED DURATION: The percent change in price for a 100 basis point change in yields. This is a measure of a portfolio's or security's exposure to market risk.

MONEY MARKET: The market in which short-term debt instruments (Treasury Bills, Discount Notes, Commercial Paper, Banker's Acceptances, and Negotiable Certificates of Deposit) are issued and traded.

MORTGAGED BACKED SECURITIES: A type of security that is secured by a mortgage or collection of mortgages. These securities typically pay principal and interest monthly.

MUNICIPAL BONDS: Debt obligations issued by states and local governments and their agencies, including cities, counties, government retirement plans, school Agencies, state universities, sewer agencies, municipally-owned utilities, and authorities running bridges, airports, and other transportation facilities

MUTUAL FUND: An entity that pools money and can invest in a variety of securities which are specifically defined in the fund's prospectus.

NEGOTIABLE CERTIFICATE OF DEPOSIT: A large denomination certificate of deposit which can be sold in the open market prior to maturity.

NET PORTFOLIO YIELD: Calculation in which the 365-day basis equals the annualized percentage of the sum of all Net Earnings during the period divided by the sum of all Average Daily Portfolio Balances.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO): is a credit rating agency that issues credit ratings that the U.S Securities and Exchange Commission permits other financial firms to use for certain regulatory purposes.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate the growth of money and credit: Sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PAR VALUE: The amount of principal which must be paid at maturity. Also referred to as the face amount of a bond. See FACE VALUE.

PORTFOLIO: The collection of securities held by an individual or institution.

PREMIUM: The difference between the par value of a bond and the cost of the bond, when the cost is above par.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. These dealers are authorized to buy and sell government securities in direct dealing with the Federal Reserve Bank of New York in its execution of market operations to carry out U.S. monetary policy. Such dealers must be qualified in terms of reputation, capacity, and adequacy of staff and facilities.

PRIME (SHORT TERM RATING): High-quality ratings for short-term debt such as commercial paper. Prime ratings are as follows: P1 (Moody's), A1 (S&P), and F1 (Fitch).

PRINCIPAL: The face value or par value of a debt instrument, or the amount of capital invested in a given security.

PRIVATE PLACEMENTS: Securities do not have to be registered with the Securities and Exchange Commission because they are offered to a limited number of sophisticated investors.

PROSPECTUS: A legal document that must be provided to any prospective purchaser of a new securities offering registered with the Securities and Exchange Commission that typically includes information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements (also known as an "official statement").

PRUDENT INVESTOR STANDARD: A standard of conduct for fiduciaries. Investments shall be made with judgment and care--under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their affairs, not for speculation, but investment, considering the probable safety of their capital as well as the probable income to be derived.

PUBLIC DEPOSIT: A bank that is qualified under California law to accept a deposit of public funds.

PURCHASE DATE: The date on which a security is purchased for settlement on that or a later date. Also known as the “trade date”.

RATE OF RETURN: 1) The yield which can be attained on a security based on its purchase price or its current market price. 2) Income earned on an investment, expressed as a percentage of the cost of the investment.

REALIZED GAIN (OR LOSS): Gain or loss resulting from the sale or disposal of security.

REGIONAL DEALER: A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

REPURCHASE AGREEMENT (RP or REPO): A transaction in which a counterparty or the holder of securities (e.g. investment dealer) sells these securities to an investor (e.g. the DCA) with a simultaneous agreement to repurchase them at a fixed date. The security “buyer” (e.g. the DCA) in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate the “buyer” for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

REVERSE REPURCHASE AGREEMENT (REVERSE REPO): The opposite of a repurchase agreement. A reverse repo is a transaction in which the DCA sells securities to a counterparty (e.g. investment dealer) and agrees to repurchase the securities from the counterparty at a fixed date. The counterparty in effect lends the seller (e.g. the DCA) money for the period of the agreement with terms of the agreement structured to compensate the buyer.

RISK: Degree of uncertainty of return on an asset.

SAFEKEEPING: A service which banks offer to clients for a fee, where physical securities are held in the bank’s vault for protection and book-entry securities are on record with the Federal Reserve Bank or Depository Trust Company in the bank’s name for the benefit of the client. As an agent for the client, the safekeeping bank settles securities transactions, collects coupon payments, and redeems securities at maturity or on the call date, if called.

SECURITIES AND EXCHANGE COMMISSION (SEC): DCA was created by Congress to protect investors in securities transactions by administering securities legislation.

