

BOARD OF DIRECTORS MEETING

MINUTES

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REGULAR MEETING

Thursday, December 14, 2023

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, by teleconference, and remotely - Conference Access Information: Phone Number: (669) 444-9171, Code: 85037999167#, <https://dcdca-org.zoom.us/j/85037999167?from=addon> at 2:01 pm.

**2. ROLL CALL**

Board members in attendance from the DCA Boardroom were Sarah Palmer, Martin Milobar, Miguel Luna, and Gary Martin. Robert Cheng participated from the Paris Las Vegas Hotel Main Lobby. Tony Estremera participated from Valley Water Headquarters Boardroom and Adnan Anabtawi participated from Mojave Water Agency Conference Room.

Alternate Directors in attendance remotely were Russel Lafevre and Barbara Keegan.

DCA staff members in attendance were Graham Bradner.

DCA staff members in attendance remotely were Joshua Nelson and Valerie Martinez.

**3. CLOSED SESSION**

a) CONFERENCE WITH LABOR NEGOTIATORS

(Government Code Section 54957.6)

Agency designated representative: Chair Sarah Palmer

Contractor: Executive Director

b) PUBLIC EMPLOYEE PERFORMANCE EVALUATION DISCUSSION

(Government Code Section 54957)

Title: Executive Director

c) CONFERENCE WITH LEGAL COUNSEL

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): 1 case

- i. *Sierra Club et al. v. California Department of Water Resources*, Sacramento County Superior Court Case No. 34-2020-80003517

#### 4. OPEN REGULAR MEETING & PLEDGE OF ALLEGIANCE

President Sarah Palmer convened the open session at approximately 2:01 p.m. and led all present in reciting the Pledge of Allegiance.

There were no reportable actions to report from the closed session. President Sarah Palmer

#### 5. APPROVAL OF MINUTES: October 19, 2023, Regular Board Meeting

Recommendation: Approve the October 19, 2023, Regular Board Meeting Minutes

Motion to Approve Minutes from October 19, 2023, as

Noted: Estremera  
Second: Luna  
Yeas: Palmer, Milobar, Martin, Luna, Estremera, Cheng, Anabtawi  
Nays: None  
Abstains: None  
Recusals: None  
Absent: None  
Summary: 7 Yeas; 0 Nays; 0 Abstain; 0 Absent. (Motion passed as MO 23-12-01).

#### 6. DISCUSSION ITEMS:

##### a) December DCA Monthly Report

###### *Information Item*

DCA Executive Director, Graham Bradner, presented an overview of the monthly board report. He recapped that all invoices for last fiscal year are closed, and we are focusing on the current fiscal year budget. He continued to Section 1: Work Performed in November 2023. The Program Controls team continued program-wide support activities and implementation of the Program Management Information System. The team continued the implementation and training of Standard Operating Procedures (SOP) and Management Plans. In addition, DCA performed an internal controls audit on several contract terms to validate good performance. The audit findings allowed the team to see the continuous improvements within the SOP's and Management Plans.

Mr. Bradner moved on to the administrative functions, stating that the administrative team continued to support functions including the Board of Directors, the Change Board Management, in-person and virtual meetings and social media content and updates. The alignment tours have been successful and will be on hiatus until early next year.

Mr. Bradner continued to the engineering section, the Engineering team continues to focus on supporting the Department of Water Resource (DWR) and the Delta Conveyance Office (DCO) permitting efforts while also continuing to develop and progress engineering studies. This includes providing support to DCO in reviewing and responding to comments received on the Draft Environmental Impact Report (DEIR), now a Final Environmental Impact Report (FEIR). DCA updated the engineering project report with a supplemental document that has been posted on the DCA website to support the release of the FEIR.

DCA staff continued to support the community benefits program by providing necessary engineering cost estimations and participating in community meetings that are ongoing. In addition, DCA continued to collect subsurface information to support DWR's evaluation of alternatives and allow for a better understanding of the Delta conditions. The information obtained is then provided to the engineering team to validate the assumptions made during the concept design phase.

Mr. Bradner went on to update the Board on fieldwork activities and stated that the DCA currently has five (5) drill rigs and a cone penetrometer rig out in the field to obtain the last of the investigative work that had been intended to be completed this past Fall. The goal is to finish all the work prior to the holidays. Mr. Bradner stated that the laboratory analysis and the finalizations of the soil characterizations are part of the data collection process. These activities are working towards completion as the Fall program information is collected.

