



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

SPECIAL MEETING

Thursday, May 18, 2023

11:30 a.m.

DCDCA Boardroom

980 9th Street, Suite 100

Sacramento, CA 95814

Join Zoom Meeting

<https://zoom.us/j/93344770278?pwd=TXJVRkh3T2ozbkktMVRnbEtJMG03QT09>

Meeting ID: 933 4477 0278

Passcode: 106545

Via Teleconference: +1 669 444 9171

Meeting ID: 933 4477 0278

Passcode: 106545

One Tap Mobile: +16694449171,,93344770278#,,,,*106545#

AGENDA

ACCESSIBILITY: *If requested, the agenda and backup materials will be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Any person who requires a disability-related modification or accommodation, in order to observe and/or offer public comment may request such reasonable modification, accommodation, aid, or service by contacting **Linda Standlee** by telephone at **916-812-6400** or via email to **lindastandlee@dcfinanceauthority.org** no later than **5:00 p.m. on May 17, 2023.***

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PLEDGE OF ALLEGIANCE**
- 4. PUBLIC COMMENT**
- 5. OTHER MATTERS**
- 6. CONSENT CALENDAR**

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

- a. Approval of the minutes from the meeting of January 19, 2023.

7. SCHEDULED ACTION ITEMS

- a. Approval of commendatory resolutions for Gary Kremen and Randy Record
- b. Consideration and approval of the 2023/24 budget

8. REPORTS AND ANNOUNCEMENTS

- a. Treasurer's Report
- b. General Counsel's Report
- c. Executive Director's Report

9. FUTURE AGENDA ITEMS

- a. Future agenda items to be considered.

10. CLOSED SESSION

- a. Conference with legal counsel: Government Code §54956.9: potential litigation: one case.

11. ADJOURNMENT

BOARD OF DIRECTORS MEETING

MINUTES

Thursday, January 19, 2023
11:00 am

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER

The regular meeting of the Delta Conveyance Finance Authority (Finance Authority) Board of Directors was called to order by Secretary Sethy via teleconference at 11:02 a.m. Linda Standlee reviewed the process the Board and public would follow for the meeting, noting that all voting would be via roll call vote.

2. ROLL CALL

Board members in attendance were Paul Sethy, Valerie Pryor, Russell Lefevre, Thomas Todd, Nai Hsueh, Cindy Saks, Matthew Stone, Lynne Chaimowitz, Mark Krause, and Robert Cheng.

Director Dwayne Chisam was absent.

Director Sethy welcomed new Board Member Russell Lefevre, Metropolitan Water District and Nai Hsueh, Alternate Director for Santa Clara Valley Water District.

Staff members in attendance were Brian Thomas, Steve O'Neill and Katano Kasaine.

3. PLEDGE OF ALLEGIANCE

The Board recited the pledge of allegiance.

4. PUBLIC COMMENT

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

No members of the public requested time to speak, therefore President Sethy closed public comment.

5. OTHER MATTERS

6. CONSENT CALENDAR:

Director Sethy requested Brian Thomas, Executive Director, briefly discuss the action items for the Board. Mr. Thomas noted there were 3 actions before the Board at this meeting, 2 of which were on the Consent Calendar, which included approval of minutes from the November meeting and the resolution to continue meeting remotely. The last action item was the election of the Officers.

Agenda Item 6.a

Director Sethy queried if there were any questions; none were posed. Director Sethy queried the Board if they wanted either of the items pulled and discussed separately. Director Hsueh requested Item 6.a be voted upon separately.

6.a. Approval of the minutes from the meeting of November 17, 2022.

Motion:	Approve the minutes from the meeting of November 17, 2022
Move to Approve:	Robert Cheng
Second:	Valerie Pryor
Yeas:	Paul Sethy, Valerie Pryor, Thomas Todd, Cindy Saks, Matthew Stone, Lynne Chaimowitz, Mark Krause, and Robert Cheng
Nays:	None
Abstains:	Russell Lefevre, Nai Hsueh
Recusals:	None
Absent:	Dwayne Chisam
Summary:	8 Yeas; 0 Nays; 2 Abstains; 1 Absent. (Motion passed as MO 23-01-01)

6.b. Adopt a resolution to continue remote teleconference meetings pursuant to the Brown Act Section 54953(e) for meetings of the Delta Conveyance Finance Authority.

