



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

January 10, 2024 – 9:30 a.m.

Chair Angela Ramirez Holmes called the meeting to order at 9:32 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

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 approximately 9:50 a.m.)

ALTERNATE DIRECTORS

Jonathan Wunderlich, Alternate Director, Alameda County Water District

Patt Young, Alternate Director, Contra Costa Water District

Richard Santos, Alternate Director, Santa Clara Valley Water District

ABSENT

Lesa McIntosh, Alternate Director, East Bay Municipal Utility District

Dennis Herrera, Director, San Francisco Public Utilities Commission

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

Sandy Figuers, Alternate Director, Zone 7 Water Agency

OTHERS PRESENT

Taryn Ravazzini, Executive Director
James Ciampa, Lagerlof, LLP, General Counsel (via Zoom)
Chuck Gardner, Program Manager, Hallmark Group
Jessica Alwan, Program Manager, Hallmark Group
Maddy Benner, Hallmark Group
Maureen Martin, Contra Costa Water District
Rosemarie Perea, Board Clerk (via Zoom)
M. J. Brown, Assistant Board Clerk

Approximately 30 others were present in person, via Zoom and by telephone.

PUBLIC COMMENT ON NON-AGENDA ITEMS

Chair Ramirez Holmes 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 December 13, 2023 Board of Directors Meeting

Chair Ramirez Holmes called for public comments. None were received.

Upon motion by Treasurer Sethy, seconded by Director Martinez, 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
- NOES:** None
- ABSENT:** Dennis Herrera, Director, San Francisco Public Utilities Commission
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
- ABSTAIN:** None

The motion passed with a 7-0 vote.

ACTION ITEM

2.1 Election of Chair and Vice Chair

Chair Angela Ramirez Holmes advised that Sections 4.1 and 4.2 of the Authority’s Joint Exercise of Powers Agreement (“JPA Agreement”) address the election of the Authority’s Chair and Vice Chair, respectively. Those sections provide those officers are to be elected at the Board’s first meeting of each calendar year.

Chair Ramirez Holmes then asked for nominations for Chair. Vice Chair Anthea Hansen nominated Angela Ramirez Holmes for another term as Chair. No other nominations were received, and the election of Angela Ramirez Holmes as Chair 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
- NOES:** None
- ABSENT:** Dennis Herrera, Director, San Francisco Public Utilities Commission
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
- ABSTAIN:** None

The motion passed with a 7-0 vote.

Chair Ramirez Holmes then asked for nominations for Vice Chair. Secretary Ellen Wehr nominated Anthea Hansen for another term as Vice Chair. No other nominations were received, and the election of Anthea Hansen as Vice Chair 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
- NOES:** None
- ABSENT:** Dennis Herrera, Director, San Francisco Public Utilities Commission
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
- ABSTAIN:** None

The motion passed with a 7-0 vote.

Chair Ramirez Holmes further stated that pursuant to Sections 4.3 and 4.4 of the JPA Agreement, the offices of Secretary and Treasurer are appointed by the Board and serve at the Board's pleasure and therefore there is no need for those offices to be addressed at this meeting. If either Secretary Wehr or Treasurer Sethy did not desire to continue in those positions or there was a desire of the Board to change the appointments to those offices, such a change could be considered at the February 14 Board meeting. Both Secretary Wehr and Treasurer Sethy expressed their desire to continue in their respective positions.

DISCUSSION ITEMS

3.1 Program Management Update

Chuck Gardner, Program Manager, presented a status of JPA program-level activities. Monthly standing updates noted in the presentation included accomplishments from the prior month, status of Authority contract authorizations, budget review, schedule review, review of cash flow, status of agreements and overview of the capital preservation strategy to be implemented.

December accomplishments included refining of the Project agreements' schedule, development of the capital preservation strategy and transmitting the respective Facilities Usage Agreements to CCWD and EBMUD. In reviewing the Authority's contract authorizations, Mr. Gardner noted Clean Energy Capital and Hallmark Group remained over-budget. He stated Clean Energy Capital's workload will be reduced in the coming months because the interim financing efforts will be placed on hold. The Hallmark Group's efforts will be more difficult to adjust because its budgeting had contemplated the Project agreements being done by the end of 2023, but efforts on those agreements are expected to continue throughout 2024.

Mr. Gardner then summarized the current status of Authority's FY 24 budget and stated the Authority's expenses, CCWD's outside expenses and CCWD's internal labor costs were all under budget. He then reviewed the project cash flow report, which included a contingency amount of \$583,617. Vice Chair Hansen asked if that contingency amount is expected to be spent in the current fiscal year and Mr. Gardner replied that with the current reduction of expenses, it is not likely that contingency amount will be spent in the current fiscal year.

On the construction schedule update, the Mr. Gardner clarified the schedule provided has not been adjusted. He stated the revised schedule is still being reviewed, but he expects about an eight-month delay to get to funding with the California Water Commission, which will impact the construction start date. He stated the revised schedule will likely be presented to the Board at its March meeting.

Mr. Gardner then reviewed the status of the various Project agreements. He stated the CCWD Design and Construction Agreement continues to be negotiated by the work group of General Managers. The next meeting of that group is on February 1. Secretary Wehr asked if that is the first meeting after the December 19, 2023 meeting that occurred. Mr. Gardner stated it was and that he hoped the cadence of meetings can be increased. He also confirmed that Executive Director Ravazzini attended the December 19 meeting and will be attending the February 1 meeting. Secretary Wehr requested an analysis be prepared of the financial impacts to members of any shifts in risks under the Design and Construction Agreement. Chair Ramirez Holmes requested that meeting notes from the December 19 and February 1 meetings be provided to the Ad Hoc Committee for the CCWD Design and Construction Agreement.