Mr. Bradner continued to section 2: Community Engagement and stated that the DCA is continued to work on fact sheets with DWR and the individual participating public water agencies. The fact sheets are very helpful and include information from various water agencies. DCA works closely with DWR on social media content and helping to highlight the importance of Delta Conveyance, and how it fits into the overall scheme of the State Water Project (SWP). DCA continued to develop closer look fact sheets for distribution that provide individual topics that are important and relevant, while also updating social media content with information and trying to increase awareness around the DCO.

Mr. Bradner continued to Section 3: Budget and stated that the fiscal year (FY) 23/24 DCA budget was approved for \$40.44M. DCA has committed just under \$33M to date. Currently there is a reserve of about \$7.5M and incurred just under \$11M. DCA has forecasted an Estimate at Complete (EAC) that would fully expend the budget. DCA will be reassessing in January to evaluate whether funds need to be repositioned or modified for scopes for the second half of the year.

Mr. Bradner continued to the Cash Flow section, DCA stayed on track with projected and planned expenditures during the first four (4) months of the current FY 23/24 and continue to be on track as DCA approaches mid-year. DCA is waiting for DWR's ultimate decision on the project and the reassessment of the current plan and scope. Moving forward, DCA plans to distribute the held back funds associated with various task items.

Mr. Bradner continued to Section 5: The Program Schedule. Mr. Bradner presented to the Board the FY 23/24 summary of activities schedule and stated that DCA is on track with the high-level program management and engineering activities, and there has been a slow start to the Fall program due to access requirements for certain sites. 17 of the 19 holes are currently going through court order entry processes which has caused program delays, but DCA continued to work through and complete the process.

Director Luna asked Mr. Bradner what areas are being entered that require the extensive permitting process.

Mr. Bradner stated that the private parcels are the ones that have gone through the voluntary temporary entry permitting process or through a court driven process led by the State Attorney General's Office.

Director Luna asked Mr. Bradner if they are encountering much of the latter.

Mr. Bradner stated that, yes, the Attorney General has assisted in obtaining a few court-ordered entries. Upon completing the Fall program there have been conducted over 180 explorations to date. The last 19 to 20 locations have been mostly court ordered entry processes.

President Palmer asked if the last 19 entries will be done by the end of December 2023.

Mr. Bradner stated that all the work and equipment would need to be off the sites prior to the holidays.

President Palmer stated that its fast work.

Ms. Osha Meserve, Local Agencies of the North Delta, Public Comment, stated that for clarification with respect to the item of the geotechnical entries and important for the board members to understand that many landowners do not want DWR or DCA to enter their land to drill or conduct exploratory activities. There was a specific procedure that was provided via the Pre-Condemnation Statute and interpreting case law that was developed with respect to the Twin Tunnels Project or prior Bay Delta Conservation Project (BDCP) that still applies to the DCP. One thing of concern is that going into the future DWR and DCA plan to do more explorations at every thousand feet of the tunnel proposed line, which is more than what has been conducted to date. Ms. Meserve would like people to know that private landowners do not agree to have the State enter their land with heavy equipment and create holes that will ultimately take half of the average flow of the Sacramento River and reroute it into a tunnel. According to Ms. Meserve, many have stated that this is not the best for the Delta or to meet the water supply demands of the State, in addition this is a very controversial project and that every step of the way will be very difficult. Ms. Meserve does not think that it will be any different for future investigations that it has been for the smaller numbers that Mr. Bradner is speaking of now.

President Palmer stated that as people are judging this project to please look at the facts.

No further comments or questions were received from the Board, nor were any public comment requests received.

b) **DCA Financial Audit Report**  
*Information Only*

Mr. Bradner presented to the Board, Mr. Russell Robertson; the Senior Manager with Macias Gini & O'Connell LLP (MGO), Metropolitan Water District's (MWD) Financial Auditor. MGO has conducted this year's audit of the DCA. Mr. Robertson stated that this is the first year that DCA and MWD have a contract. Within the contract, there is an agreement that MWD audits DCA's financial statement relating to cash receipts and disbursements. The scope of MWD's service under contract and the agreement is to audit the cash receipts and disbursements for the year end of June 30, 2023. The two (2) deliverables that we're contracted, one (1) being the Independent Auditors report and the communications that are required for auditing standards to present to those in charge of governance, which is the Board.

