



**LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY  
AGENDA**

Regular Meeting of the Board of Directors  
August 9, 2023 – 9:30 a.m.

To be held at:

**ZONE 7 WATER AGENCY**

100 North Canyons Parkway  
Livermore, CA 94551

Call-In Number: (888) 363-4734, Access Code 9187242

Directors participating telephonically:

Ricardo Ortega      Grassland Water District, 200 W. Willmott Avenue, Los Banos, CA 93635

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In compliance with the Americans with Disabilities Act, the meeting room is wheelchair accessible and disabled parking is available at the Zone 7 Administrative Building lot. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the Authority's Clerk at [rperea@lagerlof.com](mailto:rperea@lagerlof.com). Notification at least 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting. {28 CFR 35.102-35, 104 ADA Title II}.

Members of the public may submit written comments to the Clerk by 4:00 p.m. on the day prior to the meeting for the 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. Materials related to items on this Agenda are available for public review at: [www.losvaquerosjpa.com/board-meetings](http://www.losvaquerosjpa.com/board-meetings). Each item on the Agenda shall be deemed to include any appropriate motion, resolution, or ordinance, to take action on any item. Members of the public will be disconnected from the meeting prior to any Closed Session, if applicable.

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**ROLL CALL OF DIRECTORS**

Angela Ramirez Holmes, Chair, Zone 7 Water Agency  
Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority  
Ellen Wehr, Secretary, Grassland Water District  
Paul Sethy, Treasurer, Alameda County Water District  
Ernesto Avila, Director, Contra Costa Water District  
Michael Tognolini, Director, East Bay Municipal Utility District  
Dennis Herrera, Director, San Francisco Public Utilities Commission  
Rebecca Eisenberg, Director, Santa Clara Valley Water District  
TBD, Director – Ex Officio - Department of Water Resources

### **ALTERNATE DIRECTORS**

Jonathan Wunderlich, Alternate Director, Alameda County Water District  
Antonio Martinez, Alternate Director, Contra Costa Water District  
Lesa McIntosh, Alternate Director, East Bay Municipal Utility District  
Ricardo Ortega, Alternate Director, Grassland Water District  
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission  
Jose Gutierrez, Alternate Director, San Luis & Delta-Mendota Water Authority  
Richard Santos, Alternate Director, Santa Clara Valley Water District  
Sandy Figuers, Alternate Director, Zone 7 Water Agency  
TBD, Alternate Director – Ex Officio, Department of Water Resources

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

*Any member of the public wishing to address the Board of Directors regarding items not on the Agenda should do so at this time. The Board 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.*

### **CONSENT CALENDAR**

- 1.1 Approval of Minutes from July 12, 2023 Board of Directors Meeting**
- 1.2 Treasurer’s Report – Month Ended June 30, 2023**

### **ACTION ITEMS**

- 2.1 ACWA Board Officers' Election for President & Vice President**

### **DISCUSSION ITEMS**

- 3.1 Program Management Update**
  - Authority Auditor Services Procurement
  - Agreements Schedule
  - Construction Schedule
- 3.2 California Water Commission (CWC) Water Storage Investment Program (WSIP) Process and Contract for Administration of Public Benefits (CAPB) Update**

**3.3 Approach to Interim Financing**

**FUTURE AGENDA ITEMS  
REPORTS**

**4.1 Directors**

**4.2 Executive Director**

**4.2.1 July Activities**

**4.2.2 Federal Relations Update**

**4.3 General Counsel**

**4.4 Committee Meeting Summaries**

**ADJOURNMENT**

**CONSENT CALENDAR**

**ITEM 1.1: APPROVAL OF MINUTES FROM JULY 12, 2023 BOARD OF DIRECTORS MEETING**

**RESPONSIBLE/LEAD STAFF MEMBER:**

James Ciampa, General Counsel

**RECOMMENDATION:**

That the Authority's Board of Directors approve the attached minutes from the July 12, 2023 Board of Directors meeting.

**DISCUSSION:**

The Clerk, General Counsel and Executive Director have prepared the attached draft minutes from the July 12, 2023 Board of Directors meeting.

**ALTERNATIVES:**

Any suggested revisions to the draft July 12, 2023 Board meeting minutes will be considered.

**FISCAL ANALYSIS:**

Not applicable.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable.

**EXHIBITS/ATTACHMENTS:**

Draft minutes from July 12, 2023 Board of Directors meeting.



## **LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY**

### **MINUTES**

Regular Meeting of the Board of Directors

Held at: **ZONE 7 WATER AGENCY**

100 North Canyons Parkway, Livermore, CA 94551

July 12, 2023 – 9:30 a.m.

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Chair Angela Ramirez Holmes called the meeting to order at 9:31 a.m.

**PLEDGE OF ALLEGIANCE** – led by Chair Angela Ramirez Holmes

#### **ROLL CALL OF DIRECTORS**

Angela Ramirez Holmes, Chair, Zone 7 Water Agency

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

Ellen Wehr, Secretary, Grassland Water District

Paul Sethy, Treasurer, Alameda County Water District

Rebecca Eisenberg, Director, Santa Clara Valley Water District (joined the meeting at 9:50 a.m.)

Michael Tognolini, Director, East Bay Municipal Utility District

#### **ALTERNATE DIRECTORS**

Jonathan Wunderlich, Alternate Director, Alameda County Water District

\*Antonio Martinez, Alternate Director, Contra Costa Water District

Richard Santos, Alternate Director, Santa Clara Valley Water District

Sandy Figuers, Alternate Director, Zone 7 Water Agency

\*Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission

\*Participated in place of absent Director

#### **ABSENT**

Ernesto Avila, Director, Contra Costa Water District

Dennis Herrera, Director, San Francisco Public Utilities Commission

Lesa McIntosh, Alternate Director, East Bay Municipal Utility District

Ricardo Ortega, Alternate Director, Grassland Water District

Jose Gutierrez, Alternate Director, San Luis & Delta-Mendota Water Authority

**OTHERS PRESENT**

Taryn Ravazzini, Executive Director  
James Ciampa, Lagerlof, LLP, General Counsel  
Chuck Gardner, Program Manager, Hallmark Group  
Jessica Alwan, Program Manager, Hallmark Group  
Maddy Benner, Hallmark Group  
Garret Durst, Natural Resource Results, LLC  
Rosemarie Perea, Board Clerk (by telephone)  
MJ Brown, Assistant Board Clerk

Numerous others were present in person and by telephone.

**PUBLIC COMMENT ON NON-AGENDA ITEMS**

None

**CONSENT CALENDAR**

The Consent Calendar consisted of the following items:

- 1.1 Approval of Minutes from June 14, 2023 Board of Directors Meeting**
- 1.2 Treasurer’s Report – Month Ended May 31, 2023**
- 1.3 Approval of Amendment to Standard Services Agreement with Clean Energy Capital Securities, LLC for FY 2024**

Chair Ramirez Holmes requested Item 1.1 be pulled and heard under separate motion.

Upon motion by Alternate Director Santos, seconded by Secretary Wehr, the Consent Calendar consisting of items 1.2 and 1.3, was approved by the following roll call vote:

**AYES:** Angela Ramirez Holmes, Chair, Zone 7 Water Agency  
 Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority  
 Ellen Wehr, Secretary, Grassland Water District  
 Paul Sethy, Treasurer, Alameda County Water District  
 Antonio Martinez, Alternate Director, Contra Costa Water District  
 Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission  
 Richard Santos, Alternate Director, Santa Clara Valley Water District

**NOES:** None

**ABSENT:** None

**ABSTAIN:** Michael Tognolini, Director, East Bay Municipal Utility District

The motion passed with a 7-0 vote, with Director Tognolini abstaining.

Chair Holmes requested a change to the June 14, 2023 Board meeting minutes, included as Item 1.1, to include a reference throughout the minutes to reflect that the call for public comments

includes requests for public comments by those participating by telephone and not just those “seen” by the Chair in person at the meeting.

Upon motion by Chair Angela Ramirez Holmes, seconded by Vice Chair Hansen, Item 1.1 of the Consent Calendar was approved, as revised, by the following roll call vote:

- AYES:** Angela Ramirez Holmes, Chair, Zone 7 Water Agency  
Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority  
Ellen Wehr, Secretary, Grassland Water District  
Paul Sethy, Treasurer, Alameda County Water District  
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission  
Richard Santos, Alternate Director, Santa Clara Valley Water District
- NOES:** None
- ABSENT:** None
- ABSTAIN:** Michael Tognolini, Director, East Bay Municipal Utility District  
Antonio Martinez, Alternate Director, Contra Costa Water District

The motion passed with a 6-0 vote, with Director Tognolini and Alternate Director Martinez abstaining.

## **ACTION ITEMS**

### **2.1 Adoption of Resolution No. 7-23-01 Establishing Audit Policy**

Executive Director Taryn Ravazzini advised that in connection with the Board of Directors’ action to engage the Authority’s auditor for the 2022 Fiscal Year audit, the Board discussed establishing an Audit Policy for future years. General Counsel Ciampa prepared the draft Audit Policy, which was reviewed by the Finance Committee at its July 11 meeting. That meeting resulted in three changes to the draft Policy that was presented, which Mr. Ciampa had distributed in advance of this Board of Directors’ meeting, with those changes redlined. Mr. Ciampa then reviewed those changes with the Board.

Executive Director Ravazzini advised that a Request for Proposal for the appointment of an auditor will be completed sometime in August.

Alternate Director Figuers asked for clarification of the word “efficiency” in Section B(1) of the draft Policy and was advised that would be left to the discretion of the auditor to make suggestions in connection with its review of the Authority’s operations.

Alternate Director Ritchie asked that Resolution 7-23-01 be revised to reflect that the Board’s action is to adopt the Audit Policy with the revisions being made to the Policy.

Chair Ramirez Holmes asked that a reference stating that the Management and Discussion Analysis will be included in the auditor’s scope of work. After further discussion, the Board reached consensus to add a requirement that the audit will comply with all Governmental Accounting Standards Board (GASB) requirements. Chair Ramirez Holmes also requested that

Exhibit A include a reference to “Title 2 - California Code of Regulations” so it is clear that exhibit is a statement of those state regulations.

The Board discussed whether the waiting period for an auditor who has served for five years should be one year, as the Finance Committee recommended, or five years. The Board reached consensus to have a one-year waiting period.

Chair Ramirez Holmes called for public comments in the room or on the phone. None were received.

After discussion and upon motion by Director Eisenberg, seconded by Alternate Director Ritchie, Resolution No. 7-23-01 adopting the Authority’s Audit Policy in the form presented and with the revisions discussed, was approved by the following roll call vote:

**AYES:** Angela Ramirez Holmes, Chair, Zone 7 Water Agency  
Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority  
Ellen Wehr, Secretary, Grassland Water District  
Paul Sethy, Treasurer, Alameda County Water District  
Antonio Martinez, Alternate Director, Contra Costa Water District  
Michael Tognolini, Director, East Bay Municipal Utility District  
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission  
Rebecca Eisenberg, Director, Santa Clara Valley Water District

**NOES:** None

**ABSENT:** None

**ABSTAIN:** None

The Resolution was approved unanimously with an 8-0 vote.

## **2.2 Consideration and Possible Action on Clean Energy Securities, LLC Invoices and/or Possible Further Amendment to Standard Services Agreement**

Executive Director Ravazzini provided the Board with a summary of the outstanding invoices from Clean Energy Capital Securities, LLC (“Clean Energy Capital”), as was discussed at the June 14 Board of Directors’ meeting. Those invoices relate to two issues:

The first issue relates to services Clean Energy Capital has provided to the Authority that are beyond Clean Energy Capital’s agreed upon scope of work in its contract with the Authority. Those services were directed by the Executive Director since early 2023 to assist with leadership support and membership coordination concerning the Service Agreement development and key financial transition services, including work with the auditor for the Fiscal Year 2022 audit, banking services procurement, and development and coordination of the accounting and financial management services request for proposals and evaluation process. On April 5, 2023, Clean Energy Capital requested an amendment for out-of-scope services to add \$211,561 to the not-to-exceed amount of its contract with the Authority. A written amendment was not provided. On June 9, 2023, Clean Energy Capital invoiced the Authority for May services in the amount of \$66,687.23 which exceeded the not-to-exceed contract amount by \$54,624.75. Clean Energy Capital has also



provided its invoice for June services and the total contract overage amount is \$124,536 for services performed through June 30, 2023, the end of the 2023 Fiscal Year.

The second issue relates to an unpaid invoice from Clean Energy Capital to Contra Costa Water District (CCWD) in the amount of \$136,776.60 for services rendered to the Authority from August 25, 2022 to December 4, 2022, while CCWD retained management of the Clean Energy Capital contract for Project services. The Authority entered into its contract with Clean Energy Capital on December 5, 2022, at which time the Authority directly began management of Clean Energy Capital's work. The invoiced amount for the subject work exceeded the not-to-exceed amount of Clean Energy Capital's contract with CCWD by \$136,776.60.

Executive Director Ravazzini stated the Finance Committee considered this matter at its meeting on July 11 and approved a recommendation to the Board of Directors to authorize payment from Fiscal Year 2023 contingency amounts to Clean Energy Capital for services rendered in the following manner: (i) to make the start date of the Authority's contract with Clean Energy Capital retroactive to August 25, 2022, (ii) to direct staff to negotiate a reduction in cost with Clean Energy Capital for the overages, which may or may not result in a reduction of those amounts, and (iii) to increase the Authority's contract amount with Clean Energy Capital to cover the negotiated amount. Executive Director Ravazzini stated there are contingency funds available in the Fiscal Year 2023 budget to cover those overage amounts.

Chair Ramirez Holmes stated she is opposed to any amendments to the Clean Energy Capital agreement. She stated Clean Energy Capital should have insisted on having an amendment in place before performing that extent of work and the CCWD issue relates to a contract with CCWD to which the Authority is not a party. She believes CCWD needs to address and act upon that issue.

