



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

REGULAR MEETING

Thursday, February 15, 2024
11:00 a.m.
DCDCA Boardroom
980 9th Street, Suite 100
Sacramento, CA 95814

Teleconference Locations

1200 South Gene Autry Trail, Palm Springs, CA 92264 [Desert Water]
5750 Almaden Expressway, San Jose, CA 95118 [Valley Water]
6500 West Avenue N, Palmdale, CA 93551 [AVEK]
1210 Beaumont Ave., Beaumont, CA 92223 [SGPWA]

Join Zoom Meeting

<https://zoom.us/j/91478689727?pwd=TGhwVytqTzIRaTl4WWprRHpEam81QT09>

Meeting ID: 914 7868 9727

Passcode: 122617

Via Teleconference: +1 669 900 6833

Meeting ID: 914 7868 9727

Passcode: 122617

One Tap Mobile: +16699006833,,91478689727#,,,,*122617

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 February 14, 2024.*

- 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 November 16, 2023.

7. SCHEDULED ACTION ITEMS

- a. Election of Board Officers and Appointment of Treasurer

8. REPORTS AND ANNOUNCEMENTS

- a. Update on DCA and Schedule (G. Bradner)
- b. Future activities for the DCFA
- c. Treasurer's Report
- d. General Counsel's Report
- e. 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, November 16, 2023

11:00 am

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER

The meeting of the Delta Conveyance Finance Authority (Finance Authority) Board of Directors was called to order by Robert Cheng, Finance Authority Treasurer at 11:20 a.m. Director Cheng noted that as some directors were participating remotely, all voting would be held via roll call vote.

2. ROLL CALL

Board members in attendance were Valerie Pryor, Russell Lefevre, Robert Tincher, Matthew Stone, Mark Krause, Robert Cheng and Peter Thompson.

Directors Thomas Todd, Barbara Keegan, and Adnan Anabtawi were absent.

Director Paul Sethy arrived after the meeting began.

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. CLOSED SESSION

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

Steve O'Neill, General Counsel, reported that the Board met pursuant to Government Code §54956.9 to discuss one item of potential litigation; a report was given to the Board and no reportable action was taken.

5. PUBLIC COMMENT

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

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

6. OTHER MATTERS

No Other Matters were discussed by the Board.

7. CONSENT CALENDAR:

Director Sethy queried the Board if there were any comments or questions; none were provided. Director Sethy queried the public for any comments; none were provided. Director Sethy called for a motion to approve the minutes.

7.a. Approval of the minutes from the meeting of September 21, 2023.

Motion:	Approve the minutes from the meeting of September 21, 2023
Move to Approve:	Valerie Pryor
Second:	Robert Tincher
Yeas:	Paul Sethy, Valerie Pryor, Russell Lefevre, Robert Tincher, Matthew Stone, Mark Krause, Robert Cheng and Peter Thompson
Nays:	None
Abstains:	None
Recusals:	None
Absent:	Thomas Todd, Barbara Keegan, and Adnan Anabtawi
Summary:	8 Yeas; 0 Nays; 0 Abstains; 3 Absent. (Motion passed as MO 23-11-01)

8. SCHEDULED ACTION ITEMS

- a. Approval of change to the bylaws to enable discussion of closed session items with member agencies boards and legislative bodies in compliance with the Brown Act.

Steve O'Neill presented the information on this item. He noted the resolution under consideration would assure compliance with Brown Act Section 54956.96.

Motion:	Approval of change to the bylaws to enable discussion of closed session items with member agencies boards and legislative bodies in compliance with the Brown Act.
Move to Approve:	Matt Stone
Second:	Russell Lefevre
Yeas:	Paul Sethy, Valerie Pryor, Russell Lefevre, Robert Tincher, Matthew Stone, Mark Krause, Robert Cheng and Peter Thompson
Nays:	None
Abstains:	None
Recusals:	None
Absent:	Thomas Todd, Barbara Keegan, and Adnan Anabtawi
Summary:	8 Yeas; 0 Nays; 0 Abstains; 3 Absent. (Motion passed as MO 23-11-02)

- b. Receive and file the fiscal year 2023 Audited Financial Statements

Ingrid Shepline of Richardson and Company provided the discussion on this item. She noted that it was a good, clean audit.

Agenda Item 6.a

Motion: Receive and file the fiscal year 2023 Audited Financial Statements
Move to Approve: Valerie Pryor
Second: Peter Thompson
Yeas: Paul Sethy, Valerie Pryor, Russell Lefevre, Robert Tincher, Matthew Stone, Mark Krause, Robert Cheng and Peter Thompson
Nays: None
Abstains: None
Recusals: None
Absent: Thomas Todd, Barbara Keegan, and Adnan Anabtawi
Summary: 8 Yeas; 0 Nays; 0 Abstains; 3 Absent. (Motion passed as MO 23-11-03)

- c. Approve a one-year contract extension with Brian G. Thomas Consulting LLC for Executive Director Services.

