



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

Thursday, November 20, 2025

11:00 a.m.

Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road, Santa Clarita, CA 91350

Teleconference Locations

Santa Clara Valley Water Agency, 5700 Almaden Expressway, San Jose, 95118
San Geronio Pass Water Agency, 1210 Beaumont Ave., Beaumont, CA 92223
Mojave Water Agency, 13846 Conference Center Dr, Apple Valley, CA 92307
Zone 7 Water Agency, 100 N. Canyons Parkway, Livermore, CA 94551

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Meeting ID: 990 5233 7487

Passcode: 981794

One tap mobile: +16699006833,,99052337487#,,,,*981794#

Via Teleconference:

AGENDA

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1. CALL TO ORDER

2. ROLL CALL

- a. Directors, please identify your agency and title

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 May 21, 2025.

7. SCHEDULED ACTION ITEMS

- a. Receive and file the 2024/25 audited financial statements

8. REPORTS AND ANNOUNCEMENTS

- a. DCP Update
- b. Treasurer's Report
- c. General Counsel's Report
- d. Executive Director's Report
- e. Directors' 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

SPECIAL BOARD OF DIRECTORS MEETING

MINUTES

**Thursday, May 21, 2025
11:00 am**

(Paragraph numbers coincide with agenda item numbers)

1. CALL TO ORDER

The special meeting of the Delta Conveyance Finance Authority (Finance Authority) Board of Directors was called to order by President Paul Sethy, at 11:04 a.m.

2. ROLL CALL

Board members in attendance were Paul Sethy, Valerie Pryor, Miguel Luna, Thomas Todd, Michael Plinski, Adnan Anabtawi, Steve Johnson, and Matthew Stone

Directors Absent were Nai Hsueh, Robert Cheng, and Peter Thompson.

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 and President Sethy closed public comment.

5. OTHER MATTERS

No Other Matters were discussed by the Board.

6. CONSENT CALENDAR:

Director Sethy queried the public for any comments; none were provided. Director Sethy called for a motion to approve the minutes.

6.a. Approval of the minutes from the meeting of January 16, 2025.

Motion:	Approve the minutes of the meeting of January 16, 2025.
Move to Approve:	Matthew Stone
Second:	Michael Plinski
Yeas:	Paul Sethy, Valerie Pryor, Miguel Luna, Thomas Todd, Michael Plinski, Adnan Anabtawi, Steve Johnson, and Matthew Stone
Nays:	None
Abstains:	None
Recusals:	None
Absent:	Nai Hsueh, Robert Cheng, and Peter Thompson

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Summary: 8 Yeas; 0 Nays; 0 Abstains; 3 Absent. (Motion passed as MO 25-5-1)

7. SCHEDULED ACTION ITEMS

7.a. Consideration and action on the proposed fiscal year 2025/26 DCFA budget

Executive Director Brian Thomas presented the report on this item. Mr. Thomas discussed what was included in the proposed budget for FY25/26, noting the budget request for the upcoming fiscal year 25/26 was in the amount of \$99,300, to be funded with interest earnings and available reserves. He noted the proposed budget anticipated holding three meetings during the fiscal year. In discussing anticipated expenditures for FY25/26, Mr. Thomas explained that the largest expenditure each fiscal year was the Accounting and Treasury services provided by Metropolitan, and that this cost has been the same since the creation of the DCFA. Mr. Thomas noted that the ending cash and investments total after FY25/26 would be roughly \$77,003.

Motion:	Approve proposed fiscal year 2025/26 DCFA budget
Move to Approve:	Miguel Luna
Second:	Matthew Stone
Yeas:	Paul Sethy, Valerie Pryor, Miguel Luna, Thomas Todd, Michael Plinski, Adnan Anabtawi, Steve Johnson, and Matthew Stone
Nays:	None
Abstains:	None
Recusals:	None
Absent:	Nai Hsueh, Robert Cheng, and Peter Thompson
Summary:	8 Yeas; 0 Nays; 0 Abstains; 3 Absent. (Motion passed as MO 25-5-2)

8. REPORTS AND ANNOUNCEMENTS

Director Sethy queried for public comment; none were provided.

a. Treasurer's Report

Ms. Katano Kasaine provided the report to the Board. Ms. Kasaine reported to the Board that the beginning cash balance in the DCFA Trust as of January 1, 2025, was \$214,016. During the third quarter, ended March 31, 2025, receipts totaled \$2,249, while disbursements amounted to \$24,448. This resulted in an ending cash balance of \$191,817 as of March 31, 2025. Ms. Kasaine noted that the year-to-date actual expenses totaled \$66,886, leaving a remaining balance of \$46,864 or 41% in the fiscal year budget. Expenditures are expected to remain low for the remainder of the year, staying within the allocated budget.