Director Eisenberg noted the importance of maintaining the relationship with Clean Energy Capital and that the negotiation to occur needs to be a three-party negotiation among the Authority, CCWD and Clean Energy Capital.

Director Tognolini noted that if the Authority ends up paying under the CCWD issue, the Authority needs to be included in the negotiations. Treasurer Sethy noted this matter needs to be looked at globally in that CCWD was acting on behalf of the Authority. He feels the Board should approve complete payment of overages. Director Eisenberg would like Clean Energy Capital to offer at least a 10% discount.

Chair Ramirez Holmes noted the Authority is a public agency and it and its contractors are held to a higher standard. Chair Ramirez Holmes then called for public comments in the room or on the phone. None were received.

Vice Chair Hansen moved, and Treasurer Sethy seconded, that the Authority makes its contract with Clean Energy Capital retroactive to August 25, 2022, negotiate with Clean Energy Capital for a reduction for both overages which may or may not result in a reduction, and to amend the Authority's agreement with Clean Energy Capital to reflect the agreed upon revised contract amount. The Board of Directors voted as follows:

**AYES:** Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority

Ellen Wehr, Secretary, Grassland Water District  
Paul Sethy, Treasurer, Alameda County Water District  
Antonio Martinez, Alternate Director, Contra Costa Water District  
Michael Tognolini, Director, East Bay Municipal Utility District  
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission  
Rebecca Eisenberg, Director, Santa Clara Valley Water District

**NOES:** Angela Ramirez Holmes, Chair, Zone 7 Water Agency

**ABSENT:** None

**ABSTAIN:** None

The motion passed with a 7-1 vote.

### **2.3 Support of Senator Feinstein’s STREAM Act (S. 2162)**

Executive Director Ravazzini stated this item provides the Board of Directors with an opportunity to take a position in support of the Support to Rehydrate the Environment, Agriculture and Municipalities Act, known as the STREAM Act (S. 2162), authored by Senator Feinstein and co-authored by Senator Kelly (D-AZ) and Senator Sinema (D-AZ). Broadly speaking, the legislation authorizes funding for surface and groundwater storage, water recycling, desalination, and ecosystem restoration. Many California water agencies have endorsed the bill.

Specifically, the bill would authorize an additional \$750 million for surface and groundwater storage projects and is written in a way that would give the Los Vaqueros Reservoir Expansion project (the “Project”) access to that funding without additional procedural requirements, as projects that have received Infrastructure Investment and Jobs Act storage funding, such as the Project, are grandfathered into the new storage funding mechanism.

The STREAM Act also allows non-federal storage projects to use a portion of storage funding to cover the operations, maintenance, and replacement costs associated with public benefits that have been funded by a state, such as the Project’s public benefits that have received Proposition 1 funding.

Garrett Durst, the Authority’s federal relations representative with Natural Resource Results, LLC, reviewed the STREAM Act in more detail, with an emphasis on the advantage the Project has in receiving additional funding in light of its prior receipt of federal funding, and the benefit of receiving funding to cover operations and maintenance expenses. He stated the STREAM Act is scheduled for a July 19 legislative hearing.

Director Eisenberg stated the Sierra Club supports portions of the Act. She also asked whether the bill is in its final form. Mr. Durst responded that the bill may be amended at various points throughout the legislative process.

Director Tognolini stated his district has postponed action on the Act until its August 8 Board meeting and inquired if the Authority could delay its action. Mr. Durst stated there would still be value if the support letter is deferred. Treasurer Sethy noted that although his agency has not yet considered the Act, he is fully supportive of it.

Alternate Director Martinez stated CCWD took a support position. He believes support of legislation should be left to the individual member agencies and the Authority does not need to take a position on the STREAM Act.

Secretary Wehr expressed her district's support of the Act and stated Senator Feinstein has been a strong supporter of the Project for many years. She also emphasized the tremendous benefit of receiving federal funding for operations and maintenance and delivery costs, which are directly applicable to the Project. She stated she has had contact with several environmental organizations who understand the Authority's position if it supported the Act.

Alternate Director Ritchie advised that his agency supports the Act and suggests going forward with support of the Act as the Act would be a benefit to the Authority.

Chair Ramirez Holmes called for public comments in the room or on the phone. None were received.

Secretary Wehr moved, and Director Eisenberg seconded, that the Authority support Senator Feinstein's STREAM Act (S. 2162). The motion was approved by the following vote:

**AYES:** Angela Ramirez Holmes, Chair, Zone 7 Water Agency  
Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority  
Ellen Wehr, Secretary, Grassland Water District  
Paul Sethy, Treasurer, Alameda County Water District  
Antonio Martinez, Alternate Director, Contra Costa Water District  
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission  
Rebecca Eisenberg, Director, Santa Clara Valley Water District

**NOES:** None

**ABSENT:** None

**ABSTAIN:** Michael Tognolini, Director, East Bay Municipal Utility District

The motion passed with a 7-0 vote, with Director Tognolini abstaining.

#### **2.4 Consideration and Possible Approval of Resolution No. 7-23-02 In Appreciation of Service of Marguerite Patil**

Executive Director Ravazzini noted that Marguerite Patil has been instrumental in advancing the Los Vaqueros Reservoir Expansion Project over many years through her work at Contra Costa Water District. Those efforts include her tremendous work in guiding the formation of the Authority and serving as its initial Administrator. Ms. Patil will be retiring at the end of this month and this resolution recognizes Ms. Patil's numerous years of dedication to the Project and, most recently, to the Authority. Executive Director Ravazzini then read the resolution stating the Authority's appreciation for Ms. Patil's efforts and wishing her well in her retirement.

Each of the Directors then complimented Ms. Patil on her years of service and dedication to the Project and expressed their best wishes for her in her retirement.

Chair Ramirez Holmes called for public comments in the room or on the phone. None were received.

Upon motion by Director Ritchie, seconded by Director Eisenberg, Resolution No. 7-23-02 was approved by the following roll call vote:

- AYES:** Angela Ramirez Holmes, Chair, Zone 7 Water Agency  
Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority  
Ellen Wehr, Secretary, Grassland Water District  
Paul Sethy, Treasurer, Alameda County Water District  
Antonio Martinez, Alternate Director, Contra Costa Water District  
Michael Tognolini, Director, East Bay Municipal Utility District  
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission  
Rebecca Eisenberg, Director, Santa Clara Valley Water District
- NOES:** None  
**ABSENT:** None  
**ABSTAIN:** None

The motion passed unanimously with an 8-0 vote.

## **DISCUSSION ITEMS**

### **3.1 Program Management Update**

Chuck Gardner, Program Manager with the Hallmark Group, presented a status update on the transition of administration activities from CCWD to the Authority, as well as ongoing program management activities, Authority contract authorizations and next steps. He reviewed the actions the Program Management team has taken with respect to project controls, managing budget and schedule, Service Agreement development and communications support. He also reviewed the newly created contract matrix, which shows total contract amounts, amounts expended and contract amounts remaining. That matrix will be further refined and will be presented to the Board each month.

Treasurer Sethy requested that at least quarterly the Board be provided with copies of invoices the Authority has paid.

Chair Ramirez Holmes called for public comments in the room or on the phone. None were received.

### **3.2 California Water Commission (CWC) Water Storage Investment Program (WSIP) Process and Contract for Administration of Public Benefits (CAPB) Update**

In the interest of time, upon motion by Chair Ramirez Holmes, seconded by Director Eisenberg, this item was tabled to the August 9 Board meeting, and the motion to table was unanimously approved as follows:

- AYES:** Angela Ramirez Holmes, Chair, Zone 7 Water Agency  
Anthea Hansen, Vice Chair, San Luis & Delta-Mendota Water Authority  
Ellen Wehr, Secretary, Grassland Water District

Jonathan Wunderlich, Alternate Director, Alameda County Water District  
Antonio Martinez, Alternate Director, Contra Costa Water District  
Michael Tognolini, Director, East Bay Municipal Utility District  
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission  
Rebecca Eisenberg, Director, Santa Clara Valley Water District

**NOES:** None

**ABSENT:** None

**ABSTAIN:** None

The motion passed unanimously with an 8-0 vote.

## **FUTURE AGENDA ITEMS**

None.

## **REPORTS**

### **4.1 Directors**

Alternate Director Ritchie reported that San Francisco PUC just released its Alternative Water Supply document in late June, which incorporates the Los Vaqueros Reservoir Expansion Project. He referred members to the San Francisco PUC website to review that document.

### **4.2 Executive Director**

Executive Director Ravazzini provided a written report included in the meeting materials, including a federal relations update. She also reported the California Water Commission has approved the funding award for the Harvest Water Project, a conjunctive-use project in Sacramento. The Harvest Water Project is the first project in the Water Storage Investment Program (WSIP) to complete the Proposition 1 requirements and appear before the Commission for a final award hearing. The Los Vaqueros Reservoir Expansion Project is the next WSIP project to be considered by the Water Commission.

### **4.3 - General Counsel**

General Counsel Ciampa clarified that with respect to preparation of the Service Agreement and related document drafting, CCWD and East Bay Municipal Utility District will take the lead in drafting the Design and Construction, Facilities Usage and Operations and Maintenance Agreements for their respective facilities. He also reminded committee members to respond to requests to confirm the location from which they will be participating by Zoom or telephone in committee meetings to ensure all members are able to participate in those meetings.

### **4.4 Board Policy and Action Calendar**

Chair Ramirez Holmes stated the updated Board Policy and Action Calendar was included in the meeting materials for the Board's information.

### **4.5 Committee Meeting Summaries**

The following committee Meeting Summaries were included for the Board's review:

- O&E Committee Meeting Summary - June 15, 2023
- Communications Committee Meeting Summary - June 28, 2023

The meeting was adjourned at 11:37 a.m.

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Angela Ramirez Holmes, Chair

ATTEST:

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Ellen Wehr, Secretary

**ITEM 1.2: TREASURER’S REPORT – MONTH ENDED JUNE 30, 2023**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Taryn Ravazzini, Executive Director

**DISCUSSION:**

Staff has prepared the Treasurer’s Report for June 2023. This report was reviewed by the Finance Committee at its July 27, 2023 meeting.

**ALTERNATIVES:**

For discussion purposes.

**FISCAL ANALYSIS:**

None.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable.

**EXHIBITS/ATTACHMENTS:**

Treasurer’s Report for Month Ended June 30, 2023.



## TREASURER’S MONTHLY REPORT

### MULTI-PARTY AGREEMENT STATUS

Amendment No. 5 to the Multi-party Cost Share Agreement (MPA) was previously executed by the JPA and CCWD and is being routed electronically to each JPA Member following their approval. The first invoice of \$619,500 per agency will be sent to JPA Member agencies in September.

JULY 24, 2023

#### UPCOMING ACTIVITIES

July 26 at 1:00 p.m. – Finance Committee Meeting via Zoom

August (TBD) – Finance workgroup and subgroup meetings (Draft Term sheet and Service Agreement Development)

August 24 at 1:00 p.m. – Finance Committee Meeting via Zoom

Finance Committee Members:

Chair: Anthea Hansen, SLDMWA

Vice-Chair: Paul Sethy, ACWD

Rebecca Eisenberg, SCVWD

Michael Tognolini, EBMUD

#### ACRONYM KEY

ACWD – Alameda County Water District

CCWD – Contra Costa Water District

CWC – California Water Commission

EBMUD – East Bay Municipal Utility District

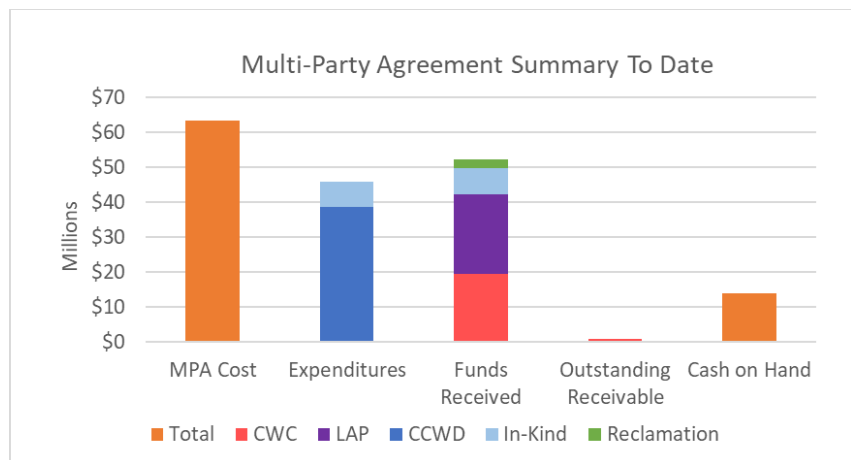
LAP – Local Agency Partners

MPA – Multi-party Cost Share Agreement

SCVWD – Santa Clara Valley Water District (Valley Water)

SLDMWA – San Luis & Delta-Mendota Water Authority

The following chart provides an overview of the MPA expenditures through June 30, 2023 in addition to in-kind services, funds received, outstanding receivable, and cash on hand. All LAPs remain in good standing and the Project cash on hand remains positive.



#### MPA Summary to Date (subject to revision following FY23 close):

MPA Cost: \$63,437,864 (total through Amendment No. 4)

#### Expenditures:

CCWD: \$38,566,924 (includes consultants and legal services)

In-kind: \$7,385,018 (LAPs and Reclamation)

Total: \$45,951,942

#### Funds Received:

CWC: \$19,520,639

Reclamation: \$2,420,227

LAP: \$22,853,077 (cash contributions)

In-kind: \$7,385,018 (LAPs and Reclamation)

Total: \$52,178,960

#### Outstanding Receivable:

CWC: \$791,969 (invoices and retention)

Reclamation: \$0

LAP: \$0

Cash on Hand: \$13,760,790



## **FEDERAL FUNDING STATUS**

A total of \$82 million was allocated to the Project in the Bipartisan Infrastructure Law FY22 Spend Plan and Reclamation recommended \$18 million of Water Infrastructure Improvements for the Nation (WIIN) Act to be allocated in FY23. Previous awards of Federal funding during FY21 and FY22 include \$10 million in pre-construction funding and \$54 million in construction funding. CCWD executed an assistance agreement with Reclamation for a total of \$7.2 million in federal funding for permitting, design, and other pre-construction activities and Reclamation has paid the first two invoices. Staff are working with Reclamation to develop an amendment to allocate approximately \$800,000 in additional pre-construction funding.

