FINANCE COMMITTEE MEETING

MINUTES

REGULAR MEETING

Thursday, May 21, 2026
3:30 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) Finance Committee was called to order in person, by teleconference, and remotely - Conference Access Information: Phone Number: (669) 444-9171, Code: 81125432632#, https://dcdca-org.zoom.us/j/86833412362?from=addon at 3:30 p.m.

2. ROLL CALL
   Committee members in attendance remotely were Gary Martin and Sarah Palmer.

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

3. PUBLIC COMMENT
   There were no public comment requests received.

4. APPROVAL OF MINUTES: April 16, 2026, Finance Committee Meeting

   Recommendation: Approve the April 16, 2026, Finance Committee Meeting

   Motion to Approve Minutes from April 16, 2026, as

Noted:	Palmer
Second:	Martin
Yeas:	Martin, Palmer
Nays:	None
Abstains:	None
Recusals:	None
Absent:	Milobar
Summary:	2 Yeas; 0 Nays; 0 Abstain; 1 Absent. (Motion passed as MO 25-05-01)

5. DISCUSSION ITEMS:

   a) **Review Fiscal Year 26/27 Budget Summary and Detail**

      Informational Item

DCA Executive Director, Graham Bradner, presented the proposed FY 26/27 budget of $65M, which includes $992,000 in unallocated reserves and an additional $3M in contingency embedded within Fieldwork, Geotechnical, and Boundary Surveying budget line items. He explained that these contingency funds will be released as needed to address potential scope or budget adjustments. He noted that the final budget will be presented to the Board for approval at the June 18 meeting, accompanied by a recommendation from the Finance Committee.

Mr. Bradner outlined the primary areas of focus for the upcoming fiscal year, including completion of the system-wide Basis of Design Report (BODR) and development of a Class 3 (three) cost estimate, with independent external reviews of cost, contingency, and schedule. Additional priorities include completion of significant portions of the 30 percent geotechnical and survey program in preparation for transition to Engineer of Record (EOR) design teams, advancement of DCA systems and program requirements, initially focused on compensatory mitigation and final design evaluation of contract packaging and procurement strategies, and development of contract templates and insurance programs.

He also noted continued progress on long-lead efforts such as property acquisition and power supply coordination, as well as ongoing industry outreach and engagement with vendors, consultants, and contractors.

Mr. Bradner opened the presentation by noting that it would include an overview of the DCA roadmap, updates to that roadmap, the proposed scope and budget for FY 26/27, and time for questions and discussion. He clarified the distinction between the budget planning schedule and the broader program roadmap.

He reviewed the budget-planning timeline, stating that the May 21st Finance Committee meeting serves to review the draft budget. A follow-up Finance Committee meeting is scheduled for June 11th to consider any revisions prior to presentation of the final budget to the Board for adoption at its June 18th meeting. He reported that the draft budget and supporting materials have been submitted to the Delta Conveyance Office (DCO) for review, and while feedback to date has been limited to minor clarifications, staff anticipate potential refinement and will highlight any changes at the June 11th meeting.

Mr. Bradner then reviewed the DCA roadmap, which was originally developed in 2024 to guide activities through 2027. He noted that key milestones include completion of the updated Class 3 (three) cost estimate in early 2027, preparation of the Joint Exercise of Powers Agreement (JEPA) amendment for implementation by the end of the calendar year, and the Public Water Agency (PWA) approval process to proceed with the program. He emphasized that this approval milestone represents a multi-step process and is a prerequisite for initiating property acquisition.

He explained that the roadmap has been updated to extend the planning horizon through 2028, reflecting a more comprehensive understanding of program sequencing and critical-path activities. These updates incorporate refinement to scheduling priorities and provide greater clarity on the phasing of work over the next several years, particularly as reflected in the proposed FY 26/27 budget.

Committee member Palmer asked for clarification regarding the terminology used for "program delivery" and "program implementation".

Mr. Bradner confirmed that the terms are used interchangeably in this context.

Mr. Bradner reported that the BODR remains on track for completion by the end of the calendar year. He noted that preparation of the updates Class 3 (three) cost estimate is underway and that, due to the inclusion of expanded internal and external review processes, including coordination with DWR and participating PWA's, the timeline has been extended, with publication now anticipated in mid-2027. He emphasized that completion of the cost estimate remains a key prerequisite to initiating the PWA approval process.

