

BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING

Thursday, June 16, 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: (650) 419-1505, Code: 665019510#, <https://v.ringcentral.com/join/665019510> at 2:05 pm. At the beginning of the meeting, President Atwater noted that Item seven (7)d would be presented prior to Item seven (7)a, however the balance of the agenda remains unchanged.

2. ROLL CALL

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

Alternate Director John Weed, Alternate Director Bob Tincher, Alternate Director Dan Flory, Alternate Director Barbara Keegan, and Alternate Director Royce Fast were also in attendance, the Board Clerk captured their attendance for the record.

DCA staff members in attendance were Graham Bradner, Joshua Nelson, and Rob McCarthy.

Department of Water Resources (DWR) staff member in attendance was Marcus Yee.

3. PLEDGE OF ALLEGIANCE

President Richard Atwater convened the open session at approximately 2:05 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: May 19, 2022 Regular Board Meeting

Director Cheng noted that there was a spelling error and requested that the meeting minutes be approved with the correction.

Mr. Nelson confirmed that the Board can move forward with approving the amended minutes.

Recommendation: Approve the May 19, 2022 Regular Board Meeting

Motion to Approve Amended Minutes from May 19, 2022, as

Noted: Palmer
Second: Martin
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 22-06-01).

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 21-08-09).

7. DISCUSSION ITEMS:

a) June DCA Monthly Report

Informational Item

Executive Director, Graham Bradner, presented an overview of the monthly board report. He mentioned that this meeting is being held within the DCA Boardroom in a hybrid format. He stated that he is impressed with how the system is running and grateful for staff preparing and commissioning the room for the Board meeting this month. He then highlighted the spring 2022 Investigation Program under Field Work in Section 1: Worked Performed. He informed the Board that the program began in May and is expected to be complete by the end of June. The team is also planning for another round of investigations in late Summer and Fall.

Mr. Bradner continued to Section 2: Stakeholder Engagement, stating that he presented a DCP update to both the Walnut Grove Rotary and North Stockton Rotary. He expressed his appreciation for the organizations for welcoming the DCA to their meetings.

Mr. Bradner then provided an overview of Section 3: Budget, highlighting that the DCA is approaching the end of the fiscal year (FY). The original budget for FY 21/22 was \$21.5M, however the DCA rolled over just under \$3M underrun from the previous FY, bringing the total funding limit to just under \$24.5M. Currently, staff is working on the forecasts and projections to complete the current FY. The expectation is to have something close to an actual expenditure at the end of the fiscal year of about \$19.1M. This leaves an accumulative underrun from the last two fiscal years of approximately \$5.3M.

Lastly, Mr. Bradner went over the program schedule for FY 21/22. At this point in time, the program is positioned just in front of the release of the public draft Environmental Impact Report (DEIR), which is scheduled to be released in late Summer. Mr. Bradner informed the Board that everything is on track and there are currently no issues to report with respect to the schedule.

No questions or comments were presented from the Board.

b) Proposed FY 22/23 Budget

Adopt by Motion Order

Executive Director, Graham Bradner, provided an overview of proposed FY 22/23 budget memo to the Board. He summarized the planned technical work, indicating that the DCA will continue to focus priorities on providing support to the Department of Water Resources (DWR) preparation of permit documents and applications. This includes preparing responses to any comments that may come through the public review process. The DCA will also continue the execution of the geotechnical program, with the intent of collecting better understandings of subsurface conditions across the Delta. Lastly, the DCA has a host of activities associated with better understanding potential engineering concepts, and also looking at future procurement scenarios, contracting strategies, and overall programmatic schedule.

Mr. Bradner continued with the proposed budget presentation. The overall proposed FY 22/23 budget is \$31.16M, which includes an unallocated reserve of \$750K. He then provided an overview of the Work Breakdown Structure, also known as "WBS". The WBS is organized to capture all of the work that would be performed throughout the duration of the project. The current phases are Program Management Office (PMO) and Program Initiation (PI). Future phases include Program Execution and Program Closeout.