Future Federal funding requests include the remainder of the requested federal share of 21 percent of the total project cost (approximately \$49 million).

## **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 during pre-construction. An amendment was executed in November 2022 that extends the agreement through December 31, 2023 and included \$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 Total Budget and other budget status information of the amended Early Funding Agreement.

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

Total Budget:	\$47,755,834
Total Program Funding:	\$23,877,917 (50 percent cost share)
Total Billed To Date:	\$41,560,982 (87% spent to date)
Total Amount Remaining:	\$6,194,852
Total Retention To Date:	\$79,197
Outstanding Invoices:	\$791,969

## **ACTION ITEMS**

### **ITEM 2.1: ACWA BOARD OFFICERS' ELECTION FOR PRESIDENT & VICE PRESIDENT**

#### **RESPONSIBLE/LEAD STAFF MEMBER:**

Taryn Ravazzini, Executive Director

#### **RECOMMENDATION:**

That the Board of Directors direct the Executive Director to either 1) vote for suggested candidates for the positions of ACWA President and Vice President on behalf of the Authority before the deadline of September 15, 2023, or 2) abstain from voting.

#### **DISCUSSION:**

At the May 2023 meeting the Board approved the Authority's membership in the Association of California Water Agencies (ACWA) and identified the Executive Director as the authorized voting representative for the Authority. The Board may vote for one candidate for President and one candidate for Vice President in the upcoming ACWA election. Alternatively, the Board may choose to write in the name of an eligible qualified candidate as provided in Section 9.11 of ACWA's Bylaws who must be an elected or appointed director of an ACWA member agency and must submit a nominating/support resolution from their member agency's board. Additional candidate information and the ACWA Bylaws can be found at <https://www.acwa.com/elections>. Information submitted by the respective candidates for the President (one candidate) and Vice President (two candidates) for the upcoming ACWA election are detailed below:

#### **ACWA President Candidate:**

##### **Cathy Green (ACWA Election Committee's preferred candidate)**

As ACWA's Vice President since 2022, I have and will continue to diligently listen to and work on behalf of all ACWA members. My vision for ACWA is to fully embrace its motto of Bringing Water Together. I believe that we can accomplish this by unifying ACWA members and collaborating with stakeholders to find effective solutions to the challenges we face.

As your ACWA President, I will continue to advance the momentum I have built on key initiatives including: 1) advocating for state accountability on water infrastructure investments and policy issues, 2) spearheading the ACWA Council of Past Presidents to mentor new members so that they are aware of membership benefits, and 3) furthering ACWA's economical, efficient, and effective member services through sound fiscal, HR, managerial, and administrative practices.

I will also work on three new initiatives including: 1) re-examining ACWA dues to provide equity for all members, 2) strengthening the Association's ability to attract, develop, and retain top industry talent, and 3) increasing non-dues revenues.

I ask for your vote so that I may continue working to ensure ACWA offers value for all members. My experience, qualifications, decade long ACWA membership, and role as ACWA Vice President have provided me a unique understanding of ACWA as the nation's largest statewide coalition of public water agencies. Please contact me any time at 714.321.0522 or CGreen@OCWD.com.

#### ACWA Board Member and Committees

- ACWA Vice President (2022-current)
- Executive Committee (2020-current)
- Region 10 Chair (2018-2019)
- Region 10 Vice Chair (2016-2017, 2020-2021)
- Region 10 Board Member (2012-2021)
- Water Quality Committee (2012-current)
- Energy Committee (2019-current)
- State Legislative Committee (2012-2015)

#### Orange County Water District

- President (2015-2016, 2022-current)
- 1st Vice President (2013, 2014, 2019-2022)
- Director (2010-current)
- Joint Planning Committee Chair
- Labor Ad Hoc Committee Chair

#### Civic, Professional Experience

- Huntington Beach Mayor (2003, 2009)
- Council Member (2002-2010)
- Registered Nurse
- Law degree

#### **ACWA Vice-President Candidate(s):**

##### **Ernesto "Ernie" A. Avila (ACWA Election Committee's preferred candidate)**

I want to be the next Vice-President of the Association of California Water Agencies (ACWA) because I want ACWA to continue to be the nexus of knowledge and leadership in water for California. We are emerging from a multi-year drought, and I will put my energy into strategies to keep water in the public eye with ACWA as the trusted source for information and innovation. A priority for me is to ensure that ACWA continues to equip member agencies with information and resources necessary to support their water supply

reliability efforts, implement infrastructure and watershed improvements, and address the challenges associated with climate change.

I have 40 years of experience with California water as a Civil Engineer, General Manager, Executive Director of three water coalitions involving over 50 water agencies, and I currently serve as CCWD Board President. I have led or supported over \$5 Billion in California water infrastructure serving over 5 million citizens and many industries today.

I have supported ACWA for 20 years including serving on the Board of Directors, the Executive Committee, the Region 5 Board, the Federal Affairs Committee, the ACWA Foundation Steering Committee and Chair of the Local Government Committee.

This year, we have gone from extreme drought conditions to concerns about flooding in months. ACWA has been leading the discussions for water supply reliability, investments in infrastructure, including above- and below-ground storage, and it is now crucial to progress beyond conversations to action. I want to work with all ACWA members to find strategies to advance projects and I will work with ACWA members to keep our seat at the table to affirm the state's commitment to help fund and facilitate these critical investments.

I would be honored to represent our members as the next Vice-President of ACWA. Learn more at: [ccwater.com/AvilaForACWAVP](http://ccwater.com/AvilaForACWAVP).

### **Michael Saunders**

I have been working with water issues as an elected; with MSRs as a County LAFCO commissioner; through my work with the CABY Integrated Regional Water Management Group; my work in the water use efficiency workgroups with the Department of Water Resources; and as an Executive Board member of the Regional Water Authority. I have been active in ACWA since I became an elected official in 2018, each year increasing my level of participation and leadership, from conferences to workgroups to symposiums. I was a member of the Diversity, Equity, and Inclusion Workgroup which helped form the new ACWA Foundation. I am currently a member of the Headwaters Workgroup, Water Use Efficiency Workgroup, State Infrastructure Workgroup, and the Membership Committee. I also participate in the State Legislative Committee. I am on the ACWA Region 3 Board and have worked on a regional forum and event and on our regional issues dealing with guidelines and legislation.

The qualities I can bring to the office is my understanding of the water issues from our Region and the State along with my working relationship with our Board members, Regional members, ACWA members, ACWA staff, elected officials, and District Staff. Coming from a small agency, the input from our members is vital and important to bring each Agency's issues, strategies, and suggestions to the table and make every agency feel valued. I will continue to be a strong legislative advocate, continue to build on our outreach, and rely on and utilize the expertise and talents of our members and ACWA staff. I am enthusiastic and committed to the work of ACWA and hope to bring my excitement to our members and continue to push for the growth and success of ACWA.

I would be honored to have your vote.

**ALTERNATIVES:**

Voting is optional, the Board may select to not vote in the ACWA election.

**FISCAL ANALYSIS:**

None.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable.

**EXHIBITS/ATTACHMENTS:**

None.

**DISCUSSION ITEM**

**ITEM 3.1: PROGRAM MANAGEMENT UPDATE**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Chuck Gardner, Program Manager

**DISCUSSION:**

Chuck Gardner, Program Manager, will present a status update on the transition of administration from CCWD to the Authority as well as ongoing program management activities. Staff has developed a draft Request for Proposals (RFP) for Audit Services which will be released in August 2023 and is developing a similar RFP for Bond Counsel. Continued progress toward drafting project agreements has been made and an updated schedule for completion of those agreements as related to project funding is included in the presentation. Additionally, staff has been coordinating closely with CCWD on the updated construction schedule.

The program management team anticipates that regular updates to the Board will include status of the project budget, schedule, contract authorizations, agreements, and additional topics, as needed.

**ALTERNATIVES:**

For discussion purposes.

**FISCAL ANALYSIS:**

None.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable.

**EXHIBITS/ATTACHMENTS:**

August Program Management Update Presentation.

The logo for the Los Vaqueros Reservoir Expansion Project is positioned in the upper right quadrant. It features the words "LOS VAQUEROS" in a bold, blue, sans-serif font, stacked above "RESERVOIR EXPANSION PROJECT" in a green, sans-serif font. To the right of the text is a vertical graphic consisting of four stacked, trapezoidal shapes that resemble a dam or a reservoir cross-section, colored in a gradient from light blue at the top to dark green at the bottom.

# LOS VAQUEROS RESERVOIR EXPANSION PROJECT

The background of the slide is a scenic landscape photograph. It shows a large blue reservoir in the middle ground, surrounded by rolling green hills. In the distance, a line of white wind turbines is visible against a clear sky. The foreground shows a grassy slope with a paved road and some trees.

