



**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
May 19, 2023 – 10:00 a.m.

CALL TO ORDER – Chair Angela Ramirez Holmes called the meeting to order at 10:00 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
Ernesto Avila, Director, Contra Costa Water District
Michael Tognolini, Director, East Bay Municipal Utility District
Rebecca Eisenberg, Director, Santa Clara Valley Water District (arrived at 10:17 a.m.)

ALTERNATE DIRECTORS

Jonathan Wunderlich, Alternate Director, Alameda County Water District (departed at 11:40 a.m.)
Antonio Martinez, Alternate Director, Contra Costa Water District (departed at 12:02 p.m.)
*Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
*Richard Santos, Alternate Director, Santa Clara Valley Water District (by phone)
Sandy Figuers, Alternate Director, Zone 7 Water Agency

*participated in place of absent Director; Alternate Director Santos acted in place of Director Eisenberg until her arrival

ABSENT

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

STAFF PRESENT

Taryn Ravazzini, Executive Director
James Ciampa, Lagerlof, LLP, General Counsel
Marguerite Patil, Contra Costa Water District
Maureen Martin, Contra Costa Water District
David Moore, Clean Energy Capital Securities, LLC
Norma I. Alley, MMC, Assistant Board Clerk

PUBLIC COMMENT ON NON-AGENDA ITEMS

None.

CONSENT CALENDAR

1.1 Approval of Minutes from April 12, 2023, Board of Directors Meeting

1.2 Treasurer’s Report – Month Ended February 28, 2023

Vice Chair Hansen requested Item 1.1 be pulled and heard under separate motion.

Upon motion by Alternate Director Santos, seconded by Director Avila, the Consent Calendar consisting of Item 1.2, 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
Ernesto Avila, Director, Contra Costa Water District
Michael Tognolini, Director, East Bay Municipal Utility District
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
Richard Santos, Alternate Director, Santa Clara Valley Water District

NOES: None

The motion passed with an 8-0 vote.

With respect to Item 1.1, the following changes to the April 12, 2023 Board meeting minutes were requested: (1) Page 10 of the packet: Discussion Item 3.1 – in the first paragraph, revise to reflect that “Marguerite Patil of Contra Costa Water District reported development of the Authority’s Fiscal Year 2024 Budget is continuing” and delete the remainder of that paragraph; (2) Page 10 of the packet: Discussion Item 3.1 – in the last line of the fifth paragraph, insert “funds” after “carryover”; (3) Page 11 of the packet: Discussion Item 3.2 – in the second paragraph, change “August 14” to “April 14”; and (4) Page 11 of the packet: Discussion Item 3.2 – in the fourth paragraph, in the second line change “done to date” to “provided to date.”

Upon motion by Vice Chair Hansen, seconded by Director Tognolini, the Consent Calendar consisting of Item 1.1, as amended, 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
Ernesto Avila, Director, Contra Costa Water District
Michael Tognolini, Director, East Bay Municipal Utility District
Steve Ritchie, Alternate Director, San Francisco Public Utilities Commission
Richard Santos, Alternate Director, Santa Clara Valley Water District

NOES: None

The motion passed with an 8-0 vote.

ACTION ITEMS

2.1 Approval of Contract with the Hallmark Group for Program Management Services

Executive Director Taryn Ravazzini reviewed the process used to solicit and evaluate proposals for the program management services the Authority requires. She stated two firms submitted proposals: the Hallmark Group and Woodard & Curran. The Executive Director, along with a panel made up of member agency staff members, interviewed both proposing entities and their key personnel. Upon conclusion of that interview and evaluation process, the panel unanimously recommended proceeding with the Hallmark Group.

Jessica Alwan of the Hallmark Group then provided information regarding her firm and the comprehensive team that will provide the program management services for the Authority. She also reviewed the Hallmark Group's experience on comparable projects.

Executive Director Ravazzini stated she has worked with the Hallmark Group to refine the scope of work for the services and to reduce the cost. She also stated the Hallmark Group agreed not to include any markup on services provided by Khadam Consulting, Inc., as its contract with the Authority will terminate and future services from Khadam Consulting, Inc. will be provided under the Authority's contract with the Hallmark Group.