SECONDARY MARKET: A market for the repurchase and resale of outstanding issues following the initial distribution.

SECURITIES: Investment instruments such as notes, bonds, stocks, money market instruments, and other instruments of indebtedness or equity.

SETTLEMENT DATE: The date on which a trade is cleared by delivery of securities against funds.

SPREAD: The difference between two figures or percentages. It may be the difference between the bid (price at which a prospective buyer offers to pay) and asked (price at which an owner offers to sell) prices of a quote, or between the amount paid when bought and the amount received when sold.

STRUCTURED NOTE: A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities, or indices. Examples include “inverse floating rate” notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and “dual index floaters”, which pay interest based on the relationship between two other interest rates, for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATIONALS: are international institutions that provide development financing, advisory services, and/or financial services to their member countries to achieve the overall goal of improving living standards through sustainable economic growth. The Government Code allows local agencies to purchase the United States dollar-denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.

TIME DEPOSIT: A deposit with a California bank or savings and loan association for a specific amount and with a specific maturity date and interest rate. Deposits of up to \$250,000 are insured by FDIC. Deposits over \$250,000 are collateralized above the insurance with either government securities (at 110% of par value), first trust deeds (at 150% of par value), or letters of credit (at 105% of par value).

TOTAL RATE OF RETURN: A measure of a portfolio’s performance over time. It is the internal rate of return which equates the beginning value of the portfolio with the ending value and includes interest earnings and realized and unrealized gains and losses on the portfolio. For bonds held to maturity, total return is the yield to maturity.

TRUSTEE OR TRUST COMPANY OR TRUST DEPARTMENT OF A BANK: A

A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

UNDERWRITER: A dealer which purchases a new issue of municipal securities for resale.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requires that member firms, as well as nonmember broker/dealers in securities, maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called the net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting

syndicates. Liquid capital includes cash and assets easily converted into cash.

U.S. GOVERNMENT AGENCY SECURITIES: Securities issued by U.S. government agencies, most of which are secured only by the credit worthiness of the particular agency. See AGENCIES.

U.S. TREASURY OBLIGATIONS: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are the benchmark for interest rates on all other securities in the U.S. The Treasury issues both discounted securities and fixed coupon notes and bonds. The income from Treasury securities is exempt from state and local, but not federal, taxes.

TREASURY BILLS: Securities issued at a discount with initial maturities of one year or less. The Treasury currently issues three-month and six-month Treasury bills at regular weekly auctions. It also issues very short-term “cash management” bills as needed to smooth out cash flows.

TREASURY NOTES: Intermediate-term coupon-bearing securities with initial maturities of one year to ten years.

TREASURY BOND: Long-term coupon-bearing securities with initial maturities of ten years or longer.

UNREALIZED GAIN (OR LOSS): Gain or loss that has not become actual. It becomes a realized gain (or loss) when the security in which there is a gain or loss is actually sold. See REALIZED GAIN (OR LOSS).

VOLATILITY: Characteristic of a security, commodity, or market to rise or fall sharply in price within a short-term period.

WATERFIX BONDS: Those bonds issued by the California Department of Water Resources to fund the California WaterFix, a conveyance project to further the co-equal goals of the State Legislature, pursuant to Section 85054 of the California Water Code.

WEIGHTED AVERAGE MATURITY: The average maturity of all the securities that comprise a portfolio is typically expressed in days or years.

YIELD: The annual rate of return on an investment expressed as a percentage of the investment. See CURRENT YIELD; YIELD TO MATURITY.

YIELD CURVE: Graph showing the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity.

YIELD TO MATURITY: Concept used to determine the rate of return if an investment is held to maturity. It takes into the account purchase price, redemption value, time to maturity, coupon yield, and the time between interest payments. It is the rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the

period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

BOARD OF DIRECTORS OF THE DELTA CONVEYANCE DESIGN AND CONSTRUCTION AUTHORITY

RESOLUTION NO. 20-xx

Introduced by Director: XXXX

Seconded by Director: XXXX

**RESOLUTION TO AUTHORIZE THE INVESTMENT POLICY AND ANNUAL DELEGATION
TO THE DCA TREASURER
FOR THE FISCAL YEAR 2022-2023**

WHEREAS pursuant to Government Code Section 53607, a legislative body of a local agency has the authority to delegate for a one-year period investment authority to the treasurer and that such delegation may be renewed each year; and

WHEREAS, as part of best practice and sound financial management, the Delta Conveyance Design and Construction Authority (DCA) adopts an annual Investment Policy outlining the permitted investments of DCA funds; and

WHEREAS, the DCA Board of Directors wishes to delegate investment authority to the Treasurer for Fiscal Year 2022-23 and to adopt the Investment Policy for such fiscal year.

