



**LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY  
FINANCE COMMITTEE  
AGENDA**

Regular Meeting  
August 25, 2022 – 1:00 p.m.

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**SPECIAL NOTICE OF TELECONFERENCE ACCESSIBILITY**

Pursuant to the provisions of Government Code Section 54953(e), as amended by Assembly Bill 361, any Committee Member and any member of the public who desires to participate in the open session items of this meeting may do so by accessing the Zoom link below without otherwise complying with the Brown Act's teleconference requirements.

**Please click the link below to join the webinar:**

**<https://lagerlof.zoom.us/j/81912208202?pwd=dG9hdGFyOWp6L1BERktwK0MyUHVRZz09>**

**Passcode: 484186**

**Or One tap mobile:**

**US: +16694449171,,81912208202#,,, \*484186#**

**or Telephone: 1-669-444-9171**

**Meeting ID: 819-1220-8202**

**Passcode: 484186**

Any member of the public wishing to make any comments to the Committee may do so by accessing the above-referenced link where they may select the option to join via webcam or teleconference. Members of the public may also submit written comments to the Interim Clerk by 4:00 p.m. on the day prior to the meeting for the Interim Clerk to read into the record (subject to three-minute limitation). The meeting Chair will acknowledge such individual(s) at the appropriate time in the meeting prior to making their comment. Members of the public will be disconnected from the meeting prior to any Closed Session, if applicable.

*NOTE: To comply with the Americans with Disabilities Act, if you need special assistance to participate in this Committee meeting, please contact the Authority's Interim Clerk at [rperea@lagerlof.com](mailto:rperea@lagerlof.com) by 4:00 p.m. on August 24, 2022 to inform the Authority of your needs and to determine if accommodation is feasible. Each item on the Agenda shall be deemed to include any appropriate motion, resolution, or ordinance, to take action on any item. Materials related to items on this Agenda are available for public review at: [www.losvaquerosjpa.com/board-meetings](http://www.losvaquerosjpa.com/board-meetings).*

## **CALL TO ORDER**

### **ROLL CALL OF COMMITTEE MEMBERS**

Anthea Hansen – Chair, San Luis & Delta-Mendota Water Authority

Paul Sethy – Vice Chair, Alameda County Water District

John Coleman – East Bay Municipal Utility District

Linda J. LeZotte – Santa Clara Valley Water District

### **PUBLIC COMMENT ON NON-AGENDA ITEMS**

*Any member of the public wishing to address the Finance Committee regarding items not on the Agenda should do so at this time. The Committee welcomes your comments and requests that speakers present their remarks within established time limits and on issues that directly affect the Authority or are within the jurisdiction of the Authority.*

### **DISCUSSION ITEMS (may include action to recommend forwarding items to Board of Directors for adoption or approval)**

- 1.1 June 23, 2022 Finance Committee Meeting Summary**
- 1.2 Discussion of Draft WIFIA Letter of Interest**
- 1.3 Discussion of Interim Funding Agreement**
- 1.4 Discussion of CCWD Technical Services Agreement**
- 1.5 Draft Treasurer’s Report – Month Ended July 31, 2022**

### **FUTURE AGENDA ITEMS**

### **ADJOURNMENT**

**ITEM 1.1: JUNE 23, 2022 FINANCE COMMITTEE MEETING SUMMARY**

**RESPONSIBLE/LEAD STAFF MEMBER:**

James Ciampa, Interim General Counsel

**DISCUSSION:**

Attached for the Committee's information is the summary prepared for the June 23, 2022 Finance Committee meeting.

**ALTERNATIVES:**

Any suggested revisions to the attached summary will be considered.

**FISCAL ANALYSIS:**

Not applicable

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable

**EXHIBITS/ATTACHMENTS:**

Summary from June 23, 2022 Finance Committee meeting



## SUMMARY OF REGULAR MEETING OF FINANCE COMMITTEE

June 23, 2022 – 1:00 p.m.

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Present at the meeting were Chair, Anthea Hansen, Vice Chair, Paul Sethy, and Committee members John Coleman and Linda J. LeZotte. Jonathan Wunderlich of Alameda County Water District stated that he was filling in for Interim Administrator Marguerite Patil, who was not able to attend the meeting due to a pre-existing commitment, and he could answer any finance-related questions that may arise.

**1.1 May 26, 2022 Finance Committee Meeting Summary.** The draft summary of the May 26, 2022 Finance Committee meeting was presented for the Committee's information. In the future, the summary of the prior Committee meeting will be presented as an Information Item at the end of the Regular Board meeting agenda.

**1.2 Discussion of WIFIA Notice of Funding Availability.** James Ciampa, Interim General Counsel, introduced Maggie Dutton, Grants Specialist at CCWD, who provided an update on the U.S. Environmental Protection Agency's recent release of the 2022 Notice of Funding Availability for the Water Infrastructure Finance and Innovation (WIFIA) Program and the upcoming preparation of the Authority's Letter of Interest, which will be submitted in early September. Deputy Interim Administrator Maureen Martin advised that staff will continue to work on the Letter of Interest through the Finance Work Group and the draft of that letter will be presented to the Finance Committee before it is submitted to the WIFIA Program.

**1.3 Draft Treasurer's Report – Month Ended May 31, 2022.** Vice Chair and Authority Treasurer Paul Sethy presented the Treasurer's Report for the period ending May 31, 2022. Interim General Counsel Ciampa provided an update that the outstanding LAP receivable reflected on the report was paid by check received earlier in the day. The outstanding receivable amount as well as the cash on hand would be adjusted accordingly when the Treasurer's Report is presented to the full Board at the July 13 Board meeting. After discussion, the Committee unanimously concurred to submit the Treasurer's Report, as it will be updated, to the Board of Directors for approval at the July 13, 2022 Board meeting.

**FUTURE AGENDA ITEMS.** Interim General Counsel Ciampa advised that Interim Administrator Patil had asked him to provide the following:

1. The final Budget will be posted to the Authority's website next week so please provide any final changes to the Budget book document as soon as possible if you notice the need for any revisions.
2. It was the unanimous consensus of the Committee to cancel the July Finance Committee meeting.
3. New meeting invites will be sent out commencing with the next Committee meeting on the fourth Thursday in August.

The meeting adjourned at 1:19 p.m.

*James D. Ciampa*

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James D. Ciampa  
Interim General Counsel

**ITEM 1.2: DISCUSSION OF DRAFT WIFIA LETTER OF INTEREST**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Marguerite Patil, Interim Administrator

**DISCUSSION:**

The Authority's Board of Directors has previously approved the Authority to pursue funding under the federal government's Water Infrastructure Finance and Innovation Act (WIFIA) loan program. The first formal step in that process is to submit a Letter of Interest to the U.S. Environmental Protection Agency (EPA). The draft Letter of Interest (LOI) is attached for the Committee's review.

Staff will present an overview of the WIFIA LOI requirements, the key information included in the draft LOI, and next steps in the WIFIA process.

**ALTERNATIVES:**

For discussion purposes

**FISCAL ANALYSIS:**

Fiscal impact is to be determined.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable

**EXHIBITS/ATTACHMENTS:**

Draft Letter of Interest (included at the end of the meeting packet)

Presentation slides (included at the end of the meeting packet)

**ITEM 1.3: DISCUSSION OF INTERIM FUNDING AGREEMENT**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Maureen Martin, Deputy Interim Administrator

**DISCUSSION:**

The JPA Agreement contemplates that the Authority's initial costs will be funded through an Interim Funding Agreement to be entered into by the Authority and its Members. The intent is that the Interim Funding Agreement will take the place of the Cost Share Agreements, as amended, into which the Members have previously entered until such time as the Authority will obtain its revenues through the Service Agreements after the Project is in operation.

Deputy Interim Administrator Maureen Martin will review a working draft of the Interim Funding Agreement and answer the Committee's questions relating to this agreement.

**ALTERNATIVES:**

For discussion purposes

**FISCAL ANALYSIS:**

Fiscal impact is to be determined.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable

**EXHIBITS/ATTACHMENTS:**

Presentation slides (included at the end of the meeting packet)

Draft Interim Funding Agreement

**LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY  
DRAFT INTERIM FUNDING AGREEMENT**

This Interim Funding Agreement (“Agreement”) is entered into among the Los Vaqueros Reservoir Joint Powers Authority (the “Authority”) and its Members, consisting of Alameda County Flood Control and Water Conservation District, Zone 7 (“Zone 7”), Alameda County Water District (“ACWD”), Contra Costa Water District (“CCWD”), East Bay Municipal Utility District (“EBMUD”), Grassland Water District (“GWD”), San Francisco Public Utilities Commission (“SFPUC”), San Luis & Delta-Mendota Water Authority (“SLDMWA”) and Santa Clara Valley Water District (“Valley Water”) (collectively, “Members”). The Members and the Authority may be individually referred to herein as a “Party” or jointly as “Parties”.

**RECITALS**

WHEREAS, CCWD owns and operates the Los Vaqueros Reservoir in Contra Costa County (the “Reservoir”); and

WHEREAS, CCWD and the other Members have been working over the past years on the Phase 2 Expansion of the Reservoir and the design and construction of related facilities (collectively, the “Project”) in order to provide regional water supplies for environmental water management, to improve regional water supply reliability, and to improve regional water quality, while maintaining the existing benefits of the Reservoir for CCWD’s customers; and

WHEREAS, CCWD and the other Members have previously entered into the Cost Share Agreement for Los Vaqueros Reservoir Expansion Project Planning dated April 30, 2019 (the “Cost Share Agreement”), and subsequent amendments thereto, under which the Members and CCWD agreed to the division of various tasks and allocation of costs related to the development of the Project; and

WHEREAS, CCWD and the other Members are in the process of entering into Amendment No. 4 to the Cost Share Agreement (“Amendment No. 4”) to provide for the allocation of Project costs as between CCWD and the other Members; and

WHEREAS, the Members formed the Authority in October 2021 through their approval and execution of the Los Vaqueros Reservoir Joint Exercise of Powers Agreement (the “JPA Agreement”); and

WHEREAS, the JPA Agreement, in Section 1.1.21, contemplates that an Interim Funding Agreement will be entered into by the Authority and Members after formation of the Authority to provide an interim source of funding for Project development costs prior to the time where a permanent source of funding is in place through the contemplated Service Agreements that will be entered into between the Authority and each Member; and

WHEREAS, on January 11, 2022 CCWD and the JPA executed an Administrative Agreement that memorializes CCWD’s role as Interim Administrator; and

WHEREAS, it is contemplated by the Authority, CCWD and the other Members that once



the Authority is adequately staffed and has in place an organized financial structure, including banking, invoicing and collection services, that the Authority will take over the billing and collection of Project costs from the Members, including CCWD, and Amendment No. 4 would then be terminated; and

WHEREAS, the Authority has now engaged an Executive Director and has in place various financial systems; and

WHEREAS, the Members and the Authority now wish to enter into this Interim Funding Agreement to provide an interim source of funding for the Project until such time as a permanent source of funding is in place under the Service Agreements referenced above.

NOW, THEREFORE, the Members and the Authority agree that the above recitals are incorporated in and made part of the Agreement, and hereby agree as follows:

1. Term. Unless earlier terminated by the Members and the Authority, this Agreement shall take effect on January 1, 2023 and terminate on the date the last Service Agreement between a Member and the Authority is executed. The Parties will reasonably cooperate in the transition from the Cost Share Agreement and its Amendment No. 4 to this Interim Funding Agreement, with the understanding that certain tasks not yet completed under the Cost Share Agreement, as amended, will be transitioned to this Agreement and included in the scope of work set forth in Exhibit A hereto.

2. Costs and Payment. The Authority and the Members intend through this Agreement to provide sufficient funding to cover the Authority's ongoing costs in accomplishing the purposes specified in the Cost Share Agreement, as amended, including, but not limited to, consultant expenses, payments to the Executive Director and Program Manager; fees for the Interim General Counsel; fees for the Clerk to the Board of Directors; accountant, auditor and financial advisor fees; insurance premiums; credit rating costs; state and federal funding administrative support; and fees payable to CCWD for services and labor provided. A detailed scope of work and budget for those activities are attached hereto as Exhibits A and B, respectively. That budget sets forth costs estimated at \$\_\_\_\_\_ for the January 1, 2023 through December 31, 2023 calendar year. For purposes of this Agreement, the Members' collective total share of those costs shall not exceed \$\_\_\_\_\_ ("Total Interim Funding"); provided that the Total Interim Funding amount is subject to adjustment based upon any funds that CCWD transfers to the Authority representing monies the Members have previously paid with respect to the Project under the Cost Share Agreement and the amendments thereto.

a) Notwithstanding anything to the contrary in this Agreement, the Members, excluding GWD, shall be responsible for providing the Total Interim Funding, based upon Exhibit B, to the Authority, provided that in no event shall any Party's individual share of the Total Interim Funding exceed \$\_\_\_\_\_ (but subject to adjustment as specified in in preceding paragraph for any transfers to the Authority from CCWD), excluding GWD. Timing and quantity of payment for each Member shall not vary from what is put forth in Exhibit B unless the Members voluntarily agree to any modifications. The Total Interim Funding described herein is exclusive of any joint defense or litigation cost share amounts which may be determined in a subsequent written agreement entered into with respect to such litigation.

b) SFPUC's payments are subject to and contingent upon the budget and fiscal provisions of the City and County of San Francisco's Charter and the budget decisions of its Mayor and Board of Supervisors. No SFPUC funds will be available hereunder until prior written authorization is certified by the City's Controller. The Controller cannot authorize payments unless funds have been certified as available in the budget or in a supplemental appropriation. This Agreement shall automatically terminate, without liability to the City, if funds are not properly appropriated by the Mayor and Board of Supervisors or certified by the Controller. The SFPUC's obligations hereunder shall never exceed the amount certified by the Controller for the purpose and period stated in such certification. The SFPUC, its employees and officers are not authorized to request services that are beyond the scope of those expressly described herein, unless a written amendment is approved as required by law. As to the SFPUC only, this Section 2(b) controls against any conflicting provision of this Agreement.

c) The Members will split the Total Interim Funding equally over two payments. The Authority will invoice each of the Members for their respective shares of the Total Cost Share on or about January 3, 2023 and July 1, 2023.

d) Payment from the Members shall be remitted within sixty (60) days after invoice submittal.

e) Funds contributed by the Members shall be expended by the Authority only for work required to further the purposes of the Authority, as specified in the scope of work attached hereto as Exhibit A.

f) If a sufficient number of Parties withdraw from the Authority or fail to execute this Agreement such that the Members' individual cost shares change substantially, or the individual cost shares approach or exceed the maximum financial responsibility for each Party (determined herein as \$ \_\_\_\_\_), each remaining Member, at its sole shall determine whether to withdraw from the Agreement. Any Members who do not choose to withdraw will work together to develop an amendment that substantially conforms to this Agreement. If no mutually agreeable amendment can be developed, the remaining Members will terminate this Agreement.

g) If a new Member is added to this Agreement in connection with that new Member joining the Authority, each subsequent invoice for each Member will be adjusted to reflect the cost share of the new Member and the total number of Members. The adjustments contemplated herein shall reflect any "catch-up" contribution required of the newly added Member in addition to the contributions to be made on a prospective basis, as may be required pursuant to Section 10.3 of the JPA Agreement.

h) If funds remain after work under this Agreement is completed or this Agreement is otherwise to be terminated, each Member will determine whether its pro-rata share of the remaining funds shall be returned or retained by the Authority to be credited to the particular Member in connection with that Member's Service Agreement. Each Member will advise the Authority of its determination within sixty (60) days of receiving notice from the Authority of the completion of the work or impending termination of this Agreement, or the remaining funds shall automatically be retained by the Authority for credit to the respective Member.