Motion:	Adopt a resolution to continue remote teleconference meetings pursuant to the Brown Act Section 54953(e) for meetings of the Delta Conveyance Finance Authority
Move to Approve:	Matthew Stone
Second:	Russell Lefevre
Yeas:	Paul Sethy, Valerie Pryor, Russell Lefevre, Thomas Todd, Nai Hsueh, Cindy Saks, Matthew Stone, Lynne Chaimowitz, Mark Krause, and Robert Cheng
Nays:	None
Abstains:	None
Recusals:	None
Absent:	Dwayne Chisam
Summary:	10 Yeas; 0 Nays; 0 Abstains; 1 Absent. (Motion passed as MO 23-01-02)

7. SCHEDULED ACTION ITEMS

a. Election of Officers

Brian Thomas presented the information on this item to the Board. Mr. Thomas proposed consideration of the following directors as Officers: Paul Sethy, Board President; Russell Lefevre, Vice President; Robert Cheng, Secretary; and Katano Kasaine, Treasurer.

Director Sethy requested public comment; none was provided.

Director Sethy requested Board comments. Director Cheng thanked the group for the consideration and noted he would be happy to serve and offered his endorsement of the proposed roster of Board Officers. Director Lefevre offered his thanks to the Board for his nomination and offered his assurances that he would work hard to support the

DCFA's efforts. Director Sethy noted he was honored to be offered the opportunity to serve as President. Director Stone offered his remarks and support for the proposed Board Officers.

Motion:	Elect recommended slate of DC Finance Officers
Move to Approve:	Matthew Stone
Second:	Mark Krause
Yeas:	Valerie Pryor, Thomas Todd, Nai Hsueh, Cindy Saks, Matthew Stone, Lynne Chaimowitz, Mark Krause
Nays:	None
Abstains:	Robert Cheng
Recusals:	Paul Sethy and Russell Lefevre
Absent:	Dwayne Chisam
Summary:	7 Yeas; 0 Nays; 1 Abstains; 2 Recusals, 1 Absent. (Motion passed as MO 23-01-03)

8. REPORTS AND ANNOUNCEMENTS

a. Delta Conveyance Design & Construction Authority Update

Graham Bradner provided a brief DCDCA Update. Director Krause offered his thanks to Mr. Bradner and DCDCA for staying within its budget. Director Lefevre questioned how to obtain the slides from today's presentation; Mr. Bradner noted the materials are available on DCDCA's website.

Director Sethy requested public comment; none was provided.

b. Treasurer's Report

Ms. Kasaine thanked the Board for electing her to continue her work as Treasurer. Ms. Kasaine noted the beginning cash balance in the DCFA Trust at October 1, 2022 was \$413,789. Receipts for the three months ended December 2022 totaled \$2,053, consisting of interest receipts. Disbursements totaled \$53,604 during the three months ending December 2022. The ending cash balance at December 31, 2022 was \$362,238.

Director Krause asked about the Norton Rose Fulbright invoice. Executive Director Thomas noted that Norton Rose is the DC Finance Authority's Bond Counsel, and the cost was for time spent prepping for the November 2022 meeting, as well as developing concepts for any potential DCFA financing.

Director Sethy requested public comment; none was provided.

c. General Counsel's Report

Steve O'Neill, Finance Authority General Counsel, reported on recent activities, noting work focused on finalizing and executing the Executive Director's contract, corresponding with MWD staff on the new director and alternate for MWD, working on the AB 361 resolution, and reviewing draft Board materials. Mr. O'Neill also welcomed the new Board members and officers.

d. Executive Director's Report

Mr. Thomas welcomed new Board members and Officers. He reminded the Board that completion of Form 700s are due on April 3. Mr. Thomas discussed the two DWR validation actions, noting that the Court found that the contract extension case, which extends SWP supply contracts, was found in favor of DWR, and is now under appeal. The second validation action with regard to DWR's authority to construct the Delta Conveyance Project and finance the project; is moving forward with respondent briefs being filed and is scheduled for trial in mid-May.

Director Stone requested that at a future meeting, a review of the timing of critical path items, in terms of the Finance Authority, the progress and expected path assuming a verdict and appeal process on the validation, and the process for environmental documentation and permitting on the project be discussed.

Director LeFevre queried the appeal process associated with the contract extension validation case. Mr. Thomas noted the respondents have filed appeals, making similar arguments at the lower court.

Director Sethy inquired about plans for future meetings. Mr. Thomas noted no meetings in February or March are planned; with the next meeting planned for April or May. Mr. O'Neill noted that the next meeting will need to be an in-person meeting, given the Governor will rescind the COVID state of emergency, effective February 28, 2023.

Director Sethy requested public comment; none was provided.

9. FUTURE AGENDA ITEMS

- a. Future agenda items to be considered.
 - Director Sethy requested commendatory resolutions for past President Kremen and Vice President Record be drafted and presented at the next Board meeting.

10. CLOSED SESSION

No closed session was held.

11. ADJOURNMENT

President Sethy adjourned the meeting at 11:59 a.m.