Director Sethy queried about an annual audit for DCFA. Mr. Thomas noted that Richardson & Company would be providing the audit and providing a report in the October timeframe.

b. General Counsel's Report

Steve O'Neill reported on recent activities, noting work focused on administrative matters and tracking the status of the validation cases. He noted that in January 2025, DWR filed a validation action on its ability to issue bonds; it is distinct in that it is based on a different bond resolution DWR approved, including an altered definition of what constitutes the

Agenda Item 6.a

Delta program. Two demurrers have been filed and are set to be heard on June 12, 2025. Mr. Sethy requested that results of the hearing be communicated to the Board.

c. Executive Director's Report

Mr. Thomas reported that activities continued to be administrative in nature, including securing audit services for the next few years, preparing the agenda packet and securing insurance. Mr. Thomas also discussed the implications of Governor's push to help DWR and the Delta Conveyance Project as they relate to the DCFA.

d. Directors' Report

None were reported.

9. FUTURE AGENDA ITEMS

- a. None were proposed.

10. CLOSED SESSION

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

No closed session was held.

11. ADJOURNMENT

President Sethy adjourned the meeting at 11:30 a.m.

Board Memo

Contact: Brian Thomas, Executive Director

AGENDA DATE: November 20, 2025

Item No. 7.a

Subject: Audited Financial Statements for Fiscal Year 2024/25

Executive Summary

The Board retained the services of Richardson & Company to perform the required external audit of the Delta Conveyance Finance Authority's (Authority) financial activities for the past fiscal year. The attached audit report and accompanying documents are provided for the Board's review. The auditor did not identify any material weaknesses and has issued a "clean" audit report, noting the cash basis of reporting.

Detailed Report

The Authority is required to conduct an external financial audit each year. Since the operating activity of the Authority is limited, the financial statements continue to be presented on a cash basis, showing actual receipts and disbursements. Given the Authority has no assets other than cash and investments in the trust fund, the cash basis of accounting is the easiest and most transparent way to present the financial activities of the Authority. It is also consistent with the Authority's budgeting process and presentation. Finally, given the limited number of transactions, it is consistent with the periodic reporting provided to the board during the fiscal year. If, and when, the Authority issues debt, the basis of accounting would be modified to the accrual basis.

In addition to the audit and accompanying cash basis financial statements, the auditor has issued a Governance Letter and a Management Letter. The Governance Letter includes certain required disclosures to the board. These disclosures are required under external audit standards. The Management Letter addresses the external auditor's review of internal controls as it pertains to their audit of the Authority's financial statements. There were no material weaknesses or recommendations reported by the external auditor.

Recommended Action

Receive and file the audited financial statements and attached reports for fiscal year 2024/25.

ATTACHMENTS:

Audited Financial Statements for Fiscal Year 2024/25
Governance Letter
Management Letter

**DELTA CONVEYANCE
FINANCE AUTHORITY**

Audited Statements of Cash Receipts and Disbursements

June 30, 2025 and 2024

DELTA CONVEYANCE FINANCE AUTHORITY
AUDITED STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS

June 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Delta Conveyance Finance Authority
Sacramento, California

Opinions

We have audited the accompanying financial statements of the Delta Conveyance Finance Authority (the Authority), which comprise the statements of cash receipts and disbursements for the years ended June 30, 2025 and 2024, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and cash disbursements of the Authority for the years ended June 30, 2025 and 2024, in accordance with the cash basis of accounting described in Note A.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our Audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note A, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether in our judgment, there are conditions or events, considered in the aggregate, that raises substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Richardson & Company, LLP