In-kind services may include labor costs and overhead costs for staff who are providing in-kind services for Project activities under this Agreement, including but not limited to data collection, document review, communications, stakeholder outreach, management of third-party consultant contracts, and attending Project meetings. In-kind services are contributed at the discretion of each Member, with no minimum or maximum in-kind contribution limits.

3. Reporting

a) The Authority will act as the fiscal agent and receive funds from the Members, maintain accounting records of expenditures, and prepare quarterly summaries of expenditures and in-kind services from all Members. The Authority will provide the summaries to the Members and any applicable state or federal agency as necessary to document Member cost share.

b) Each Member will maintain an accounting of the value of its in-kind services including labor hours and overhead costs reported by all staff members participating in the Project and provide that accounting to the Authority within sixty (60) days following the completion of each quarter. The accounting will include sufficient detail for the Authority to provide this information to CCWD, who will then provide that information to the United States Department of the Interior, Bureau of Reclamation (“Reclamation”) and the California Water Commission, together with other necessary CCWD information.

c) The value of the in-kind services may be used as the non-State funding match or may be eligible for reimbursement from the California Water Commission and will be used to demonstrate the Non-Federal match required the Memorandum of Agreement for the Preconstruction Phase of the Phase 2 Los Vaqueros Reservoir Expansion Project and Sharing of Costs.

4. Federal Funding. CCWD has executed an Assistance Agreement for the provision of up to \$7.2 million in federal funding for pre-construction activities. If additional federal funding for the Project is appropriated by Congress, Reclamation would receive the requested funding and the funds would support ongoing work on the Project. A portion of the federal funds will be directly applied to the scope of work contained in Exhibit A.

5. Indemnity. In performance of this Agreement, each Party and its agents, employees, and contractors shall act in an independent capacity and not as officers, employees, or agents of any other Party. Except as otherwise declared herein, no Party assumes any liability for the activities of any other Party in performance of this Agreement. Each Party is responsible in proportion to its fault for liability, including but not limited to personal injury or property damage that may arise out of this Agreement, except to the extent such injury, damage, or loss was caused by the negligence or willful misconduct of any other Party, or its directors, officers, agents, or employees. Each Party expressly agrees to defend, indemnify, and hold harmless any other Party and its directors, officers, agents and employees from and against any and all loss, liability, expense, claims, suits, and damages, including attorneys’ fees, arising out of or resulting from the first Party’s, its directors’, officers’, agents’, and employees’ negligent acts, errors or omissions, or willful misconduct, in its performance under this Agreement.

Each Party shall be responsible for any adverse impacts to its own customers that may

result from the operation or performance of this Agreement, except as arising out of or resulting from the negligent acts, errors or omissions, or willful misconduct of any other Party, its directors, officers, agents, and employees.

Each Party shall exercise reasonable care in the performance of its obligations and rights under this Agreement, particularly with regard to facilities, operations, water rights, entitlements, and contracts of other Parties to this Agreement.

6. Dispute Resolution. Should any dispute arise concerning any provisions of this Agreement or breach thereof, or the Parties' rights and obligations thereunder, the disputing Parties shall meet and confer in an attempt to resolve the dispute. Prior to commencing legal action, the disputing Party or Parties shall provide to the other Party or Parties thirty (30) days written notice of the intent to take such action and the basis for the action. Within fifteen (15) days of delivery of the notice, the Parties shall meet and confer in an attempt to resolve the dispute. Each Party will designate a member of that Party's executive management to attend the meeting and to conduct the negotiation in good faith.

The Parties shall make good faith efforts to resolve all disputes related to this Agreement at the lowest possible cost, subject to the approval of the Parties' respective governing bodies. If the Parties cannot resolve the dispute through the meet and confer process, the Members or the Authority in dispute shall proceed to non-binding mediation of the dispute in front of an independent, neutral mediator agreed to by those Members and the Authority, unless they both agree to waive that mediation. If the Members or the Authority involved in the dispute cannot agree upon a mediator, the mediation service selected shall choose the mediator. The Members or the Authority in dispute shall equally divide and pay the mediation costs. Other than for the division of mediation costs, each Party shall bear its own attorneys' fees and costs in all aspects of dispute resolution, including litigation

7. Governing Law and Venue. This Agreement, its construction, and all work performed under it shall be governed by the laws of the State of California, without giving effect to conflict of law provisions. Any judicial action or proceeding between or among any or all of the Parties to this Agreement shall be initially brought in Contra Costa County Superior Court and will be transferred to a neutral venue. The litigants shall attempt to stipulate to a mutually agreeable neutral venue, and if unable to agree will resolve any venue dispute through a motion to transfer brought pursuant to California Code of Civil Procedure Section 394. The Parties will support transfer to a neutral venue and will not object to transfer to a neutral venue.

8. Severability. If any provision of this Agreement, or the application thereof, is held invalid or unenforceable by a court of competent jurisdiction, all other provisions of this Agreement, and application thereof, shall remain valid and enforceable and will be construed in such a manner so as to affect the original intent of the Parties to the maximum extent possible.

9. Amendment. No amendment of this Agreement shall be valid unless made in writing and signed by all Parties to this Agreement except those Parties, if any, who have withdrawn from the Agreement before the amendment is made.

10. Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to or shall confer upon any Person other than the Parties and their respective successors

and permitted assigns, and those member agencies of the SLDMWA that enter into an activity agreement with the SLDMWA pursuant to this Agreement, any legal or equitable right, benefit or remedy of any nature under or by reason of this Agreement.

11. Entire Agreement. This Agreement, together with the attachments hereto, constitutes the complete agreement between the Parties and supersedes any prior written or oral communications between the Parties.

12. Successors and Assigns. This Agreement and all of its provisions shall apply to and bind the successors and assigns of each and every Party to this Agreement.

13. Counterparts; Electronic Signatures. This Agreement may be executed in counterparts each of which shall be deemed to be an original but all of which taken together shall constitute one and the same Agreement. Any signature hereto may be transmitted electronically, including by e-mail, PDF, DocuSign or other electronic means, and any such electronically transmitted signature shall be as valid as an original signature.

14. Notices. Any notice under this Agreement may be sent by electronic mail, USPS mail, or overnight mail to the designated persons identified below.

15. Waiver. No waiver of any kind pursuant to this Agreement will constitute a continuing waiver unless so stated in a writing signed by the waiving Party.

_____ Ed Stevenson, General Manager Alameda County Water District	_____ Date
_____ TBD, General Manager Contra Costa Water District	_____ Date
_____ Clifford C. Chan, General Manager East Bay Municipal Utility District	_____ Date
_____ Ricardo Ortega, General Manager Grassland Water District	_____ Date
_____	_____

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Approved as to Form  
Ellen L. Wehr, General Counsel

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Date

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Dennis Herrera, Manager  
San Francisco Public Utilities Commission

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Date

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Approved as to Form  
Deputy City Attorney San Francisco

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Date

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Federico Barajas, Executive Director  
San Luis & Delta-Mendota Water Authority

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Date

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Rick L. Callender, Esq.,  
Chief Executive Officer  
Santa Clara Valley Water District

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Date

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Valerie Pryor, General Manager  
Zone 7 Water Agency

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Date

(EXHIBIT A – SCOPE OF WORK and EXHIBIT B – BUDGET not included)

**ITEM 1.4: DISCUSSION OF CCWD TECHNICAL SERVICES AGREEMENT**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Marguerite Patil, Interim Administrator

**DISCUSSION:**

A corollary issue to the Interim Funding Agreement is the need for a separate agreement to specify Contra Costa Water District's responsibilities with respect to the Authority and Project. Previously, those responsibilities were addressed in the Cost Share Agreement and its amendments among the member agencies, but the revision to shift the funding to the Authority necessitates a new agreement to specify CCWD's responsibilities, which will then be funded under the Interim Funding Agreement. This item will provide the Committee with information regarding the approach to be taken in the Technical Services Agreement.

Deputy Interim Administrator Maureen Martin will provide an overview of the Technical Services Agreement and next steps in the agreement development process.

**ALTERNATIVES:**

For discussion purposes

**FISCAL ANALYSIS:**

Fiscal impact is to be determined.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable

**EXHIBITS/ATTACHMENTS:**

Presentation slides (included at the end of the meeting packet)

**ITEM 1.5: TREASURER’S REPORT – MONTH ENDED JULY 31, 2022**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Marguerite Patil, Interim Administrator

**DISCUSSION:**

The Draft Treasurer’s Report for July 2022 will be presented at the meeting for the Committee’s review and discussion and posted to the Authority’s website following the meeting.

**ALTERNATIVES:**

For discussion purposes

**FISCAL ANALYSIS:**

None

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable

**EXHIBITS/ATTACHMENTS:**

None



## WIFIA Letter of Interest Instructions

A prospective borrower seeking Water Infrastructure Finance and Innovation Act (WIFIA) credit assistance must complete and submit this letter of interest form and provide requested attachments to the U.S. Environmental Protection Agency (EPA) following the instructions in the [Notice of Funding Availability](#) (NOFA). In its submittal, the prospective borrower:

- 1) Describes itself and its proposed project(s);
- 2) Provides key financial and engineering information and documents; and
- 3) Explains how the project meets the [WIFIA selection criteria](#).

The prospective borrower should answer all questions in this form. Narrative answers can reference source documents by including the name of the document and relevant pages or sections and providing any referenced documents as attachments. The prospective borrower must sign Sections E and F in the appropriate spaces.

A prospective borrower may assert a Confidential Business Information (CBI) claim covering part or all of the information submitted to EPA as part of its letter of interest, in a manner consistent with 40 C.F.R. 2.203, 41 Fed. Reg. 36902 (Sept. 1, 1976), by placing on (or attaching to) the information a cover sheet, stamped or typed legend, or other suitable form of notice employing language such as trade secret, proprietary, or company confidential. The prospective borrower should also state whether it desires confidential treatment until a certain date or until the occurrence of a certain event. Information covered by a business confidentiality claim will be disclosed by EPA only to the extent and only by means of the procedures set forth under 40 C.F.R. Part 2, Subpart B. Information that is not accompanied by a business confidentiality claim when it is received by EPA may be made available to the public by EPA without further notice to the prospective borrower. More information about CBI is available in the [WIFIA program handbook](#).

The total length of the letter of interest form should not exceed 50 pages, excluding any attachments. Font size should not be smaller than 11-point Calibri. There is no limit to the number or length of attachments provided. Attachments should be the most recent versions of the documents available at the time of submission and may be draft or preliminary. Attachments must be referenced in the letter of interest form to be considered.

The final letter of interest submission must include:

- 1) A completed, signed version of this letter of interest form
- 2) All attachments requested and referenced in the letter of interest form

When finished, the letter of interest form and attachments may be submitted by uploading the documents to EPA's SharePoint site. To be granted access to the SharePoint site, the prospective borrower can request access to SharePoint by emailing [wifia@epa.gov](mailto:wifia@epa.gov). After uploading the completed letter of interest form and all attachments, emailing the WIFIA program office at [wifia@epa.gov](mailto:wifia@epa.gov), with the subject line: "[NAME OF PROSPECTIVE BORROWER] – [NAME OF PROJECT] – Letter of Interest Submitted".



After EPA's intake process is complete, it will provide a confirmation email to the contacts listed in Section D.

Additional instructions and resources for completing and submitting this letter of interest are available in the [NOFA](#), [WIFIA program handbook](#), and WIFIA website ([www.epa.gov/wifia](http://www.epa.gov/wifia)). Questions may be submitted to the WIFIA program office at [wifia@epa.gov](mailto:wifia@epa.gov).

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### **Burden**

The public reporting and recordkeeping burden for this collection of information is estimated to average 60 hours per response. Send comments on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, included through the use of automated collection techniques to the Director, Regulatory Support Division, U.S. Environmental Protection Agency (2822T), 1200 Pennsylvania Ave., NW, Washington, D.C. 20460. Include the OMB control number in any correspondence. Do not send the completed form to this address.

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### **Warning**

Falsification or misrepresentation of information or failure to file or report information required to be reported may be the basis for denial of financial assistance by EPA. Knowing and willful falsification of information required to be submitted and false statements to a Federal Agency may also subject you to criminal prosecution. See, for example, 18 U.S.C. §1001.

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Additional information about the WIFIA program and the letter of interest form is available at <https://epa.gov/wifia> and by contacting [wifia@epa.gov](mailto:wifia@epa.gov).



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## LETTER OF INTEREST

*Provide the following information in this form or as narrative answers. Narrative answers can reference source documents (include the name of the document and relevant pages or sections). Provide any referenced documents as attachments.*

### Section A: Key Loan Information

**1. Legal name of prospective borrower:**

Los Vaqueros Reservoir Joint Powers Authority

**2. Other names under which the prospective borrower does business:**

None.

**3. Project name (assign a short name to the project for purposes of identification):**

Phase 2 Los Vaqueros Reservoir Expansion Project

**4. Provide a brief description of the project(s) seeking financing. Limit the description to the elements included in the estimated total projects costs in Question A-7. (Word Limit: 300).**

The Los Vaqueros Reservoir Joint Powers Authority (Los Vaqueros JPA) is seeking financing for the Phase 2 Los Vaqueros Reservoir Expansion Project (Phase 2 LVE Project or Project). The Los Vaqueros Reservoir is an off-stream reservoir located in the coastal foothills west of the Sacramento-San Joaquin Delta (Delta), in southeastern Contra Costa County. Contra Costa Water District (CCWD) completed construction of the Los Vaqueros Project in 1997 with an original storage capacity of 100 thousand-acre-feet (TAF) and expanded the reservoir to 160 TAF in 2012 (Phase 1) to address seasonal water quality degradation and drought needs. The Los Vaqueros Reservoir is part of an integrated system with existing intakes, and conveyance infrastructure used to balance delivered water quality and water supply for droughts and emergencies.

