

Date: Friday, July 17, 2020

From: Garth Hall, Interim COO

Delta Conveyance Finance Authority (DCFA)
Board of Directors Meeting
Report out for Director Kremen
Regular Meeting

Thursday, July 16, 2020, 11:00 a.m.

SCHEDULED ACTION ITEMS

a. Report from Kathryn Mallon, Executive Director for the Delta Conveyance Design & Construction Authority

Ms. Mallon reported that the DCA Board approved the annual budget of \$34M, consistent with the level of expenditure of the current 2019/20 fiscal year (forecasted at approximately \$36.4M). Over 70% of the new annual budget (\$24M) is dedicated to engineering and field work along with the permitting management and property access necessary to support the technical work.

The DCA Program Management Office and Program Initiation efforts in FY 2020/21 are largely a continuation of work initiated in FY 2019/20 in support of DWR's Environmental Planning efforts.

DWR is continuing to fund the DCA engineering work for now and that funding will be recovered from participating agencies and bond funding in the future.

b. Review and approval of changes to the DCFA's investment policy

Staff seeks board approval of the DCFA's Statement of Investment Policy (Policy) for fiscal year (FY) 2020/21. Staff also seeks board approval for the delegation of authority to the Treasurer to invest the DCFA's funds for FY 2020/21, pursuant to the Government Code of the State of California (California Government Code). The DCFA's funds are invested with those of the Metropolitan Water District, and the proposed revisions are consistent with the California Government Code and Metropolitan's Investment Policy.

Recommendation:

*Approve the Statement of Investment Policy for fiscal year 2020/21; and
Delegate authority to the Treasurer to invest DCFA's funds for fiscal year 2020/21.*

Action: APPROVED

REPORTS AND ANNOUNCEMENTS

a. Executive Director's Report, Brian Thomas

Mr. Thomas reported that the past two months have seen little activity on the part of the DCFA. We have continued to communicate with the State Water Contractors, including the Metropolitan Water District, and Department of Water Resources to determine if there is a role for the DCFA. A written report was provided in the Board packet.

b. General Counsel's Report, Steve O'Neill

Mr. O'Neill reported that it has not been an active period. He has been engaging with staff and administrators with some issues on the Form 700. Worked on the investment policy and general board meeting agenda.

c. Treasurer's Report Katano Kasaine, Treasurer

Ms. Kasaine reported that the beginning cash balance in the DCFA Trust at January 1, 2020 was \$682,819. Receipts for the three months ended March 2020 totaled \$3,688, consisting of interest receipts. Disbursements totaled \$60,309 during the three months ended March 2020. The ending cash balance at March 31, 2020 was \$626,198. A written report was provided in the Board package.

The next scheduled Board Meeting for the DCFA will be Thursday, August 20, 2020, at 11:00 am.