October 16, 2025

DELTA CONVEYANCE FINANCE AUTHORITY

STATEMENTS OF CASH RECEIPTS AND CASH DISBURSEMENTS

Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH RECEIPTS		
Interest income	\$ 9,498	\$ 12,798
TOTAL CASH RECEIPTS	<u>9,498</u>	<u>12,798</u>
CASH DISBURSEMENTS		
Executive director	12,838	17,389
Insurance premiums	11,203	10,269
Treasury and accounting	30,000	30,000
Professional services	20,767	35,963
TOTAL CASH DISBURSEMENTS	<u>74,808</u>	<u>93,621</u>
EXCESS OF DISBURSEMENTS OVER RECEIPTS	(65,310)	(80,823)
Cash and investments at beginning of year	<u>255,311</u>	<u>336,134</u>
CASH AND INVESTMENTS AT END OF YEAR	<u>\$ 190,001</u>	<u>\$ 255,311</u>

The accompanying notes are an integral part of the financial statements.

DELTA CONVEYANCE FINANCE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The Delta Conveyance Finance Authority (the Authority) is a Joint Powers Authority organized under California Government Code Section 6505. The Authority was created on July 3, 2018, to assist the Department of Water Resources (DWR) and public agency participants to finance all or a portion of the California WaterFix. The California WaterFix was conceived as a major infrastructure project to deliver water from the Sacramento River near the northern end of the Sacramento-San Joaquin Delta to the existing State Water Project and Central Valley Project pumping plants in the southern end of the Delta. On May 2, 2019, as a result of Governor Newsom's determination that a smaller facility was appropriate, DWR withdrew its proposed permits for the California WaterFix and initiated a renewed environmental process for a smaller project. DWR released the Final Environmental Report for the Delta Conveyance Project in December 2023, and approved the final project in May 2024. DWR has filed a change of use petition with the State Water Resources Control Board and the water rights hearing is anticipated to be concluded in 2026. Funding for the remaining planning and permitting activities has been committed by the participating State Water Contractors through 2026. The Authority may provide financing and support to DWR during the construction phase.

The Authority's members consist of water agencies that contract with DWR for the delivery of water from the State Water Project. Its operations are supported by the collection of contributions from its members. The governing board is made up of eleven representatives from member agencies.

Basis of Presentation and Accounting: The accompanying statements of cash receipts and disbursements have been prepared on the cash receipts and disbursements basis of accounting. Under that basis, the only asset recognized is cash and investments and no liabilities are recognized. All transactions are recognized as either cash receipts or cash disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because revenues are recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred.

NOTE B – CASH AND INVESTMENTS

At June 30, 2025 and 2024, all of the Authority's cash and investments were maintained in Metropolitan Water District of Southern California's (MWD's) Treasury.

Investment policy: California statutes authorize agencies to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The following table identifies the investment types that are authorized for the Authority by the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

DELTA CONVEYANCE FINANCE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025 and 2024

NOTE B – CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Bank Deposit	5 years	30%	No limit
U.S. Treasury Obligations	5 years	No limit	No limit
Federal Agency Obligations	5 years	No limit	No limit
Bankers' Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	5%
Repurchase Agreements	270 days	20%	No limit
Medium-Term Corporate Notes	5 years	30%	10%
Money Market Mutual Funds	N/A	20%	No limit
Municipal Bond and Notes	5 years	40%	5%
Local Agency Investment Fund (LAIF)	N/A	N/A	No limit
California Asset Management Program (CAMP)	N/A	40%	No limit
Asset- Backed Securities	5 years	20%	5%
Supranationals	5 years	30%	No limit

The Authority complied with the provisions of the California Government Code pertaining to the types of investments held, the institutions in which deposits were made and the security requirements. The Authority will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

Investment in the MWD Investment Pool: The Authority's cash is held in the MWD's cash and investment pool which is managed by the MWD Treasurer. The Authority's cash balances invested in the MWD Treasurer's cash and investment pool are stated at amortized cost, which approximated fair value. The amount invested by all public agencies in MWD's cash and investment pool is \$1,614,741,074 and fair value of \$1,619,294,586 at June 30, 2025 and \$1,397,403,000 and fair value of \$1,388,203,000 at June 30, 2024. MWD does not invest in any derivative financial products. MWD's Board delegates to the treasurer the oversight responsibility for MWD's cash and investment pool. The value of pool shares in MWD that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Authority's position in the pool. Cash held in the MWD's investment pool will be disbursed within 5 days. Close-out of the cash held in the pool requires 30-day notice.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority's investment in MWD's pool has an average maturity of 76 days as of June 30, 2025 and 31 days as of June 30, 2024.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The external investment pool is not rated.