RESOLUTION NO. 23-02

**A RESOLUTION OF THE BOARD OF DIRECTORS OF DELTA CONVEYANCE FINANCE AUTHORITY
RECOGNIZING THE CONTRIBUTION OF FORMER DIRECTOR GARY KREMEN**

WHEREAS, the Sacramento-San Joaquin Delta is an essential water source for California, providing water to California residents, farmlands, and key fish and wildlife habitats; and

WHEREAS, The California State Water Project is a multi-purpose water storage and delivery system that provides water from the Sacramento-San Joaquin Delta through a collection of canals, pipelines, reservoirs, and hydroelectric power facilities. The State Water Project delivers clean water to 27 million Californians, 750,000 acres of farmland, and businesses throughout our state.

WHEREAS, a proposed Delta Conveyance Program would develop new facilities to modernize California's State Water Project, to protect this vital infrastructure and its water supply by guarding against disruptions caused by sea level rise, climate change and seismic threats; and

WHEREAS, the Delta Conveyance Finance Authority was formed in 2018 to provide an alternative financing mechanism to fund a conveyance facility through the Sacramento San Joaquin Bay Delta; and

WHEREAS, Director Gary Kremen served as an original founding member of the Delta Conveyance Finance Authority, representing the Santa Clara Valley Water District, and served as Board Vice President from 2018 thru 2020 and as President of the Delta Conveyance Finance Authority from 2021 thru 2022, providing experience, exemplary leadership, and vision to this important project.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the Delta Conveyance Finance Authority hereby recognizes, commends, and honors the service provided by former Director Kremen in serving the public as a Delta Conveyance Finance Authority board member from 2018 to 2023.

PASSED, APPROVED AND ADOPTED on May 18, 2023.

President, Paul Sethy

I hereby certify that the foregoing is a full, true and correct copy of the Resolution adopted by the Board of Directors of the Delta Conveyance Finance Authority at its meeting held on May 18, 2023.

ATTEST:

Robert Cheng, DCFA Secretary

RESOLUTION NO. 23-03

**A RESOLUTION OF THE BOARD OF DIRECTORS OF DELTA CONVEYANCE FINANCE AUTHORITY
RECOGNIZING THE CONTRIBUTION OF FORMER DIRECTOR RANDY RECORD**

WHEREAS, the Sacramento-San Joaquin Delta is an essential water source for California, providing water to California residents, farmlands, and key fish and wildlife habitats; and

WHEREAS, The California State Water Project is a multi-purpose water storage and delivery system that provides water from the Sacramento-San Joaquin Delta through a collection of canals, pipelines, reservoirs, and hydroelectric power facilities. The State Water Project delivers clean water to 27 million Californians, 750,000 acres of farmland, and businesses throughout our state.

WHEREAS, a proposed Delta Conveyance Program would develop new facilities to modernize California's State Water Project, to protect this vital infrastructure and its water supply by guarding against disruptions caused by sea level rise, climate change and seismic threats; and

WHEREAS, the Delta Conveyance Finance Authority was formed in 2018 to provide an alternative financing mechanism to fund a conveyance facility through the Sacramento San Joaquin Bay Delta; and

WHEREAS, Director Randy Record served as an original founding member of the Delta Conveyance Finance Authority, representing the Metropolitan Water District of Southern California, and served as Board President from 2018 thru 2020 and Vice President of the Delta Conveyance Finance Authority from 2020 thru 2022, providing experience, exemplary leadership, and vision for this important project.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the Delta Conveyance Finance Authority hereby recognizes, commends, and honors the service provided by former Director Record in serving the public as a Delta Conveyance Finance Authority board member from 2018 to 2023.

PASSED, APPROVED AND ADOPTED on May 18, 2023.

President, Paul Sethy

I hereby certify that the foregoing is a full, true and correct copy of the Resolution adopted by the Board of Directors of the Delta Conveyance Finance Authority at its meeting held on May 18, 2023.

ATTEST:

Robert Cheng, DCFA Secretary

Board Memo

Contact: Brian Thomas, Executive Director

AGENDA DATE: May 18, 2023

Item No. 7.b

Subject: Proposed Fiscal Year 2023/24 Operating Budget

Executive Summary

Each year, the Delta Conveyance Finance Authority Board adopts an operating budget. The proposed budget for fiscal year 2023/24 totals \$188,350 to support the administrative activities of the DCFA, including needed board meetings. The budget is consistent with projected costs for this year and significantly less than the fiscal year 2022/23 budget as no financing is expected. No calls for funds from members will be needed in fiscal year 2023/24 as sufficient reserves are available to support the proposed budget.

Detailed Report

Expenditures. As shown in *Table 1. Proposed FY 2023/24 Budget Summary*, operating expenditures are budgeted at \$188,350. As described in the attached “Fiscal Year 2023/24 Proposed Operating Budget”, the expenditures are consistent with the current fiscal year. This reflects the administrative nature of activities, as well as ongoing coordination and communication with the Department of Water Resources, State Water Project Contractors, and the Delta Conveyance Design & Construction Authority (DCA). Should the board determine that a financing and/or additional financial analysis and support for the DCA is appropriate, the budget would be amended.