Mr. Bradner clarified that the PWA approval process is now reflected in the schedule as a multi-year activity extending from mid-2027 through mid-2028, rather than as a single milestone, to more accurately represent its duration and complexity.

He further reported refinements to program delivery planning, with an increased focus on prioritizing compensatory mitigation projects (CMPs) as critical path activities. Final design efforts have been reorganized to prioritize CMPs which, while smaller in scale than the main project components, must be completed in advance of major construction activities. As a result, program planning efforts including development of management plans, standards, contract packaging strategies and design requirements have been phased to distinguish between near-term needs for CMP delivery and longer-term requirements for full program implementation.

Mr. Bradner noted that this phased approach allows the DCA to align resources with immediate priorities while deferring more complex systems and processes to later stages. He also indicated that, based on coordination with DWR and PWA staff, the program schedule has been adjusted to extend current funding through 2028 to support the full PWA approval process. Under this approach, existing funding levels are expected to be sufficient through that period, assuming no significant changes in program scope or acceleration.

Mr. Bradner reviewed key accomplishments for FY25/26, noting substantial progress in permitting efforts and the DCA's support to the DWR. He highlighted the initiation and advancement of the BODR, which represents a significant step in progressing the system wide design from approximately 10 percent conceptual design following California

Environmental Quality Act (CEQA) completion to approximately 20 percent design maturity.

Mr. Bradner reported continued refinement of the overall program schedule, emphasizing its importance in supporting development of a reliable, time phased cost estimate for a project of this scale and complexity. He noted that this work has enabled clearer identification of critical path activities over the next several years.

He further reported that preparations have been completed to resume geotechnical and survey activities with field mobilization anticipated to begin June 1st. In addition, staff has made significant progress in developing the environmental compliance plan to address permit requirements and commitments, which will support the restart of field activities.

Mr. Bradner noted ongoing development of standards, procedures, and program requirements to support current operations and facilitate an efficient transition into the program delivery phase.

Chair Martin expressed appreciation for the compiled documentation, noting that it provides helpful context for understanding upcoming activities.

Mr. Bradner acknowledged the comment.

Mr. Bradner noted the introduction of new Program Delivery (PD) activities reflected in the budget, primarily related to survey and mapping efforts, including survey control, right-of-way mapping, and aerial mapping. He explained that these activities are now aligned under the PD phase, as they directly support the selected project and future construction, rather than Program Initiation (PI).

Ms. Palmer asked for clarification regarding the distinction between survey and mapping activities.

Mr. Bradner confirmed that the activities serve different functions. He explained that costs reflected under the Program Management Office (PMO) represent management and oversight responsibilities, including coordination, quality assurance, and data management, whereas survey and mapping activities under PD represent field execution tasks supporting the project.

He further noted that the PMO is responsible for overseeing and managing the work performed by EOR teams and construction contractors within the PD phase. He highlighted that the increased budget for geotechnical management reflects enhanced systems and processes, including data quality reviews and database management, to support current activities and prepare for future program delivery needs.

Mr. Bradner reviewed the proposed FY 26/27 budget by major category, noting a slight increase in the PMO budget, primarily reflecting expanded oversight and management responsibilities related to geotechnical data, surveying, and mapping activities. He explained that most other areas remain generally consistent with prior levels, while certain categories reflect increased resources or specifically defined additional scope to support evolving program needs.

Ms. Palmer asked when the Program Initiation (PI) phase is expected to conclude.

Mr. Bradner explained that the phase is currently winding down, with remaining activities primarily consisting of completion of the BODR, reflected in the current budget. He stated that PI will fully close once system-wide engineering and planning activities are complete and the program transitions to project-specific design efforts under EOR contracts within the PD phase. He also noted that, based on current projections, it is possible that no PI budget will be required in FY 27/28, though this will be confirmed as the program progresses.

Mr. Bradner reviewed the summary of the budget by vendor, noting that updates were made to improve completeness and transparency. He explained that the revised presentation now includes vendors with contracts under $250,000, as well as the unallocated reserve, ensuring that the total aligns with the overall proposed budget of $65M.

