



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

September 13, 2023 – 9:30 a.m.

Vice Chair Anthea Hansen called the meeting to order at 9:32 a.m.

PLEDGE OF ALLEGIANCE – led by Vice Chair Anthea Hansen

ROLL CALL OF DIRECTORS

Angela Ramirez Holmes, Chair, Zone 7 Water Agency (by telephone)

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, Director, Contra Costa Water District

Michael Tognolini, Director, East Bay Municipal Utility District

Rebecca Eisenberg, Director, Santa Clara Valley Water District (arrived at 9:46 a.m.)

ALTERNATE DIRECTORS

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

*Richard Santos, Alternate Director, Santa Clara Valley Water District (participated on behalf of Santa Clara Valley Water District until Director Eisenberg arrived)

*Participated in place of absent Director

ABSENT

Dennis Herrera, Director, San Francisco Public Utilities Commission

Jonathan Wunderlich, Alternate Director, Alameda County Water District

Patt Young, Alternate Director, Contra Costa Water District

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

Sandy Figuers, Alternate Director, Zone 7 Water Agency

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
John Bezdek, Water and Power Law Group PC
David Moore, Clean Energy Capital
Rosemarie Perea, Board Clerk (by telephone)
Norma Alley, Assistant Board Clerk

Numerous others were present in person and by telephone.

Vice Chair Hansen noted changes in Contra Costa Water District’s Board representation. Antonio Martinez, formerly that district’s Alternate Director is now Director and Patt Young now serves as CCWD’s Alternate Director. Vice Chair Hansen welcomed Alternate Director Young to the Authority.

PUBLIC COMMENT ON NON-AGENDA ITEMS

Vice Chair Hansen called for public comments on non-agenda items. None were received.

CONSENT CALENDAR

The Consent Calendar consisted of the following items:

- 1.1 Approval of Minutes from August 9, 2023 Board of Directors Meeting**
- 1.2 Treasurer’s Report – Month Ended July 31, 2023**

Vice Chair Hansen called for public comments. None were received.

Upon motion by Director Martinez, seconded by Alternate Director Santos, the Consent Calendar, 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, Director, Contra Costa Water District
 Michael Tognolini, Director, East Bay Municipal Utility District
 Richard Santos, Alternate Director, Santa Clara Valley Water District
 Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission

NOES: None

ABSENT: None

ABSTAIN: None

The motion passed with an 8-0 vote.

ACTION ITEMS

None.

DISCUSSION ITEMS

2.1 Construction Cost Estimate Update

Chuck Gardner, LVR JPA Program Manager, and Chris Hentz, CCWD LVE Project Engineering Manager, provided an overview of the recently completed Project cost update. The June 2023 Project Cost Update was prepared by Contra Costa Water District and its capital programs team of GEI Consultants and Parsons. The estimate is consistent with the June 2023 updated project schedule and provides the most current anticipated costs to plan, design, manage, construct, and permit the facilities associated with the Project.

Cost increases have been driven by design refinements, general escalation, increased construction management costs, construction services costs associated with the Marina relocation, increased staffing and labor costs, funding for water supply alternative conveyance, and inflation resulting from Project delays. Approximately ten percent of the increase is attributable to the schedule delays and additional increases result from increased steel costs for the Transfer-Bethany Pipeline and other facilities.

Treasurer Paul Sethy asked how the increased costs of the Project will be funded. Executive Director Ravazzini noted that \$477 million is expected from the California Water Commission, which is the maximum amount allowed and that amount is fixed. The Authority will apply for the maximum allowed under the WIFIA loan and David Moore of Clean Energy Capital noted the Authority has the ability to increase that loan amount by up to twenty percent from the \$675 million initially approved. Other options would be to issue bonds or other financing or members could contribute monies in lieu of financing.

Director Martinez asked if the CCWD backstop water costs are included in the cost estimate. Mr. Hentz responded that \$3 million has been added as a placeholder amount in the dam expansion costs, but he stated that amount may increase based on EBMUD supply constraints. Mr. Hentz also stated that amount was based on a normal water year and there could be higher costs if dry years are encountered while the reservoir is out of service. Director Eisenberg expressed concern with the use of a normal year for estimating purposes in light of ongoing climate change and thought the estimate should reflect a worst-case scenario. Mr. Hentz noted Project reserves will be sufficient to cover any cost differential.