Treasurer Sethy inquired if the Hallmark Group provided any services to the Delta Conveyance Project Authority. Ms. Alwan responded the Hallmark Group provided environmental services early in the project, before the joint powers authority was formed and has not provided additional services on that project.

Alternate Director Ritchie stated this is an expensive item and expressed his concern about "cost creep." He stated the need to ensure the Authority obtains real value for the monies spent.

Director Avila asked if there is a breakdown of the hourly and overhead rates for this contract to monitor and track costs expended for each of the tasks, including key assumptions regarding allocation of time and costs to the various tasks. Executive Director Ravazzini responded that a breakdown was provided with the firm's proposal, along with the key assumptions and explanations regarding the tasks reflected in the scope of work.

Upon motion by Treasurer Sethy, seconded by Director Eisenberg, the contract with the Hallmark Group for program management services in the form presented 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
 Ernesto Avila, 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

The motion passed with an 8-0 vote.

2.2 Approval of Contract for Federal Relations Consultant

Executive Director Ravazzini reviewed the background of the Authority's current federal relations consultant contract, which expired on May 15. She stated positive progress has been made with the Bureau of Reclamation regional staff. She then summarized the expedited procurement process directed by the Communications and Outreach Committee. That process included soliciting proposals from eight qualified firms with a six-day response period. Three proposals were received, and a review team made up of representatives from five Authority members reviewed those proposals and unanimously agreed that Natural Resource Results LLC and Water and Power Law Group PC would best serve the Authority's federal relations needs. The review team concurred that this would be a one-year contract that should be evaluated well in advance of the expiration date. The contract amount is \$15,000 per month, with a total not-to-exceed \$10,000 for expenses over the contract term.

Director Ritchie asked how this contract relates to the work being done by Khadam Consulting, Inc. and whether those entities' services are complementary or duplicative. Executive Director Ravazzini clarified that Khadam Consulting's work is more technical and staff oriented, while the Natural Resource Results team is more policy and management oriented. She believes the respective services are very complementary and not duplicative.

Secretary Wehr acknowledged Natural Resource Results and Water and Power Law Group have a great level of expertise and much progress with the Bureau of Reclamation has been made over the past month.

Director Tognolini stated it is imperative that the consultant coordinate with the members' consultants and staffs to ensure coordinated strategies. He also stated the need for monthly reports on federal relations developments. Executive Director Ravazzini acknowledged the need for coordination among the Authority and the members on these issues and emphasized the need for members to communicate with the Authority so reciprocal coordination occurs.

Director Tognolini expressed discomfort with the process undertaken for this item, particularly with the short amount of time responding firms were given to respond with a proposal. However, he agreed that the selected firm will provide the services the Authority needs at this time.

Director Avila agreed with the concerns raised regarding the process that was undertaken, especially where these services are of such great importance. He stated he did not think the process was adequate here in light of that importance. He further emphasized the need to avoid ambiguity and misunderstandings and emphasized the need for coordination among the Authority and the members. He asked General Counsel Ciampa if the Authority's Bylaws allowed the Communications and Outreach Committee to direct the expedited process that occurred here. General Counsel Ciampa responded that this is a contract for professional services that could have been awarded on a sole source basis without any competitive process under the Authority's procurement policy and applicable law.

Chair Ramirez Holmes discussed the ongoing coordination the Authority has undertaken with Contra Costa Water District on these federal relations issues and stated CCWD's staff is present at the meetings that are regularly happening with the Bureau of Reclamation and the Authority and CCWD have been sharing their respective talking points for those meetings.

Upon motion by Alternate Director Ritchie, seconded by Director Eisenberg, the Board approved the Authority's contract with Natural Resource Results LLC and Water and Power Law Group, PC for a one-year term in the form presented 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
 Ernesto Avila, 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

The motion passed with an 8-0 vote.

2.3 Adoption of Resolution No. 5-23-01 Authorizing Submission of Water Infrastructure Finance and Innovation Act (WIFIA) Loan Application

Executive Director Ravazzini stated this item is to authorize the Authority staff to proceed with preparing and submitting the Water Infrastructure Finance and Innovation Act ("WIFIA") loan application to the U.S. Environmental Protection Agency. She introduced David Moore of Clean Energy Capital, the Authority's financial advisor, to further discuss the related issues.