Mr. Bradner highlighted that vendor budgets vary based on scope and program needs. He noted that Jacobs' budget reflects its ongoing role in completing the BODR and advancing the cost estimate, as well as preparation for compensatory mitigation efforts. In contrast, AECOM's budget has increased significantly compared to the current fiscal year, reflecting the planned resumption and expansion of fieldwork activities following prior restrictions.

Ms. Palmer inquired about the increase in the budget for Best, Best & Krieger, asking whether it was related to anticipated Public Records Act requests.

DCA Legal Counsel, Josh Nelson, responded that while such requests contribute to the increase, it more broadly reflects expected growth in legal support needs as the program continues to scale and advance.

Mr. Bradner highlighted changes associated with the STV contract, noting that it includes Deputy Director Services and currently supports the engagement of Jim Morrison. He explained that the budget increase reflects plans to add an additional senior-level professional through this contract to support general agreement administration across DCA contracts. These expanded services will provide additional support to the executive team beyond the existing Deputy Director role.

Ms. Palmer asked for clarification regarding the role of services provided under the STV contract.

Mr. Bradner explained that STV supports agreement administration across the DCA's portfolio of contracts. He noted that while task-order management is delegated across the program, the intent is to establish a centralized, independent resource responsible for overall contract administration to ensure consistency, oversight, and separation from other contract functions.

Mr. Bradner reviewed the purpose and structure of the Work Breakdown Structure (WBS), noting that it serves as the framework for organizing and tracking all budgeted program activities and is designed to evolve while maintaining consistency in cost allocation. He explained that the PMO is now well established and will continue to support functions across all phases of the program, including planning, design, construction, and commissioning.

He noted that the PI phase has historically included engineering and permitting-related activities, such as evaluation of alternatives and development of design criteria and interfaces. This phase will conclude once major permits are obtained and the program transitions to implementation and delivery.

Mr. Bradner stated that the PD phase is currently focused on pre-design activities, including data collection and field investigations for the preferred project, and will ultimately encompass all final design and construction activities managed by the PMO.

Chair Martin requested additional clarification on how budget figures relate to underlying task orders and expressed interest in understanding the details behind key line items. He noted that while the Committee does not validate individual calculations, visibility into supporting work and task orders is helpful for context.

Mr. Bradner clarified that task order numbers are sequential identifiers assigned by fiscal year and do not correspond to the Work Breakdown Structure (WBS). Each contract is assigned a consistent contract ID, while task order numbers increase annually. He explained that this numbering structure is used solely for tracking purposes and does not indicate relationships across vendors or scopes of work.

Mr. Bradner further noted that the Board materials include summary tables, referred to as Level 2 detail, that provide a consolidated view of contract and task-order information. He added that vendor level budget totals can be found within individual task-order attachments included in the packet.

Ms. Palmer confirmed her understanding of the numbering system and how task orders evolve annually.

Chair Martin reiterated the value of reviewing representative examples of work associated with task orders to better understand how budgeted amounts translate into program activities.

Mr. Bradner introduced a detailed review of the budget by major functional area, beginning with the Executive Office (EO). He noted that the EO section has expanded due to the addition of several new vendors engaged over the past year through competitive procurement processes to support executive-level functions. These firms provide specialized services across a range of administrative, technical, and advisory areas.

He outlined key priorities for the upcoming fiscal year, including continued organizational transition in preparation for the anticipated 2027 program ramp-up. This includes governance support, staffing of key positions, and further development of systems and procedures. He also noted that EO resources will play a significant role in overseeing preparation and independent review of the Class 3 (three) cost estimate.

Mr. Bradner added that the EO will continue to support engagement with PWAs as the program advances toward implementation decision points anticipated to begin in mid-2027.

Chair Martin sought clarification on how the detailed task-order information presented in the supporting materials relates to the summarized budget figures, noting that the packet includes descriptive excerpts that provide additional context.

Mr. Bradner explained that each vendor's scope of work and associated budget are first developed at the task-order level and then mapped into the program-wide WBS. He noted that this translation is necessary because individual WBS elements may include contributions from multiple vendors performing discrete activities. The summary spreadsheet provided in the packet reflects this cross-reference by showing how vendor-level budgets align with WBS categories, with totals reconciling to the amounts included in each task order.