Brian Thomas provided information on this item.

Motion: Approve a one-year contract extension with Brian G. Thomas Consulting LLC for Executive Director Services.
Move to Approve: Robert Tincher
Second: Russell Lefevre
Yeas: Paul Sethy, Valerie Pryor, Russell Lefevre, Robert Tincher, Matthew Stone, Mark Krause, Robert Cheng and Peter Thompson
Nays: None
Abstains: None
Recusals: None
Absent: Thomas Todd, Barbara Keegan, and Adnan Anabtawi
Summary: 8 Yeas; 0 Nays; 0 Abstains; 3 Absent. (Motion passed as MO 23-11-04)

9. REPORTS AND ANNOUNCEMENTS

Director Sethy requested public comment; none was provided.

a. Treasurer's Report

Ms. Katano Kasaine provided the Treasurer's report to the Board. Ms. Kasaine noted the beginning cash balance in the DCFA Trust at July 1, 2023 was \$336,134. Receipts and disbursements for the first quarter ended September 2023 totaled \$3,449 and \$14,228, respectively, resulting in an ending cash balance of \$325,355 at September 30, 2023.

b. General Counsel's Report

Steve O'Neill reported on recent activities, noting work focused on coordination regarding the validation action, meetings with the Executive Director, and discussions with legal staff regarding the Brown Act and joint powers authority requirements.

c. Executive Director's Report

Mr. Thomas reported that the primary activity continued to be administrative in nature.

Director Sethy requested public comment; none was provided.

10. FUTURE AGENDA ITEMS

- a. Director Stone requested discussion of the future of DCFA and its role. Mr. Thomas noted this topic could be discussed at the next meeting in 2024.

11. ADJOURNMENT

President Sethy adjourned the meeting at 12:21 p.m.



Board Memo

Contact: Katano Kasaine, Treasurer

AGENDA DATE: February 15, 2024

Item No. 8.c

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

Executive Summary

The beginning cash balance in the DCFA Trust at October 1, 2023 was \$325,355. Receipts and disbursements for the second quarter ended December 2023 totaled \$3,357 and \$35,757, respectively, resulting in an ending cash balance of \$292,955 at December 31, 2023.

Attached is a schedule of Budget versus Actual through December 31, 2023. Year-to-date actual expenses were \$44,471, resulting in \$143,879 remaining in the fiscal year budget. The DCFA activities have been limited and primarily administrative in nature. There have been fewer board meetings than planned, limiting travel and meeting expenses. Future expenditures are expected to be at or below budget with primary activities consisting of communications and administration of the DCFA.

Detailed Report

See attached Statements

Recommended Action

For information only

ATTACHMENTS:

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

Attachment 2: Budget versus Actual



DELTA CONVEYANCE FINANCE AUTHORITY

Statement of Net Position

As of December 31, 2023

Assets:

Cash	\$	292,955
Interest receivable		1,081
Prepays		5,136
		<hr/>
Total assets	\$	299,172
		<hr/> <hr/>

Net position	\$	299,172
		<hr/> <hr/>



DELTA CONVEYANCE FINANCE AUTHORITY
Statement of Cash Receipts and Disbursements

	Quarter Ended Dec '23	Year to Date Jul '23-Dec '23
Receipts:		
Interest receipts	\$ 3,357	\$ 6,806
Total receipts	<u>3,357</u>	<u>6,806</u>
Disbursements:		
Executive director	8,450	10,563
Professional services	12,307	14,153
Treasury and accounting	15,000	15,000
Insurance premiums	—	10,269
Total disbursements	<u>35,757</u>	<u>49,985</u>
Net change in cash	(32,400)	(43,179)
Cash at July 1, 2023	—	336,134
Cash at October 1, 2023	<u>325,355</u>	<u>—</u>
Cash at December 31, 2023	<u>\$ 292,955</u>	<u>\$ 292,955</u>



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

	Quarter Ended Dec '23	Year to Date Jul '23-Dec '23
Revenues:		
Interest income	\$ 3,265	\$ 6,737
Total revenues	<u>3,265</u>	<u>6,737</u>
Expenses:		
Executive director	8,450	10,563
Professional services	12,307	13,745
Treasury and accounting	15,000	15,000
Insurance premiums	2,568	5,163
Total expenses	<u>38,325</u>	<u>44,471</u>
Changes in net position	(35,060)	(37,734)
Net position at June 30, 2023	—	336,906
Net position at September 30, 2023	<u>334,232</u>	<u>—</u>
Net position at December 31, 2023	<u><u>\$ 299,172</u></u>	<u><u>\$ 299,172</u></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 Six Months Ended December 31, 2023