Mr. Moore stated the Authority had recently received its indicative credit rating from Standard & Poor's, which is confidential but has been shared with members' general managers and distributed by General Counsel Ciampa to the Board members on a confidential basis. That credit rating is a very positive development. If this item is approved, staff will continue to prepare the WIFIA loan application, which is expected to be submitted within the next few months.

Treasurer Sethy asked whether the credit rating obtained has any impact on the interest rate the Authority would receive for the WIFIA loan. Mr. Moore stated the WIFIA loan program sets the interest rate in relation to the U.S. treasury rate regardless of credit rating.

Director Eisenberg expressed appreciation for obtaining the credit rating. She also expressed concern regarding the deferral of interest, which can significantly increase the total payback on the loan. She stated the WIFIA loan is good to have as a backup, but she would prefer to obtain additional grant funding.

Upon motion by Vice Chair Hansen, seconded by Director Eisenberg, the Board adopted Resolution No. 5-23-01 authorizing the submission of a loan application under the Water Infrastructure Finance and Innovation Act, 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
 Ernesto Avila, 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

The motion passed with an 8-0 vote.

2.4 Approval of Creation of Ad Hoc Committee on CCWD Facilities Usage Agreement

Executive Director Ravazzini updated the Board on the current status of discussions with Contra Costa Water District staff on the development of the Facilities Usage Agreement with CCWD. She stated that issue has advanced to the point where it is now appropriate to create a Board committee to consider the CCWD Facilities Usage Agreement issues, similar to the approach taken with the CCWD Design and Construction Agreement. Under the Authority's Bylaws, the Board must approve the creation of that ad hoc committee. No questions or comments were received from the Board members.

Upon motion by Director Sethy, seconded by Director Eisenberg, the creation of an ad hoc committee on the Contra Costa Water District Facilities Usage Agreement 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
 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
ABSTAIN: Ernesto Avila, Director, Contra Costa Water District

The motion passed with a 7-0-1 vote, with Director Avila abstaining.

2.5 Approval of Membership in Association of California Water Agencies

Executive Director Ravazzini stated she has further investigated the cost of the Authority becoming a member of the Association of California Water Agencies (“ACWA”). The first-year prorated dues for 2023 would be \$198.75. Discounted dues for the second year of membership would be \$397.50 and full dues would apply to the third and subsequent years. The Communications and Outreach Committee recommended approval of the Authority’s membership in ACWA.

Vice Chair Hansen mentioned that the Authority’s ACWA dues would significantly increase once the Authority is fully operating and incurring ongoing operating costs. Director Eisenberg commented on the importance of the relationships that can be furthered through membership in ACWA.

Treasurer Sethy inquired about the Authority being able to obtain its insurance through ACWA-JPIA. Executive Director Ravazzini and General Counsel Ciampa replied the Authority attempted on several occasions to obtain its insurance through ACWA-JPIA, but ACWA-JPIA declined to provide a responsive quote.

Upon motion by Alternate Director Ritchie, seconded by Director Eisenberg, the Authority’s membership in the Association of California Water Agencies 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
Ernesto Avila, 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

The motion passed with an 8-0 vote.

DISCUSSION ITEMS

3.1 Service Agreement Approach and Schedule Update

Executive Director Ravazzini provided a PowerPoint presentation that reviewed recent developments regarding the schedule for preparing the Service Agreement and related Project agreements. She stated she had reviewed this item with the members’ general managers at the ACWA Spring Conference. The feedback previously received was that the original schedule,

which listed the California Water Commission final award hearing to take place in October 2023, was not feasible. Information was obtained from the members regarding their needs with respect to the consideration of the various agreements and based on that information the schedule has been revised to aim for a June 2024 final award hearing, with the Service Agreement being completed and executed by April 2024. The California Water Commission will be informed of this change at the Commission's June 21, 2023 meeting.

Alternative Director Ritchie noted the revised schedule is still challenging, but he believes it is achievable. Treasurer Sethy expressed a concern regarding the current oversubscription of storage capacity and the impact of any cutbacks on the business cases the members must make to support participation in the Project. Ibrahim Khadam addressed that concern and stated he is continuing to work with the members on a collaborative and mutually beneficial solution.