The Phase 2 LVE Project is a multi-agency effort that will enlarge the Los Vaqueros Reservoir from 160 TAF to 275 TAF of storage capacity, upgrade existing and construct new conveyance facilities, construct recreation facilities, and re-operate existing facilities to achieve the intended state, federal, and local benefits. The Project involves coordination with and benefits to Reclamation, California Department of Fish and Wildlife, California Department of Water Resources, and Local Agency Partners, including urban and agricultural water agencies located in the Bay Area and San Joaquin Valley and south-of-Delta wildlife refuges in San Joaquin Valley (Partners).

The total cost of the Phase 2 LVE Project is estimated to be \$1,376M. The project is seeking financing for capital costs including planning; engineering; design; environmental documentation, permitting, compliance, and mitigation; land purchase; construction; and financial and other implementation management costs. The Project will include five major elements: Los Vaqueros



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Dam raise, Pumping Plant No. 1 replacement; Transfer-Bethany Pipeline construction, Transfer pump station and conveyance facility modifications, and recreation facilities construction at Los Vaqueros Reservoir.

- 5. Describe the project's or projects' purpose(s) (including quantitative or qualitative details on public benefits the project will achieve). If the loan contains more than one project, the projects must serve a common purpose. Describe the common purpose that the projects share (i.e. addressing sanitary sewer overflows or improving drinking water quality). (Word limit: 300).**

The Phase 2 LVE Project will provide benefits to a diverse group of regional, state, and federal Partners. Benefits quantified below are consistent with methods used in the Final Feasibility Report (Attachment B-1.2b).

**Ecosystem** - The Project will increase Incremental Level 4 water deliveries up to 46 TAF/year on average to south-of-Delta Central Valley wildlife refuges to support optimal wetland habitat and food for migratory birds of the Pacific Flyway, resident bird species, and terrestrial wildlife species. The Project will also achieve ecosystem benefits for seasonal salmonids through improvements at CCWD's Rock Slough intake facilities.

**Emergency Response** - If Delta water supplies are reduced or interrupted by a non-drought emergency (i.e., flood, earthquake, levee failure, or poor Delta water quality), the Project could provide up to 160 TAF of high-quality water to Partners through additional stored water, physical interconnections, and operational flexibilities. During drought emergencies, the Project could provide up to 36 TAF/year of additional water supply to Partners when usual supplies are unavailable.

**Recreation** - The Project will enhance recreation facilities and opportunities in Los Vaqueros Watershed, including expanded facilities for fishing, concessions, and education. Several facilities will be remodeled to improve energy efficiency, supplement onsite education, and create ADA-accessible facilities.

**Water Supply Reliability & Quality** - The Project will provide water supply reliability benefits to Partners by providing new storage and conveyance options, as well as water quality benefits by reducing the salinity of water delivered to customers and ultimately water discharged to the Delta as treated wastewater. The Project will improve water supply reliability for both in-Delta and south-of-Delta Central Valley Project agricultural water agencies of up to 10 TAF/year.

**Operational Flexibility** - The location and the proposed operations of the Project make it ideal for integrating with and increasing operational alternatives for Partners, other regional water supply projects, and Delta operations of the State Water Project and Central Valley Project.

- 6. Requested amount of the WIFIA loan (in dollars). This amount may be no more than 49% of the estimated eligible project costs provided in question A-7 (except for systems that serve a population of 25,000 or less and may request up to 80% of the estimated eligible costs):**

\$674,568,480



**7. Estimated total eligible project costs (in dollars):**

\$1,376,670,368

**8. Identify the date the prospective borrower will submit an application. (Assume invitations to apply will be issued approximately 8 weeks from letter interest submission).**

February 1, 2023

**9. Identify the date the prospective borrower wants to close its WIFIA loan.**

January 2, 2024

**10. Identify the type of entity that the prospective borrower is (pick one):**

- A. Corporation
- B. Partnership
- C. Joint Venture
- D. Trust
- E. Federal, State, or Local Government Entity, Agency, or Instrumentality**
- F. Tribal Government or Consortium of Tribal Governments
- G. State infrastructure Finance Authority

**11. If option E, F, or G was selected in question A-10, does the prospective borrower have legal authority to carry out the proposed project activities described in this Letter of Interest?**

**Yes**                      **No**                      **Not Applicable**

**If yes, cite the legal authority.**

Yes, the Los Vaqueros Reservoir Joint Powers Authority has the legal authority to carry out the Project pursuant to the following regulations:

- California Government Code Section 6588(i) (authority to receive grant funds)
- California Water Code Section 31005 (power to construct works)
- California Water Code Section 31001 (power to perform necessary acts)
- Los Vaqueros Reservoir Joint Exercise of Power Agreement Section 1.6.2, subdivision (c)

**12. If “C. Joint Venture” was selected in question A-10, describe the organizational structure of the project(s) and attach an organizational chart illustrating this structure. Explain the relationship between the prospective borrower, the project, and other relevant parties. Include individual members or titles of the project team(s) and their past experiences with projects of similar size and scope. If multiple parties are involved in the project’s**



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construction, maintenance, and operation, describe the project's risk allocation framework.

Not applicable.

**13. Complete the following table to provide information about the jurisdiction and population served by the system.**

If you serve more jurisdictions than fit on the table, please attach a similar table with the complete list. Provide the filename in the textbox.

File Name: [Att A-13\\_LVE Jurisdiction and Population Served.pdf](#)

Total Population Served by Project: 11,296,000

**14. Borrower department and division name:**

Los Vaqueros Reservoir Joint Powers Authority

**15. Business street address:**

Street Address: 1331 Concord Avenue

City/State/Zip: Concord, CA 94520

**16. Mailing street address (if different from above):**

Same as above.

**17. Employer/taxpayer identification number (EIN/TIN):**

87-3027494

**18. Unique Entity ID from SAM.gov:**

F4ESLAZENK49

**19. National Pollutant Discharge Elimination System (NPDES) and/ or Public Water System (PWS) number (if applicable):**

Not applicable.

**20. If the prospective borrower is not a public entity, is the project(s) publicly sponsored? Please explain.**

Not applicable.



## Section B: Engineering & Credit

**1. Provide applicable technical and environmental reports for each aspect of the project(s).**

These may include:

- Preliminary design/engineering report
- Planning documents
- Federal or State environmental information report or assessment
- Resource-specific technical reports (such as biological or cultural resources)

Provide the filename(s) for each report type in the textbox.

If no such reports are available, provide a detailed description of all major project components and anticipated environmental documentation. Indicate whether the project involves the construction of new facilities or the renovation or replacement of existing ones.

Filename: Att B-1.0\_Phase 2 LVE Technical and Environmental Reports

Attachment B-1.0 listed above provides a summary and list of attachments of the technical and environmental reports submitted with this LOI.

**2. Present the overall project schedule start and end dates for key milestones and costs in the provided tables. For WIFIA loans with one project, fill out Row 1. For WIFIA loans with multiple projects, fill out and create as many rows as needed. For project(s) that may only be seeking planning and design costs, please only complete the planning and design columns. If your projects do not fit on the table, please include a separate table as an attachment.**

Project Name	Planning Dates	Design Dates	Construction Dates
Phase 2 Los Vaqueros Reservoir Expansion Project	Jan 2017 – Dec 2022	Jan 2019 – Jun 2029	Jan 2024 – Dec 2030
Key Project Element	Planning Dates	Design Dates	Construction Dates
Pumping Plant No. 1 Replacement	Jan 2017 – May 2020	Jan 2019 – Dec 2023	Jan 2024 – Dec 2026
Transfer-Bethany Pipeline	Jan 2017 – Dec 2022	Jan 2019 - Dec 2024	Jan 2025 – Oct 2027
Los Vaqueros Dam Raise	Jan 2017 – May 2020	Jan 2019 – Jul 2022	Jun 2026 – Jun 2029
Transfer Facilities	Jan 2017 – May 2020	Jun 2023 – Jun 2025	Jul 2025 - Oct 2027
Recreation Facilities	Jan 2017 – Dec 2022	Mar 2026 – Jun 2029	Jul 2028 - Dec 2030

Provide the filename(s) in the textbox.

File Name: N/A



3. Describe the proposed security (e.g., water utility revenue or general obligation) and priority of payment (senior or subordinate to existing debt) for the WIFIA loan. Provide an existing credit rating that is less than a year old or is actively maintained. The rating should be on the same security and priority as the proposed WIFIA loan.

Credit rating is:

Attached  Not Available

The proposed security is a pledge of revenues received from Los Vaqueros JPA member agencies under service agreements (Service Agreements) between the JPA and each member agency. Pursuant to the terms of the Service Agreements, the Los Vaqueros JPA will generate revenues by charging the Los Vaqueros JPA members service fees sufficient to pay debt service and operating expenses. The WIFIA loan will have a senior lien on Service Agreement revenues. The Service Agreements are not yet in place and will be finalized and executed prior to WIFIA loan closing.

The Los Vaqueros JPA has no outstanding debt and is not yet rated. All of the Los Vaqueros JPA members are municipal water utilities with investment-grade ratings in the single-A category or higher. The credit rating of the Los Vaqueros JPA is expected to be in the single-A or higher reflecting a pass-through of the investment-grade ratings of its members.

4. If credit rating “Not Available” in Question B-4, describe how the WIFIA loan will achieve an investment-grade rating and provide a financial pro forma and three years of audited financial statements. Indicate the filenames in the textbox below.

The financial pro forma should include key long-term (at least 10 years, but no greater than the proposed life of the WIFIA loan) revenues, expenses, and debt repayment assumptions for the revenue pledged to repay the WIFIA loan.

The financial pro forma should be provided in an editable Microsoft Excel format, not in PDF or "values" format and include, at a minimum, the following:

- a. Sources of revenue
- b. Operations and maintenance expenses
- c. Dedicated source(s) of repayment
- d. Capital expenditures
- e. Debt service payments
- f. Projected debt service coverage ratios for total existing debt and the WIFIA debt
- g. The project’s or system’s debt balances broken down by fundingsources
- h. Equity distributions, if applicable

If available, include sensitivity projections for pessimistic, base and optimistic cases. A sample financial pro forma is available at <https://www.epa.gov/wifia/wifia-application-materials-and-resources>. Provide the financial pro forma filename in the textbox.

File Name: Att B-4.0\_2022-08-19 LVE Proforma – WIFIA Model (submitted as .pdf and .xlsx)





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The WIFIA loan is expected to achieve an investment-grade rating as a passthrough of the underlying ratings of the Los Vaqueros JPA members. The Los Vaqueros JPA members are expected to be obligated to make payments to the Los Vaqueros JPA sufficient to fund the Los Vaqueros JPA's debt service obligations and operating expenses. Each of the Los Vaqueros JPA members are municipal water utilities with investment-grade ratings in the single-A category or higher. The credit strength of the Los Vaqueros JPA members, together with a senior-lien pledge of service fees to the WIFIA loan, will support a pass-through of the Los Vaqueros JPA member ratings to the WIFIA loan. The Los Vaqueros JPA will further support its obligations under the WIFIA loan with customary debt service reserve and debt service coverage commitments, expected to include a debt service reserve fund equal to maximum annual debt service.

A proforma financial model is provided in support of this LOI. Three years of audited financial statements are not provided, as the Los Vaqueros JPA is recently formed and has not yet prepared audited financial statements. Included with this LOI are three years of financial statements for the eight Los Vaqueros JPA members. Audited financial statements for the Los Vaqueros JPA for the year ending June 30, 2022 will be separately provided as they become available.

Below is a summary of the attachments inclusive of the Los Vaqueros JPA member financial statements.

Alameda County Water District  
Att B-4.1a\_ ACWD FYE 19 ACFR  
Att B-4.1b\_ ACWD FYE 20 ACFR  
Att B-4.1c\_ ACWD FYE 21 ACFR

Contra Costa Water District  
Att B-4.2a\_ CCWD CAFR 2019  
Att B-4.2b\_ CCWD CAFR 2020  
Att B-4.2c\_ CCWD CAFR 2021

East Bay Municipal Utility District  
Att B-4.3a\_ EBMUD ACFR 2019  
Att B-4.3b\_ EBMUD ACFR 2020  
Att B-4.3c\_ EBMUD ACFR 2021

Grassland Water District  
Att B-4.4a\_ FY 2018-2019 Audited Financial Statements GWD  
Att B-4.4b\_ FY 2019-2020 Audited Financial Statements GWD  
Att B-4.4c\_ FY 2020-2021 Audited Financial Statements GWD

San Francisco Public Utilities Commission  
Att B-4.5a\_ SFPUC AuditedFinancialStatements-Water\_ FY18-19  
Att B-4.5b\_ SFPUC AuditedFinancialStatements-Water\_ FY19-20  
Att B-4.5c\_ SFPUC AuditedFinancialStatements-Water\_ FY20-21

San Luis & Delta-Mendota Water Authority  
Att B-4.6a\_ SLDMWA Audited Financial Statements\_ FY18-19  
Att B-4.6b\_ SLDMWA Audited Financial Statements\_ FY19-20



Att B-4.6c\_SLDMWA Audited Financial Statements\_FY20-21

Santa Clara Valley Water District  
 Att B-4.7a\_SCVWD FY2019 ACFR  
 Att B-4.7b\_SCVWD FY2020 ACFR  
 Att B-4.7c\_SCVWD FY2021 ACFR

Zone 7 Water Agency  
 Att B-4.8a\_2019 Zone 7 Water Agency CAFR  
 Att B-4.8b\_2020 Zone 7 Water Agency CAFR  
 Att B-4.8c\_2021 Zone 7 Water Agency CAFR

5. Provide a sources and uses of funds table for the construction period(s), including the proposed WIFIA loan. For prospective borrowers other than Public Entities, add rows as needed to identify the amount and source(s) of project equity, letters of credit, and other sources of debt as applicable. Information about eligible costs is available in the [WIFIA program handbook](#).