Mr. Robertson continued with the auditors' responsibilities as they relate to generally accepted auditing standards. The goal is to perform an audit in accordance with generally accepted auditing standards issued by the American Institute of Certified Public Accountants (AICPA) standards and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. Throughout the review and audit, MWD reviews how DCA handles disbursements, how the receipts are performed, and if it is in accordance with best practice. If there are any findings, MWD does communicate with management and the board, so during this audit there were no findings which created a positive aspect of the audit results.

Mr. Robertson continued to the audit results of the Basic Financial Statements and stated to the Board that the financial statement that was completed was the statement of cash receipts and disbursements.

Mr. Robertson continued to the required communications of significant audit findings and presented to the Board that MGO included the scope and timing of the audit in the engagement letter with MWD. MGO conducted their field work through October and November and as a result they were able to issue the report by mid-November. DCA complied with all ethical requirements regarding independence resulting in no conflict of interest or no conflict in independence. MWD and other related parties within the audit were independent. Regarding accounting practices, MGO communicates if there are any significant accounting policies, estimates or disclosures that change for the year and DCA showed none. MGO found no corrected or uncorrected misstatements and everything that was supposed to be reported was reported. No other significant matters that popped up.

Mr. Robertson continued to present and briefed the Board on the financial and verbal report.

Katano Kasaine thanked the team for their hard work on the audit and mentioned that the audit went smoothly.

No further comments or questions were received from the Board, nor were any public comment requests received.

c) **Sr. Leadership Spotlight, Adam Murdock, DCA Engineering Design Manager**

*Information Only*

DCA, Engineering Design Manager (EDM), Adam Murdock stated to the Board that he was raised in Mt. Green, Utah. It's a place where the whole county goes to the same high school, and he graduated with a class of 118. Last summer he celebrated his 25-year wedding anniversary with his wife of which he has 3 wonderful kids with. Mr. Murdock loves everything outdoors including hiking, fishing, skiing, hunting and mountain biking. Mr. Murdock continued on to his education, he has a bachelor's degree in civil engineering as well as a master's degree in civil environmental engineering from Utah State University with his focus in hydraulics related to water.

Mr. Murdock continued to present to the Board his professional background and experience where he joined 24 years ago CH2M Hill who was later acquired by Jacobs. While at the firm most recently was the global director of the conveyance and storage market where he oversaw the entire project but decided to go a different route and join the DCA. Other leadership positions included the conveyance market lead and ran the Utah Water Market for a few years. At the end of the day at his core, Mr. Murdock is a project and design manager but is an engineer first as one of his mentors taught him. Prior to joining CH2M Hill, Mr. Murdock worked at a water conservancy district for 2 years and during grad school was able to work at a hydraulics lab where they did physical models of dams, spillways, pump stations, etc. Mr. Murdock had the pleasure of working with water agencies across the country and develop a good perspective of how water challenges and issues are addressed.

Mr. Murdock continued to present to the Board the type of work that he has delivered and worked with all types of collaborative delivery approaches or alternative delivery, whether it was design- bid-build, design-build, progressive-design-build and construction manager at risk. Mr. Murdock has enjoyed solving critical water infrastructure challenges across the country with a diversity of different solutions to solve. To sum up, Mr. Murdock's experience is that anything that has to do with moving or storing water is the type of engineering and infrastructure that he has worked on. This includes dams, reservoirs, pipelines, intake structures, pump stations, storage reservoirs, flow control facilities, tunnels and hydroelectric power plants. Mr. Murdock has had the ability to live though the

project phase of design to construction into operations. The photos that Mr. Murdock presented represent why he comes into work every day and enjoys being able to see a project from start to finish and standing at the finish line with the owners, the contractors and the project team. Turning on the project(s) and recognizing the value that it is going to provide for generations to come.

Mr. Murdock wanted to share with the Board a relevant and significant project, the Central Utah Project (CUP), as it has many similarities with the DCP. Murdock wanted to share with the Board a relevant and significant project, the Central Utah Project (CUP), as it has many similarities with the DCP. The CUP moves Colorado River water to the Wasatch Front. The CUP is to move Colorado River water to the Wasatch Front Wasatch front. This project includes 44 miles of 96-inch to 60-inch diameter pipe with flow control facilities, reservoirs and hydropower facilities. The work done from 2007-2023, the CUP issued 23 separate design and construction projects. The final Environmental Impact Statement (EIS) and the record of decision was issued in 2004, with that you can see the time frame that it takes to build large infrastructure projects. Part of the NEPA that had to be done, there were three (3) environmental assessments that needed to be completed, including many categorical exclusions. The project was delivered with an integrated owner Bureau of Reclamation program management team approach, which allowed all to work together and help build the infrastructure. The project was put together to help meet schedules based on the water demands from the growing population that it served but also meet the federal funding and the cash flow that was coming.