Receipts. Given the level of reserves expected at June 30, 2023, no call for funds from members will be required to fund next fiscal year’s activities. The only receipts budgeted are interest earnings in the amount of \$6,000, reflecting today’s level of interest rates and the anticipated cash balances throughout the year. Additional funds from members would only be needed if the board determined that a DCFA Financing would be necessary.

	Actual 2021/22	Budget 2022/23	Projected 2022/23	Proposed 2023/24
Receipts				
Member Agency Payments	-	-	-	-
Interest Earnings	2,695	1,000	7,500	6,000
Total	2,695	1,000	7,500	6,000
Disbursements	82,863	435,750	152,601	188,350
Receipts Less Disbursements	(80,168)	(434,750)	(145,101)	(182,350)
Cash & Investments at Beg. Year	559,245	479,438	479,077	333,976
Ending Cash & Investments	479,077	44,688	333,976	151,626

Table 1. Proposed FY 2023/24 Budget Summary

Recommended Action

That the Board approve the following CEQA finding:

The approval of the 2023/24 Proposed Budget is exempt from CEQA because it involves continuing administrative activities, such as general policy and procedure making (Section 15378 (b)(2) of the State CEQA Guidelines), and as such does not constitute a project; and
Approve the Fiscal Year 2023/24 Proposed Operating Budget of \$188,350 to be funded with \$182,350 of reserves and \$6,000 in interest earnings.

Attachment: Fiscal Year 2023/24 Proposed Operating Budget

**FISCAL YEAR 2023/24
PROPOSED OPERATING BUDGET**



DELTA CONVEYANCE FINANCE AUTHORITY

May 18, 2023

EXECUTIVE SUMMARY

Background. The Delta Conveyance Finance Authority (Authority or DCFA) was created in July 2018. Its eleven members are the Alameda County Water District, Alameda Flood Control & Water Conservation District - Zone 7, Antelope Valley-East Kern Water Agency, Coachella Valley Water District, Desert Water Agency, Metropolitan Water District of Southern California, Mojave Water Agency, San Bernardino Valley Municipal Water District, San Geronio Pass Water Agency, Santa Clara Valley Water District, and Santa Clarita Valley Water Agency. Each of the members is also a State Water Project Contractor. The primary purpose of the Authority is to assist the Department of Water Resources finance conveyance improvements for the State Water Project to support a more reliable and resilient water delivery system, while meeting California's environmental objectives. The State of California, through the Department of Water Resources (DWR), owns and operates the State Water Project. The DCFA could support DWR by accessing capital markets and issuing municipal debt, the proceeds of which would be contributed to DWR to fund conveyance improvements. If necessary, the DCFA could also issue Authority debt to secure the funding necessary to purchase the DWR's bonds. The Authority debt would be secured by revenues from the sale of installment purchase agreements (or similar agreements) to some or all of the Authority members and could include agreements with other State Water Project Contractors who are not members of the Authority. To date, the Authority has not approved the issuance of debt and has not issued any debt.

The DCFA is a conduit financing authority whose revenue comes from member payments and investment earnings. The budget is prepared on a cash basis. Financial reporting is also on a cash basis as the DCFA has not issued debt and has no assets other than cash and investments. The DCFA has no employees.

Expenditures. Operating expenditures are primarily for administration, legal, accounting, insurance and auditing services. The largest expenditure category in the fiscal year 2022/23 budget was for legal and consulting services related to preparing for the issuance of debt, such as developing necessary financing documents. The proposed fiscal 2023/24 budget does not include activities associated with a borrowing given the progress of DWR's validation actions. As such, the proposed 2023/24 budget of \$188,350 is less than half the 2022/23 budget of \$435,750. The 2023/24 budget supports funding for ongoing administration of the DCFA, including amounts for the Executive Director and General Counsel, accounting and treasury services, insurance and the external financial audit. It includes some funding for bond counsel services – but, these services are contemplated to be associated with advice regarding validation processes and other legal actions associated with DWR rather than a debt issuance. The DCFA will continue to work with DWR and the Delta Conveyance Design & Construction Authority (DCA) to support coordination and communication between and among the agencies.

Receipts. There have been no member contributions since fiscal year 2020/21. Given reserve balances, sufficient funds are available to cover the proposed budget without additional member contributions. If financing activities are accelerated and spending increased, a supplemental call for member contributions could be needed. Interest earnings are projected to be \$7,500 in fiscal year 2022/23, reflecting higher than anticipated cash and investment balances, as well as higher interest rates resulting from Federal Reserve actions to increase rates over the past year. Interest earnings for fiscal year 2023/24 are expected to be \$6,000 in 2023/24 as cash balances will be lower through the year, and interest rates are projected to be stable or potentially lower by the end of the fiscal year.

