

FINANCE COMMITTEE MEETING

# MINUTES

REGULAR MEETING

Thursday, June 06, 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: 84596022815#, <https://dcdca-org.zoom.us/j/84596022815?from=addon> at 3:00 p.m.

## 2. ROLL CALL

Committee members in attendance remotely were Gary Martin, Sarah Palmer, and Martin Milobar.

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

## 3. APPROVAL OF MINUTES: May 16, 2024, Finance Committee Meeting

Recommendation: Approve the May 16, 2024, Finance Committee Meeting

Motion to Approve Minutes from May 16, 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 24-06-01).

## 4. DISCUSSION ITEMS:

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

DCA Executive Director, Graham Bradner, provided a presentation regarding the Fiscal Year (FY) 2024/25 draft budget planning timeline, and the scope and budget to the committee. He informed the committee that the last item covered in the presentation was the recommendation request for the committee to recommend that the full Board of Directors adopt the FY 2024/25 budget at its June 20<sup>th</sup> meeting.

First, Mr. Bradner reviewed the FY 2024/25 Budget Planning Activities and Schedule, highlighting that today, June 6<sup>th</sup>, is the third Finance Committee meeting to finalize the draft budget for recommendation to the Board of Directors on June 20<sup>th</sup>. The buffer between these two (2) dates is intentional to allow time for necessary refinements that the committee identifies during this meeting.

Next, he provided an overview of the proposed final FY 2024/25 scope and budget, starting with the Work Breakdown Structure (WBS), which organizes all budgeted activities of the DCA. The DCA currently has three (3) active phases: Program Management Office (PMO), Program Initiation (PI), and Program Delivery (PD). PMO covers the cross organizational support functions throughout all phases of the program and will extend all the way through the completion of the project, through closeout and commissioning. PI is where, historically, the engineering work to support the environmental permitting phase that has been performed as well as the geotechnical work that was collected under the Initial Study and Mitigated Negative Declaration (IS/MND) to support the Department of Water Resources deliberations and evaluation of potential alternatives. Now that there is a preferred and selected project for further study with the conclusion of the Environmental Impact Report (EIR) and issuance of the Notice of Determination, the DCA has now opened up the PD phase. The current items within this phase are the continued data collection activities to support further study of the preferred project. As the project progresses and enters final design and construction phases, the PD phase will expand to include the associated activities.

Mr. Bradner moved on to the proposed final FY 2024/25 budget summary. The summary includes revisions, indicated by red text, that were requested at the last committee meeting. A column has been added to the summary to differentiate the proposed final budget from the proposed draft budget that was presented in May. The overall budget amount of \$43M has not changed, however, there are changes to the WBS activities. The Executive Office line item increased due to increasing the unallocated reserve and conference fee lines. The Property line item decreased as the DCA was able to find a different small business for the Property Manager role.

Committee member Sarah Palmer asked for clarification regarding the shifting of funds.

Mr. Bradner informed the committee that the original budget that was proposed for the Property Manager role has not disappeared. Instead, the role was moved to Bender Rosenthal at a lower rate and the excess budget was reallocated to the Executive Office line item.

Ms. Palmer inquired about which company the role was originally budgeted for.

Mr. Bradner stated the role was originally budgeted under the Jacobs contract.

Mr. Bradner then provided an overview of the budget by vendor, which provided more detailed information regarding the changes in the budget. He highlighted that the WBS does not follow DCA's contracts, so while the changes on the budget summary only affect two (2) budget lines, they affect three (3) of the vendor/consultant lines. The budget by vendor also showed a change to the AECOM line due to a mathematical formula error in the spreadsheet.

Chair Gary Martin asked if the FY 2024/25 proposed budget column was presented at the May meeting.

Mr. Bradner informed the committee that Chair Martin is correct.

Mr. Bradner moved into further details of the budget details and the budget by vendor breakdown. He noted that there were errors found in the FY 2023/24 budget details that have been captured. The example he provided regarding the budget by vendor breakdown showed a table that lists the vendors in the top row and the WBS codes and line items in the first two (2) columns. He explained that the activity totals add up to the \$43M budget and the amounts corresponding to the various WBS lines, under each vendor, add up to the totals on the budget by vendor table that was just reviewed.

Ms. Palmer asked if the errors found in the FY 2023/24 budget details were going to be included and explained in the presentation to the Board of Directors.

Mr. Bradner informed the committee that it is planned to only show the corrected version to the Board, unless directed otherwise by the committee.

Ms. Palmer stated that it would be best to indicate the errors with a different color text and provide the explanation to the Board of Directors.

Chair Martin inquired about the budget information the Board of Directors were presented.

Mr. Bradner informed the committee that the errors were located in the detailed version of the budget summary that was presented only to committee, at the May meeting. He recommended that the presentation to the Board of Directors be the clean and correct version of the budget summary.

Committee member Martin Milobar agreed with Mr. Bradner, stating that the errors may confuse the discussion.

Ms. Palmer agreed with Mr. Milobar's statement.

Committee Clerk Claudia Rodriguez clarified that the error was a formula error in one of the line items within the spreadsheet, however the total of the budget remained unaffected.

The committee had further discussion regarding if and how the errors should be noted for future reference as well as for historical and transparency reasons. It was ultimately decided that the errors would not be presented to the Board of Directors, however the changes would be flagged in the packet and a footnote would be added.

Lastly, Mr. Bradner pivoted back to the budget by vendor summary. He informed the committee that previously, there was not a way to view the relationship between the budget by vendor and WBS codes, although the detailed budget by vendor tables now allows for that connection.

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

Recommendation: Adopt the proposed budget for FY 2024/25

Motion to Adopt the proposed budget for FY 2024/25, 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 24-06-02).

## 5. REPORTS AND ANNOUNCEMENTS:

### a. Verbal Reports

No reports.

**6. PUBLIC COMMENT:**

No public comment requests.

**7. ADJOURNMENT:**

Chair Martin adjourned the meeting at 3:33 p.m., in person, by teleconference, and remotely -  
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