Sources Category	Estimated Dollar Value
1. WIFIA Loan (cannot exceed 49% of eligible costs)	\$674,568,480
2. Revenue Bonds	\$0
3. SRF Loan	\$0
4. Borrower Cash	\$0
5. Previously Incurred Eligible Costs*	\$0
6. Other (WSIP Funding Grant)	\$477,558,343
7. Other (WIIN Act Funding Grant – Secured to date)	\$64,000,000
8. Other (Additional Federal Appropriations)	\$160,543,545
<b>TOTAL SOURCES</b>	<b>\$1,376,670,368</b>
Uses Category	Estimated Cost
1. Construction	\$911,519,990
2. Design	\$76,417,081
3. Planning	\$57,633,062
4. Land Acquisition	\$81,301,134
5. Other Capital Costs	\$44,257,671
6. Contingency	\$121,818,627
7. Total Capital Costs	\$1,292,947,565
8. Financing Costs	\$61,457,241
9. Other (Administration Costs Pre-Operations)	\$22,265,562
10. Other	\$0
<b>TOTAL USES</b>	<b>\$1,376,670,368</b>

\*Previously Incurred Eligible Costs are project related costs incurred prior to the WIFIA loan’s execution. Please see the WIFIA Program Handbook for additional information on Eligible Costs.



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## Section C: Selection Criteria

*For each question answered yes, provide a response to explain how the project seeking the WIFIA loan achieves the stated result. When applicable, reference attachments. Responses to these questions will allow the WIFIA program to evaluate the project in relation to the selection criteria outlined in the NOFA. If the Letter of Interest contains multiple projects, include information about any of the projects that would fit the selection criteria. See [Attachment A: Selection Criteria & Scoring](#) for more information.*

### **1. Explain how this project will support economic growth, including construction and post- construction jobs.**

**Long-Term Economic Growth** – The Project will support long-term economic growth in the San Francisco Bay Area and in the San Joaquin Valley.

The San Francisco Bay Area’s economy has an annual gross domestic product (GPD) of over \$1 trillion, which would rank it fifth among U.S. states and 17th among world countries.(1) The Bay Area has a diverse economic base, including financial industry, tourism, heavy industry, metalworking, oil, shipping, technology industry, agriculture, and wine industries. During recent droughts, Bay Area water agencies experienced substantial cutbacks in water supplies. Aggressive conservation programs, water transfers, and storage in local reservoirs and groundwater basins have helped water agencies manage water supplies and minimize the severity of rationing for their customers during dry years. However, as demands in and outside the Bay Area increase, shortages in dry and critically dry years will also increase. Furthermore, competition for California’s finite water supplies amid future shortages may affect the ability of water agencies to acquire water on the open market to supplement their local and contract supplies. There is an increasing need to improve dry-year water supply reliability for Bay Area water agencies and California as a whole, particularly beyond 2030.

A primary objective of this Project is to increase water supply reliability for water providers, help meet municipal and industrial (M&I) water demands during drought periods and emergencies, and to address shortages due to regulatory and environmental restrictions. The Project would provide the Bay Area agencies with about 36,000 acre-feet/year of water supplies during dry conditions to reduce impacts to customers and local economy, on average. In addition, water stored in an expanded Los Vaqueros Reservoir would also provide emergency supplies to water agencies in the event of a prolonged disruption. These disruptions include the risk of a seismic, flood, or other catastrophic event. The Project would make available up to 160,000 acre-feet of emergency supplies during such events. This Project has been recognized as one of key investments for the Bay Area to bolster and support long-term economic growth in the region by the Bay Area Regional Reliability Partnership.(2)

The Phase 2 LVE Project will also integrate operations with the Central Valley Project’s (CVP) Delta export operations to increase Level 2 water supplies for the Refuges and consequently make available pumping capacity at the Jones Pumping Plant to enable additional Delta deliveries to other CVP south-of-Delta contractors and SLDMWA member agencies. The additional, high-quality water supply will support and improve economic growth for related agricultural operations in the San Joaquin Valley.

**Construction-Related Employment** - The Project would result in local employment in the region as a result of the construction expenditures of over \$1,265 million over a 9-year period. Annual



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employment effects of the Project construction include direct, indirect (supplier and supporting industries), and induced employment effects. U.S. employment multipliers for 2019 for the construction industry estimate that construction spending of \$1 million would result in 5.45 direct job, 4.80 supplier jobs, and 6.1 induced jobs.<sup>(3)</sup> Therefore, the Project construction spending of \$1,265 million would result in approximately 6,894 direct jobs, 6,072 supplier jobs, and 7,716 induced jobs.

**Post-Construction Employment** - The Project would also result in post-construction employment in the area. The Los Vaqueros Dam raise and associated new facilities would introduce long-term facility operations, maintenance, and replacement expenditures of approximately \$12 million per year. In addition, five full time equivalent maintenance staff would be required to service new Project facility and operations (Reclamation, 2020). Additionally, increased reservoir levels and improved access to the Los Vaqueros Reservoir Watershed trails and marina would increase recreational visitation and spending. The net economic benefit of these activities is estimated at \$220,000 per year (Reclamation, 2020).

Sources:

(1) <https://www.bea.gov/data/gdp/gdp-county-metro-and-other-areas>

(2) <https://www.bayareareliability.com/>

(3) J. Bivens; Updated employment multipliers for the U.S. economy; Economic Policy Institute, January 23, 2019: <https://www.epi.org/publication/updated-employment-multipliers-for-the-u-s-economy/>

**2. What, if any, voluntary procedures do you have in place to promote domestic preference for products being used to construct the project?**

The Los Vaqueros JPA does not have voluntary procedures in place to promote domestic preference for products being used to construct the Project. The Project will comply with WIFIA policies regarding the Build America, Buy America Act and can adopt policies and procedures to accommodate these requirements as needed.

**3. Will the project support international commerce?**

The Project will indirectly support international commerce by providing increased water supplies and improving water supply reliability to Los Vaqueros JPA members that supply water to farmers that grow high-value crops and products that are sold internationally (nuts, fresh fruits, vegetables, livestock, etc.). Los Vaqueros JPA members also provide supplies to the technology and manufacturing sectors in the Silicon Valley, which has an integral international nexus.

**4. Explain how the project will protect human health and/or the environment, including drinking water protection, source water protection, water quality, and water quantity.**

The primary purpose of the Los Vaqueros Reservoir is to address seasonal water quality degradation associated with the Sacramento/San Joaquin River Delta (Delta) water supplies. CCWD stores water in Los Vaqueros Reservoir that is diverted from the Delta when water quality is favorable, for later release and blending with Delta sources when Delta water quality is degraded.

The Delta, which provides a significant portion of the region's water, is subject to considerable seasonal and geographic variations in water quality due to hydrology, the Delta inflow/outflow ratio,



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water temperature, seawater intrusion, runoff from urban and agricultural land uses, and numerous other factors. Seasonally high salinity, bromide, and organic carbon concentrations found in water delivered to the San Francisco Bay Area, particularly in the late summer and fall, can increase the cost of treatment, cause poor water odor and taste, and reduce the life of household appliances that are sensitive to mineral and salt concentrations. High levels of bromide can also react with disinfectants used in conventional treatment processes to produce harmful by-products that pose a human health hazard.

In addition, poor water quality reduces the effectiveness of blending strategies to maintain and deliver high-quality water with minimal taste, odor, and salinity issues, and limits the beneficial uses of the diverted water for groundwater recharge and other purposes. Agencies without the ability to receive and store Delta water deliveries in excess of their immediate needs cannot take advantage of periods of higher water quality in the Delta; they must take deliveries coincident with demands, regardless of quality.

The Phase 2 LVE Project would increase Los Vaqueros Reservoir capacity from 160,000 to 275,000 acre-feet, increasing CCWD's ability to maintain the water quality of its deliveries to customers. This is of critical importance to CCWD and its retail and wholesale customers (e.g., City of Brentwood), particularly as the increasing frequency and severity of droughts in California challenge agencies who rely on the Delta for water supply to stay in compliance with water quality standards. Furthermore, the Project would enable the storage of higher quality water in the reservoir from further upstream of the Delta. This would reduce the volumes required for blending and extend the water reliability benefits of the Project.

The Phase 2 LVE Project would also provide a water supply reliability benefit by providing new means of storing and conveying existing water supplies for Partners and by providing new sources of water to some Partners. Supplemental water supplies would be delivered to Partners outside of drought emergency periods depending on the specified needs of each individual agency. Deliveries to Alameda County Water District, East Bay Municipal Utility District, and Santa Clara Valley Water District, for example, outside of drought emergency periods would help those agencies recover from droughts and are considered part of their drought management. Other agencies such as the San Francisco Public Utilities Commission and Zone 7 have indicated a need for reliable every-year water supplies. The Phase 2 LVE Project would provide a water supply reliability benefit by delivering up to 31 TAF/year on average to Partners outside times of drought emergency.

The Phase 2 LVE Project would improve water quality by reducing the salinity of water delivered to customers and ultimately the quality of water that is discharged to the Delta as treated wastewater. The City of Brentwood relies on diversions from the Delta and local groundwater for water supply and has identified a need for a source of water quality blending water, in order to continue to meet its National Pollutant Discharge Elimination System (NPDES) permit requirements for salinity in its treated wastewater effluent. Water from the Project would replace a portion of their more saline water supplies and would reduce the total salinity in the water delivered and ultimately discharged. The Phase 2 LVE Project would improve water quality by reducing the salinity of water delivered to the City of Brentwood by up to 28 mg/L chlorides.

In some years, supplies from San Luis Reservoir are constrained due to algae blooms that affect Santa Clara Valley Water District's intakes at San Luis Reservoir (this condition is referred to as the "low point") and impede Santa Clara Valley Water District's ability to treat the water and/or use the water for groundwater recharge. The Project would offer the Santa Clara Valley Water District an alternative point of diversion and conveyance route that would help it manage the San Luis Reservoir low point issue. The Project would improve the flexibility of water management, and water quality delivered to Santa Clara Valley Water District during low point conditions would



improve.

5. **Does the project protect the system, project specific asset, or community from extreme weather events such temperature, storms, floods, or sea level rise? Discuss the extent to which planning addressed changes in future frequency of such events.**

Although storage and conveyance facilities implemented under the Phase 2 LVE Project will be utilized during any climate scenario, a key objective of the Project is to build climate resilience in California and protect communities from drought and other climate change impacts to water supplies such as reduced water availability and poor water quality.

The Phase 2 LVE Project is geographically located in California such that it will facilitate improvements in climate change resilience for participating agencies in the region. Los Vaqueros Reservoir is an off-stream reservoir located in the Delta, the downstream confluence of the Sacramento River and San Joaquin River systems. Many of the Project’s Partners import their water from the Delta and become immediately impacted when Delta supplies are curtailed or when water quality is poor, and substantially impacted if those conditions persist during a short- or long-term drought. The Project is designed to be able to pump water into the Los Vaqueros Reservoir when there is ample fresh water in the Delta and then release the water at a later time when supplies are limited or water quality is poor.

Projections of future climate conditions indicate that compared to historical conditions, more precipitation will fall as rain rather than snow – the wetter times will be wetter and the dry times will be drier. Upstream reservoirs that provide flood protection will not be able to store increased winter precipitation that falls as rain; it will instead flow downstream to the Delta. Providing new storage – a primary benefit of the Project – will improve water supply management such that stable, reliable supplies are available even during extreme droughts and as California’s precipitation patterns change and become more extreme.

6. **Does the project reduce greenhouse gas emissions?** **No**
7. **Does the project serve a population in a region impacted by significant energy exploration, development, or production areas?** **No**
8. **Does the project protect water resources with exceptional recreational value or ecological importance?**

**Yes**                      **No**

**If yes, identify the water resources, why it has exceptional recreational value or ecological importance, and describe how the project protects it.**

Wildlife refuges in California’s Central Valley are managed by the U.S. Fish and Wildlife Service, California Department of Fish and Wildlife, and private landowners. These refuges are the few remaining sizable wetland habitats in the Central Valley and provide habitat and food for migratory birds of the Pacific Flyway and resident bird species, as well as many wildlife species. Water supply for these vital ecological resources is subject to significant challenges from droughts and increased competition for the finite water resources in California. Key factors affecting the State and Federal



agencies' ability to maintain adequate and reliable supply to the refuges include:

- Funding constraints that limit the ability to acquire water supplies on the competitive water market.
- Increased competition for surface water supplies south of the Delta further limits the availability of willing sellers and increases the price for water acquisitions. This is due to hydrological conditions (drought), regulatory constraints (Biological Opinions governing Delta operations), and the willingness of municipal, industrial, and agricultural water users to pay higher prices to secure available supplies in all year types.
- Limited Delta conveyance restricts the ability to acquire North-of-Delta supplies and deliver them to refuges south of the Delta.
- Lack of dedicated storage for refuge water supplies limits the ability to carry-over acquired water from one year to the next.

The Project would provide a dedicated, long-term refuge water supply through dedicated storage and new conveyance facilities. An average of 46,000 acre-feet/year of new supplies will be provided annually to refuges. As a result, refuge habitat production would improve due to greater available water for ecosystem functions and food production.

The increased health of refuges would also affect recreation participation. There would be more wildlife production and better viewing opportunities, and more fish and target hunting species. This would result in (1) higher willingness to pay per visit for all visitors due to increased quality of the site visit (e.g., greater numbers and diversity of wildlife viewed, and better fishing and hunting potential success); and (2) net increase in visits, both among existing participants and new visitors.

The Project Final Feasibility Study (Attachment B-1.2b) estimated that the net increase in recreation participation for wildlife viewing, fishing, and hunting would be 21,125 visitors, 17,252 visitors, and 3,617 visitors, respectively. The combined totals of higher per-visit value plus the increased visitors would result in a total of \$36.8 million/year for all three activities.

**9. Is the project identified as a municipal, regional, state, or multistate priority?**

**Yes**

**No**

**If yes, attach the relevant document and write in the textbox the filename and relevant section(s) or page(s).**

**CALFED Bay-Delta Program** - Following the 1994 Bay-Delta Accord, CALFED, a collaboration of numerous Federal, California state, and local agencies, established a program to address water quality, ecosystem quality, water supply reliability, and levee system integrity. Major CALFED programs include the conveyance, water transfer, Environmental Water Account, water use efficiency, water quality, levee system integrity, ecosystem restoration and watershed management, and storage programs.

The Preferred Program Alternative in the CALFED PEIS/R (CALFED 2000c) identified an enlargement of Los Vaqueros Reservoir as one of five surface water storage projects to be investigated. Following issuance of the CALFED Final PEIS/R in July 2000, the CALFED agencies issued the CALFED Programmatic Record of Decision in August 2000 that identified 12 action plans, which included a project-specific study of expanding Los Vaqueros Reservoir by up to 400,000 acre-feet with local partners.