	Actual 2021/22	Budget 2022/23	Projected 2022/23	Proposed 2023/24
Receipts				
Member Agency Payments	-	-	-	-
Interest Earnings	2,695	1,000	7,500	6,000
Total	2,695	1,000	7,500	6,000
Disbursements	82,863	435,750	152,601	188,350
Receipts Less Disbursements	(80,168)	(434,750)	(145,101)	(182,350)
Cash & Investments at Beg. Year	559,245	479,438	479,077	333,976
Ending Cash & Investments	479,077	44,688	333,976	151,626

Table 1. Budget Summary – Receipts and Expenditures

FISCAL YEAR 2022/23 PROPOSED OPERATING BUDGET

The proposed operating budget is shown in Table 2, and totals \$188,350. The Authority will continue to receive administrative support (e.g., meetings, minutes, agendas, etc.) from the State Water Contractors, which helps contain expenses. The proposed 2023/24 budget supports administrative activities, including anticipated board meetings, briefings and coordination activities with DWR, DCA, State Water Project Contractors, and supporting financial analysis as needed. The budget does not include funds for a DCFA financing. The DCFA will be working with Contractors and DWR to identify financing solutions as work progresses.

Executive Director Compensation. This includes professional fees and expenses for the executive director to perform all services related to managing the activities of the Authority. The budget is \$30,000, reflecting anticipated work, including administration, coordination, working with bond counsel and the general counsel as needed, outreach

with DWR and the State Water Project Contractors, and support of the board (including up to four board meetings). Travel expenditures are expected to be higher than in 2022/23 as board meetings will be in person rather than virtual. The budget is slightly lower than in the fiscal year 2021/22 budget, but is higher than projected costs in fiscal year 2022/23 due to a higher level of effort associated with board activities in 2023/24. The budget is consistent and with previously approved contract amounts.

Professional Services. This includes expenditures for professional services such as general counsel, bond and disclosure counsel, outreach (including website design and maintenance). The proposed budget includes General Counsel fees based on the existing contract and anticipated level of effort, which is similar to that of the Executive Director. Fees for the external auditor are included as part of the Professional Services line item, which at \$8,100 reflects a modest increase over the last audit cost of \$7,900. The 2022/23 budget includes \$10,000 for outreach to maintain and update the Authority’s website and other activities as determined by the board. While the DCFA is not likely to issue debt in fiscal 2023/24, the budget includes \$50,000 for Bond Counsel services. Bond counsel may provide advice to the board regarding financing structures and help develop materials to support board activities.

Accounting/Treasury Services. This line item captures the cost for services from the Metropolitan Water District to provide accounting and treasury services (e.g., accounting, financial reporting, banking, check processing, etc.) The 2022/23 budget of \$30,000 is equal to the expenses in the prior two fiscal years, and is consistent with the existing contract with Metropolitan.

Item	Object	Actual 2021/22	Budget 2022/23	Projected 2022/23	Proposed 2023/24
1	Executive Director Compensation	\$ 23,056	\$ 35,000	\$ 19,500	\$ 30,000
2	Professional Services				
	General Counsel	13,900	35,000	22,700	30,000
	Bond Counsel	-	200,000	61,064	50,000
	Disclosure Counsel	-	50,000	-	-
	Municipal Advisor	-	40,000	-	-
	Audit	4,670	5,500	7,900	8,100
	Outreach	-	10,000	-	10,000
3	Accounting/Treasury Services	30,000	30,000	30,000	30,000
4	Insurance	11,237	13,250	11,237	13,250
5	Travel and Meeting	-	1,000	-	1,000
6	Materials and Supplies	-	1,000	200	1,000
7	Contingency	-	15,000	-	15,000
	Total	\$ 82,863	\$ 435,750	\$ 152,601	\$ 188,350

Table 2. Proposed Operating Budget

Insurance. This is an estimate of the premium for liability and directors and officers insurance. The proposed budget of \$13,250 accommodates an increase in premiums above that paid in fiscal year 2022/23 of about 18%. Although the Authority's risk exposure remains low, changes in insurance premiums in the coming year are likely to be affected by world events and inflation. The DCFA's insurance premiums have been \$11,237 each of the past two years.

Travel and Meeting. This expenditure reflects the cost of meeting rooms, travel (if any) for board members, and other similar expenses. The budget of \$1,000 is the same as the fiscal year 2022/23 budget. This assumes that there will be four board meetings in fiscal year 2023/24.

Materials and Supplies. Materials and supplies include basic office materials and supplies. Many of these expenditures were covered by the State Water Contractors on behalf of the Authority in fiscal year 2022/23. As a result, expenditures in this category are expected to remain small.