LVE Program Management Update  
August 9, 2023



# Overview

1. Accomplishments

2. Authority Contract Authorizations

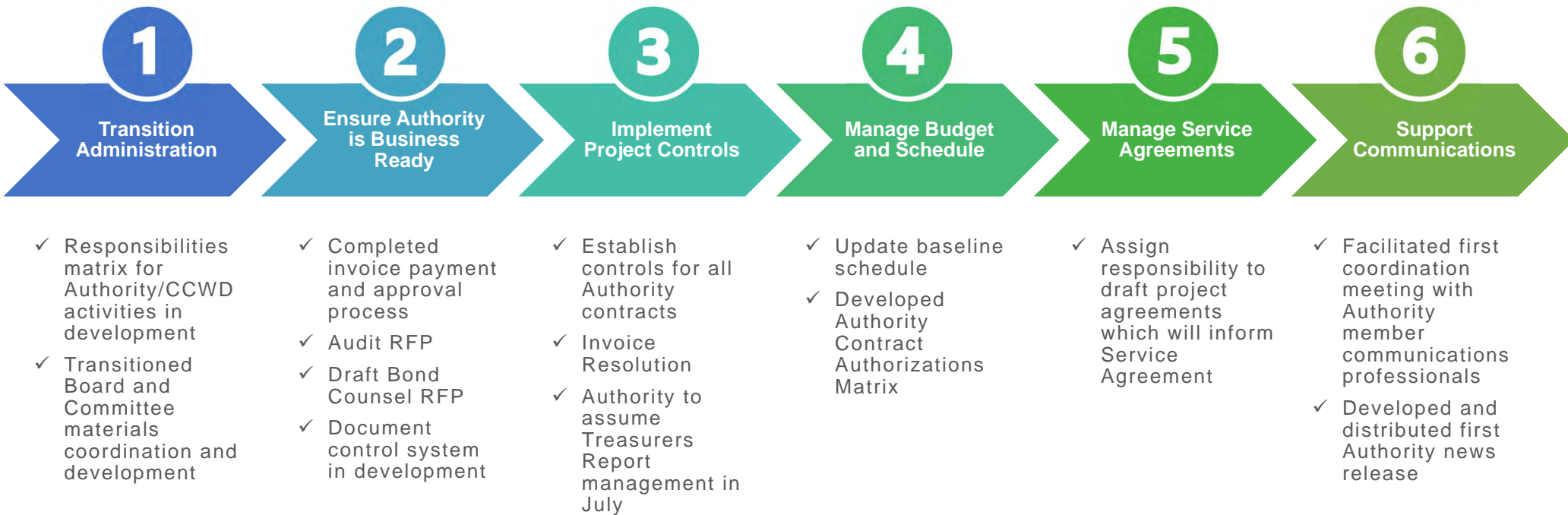
3. Invoice Approval & Payment Process

4. Schedule Updates

5. Next Steps



# Accomplishments



# Authority Contract Authorizations



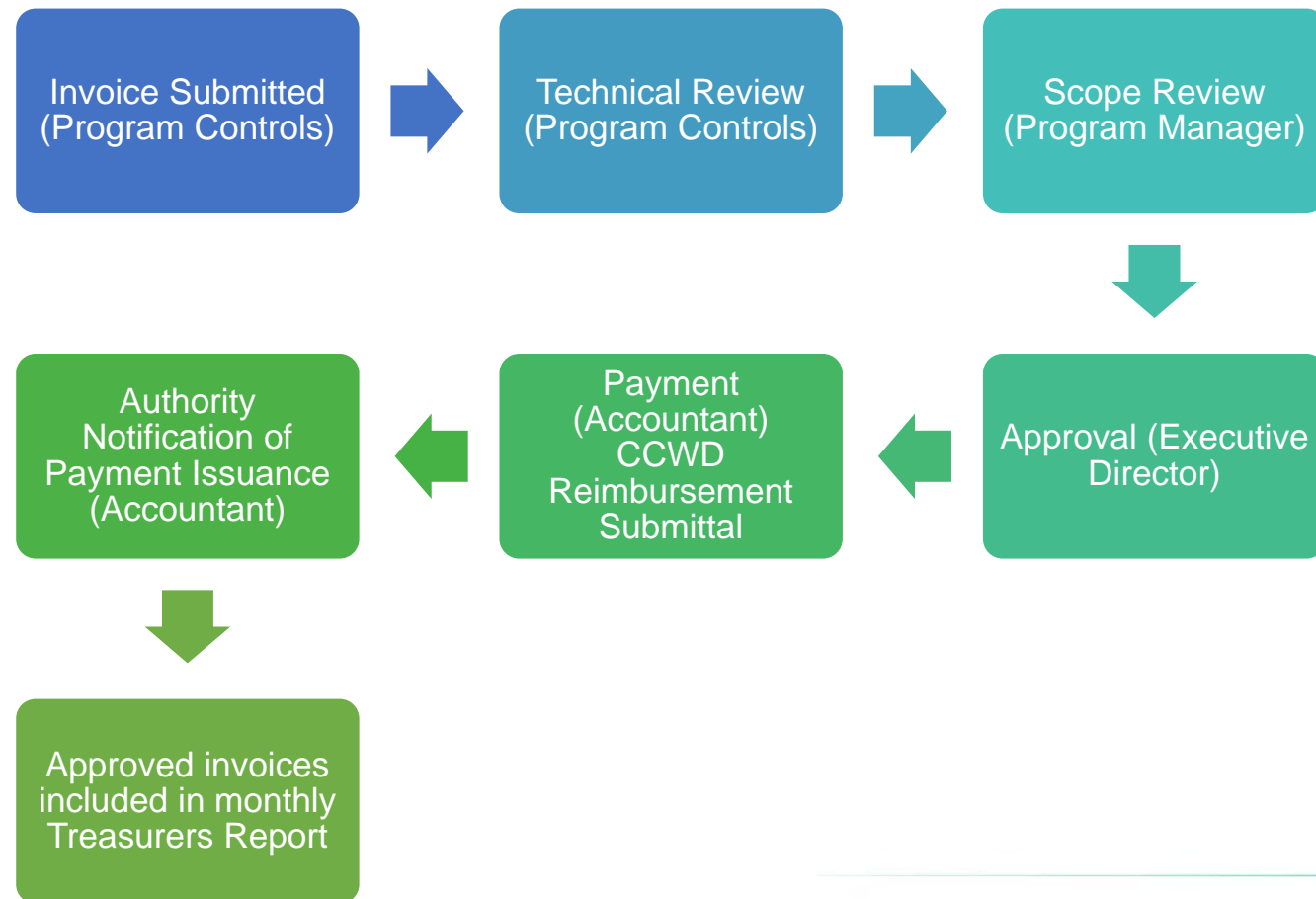
## Los Vaqueros JPA

### Contract Controls and Progress Billings

Contractor/Consultant/Vendor	Primary Responsibility	Contract Term	Max. Contract Value/NTE	Billed Through June 2023	Remaining Commitment	% Billed
Alliance Resource Consulting	Recruiting - Executive Director	04/26/2022 - 09/30/2022	\$ 32,000.00	\$ 32,000.00	\$ -	100%
CalMutuals - JPRIMA	JPA Insurance Policy	05/30/2023 - 04/01/2024	\$ 62,261.00	\$ 62,261.00	\$ -	100%
Clean Energy Capital - CEC	Finance/Credit Support	08/25/2022 - 06/30/2023	\$ 608,000.00	\$ 607,802.29	\$ 197.71	100%
Clean Energy Capital - CEC	Finance/Credit Support	07/01/2023 - 06/30/2024	\$ 482,515.00	\$ -	\$ 482,515.00	0%
Eide Bailly, LLP	Accounting Services	07/01/2023 - 06/30/2024	\$ 98,000.00	\$ 3,031.25	\$ 94,968.75	3%
Hallmark Group	Project Management/Controls	05/22/2023 - 06/30/2024	\$ 1,251,440.00	\$ 114,641.05	\$ 1,136,798.95	9%
Khadam Consulting, Inc	Contracts/Agreements Support	12/14/2022 - 06/30/2023	\$ 109,500.00	\$ 70,787.86	\$ 38,712.14	65%
Lagerlof, LLP	Legal	11/10/2021 - 06/30/2024	Not Stated	\$ 235,758.64		
Natural Resource Results, LLC	Federal Relations/Lobbying	05/16/2023 - 06/30/2024	\$ 212,500.00	\$ 41,249.00	\$ 171,251.00	19%
Regional Government Services - RGS	Board Clerk/Administration	03/08/2023 - 06/30/2023	\$ 25,000.00	\$ 11,507.00	\$ 13,493.00	46%
S&P Global Ratings	Rating Evaluation	12/19/2022 - [Open]	\$ 55,000.00	\$ 50,000.00	\$ 5,000.00	91%
Smith Policy Group, LLC	Communication/Scheduling	01/30/2023 - 03/31/2023	\$ 15,000.00	\$ 14,985.00	\$ 15.00	100%
T. Ravazzini Consulting	Executive Director	09/14/2022 - 06/30/2025	\$ 1,270,220.00	\$ 338,682.50	\$ 931,537.50	27%
TBD*	JPA Financial Audit	TBD		TBD		

\*RFP for audit of FY23 expected to be issued in Aug 2023. Audit report due by June 2024.

# Invoice Approval & Payment Process

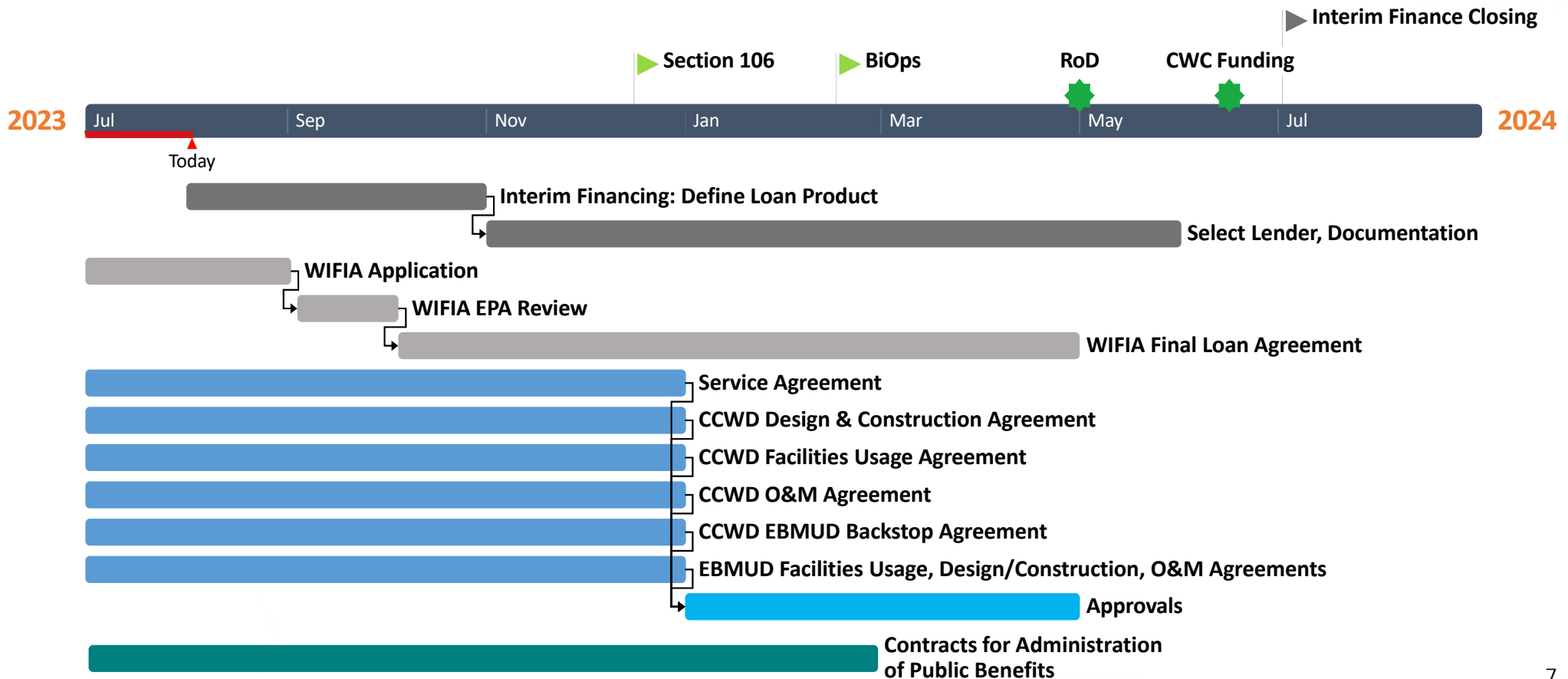


## Schedule Updates



# Planning Phase Funding Schedule

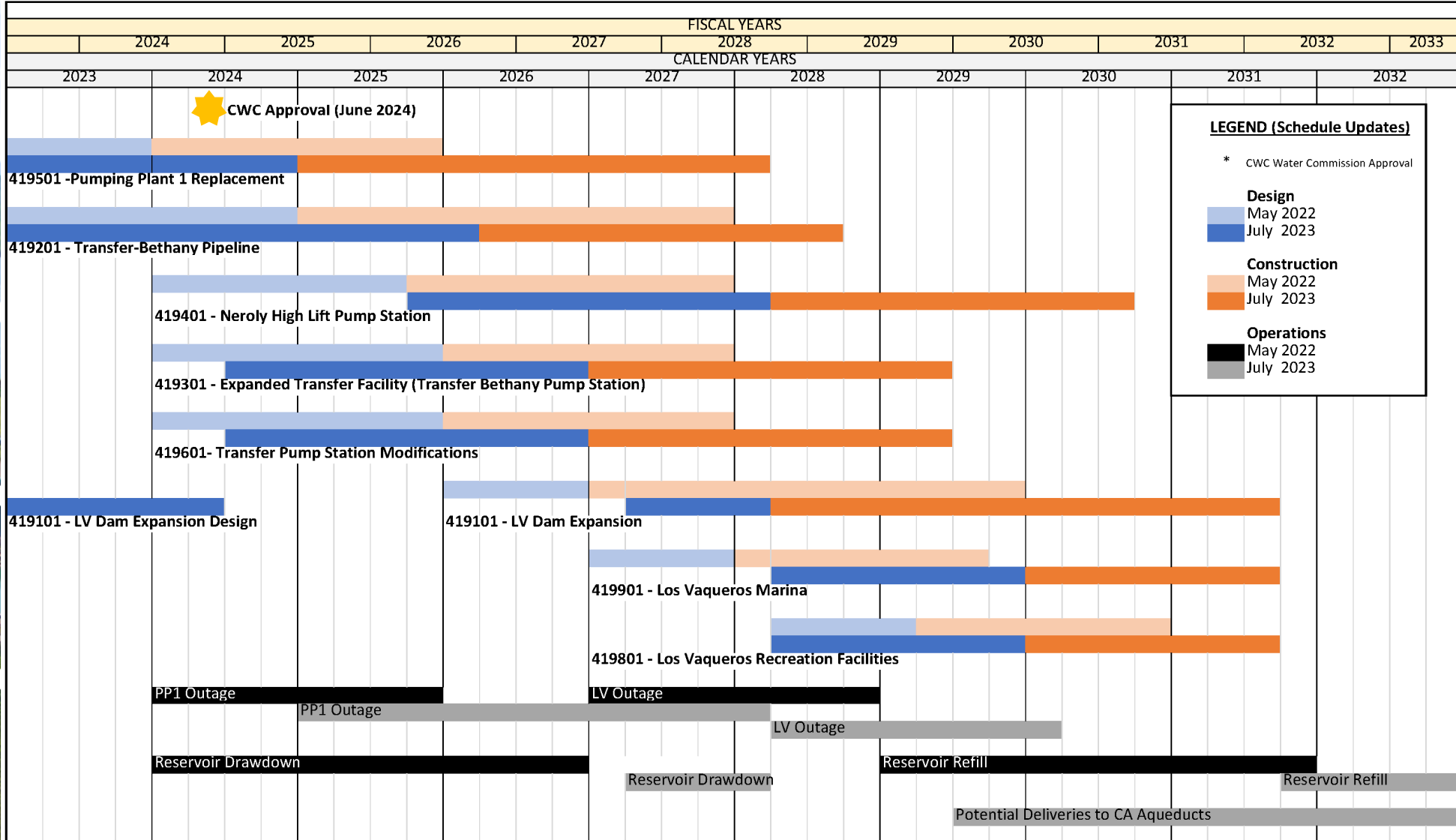
August 2023



# Agreement Development Progress

Agreement	Owner	Status	Due Date
WIFIA Loan Agreement	M. Dutton (CCWD)		
Service Agreement	J. Ciampa	Working Draft	
CCWD Design and Construction Agreement	C. Hentz	Term sheet	
CCWD Facilities Usage Agreement	J. Quimby		
CCWD O&M Agreement	TBD		
EBMUD Facilities Usage, Design/Construction, O&M Agreements	G. Su	Draft in Development	7/31/2023
Contracts for Administration of Public Benefits CDFW	Kristal Davis-Fadtke	Not started	
EBMUD and CCWD Backstop Agreement	EBMUD - G. Su and CCWD J. Quimby	Memo Developed	

LVE MASTER PROJECT SUMMARY SCHEDULE (Updated: July 13, 2023)