Now, therefore, the DCA Board of Directors resolves as follows:

1. The Board of Directors hereby determines that the preceding recitals are true and correct and hereby adopts and incorporates them into this Resolution.
2. The Board of Directors adopts the DCA Investment Policy for the fiscal year 2022-23 as attached hereto as Exhibit A and incorporated by this reference.
3. The Board of Directors hereby delegates to the DCA's Treasurer the authority to invest or to reinvest funds of the DCA, or to sell or exchange securities so purchased for the Fiscal Year 2022-23 in compliance with the Investment Policy and applicable law.
4. The DCA's Treasurer shall assume full responsibility for these transactions until the delegation of authority is revoked or expires
5. This Resolution shall take effect immediately upon its adoption.

* * * * *

This Resolution was passed and adopted this 16th day of June 2022, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Richard Atwater, DCA Board President

Attest:

Martin Milobar, DCA Secretary

General Counsel's Report

Contact: Josh Nelson, General Counsel

Agenda Date: June 16, 2022, Board Meeting

Item No. 8a

Subject: Status Update

Summary:

The General Counsel continues to assist the DCA on legal matters as requested.

Detailed Report:

The General Counsel continues to assist staff as necessary. Of particular note, we continue to monitor the rules applicable to remote meetings. Even with the recent changes in federal travel policies, the Board may continue to meet remotely or in a hybrid format under AB 361 as long the statewide emergency declaration remains in place or social distancing is recommended.

In addition, we continue to monitor pending bills (AB 1944 and AB 2449) in the Legislature that would provide greater flexibility for teleconference meetings going forward. Both bills recently passed out of the Assembly and are being considered by the Senate. Each bill is slightly different but both would permit Directors to remotely attend a meeting without making that remote location a public meeting location. However, both bills would require that if a Director is attending remotely from a private location, a quorum of the rest of the Board must participate in the meeting from a single physical location. AB 2449 has additional restrictions, including preventing a Director from attending remotely for more than three consecutive months and requiring Directors participating remotely to disclose "whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals."

Lastly and as noted in prior reports, we continue to assist with other legal matters as necessary. These matters are confidential and not appropriate for discussion in a public report.

Recommended Action:

Information, only.

Environmental Manager's Report

Contact: Carolyn Buckman, DWR Environmental Manager

Date: June 16, 2022 Board Meeting

Item No. 8b

Subject: Environmental Manager's Status Update

Summary:

The Department of Water Resources (DWR) is working through the California Environmental Quality Act (CEQA) process to analyze a single-tunnel solution to modernizing and rehabilitating the State Water Project infrastructure in the Delta.

Detailed Report:

DWR is continuing to develop an Environmental Impact Report (EIR) under CEQA. DWR has identified a range of reasonable alternatives to analyze in the EIR, and current efforts are focused on assessing the alternatives' potential impacts on environmental resources and identifying mitigation measures, if needed. The U.S. Army Corps of Engineers (USACE), as part of its permitting review under the Clean Water Act and Rivers and Harbors Act, is preparing a Draft Environmental Impact Statement to comply with the National Environmental Policy Act (NEPA). DWR and USACE are planning to release draft environmental documents for public review in summer 2022.

Field activities under the Initial Study/Mitigated Negative Declaration for Soil Investigations in the Delta (including cone penetration tests, soil borings, and geophysical surveys) restarted in May after a wet season break. The spring field season is expected to conclude at the end of June with an approximately three-week break prior to the summer/fall field season. DWR has added a link to our public information website to help provide information to interested members of the public and are updating a map weekly of the near-term planned explorations (<https://water.ca.gov/Programs/State-Water-Project/Delta-Conveyance/Public-Information>). DWR is continuing to pursue permits for soil survey sites that fall under the jurisdiction of the Rivers and Harbors Act (Section 408). Investigations at any given site will not occur until property owners have been notified and required permits and approvals for that site have been obtained.

Recommended Action:

Information only.