Mr. Murdock's role with DCA is to support the executive director and the team with all engineering and technical requirements of the project. He provides technical management and leadership of the engineering design management team which includes coordinating with the facility design leads, the geotechnical leads, engaging DCA's' subject matter experts and technical resources, cost estimators and engineering. Mr. Murdock also coordinates and partners with other DCA team members including environmental and California Environmental Quality Act (CEQA) permitting team, property group, public engagement, education and outreach support. Mr. Murdock has also led a few DCA Delta Tours.

President Palmer commented that Mr. Murdock's map of projects looks like constellations.

Director Milobar thanked Mr. Murdock for participating with the DCA and seems to be very familiar and has great experience to bring to DCA.

Mr. Murdock stated that he is very happy to be with DCA.

Director Cheng stated that he is very happy to hear of the high-quality staff that are joining DCA and that the project is in good hands. Director Cheng is very appreciative that Mr. Murdock is lending his experience to DCA.

Mr. Murdock thanked Director Cheng.

Director Adnan stated that this is not an easy project, but very happy to hear that Mr. Murdock is very passionate about the project and happy to have him.

Director Martin stated that the senior spotlight is one of his favorite items on the agenda as it gives the Board the opportunity to meet people that are working on the project. Director Martin asked Mr. Murdock if he had any tunneling experience.

Mr. Murdock states that yes, he does have tunneling experience. He relies on the tunneling experts but many of Mr. Murdock's projects that he has completed include tunneling, for example, one project here in Sacramento that he worked on tunneled across the American River with a force main project that has vertical shafts and a five (5) foot diameter tunnel.

Director Luna stated that he echoes other board members' comments and the passion for his work, Director Luna asked if Mr. Murdock had a highlight moment that he went home to share with his family about something special that happened within DCA.

Mr. Murdock stated that he understands and enjoys the vision of the project and how beneficial it is long term. Take a project through planning and construction and all the people that will benefit from the project after completion.

President Palmer stated that she is happy that Mr. Murdock is very accommodating to those that are stakeholders in various location and knows that it is not a very easy task but appreciated that experience that he brings.

No further comments or questions were received from the Board, nor were any public comment requests received.

d) **Adopt Resolution Approving the Sixth Amendment to Agreement for Executive Director Services to Transfer the Agreement from Baker Tilly US, LLP to Bradner Consulting, LLC**

*Approve Resolution*

DCA General Counsel, Josh Nelson presented to the Board to consider passing resolution approving the Sixth Amendment to the Baker Tilly US, LLP agreement for Executive Director Services. The Board of Directors contracts with Baker Tilly US, LLP for Executive Director services.

Recently, Baker Tilly requested that the DCA consider an alternative contracting method for Executive Director services. Baker Tilly is very supportive of the DCA and its efforts. However, the Executive Director agreement is relatively unique and not the type of services it generally provides to clients.

Based on this, the staff recommends that the Board consider approving the attached sixth Amendment to the agreement to assign the agreement to Bradner Consulting, LLC.



This change will not result in any material changes to the services. Mr. Bradner will continue to act as the named Executive Director.

The proposed amendment makes one additional change. It recognizes that worker's compensation insurance will not be required unless Bradner Consulting, LLC has employees. Currently, Mr. Bradner, the agency's principal, is its only staff member. If approved, the amendment will be effective January 1<sup>st</sup>.

Mr. Nelson stated that for those in the room and online, there are hard copies of the staff report and proposed amendment are available for anyone that requests a copy and for those on Zoom, and updated version of the packet has been posted which includes this material.

Director Cheng commented that he expresses his appreciation towards Mr. Bradner for being flexible during the contract process and happy that he is providing his services to DCA.

President Palmer stated that she is please with Mr. Bradner.

No further comments or questions were received from the Board, nor were any public comment requests received.

Recommendation: Adopt Resolution Approving the Sixth Amendment to Agreement for Executive Director Services to Transfer the Agreement from Baker Tilly US, LLP to Bradner Consulting, LLC

Motion to Adopt Resolution Approving the Sixth Amendment to Agreement for Executive Director Services to Transfer the Agreement from Baker Tilly US, LLP to Bradner Consulting, LLC, as

Noted: Luna  
Second: Martin  
Yeas: Palmer, Milobar, Martin, Luna, Estremera, Cheng, Anabtawi  
Nays: None  
Abstains: None  
Recusals: None  
Absent: None  
Summary: 7 Yeas; 0 Nays; 0 Abstain; 0 Absent. (Motion passed as Resolution 23-11).