Within the PMO, there are ten (10) budget categories. The first being Executive Office (EO), which includes the activities for the Executive Director, Chief Engineer, and the support for the DCA Board Meetings. It also includes activities that provide financial, legal, and human resources oversight to the DCA and houses the allocated reserves in the undefined allowance. The second budget category is Community Engagement (CE), which includes all activities related to the DCA's outreach with interested stakeholders, supporting DWR with outreach efforts, and managing content on the DCA website and social media outlets. Program Controls (PCTRL) is the third category, containing the group that provides management support across the entire organization

for budget, cost, schedule, risk, and document control. This group is also responsible for the maintenance of all of the policies and procedures that are necessary to do business as an organization. The Administration (AD) group, which is fourth budget category, is responsible for managing the DCA's physical facilities and IT requirements. IT services include personal PC support, hardware maintenance, and software implementations. The fifth group, known as Procurement and Contract Administration (PCA), manages the procurement of all goods and services for the organization. This includes Request for Proposals/Qualifications (RFP/Qs), bids, contract negotiations, insurance, contract amendments and closeout. The sixth budget category under PMO is Property (PY) and Permitting Management (PM). The PY group has the responsibility of securing all property-related permissions and acquisitions including temporary entrance permits for field work activities. The PM group provides support in identifying and securing all necessary permits required for the project. The last three (3) budget categories are Health and Safety (HS), Quality Management (QM), and Sustainability (ST). These groups are responsible for preparing their respective Program Management Plans and overseeing implementation of the plans across all DCA activities.

The Program Initiation phase includes two (2) budget categories, Engineering (PIE) and Fieldwork (PIF), that support the DWR Environmental Planning efforts. The Engineering group is responsible for conducting technical studies and alternatives analyses to support development of conceptual level design reports. The design reports will be developed for all alternatives identified by DWR as part of the Environmental Planning process. 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. 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 to support conceptual engineering work.

Lastly, Mr. Bradner provided a summary of the budget for major vendors and consultants, which is approximately 95% of the budget. He reiterated that the total proposed budget is \$31.16M, with \$10,644,775 falling under the PMO phase, and \$20,518,945 falling under the PI phase.

Vice President Palmer asked that outside of the contractors, how many people are actual employed by the DCA.

Mr. Bradner informed the Board that no one is employed by the DCA, everyone contracts into the DCA.

Vice President Palmer followed up asking how many people come under the budget in terms of contractual employment.

Mr. Bradner stated that roughly 40 people are either full-time or largely dedicated to the project.

Director Martin asked if the DCA has enough staffing in place to complete the deliverables that have been identified.

Mr. Bradner informed that he is confident that there is enough staffing.

Director Cheng inquired if the budget for community outreach during the release of the DEIR falls under DWR or the State Water Contractors.

Mr. Bradner answered that the efforts being driven by the CEQA process is being managed by DWR, however the DCA does have budget in the event that DWR needs support during the outreach meetings.

Director Anabtawi asked if the anticipated \$5M underrun is represented in the PI phase of the upcoming budget.

Mr. Bradner informed the Board that approximately \$3M of the \$31.16M budget is funded from the accumulative underrun.

President Atwater asked if the DCA has received any public comments on the draft budget over the last couple months.

Mr. Bradner stated that there has been no public comment thus far.

No further questions or comments were presented from the Board.

Recommendation: Approve the Proposed FY 22/23 Budget

Motion to Approve the Proposed FY 22/23 Budget, as

Noted: Palmer
Second: Martin
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 22-06-02).

c) **Sr. Leadership Spotlight – Rob McCarthy, Program Support Manager**

Information Item

President Atwater welcomed Rob McCarthy, DCA Program Support Manager. Mr. McCarthy thanked the Board for the opportunity to meet and introduce himself to the Board. He stated that he has been with the program since 2018 and recently moved into the role he currently holds. He attended the United States Military Academy, West Point and received a bachelor’s degree in mechanical engineering and engineering management. After receiving his degree, he went on to become a Captain within the US Army Corps of Engineering until 1999. During that time, he served in the combat engineering unit mostly in Germany. He also served time in Bosnia and Ukraine. While serving in Ukraine in 1998 and 1999, his troop performed partnership and training exercises with the Ukrainian army. Mr. McCarthy learned a lot from his time with the Army, the most important being collaboration and team building. Once he completed his time with the Army, he

moved to Los Angeles to start his career with Parsons Corporation. Working with Parsons allowed Mr. McCarthy the opportunity to travel all over the world and work in various industries. In 2003/2004 he started to work within the water industry with organizations such as San Francisco Public Utilities Commission, Orange County, Freeport, New York City Department of Environmental Protection, and Southern Nevada Water Authority.

The most significant projects Mr. McCarthy had the pleasure of working on is the Program Management Office (PMO) Transformation for the New York City Department of Design and Construction from 2012-2016, Program Management Services – Southeast Queens Stormwater Management Program for the New York City Department of Design and Construction from 2017-2018, and the Program Management Office (PMO) Transformation for the Las Vegas Valley Water District – Southern Nevada Water Authority. During his time on the PMO Transformation project for New York City, he was able to help transform their capital program by improving, digitalizing, and streamlining their business processes.