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**U.S. Department of Interior, Bureau of Reclamation** - The Secretary of the Interior was authorized to undertake feasibility studies for enlarging Los Vaqueros Reservoir in February 2003 through the Consolidated Appropriations Resolution, 2003 (Public Law 108-7). In October 2004, the Water Supply, Reliability, and Environmental Improvement Act (Public Law 108-361) authorized the Secretary of the Interior to execute planning and feasibility studies for enlarging Los Vaqueros Reservoir. In addition, Congress subsequently provided guidance in Section 208 of the Consolidated Appropriations Act, 2014 (Public Law 113-76), which authorizes Reclamation to participate in water storage projects. Further authorizations and guidance on the feasibility investigation were provided by Congress in Section 205 of the Consolidated Appropriations Act, 2016 (Public Law 114-113).

Congress provided construction related authorizations in Section 4007 of the Water Infrastructure Improvements for the Nation (WIIN) Act (Public Law 114-322) for “State-led storage projects that the Secretary of the Interior determines to be feasible before January 1, 2021.” The WIIN Act is a legislative measure to provide water relief in California and other western states, as well as increasing recreation and conservation and improving management of water and other natural resources.

Consistent with these Federal authorizations, including the WIIN Act, the Project Final Feasibility Report was completed by Reclamation in 2020 (Attachment B-1.2b). The Secretary of Interior certified the technical, environmental, economic, and financial feasibility of the Project. It also recommended Federal participation in the Project construction with 25% Federal cost-share.

**California Water Commission** - On November 4, 2014, California voters approved Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014. Chapter 8 of Proposition 1 provides \$2.7 billion for public benefits associated with water storage projects that improve the operation of California’s water system, are cost effective, and provide a net improvement in ecosystem and water quality conditions, in accordance with provisions contained in Chapter 8 (California Water Code section 79750 (b)).

Through a competitive public process, the California Water Commission is awarding funding through the Water Storage Investment Program (WSIP). In July 2018, the California Water Commission made an initial funding decision of \$459 million towards the construction of the Project. In 2022, the California Water Commission increased its maximum conditional eligibility determination for the Project to \$477 million to adjust for inflation.

**Bay Area Regional Reliability Partnership** - In 2014, the San Francisco Bay Area’s largest public water agencies agreed to work together toward regional solutions to improve the water supply reliability for the more than 6 million residents and thousands of businesses and industries in the area. The objective of the Bay Area Regional Reliability Partnership is to enable Bay Area agencies to work cooperatively to address regional water supply reliability concerns and drought preparedness on a mutually beneficial basis. Together Alameda County Water District, Bay Area Water Supply and Conservation Agency, CCWD, East Bay Municipal Utility District, Marin Municipal Water District, San Francisco Public Utility Commission, Santa Clara Valley Water District, and Zone 7 identified the Project as key element for regional drought contingency and long-term water reliability.(1)

Source:

(1) Bay Area Regional Reliability Drought Contingency Plan:  
<https://www.bayareareliability.com/uploads/BARR-DCP-Final-12.19.17-reissued.pdf>





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**10. Is the project designed to address an existing compliance issue or maintain compliance?**

**Yes**

**No**

The City of Brentwood has identified a need for a water quality blending source, in order to help it continue meeting its National Pollutant Discharge Elimination System (NPDES) permit requirements for salinity in its treated wastewater effluent. Under the Project a new pipeline would be constructed to the City of Brentwood Water Treatment Plant. This would allow the City of Brentwood to receive higher water quality from the Project compared to its current supply sources. Up to 3,000 acre-feet of storage under Existing Conditions and 10,000 acre-feet under Future Conditions would be dedicated in Los Vaqueros Reservoir for Brentwood's water quality blending use. Therefore, the Project will support City of Brentwood maintain compliance with its NPDES permit.

**11. Does the project reduce exposure to lead or emerging contaminants within a drinking water or wastewater system?**

The Project will reduce exposure to per- and polyfluoroalkyl substances (PFAS). Several member agencies operate wells in basins that are contaminated by PFAS. Receiving more water from the Project will allow them to reduce or cease the use of contaminated groundwater.

The Alameda County Water District (ACWD) depends on the Niles Cone Groundwater Basin (Niles Cone) to meet approximately 33% of its water demands. Several PFAS constituents have been detected in the Niles Cone at levels above their notification levels, limiting ACWD's ability to use this source of water. Project participation would provide an alternative water supply that could reduce reliance on contaminated groundwater supplies.

Zone 7 operates its groundwater basin by recharging water during wet years and pumping water during peak periods, dry years, and facility outages. Zone 7 has detected PFAS compounds above regulatory levels in its groundwater, which is a challenge because Zone 7 relies heavily on its groundwater basin as its main local storage option and as a key source of supply during droughts and emergencies. The Project would diversify Zone 7's local storage options, thereby giving Zone 7 increased operational flexibility in using the groundwater basin in a way that is most protective of public health. Managing PFAS compounds in the groundwater basin has significant cost and operational impacts to Zone 7.

The Project will also reduce Santa Clara Valley Water District's exposure to PFAS in its groundwater supplies. Santa Clara Valley Water District utilizes several drinking water supply wells that have been impacted by PFAS and has since taken these groundwater wells out of operation out of an abundance of caution. The Project will increase system flexibility to allow the Santa Clara Valley Water District to better manage its groundwater supplies and reduce reliance on impacted wells.

**12. Does this project or projects include costs for implementing cybersecurity measures?**

**Yes**

**No**

**If yes, please describe these measures and associated costs.**

CCWD will be the operator of the Project. CCWD follows National Institute of Standards and Technology (NIST) framework for cybersecurity and ensures that all appropriate vendors are Federal Risk and Authorization Management Program (FedRAMP) compliant. CCWD created a



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new position in fiscal year 2023 for a Senior Cybersecurity Analyst that will work directly on the Project. The costs of cybersecurity are included as a component of the overhead rate that CCWD charges to the Los Vaqueros JPA for work performed and cybersecurity costs are included in the WIFIA Proforma model.

The Project facilities are being designed to provide a high level of automation, consistent with the current practice at CCWD existing facilities. Remote terminal control units at each facility will communicate with the Bollman Control Center, which is the current primary operation control facility for CCWD. Control units are envisioned to communicate via a series of microwave towers, on a segregated network, connecting to Bollman Control Center. Telecommunication and control systems are being designed and implemented consistent with CCWD cybersecurity policy.

**13. Will the project implement new or innovative technology(ies), such as using renewable or alternate sources of energy, water recycling, or desalination?**

While the Project would not directly implement innovative technologies, this Project is the first regional project in the area and is intended to support further development of innovative technologies and future water supply such as advanced treatment and water recycling. While the Los Vaqueros Reservoir JPA was officially established in 2021, the JPA member agencies have been working together collaboratively for decades to resolve water management issues in the region.

Several recent efforts amongst some of the member agencies of the Los Vaqueros JPA helped to establish and provide momentum for the Project. In 2011, Project partners signed a memorandum of understanding to fund several studies of a regional desalination facility. In 2013, several Project partners funded a series of studies evaluating the expansion of recycled water. Those studies concluded that the innovative new supplies would be most beneficial and feasible by coupling them with expanded storage (like the expanded Los Vaqueros Reservoir) and additional interconnections among partner agencies (like the Transfer-Bethany Pipeline). The Project will provide the necessary storage to allow for efficient operations of the advanced treatment and recycled water projects, and its conveyance facilities will provide the necessary means to deliver and exchange supplies generated by advanced treatment and recycled water projects.

In 2017, a regional drought contingency plan was published by the Bay Area Regional Reliability Partnership which identified a suite of drought mitigation measures including this Project, regional desalination project, a series of interties, and multiple recycled water projects. This Project is the essential first step to further future development of innovative water supplies. The Bay Area Regional Reliability Drought Contingency Plan is available at the following link:  
<https://www.bayareareliability.com/uploads/BARR-DCP-Final-12.19.17-reissued.pdf>

**14. Will the project use new or innovative approaches to plan, design, manage, and/or implement the project?**

Yes

No

The Project is innovative in its approach to facilitating CCWD and Project Partners to deliver, receive, and manage ecosystem, drought and non-drought emergency water supply, recreation, water supply reliability, water quality, and operational flexibility benefits. The Project accomplishes



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a significant leap in water storage and banking (stored at one time for delivery at a later time) practices in California. The Project will be the first Surface Water Storage Bank in California that will be used to bank federal and state supplies. California Department of Water Resources and the U.S. Bureau of Reclamation are updating their water supply contracts to allow for federal and state supplies to be banked in the Project. While water contractors have been allowed to bank state and federal supplies in groundwater banks for many decades, this will be the first surface water reservoir where state and federal supplies can be banked.

The Project is also innovative in the way it is governed. The JPA members represent diverse interests (municipal suppliers, agricultural suppliers, wildlife refuge managers) that historically have not worked together and been in conflict. Ensuring that all beneficiaries of the Project have a seat at the table creates an equitable and inclusive governance structure that has not been employed in the past development of water projects in California.

**15. WIFIA funding would**

- Delay the project development schedule
- Have no impact on the project development schedule
- Accelerate the project development schedule**
- Allow you to implement other high priority projects sooner than anticipated**
- Be the only funding option that would all the project to be implemented

**16. Will WIFIA financing reduce the contribution of Federal assistance to the project?**

**No**



## Section D: Contact Information

1. Primary point of contact

Marguerite Patil  
Interim Administrator  
Los Vaqueros Reservoir Joint Powers Authority  
1331 Concord Avenue  
Concord, CA 94520  
(925) 688-8018  
mpatil@ccwater.com

2. Secondary point of contact

Maggie Dutton  
Grants Specialist  
Contra Costa Water District  
1331 Concord Avenue  
Concord, CA 94520  
(925) 688-8132  
mdutton@ccwater.com



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## Section E: Certifications

Please sign at the end of Section E before submitting.

1. *National Environmental Policy Act:* The prospective borrower acknowledges that any project receiving credit assistance under this program must comply with all provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and that EPA will not approve a loan for a project until a final agency determination, such as a Categorical Exclusion (CATEX), Finding of No Significant Impact (FONSI), or a Record of Decision (ROD), has been issued.
2. *American Iron and Steel:* The prospective borrower acknowledges that any project receiving credit assistance under this program for the construction, alteration, maintenance, or repair of a project may only use iron and steel products produced in the United States and must comply with all applicable guidance.
3. *Buy America Preference:* The prospective borrower acknowledges that any project receiving credit assistance under this program for the construction, alteration, maintenance, or repair of a project may only use domestic iron/steel, manufactured produces and construction materials produced or manufactured in the United States and must comply with all applicable guidance.
4. *Prevailing Wages:* The prospective borrower acknowledges that all laborers and mechanics employed by contractors or subcontractors on projects receiving credit assistance under this program shall be paid wages at rates not less than those prevailing for the same type of work on similar construction in the immediate locality, as determined by the Secretary of Labor, in accordance with sections 3141-3144, 3146, and 3147 of Title 40 (Davis-Bacon wage rules).
5. *Lobbying:* Section 1352 of Title 31, United States Code provides that none of the funds appropriated by any Act of Congress may be expended by a recipient of a contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, or an employee of a Member of Congress in connection with the award or making of a Federal contract, grant, loan, or cooperative agreement or the modification thereof. The EPA interprets this provision to include the use of appropriated funds to influence or attempt to influence the selection for assistance under the WIFIA program.

WIFIA prospective borrowers must file a declaration: (a) with the submission of an application for WIFIA credit assistance; (b) upon receipt of WIFIA credit assistance (unless the information contained in the declaration accompanying the WIFIA application has not materially changed); and (c) at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the information contained in any declaration previously filed in connection with the WIFIA credit assistance.

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.



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2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. *Debarment*: The undersigned further certifies that it is not currently: 1) debarred or suspended ineligible from participating in any Federal program; 2) formally proposed for debarment, with a final determination still pending; or 3) indicted, convicted, or had a civil judgment rendered against it for any of the offenses listed in the Regulations Governing Debarment and Suspension (Governmentwide Nonprocurement Debarment and Suspension Regulations: 2 C.F.R. Part 180 and Part 1532).

7. *Default/Delinquency*: The undersigned further certifies that neither it nor any of its subsidiaries or affiliates are currently in default or delinquent on any debt or loans provided or guaranteed by the Federal Government.

8. *Other Federal Requirements*: The prospective borrower acknowledges that it must comply with all other federal statutes and regulations, as applicable. A non-exhaustive list of federal cross-cutting statutes and regulations can be found at <https://www.epa.gov/wifia/wifia-federal-compliance-requirements>.

9. *Signature*: By submitting this letter of interest, the undersigned certifies that the facts stated and the certifications and representations made in this letter of interest are true, to the best of the prospective borrower's knowledge and belief after due inquiry, and that the prospective borrower has not omitted any material facts. The undersigned is an authorized representative of the prospective borrower.

Signature: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Marguerite Patil  
Interim Administrator  
Los Vaqueros Reservoir Joint Powers Authority  
1331 Concord Avenue  
Concord, CA 94520  
(925) 688-8018  
mpatil@ccwater.com



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## Section F: Notification of State Infrastructure Financing Authority

*Please sign at the end of Section F before submitting.*

By submitting this letter of interest, the undersigned acknowledges that EPA will (1) notify the appropriate State infrastructure financing authority in the State in which the project is located that the prospective borrower submitted this letter of interest; and (2) provide the submitted letter of interest and all source documents to that State infrastructure financing authority.

Prospective borrowers that **do not want their letter of interest and source documents shared with the State infrastructure financing authority** in the state in which the project is located may opt out by initialing here\_\_\_\_\_.

