

BOARD OF DIRECTORS MEETING

MINUTES

REGULAR MEETING

Thursday, June 20, 2024

1:30 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: 89711093045#, <https://dcdca-org.zoom.us/j/89711093045?from=addon> at 1:30 pm.

2. ROLL CALL

Board members in attendance from the DCA Boardroom were Sarah Palmer, Gary Martin, Martin Milobar, Miguel Luna, Tony Estremera participated from Valley Water Headquarters Boardroom, Adnan Anabtawi participated from Mojave Water Agency and Robert Cheng participated from Long Beach Groundwater Treatment Plant.

Alternate Directors in attendance remotely was Dennis LaMoreaux, John Weed, Royce Fast and Dan Flory.

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

Department of Water Resources (DWR) member in attendance was Carrie Buckman.

3. CLOSED SESSION

a) CONFERENCE WITH LEGAL COUNSEL

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

- i. *Tulare Lake Basin Water Storage District v. DWR*, Sacramento Superior Court, Case No. 24WM000006 (and related cases Nos. 24WM000008, 09, 10, 11, 12, 14, 17, 62, 76)

4. OPEN REGULAR MEETING & PLEDGE OF ALLEGIANCE- At Approximately 2:28p.m.

President Palmer announced that there was no reportable action from closed session.

5. APPROVAL OF MINUTES: May 16, 2024, Regular Board Meeting and May 16, 2024, Special Board Meeting

Recommendation: Approve the May 16, 2024, Regular Board Meeting Minutes and May 16, 2024, Special Board Meeting Minutes

Motion to Approve Minutes from May 16, 2024, as

Noted: Milobar
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 24-06-01).

6. DISCUSSION ITEMS:

a) June DCA Monthly Report

Information Item

DCA Executive Director, Graham Bradner, presented to the Board the Delta Conveyance Project (DCP) 2024 Milestones timeline. Mr. Bradner highlighted the progress made to date and that DWR released the Cost Estimate and the Economic Analysis last month. Mr. Bradner moved on to present the June Monthly Board Report, starting with Section 1, the focus has been on controls and administrative tasks, preparing for the end-of-year transition, and planning for the next fiscal year. The program management task has been developing a sustainability strategy that assists in translating the Board’s policy direction around the sustainability that will make progress down to individual projects and will be shared with the Board in a few months. Mr. Bradner stated that the quality, health, and safety audits have been performed to ensure compliance with programmatic plans and procedures. Mr. Bradner continued to administrative tasks and stated that the summer internship program had started, and a detailed update on progress and program successes will be provided to the Board at the end of the summer. Communication of cost estimate work and economic analysis is a priority, and the department is seeking support from various agencies for ongoing permit activities and clarifications related to the project's engineering aspects. Mr. Bradner stated that the Preferred Project Engineer’s Report

(PPER) is being completed and that now contains various volumes that support the environmental analysis of multiple alternatives. A cohesive document will be created to allow individuals to follow from start to finish the engineering inputs of the project. This report will be completed during the third quarter of FY24/25. Mr. Bradner stated that the fieldwork perspective of the Spring investigation program was completed without incident and is in the process of finishing and allowing the field team to complete this section.

Mr. Bradner continued to Section 3: Budget, DCA has an approved budget of \$40.4M with an estimate at completion of about \$33.1M. This is an underrun of about \$7.3M. Mr. Bradner stated that DCA strives to stay under budget and will continue to work to maintain expenditures low. There were various items that the DCA was not ready to move forward with and permitted the DCA to stay well under budget.

Mr. Bradner continued to Section 5: Program Schedule and stated that much progress has been made to the facilities studies report but the engineering team has been dedicating more time to the cost estimate report. A few of the studies were deferred but will be completed by the end of the current fiscal year. The Project Definition Reports (PDRs) are the Project Specific Design Documentation Reports that are intended to augment the PPER. The PPER covers the entire project and takes all the information that was provided for the Environmental Impact Report (EIR) and the California Environmental Quality Act (CEQA) analysis and dives deeper into individual projects that provide design, criteria and other specific requirements that eventually become procurements. DCA decided to not start any major development of the PDRs and only start outlining and working through content of the documents.