As the Program Support Manager for the DCA, Mr. McCarthy oversees the Health & Safety, Risk Management, Program Scheduling, and Contracting & Procurement services. His primary focus is to ensure that all of these areas are updated as the DCA shifts from the program initiation phase to the program execution and closeout phase.

Executive Director, Graham Bradner, expressed his appreciation for Mr. McCarthy's presence at the DCA and explained how critical his role and the PMO team are to the program.

President Atwater thanked Mr. McCarthy for his presentation and stated that he is a great member of the DCA team.

Vice President Palmer stated that she is impressed by Mr. McCarthy's background.

Director Anabtawi thanked Mr. McCarthy for his presentation. He inquired about one of Mr. McCarthy's surprising challenges since being with the DCA.

Mr. McCarthy informed the Board that there is always a level of uncertainty with such a large project and that level has changed over time. He expressed that it is important to know how to manage both yourself and your team and to continue to plan, be positive, push forward and inspire others during this time.

Director Martin thanked Mr. McCarthy for his service to our country. He stated that the DCA is fortunate to have a man of his stature with his experience and background on this project.

No further questions or comments were presented from the Board.

d) **Pass Resolution to Adopt Updated Investment Policy**

Adopt Resolution

Sam Smalls, Metropolitan Water District's (MWD) Manager of Treasury and Debt Management, provided a presentation on behalf of Katano Kasaine for this item. Mr. Smalls explained that his role is to put together the Investment Policy for Fiscal Year (FY) 2022/2023 for the DCA Board's

consideration. Government Code 53600 expressly grants the authority to the Board of Directors to invest public funds and that authority may be delegated to the Treasurer for a one-year period. Routinely MWD would evaluate whether there are changes in State Law that would impact state policy, and no such changes were in place this year. Therefore, MWD is not recommending any changes to the existing FY 21/22 Investment Policy. Staff is recommending approving the Statement of Investment Policy for FY 22/23 and delegating authority to the Treasurer, Katano Kasaine, to invest DCA's funds for FY 22/23.

Director Anabtawi thanked Mr. Smalls for providing the presentation.

Director Cheng asked if Mr. Smalls foresees needing to make future adjustments given the change in the financial landscape next year with the rising interest rates.

Mr. Smalls stated that this is about policies, not strategies, so the policies will not need to change in light of the volatility that currently exist in the marketplace. However, the strategy is dynamic and MWD is always looking for opportunities that ensure that the policy objectives of safety, liquidity, and yield, are met.

Director Cheng followed up wanting to clarify if the DCA Investment Policy reflects the same policy as MWD.

Mr. Smalls informed the Board that MWD follows the same terms and conditions, but there may be a difference in terms of the percentage in certain categories based on applicable law.

Vice President Palmer stated that it would be nice to see a pie chart of the DCA Investment Strategies to compare to other Board's Investment Strategies.

President Atwater recommended adding this item to a future Board meeting agenda.

No further questions or comments were received from the Board.

Recommendation: Consider Passing Resolution to Adopt Updated Investment Policy

Motion to Approve Passing Resolution to Adopt Updated Investment Policy, as

Noted:	Anabtawi
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 Resolution 22-06).

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 they are still meeting under AB 361 and there are two (2) bills, AB 1944 and AB 2449, that are still pending in the legislature that would make more permanent changes to the Brown Act to permit Directors to participate from remote locations without making those remote locations open to the public. He informed the Board that both bills have made it through the Assembly and are now being considered at the Senate committee level. He also stated that prior to moving to the Senate, both bills were amended to require that if a single Director is participating remotely, a quorum of the Board has to participate from a single physical location.

b. DWR Environmental Manager's Report

A written report was provided in the Board package. Marcus Yee, DWR Program Manager leading the CEQA and NEPA efforts, provided an update on behalf of Carrie Buckman. Mr. Yee stated that DWR is working diligently to meet the goal of releasing the DEIR this summer. He also highlighted that they are continuing with the soil investigations and there is a link in the report to a map that shows the planned explorations for the next two weeks. This map is updated weekly.

c. Verbal Reports

None.

9. FUTURE AGENDA ITEMS:

None.

10. ADJOURNMENT:

President Atwater adjourned the meeting at 2:55 p.m., in person and remotely-Conference Access Information: Phone Number: (650) 419-1505, Code: 665019510#, <https://v.ringcentral.com/join/665019510>