Concentration of Credit Risk: The investment policy of the Authority limits the amount that can be invested by any one issuer to the California Government Code. There are no investments in any one issuer (other than external investment pools) that represent 5% or more of total Authority investments.

DELTA CONVEYANCE FINANCE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025 and 2024

NOTE B – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. Custodial credit risk does not apply to a local government's indirect deposits or investments in securities with governmental investment pools (such as MWD's investment pool).

NOTE C – RELATED PARTY TRANSACTIONS

The Authority contracts for treasury and accounting services with MWD, who is also a member agency. The expenses for treasury and accounting services totaled \$30,000 for both the years ended June 30, 2025 and 2024.

NOTE D – CONDUIT DEBT

The Authority has the power to issue, sell and deliver, in accordance with the Joint Powers Act, bonds, notes, or other obligations to provide funds for the acquisition, construction and/or financing of the Delta Conveyance Project. The Authority Finance Program acts as a conduit of debt and as a result, the financing obligations are not recorded in the Authority's financial statement. The Authority has not issued any conduit debt as of June 30, 2025 and 2024.



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GOVERNANCE LETTER

Board of Directors
Delta Conveyance Finance Authority
Sacramento, California

We have audited the financial statement of the Delta Conveyance Finance Authority (the Authority) for the year ended June 30, 2025, and have issued our report thereon dated October 16, 2025. Professional standards require that we provide you with the following information about our responsibility under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 12, 2025, our responsibility, as described by professional standards, is to express an opinion about whether the financial statement prepared by management with your oversight is fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statement does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement; therefore, our audit involved judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the Authority and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statement and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Authority or to acts by management or employees acting on behalf of the Authority. We noted no material weaknesses in internal control as a result of our audit.

We are required by the audit standards to identify potential risks of material misstatement during the audit process. We have identified the following significant risk of material misstatement as part of our audit planning: Management override of controls and revenue recognition. These are the areas that the audit standards require at a minimum to be identified as significant risks, however, no such items were noted during our audit.

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter dated May 12, 2025.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note A to the financial statement. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statement in a different period than when the transaction occurred.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No misstatements were noted during our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statement or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 16, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statement or a determination of the type of auditor's opinion that may be expressed on that statement, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Richardson & Company, LLP

October 16, 2025



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MANAGEMENT LETTER

Board of Directors
Delta Conveyance Finance Authority
Sacramento, California

In planning and performing our audit of the financial statement of the Delta Conveyance Finance Authority (the Authority) for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's system of internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

No recommendations for improvement were noted during our audit.

* * * * *

This communication is intended solely for the information and use of management, the Board of Directors and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Richardson & Company, LLP

October 16, 2025



Board Memo

Contact: Katano Kasaine, Treasurer

Date: November 20, 2025

Item No. 8.b

Subject: Treasurer's Report, Quarter Ended September 30, 2025

Executive Summary

The beginning cash balance in the DCFA Trust as of July 1, 2025, was \$190,001. During the first quarter ended September 30, 2025, receipts totaled \$1,968, while disbursements totaled \$12,665. This resulted in an ending cash balance of \$179,304 as of September 30, 2025.

Attached is the Budget vs. Actual schedule through September 30, 2025. Year-to-date actual expenses totaled \$3,325, leaving a remaining balance of \$95,975 or 97% in the fiscal year budget. Future expenditures are expected to be higher in upcoming quarters. However, reflecting the Board's prior direction, they are anticipated to remain under budget unless activities are more robust than currently planned.