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

b) Proposed Final FY 24/25 Budget

Approve Resolution

Director Martin stated to the Board that the Finance Committee had met several times and went over the FY 24/25 budget. The committee received information, clarification, and details of the budget and on behalf of the Finance Committee, he would like to make a motion to adopt the final budget for the FY 24/25.

Recommendation: Adopt by motion order the final budget for FY 2024/25.

Motion to Adopt Resolution Approving the Final FY 2024/25 Budget

Noted: Martin
Second: Palmer
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 24-07).

President Palmer thanked Director Martin for his leadership and the time going over the budget.

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

c) **Adopt Resolution Approving the Investment Policy**

Approve Resolution

Metropolitan Water District of Southern California (MWD) Treasury and Debt Manager, Sam Smalls briefly explained to the Board the agreement between DCA and MWD, and that MWD provides treasury and accounting services to the DCA. In accordance with the agreement, MWD is providing an investment policy that is required to be adopted by the DCA Board annually. This policy follows state law and best practice. The policy that DCA has mirrors MWD's policies, the only few items changing is the alignment for this year with the state code that was adopted. This code clarifies the terms of certain restriction on asset back security investments. DCA Treasurer, Katano Kasaine stated that there is not enough money to invest at this time and much of the funding is used to pay expenses. There is usually about \$600k-\$800k and everything in the policy is for the future and all current money is in a money market bank account.

Director Cheng asked if DCA had the same policy as MWD.

Ms. Kasaine stated that to a certain extent all governments have similar codes, there is no policy that aligns with all government agencies.

President Palmer stated that once investment funds are available, then the policy could be modified subject to the Government Code.

Ms. Kasaine stated that the policy is in preparation for when the money is available in the future.

Director Anabtawi asked if the Board would see the reports once DCA has large investments.

Ms. Kasaine stated that the Board would see the policy and the investment activity.

Recommendation: Adopt Resolution Approving the Investment Policy.

Motion to Adopt Resolution Approving the Investment Policy

Noted: Luna
Second: Milobar
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 24-07).

Director Martin thanked Ms. Kasaine and Mr. Smalls for their explanation.

No further comments or questions were received from the Board and no public comment requests received.

d) **DCA Board of Directors Officers Update**

Information Item

DCA General Counsel, Josh Nelson presented to the Board the terms for the current Board officers will be ending this fiscal year, and the Board of Directors will be electing new officers at its first meeting next fiscal year. As President Palmer is transitioning to an Alternate Director, there will be a vacancy in the office of President from July 1st until the election of a new President at the August Board Meeting. Vice President Milobar will be the acting President during this time period.

Mr. Nelson further noted that the DCA Amended Joint Powers Agreement (JPA) and DCA Bylaws provide that Board officers serve a two-year term. The JPA and Bylaws require the Board to elect new officers at the Board's first meeting of each two-year cycle. Accordingly, staff will be agendizing officer elections for the July or August meeting (depending on the Board's direction for the meeting cadence item) to transition to the new slate of officers. Staff wished to highlight this for the Board as the President sometimes is asked to provide

administrative approvals for the Executive Director's agreement or other matters as outlined in applicable DCA policies. Staff appreciates Vice President Milobar filling this role until the new officers can be elected.

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

e) **DCA Board of Directors Meeting Cadence**

Information Item

DCA Executive Director, Graham Bradner presented to the Board the meeting cadence for FY 24/25. The calendar is subject to the Board's opinion, discretion and desires on how the calendar should be. Mr. Bradner stated that the current calendar system is working well and continues to be successful. For the first half of the year, there are Board meetings every other month. The second half of the year is when the Board meetings commonly start to be held once a month.

Director Martin asked if there was any advantage or disadvantage of having a monthly Board meeting compared to a Bi-monthly Board meeting.

Mr. Bradner stated that there was no issue either way, having a Bi-monthly Board meeting and then scheduling a meeting in between off months would fit well.

Director Martin asked if the Board will be allowed to continue assisting the Board meetings virtually.

Mr. Nelson stated the virtual attendance is going to continue indefinitely due to the traditional teleconference rule under the Brown Act.