	Vendor	Invoice #	Invoice Date	Payment Date	Period of Expense	Amount	Disbursement Category
1	Alliant Insurance Services, Inc.	2336266	06/20/23	07/14/23	07/01/23-07/01/24	\$ 10,269	Insurance premiums
2	Aleshire & Wynder LLP	76813	07/10/23	07/19/23	06/01/23-06/30/23	408	Professional services
3	Aleshire & Wynder LLP	78532	08/04/23	08/23/23	07/01/23-07/31/23	438	Professional services
4	Aleshire & Wynder LLP	79849	09/12/23	09/27/23	08/01/23-08/31/23	438	Professional services
5	Brian G. Thomas Consulting, LLC	179	09/01/23	09/27/23	07/01/23-08/31/23	2,113	Executive director
6	Matthew Ian Keogh	INV091823DCFA	09/18/23	09/27/23	01/01/21-09/18/23	562	Professional services
7	Metropolitan Water District of So. Ca	49206	10/02/23	10/20/23	03/01/23-10/31/23	15,000	Treasury and accounting
8	Brian G. Thomas Consulting, LLC	181	10/02/23	10/20/23	09/01/23-09/30/23	2,763	Executive director
9	Aleshire & Wynder LLP	80621	10/06/23	10/20/23	10/01/23-10/31/23	4,927	Professional services
10	Brian G. Thomas Consulting, LLC	188	11/03/23	11/29/23	10/01/23-10/31/23	1,137	Executive director
11	Aleshire & Wynder LLP	81852	11/08/23	11/29/23	10/01/23-10/31/23	2,353	Professional services
12	Brian G. Thomas Consulting, LLC	193	12/02/23	12/13/23	11/01/23-11/30/23	4,550	Executive director
13	Aleshire & Wynder LLP	82502	12/01/23	12/13/23	11/01/23-11/16/23	5,027	Professional services
						<u>\$ 49,985</u>	

Executive director	\$ 10,563
Insurance premiums	10,269
Treasury and accounting	15,000
Professional services	14,153
	<u>\$ 49,985</u>

*Totals may not foot due to rounding.



Delta Conveyance Finance Authority

Budget versus Actual

FY 2023/24

Item	Actual Through December 31, 2023	Budget FY 2023/24	Budget Remaining	Percent of Budget Used
Executive director	\$ 10,563	\$ 30,000	\$ 19,437	35%
Professional services	13,745	98,100	84,355	14%
Treasury and accounting	15,000	30,000	15,000	50%
Insurance premiums	5,163	13,250	8,087	39%
Travel and meeting expenses	—	1,000	1,000	—
Materials and supplies	—	1,000	1,000	—
Contingency	—	15,000	15,000	—
Total	<u>\$ 44,471</u>	<u>\$ 188,350</u>	<u>\$ 143,879</u>	<u>24%</u>

Board Memo

Contact: Brian Thomas, Executive Director

AGENDA DATE: February 15, 2024

Item No. 8.e

Subject: Executive Director's Report

Executive Summary

The DCFA's primary activity continues to be administrative and monitoring activities regarding the Delta Conveyance Project. We continue to coordinate with the State Water Contractors, the Department of Water Resources and the Delta Conveyance Design and Construction Authority (DCA) regarding the project.

Detailed Report

Activities

Administration. Activities included preparing agenda packets for the February meeting and reviewing and approving the various invoices to be paid by the DCFA.

Meetings/calls. The Department of Water Resources approved the EIR for the Delta Conveyance Project in December. As expected, there will be a number of CEQA challenges and we will continue to monitor progress with regard to that litigation. The court issued its final decision in DWR's validation case regarding DWR's authority to finance and construct the Delta Conveyance Project, basically affirming the tentative decision that DWR had exceeded its authority and finding against the Department. We anticipate that DWR will appeal the decision.

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, conduct financial analysis as needed and help to identify additional funding sources, including federal and state grants or contributions. We will also discuss potential activities for the DCFA at the February meeting.

Recommended Action

Informational.

Attachment: Board Actions thru January 31, 2024

DELTA CONVEYANCE FINANCE AUTHORITY

Completed Actions as of:

January 31, 2024

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 Oliverrez 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:

January 31, 2024

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
Appointed board Officers, including Treasurer	1/19/2023
Approved Fiscal Year 2023/24 Budget	5/18/2023
Received and filed fiscal year 2022/23 audited financial statements	11/16/2023
Approved change to bylaws to enable closed session items to be discussed with home boards in compliance with the Brown Act	11/16/2023
Approved one year extension for Executive Director services with Brian G. Thomas Consulting, LLC	11/16/2023