If a prospective borrower opts out of sharing a letter of interest, EPA will still notify the State infrastructure financing authority within 30 days of receiving a letter of interest.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Marguerite Patil  
Interim Administrator  
Los Vaqueros Reservoir Joint Powers Authority  
1331 Concord Avenue  
Concord, CA 94520  
(925) 688-8018  
mpatil@ccwater.com



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## KEY DEFINITIONS

- (a) *Administrator* means the Administrator of EPA.
- (b) *Credit assistance* means a secured loan or loan guarantee under WIFIA.
- (c) *Eligible project costs* mean amounts, substantially all of which are paid by, or for the account of, an obligor in connection with a project, including the cost of:
- (1) Development-phase activities, including planning, feasibility analysis (including any related analysis necessary to carry out an eligible project), revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other preconstruction activities;
  - (2) Construction, reconstruction, rehabilitation, and replacement activities;
  - (3) The acquisition of real property or an interest in real property (including water rights, land relating to the project, and improvements to land), environmental mitigation (including acquisitions pursuant to section 33 U.S.C. §3905(7)), construction contingencies, and acquisition of equipment; and
  - (4) Capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction.
- (d) *Iron and steel products* means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.
- (e) *Buy America Preference* means the iron/steel, manufactured products and construction materials used in a project are produced or manufactured in the United States, including:
- (1) all iron and steel used in a project across all manufacturing processes, from initial melting stage through the application of coatings, occurred in the United States.
  - (2) all manufactured product used in the project are produced in the United States; and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total components of the manufactured product unless another standard has been established.
  - (3) all manufacturing processes for the construction materials used in a project occurred in the United States. Such as the following construction materials: “non-ferrous metals, plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables), concrete and other aggregates, glass (including optic glass), lumber, and drywall”
- (f) *Project* means:
- (1) Any project for flood damage reduction, hurricane and storm damage reduction, environmental restoration, coastal or inland harbor navigation improvement, or inland and





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intracoastal waterways navigation improvement that the Secretary determines is technically sound, economically justified, and environmentally acceptable, including—

- (A) a project to reduce flood damage;
  - (B) a project to restore aquatic ecosystems;
  - (C) a project to improve the inland and intracoastal waterways navigation system of the United States; and
  - (D) a project to improve navigation of a coastal or inland harbor of the United States, including channel deepening and construction of associated general navigation features.
- (2) 1 or more activities that are eligible for assistance [under section 1383\(c\) of this title](#), notwithstanding the public ownership requirement under paragraph (1) of that subsection.
- (3) 1 or more activities described in section [300j-12\(a\)\(2\) of title 42](#).
- (4) A project for enhanced energy efficiency in the operation of a public water system or a publicly owned treatment works.
- (5) A project for repair, rehabilitation, or replacement of a treatment works, community water system, or aging water distribution or waste collection facility (including a facility that serves a population or community of an Indian reservation).
- (6) A brackish or sea water desalination project, including chloride control, a managed aquifer recharge project, a water recycling project, or a project to provide alternative water supplies to reduce aquifer depletion.
- (7) A project to prevent, reduce, or mitigate the effects of drought, including projects that enhance the resilience of drought-stricken watersheds.
- (8) Acquisition of real property or an interest in real property—
- (A) if the acquisition is integral to a project described in paragraphs (1) through (6); or
  - (B) pursuant to an existing plan that, in the judgment of the Administrator or the Secretary, as applicable, would mitigate the environmental impacts of water resources infrastructure projects otherwise eligible for assistance under this section.
- (9) A combination of projects, each of which is eligible under paragraph (2) or (3), for which a State infrastructure financing authority submits to the Administrator a single application.
- (10) A combination of projects secured by a common security pledge, each of which is eligible under paragraph (1), (2), (3), (4), (5), (6), (7), or (8), for which an eligible entity, or a combination of eligible entities, submits a single application.

(g) *Public entity* means:

- (1) a Federal, State, or local Governmental entity, agency, or instrumentality; or
- (2) a Tribal Government or consortium of Tribal Governments.

(h) *Publicly sponsored* means the obligor can demonstrate, to the satisfaction of the Administrator that it has consulted with the affected State, local or Tribal Government in which the project is located, or is otherwise affected by the project, and that such government supports the proposed project. Support can be shown by a certified letter signed by the approving municipal department or similar agency, mayor or other similar designated authority, local ordinance, or any other means by which local government approval can be evidenced.




- (i) *State infrastructure financing authority* means the State entity established or designated by the Governor of a State to receive a capitalization grant provided by, or otherwise carry out the requirements of, title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et. seq.) or section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12).
- (j) *Treatment works* has the meaning given the term in section 212 of the Federal Water Pollution Control Act (33 U.S.C. 1292).
- (k) *WIFIA* means the Water Infrastructure Finance and Innovation Act of 2014, Pub. L. 113-121, 128 Stat, 1332, codified at 33 U.S.C. §§ 3901-3914.



## Attachment A: Selection Criteria & Scoring

<b>Project Readiness Criteria</b>	<b>LOI Responses Evaluated</b>
Readiness to proceed	Section A: Q8,Q9 Section B: Q2
Preliminary engineering feasibility analysis	Section A: Q4 Section B: Q1
<b>Borrower Creditworthiness Criteria</b>	<b>LOI Responses Evaluated</b>
Enables project to proceed earlier	Section C: Q15
Financing plan	Section B: Q6
Reduction of Federal assistance	Section C: Q16
Required budget authority	Evaluated as part of the creditworthiness review
Preliminary creditworthiness assessment	Section B: Q3, Q4, Q5 and review of credit documents and credit information provided
<b>Project Impact Criteria</b>	<b>LOI Responses Evaluated</b>
National or regional significance (5 points)	Section C: Q1, Q2, Q3, Q4, Q5
Protection against extreme weather events (25 points)	Section C: Q5, Q6
Serves energy exploration or production areas (5 points)	Section C: Q7
Serves regions with water resource challenges (5 points)	Section C: Q5, Q6, Q8, Q9
Addresses identified priorities (5 points)	Section C: Q9, Q10
Repair, rehabilitation, or replacement (5 points)	Section A: Q4 Section B: Q1
Economically stressed communities (25 points)	Section A: Q13 Evaluated based on national census data related to jurisdiction.
Reduces exposure to lead & emergent contaminants (25 points)	Section C: Q11
New or innovative approaches (25 points)	Section C: Q13, Q14

An aerial photograph of the Los Vaqueros Reservoir, showing the water body surrounded by green hills and a winding road. The sky is blue with scattered white clouds. The text is overlaid on the center of the image.

**Los Vaqueros Reservoir  
Joint Powers Authority  
Finance Committee  
Agenda Item 1.2  
Draft WIFIA Letter of Interest**

**August 25, 2022**

# WIFIA LOI Update

- Chair of Finance Committee and staff had a call with staff at the U.S. Environmental Protection Agency (EPA)
- Staff reviewed and provided comments
- Draft WIFIA Letter of Interest (LOI) provided for Committee review in packet
- Intend to submit LOI package on September 6
- Plan to meet with EPA staff during Washington D.C. trip on September 20 - 21

# Letter of Interest Overview

- Rolling application period opens September 6<sup>th</sup>
- LOI is a pdf form document with limitations on formatting
- LOI will include many attachments as supporting documentation
- Turnaround for decision from EPA is ~8 weeks
- Mechanics of the WIFIA loan will be determined with EPA staff after LOI approval

# Letter of Interest Sections

- A. Key Loan Information
- B. Engineering & Credit\*
  - I. WIFIA Proforma
  - II. Sources & Uses of Funds
- C. Selection Criteria\*
- D. Contact Information
- E. Certifications
- F. Notification of State Infrastructure Financing Authority

# Section A: Key Loan Information

- Borrower
- Project description and purpose (including benefits)
- Requested loan amount: \$674,568,480
- Application and loan projected dates
- Entity type and authority to carry out project



## Section B: Engineering & Credit

- Inventory of technical and environmental reports prepared for the Project:
  - Letters and agreements
  - Engineering and technical reports
  - Environmental documents
  - Environmental permits
- Project overall and facility schedules

## Section B: Engineering & Credit

- Credit rating and proposed securities
- Proforma financial model
- Audited financial statements for JPA Members
- Table summary of funding sources and uses

# WIFIA Proforma Model – Sources and Uses of Funds

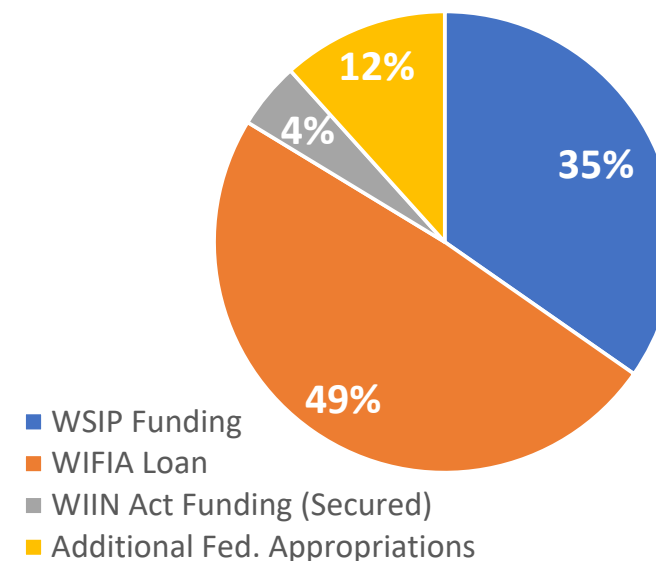
- LOI packet includes the WIFIA Proforma Model
- WIFIA Proforma Model is still under Q&A review ahead of LOI submission

## 1. Sources of Funds (\$000s)

WSIP Funding	477,558	34.7%
WIFIA Loan	674,568	49.0%
WIIN Act Funding (Secured)	64,000	4.6%
Additional Fed. Appropriations	160,544	11.7%
<b>Total</b>	<b>1,376,670</b>	

## 2. Uses of Funds (\$000s)

Development and Construction Costs	1,245,375
Capital Project Fund Reserve	47,573
Debt Service Reserve Fund	39,995
Financing Costs	19,115
JPA Administration Cost (Pre-Operations)	18,534
Administrative and Operating Fund Reserve	3,731
Payment of Interest on LAP Contributions	2,347
<b>Total</b>	<b>1,376,670</b>



# WIFIA Proforma Model – Sources and Uses of Funds

- The updated WIFIA Proforma Model is based on the updated 2022 development and construction budget

	WIFIA Proforma
Development and Construction Budget	\$980 Million (2022\$)
Development and Construction Budget (Escalated)	\$1,245 Million
Escalation Rate	4.20%

- Updated WIFIA Proforma Model includes:
  - Capital Project Fund Reserve
  - Debt Service Fund Reserve (included in previous model versions)
  - Administrative and Operating Fund Reserve



# WIFIA Proforma Model – Capital Project Fund Reserve

- Purpose: To establish a temporary reserve that provides sufficient working capital for authorized expenditures.
- Reserve target: This reserve target is set on the basis of providing for a minimum of two months of budgeted capital expenses and shall generally be calculated at 17% (2/12 months) of the annual capital budget

## 1. Sources of Funds (\$000s)

WSIP Funding	477,558	34.7%
WIFIA Loan	674,568	49.0%
WIIN Act Funding (Secured)	64,000	4.6%
Additional Fed. Appropriations	160,544	11.7%
<b>Total</b>	<b>1,376,670</b>	

## 2. Uses of Funds (\$000s)

Development and Construction Costs	1,245,375
<b>Capital Project Fund Reserve</b>	<b>47,573</b>
Debt Service Reserve Fund	39,995
Financing Costs	19,115
JPA Administration Cost (Pre-Operations)	18,534
Administrative and Operating Fund Reserve	3,731
Payment of Interest on LAP Contributions	2,347
<b>Total</b>	<b>1,376,670</b>



# WIFIA Proforma Model – Debt Service Fund Reserve

- Purpose: To establish a permanent reserve that mitigates risk of non-payment on the Authority’s debt service obligations due to temporary delays in payment from Members.
- Reserve Target: This reserve target is set on the basis of having sufficient funds on hand to pay the highest single debt service payment of any single Member should a delay in payment occur. It is initially established at a minimum amount of the sum of one times the maximum annual debt service coverage attributable to each Member, subject to review and adjustment when the Authority issues additional debt.

## 1. Sources of Funds (\$000s)

WSIP Funding	477,558	34.7%
WIFIA Loan	674,568	49.0%
WIIN Act Funding (Secured)	64,000	4.6%
Additional Fed. Appropriations	160,544	11.7%
<b>Total</b>	<b>1,376,670</b>	

## 2. Uses of Funds (\$000s)

Development and Construction Costs	1,245,375
Capital Project Fund Reserve	47,573
<b>Debt Service Reserve Fund</b>	<b>39,995</b>
Financing Costs	19,115
JPA Administration Cost (Pre-Operations)	18,534
Administrative and Operating Fund Reserve	3,731
Payment of Interest on LAP Contributions	2,347
<b>Total</b>	<b>1,376,670</b>



# WIFIA Proforma Model - Administrative and Operating Fund Reserve

Purpose: To establish a permanent reserve that provides sufficient liquidity as working capital to fund administrative and operating expenses of the Authority.

Reserve Target: This reserve target is set on the basis of budgeted administrative and operating expense and shall generally be calculate at 17% (2/12 months) of annual operating budget. It is initially established at a minimum amount of (2/12 months) of the annual operating budget.

## 1. Sources of Funds (\$000s)

WSIP Funding	477,558	34.7%
WIFIA Loan	674,568	49.0%
WIIN Act Funding (Secured)	64,000	4.6%
Additional Fed. Appropriations	160,544	11.7%
<b>Total</b>	<b>1,376,670</b>	

## 2. Uses of Funds (\$000s)

Development and Construction Costs	1,245,375
Capital Project Fund Reserve	47,573
Debt Service Reserve Fund	39,995
Financing Costs	19,115
JPA Administration Cost (Pre-Operations)	18,534
<b>Administrative and Operating Fund Reserve</b>	<b>3,731</b>
Payment of Interest on LAP Contributions	2,347
<b>Total</b>	<b>1,376,670</b>



# Section C: Selection Criteria

- Selection criteria are divided into 3 categories

① Project Readiness Criteria	LOI Responses Evaluated
Readiness to proceed	Section A: Q8,Q9 Section B: Q2
Preliminary engineering feasibility analysis	Section A: Q4 Section B: Q1
② Borrower Creditworthiness Criteria	LOI Responses Evaluated
Enables project to proceed earlier	Section C: Q15
Financing plan	Section B: Q6
Reduction of Federal assistance	Section C: Q16
Required budget authority	Evaluated as part of the creditworthiness review
Preliminary creditworthiness assessment	Section B: Q3, Q4, Q5 and review of credit documents and credit information provided