3.2 Financial Transition Update

David Moore of Clean Energy Capital reviewed the upcoming actions concerning the Fiscal Year 2022 audit report, the status of the accounting services request for proposals, the banking services procurement effort, the Fiscal Year 2023 audit request for proposals and the transfer of the CCWD Fund 60 to the Authority by June 30, 2023.

Chair Ramirez Holmes inquired if the 2022 Fiscal Year audit report would be presented to the Finance Committee at its May meeting and Executive Director Ravazzini confirmed it would be presented to the Finance Committee at that meeting.

3.3 FY 24 Budget Update, Draft FY 24 Budget Book and Multi-Party Cost Share Agreement Amendment No. 5

Maureen Martin of Contra Costa Water District reviewed the revised draft Budget Book that sets forth the Authority's 2024 Fiscal Year Budget. She stated CCWD is working on potentially receiving up to \$800,000 in additional federal funding that would reduce the members' respective payments for Fiscal Year 2024. She stated under the current figures, a total of \$8,673,000 is payable by the members, which equals \$1,239,000 per member, as Grassland Water District does not make financial contributions to the Authority. The draft budget calls for two payments of \$2,913,000 to be made to Contra Costa Water District for staff costs and consultant expenses. One payment would be due on November 1, 2023 and the other would be due on March 9, 2024.

Director Avila requested a further breakdown of the use of funds set forth in Table 2 of the Budget Book to be included in the final version.

Director Tognolini stated he believes the Project is at a critical point in relation to the budget and the financial transition from CCWD to the Authority. He wants to ensure transparency and accountability on these financial issues. He further requested additional information regarding the payments to CCWD. Ms. Martin responded that CCWD manages the payments that have been made to date and has extensive documentation that supports the monies paid which are available for review at any time.

FUTURE AGENDA ITEMS

None.

REPORTS

4.1 Directors

- **Report from CCWD Design and Construction Agreement Ad Hoc Committee**

Alternate Director Ritchie referred to the written report in the Board packet regarding the actions of the Ad Hoc Committee. Chair Ramirez Holmes asked how long the committee will continue to meet and asked for the committee to promptly complete its work. Executive Director Ravazzini anticipated several more months for the committee to continue its work and stated she would prepare a timeline for that work.

Director Avila stated the CCWD Los Vaqueros Reservoir 25th Anniversary open house is this Saturday, May 20, from 10 a.m. to 2:00 p.m.

Treasurer Sethy stated Alameda County Water District is celebrating its 109th anniversary this week.

Director Tognolini stated East Bay Municipal Utility District's centennial celebration will also take place on May 20 from 11:00 a.m. to 4:00 p.m. and will include a beer garden with a local brewery that uses EBMUD water in its product.

Treasurer Sethy asked for a review of the Transfer Bethany Pipeline status and review of its capacity. He stated it would be helpful if capacity issues could be converted from cubic feet per second (cfs) to acre-feet, as that would allow for clearer communication on those technical issues.

Alternate Director Ritchie stated San Francisco is celebrating the 100th anniversary of the O'Shaughnessy Dam.

Chair Ramirez Holmes said the Authority's open house at the ACWA Spring Conference was very well attended and thanked everyone that worked on and attended that event.

4.2 Executive Director

Executive Director Taryn Ravazzini highlighted her written staff report that was included in the meeting materials. She added that the members' general managers were all supportive of the revised Service Agreement schedule discussed earlier in the meeting.

4.3 General Counsel

General Counsel Ciampa had to depart the meeting early and had no report.

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

Summaries from the April 26, 2023 Communications and Outreach Committee meeting and the April 27, 2023 Finance Committee meeting were provided for the Board's information.

ADJOURNMENT

The meeting was adjourned at 12:44 p.m.

Angela Ramirez Holmes
Angela Ramirez Holmes (Jul 5, 2023 10:50 CDT)
Angela Ramirez Holmes, Chair

ATTEST:

Ellen Wehr
Ellen Wehr (Jun 20, 2023 17:14 PDT)
Ellen Wehr, Secretary