

FINANCE COMMITTEE MEETING

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# MINUTES

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REGULAR MEETING

Thursday, May 16, 2024

3:00 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) Finance Committee was called to order in person, by teleconference, and remotely - Conference Access Information: Phone Number: (669) 444-9171, Code: 82522502695#, <https://dcdca-org.zoom.us/j/82522502695?from=addon> at 5:01 p.m. Please note that the committee meeting had a delayed start due to the DCA Board of Directors meeting running longer than anticipated.

**2. ROLL CALL**

Committee members in attendance from the DCA Boardroom were Gary Martin, Sarah Palmer, and Martin Milobar.

DCA staff members in attendance were Graham Bradner and Josh Nelson.

**3. APPROVAL OF MINUTES: April 18, 2024, Finance Committee Meeting**

Recommendation: Approve the April 18, 2024, Finance Committee Meeting

Motion to Approve Minutes from April 18, 2024, as

Noted:	Palmer
Second:	Milobar
Yeas:	Martin, Palmer, Milobar
Nays:	None
Abstains:	None
Recusals:	None
Absent:	None
Summary:	3 Yeas; 0 Nays; 0 Abstain; 0 Absent. (Motion passed as MO 24-05-01).

**4. DISCUSSION ITEMS:**

a) **Review Fiscal Year 24/25 Budget Summary and Detail**

*Informational Only.*

DCA Executive Director, Graham Bradner, provided a presentation regarding the Fiscal Year (FY) 2024/25 draft budget to the committee. He informed the committee that they reviewed the budget at a high level during the Board meeting and now will be reviewing the details that comprise the high-level summary. He stated that the objective is to share this information with the committee now, provide context, facilitate their review, and collect feedback prior to the next meeting on June 6<sup>th</sup>, so that the budget can be revised and refined if needed.

Next, Mr. Bradner reviewed the accomplishments from FY 2023/24, beginning with the fact that the DCA supported the Department of Water Resources (DWR) in responding to the large amount of public comments that was received during the process of finalizing the Environmental Impact Report (EIR). The engineering team helped interpret the engineering documentation that DCA provided DWR. The fieldwork team completed three (3) field investigations programs. Staff prepared the updated cost estimate for the Bethany Reservoir Alignment, developed a series of “closer look” fact sheets and videos, and conducted twelve (12) alignment tours. In regard to FY 2024/25, the DCA is going to continue to provide engineering support to DWR and continue the development of design, construction and contracting innovations, including supporting DWR’s evaluation of those innovations particularly under the California Environmental Quality Act (CEQA) for possible changes to the approved project. Staff will also continue the subsurface investigations along the Bethany Reservoir, which will help with the innovations, as well as continue working on organizational growth.

The FY 2024/25 proposed budget is \$43M, whereas it was \$40.4M for FY 2023/24. There are new tasks and phases associated with the FY 2024/25 budget. Mr. Bradner then provided a summary of the budget by vendor. He highlighted that the three major consultants are Jacobs, which is comprised of the engineering team, Parsons, which is comprised of the program management team, and AECOM, which is comprised of the geotechnical exploration team.

Director Palmer asked if all of the geotechnical work is being completed by AECOM.

Mr. Bradner confirmed that AECOM is the major contractor, and they have a number of subcontractors within their contract that help support the geotechnical effort.

Chair Martin asked how the vendors determine their budget and if it is defined within their scope.

Mr. Bradner informed Chair Martin that task orders are developed and issued annually to the contractors which strictly constrains their budget and scope of work. The task orders are then managed throughout the year. Within the task orders are the deliverables, the tasks, and the aligned budget that go along with the tasks.

Chair Martin stated that the amount of the budget for Jacobs indicates that it is a pretty detailed proposal and must be based on a fairly detailed scope of work.

Mr. Bradner moved into further details of the budget breakdown. The example he provided showed the format of the engineering group. It first is broken down by the phase of the project, then goes by the contractual assignment. It is further broken down by the role of the organization, followed by the key activities that is planned for the fiscal year.

Chair Martin asked if each of the entities receives a written request for proposal from Mr. Bradner or the management team.

Mr. Bradner informed the committee that there is a negotiation phase where staff know what they want to focus on for the next fiscal year and the schedule is a good tool to utilize for that. It is not a competitive process as they have a master agreement with the DCA.

He then covered the metrics by fiscal year which shows the total FY labor hours and the weighted average billing rate. Currently, the weighted average billing rate is trending downwards as the DCA is bringing on more support staff to help spread the work more effectively and efficiently amongst a diverse set of rate classes.

Mr. Bradner shifted to an overview of the Work Breakdown Structure (WBS). The WBS organizes all budgeted activities of the DCA. The Program Management Office (PMO) phase covers the entirety of the program, through design, construction, and commissioning. The Program Initiation (PI) phase is where the engineering and geotechnical activities are. Over time, the PI phase will disappear, and all of the work will be in the PMO and Program Delivery (PD) phase. He informed the Board that the rest of the presentation goes over the details of each phase and compares the approved budget for FY 2023/24 to the proposed budget for FY 2024/25 in detail.

Director Palmer asked if this will be the same thing that the committee will be reviewing on June 6<sup>th</sup>.

Mr. Bradner stated that it is and if there are any significant changes then the committee will be notified.

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

## **5. REPORTS AND ANNOUNCEMENTS:**

### **a. Verbal Reports**

No reports.

**6. PUBLIC COMMENT:**

No public comment requests.

**7. ADJOURNMENT:**

Chair Martin adjourned the meeting at 5:32 p.m., in person, by teleconference, and remotely -  
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