President Palmer stated that if all prior Board meeting policies are met, attending a Board meeting virtually is allowed.

Mr. Nelson confirmed with President Palmer.

President Palmer asked how much in advance does the Board meeting notice need to be posted at the site where the Board member will be joining the Board meeting virtually.

Mr. Nelson stated that the notice would need to be posted 72 hours in advance for a regular meeting and 24 hours in advance for a special meeting.

Director Cheng stated that the Bi-monthly Board meeting has been working well. Also suggested if there could be a change of the Bi-monthly schedule to start in July and continued Bi-monthly after that due to December being a busy holiday month.

Director Anabtawi stated that when it makes sense to start the monthly Board meeting would be when they should start.

President Palmer wanted to know the staff's opinion of the start of July Board meeting to continue the Bi-monthly meetings.

Mr. Bradner stated that it is up to the Board to decide when the Board meetings should be.

President Palmer stated that the Board meetings should start in August and go from there.

Chief of Staff, Claudia Rodriguez works with Board members to accommodate members to join the meetings wherever they are.

Director Anabtawi asked if there would need to be a quorum of the DCA Board in the conference room during the meeting.

Mr. Nelson stated that there is no need for a quorum with virtual attendance.

Director Milobar asked if Mr. Bradner would continue to meet with Board members during the off months.

Mr. Bradner stated that there would be continuous monthly meetings with individual Board members.

Director Estremera stated that he leaves it to the DCA staff to decide when the Board meetings will start.

President Palmer stated that the staff will decide when the Board meetings will start.

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

7. Special Item

a) **Adopt of Resolution Commending and Thanking Sarah Palmer for Her Service on the Board.**

Approve Resolution

DCA Executive Director, Graham Bradner stated to the Board that President Sarah Palmer has served on the DCA's Board of Directors since its formation in 2018 as a representative of the State Water Contractors At Large and when the DCA JPA was reconstituted in 2020 as the Class 2 representative for Zone 7 Water Agency and Alameda County Water District (ACWD). Due to a planned rotation in the Zone 7/ACWD Board seat, President Palmer will be an Alternate Director beginning July 1st.

Mr. Bradner stated that this item is an opportunity to recognize and thank President Palmer for her service on the Board of Directors. President Palmer's efforts have been essential to the formation and development of the DCA. Most recently, Director Palmer served as the DCA Board President for the prior two years. Under her leadership, the DCA completed conceptual engineering work in support of the Department of Water Resources' consideration and recent approval of the Delta Conveyance Project through CEQA. President Palmer's role as Chair of the Stakeholder Engagement Committee was essential to the formulation of conceptual alternatives that minimize effects to the Delta while accomplishing the goals established for the project by the Department of Water Resources. In addition, the DCA has continued to mature and develop as its organization, including updating the budget development process with the recently formed Finance Committee. These efforts would not have been possible without President Palmer's guidance.

Mr. Bradner continued to present to the Board that staff thanks President Palmer for her efforts and looks forward to continuing working with her as an Alternate Director and member of the DCA Finance Committee.

Director Milobar stated to the Board that he will miss President Palmer and her positive outlook. She runs the meetings with a bright spot and has the perfect personality.

Director Luna stated to the Board that the passion that President Palmer brings to the Board is great and appreciates her passion to the Board and DCA Project.

Director Cheng stated that it has been a joy working with such a passionate person and has learned much from President Palmer and her leadership.

Director Anabtawi stated that he has learned much from President Palmer and how she brings levity to the Board.

Alternate Director Weed stated that he has been impressed by President Palmer's professionalism, the ability to conduct the meetings and keep the organization strong. He went on to mention that he looks forward to continuing seeing President Palmer's participation as an alternate.

Director Estremera stated that he is happy to see President Palmer continue to be a part of the Board as an alternate director. Director Estremera also thanked President Palmer for leading the Board and having the community involved in the project.

Director Martin stated that President Palmer managed the Stakeholder Engagement Committee Chairmanship with professionalism and good cheer.

President Palmer stated that it was privilege to work with the group.