Detailed Report

See attached Statements

Recommended Action

For information only

ATTACHMENTS:

Attachment 1: DCFA Quarter Ended September 30, 2025 Financial Statements

Attachment 2: Budget versus Actual



DELTA CONVEYANCE FINANCE AUTHORITY

Statement of Net Position

As of September 30, 2025

Assets:	
Cash	\$ 179,304
Interest receivable	624
Prepays	<u>8,404</u>
Total assets	<u><u>\$ 188,332</u></u>
Liabilities:	
Accounts payable	<u>\$ 488</u>
Total liabilities	488
Net position	<u>\$ 187,844</u>
Total liabilities and net position	<u><u>\$ 188,332</u></u>



DELTA CONVEYANCE FINANCE AUTHORITY
Statement of Cash Receipts and Disbursements

	Quarter Ended Sep '25
Receipts:	
Interest receipts	\$ 1,968
Total receipts	<u>1,968</u>
Disbursements:	
Professional services	1,462
Insurance premiums	<u>11,203</u>
Total disbursements	<u>12,665</u>
Net change in cash	(10,697)
Cash at July 1, 2025	<u>190,001</u>
Cash at September 30, 2025	<u><u>\$ 179,304</u></u>



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

	Quarter Ended Sep '25
Revenues:	
Interest income	\$ 1,920
Total revenues	<u>1,920</u>
Expenses:	
Executive director	488
Professional services	38
Insurance premiums	2,799
Total expenses	<u>3,325</u>
Changes in net position	(1,405)
Net position at June 30, 2025	<u>189,249</u>
Net position at September 30, 2025	<u>\$ 187,844</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 Three Months Ended September 30, 2025

Vendor	Invoice #	Invoice Date	Payment Date	Period of Expense	Amount	Disbursement Category
1 Aleshire & Wynder LLP	96435	06/26/25	07/16/25	05/01/25-05/31/25	\$ 1,045	Professional services
2 Alliant Insurance Services, Inc.	3126426	06/17/25	07/16/25	07/01/25-07/01/26	11,203	Insurance premiums
3 Aleshire & Wynder LLP	97322	07/15/25	07/23/25	06/01/25-06/30/25	379	Professional services
4 Aleshire & Wynder LLP	98877	09/18/25	09/29/25	08/01/25-08/31/25	38	Professional services
					<u>\$ 12,665</u>	
					Professional services	\$ 1,462
					Insurance premiums	11,203
						<u>\$ 12,665</u>

*Totals may not foot due to rounding.



DELTA CONVEYANCE FINANCE AUTHORITY

Accounts Payable Aging Schedule

As of September 30, 2025

Payable To:

Brian G. Thomas Consulting, LLC

Invoice #289

<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>Total</u>
\$ 488	\$ —	\$ —	\$ —	\$ 488
\$ 488	\$ —	\$ —	\$ —	\$ 488



Delta Conveyance Finance Authority

Budget versus Actual

FY 2025/26

Item	Actual Through September 30, 2025	Budget FY 2025/26	Budget Remaining	Percent of Budget Used
Executive director	\$ 488	\$ 20,000	\$ 19,512	2%
Professional services	38	32,100	32,062	1%
Treasury and accounting	—	30,000	30,000	—
Insurance premiums	2,799	12,200	9,401	23%
Contingency	—	5,000	5,000	—
Total	<u>\$ 3,325</u>	<u>\$ 99,300</u>	<u>\$ 95,975</u>	<u>3%</u>

Board Memo

Contact: Brian Thomas, Executive Director

AGENDA DATE: November 20, 2025

Item No. 8.d

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 work with the State Water Contractors, the Department of Water Resources and the Delta Conveyance Design and Construction Authority (DCA) regarding the project.

Detailed Report

Administration. Activities included preparing agenda packets for the November DCFA Board of Directors meeting, working with Metropolitan's accounting staff and Richardson and Company to finalize the year-end audit, reviewing and approving the various invoices to be paid by the DCFA.

Meetings/calls. I also had discussions and communication with board members, DWR and the DCA regarding the project and this month's DCFA Board meeting.

Future Activities

I will continue working with the members, the DCA, DWR and the State Water Project contractors to identify opportunities to support funding and conduct financial analysis as needed and prepare for ongoing meetings of the DCFA, including preparing next fiscal year's budget.

Recommended Action

Informational.