In connection with the Construction Schedule summary, Treasurer Sethy asked why the Transfer-Bethany Pipeline is scheduled to take so long. Mr. Hentz stated that design schedule includes time for land acquisition, which is the critical path and depends on the timing of California Water Commission funding approval. Secretary Wehr stated members may be able to provide assistance with some issues, including land mitigation issues. She also wants to ensure the Authority pursues inflation increases on both state and federal funding.

Chair Angela Ramirez Holmes asked that the lead agency for various Project components be included in the cost summary. She also asked for clarification on the "Next Steps" slide as to what

“Convene Review and Refinement Workshops for Schedule and Cost Estimate” means. David Moore advised the Pro Forma Model will be updated with new inputs in the next few weeks for distribution to the members and workshops will take place on that updated information. Chair Ramirez Holmes also stated she would like to see an overall schedule with respect to the Service Agreement and other Project agreements. Alternate Director Ritchie agreed and stated it is important to have an integrated schedule of construction, costs and agreement development.

Vice Chair Hansen called for public comments. None were received.

2.2 Washington D.C. Engagement Trip and Related Meetings

Executive Director Taryn Ravazzini noted that since the Authority’s successful introductory trip to Washington, D.C. in September 2022, the Project has been allocated \$110 million in combined federal funding from the Bipartisan Infrastructure Law and the WIIN Act. With continued interest in the Project from members of Congress, it is important for the Authority to engage in another trip to Washington D.C. to meet in person with elected officials. She stated the trip will have an educational focus and will provide an update on the status of the Project. The proposed delegation will consist of Chair Ramirez Holmes, representing urban Authority members, Vice Chair Hansen, representing agricultural members and Secretary Wehr, representing the refuges. Key messaging continues to be developed and talking points and updated leave behind materials will be shared with Members in advance.

John Bezdek, the Authority’s Federal Advocate with Water and Power Law Group, stated it is important for the Authority to reinforce the need for additional funding under the WIIN Act, which is a priority in light of ongoing federal budget discussions. He also emphasized the importance of personal meetings with the Project’s principals.

Director Martinez stated he would like to have all materials at least a week before the trip to provide adequate time to review the materials. He also expressed a concern about possible misrepresentation of the timing of the Project and various Project agreements in light of ongoing open issues.

Director Tognolini asked what is new with the Authority from last year’s trip that necessitates this trip. Executive Director Ravazzini reviewed the Authority’s accomplishments over the past year, including improving the working relationship with the Bureau of Reclamation. Director Tognolini stated the Authority needs to focus on the real issues it faces that need to be resolved in the next few months.

Director Eisenberg noted she feels the trip is very important and she wants to receive feedback from the meetings that occur. Director Ravazzini stated she intends to provide specific meeting notes to the Board members. In response to Director Martinez’s request for talking points at least one week before the trip, these will be prepared following the September 21 leadership workshop with the Bureau of Reclamation.

Chair Ramirez Holmes noted much has happened this past year, that it is important to try to access funding wherever possible and that it is important to continue to build relationships with federal representatives. She acknowledged there is never a perfect time, as the Authority will constantly be juggling multiple issues.

Federal Advocate Bezdek noted that nothing is more important to a congressional office than actually meeting the principals of a project. Additionally, significant work remains to be done and that message is best delivered in person. Executive Director Ravazzini noted it is important to let members of Congress and federal partners know the Authority and Project are still moving forward. Vice Chair Hansen stated the timing of the trip is important and the communication piece is also important.

Vice Chair Hansen called for public comments. None were received.

2.3 Program Management Update

- August Activities
- Fall ACWA Conference
- Outreach and Communications

Chuck Gardner, Program Manager, presented a status update on the transition of administration from CCWD to the Authority as well as ongoing program management activities. Monthly standing updates noted in the presentation included status of Authority contract authorizations, budget, schedule, and agreements. Procurement activities continue with review of proposals for audit services as well as the pending request for proposals for bond counsel services. Continued progress toward drafting project agreements has been made and an updated schedule of those agreements was presented. In addition, a new column reflecting which entity has current responsibility for a particular agreement was added to the summary table.

Mr. Gardner stated the Authority is planning to hold a reception at the ACWA Fall Conference in Indian Wells in late November. Also, the Authority is looking into opportunities for participation on panels and providing Project presentations during that conference.