Contingency. A contingency of \$15,000 has been included in the proposed budget to account for activities that may arise during the course of the fiscal year. There is a significant amount of uncertainty concerning economic activity, the need for financing, the pace at which the Delta Conveyance Project proceeds, and needed support activity by the Authority. While the Authority has sufficient reserves that budget augmentations (if needed) through the year should be manageable, additional funds could be provided through a supplemental assessment to members. Of course, any supplemental call for funds from the members would require board action.

2023/24 Budget

Delta Conveyance Finance Authority

Board Meeting

May 18, 2023

Proposed 2023/24 Expenditures

Object	Actual 2021/22	Budget 2022/23	Projected 2022/23	Proposed 2023/24
Executive Director Compensation	\$ 23,056	\$ 35,000	\$ 19,500	\$ 30,000
Professional Services				
General Counsel	13,900	35,000	22,700	30,000
Bond Counsel	-	200,000	61,064	50,000
Disclosure Counsel	-	50,000	-	-
Municipal Advisor	-	40,000	-	-
Audit	4,670	5,500	7,900	8,100
Outreach	-	10,000	-	10,000
Accounting/Treasury Services	30,000	30,000	30,000	30,000
Insurance	11,237	13,250	11,237	13,250
Travel and Meeting	-	1,000	-	1,000
Materials and Supplies	-	1,000	200	1,000
Contingency	-	15,000	-	15,000
Total	\$ 82,863	\$ 435,750	\$ 152,601	\$ 188,350

Receipts and Disbursements

	Actual 2021/22	Budget 2022/23	Projected 2022/23	Proposed 2023/24
Receipts				
Member Agency Payments	-	-	-	-
Interest Earnings	2,695	1,000	7,500	6,000
Total	2,695	1,000	7,500	6,000
Disbursements	82,863	435,750	152,601	188,350
Receipts Less Disbursements	(80,168)	(434,750)	(145,101)	(182,350)
Cash & Investments at Beg. Year	559,245	479,438	479,077	333,976
Ending Cash & Investments	479,077	44,688	333,976	151,626

Summary

- Proposed 2023/24 Budget of \$188,350 is sufficient to administer the Authority's activities, including board meetings and communication with DWR, DCA, members
- No additional payments from Members will be required
- Sufficient reserves are available to fund activities
- If additional work is needed, the Board can approve supplemental appropriations

Recommendation

That the Board approve the CEQA determination, approve the expenditure budget for Fiscal Year ending June 30, 2024 in the amount of \$188,350 and approve use of reserves to fund expenditures



Board Memo

Contact: Katano Kasaine, Treasurer

AGENDA DATE: May 18, 2023

Item No. 8.a

Subject: Treasurer's Report, Quarter Ended March 31, 2023

Executive Summary

The beginning cash balance in the DCFA Trust at January 1, 2023 was \$362,238. For the three months ended March 31, 2023, total receipts were \$2,817, consisting of interest income, and total disbursements were \$21,080, resulting in an ending cash balance of \$343,975.

Attached is a schedule of Budget versus Actual through March 31, 2023. Year-to-date actual expenses were \$136,311, resulting in a fiscal year remaining budget of \$299,439. The favorable variance was due to limited financing activities and lower travel and meeting expenses as all board meetings were conducted remotely. Expenditures are expected to be higher in the last quarter of the year, but still lower than budget.

Detailed Report

See attached Statements

Recommended Action

For information only

ATTACHMENTS:

Attachment 1: DCFA Quarter Ended March 31, 2023 Financial Statements

Attachment 2: Budget versus Actual



DELTA CONVEYANCE FINANCE AUTHORITY
Statement of Net Position
As of March 31, 2023

Assets:		
Cash	\$	343,975
Interest receivable		1,081
Prepays		<u>2,833</u>
Total assets	\$	<u><u>347,889</u></u>
Net position	\$	<u><u>347,889</u></u>



DELTA CONVEYANCE FINANCE AUTHORITY
Statement of Cash Receipts and Disbursements

	Quarter Ended Mar '23	Year to Date Jul '22-Mar '23
	<u> </u>	<u> </u>
Receipts:		
Interest income	\$ 2,817	\$ 6,105
Total receipts	<u>2,817</u>	<u>6,105</u>
Disbursements:		
Executive director	4,225	14,301
Professional services	1,855	85,669
Treasury and accounting	15,000	30,000
Insurance premiums	—	11,237
Total disbursements	<u>21,080</u>	<u>141,207</u>
Net change in cash	(18,263)	(135,102)
Cash at July 1, 2022	—	479,077
Cash at January 1, 2023	<u>362,238</u>	<u>—</u>
Cash at March 31, 2023	<u>\$ 343,975</u>	<u>\$ 343,975</u>



DELTA CONVEYANCE FINANCE AUTHORITY
 Statement of Revenues, Expenses, and Changes in Net Position