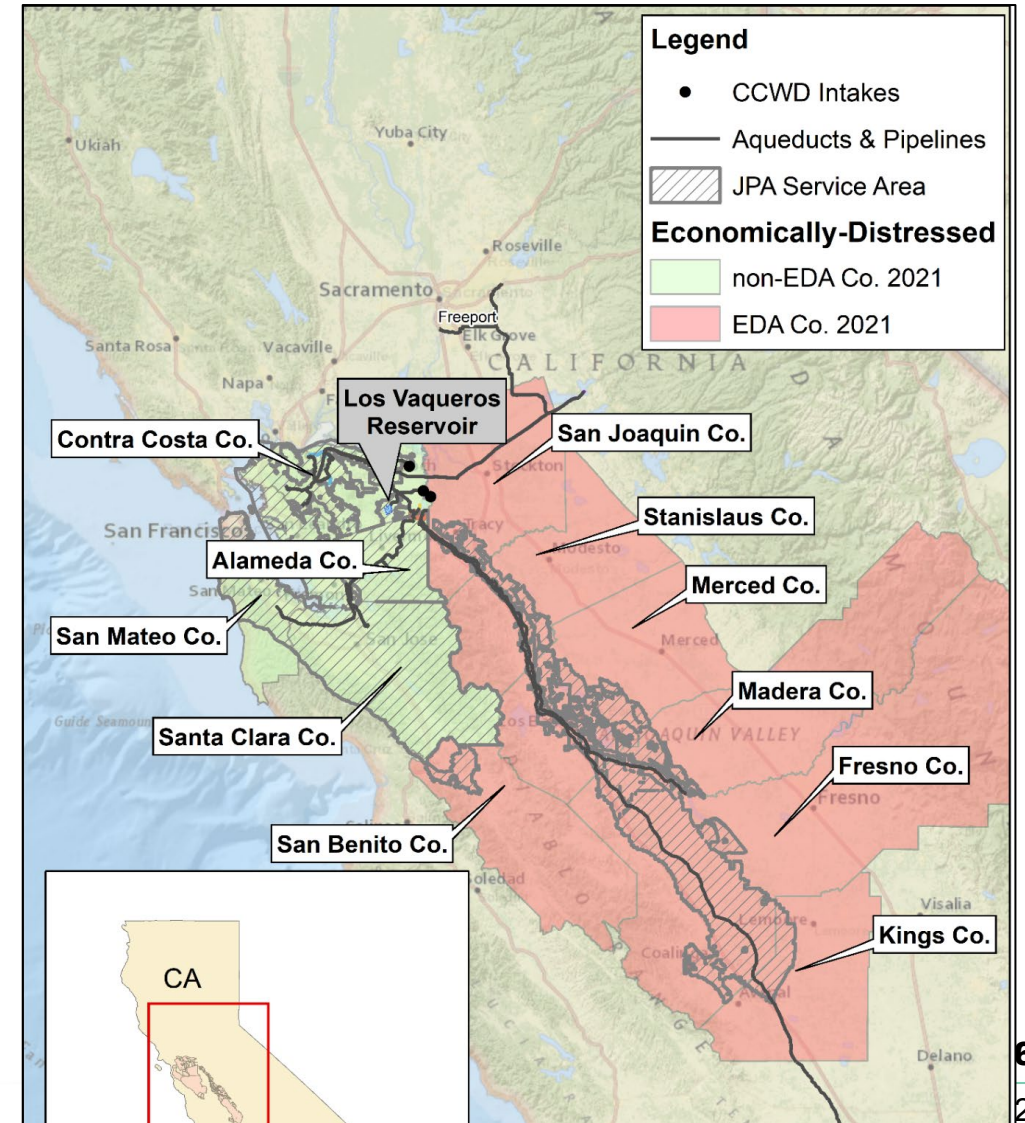
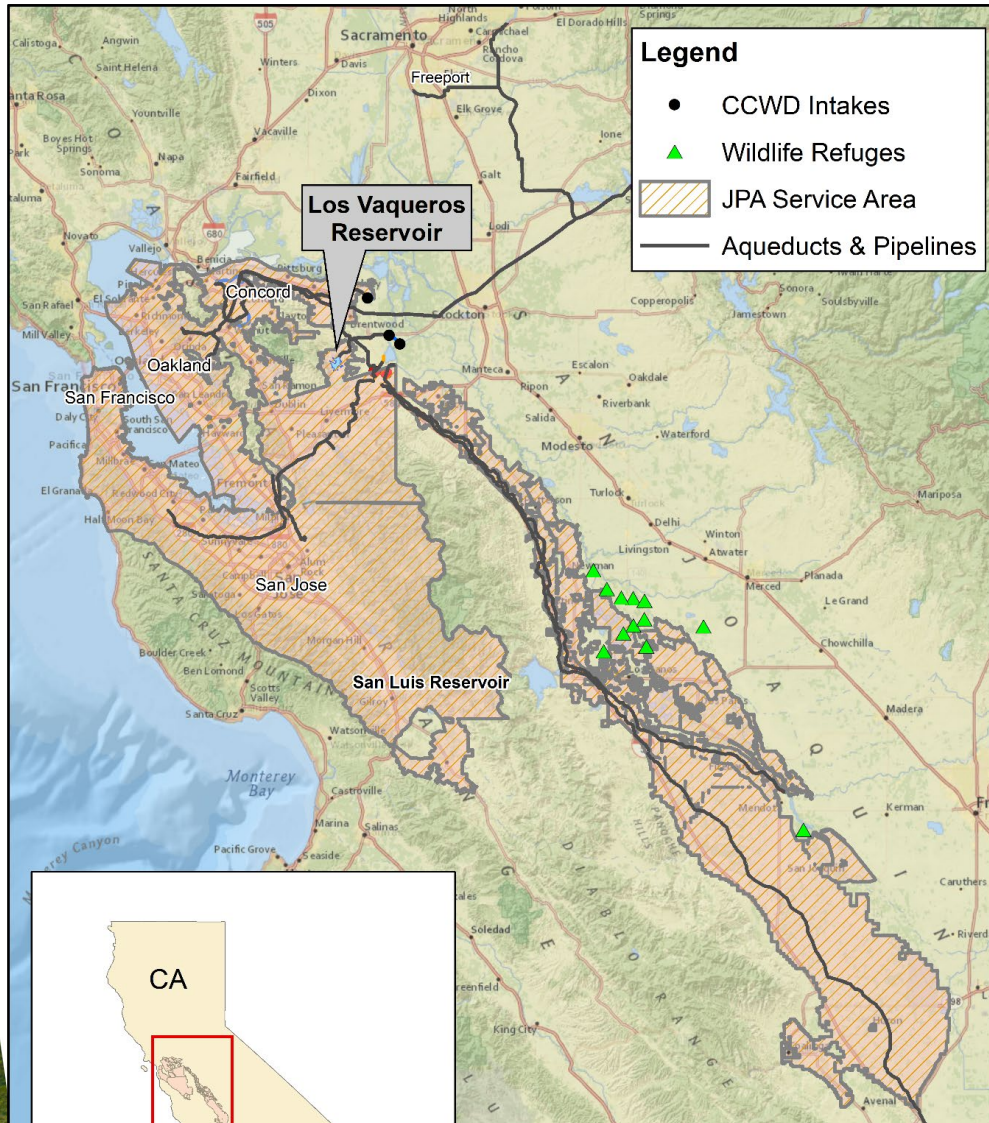
# Section C: Selection Criteria

③	Project Impact Criteria	LOI Responses Evaluated
✓	National or regional significance (5 points)	Section C: Q1, Q2, Q3, Q4, Q5
✓	Protection against extreme weather events (25 points)	Section C: Q5, Q6
✗	Serves energy exploration or production areas (5 points)	Section C: Q7
✓	Serves regions with water resource challenges (5 points)	Section C: Q5, Q6, Q8, Q9
✓	Addresses identified priorities (5 points)	Section C: Q9, Q10
✓	Repair, rehabilitation, or replacement (5 points)	Section A: Q4 Section B: Q1
✓	Economically stressed communities (25 points)	Section A: Q13 Evaluated based on national census data related to jurisdiction.
✓	Reduces exposure to lead & emergent contaminants (25 points)	Section C: Q11
✓	New or innovative approaches (25 points)	Section C: Q13, Q14

# Project Impact Criteria – Protection Against Extreme Weather

- Project will build climate resilience in California by providing storage and conveyance to better manage available water supplies
- Climate outlook in California points to more extreme conditions requiring new operational solutions
- Project will increase options and flexibility of water supply management to provide stable, reliable supplies even during extreme droughts, floods, and emergency Delta outages

# Project Impact Criteria – Economically Distressed Communities



# Project Impact Criteria - Reduces Exposure to Emerging Contaminants

- ACWD, Zone 7, and Valley Water operate wells in groundwater in basins where PFAS has been detected
- Project participation would provide an alternative water supply that could:
  - Reduce reliance on contaminated groundwater supplies
  - Diversify local storage options
  - Increase system flexibility and management of groundwater supplies

# Project Impact Criteria – New or Innovative Approaches

- Project is the first regional project in the area and may support further development of innovative technologies and future water supply such as advanced treatment and water recycling
- Project will be the first surface water storage bank in California that can be used to bank federal and state supplies
- Project utilizes innovative governance
  - JPA Members represent diverse interests (municipal suppliers, agricultural suppliers, wildlife refuge managers) that historically have not worked together or been in conflict

# Letter of Interest Sections

A. Key Loan Information

B. Engineering & Credit\*

I. WIFIA Proforma

II. Sources & Uses of Funds


C. Selection Criteria\*

D. Contact Information

E. Certifications

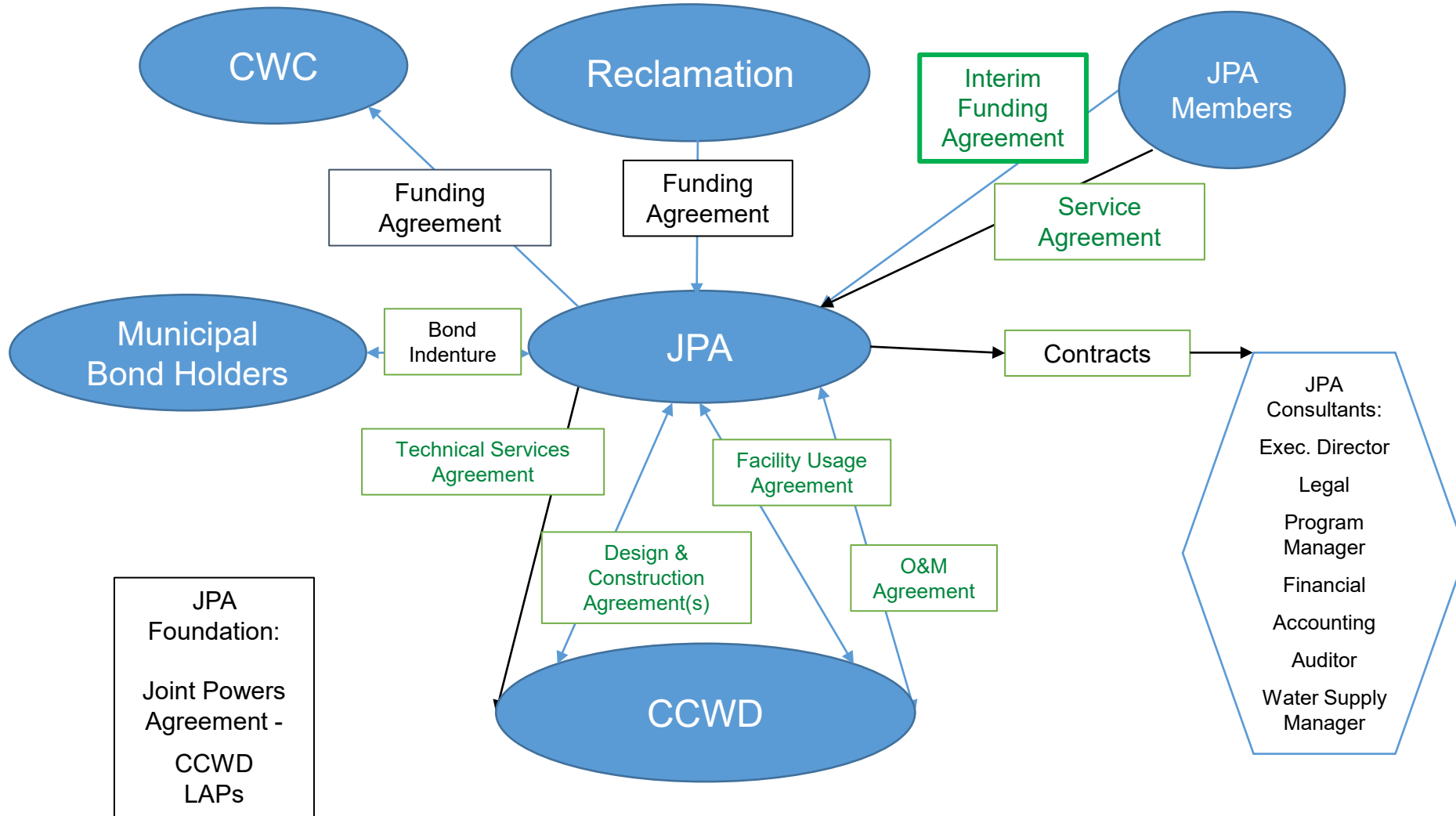
F. Notification of State Infrastructure  
Financing Authority

**The last three sections are administrative in nature and require a signature of JPA representative.**

A wide-angle landscape photograph of the Los Vaqueros Reservoir. The reservoir is a large body of water in the center, surrounded by rolling green hills. In the background, several wind turbines are visible on the ridges. The sky is blue with scattered white clouds. The text is overlaid in the center of the image.