# Sources of Schedule Changes

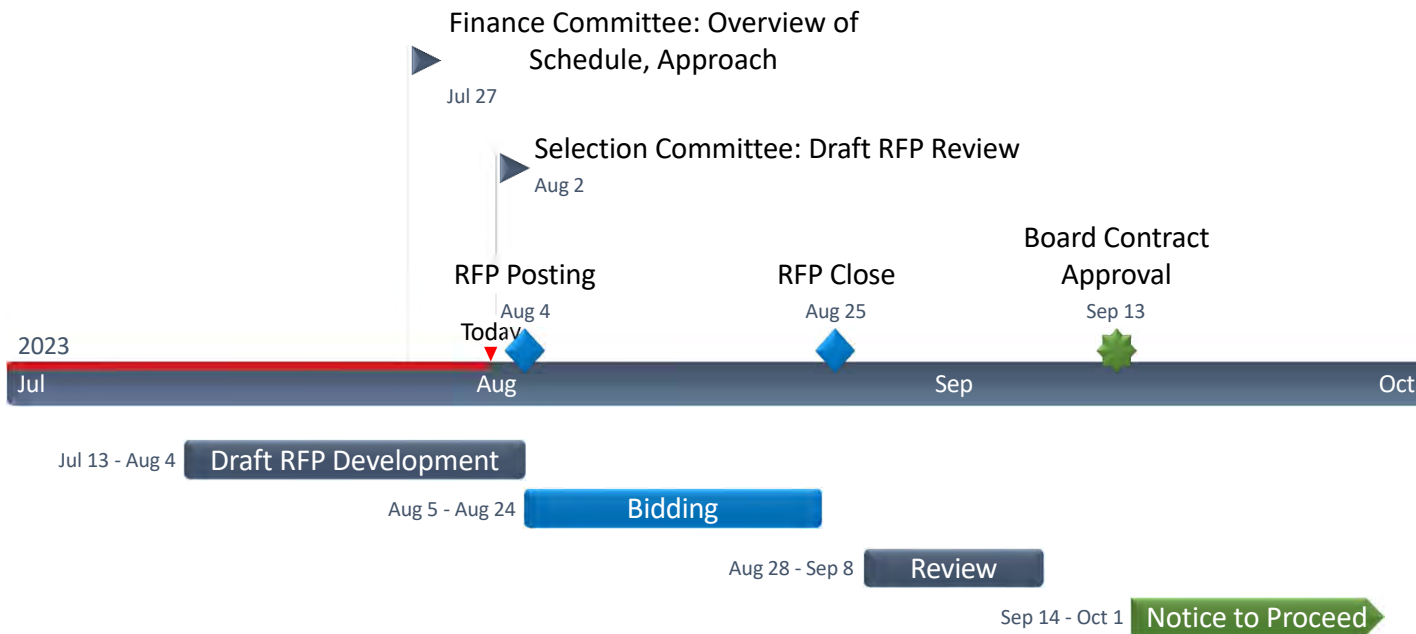
Task	Cause	Duration
CWC Funding	Extended planning efforts	1 year
Pumping Plant 1	Electrical component lead times	1 year
Division of Safety of Dams (DSOD)	Requirement to build coffer dam prior to start of construction	1 year
<b>Overall Schedule Impact</b>		<b>3 years</b>




# Los Vaqueros Expansion Joint Powers Authority

## Audit Services RFP Schedule

August 2023





# Standing Program Management Updates

- Budget
- Schedule
- Contract Authorizations
- Agreements
- Additional topics, as needed

# Next Steps

- Update Baseline Budget
- Auditor Recommendation
- Bond Counsel RFP
- Seek Opportunities to Streamline Administration
- Finalize Authority Cost Report format
- Finalize Authority progress and cost report for CCWD grant reimbursement

**ITEM 3.2: CALIFORNIA WATER COMMISSION (CWC) WATER STORAGE INVESTMENT PROGRAM (WSIP) PROCESS AND CONTRACT FOR ADMINISTRATION OF PUBLIC BENEFITS (CAPB) UPDATE**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Taryn Ravazzini, Executive Director

**DISCUSSION:**

The Los Vaqueros Reservoir Joint Powers Authority (Authority) was formed in October 2021 to provide governance of the Phase 2 Los Vaqueros Reservoir Expansion Project (Project) which will increase the reservoir's capacity from 160,000 acre-feet to 275,000 acre-feet and add new and modified conveyance facilities to provide environmental, water supply reliability, operational flexibility, water quality, and recreational benefits.

The Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) dedicated \$2.7 billion for investments in the public benefits of water storage projects. The Project has been conditionally awarded approximately \$477 million of Proposition 1 funds from the California Water Commission under the Water Storage Investment Program (WSIP) and will demonstrate public ecosystem, emergency response, and recreation benefits. Final award of these funds requires completion of two separate Contracts for Administration of Public Benefits (CAPB), one between the Authority and the California Department of Fish and Wildlife (CDFW) and the other between the Authority and the Department of Water Resources (DWR). The CAPBs will become an exhibit to the final Funding Agreement with the California Water Commission.

The Authority is currently coordinating with CDFW and DWR to develop a proposed schedule for drafting the CAPBs. Executive Director Ravazzini will provide an overview of the WSIP process and status update of the CAPBs.

**ALTERNATIVES:**

For discussion purposes.

**FISCAL ANALYSIS:**

None.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable.

**EXHIBITS/ATTACHMENTS:**

WSIP and CAPB Presentation  
WSIP Update: June 2023



The logo for the Los Vaqueros Reservoir Expansion Project. It features the words "LOS VAQUEROS" in blue, "RESERVOIR EXPANSION" in green, and "PROJECT" in green. To the right of the text is a stylized graphic of a dam or reservoir structure, composed of several horizontal bars of varying heights, colored in shades of blue and green.

# LOS VAQUEROS RESERVOIR EXPANSION PROJECT

A scenic landscape view of the Los Vaqueros Reservoir. The reservoir is a large body of blue water, surrounded by rolling green hills. In the background, a line of wind turbines is visible on the hills. The foreground shows a concrete dam structure and a road winding through the greenery.

CWC / WSIP Process and CAPB Update  
August 9, 2023

# Proposition 1

The Water Quality, Supply, and Infrastructure Improvement Act of 2014 dedicated \$2.7 billion for investments in the public benefits of water storage projects.

The proposition defined public benefits as:

- Ecosystem improvements
- Water quality improvements
- Flood control
- Emergency response
- Recreation

The proposition requires all projects to include an ecosystem benefit as well as a measurable improvement to the Delta.

# LVE WSIP Journey

Proposition 1 Passed	November 2014
WSIP Regulations Adopted	December 2016
LVE WSIP Application Submitted	July 2017
LVE MCED determination - \$459,000,000	July 24, 2018
LVE MCED Inflation Adjusted (2.5%) - \$470,475,000 LVE Early funding approved - \$23,877,917	January 20, 2021
★ LVE JPA Formation	October 2021
LVE Continuing Eligibility and Feasibility Determination	October 20, 2021
LVE MCED Inflation Adjusted (1.5%) - \$477,558,343	March 16, 2022
Final Award Hearing	June 2024



# LVE WSIP Public Benefits

## Ecosystem

- Increased water supply for San Joaquin Valley wildlife refuges
- Improved survival of salmonids migrating through Delta

## Emergency Response

- Catastrophic emergency
- Drought emergency


## Recreation

- Enhance recreation at LV Reservoir & Watershed



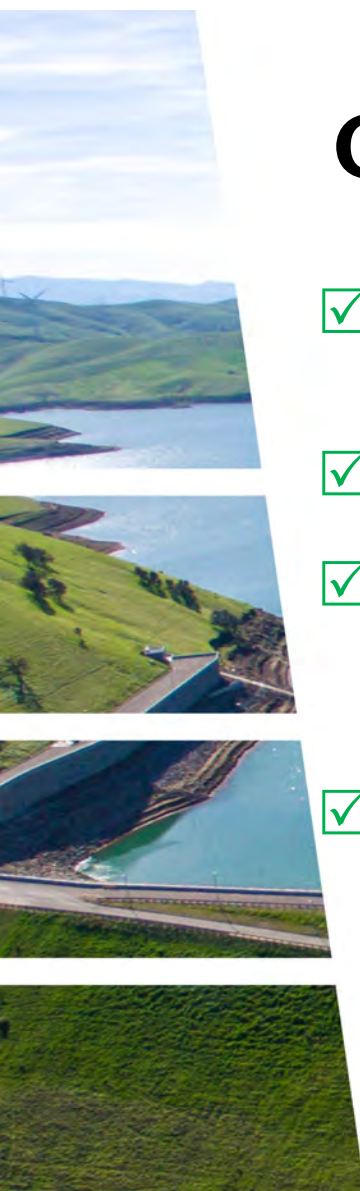


# CWC Required Findings

- 
- ✓ 1. The proposed project is cost-effective.
  - ✓ 2. The proposed project improves the operations of the State water system.
  - ✓ 3. The proposed project provides a net improvement in ecosystem and water quality conditions.
  - ✓ 4. The proposed project provides measurable improvements to the Delta ecosystem or to the tributaries to the Delta.
  - ✓ 5. The WSIP cost share is less than or equal to 50 percent of the proposed project's total capital costs, with the exception of conjunctive use projects and reservoir reoperation projects.

LVE is a reservoir reoperation and CALFED project; therefore, eligible for funding greater than 50% of construction costs.

# CWC Required Findings

- 
- ✓ 6. The WSIP-funded ecosystem improvement benefits make up at least 50 percent of the total public benefits funded by WSIP.
  - ✓ 7. The proposed project appears to be feasible.
  - ✓ 8. The proposed project advances the long-term objectives of restoring ecological health and improving water management for beneficial uses of the Delta.
  - ✓ 9. The proposed project is consistent with all applicable laws and regulations



# Requirements for Final Award Hearing

- ✓ • Feasibility study
- Environmental documents
  - ✓ ◦ Final Supplemental to Final EIS/EIR
  - ↻ ◦ Record of Decision - Reclamation
- ↻ • Permits for Construction (state & federal)
- ↻ • Evidence of non-program funding (service agreements & federal funding)
- Contracts for administration of public benefits



# Contracts for Administration of Public Benefits

- Project proponents must enter into contracts with the state agencies responsible for the administration of the public benefits.
  - CDFW administers ecosystem benefits
  - DWR administers emergency water supply and recreation benefits
- Statute and regulations require CAPBs to ensure public contribution of funds achieves public benefits.
- Regulations define content of CAPBs.
- CAPBs are two-party agreements ie: JPA/CDFW
- Exhibit to CWC Funding Agreement

# Overall Process & Schedule

- JPA and CDFW/DWR to **negotiate** CAPBs
  - Coordinating on developing proposed schedule for drafting
  - Negotiations have not started
- Forming a CAPB workgroup to provide Member agency staff input for JPA negotiations with CDFW and DWR
- JPA will brief the Board and member agencies on the development of the draft CAPBs.



# Overall Process & Schedule

- CWC meeting early 2024 (TBD)
  - DWR and CDFW to present draft CAPBs
  - JPA to present project overview and virtual tour
- Drafts will be available for Commission/public review and comment
- Must be executed before Commission awards funding
- JPA to execute the CAPBs by April 2024 to meet the Final Award Hearing date of June 2024.

# Water Storage Investment Program

## THE ROAD TO FINAL FUNDING

Proposition 1: The Water Quality, Supply, and Infrastructure Improvement Act of 2014 dedicated \$2.7 billion for investments in the public benefits of water storage projects.

The proposition defined public benefits as:

- Ecosystem improvements
- Water quality improvements
- Flood control
- Emergency response
- Recreation

The proposition requires all projects to include an ecosystem benefit as well as a measurable improvement to the Delta.

**Proposition 1** does not allow the California Water Commission to make final awards until a project has completed Proposition 1 requirements. The Commission made maximum conditional eligibility determinations (MCEDs) for seven projects that would boost the state's water storage capacity by 2.77 million acre-feet. The MCED is the **maximum** amount of Prop. 1 funding available to a given project. Before requesting a final funding hearing with the Commission, project proponents are required to submit documentation showing all of the following have been completed:

- Contracts for administration of public benefits (CAPBs)
- Completed environmental documentation
- All required federal, state, and local approvals and agreements necessary for construction
- Contracts for non-program funding

These requirements help protect the State's investment and ensure taxpayer dollars are being spent for their intended purpose.

### USEFUL LINKS:

California Water Commission Home Page: [cwc.ca.gov](http://cwc.ca.gov)

Frequently Asked Questions: [cwc.ca.gov/-/media/CWC-Website/Files/Documents/2023/WSIP/WSIP\\_FAQs\\_MAY2023\\_FINAL.pdf](http://cwc.ca.gov/-/media/CWC-Website/Files/Documents/2023/WSIP/WSIP_FAQs_MAY2023_FINAL.pdf)

WSIP Home Page: [cwc.ca.gov/Water-Storage](http://cwc.ca.gov/Water-Storage)

### CONTACT THE COMMISSION

For More Information: [cwc@water.ca.gov](mailto:cwc@water.ca.gov)

Twitter: @CA\_WaterCom

## CONTRACTS FOR THE ADMINISTRATION OF PUBLIC BENEFITS

Project proponents must enter into contracts with the state agencies responsible for the administration of the public benefits produced by the project.

- California Department of Fish and Wildlife administers the ecosystem benefits.
- State Water Resources Control Board administers the water quality improvement benefits.
- Department of Water Resources administers the emergency response, flood control, and recreation benefits.

Administering Agencies will present their draft CAPBs to the Commission at a regularly scheduled Commission meeting. The Commission cannot make a final funding decision during this meeting.

The Commission reviews, but does not approve, the contracts.

The draft CAPBs will be posted on the WSIP project page on the Commission's website for public review and comment.

The public comment period lasts for a **minimum of 14 days**.

All comments received by the Commission will be forwarded to the administering agencies, who may consider comments before executing contracts.

## FINAL ENVIRONMENTAL DOCUMENTATION

All environmental documentation associated with the project has been completed.

## ALL REQUIRED FEDERAL, STATE, AND LOCAL APPROVALS AND AGREEMENTS

The project applicant must obtain all federal, state, and local approvals, certifications, and agreements required to begin construction.

## CONTRACTS FOR NON-PROGRAM FUNDING

The project applicant must enter into a contract with each party that will derive benefits, other than public benefits, from the project. The contract ensures each party to the contract will pay its share of the total costs of the project. Documents meeting this requirement will vary among the projects.

## FINAL FUNDING HEARING

Once a project proponent completes all required documentation to the Commission, the project can request a final funding hearing.

Commission staff will review submitted information for compliance with Proposition 1 requirements and make a recommendation to the Commission.

WSIP regulations state that project proponents shall provide a description of changes to the planned project that have occurred since the receipt of the MCED, including any changes to planned operations.

The Commission must consider any changes to the project before it determines the final funding amount.

Commissioners have the discretion to award less than the MCED, but the award cannot exceed the MCED.

The funding agreement will be developed and executed after the Commission's award decision. WSIP funds are paid on a reimbursement basis, after funding recipients incur costs.

## ESTIMATED SCHEDULE FOR FINAL FUNDING HEARINGS\*



\*Based on applicant's quarterly reports. Dates subject to change.