	Quarter Ended Mar '23	Year to Date Jul '22-Mar '23
	<u> </u>	<u> </u>
Revenues:		
Interest income	\$ 3,015	\$ 6,838
Total revenues	<u>3,015</u>	<u>6,838</u>
Expenses:		
Executive director	4,225	12,838
Professional services	1,855	85,039
Treasury and accounting	15,000	30,000
Insurance premiums	2,770	8,434
Total expenses	<u>23,850</u>	<u>136,311</u>
Changes in net position	(20,835)	(129,473)
Net position at June 30, 2022	—	477,362
Net position at December 31, 2022	<u>368,724</u>	<u>—</u>
Net position at March 31, 2023	<u>\$ 347,889</u>	<u>\$ 347,889</u>

* Balances may include prior quarter accruals that were not previously captured due to timing.



DELTA CONVEYANCE FINANCE AUTHORITY

Schedule of Invoices Paid
for the Nine Months Ended March 31, 2023

<u>Vendor</u>	<u>Invoice #</u>	<u>Invoice Date</u>	<u>Payment Date</u>	<u>Period of Expense</u>	<u>Amount</u>	<u>Disbursement Category</u>
1 Alliant Insurance Services, Inc.	1994403	06/17/22	07/13/22	07/01/22-07/01/23	\$ 11,237	Insurance premiums
2 Bell Burnett & Associates	1100	07/03/22	07/13/22	06/01/22-06/30/22	1,463	Executive director
3 Aleshire & Wynder LLP	68942	07/07/22	07/15/22	06/01/22-06/30/22	630	Professional services
4 Aleshire & Wynder LLP	69648	08/09/22	08/22/22	07/01/22-07/31/22	2,345	Professional services
5 Norton Rose Fulbright	9495387333	09/21/22	09/28/22	03/03/22-09/21/22	50,848	Professional services
6 Aleshire & Wynder LLP	70285	09/12/22	10/07/22	08/01/22-08/31/22	35	Professional services
7 Bell Burnett & Associates	1115	09/08/22	10/07/22	07/01/22-07/31/22	1,300	Executive director
8 Metropolitan Water District of So.	48430	09/28/22	10/07/22	03/01/22-10/31/22	15,000	Treasury and accounting
9 Aleshire & Wynder LLP	70889	10/17/22	10/26/22	09/01/22-09/30/22	5,400	Professional services
10 Bell Burnett & Associates	1123	10/17/22	11/16/22	08/25/22-09/28/22	3,088	Executive director
11 Aleshire & Wynder LLP	71481	11/02/22	11/16/22	10/01/22-10/31/22	1,435	Professional services
12 Richardson & Company LLP	112394	11/03/22	11/16/22	07/01/21-06/30/22	7,900	Professional services
13 Bell Burnett & Associates	1129	11/07/22	12/12/22	10/01/22-10/31/22	1,950	Executive director
14 Aleshire & Wynder LLP	72455	12/01/22	12/12/22	11/01/22-11/17/22	5,005	Professional services
15 Norton Rose Fulbright	9495406731	12/12/22	12/16/22	10/14/22-11/30/22	10,216	Professional services
16 Bell Burnett & Associates	1136	12/08/22	12/16/22	11/01/22-11/30/22	2,275	Executive director
17 Aleshire & Wynder LLP	72876	01/11/23	01/18/23	12/01/22-12/31/22	455	Professional services
18 Metropolitan Water District of So.	48728	02/01/23	02/15/23	11/01/22-02/28/23	15,000	Treasury and accounting
19 Brian G. Thomas Consulting, LLC	145	02/06/23	02/24/23	01/01/23-01/31/23	3,738	Executive director
20 Aleshire & Wynder LLP	73425	02/08/23	02/24/23	01/01/23-01/31/23	1,365	Professional services
21 Aleshire & Wynder LLP	74110	03/03/23	03/15/23	02/01/23-02/28/23	35	Professional services
22 Brian G. Thomas Consulting, LLC	151	03/06/23	03/15/23	02/01/23-02/28/23	487	Executive director
					\$ 141,207	

Executive director	\$ 14,301
Insurance premiums	11,237
Treasury and accounting	30,000
Professional services	85,669
	\$ 141,207

*Totals may not foot due to rounding.



Delta Conveyance Finance Authority
 Budget versus Actual
 FY 2022/23

Item	Actual Through March 31, 2023	Budget FY 2022/23	Budget Remaining	Percent of Budget Used
Executive director	\$ 12,838	\$ 35,000	\$ 22,162	37%
Professional services	85,039	340,500	255,461	25%
Treasury and accounting	30,000	30,000	—	100%
Insurance premiums	8,434	13,250	4,816	64%
Travel and meeting expenses	—	1,000	1,000	—
Materials and supplies	—	1,000	1,000	—
Contingency	—	15,000	15,000	—
Total	\$ 136,311	\$ 435,750	\$ 299,439	31%

Board Memo

Contact: Brian Thomas, Executive Director

AGENDA DATE: May 18, 2023

Item No. 8.c

Subject: Executive Director's Report

Executive Summary

The DCFA's primary activity continues to be administrative, as well as developing financing alternatives and monitoring activities regarding the Delta Conveyance Project. We continue to communicate with the State Water Contractors, the Department of Water Resources and the Delta Conveyance Design and Construction Authority (DCA) to keep current with activities on the project.