**Los Vaqueros Reservoir  
Joint Powers Authority  
Finance Committee  
Agenda Item 1.3  
Interim Funding Agreement  
August 25, 2022**

# Spider Diagram





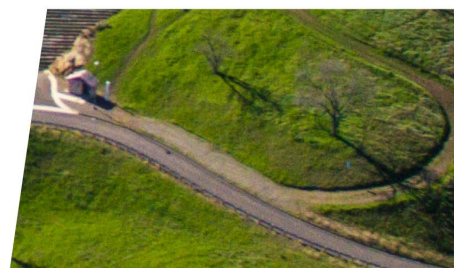
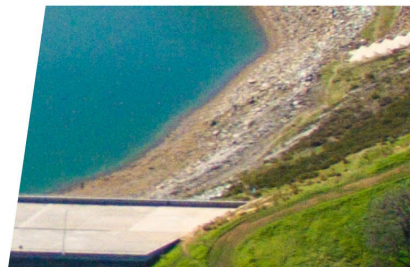
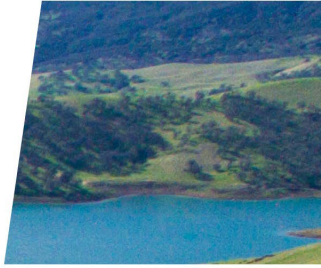
# Interim Funding Agreement

- Cover JPA costs in FY23 that are not provided by State and Federal Funding and Local Funding beyond FY23
- Term of the agreement will be thru FY24, covering period of January 1, 2023 through June 30, 2024
- Scope of work & budget would be updated to coincide with JPA adoption of JPA FY24 budget
- Draft will be provided to staff of JPA Members by end of August
- JPA Board consider approval in October
- Approval needed by all JPA members by early December



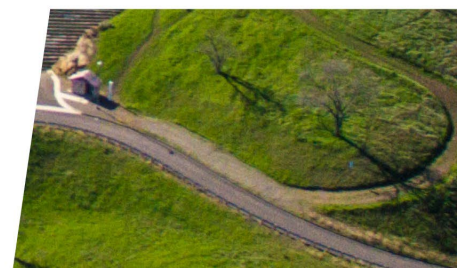
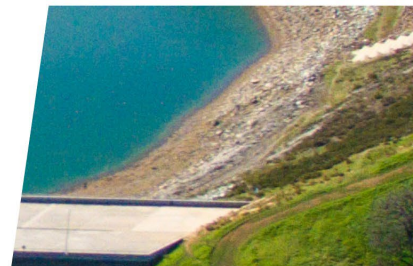
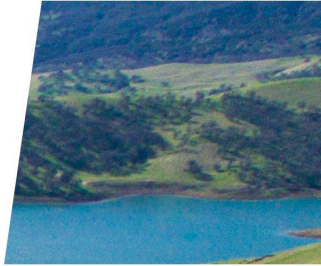
# Key JPA Services

- JPA Services
  - Executive Director
  - Program Management Consultant
  - Interim General Counsel
  - CPA/Auditor
  - Financial Advisor
    - Credit Rating
    - Plan of Finance
    - WIFIA Loan



# Key CCWD Services

- Project Management
  - Grant Administration
  - Agreement Development
  - Communications
- Environmental Planning
  - CEQA/NEPA
  - Permitting
    - Compensatory Mitigation Package
    - Water Rights
- Engineering Feasibility
  - Design
  - Risk Management
  - Facility Inspection




# Multiparty Agreement (MPA) Amendment No. 4

- Agreement currently expires December 31, 2022
- Extend the term until June 2023 in order to provide more time for JPA to establish banking services and financial procedures
- Execution required by all Members but not JPA
- CCWD would collect January 2023 JPA member payments
- Once Interim Funding Agreement executed
  - JPA takes necessary steps to become ‘the bank’
  - CCWD would transfer funds to JPA

# Estimated Cost for Interim Funding Agreement & MPA No. 4 for Remainder of FY 23

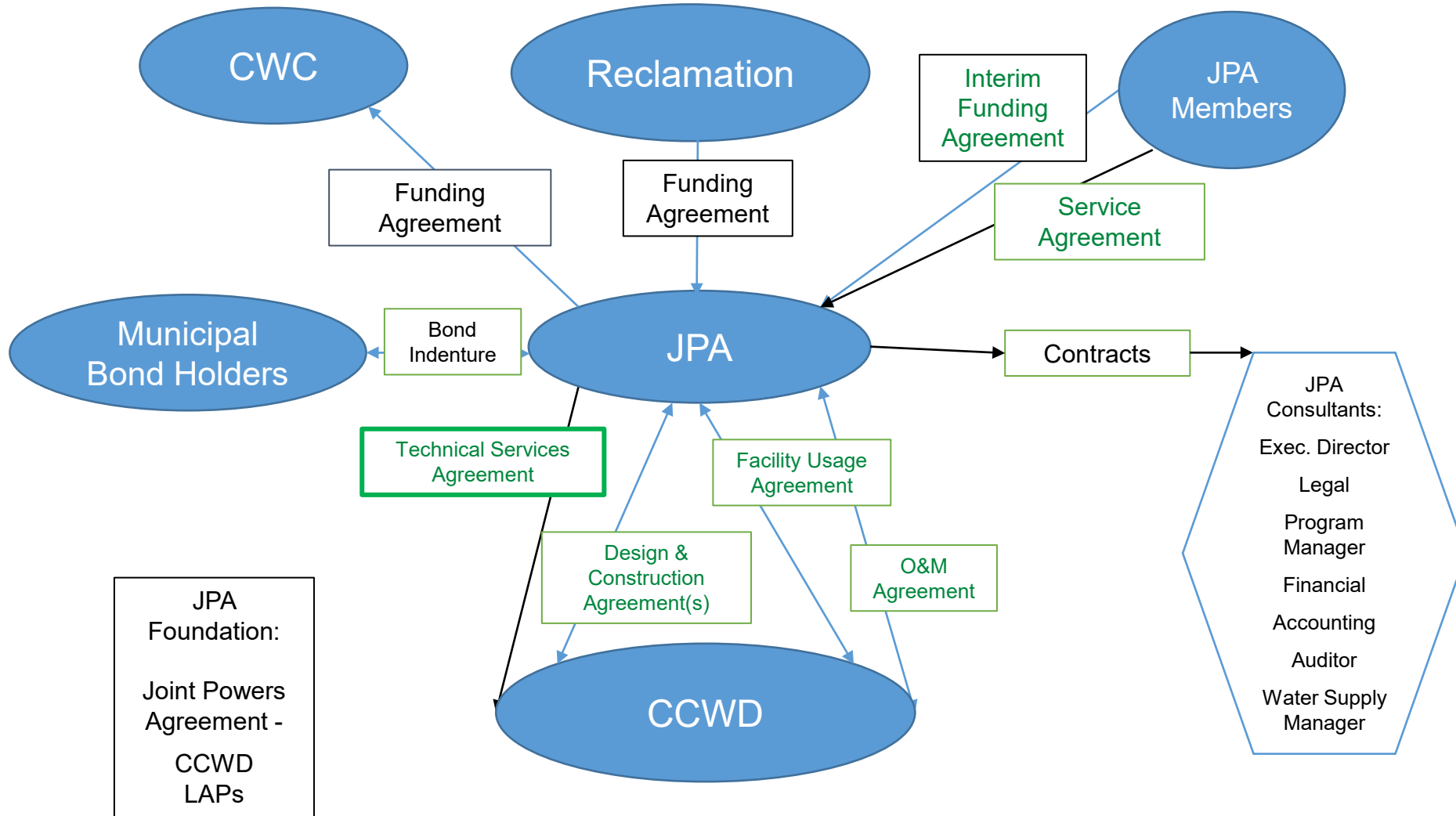
<b>MPA No. 4/Interim Funding Agreement Total for FY 23 (rounded)*</b>	<b>\$7,880,000</b>
<b>Individual Member Cost Share (rounded)</b>	<b>\$1,130,000</b>

\*Costs are being finalized this week and may be adjusted pending finalization of consultant contracts & updated projections of staffing levels.

A scenic landscape view of the Los Vaqueros Reservoir. The reservoir is a large body of water in the center, surrounded by rolling green hills. In the background, several wind turbines are visible on the hills. The sky is blue with scattered white clouds. A road or path winds through the hills in the foreground.

**Los Vaqueros Reservoir  
Joint Powers Authority  
Finance Committee  
Agenda Item 1.4  
CCWD Technical Services Agreement  
August 25, 2022**

# Spider Diagram



# CCWD Technical Services Agreement

- CCWD role similar to role described in MPA No. 4 (minus current responsibilities that will be transferred to JPA Executive Director and JPA contractors)
  - Environmental
  - Permitting and Water Rights
  - Other Agreements
  - Design
    - In future: Land acquisition, Final Design, Construction, etc.
- Scope of work and budget funded through Interim Funding Agreement
- Term January 2023 – June 2024 to align with Interim Funding Agreement



# **CCWD Technical Services Agreement (cont.)**

- **Draft agreement will be provided to partner staff for review by December**
- **CCWD will schedule a separate workshop with Member agency staff to review**
- **Needs to be executed before June 30, 2023 when MPA No. 4 expires**

# Potential FY23 Budget Adjustment: Use of Funds

JPA Services	Adopted FY23 Total	July Changes to FY23 Budget	July Working Budget	Proposed August Changes to FY23 Budget	Proposed August Working Budget
	(\$1,000)				
Executive Director	\$150	0	\$150	<b>\$100</b>	<b>\$250</b>
Program Management	\$400	0	\$400	0	\$400
Credit Rating	\$100	0	\$100	0	\$100
WIFIA Loan Application Fee	\$100	0	\$100	0	\$100
Insurance	\$30	0	\$30	0	\$30
Financial Advisor	\$350	0	\$350	0	\$350
CPA/Auditor	\$120	0	\$120	0	\$120
Legal Counsel	\$140	0	\$140	0	\$140
<b>JPA Services</b>	<b>\$1,390</b>		<b>\$1,390</b>		<b>\$1,490</b>
CCWD Services	\$13,400	\$260	\$13,660	<b>\$220</b>	<b>\$13,880</b>
CCWD Labor	\$6,400	0	\$6,400	0	\$6,400
Contingency	\$1,340	-\$260	\$1,080	0	\$1,080
<b>Total</b>	<b>\$22,530</b>	<b>0</b>	<b>\$22,530</b>	<b>\$320</b>	<b>\$22,850</b>



# Potential FY23 Budget Adjustments: Source of Funds

	Adopted FY 23	Proposed Adjustment	Updated Budget September
State	\$4,100	0	\$4,100
Federal	\$5,100	\$120	\$5,220
Local	\$10,800	\$200	\$11,000
Carryover (rebudget) funding from FY22	\$2,530	0	\$2,530
<b>Total</b>	<b>\$22,530</b>	<b>\$320</b>	<b>\$22,850</b>

## Next Steps

- **Consider updates to FY23 Budget based on feedback from committee**
- **Send backup spreadsheet to Member agency staff to verify budget assumptions and calculations**
- **Send Member agency staff Draft Interim Funding Agreement week of August 29<sup>th</sup>**



## DRAFT TREASURER’S MONTHLY REPORT

### MULTI-PARTY AGREEMENT STATUS

Amendment No. 3 to the Multi-party Cost Share Agreement (MPA) was executed on November 1, 2021 and the second invoice of \$448,560 per agency was sent out in July 2022.

AUGUST 25, 2022

### UPCOMING ACTIVITIES

September 14 at 9:30 a.m. – JPA Board Meeting via Zoom

September 22 at 1:00 – Finance Committee Meeting via Zoom

September 27 at 2:00 p.m. – Finance workgroup meeting on Draft WIFIA LOI (with LAP Staff and Clean Energy Capital) via Zoom

Finance Committee Members:

Chair: Anthea Hansen, SLDMWA

Vice-Chair: Paul Sethy, ACWD

John Coleman, EBMUD

Linda LeZotte, SCVWD

### ACRONYM KEY

ACWD – Alameda County Water District

CCWD – Contra Costa Water District

CWC – California Water Commission

EBMUD – East Bay Municipal Utility District

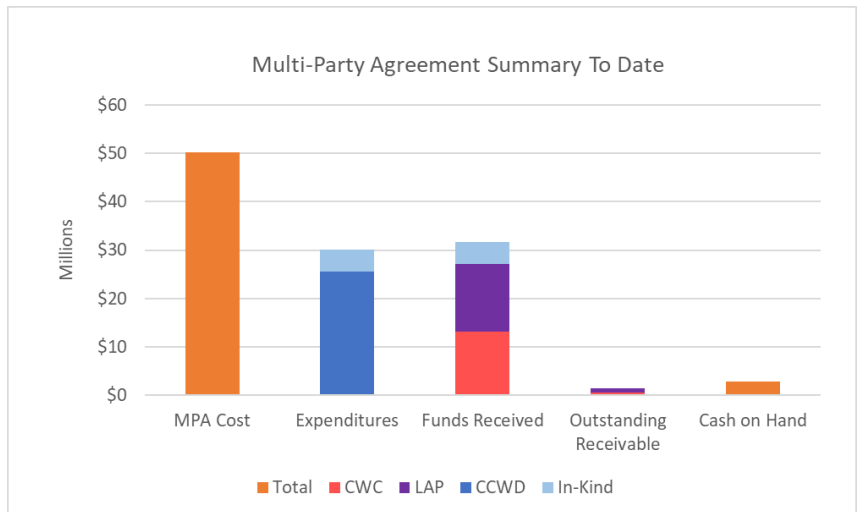
LAP – Local Agency Partners

MPA – Multi-party Cost Share Agreement

SCVWD – Santa Clara Valley Water District (Valley Water)

WIFIA LOI – Water Infrastructure Finance and Innovation Act Letter of Interest

The following chart provides an overview of the MPA expenditures through June 30, 2022. The in-kind services, funds received, outstanding receivable, and cash on hand are shown through July 31, 2022. All LAPs remain in good standing on progress payments and the Project cash on hand remains positive.



### MPA Summary to Date:

MPA Cost: \$50,187,865 (total through Amendment No. 3)

#### Expenditures:

CCWD: \$25,600,852 (includes consultants and legal services)

LAP: \$4,543,284 (in-kind services)

Total: \$30,144,135

#### Funds Received:

CWC: \$13,211,826

LAP: \$13,849,162 (cash contributions)

LAP: \$4,543,284 (in-kind services)

Total: \$31,604,272

#### Outstanding Receivable:

CWC: \$501,089

LAP: \$897,120

Cash on Hand: \$2,854,819

## **FEDERAL FUNDING STATUS**

The FY22 Continuing Resolution that went into effect September 30, 2021 included \$50 million in Federal funding for the Project. This is in addition to the \$14 million that was appropriated in FY21. An assistance agreement has been executed with Reclamation for a total of \$7.2 million in federal funding for permitting, design, and other pre-construction activities and the initial invoice is being prepared.

Future Federal funding requests include the remainder of the maximum federal share of 25 percent of the total project cost (approximately \$160 million). Some portion of the federal funding share may be available in the Bipartisan Infrastructure Law (the Infrastructure Investment and Jobs Act that was signed on November 15, 2021).

## **STATE FUNDING STATUS**

The Project qualified for funding under the Water Storage Investment Program and received an adjusted Maximum Conditional Eligibility Determination of \$477,558,343 from the California Water Commission (CWC) on March 16, 2022. This amount reflects an additional inflation adjustment of 1.5 percent and an increase in over \$7 million from the previous award.

The Early Funding Agreement with the CWC provides for a cost share of 50 percent of eligible costs through December 31, 2022. An amendment was approved by the CWC on May 18, 2022 to extend the agreement through December 31, 2023 and include \$927,917 in additional early funding that is now available as a result of the inflation adjustments to the total award amount. The summary below reflects the current Early Funding Agreement. The Total Budget and other budget status information will be updated following execution of the amendment.

### **Early Funding Agreement Summary to Date:**

Total Budget:	\$45,900,000
Total Program Funding:	\$22,950,000 (50 percent cost share)
Total Billed To Date:	\$27,425,831 (60% spent to date)
Total Amount Remaining:	\$18,474,169
Total Retention To Date:	\$501,089
Outstanding Invoices:	\$0 (Note: invoices under review)