## CONTACT THE COMMISSION

General Information: [cwc@water.ca.gov](mailto:cwc@water.ca.gov)



**ITEM 3.3: APPROACH TO INTERIM FINANCING**

**RESPONSIBLE/LEAD STAFF MEMBER:**

David Moore, Financial Consultant

**DISCUSSION:**

The Authority is developing an interim financing facility to provide interim financing of construction and related project costs in anticipation of long-term funding through WSIP, WIIN Act, BIL and WIFIA Funding. The interim financing facility will be secured by the Service Agreement between the Authority and Members. The development effort for the interim financing facility is expected to proceed on dual track with development of the Service Agreement and other key project agreements, such that interim financing is available upon the effective date of the Service Agreement. Staff will provide an update of the interim financing facility development process.

**ALTERNATIVES:**

For discussion purposes.

**FISCAL ANALYSIS:**

None.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable.

**EXHIBITS/ATTACHMENTS:**

Interim Financing Presentation.



Los Vaqueros Reservoir JPA  
Interim Financing Update  
August 9, 2023  
Board of Directors Meeting



# Contents

1. Interim Financing Update
2. Bond Counsel / Master Resolution
3. Draft Timeline for JPA Financing Activities



## Interim Financing Update





## Interim Financing Update

- ❑ The JPA Board has directed staff to develop options for Interim Financing of Project costs in anticipation of WIFIA Loan, WSIP, and WIIN Act funding
- ❑ The main alternatives for Interim Financing are:
  - ❑ A Bank Loan from one or more commercial banks
  - ❑ The JPA's issuance of medium-term notes through a bond underwriter
  - ❑ A tax exempt commercial paper program
- ❑ The JPA is working with Member agency financial staff to review these and other options for Interim Financing and develop a recommendation to the JPA Board



## Interim Financing – JPA Board Milestones

- ❑ Sep Finance Committee / Oct Board – Information Item
  - ❑ JPA Staff working with Member representatives to determine the Interim Financing instrument (i.e. bank loan, medium-term notes, TECP)
  - ❑ Following such determination, the JPA will use an RFP process to select one or more financing counterparties for execution
- ❑ Nov Finance Committee / Dec Board – Action Item
  - ❑ Appointment of financial counterparty
- ❑ May Finance Committee / Jun Board – Action Item
  - ❑ Approval of Interim Financing documents for execution
  - ❑ Note that this timing could be accelerated or deferred

## Bond Counsel / Master Resolution





## Engagement of Bond Counsel and Master Resolution

- ❑ The JPA's Finance Sub-Group (representing Members) recommends engagement of Bond Counsel to support implementation of the WIFIA Loan and Interim Financing
  - ❑ Bond Counsel will be selected through competitive procurement
  - ❑ Bond Counsel will report to the JPA's General Counsel
- ❑ The Finance Sub-Group is additionally considering the development and adoption of a Master Resolution by the JPA
  - ❑ The Master Resolution would set forth the framework and shared covenants for all JPA debt (WIFIA Loan, Interim Financing, and future Revenue Bonds and other indebtedness) and serve as the basis for development of the WIFIA Loan Agreement
  - ❑ The EPA is open to this approach
  - ❑ The JPA expects to further review the pros and cons of a Master Resolution approach in conjunction with engagement of Bond Counsel



# Draft Timeline for JPA Financing Activities

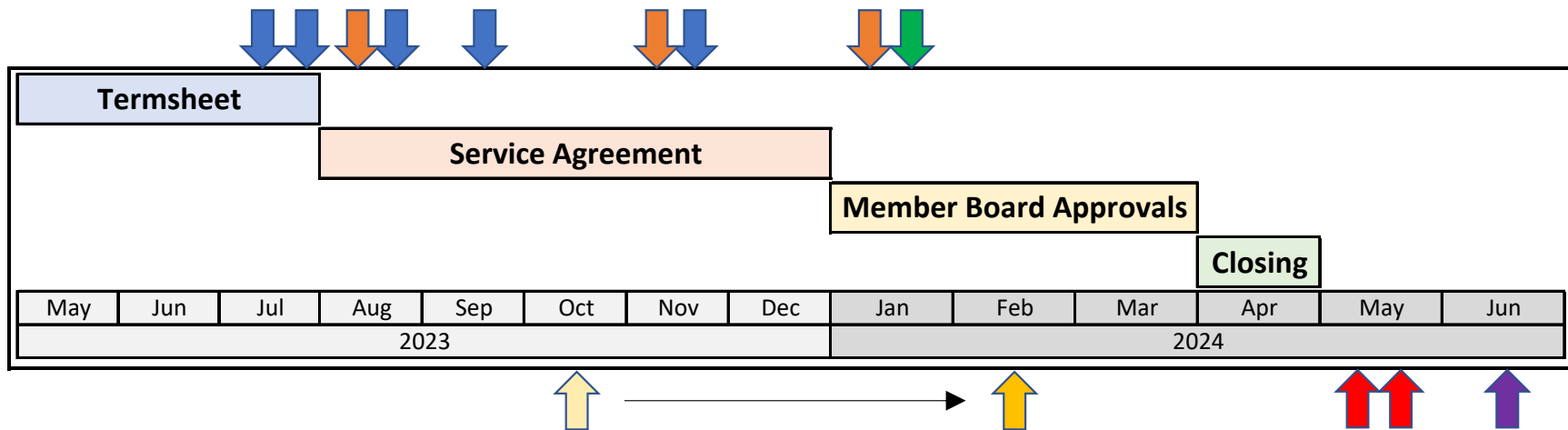


# For Reference: Service Agreement Timeline presented at May 2023 JPA Board Meeting (Updated)

CCWD Agreements to CCWD Board Committees

EBMUD Agreements to Members (Termsheets, Draft Agmts, Near-Final Agreements)

EBMUD/CCWD Backstop Agreement in Near-Final Form



Contracts for Administration of Public Benefits (CAPBs)

CWC Funding Agreement

WIFIA Loan and Interim Funding Agreement



# Draft Timeline for JPA Financing Activities

For discussion purposes only



	<u>Master Resolution</u>	<u>WIFIA Loan</u>	<u>Interim Financing</u>
Aug 2023	- Select and engage Bond Counsel - [Potential drafting and adoption of Master Resolution]	Submit WIFIA Application	Define Loan Product (i.e. MTN, Bank Facility, TECP)
Sep 2023			
Oct 2023		WIFIA Loan Negotiation and Documentation	Select and engage Lender(s) or Underwriter(s)
Nov 2023			
Dec 2023		Final Credit Rating	Documentation
Jan 2024			
Feb 2024			
Mar 2024		Loan Closing	
Apr 2024		CWC Funding (Final CP)	Closing / Drawdown
May 2024			
Jun 2024			
Jul 2024			
Aug 2024			

## REPORTS

### ITEM 4.2, 4.2.1: EXECUTIVE DIRECTOR’S REPORT

The following highlights a few key activities which occurred last month.

**Bipartisan Infrastructure Law Funding Announcement** - The US Bureau of Reclamation announced on July 27, 2023, an additional \$10 million in funding for the Los Vaqueros Reservoir Expansion Project. This funding under the Bipartisan Infrastructure Law builds upon the \$164 million of federal investment provided to date and gets us closer to our requested \$203 million. BIL monies are allocated to infrastructure projects at the discretion of Reclamation Commissioner Camille Touton, which is different than the process under the WIIN Act involving Congressional approval. Staff has been working diligently with Reclamation Mid-Pacific Region Office leadership and the Commissioner’s Office and are pleased with this showing of continued federal support for the Project. Attached to this report is the Authority’s news release, which was shared with each Member Agency’s communications staff.

**Leadership Workshop #3 with USBR Mid-Pacific Region** – The third leadership workshop with Reclamation was held on July 26, 2023. We continue to make good progress on key issues and discussed a range of important items, including Reclamation’s development of a Basis of Negotiation (BON) for the Partnership Agreement between Reclamation and the Authority, ESA aquatic coverage as relates to the Record of Decision (ROD), potential Ops Flex parameters, and water rights coordination. Reclamation remains aware of the CWC Final Funding Award schedule and committed to finding solutions to issue a ROD within the target timeframe. Staff continues to work on outstanding issues and set up a future workshop. Please see attached report titled: **July-August 2023 Engagement Activities with Reclamation.**

**Multi-Party Cost Share Agreement Amendment No. 5 (MPA)** – The table below shares the current status of the approvals and execution progress of MPA Amendment No. 5. The Authority and Contra Costa Water District signed the MPA amendment before FY 2024 commenced, making it effective July 1 while awaiting approval and signatures from other Authority Members.

Entity	Approval Date	Status
LVE JPA	June 14	Signed June 14
CCWD	June 21	Signed June 30
ACWD	July 13	Signed July 24
EBMUD	August 8	
Grassland	June 22	Signed July 22
SFPUC	August 8	
SLDMWA	July 13	Signed July 24
Valley Water	August 8 or 22	
Zone 7	July 18	Signed July 24

**Alameda County Water District Board Meeting**– On July 13, the Executive Director attended the Alameda County Water District Board of Directors meeting and provided a Project update. This was the first opportunity for the Executive Director to attend the ACWD Board meeting in person. The presentation was done in conjunction with the ACWD Board review of Multi-Party Agreement Amendment No. 5. Questions and comments included general support for the project, interest in the project benefits, and how the Transfer-Bethany Pipeline will work.

**East Bay Municipal Utility District LVE Planning Committee** – On July 11, the Executive Director was hosted at EBMUD’s Office and attended the LVE Planning Committee. EBMUD staff presented on the Project updates and Multi-Party Agreement Amendment No. 5. This was the first opportunity for the Executive Director to attend this Committee meeting in person.

US Bureau of Reclamation Leadership Workshop #3 – The Authority and Member Agencies participated in the third workshop with the Bureau of Reclamation Mid-Pacific Region leadership on Wednesday, July 26.

**EXHIBITS/ATTACHMENTS:**

July-August 2023 Engagement Activities with Reclamation

BIL Funding Announcement

Water Storage Investment Program Quarterly Report No. 20 for LVE

STREAM Act Support Letter

**July-August 2023 Engagement Activities with Reclamation** – The Authority, CCWD staff, and consultants are continuing to engage with Reclamation to advance several required agreements, approvals, and permits for the project construction. We held the third workshop with Reclamation’s leadership on July 26, 2023. Key discussion topics and action items included the following:

1) Federal benefits:

- Continue to develop an agreement for forbearance of portion of diversion capacity during Delta excess conditions through LVE facility as a contractual mechanism for the delivery of Refuge water supplies.
- Coordinate a meeting with south of Delta CVP members of the Authority and Reclamation to discuss the Federal participation in the Project related to CVP operational flexibility benefits.

2) WIIN 4007 Agreement, or “Federal Partnership Agreement”:

- Continue to coordinate with Reclamation to define the scope of the agreement (items to be covered), process, and schedule for developing the agreement.

3) Record of Decision and Federal Permitting:

- CCWD/Authority developed and shared a paper with Reclamation on a potential approach to secure ESA coverage for LVE operations based on existing Biological Opinions. This approach allows Reclamation to issue the ROD by the spring of 2024. Reclamation is in the process of reviewing the proposed approach working with its Solicitor office.
- CCWD and Authority staff are preparing briefing memos to Reclamation on the existing NEPA coverage for (1) Transfer-Bethany pipeline alignment revisions and (2) delivery of CVP water supplies via the Transfer-Bethany pipeline.

4) Coordination with DWR:

- Reclamation and CCWD are coordinating a meeting with DWR leadership to (1) confirm its schedule to submit water right change application with the SWP water rights, and (2) initiate development of a coordinated operational agreement for LVE.

Next leadership workshop between the Authority, CCWD, and Reclamation is planned for August TBD, 2023.



News Release

For Immediate Release: 7/27/2023

Contact: Taryn Ravazzini, (916) 706-0936 office

## Los Vaqueros Reservoir Expansion Project receives \$10 million from Bureau of Reclamation

*Funding to benefit regional water supply improvements and protection of critical bird populations*

CONCORD, Calif. – Los Vaqueros Reservoir Expansion Project Joint Powers Authority today (July 27) was notified that it will receive \$10 million in federal funding from the U.S. Department of the Interior, Bureau of Reclamation. The funding will be used to further the project’s goals of improving Bay Area and Central Valley water supply and supporting wildlife refuges along the Pacific Flyway, a vital migratory route for critical bird populations.

According to the National Audubon Society, each year at least one billion birds migrate along the flyway, which is only a fraction of those that used it a century ago. Wildlife refuges along the Pacific Flyway provide protection against habitat loss, water shortages, diminishing food sources and climate change.

Additionally, the expansion will increase the Los Vaqueros Reservoir capacity from 160,000 acre-feet to 275,000 acre-feet and add new and modified conveyance facilities to provide environmental, water supply reliability, operational flexibility, water quality and recreational benefits.

### Board of Directors

**Angela Ramirez Holmes, Chair**  
Zone 7 Water Agency

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

**Ellen Wehr, Secretary**  
Grassland Water District

**Paul Sethy, Treasurer**  
Alameda County Water District

**Ernesto A. Avila**  
Contra Costa Water District

**Michael Tognolini**  
East Bay Municipal Utility District

**Dennis Herrera**  
San Francisco Public Utilities Commission

**Rebecca Eisenberg**  
Santa Clara Valley Water District

### Executive Director

Taryn Ravazzini

“We are grateful to Reclamation for acknowledging the importance of the Los Vaqueros Reservoir Expansion Project and the role it will play in providing water supply reliability for 11 million customers and protection of critical bird populations from the Bay Area to the Central Valley,” said Board Chair Angela Ramirez Holmes. “Our partnership with Reclamation is invaluable and will help ensure quality of life now and for future generations.”

The \$10 million allocation today is authorized under the Bipartisan Infrastructure Law, approved by Congress in November 2021, and is in addition to a previously awarded \$164 million, from all federal sources for the reservoir expansion project. The project was previously authorized for federal funding under the Water Infrastructure Improvements for the Nation (WIIN) Act of 2016.