Detailed Report

Administration. Activities included preparing agenda packets for the May 2023 meeting and reviewing and approving the various invoices to be paid by the DCFA. In addition, we updated the application for insurance for the upcoming fiscal year.

Meetings/calls. DWR and the DCA continue to make progress on the environmental documents. DWR's validation case regarding DWR's authority to finance and construct the Delta Conveyance Project is progressing and is scheduled for trial beginning May 15, 2023. The trial is anticipated to take about 3-5 days.

I also had discussions with board members, DWR staff and SWP contractors regarding the DCFA's activities.

Future Activities

I will continue working with the members, the DCA, DWR and the State Water Project contractors to identify opportunities to support funding, financial analysis and identify additional funding sources, including federal and state grants or contributions.

Recommended Action

Informational.

Attachment: Board Actions thru April 30, 2023

DELTA CONVEYANCE FINANCE AUTHORITY

Completed Actions as of:

April 30, 2023

Action	Date
Adopted the CEQA determination for actions related to California Water Fix – that the Board has reviewed and considered the BDCP/California WaterFix environmental documentation and adopts the lead agency’s Findings of Fact, Statement of Overriding Considerations, Mitigation Monitoring and Reporting Program	7/19/2018
Approved agreement with Metropolitan to provide treasury and accounting services	7/19/2018
Approved submittal of WIFIA Letter of Interest	7/19/2018
Approved execution of agreement with Michael Bell Consulting to retain the services of Brian Thomas as Interim Executive Director	7/19/2018
Approved Fiscal Year 2018/19 Operating Budget	8/16/2018
Approved Debt Management Policy	8/16/2018
Approved Investment Policy	8/16/2018
Approved Bylaws	11/15/2018
Approved extension of contract with Michael Bell Management Consulting for the services of Brian Thomas as Executive Director through December 31, 2019	12/14/2018
Adopted Conflict of Interest Code	12/28/2018
Approved Reimbursement Policy	1/17/2019
Approved execution of agreement with Oliverez Madruga Lemieux O'Neill to serve as general counsel	1/17/2019
Approved execution of agreement with Norton Rose Fulbright to serve as bond counsel	2/21/2019
Approved execution of agreement with Stradling Yocca Carlson & Rauth to serve as disclosure counsel	2/21/2019
Approved Fiscal Year 2019/20 Operating Budget and annual membership fees	5/16/2019
Approved execution of agreement with Richardson & Co. to provide external audit services	5/16/2019
Approved updated and amended Investment Policy	7/18/2019
Approved amendments to the DCFA bylaws	7/18/2019

DELTA CONVEYANCE FINANCE AUTHORITY

Completed Actions as of:

April 30, 2023

Action	Date
Approved no-cost extension to agreement with Michael Bell Management Consulting Services to provide Executive Director Services through December 2020	10/17/2019
Received and filed audited financial statements for fiscal year 2018/19	10/17/2019
Appointed Board Officers and Executive Committee	1/16/2020
Appointed MWD CFO as the Treasurer for the Authority	1/16/2020
Approved Fiscal Year 2020/21 Budget	5/21/2020
Approved Updated Investment Policy and Delegated authority to the Treasurer to invest funds	7/16/2020
Approved no-cost extension to agreement with Michael Bell Management Consulting Services to provide Executive Director Services through December 2021	10/15/2020
Received and filed audited financial statements for fiscal year 2019/20	10/15/2020
Appointed Board Officers and Executive Committee	1/21/2021
Approved Fiscal Year 2021/22 Budget	4/15/2021
Approved Investment Policy for 2021/22 and delegated investment authority to MWD Treasurer	8/19/2021
Approved agreement with Bell, Burnett & Associates to provide Executive Director services through December 31, 2022	11/18/2021
Appointed board Officers, including Treasurer	1/20/2022
Approved Fiscal Year 2022/23 Budget	5/19/2022
Approved agreement with Aleshire & Wynder to provide general counsel services	5/19/2022
Approved Investment Policy for 2022/23 and delegated investment authority to MWD Treasurer	9/15/2022
Received and filed fiscal year 2021/22 audited financial statements	10/20/2022
Approved agreement with Brian G. Thomas Consulting, LLC to provide Executive Director services through December 31, 2023	11/17/2022