The communications team conducted a comprehensive communications audit, which included the Authority's current informational materials, website, newsletter, social media, media relations, branding and messaging. Results and recommendations from that audit were used to develop a draft outline for the strategic communications plan which was presented to the Communications and Outreach Committee at its August meeting. The complete communications plan will be developed to align with and build on the overarching goals and priorities to be approved by the Board of Directors. Plan elements will encompass target audiences, communications coordination process, message platform, strategies, tactics, outreach schedule, and methods for evaluation. An overview of upcoming activities was further detailed in the presentation.

A videographer has been selected for the production of a Project overview/virtual tour video, as required by the California Water Commission for any project receiving funding from the Proposition 1/Water Storage Investment Program (WSIP).

Secretary Wehr inquired as to the status of the audit proposal. Executive Director Ravazzini stated the Authority's Audit Policy requires the Finance Committee to first review and make recommendations concerning engagement of the auditor and the auditor selection item will therefore be considered at the September 18 Finance Committee meeting prior to bringing it before the Board at its October 11 meeting.

Vice Chair Hansen inquired about the fact that only \$1,322 was reflected as costs paid to CCWD. Mr. Hentz responded that is a timing issue with respect to consultants' invoices and payments. Vice Chair Hansen also mentioned that on the Authority Budget Report, the column titled "Actual Costs to Date" should be revised to "Paid Costs to Date" to more accurately reflect the nature of the figures in that column. Mr. Gardner stated he will make that change.

On the Planning Phase Funding Schedule, Treasurer Sethy inquired as to what "Section 106" referred. Mr. Gardner stated those figures referred to various permitting milestones.

Director Martinez expressed his concern that the CCWD-EBMUD Backstop Agreement is reflected as being 25% complete. He stated those negotiations have not yet started and he stressed the importance of that agreement as it is necessary for CCWD to meet its needs to provide water service to its customers.

Mr. Gardner then discussed upcoming next steps, including award of the auditor contract at the October Board meeting, ongoing actions to engage Authority bond counsel and drafting of the communications plan for review at the October Communications and Outreach Committee meeting.

Vice Chair Hansen called for public comments. None were received.

FUTURE AGENDA ITEMS

- Further cost update
- Auditor and Bond Counsel recommendations
- Report on Washington DC trip

REPORTS

3.1 Directors

Ad Hoc Committee on CCWD Design and Construction Agreement

This ad hoc committee was established to address issues relating to the CCWD Design and Construction Agreement. The committee met on August 17 and August 23 to discuss CCWD's proposed revisions and to provide direction to Authority staff with respect to proposed changes to the draft term sheet. The draft term sheet has been revised and committee members' comments consolidated. Those comments were provided to CCWD on August 28. The Executive Director and Program Manager met with Chris Hentz, LVE Project Engineering Manager at CCWD, on August 31 to discuss those revisions and comments. Staff level coordination will continue while the Authority awaits a formal response from CCWD.

Secretary Wehr discussed the August 24 meeting with Bureau of Reclamation policy representatives from the Bureau's Denver office. She attended that meeting and provided an overview of the Project and its refuge benefits.

3.2 Executive Director

Executive Director Ravazzini stated her report is included in the meeting materials. She thanked

Secretary Wehr for her attendance at the August 24 meeting with the Bureau of Reclamation representatives and for the overview of all of the Project's wildlife refuge benefits. She also thanked Maureen Martin for her presentation at that meeting.

She reported that Amendment No. 5 to the Multi-Party Cost Share Agreement has been fully executed, that she has cast the Authority's votes for ACWA President and Vice President and the CCWD Facilities Usage Agreement Ad Hoc Committee will be meeting soon. She also reported on the initial meeting with the California Department of Fish and Wildlife to commence the Contract for Administration of Public Benefits process.

3.3 - General Counsel

No report.

3.4 Committee Meeting Summaries

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

- O&E Committee Meeting Summary – August 17, 2023
- Communications Committee Meeting Summary – August 23, 2023
- Finance Committee Meeting Summary August 24, 2023

Director Martinez stated that members should be provided drafts of Authority press releases for their review before those press releases are finalized and distributed. Executive Director Ravazzini stated the draft press release on the recent federal funding award was provided to the members' communications teams before it was finalized and distributed. She also stated that process will be set forth in the communications plan to be developed. Chair Ramirez Holmes emphasized the Authority is a separate entity.

The meeting was adjourned at 11:32 a.m.

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Angela Ramirez Holmes
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Angela Ramirez Holmes, Chair

ATTEST:

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Ellen Wehr
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Ellen Wehr, Secretary