“We appreciate the ongoing federal support of this project that is vital to millions of Californians and key wildlife refuges,” said Los Vaqueros Reservoir Joint Powers Authority Executive Director Taryn Ravazzini. “The allocation of these funds marks another milestone and allows the LVR JPA and its members to continue our progress toward regional resilience.”

-- more --



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*The Los Vaqueros Reservoir Joint Powers Authority (JPA) was formed in 2021 and provides governance and administration for the Phase 2 Los Vaqueros Reservoir Expansion Project (Project). The Los Vaqueros Reservoir is an off-stream reservoir owned and operated by the Contra Costa Water District.*

*The Project will increase Bay Area and Central Valley water supply reliability, develop water supplies for wildlife refuges, and improve water quality while protecting Delta fisheries and providing additional Delta ecosystem benefits. When completed, it will increase the Los Vaqueros Reservoir capacity from 160,000 acre-feet to 275,000 acre-feet and add new and modified conveyance facilities to provide environmental, water supply reliability, operational flexibility, water quality, and recreational benefits.*

###



**BOARD OF DIRECTORS**

Ernesto A. Avila, P.E.

PRESIDENT

Antonio Martinez

VICE PRESIDENT

John A. Burgh

Connstance Holdaway

Patt Young

**GENERAL MANAGER**

Rachel Murphy, P.E.

July 28, 2023

Submitted Electronically to [CWC@water.ca.gov](mailto:CWC@water.ca.gov)

Matthew Swanson, Chair  
California Water Commission  
P.O. Box 942836  
Sacramento, CA 94236

**Subject: Submittal of the Water Storage Investment Program Quarterly Report No. 20 for the Los Vaqueros Reservoir Expansion Project**

Dear Chair Swanson:

Contra Costa Water District is pleased to submit the Water Storage Investment Program Quarterly Report No. 20 for the Los Vaqueros Reservoir Expansion Project. The report provides an update on project status following the April 1, 2023 to June 30, 2023 quarter.

If you have any questions or require additional information, please contact Maureen Martin at (925) 688-8323 or [mmartin@ccwater.com](mailto:mmartin@ccwater.com), or Maggie Dutton at (925) 688-8132 or [mdutton@ccwater.com](mailto:mdutton@ccwater.com).

Sincerely,

A handwritten signature in purple ink that reads "Marguerite Patil".

Marguerite Patil  
Assistant General Manager

MP/MD:sf

Enclosures

## Water Storage Investment Program Quarterly Report

The Quarterly Report is intended to document applicants' progress toward complying with regulation section 6013 and receiving final WSIP funding, including any changes in the magnitude of public benefits that could affect cost allocation. Applicants must provide a summary level update of the project status for the requirements and milestones listed below. The template may be modified as necessary to effectively communicate information. If minimal activities occurred during a reporting period, the report can be condensed.

- Note any issues or concerns that have, will, or could affect milestones or requirements.
- Identify key issues, including legal issues such as lawsuits or injunctions related to the project, that need to be resolved.
- Discuss how the actual schedule is progressing in comparison to the schedule provided in the Initial Report or the last reported schedule.
- Update the project schedule as needed.
- Note any milestones or accomplishments that occurred since submittal of the prior Quarterly Report.

### Project Information

Project Name:

Los Vaqueros Reservoir Expansion Project

Applicant Name:

Contra Costa Water District

Date:

7/28/2023

Reporting Period:

Quarterly Report No. 20 - April 1, 2023 to June 30, 2023

### General Update and Key Issues

Please provide a general update and describe any key issues that occurred during this reporting period. You may attach additional documents or pages if more space is needed:

No issues or concerns have been identified during the reporting period that could affect completion of milestones or requirements. CCWD and Local Agency Partners continue to make progress on Environmental Planning and Engineering Feasibility tasks through the WSIP Early Funding Agreement, and on the tasks required to schedule a final award hearing for WSIP funding for the LVE Project.

### Items Required Prior to Scheduling a Final Award Hearing

The following items must be provided prior to scheduling a hearing. As applicable, please describe the status, estimated completion date, and percent complete of:

#### 1. **Contracts for non-public cost share:**

Status: Local cost share agreements were recently amended amongst project partners and extends through June 2024. The Service Agreement between the JPA and the JPA Members is being developed to cover local share of project costs. The schedule for finalizing and executing the Service Agreement sets a target date for April 2024.

Estimated Completion Date: April 2024

Percent Complete: 70%

**2. Contracts for administration of public benefits:**

Status: Met with DWR and CDFW to continue discussions on individual project contract development.

Estimated Completion Date: February 2024

Percent Complete: 50%

**3. Completed feasibility studies:**

Status: Completed.

Estimated Completion Date: October 2021

Percent Complete: 100%

**4. Final environmental documentation:**

Status: Final Supplement to the Final EIS/EIR was released February 2020. CCWD Board approved in May 2020.

Estimated Completion Date: August 2020

Percent Complete: 100%

**5. All required federal, state, and local approvals, certifications, and agreements:**

Status: Coordination with federal, state, and local agencies is ongoing.

Estimated Completion Date: May 2024

Percent Complete: 70%

**Items Required to Execute a Funding Agreement**

Please provide an update, as applicable, on the following documents, which are needed to execute a funding agreement for the project:

- Applicant’s audited financial statements
- Final project costs, schedule, and scope of work
- Evidence of bilateral communications
- Limited waiver of sovereign immunity (see regulations section 6013(f)(8))

Updates to information provided in the Initial Report or prior Quarterly Reports are only needed when a significant change has occurred. The Commission may request submittal of updated information prior to executing a funding agreement.

No changes. At the inception of the program, CCWD submitted two years of financial statements to the CWC along with the WSIP Financial Management Systems Questionnaire. Final project costs, schedule, and scope of work are currently in development. Evidence of bilateral communications was provided in the WSIP application, and further pertinent evidence will be provided as communications between responsible agencies is initiated. CCWD is not a tribe and the project is not expected to impact tribal lands; thus, acquisition of a limited waiver of sovereign immunity is not applicable.

## **Status Update**

Provide a status update for the following, as applicable:

- Labor Compliance
- Urban Water Management Plans
- Agricultural Water Management Plans
- Groundwater Management or Groundwater Sustainability Plans
- Potential effect of other conditionally eligible projects on the applicant's public benefits

Updates to information provided in the Initial Report or prior Quarterly Reports are only needed when a significant change has occurred. The Commission may request submittal of updated information prior to executing a funding agreement.

No changes. Labor compliance program is expected to begin prior to qualifying work (construction) in approximately 2023. CCWD's 2020 Urban Water Management Plan was approved by DWR May 23, 2022. CCWD's service area includes a small amount of agricultural water customers, but CCWD is not required to complete an AWMP based on the requirements described in SB X7-7. CCWD is a participant in the GSP development of the East Contra Costa Subbasin; the GSP was finalized in October 2021 and all implementing GSAs adopted the GSP. The GSP was approved by DWR in July 2023.



July 18, 2023

The Honorable Dianne Feinstein  
United States Senate  
331 Hart Senate Office Building  
Washington, DC 20510

Board of Directors

**Angela Ramirez Holmes, Chair**  
Zone 7 Water Agency

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

**Ellen Wehr, Secretary**  
Grassland Water District

**Paul Sethy, Treasurer**  
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**Ernesto A. Avila**  
Contra Costa Water District

**Michael Tognolini**  
East Bay Municipal Utility District

**Dennis Herrera**  
San Francisco Public Utilities Commission

**Rebecca Eisenberg**  
Santa Clara Valley Water District

Executive Director

Taryn Ravazzini

Dear Senator Feinstein:

On behalf of the Los Vaqueros Reservoir Joint Powers Authority (JPA), we write to express our support for S. 2162, the “Support to Rehydrate the Environment, Agriculture, and Municipalities Act” (STREAM Act). The STREAM Act includes several provisions that are beneficial to the Los Vaqueros Reservoir Expansion Project Phase 2 (Project).

The primary objectives of the Project are to increase reliability of Delta water supplies for municipal, industrial, and agricultural purposes, increase water supply reliability for water providers within the San Francisco Bay Area and enhance water supply reliability and operational flexibility for environmental water management purposes, including refuge water supplies within and south of the Delta. With an eight-member JPA representing 11 million Californians, these water agencies seek to diversify their water supply portfolios against drought, emergencies, climate change, and regulatory challenges. The Project is critical to supporting these goals.

The STREAM Act includes many provisions that will help to ensure the successful completion of multi-benefit, non-federal water supply projects like the Los Vaqueros Reservoir Expansion Project. By allowing non-federal storage projects to use a portion of storage funding to cover operations, maintenance, and replacement costs associated with public benefits that have been funded by states, the STREAM Act will be instrumental in ensuring these projects are completed in a timely manner.

The STREAM Act also stipulates that the federal investment in non-federal storage projects for public benefits would be considered “non-reimbursable” under certain circumstances. This is important to ensure that the cost of public benefits from water storage projects are shared by the public and will help keep projects that follow the “beneficiary pays” principle affordable for those investing in the project.

For these reasons, we are pleased to support the introduction of the STREAM Act and look forward to working with you and others in Congress to ensure its passage. We are grateful for your ongoing leadership in addressing California’s water challenges and thank you for your commitment and investment in our Project.

Sincerely,

Angela Ramirez Holmes, Chair  
Los Vaqueros Reservoir Joint Powers Authority

CC:

Senator Padilla

Congressman Garamendi

Congressman Harder

Congressman DeSaulnier

Congressman Swalwell

Congressman Duarte

Congresswoman Pelosi

Congresswoman Eshoo

Congresswoman Lofgren



**Monthly List of Authority Contracts Entered into by Executive Director**

**July 2023**

<u>Contracts</u>	<u>Amount</u>	<u>Purpose</u>
NONE		
Total June 2023	\$0.00	

**ITEM 4.2.2: FEDERAL RELATIONS UPDATE**



**To:** Board of Directors, *Los Vaqueros Reservoir Joint Powers Authority*  
**From:** Natural Resource Results and Water and Power Law Group  
**RE:** Board Report – August 2023

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**STREAM Act**

The JPA’s letter of support for Senator Feinstein’s STREAM Act was transmitted to her office shortly after last month’s board meeting. On July 20<sup>th</sup>, the Senate Energy and Natural Resources (ENR) Committee held a legislative hearing on several western water bills, including the STREAM Act. The only witness in the hearing was Commissioner Touton. During her testimony, Commissioner Touton stated that the Bureau of Reclamation supports the intent of the STREAM Act but wants to work with the Committee to ensure that new authorities authorized by the bill can be integrated with existing laws.

**Appropriations**

Just before the August recess, the Senate finished marking up the last of its twelve annual appropriations bills which now await floor action when Congress returns. The House was only able to pass one of its appropriations bills on the floor before leaving for recess due to drama over spending levels and policy riders within the House Republican Caucus.

Unlike their House counterparts, Senate Appropriators wrote the bills to the spending levels agreed to in the debt limit deal. This will surely lead to a continuing resolution, and potentially a government shutdown, as House Republicans are entrenched in their position on lower spending levels. Some items of note from the Senate Energy & Water bill include the following:

- \$134 million for the WIIN Act Storage Account (FY23 enacted = \$134 million)

We expect Reclamation to announce its FY23 WIIN Act storage account allocations in the coming weeks. Congress will likely attach those recommendations to a continuing resolution at the end of the fiscal year as it did last year.

**Coordination JPA Member Agency Lobbyists**

On Thursday, July 13<sup>th</sup>, NRR hosted a coordination call among the individual JPA members’ federal lobbyists. We discussed the upcoming (at the time) leadership workshop with Reclamation, the JPA board action to support Senator Feinstein’s STREAM Act, and gave an update regarding the ongoing discussions about Congressman Harder’s bill.

## **WOTUS**

On July 17<sup>th</sup>, the EPA sent their amended WOTUS rule to OMB. EPA did not issue a public announcement on the development, likely because they want the rule to move quickly through OMB. While at OMB, the rule will undergo an interagency review process where federal agencies will have an opportunity to provide input on the rule. Recall that earlier this summer, Assistant Secretary of the Army for Civil Works, Mike Connor, informed Congress that the Administration intended to finalize its WOTUS rewrite by September 1<sup>st</sup> – it would see there is a serious effort underway to meet that deadline.

**ITEM 4.4: COMMITTEE MEETING SUMMARIES**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Taryn Ravazzini, Executive Director

**RECOMMENDATION:**

None.

**ALTERNATIVES:**

Not applicable.

**FISCAL ANALYSIS:**

Not applicable.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable.

**EXHIBITS/ATTACHMENTS:**

- Finance Committee Meeting Summary July 11, 2023
- O&E Committee Meeting Summary July 20, 2023
- Finance Committee Meeting Summary July 27, 2023



## SUMMARY OF REGULAR MEETING OF FINANCE COMMITTEE

July 11, 2023 – 7:30 a.m.

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### Participating Telephonically:

Chair Anthea Hansen

Vice Chair Paul Sethy

Committee Member Rebecca Eisenberg (joined the meeting at 7:36 a.m.)

Committee Member Michael Tognolini

Chair Hansen called the meeting to order at 7:31 a.m. Authority staff and approximately 14 members of the public attended the meeting.

Chair Anthea Hansen called for public comments on non-agenda items; none were received.

**1.1 May 25, 2023 Finance Committee Meeting Summary.** The draft summary of the May 25, 2023 Finance Committee meeting was presented for the Committee's review and discussion. The draft summary was approved by the Committee, as presented.

**1.2 Review of Draft Audit Policy.** Executive Director Taryn Ravazzini stated that in connection with the Board of Directors' action to engage the Authority's auditor for the 2022 Fiscal Year audit, the Board discussed establishing an Audit Policy for future years. General Counsel Ciampa prepared a draft Audit Policy for the Committee's review and comment.

The draft Audit Policy provides an overview of audit tasks, as well as setting forth the timing, criteria and process in selecting the Authority's auditor. The draft policy also explains the Finance Committee's role and responsibilities in the audit process. Auditors are limited to serving for five years under this policy, in conformance with Government Code Section 12410.6(b).