President Palmer took a moment to mention that DWR released the Final EIR and that Mr. Nelson will be speaking more on this later in the agenda.

## 7. STAFF REPORTS AND ANNOUNCEMENTS:

### a. General Counsel's Report

DCA General Counsel, Josh Nelson, informed the Board that the General Counsel continues to provide legal assistance as requested. This has included assisting with the contract amendment on the agenda this month.

Mr. Nelson continued to state to the Board that on December 8, 2023, DWR released the FEIR to fulfill a requirement of CEQA to send proposed responses to the comments on the Draft Environmental Impact Report (DEIR) from public agencies. For transparency purposes DWR has also posted this document on their website, however CEQA does not create and DWR is not providing a public period for the FEIR. The release of the FEIR is the last step in the CEQA process prior to DWR deciding whether to certify the EIR as meeting CEQA requirements. DWR will then utilize the EIR to determine whether to approve the proposed DCP, Project alternative or no project.

No comments or questions were received from the Board, nor were any public comment requests received.

### b. Treasurer's Report

DCA Treasurer, Katano Kasaine informed the Board that the report is for October and November of 2023. The beginning cash balance for the DCA Joint Powers Authority (JPA) on October 1, 2023 was \$1,828,628. Receipts for October through November 2023 totaled \$5,794,259 representing contributions from the DWR and the DCO for payment of the Authority's obligations and total disbursements for the same period were \$6,119,062 resulting in an ending cash balance of \$1,503,825 on November 30, 2023.

As of November 30, 2023, the Authority's receivables totaled \$3,139,552 consisting of 14 invoices to the DCO. Balances for prepaid expenses and accounts payable, as of November 30, 2023, were \$195,949 and \$3,788,188, respectively. For the same period, advances totaled \$800,000 and total net position was \$251,138.

No comments or questions were received from the Board, nor were any public comment requests received.

### c. DCP Communications Report

DDA Communications Manager, Valerie Martinez informed the Board that the communications team continues to collaborate closely with DWR to support appropriate shared information and material distribution. The informational program to drive an understanding of the proposed project is forging ahead. This includes fact sheets, videos and a statewide and localized social media program. The team has supported the executive director and board members in conducting briefings and presentations for individuals and organizations. This month the Executive Director presented to the Orange County Business Council Infrastructure Committee, there was a positive outcome with great questions and interest from the attendees.

Ms. Maritnez continued to inform the Board that the Association of California Water Agencies (ACWA) conference in November 2023 was successful. DCA had a booth during the conference which provided a great centralized point of information for individuals curious about the proposed project and continued collaboration with DWR during the conference. The administration and outreach team including Claudia, Jennifer, La Kea, Yadira, Hannah and Ben did a stellar job of ensuring the materials and the overall look and feel of the booth was aligned with our branding. DCA continues to work with the partnering agencies to ensure the team is providing support with materials and project information as needed. The Delta Tours continued into December and will resume in early 2024 depending on weather conditions and requests.

President Palmer stated that she is very happy with the work that the communications team is doing.

Director Luna wanted to highlight the communications team on how they have been readily available for questions and staying ahead of what is out in the media.

President Palmer stated that she appreciates Ms. Martinez for keeping the Board up to date with information from the news.

No further comments or questions were received from the Board, nor were any public comment requests received.

**d. Verbal Reports**

No Comments or verbal reports were received.

**8. FUTURE AGENDA ITEMS:**

No future agenda items requested.

**9. PUBLIC COMMENT:**

Executive Director of the Southern California Water Coalition, Charlie Wilson stated to the Board that the EIR that was released has generated excitement and is what Southern California has been waiting for. As seen, DWR and the proposed project are critical to the modernization of the State Water Project (SWP) along with addressing issues like climate change and potential seismic catastrophe in the Bay Delta area. Mr. Wilson stated Governor Newsom's statement of "Doing nothing is not an option at this point and we need to find a way to get this built". Mr. Wilson stated that he is looking forward to working with DCA and

other major stakeholders in moving the project forward and assisting as much as possible to provide resources to disseminate information and to stimulate dialog.

**10. ADJOURNMENT:**

President Palmer adjourned the meeting at 2:57 p.m., remotely-Conference Access Information: Phone Number: (669) 444-9171, Code: 85037999167#, <https://dcdca-org.zoom.us/j/85037999167?from=addon>