Chair Martin observed that the materials provided appear sufficiently detailed to address most questions regarding budget composition. Mr. Bradner confirmed that the packet is intended to provide comprehensive transparency and offered to assist with any additional clarification as needed.

Ms. Palmer suggested minor formatting improvements to enhance readability of the budget materials, specifically recommending clearer visual separation between summarized line items.

Mr. Bradner acknowledged the feedback and noted it relates to formatting of roll-up sections within the presentation materials.

Mr. Bradner continued the detailed budget review by functional area, turning to Community Engagement (CE) under WBS Code 110. He referenced the summary structure of the WBS and noted that this category reflects a proposed FY 26/27 budget of $1.581M.

He outlined the primary objectives for CE, including providing PWAs with clear and consistent information to support informed decision-making, maintaining engagement with stakeholders and industry audiences to build awareness and momentum, and continuing to strengthen digital communications through website enhancements and social-media outreach.

Mr. Bradner explained that, consistent with other functional areas, Community Engagement activities involve multiple vendors contributing to shared objectives. He emphasized that while task orders are organized by vendor, the WBS groups activities by function, requiring a translation between vendor-level work and program-level reporting. He noted that this structure reflects the cross-functional and collaborative nature of the work.

Mr. Bradner then reviewed the Program Controls (PCTRL) function. He outlined key responsibilities for this area, including processing invoices, expenses, and other costs for DCA vendors and contractors; performing independent analyses of program cost, schedule, and risk; and supporting the Executive Office with analyses related to delivery-phase planning. He reported that the proposed FY 26/27 budget for PCTRL is $9.863M and noted that, while multiple vendors contribute to this function, the scope of work is primarily supported by Parsons.

Mr. Bradner completed the detailed review of budgeted activities across functional areas, including Administration, Procurement and Contract Administration, Property, Permitting Management, Health and Safety/Quality/Sustainability, Geotechnical and Survey Management, Engineering, and PD. He outlined key priorities within each area and noted that several functions reflect increased activity to support the resumption of fieldwork, expansion of data management systems, and preparation for transition into the delivery phase. He also highlighted that sustainability efforts will decrease in the near-term following completion of the Programmatic Sustainability Plan, with future efforts shifting to project-specific implementation.

Mr. Bradner emphasized that the PD phase includes the primary fieldwork activities for FY 26/27, including geotechnical investigations, survey control, right-of-way mapping, and aerial mapping, with contingency funding embedded to address potential uncertainties.

In response to a question from Ms. Palmer regarding aerial mapping, Mr. Bradner confirmed that the DCA coordinates closely with DWR to leverage existing data where feasible, while noting that some specialized mapping efforts are still required to meet project-specific needs.

Mr. Bradner outlined next steps, noting that the Committee's feedback on the draft budget will be incorporated ahead of the June 11th Finance Committee meeting, at which time a refined budget will be presented for recommendation to the Board for adoption at its June 18th meeting.

Chair Martin encouraged Committee members to provide comments to staff in advance of the June 11th meeting.

Ms. Palmer noted that the materials were generally clear and understandable, with minor suggestions for formatting improvements.

Mr. Bradner acknowledged the complexity of the material and emphasized that understanding the relationship between task orders and the WBS is key to navigating the budget documentation.

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

6. REPORTS AND ANNOUNCEMENTS:

   a. Verbal Reports
   No reports.

7. PUBLIC COMMENT:
During public comment, Martin Milobar commended staff on the clear organization and presentation of the budget materials and acknowledged the complexity of the program. He noted that while the Committee cannot reasonably review every individual data point, the level of detail provided reflects the depth of effort and supports confidence in staff's analysis.

Mr. Bradner provided a brief response. No further public comments were received.

8. ADJOURNMENT:
Chair Martin adjourned the meeting at 4:37 p.m., in person, by teleconference, and remotely - Conference Access Information: Phone Number: (669) 444-9171, Code: 81125432632#, https://dcdca-org.zoom.us/j/86833412362?from=addon.