Public Comment, Osha Meserve represented Local Agencies of the North Delta and local entities including wildlife groups and individuals, stated that she participated in the Stakeholder Committee meetings and would like to correct what Director Estremera stated, that it was great to have the community involved was an incorrect statement. Ms. Meserve stated that she would like the Board and the JPA to understand that the project was already planned before the Stakeholder Engagement Committee process. The Delta community was never asked whether they wanted this project as the project has never been designed to address any Delta community needs. Ms. Meserve stated that the project does not provide any water security or anything beneficial to the counties and the communities and the people or the environment of the Delta.

President Palmer stated that the project was significantly modified by folks of the Delta.

Recommendation: Adopt of Resolution Commending and Thanking Sarah Palmer for Her Service on the Board.

Motion to Adopt Resolution Commending and Thanking Sarah Palmer for her Service on the Board

Noted: Martin
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 Resolution 24-08).

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

8. STAFF REPORTS AND ANNOUNCEMENTS:

a. General Counsel's Report

DCA General Counsel, Josh Nelson, informed the Board that he continues to provide legal assistance as requested. This includes assisting with the Finance Committee meeting and items on the agenda. Mr. Nelson also stated that he thanks President Palmer for her leadership and guidance over the years. Mr. Nelson looks forward to continuing working with President Palmer as an Alternate Director.

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 beginning cash balance for the Delta Conveyance Design and Construction Joint Powers Authority (Authority) as of April 1, 2024, was \$2,203,109. Receipts for April through May 2024 totaled \$6,620,328 representing contributions from the Department of Water Resources, Delta Conveyance Office (DCO), for payment of the Authority's obligations. During the same period, disbursements totaled \$6,771,373 resulting in an ending cash balance of \$2,052,064 as of May 31, 2024.

Ms. Kasaine continued to present to the Board that as of May 31, 2024, the Authority's outstanding receivables amounted to \$850,989 consisting of 6 invoices issued to the DCO. Deposits, comprising of office lease security and court ordered entry permit reserves, and prepaid expenses were \$1,023,073 and \$101,620, respectively, as of May 31, 2024. For the same period, balances for accounts payable and advances were \$2,106,327 and \$800,000, respectively. The net position as of May 31, 2024, was \$1,121,419, which included

\$1,023,073 of restricted net position from deposits and \$98,346 of unrestricted net position.

Ms. Kasaine also stated that it has been refreshing working with President Palmer and appreciates everything that she has done.

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

c. DCP Communications Report

DCA Communications Manager, Valerie Martinez informed the Board that there have been significant click-throughs and interactions with individuals that are viewing the social media posts of the Cost Estimate and the Benefit Cost Analysis. There continue to be briefings at various member water agencies, and they continue to bring great success in informing the agencies and their members of the project. The communications team continues to provide information that explains the project and the technical aspects of the project. The communications team continues to provide information to the public libraries in the Delta. The libraries will also have flash-drives to check out and take home to view at their discretion.

Ms. Martinez stated to the Board that she would like to thank President Palmer for her leadership, patience and friendship. Ms. Martinez believes the project has become better with President Palmer.

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

d. DWR Environmental Manager's Report

DWR Environmental Manager, Carrie Buckman presented to the Board the Water Rates Process and that DWR received a letter from the State Board that set a prehearing

conference for August 13, 2024. DWR is working to resolve protests and will be submitting information to the State on July 12, 2024.

Ms. Buckman would like to thank President Palmer for her service on the Board and has been wonderful to work with. Ms. Buckman appreciates her continual commitment to communicate in open and transparent ways that are clear to the public.

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

e. Verbal Reports

Director Martin stated that he appreciates Mr. Bradner, Dr. Sunding and Ms. Buckman for presenting at their agency. There was a lot of discussion with questions from the Board and attendees.

President Palmer stated to the Board that there was a luncheon with the DCA interns and look forward to what is ahead for the interns in the next 8-weeks.

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

9. FUTURE AGENDA ITEMS:

No future agenda items requested.

10. PUBLIC COMMENT:

No public comment requests.

11. ADJOURNMENT:

President Palmer adjourned the meeting at 3.29 p.m., remotely-Conference Access Information: Phone Number: (669) 444-9171, Code: 89711093045#, <https://dcdca-org.zoom.us/j/89711093045?from=addon>