The Committee discussed the draft Audit Policy and recommended the following three changes be made to the Audit Policy to be presented to the Board of Directors at the July 12 Board meeting: (i) adding language to C(1)(d) to reflect inclusion of preparation of a single audit in the potential audit scope of work; (ii) revising the timing in section C(3) to require that the audit must be completed within one (1) month in advance of any continuing disclosure requirements for debt issued by the Authority, but no later than March 31 of the year following the year under audit in

advance of any action to be taken; and (iii) changing the required waiting time in Section C(6)(c) from five years to one year.

General Counsel Ciampa stated he would make those redlined revisions and distribute the proposed revisions to the Board of Directors later in the day, provided that he will confirm whether a one-year waiting period is permissible under Government Code Section 12410.6.

Chair Anthea Hansen called for public comments; none were received. Committee Member Sethy then moved, and Committee Member Eisenberg seconded, that the Finance Committee recommend adoption of the Authority’s Audit Policy in the form presented, with the revisions discussed above. The motion was unanimously approved as follows:

**AYES:** Chair Anthea Hansen  
Vice Chair Paul Sethy  
Committee Member Rebecca Eisenberg  
Committee Member Michael Tognolini

**NOES:** None

**ABSENT:** None

**ABSTAIN:** None

The motion passed with a 4-0 vote.

**1.3 Review and Discussion regarding Clean Energy Capital Invoices.** Executive Director Ravazzini provided the Committee with a summary of the outstanding invoices from Clean Energy Capital Securities, LLC (“Clean Energy Capital”), as was discussed at the June 14 Board of Directors’ meeting. Those invoices relate to two issues:

The first issue relates to services Clean Energy Capital has provided to the Authority that are beyond Clean Energy Capital’s agreed upon scope work in its contract with the Authority. Those services were directed by the Executive Director since early 2023 to assist with leadership support and membership coordination concerning the Service Agreement development and key financial transition services, including work with the auditor for the Fiscal Year 2022 audit, banking services procurement, and development and coordination of the accounting and financial management services request for proposals and evaluation process. On April 5, 2023, Clean Energy Capital requested an amendment for out-of-scope services to add \$211,561 to the not-to-exceed amount of its contract with the Authority. A written amendment was not provided. On June 9, 2023, Clean Energy Capital invoiced the Authority for May services in the amount of \$66,687.23 which exceeded the NTE by \$54,624.75. Clean Energy Capital has also provided its invoice for June services and the total contract overage amount is \$124,536 for services performed through June 30, 2023, the end of the 2023 Fiscal Year.

The other issue relates to an unpaid invoice from Clean Energy Capital to Contra Costa Water District (CCWD) in the amount of \$136,776.60 for services rendered to the Authority from August 25, 2022 to December 4, 2022. At that time, CCWD transferred the direction of Clean Energy Capital’s work to the Authority while retaining management of the contract. The invoiced amount for that work scope exceeded the not-to-exceed amount of Clean Energy Capital’s contract with CCWD by \$136,776.60.

Executive Director Ravazzini reviewed the Board of Directors' June 14 request that the Finance Committee review these issues and make a formal recommendation to the Board regarding approach to the Clean Energy Capital contract and outstanding invoices. Executive Director Ravazzini presented several alternatives for the Committee's consideration and proposed the staff recommendation to authorize payment from Fiscal Year 2023 contingency amounts to Clean Energy Capital for services rendered in the following manner: (i) to revise the start date of the Authority's contract with Clean Energy Capital to August 25, 2022, (ii) to direct staff to negotiate a reduction in cost with Clean Energy Capital for the overages, and (iii) to increase the Authority's contract amount to cover the negotiated amount. Executive Director Ravazzini stated there are contingency funds available in the Fiscal Year 2023 budget to cover those overage amounts.

The Committee then discussed the situation and the alternatives presented by Executive Director Ravazzini. Committee Member Eisenberg stated her preference for negotiations to take place with Clean Energy Capital. Committee Member Tognolini inquired why no written amendment was entered into with Clean Energy Capital and Executive Director Ravazzini stated the Authority was not able to get the amendment done before the exceedance occurred. Vice Chair Sethy stated his support for the alternative described above, referred to as "Option 2."

Chair Hansen called for public comments; none were received.

Chair Hansen then moved, and Vice Chair Sethy seconded, the Committee recommend Option 2 for approval by the Board of Directors, with the addition to the second point that the negotiation with Clean Energy Capital "may or may not lead to a reduction." The motion was unanimously approved as follows:

**AYES:** Chair Anthea Hansen  
Vice Chair Paul Sethy  
Committee Member Rebecca Eisenberg  
Committee Member Michael Tognolini

**NOES:** None

**ABSENT:** None

**ABSTAIN:** None

The motion passed with a 4-0 vote.

**1.4 Draft Treasurer's Report – Month Ended May 31, 2023.** Executive Director Ravazzini presented the Draft Treasurer's Report for the month ended May 31, 2023 for review and discussion. Chair Hansen inquired about the Authority's accounts payable and the large amount of cash on hand reflected in the Treasurer's Report. Marguerite Patil and Herman Williams of CCWD explained the accounts payable are shown in the expenditures category.

Chair Hansen called for public comments; none were received.

After discussion and upon motion by Committee Member Tognolini, seconded by Committee Member Eisenberg, the Draft Treasurer's Report for the month ended May 31, 2023 was unanimously approved as follows:

**AYES:** Chair Anthea Hansen



Vice Chair Paul Sethy  
Committee Member Rebecca Eisenberg  
Committee Member Michael Tognolini

**NOES:** None

**ABSENT:** None

**ABSTAIN:** None

The motion passed with a 4-0 vote.

**FUTURE AGENDA ITEMS:**

- Report on financial transition
- Discuss Audit RFP
- Review WIFIA loan process

The meeting adjourned at 8:50 a.m.

*James D. Ciampa*

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James D. Ciampa  
General Counsel



## **SUMMARY OF REGULAR MEETING OF OPERATIONS AND ENGINEERING COMMITTEE**

July 20, 2023 – 10:00 a.m.

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Chair Jose Gutierrez and Committee Members Jonathan Wunderlich, Steve Ritchie and Antonio Martinez participated telephonically. Staff and 29 members of the public also participated in the meeting. The meeting was called to order at 10.01 a.m.

Chair Jose Gutierrez called for public comment on non-agenda items. None were received.

### **1.1 June 15, 2023 Operations and Engineering Committee Meeting Summary.**

The summary from the June 15, 2023 Operations and Engineering Committee meeting was presented. The draft summary was accepted with no revisions and will be included in the next Board meeting packet.

### **1.2 Presentation and Anticipated Water Rights Petition and Related Water Rights Issues.**

Executive Director Taryn Ravazzini provided background on the Los Vaqueros Reservoir Expansion Project Phase 2 (Project) which will increase the reservoir's capacity from 160,000 acre-feet to 275,000 acre-feet and add new and modified conveyance facilities to provide environmental, water supply reliability, operational flexibility, water quality, and recreational benefits. To achieve these benefits, Contra Costa Water District (CCWD), the U.S. Bureau of Reclamation and the California Department of Water Resources (DWR) will file water rights change petitions with the State Water Resources Control Board in connection with the Project and its operations. Those petitions will not seek any new water rights but will attempt to revise various details concerning existing rights.

Lucinda Shih, CCWD Water Resources Manager, provided an overview of the status, need, procedures, and next steps relating to those water rights petitions and related issues resulting the Project creating a new pathway to deliver water. Those petitions will seek changes to diversion rights, points of diversion, places of use and developed uses. She noted the Project will divert, store and deliver water under existing water rights already available to the Project partners and that no new water rights are being sought as part of the LVE. She reviewed the Project partners that are Central Valley Project (CVP) contractors, whose water rights are owned

by the US Bureau of Reclamation, and that are State Water Project (SWP) contractors, whose water rights are owned by the Department of Water Resources.

Chair Gutierrez asked if any problems are anticipated by having CVP water delivered through SWP facilities. Maureen Martin of CCWD responded that discussions are ongoing concerning that issue and separate coordinated operations agreements will be entered into.

Committee Member Wunderlich noted that in relation to the proposed increase of permitted diversions through intakes to 439,000 acre-feet per year, CCWD is currently able to divert a maximum of 222,000 acre-feet per year but uses only 110,000 acre-feet per year. CCWD's maximum diversion of 222,000 acre-feet per year will cover CCWD's operations, plus provide an increased amount of 217,000 acre-feet per year for the Authority's other Members.

Ms. Shih stated the State Water Resources Control Board has the initial draft package of CCWD and U.S. Bureau of Reclamation change petitions and is reviewing that package. Consolidated petitions among the Department of Water Resources, the U.S. Bureau of Reclamation and CCWD will be filed as one package in the fall. Once filed with the State Water Resources Control Board, the change petitions will be subject to a 30-day public comment period and a hearing may or may not be held, depending on the comments or protests received. CCWD will continue its outreach efforts to minimize the likelihood of any protests to the petitions.

Chair Jose Gutierrez called for public comments. None were received.

**FUTURE AGENDA ITEMS:**

- Update on Project construction and cost schedules to be available for the August Committee meeting.

The meeting was adjourned at 10:41a.m.

*James D. Ciampa*

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James D. Ciampa  
General Counsel



## SUMMARY OF REGULAR MEETING OF FINANCE COMMITTEE

July 27, 2023 – 1:00 p.m.

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### Participating Telephonically:

Chair Anthea Hansen  
Vice Chair Paul Sethy  
Committee Member Rebecca Eisenberg  
Committee Member Michael Tognolini

Chair Hansen called the meeting to order at 1:01 p.m. Authority staff and approximately 14 members of the public attended the meeting.

Chair Anthea Hansen called for public comments on non-agenda items; none were received.

**1.1 July 11, 2023 Finance Committee Meeting Summary.** The draft summary of the July 11, 2023 Finance Committee meeting was presented for the Committee's review and discussion. The draft summary was approved by the Committee, as presented.

Chair Anthea Hansen called for public comments; none were received.

**1.2 Audit Request for Proposals Approach.** Executive Director Taryn Ravazzini advised the Authority will solicit a request for proposals for auditing services for the 2023 Fiscal Year and following fiscal years. Staff prepared a draft procurement schedule for review and discussion with the Finance Committee. The proposed approach will include a selection committee of Authority staff and member agency representatives. The intent of the overall schedule contemplates onboarding of the audit firm as early as September 2023.

Program Manager Chuck Gardner provided additional context to support the discussion. Included in the Audit Services RFP Schedule was an RFP posting date of August 11. Chair Hansen asked if the posting date could be moved to a week earlier, Friday, August 4. Mr. Gardner advised that an earlier date was possible. Executive Director Ravazzini asked for the Committee's consideration to include Vice Chair Sethy, in his capacity as the Authority's Treasurer, on the selection panel. Vice Chair Sethy proposed, as an alternative, the inclusion of Alternate Director Jonathan Wunderlich on the selection panel. Vice Chair Sethy inquired as to

who is presently on the selection committee. Ms. Ravazzini responded that Authority leadership was included – herself, the Program Manager and the Authority’s Financial Advisor, along with the Treasurer or his appointee. The consensus of the Committee was to keep the selection panel small.

Chair Anthea Hansen called for public comments; none were received.

**1.3 Financial Transition Updates.** Program Manager Gardner reviewed the current status of the financial transition from Contra Costa Water District to the Authority. Mr. Gardner stated the accounting consultant is now on-board and is assisting with that transition.

The Authority has procured accounting software and has selected QuickBooks based on significantly lower costs (\$900 initial fee and continuing annual fee compared to \$18,000 and \$9,000 annual fees on the alternative products that were reviewed) and quicker implementation period (one week for QuickBooks compared to 45 and 60 days for the other products). If more robust software is needed in the future, the Authority can look at making a change at that time. The Committee concurred with the decision.

Mr. Gardner then reviewed the contemplated invoice review, approval and payment process. That process will include review by the Program Management team to ensure the invoice is within the financial parameter of the subject contract and within the approved scope of work. Once approved through that review, the Executive Director will then give final approval to payment of the invoice. A copy of the invoices will then be sent to CCWD for grant reimbursement. Summaries of approved invoice payments will be included in the Treasurer’s Report each month for the Committee’s and Board’s information.

Chair Hansen asked whether invoices would be paid monthly. Mr. Gardner responded they would be paid monthly and advised that invoices submitted by the 10<sup>th</sup> of the month will be paid between the 15<sup>th</sup> and 20<sup>th</sup> of the month.

Vice Chair Sethy inquired as to how much has been transferred from CCWD into the Authority’s account. Ms. Ravazzini advised that approximately \$1.4 million has been transferred to the Authority and she will verify with CCWD as to how much CCWD continues to hold.

Chair Anthea Hansen called for public comments; none were received.

**1.4 Draft Treasurer’s Report – Month Ended June 30, 2023.** Executive Director Ravazzini presented the Draft Treasurer’s Report for the month ended June 30, 2023 for review and discussion. She also advised that the U.S. Bureau of Reclamation had approved an additional \$10 million allocation to the Los Vaqueros Reservoir Expansion Project, to bring total federal funding for the Project to \$174 million. Executive Director Ravazzini also updated the Committee on the status of members’ approval of Amendment No. 5 to the Multi-Party Cost Share Agreement.

#### **FUTURE AGENDA ITEMS:**

Executive Director Ravazzini stated the August Committee meeting will include an update on the status of the request for proposals for bond counsel. Vice Chair Sethy asked

whether a disclosure counsel would also be required, and General Counsel Ciampa responded that will depend on the type of financing vehicle that is selected.

Also, the Committee will be updated on the ongoing discussion with members' finance staff concerning the possible preparation of a Master Resolution in connection with the financing process.

Executive Director Ravazzini alerted the Committee of the possible need to reschedule the September Committee meeting. She will follow-up with the Committee in August after more is known with respect to that possible rescheduling.

The meeting adjourned at 1:34 p.m.

*James D. Ciampa*

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James D. Ciampa  
General Counsel