Mr. Gardner reported the Authority transmitted its comments and proposed revisions to the EBMUD Facilities Usage Agreement Term Sheet to EBMUD and a meeting to discuss those revisions and issues will occur in the next few weeks. Also, the Authority transmitted its comments and proposed revisions to the CCWD Facilities Usage Agreement Term Sheet to CCWD and a meeting will be scheduled in early to mid-February. With respect to the Service Agreement, Ibrahim Khadam will be conducting oversubscription workshops later this month.

Mr. Gardner stated CCWD and EBMUD continue to work on development of the Backstop Plan and CCWD is awaiting a draft memorandum from EBMUD. Director Tognolini clarified EBMUD is working on one piece of the overall backstop plan, the conveyance piece. Maureen Martin of CCWD advised she had just received the memorandum from EBMUD and CCWD is working with the Bureau of Reclamation on related issues and is studying various water treatment alternatives.

Mr. Gardner then discussed the status of the Contracts for Administration of Public Benefits. He corrected the slide in the meeting packet (page 24 of the packet) which stated that member input had been provided on the Ecosystem CAPB and clarified that CAPB will be provided to members' staffs once further drafting issues are resolved. With respect to permitting issues, Executive Director Ravazzini stated the Authority signed onto a comment letter to the California Department of Fish and Wildlife in support of CCWD's counter-proposal to the draft Incidental Take Permit for operations. Among the issues addressed is the need for a longer permit term (to increase to a 20-year term) and revisions to the minimization measures so they are more proportional.

Mr. Gardner then reviewed the revised LVE JPA Summary Schedule. Treasurer Sethy asked what encompasses the DWR Turn-In Agreement. Mr. Gardner responded that agreement addresses the flow of water into the State Water Project. Maureen Martin noted the Turn-In Agreement applies only to the portions of the Transfer-Bethany Pipeline that traverse land owned by DWR. Vice Chair Hansen asked whether a wheeling agreement would be required. Ms. Martin advised there may be a need for a conveyance agreement depending on the nature of the water being moved but that would be addressed later, in a subsequent agreement. Vice Chair Hansen asked what parties are signatories on the Turn-In Agreement. Ms. Martin responded the Authority and DWR are the parties to the agreement and CCWD's obligations will be addressed through its agreements with the Authority.

Alternate Director Wunderlich asked whether there will be another cost update. Mr. Gardner stated he was anticipating receiving updated costs to inform the capital preservation strategy from CCWD in the next few days. Additionally, he noted that a third party could be engaged by the LVR JPA to provide technical review services of the overall project cost estimate. Alternate Director Wunderlich emphasized the members' need for the updated financial information. Chair Ramirez Holmes stated the Finance Committee should be involved in any decisions relating to the revised cost estimates and determining whether third party review is necessary.

Mr. Gardner stated the revised schedule has time built in for members' committee review processes. He stated the Authority is in close communication with members to ensure alignment with those processes. Chair Ramirez Holmes asked CCWD to ensure that audio is available for its committee meetings so interested parties can hear the discussions at those meetings.

With respect to the Authority's burn rate reduction, it was proposed that committee meeting frequency be reduced to bi-monthly Finance Committee meetings, quarterly Operations and Engineering Committee meetings and twice annually Communication and Outreach Committee meetings. Reducing the number of meetings would reduce administrative costs related to those

meetings. Chair Ramirez Holmes would like the Communications and Outreach Committee meetings to be scheduled quarterly and they could be cancelled if there was no business to discuss.

Director Eisenberg noted the Authority needs to look at ways to develop other revenue sources and she stated the Authority should review possible use of carbon credits to generate revenue. She also feels that reducing transparency is unfair to the public. Vice Chair Hansen asked what is saved by not having a Finance Committee meeting. Mr. Gardner advised he would provide an update of the expected cost savings to the Finance Committee. Chair Ramirez Holmes stated Authority staff should discuss possible meeting reductions with each of the committee chairs.

Chair Ramirez Holmes called for public comments and comments from those on Zoom. None were received. She then asked for any questions or comments from directors. Director Martinez stated his appreciation for the work that is being done behind the scenes on the agreements.

FUTURE AGENDA ITEMS

None.

REPORTS

4.1 Directors.

Chair Ramirez Holmes noted it is the time to review all committee assignments. She is not inclined to make any changes, but if anyone would like a change to their committee assignment, they should e-mail her those requests for consideration.

4.2 Executive Director

Executive Director Ravazzini stated her written report is included in the meeting materials. She emphasized the ongoing Executive Management Team meetings between the Authority and CCWD and her appointment as a member of the Association of California Water Agencies' Federal Affairs Committee, representing ACWA's Region 5.

With respect to engagement activities with the Bureau of Reclamation, she mentioned several leadership changes at the Bureau and that further technical discussions with the Bureau will take place at the CVP Water Users Conference on January 24 to 26.

4.3 General Counsel

General Counsel Ciampa had no report.

4.4 Committee Meeting Summaries

The Finance Committee Meeting Summary for December 5, 2023 was presented.

The meeting was adjourned at 10:52 a.m.

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Angela Ramirez Holmes
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Angela Ramirez Holmes, Chair

ATTEST:

DocuSigned by:
Ellen Wehr
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Ellen Wehr, Secretary