



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

Regular Meeting
October 26, 2023 – 8:30 a.m.

Directors participating telephonically:

Anthea Hansen	17840 Ward Avenue, Patterson, California 95363
Paul Sethy	46961 Zapotec Drive, Fremont, California 94539
Rebecca Eisenberg	2345 Waverly Street, Palo Alto, California 94301
Michael Tognolini	375 Eleventh Street, Oakland, California 94607

This meeting will be conducted remotely and any member of the public who desires to participate in the open session items of this meeting may do so by accessing the Zoom link below without otherwise complying with the Brown Act's teleconference requirements.

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/83441356184>

Or One tap mobile: +16699006833,,83441356184# US (San Jose)

Or Telephone 1-669-900-6833 Webinar ID: 834 4135 6184

Any member of the public wishing to make any comments to the Committee may do so by accessing the above-referenced link where they may select the option to join via webcam or teleconference. Members of the public may also submit written comments to the Clerk by 4:00 p.m. on the business 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. Members of the public will be disconnected from the meeting prior to any Closed Session, if applicable.

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

CALL TO ORDER

ROLL CALL OF COMMITTEE MEMBERS

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

Paul Sethy – Vice Chair, Alameda County Water District

Michael Tognolini – East Bay Municipal Utility District

Rebecca Eisenberg – Santa Clara Valley Water District

PUBLIC COMMENT ON NON-AGENDA ITEMS

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

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

- 1.1 September 18, 2023 Finance Committee Meeting Summary**
- 1.2 Draft Treasurer’s Report – Month Ended September 30, 2023**
- 1.3 Summary of Invoices – Month Ended September 30, 2023**
- 1.4 JPA Administration Cost Estimate Update**
- 1.5 Finance Committee Reschedule Dates**

FUTURE AGENDA ITEMS

ADJOURNMENT

ITEM 1.1: SEPTEMBER 18, 2023 FINANCE COMMITTEE MEETING SUMMARY

RESPONSIBLE/LEAD STAFF MEMBER:

James Ciampa, General Counsel

DISCUSSION:

Attached for the Committee's information is the summary prepared for the September 18, 2023 Finance Committee meeting.

ALTERNATIVES:

Any suggested revisions to the attached summary will be considered.

FISCAL ANALYSIS:

Not applicable.

ENVIRONMENTAL REQUIREMENTS:

Not applicable.

EXHIBITS/ATTACHMENTS:

Summary from September 18, 2023 Finance Committee meeting.



**SUMMARY OF REGULAR MEETING OF
FINANCE COMMITTEE**

September 18, 2023 – 2:00 p.m.

Directors Participating Telephonically:

Anthea Hansen	107 Cayuga, Santa Cruz, California 95063
Paul Sethy	46961 Zapotec Drive, Fremont, California 94539
Rebecca Eisenberg	2345 Waverly Street, Palo Alto, California 94301
Michael Tognolini	375 Eleventh Street, Oakland, California 94607

Chair Hansen called the meeting to order at 2:02 p.m. Authority staff and members of the public also attended the meeting.

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

1.1 August 24, 2023 Finance Committee Meeting Summary. The draft summary of the August 24, 2023 Finance Committee meeting was presented for the Committee’s review and discussion. Executive Director Ravazzini noted a change to the “Future Agenda Items” section of those minutes, noting the presentation on September 18 would be made to the Contra Costa Special County Special Districts Association and not the ACWD Board. The draft summary was approved by the Committee, as revised.

Chair Anthea Hansen called for comments from members of the Committee and for public comments; none were received.

1.2 Draft Treasurer’s Report – Month Ended August 31, 2023. Jacqueline Harris, Program Controls Manager, presented the draft Treasurer’s Report for the month ended August 31, 2023. The Treasurer’s Report for the month ended August 31, 2023, was approved as presented.

Chair Anthea Hansen called for comments from members of the Committee and for public comments; none were received.

1.3 Summary of Invoices – Month Ended August 31, 2023. Ms. Harris advised that at the request of the Authority’s Board of Directors, the Finance Committee is provided with a summary of the monthly invoices received and paid each month. The summary of invoices for August 2023 was presented for the Committee’s review and discussion. Ms. Harris noted a

correction to the Summary of Invoices with respect to Regional Government Services. The services provided in the amount of \$2,313.71 were actually incurred in July and not in August as noted on the Summary.

Chair Anthea Hansen called for comments from members of the Committee and for public comments; none were received.

1.4 Interim Financing Update. David Moore, the Authority’s Financial Consultant with Clean Energy Capital, advised that the Authority’s Board has directed staff to develop options for the interim financing of Project costs to supplement anticipated funding through the WIFIA, WSIP and WIIN Act programs. The Plan of Finance Subgroup, comprised of Members’ financial representatives, has met to review the pros and cons of alternative interim financing approaches and to develop a recommended path forward for the Authority. To support this evaluation process, Clean Energy Capital arranged for three commercial/investment banks to give informational presentations to the Plan of Finance Subgroup. Each banking team was provided an information package containing a description of the JPA’s long-term plan of finance and interim financing needs as well as a series of preliminary, non-binding cashflows to allow the banks to understand the scale and timing of financing required. Those banks were informed the selection of any financial counterparty to the Authority would be made in a later competitive procurement process. Three banks provided presentations: Citibank, JP Morgan and Bank of America.

Following the presentations, the Plan of Finance Subgroup met internally and discussed the recommendations and preferred interim financing strategies. Staff intends to present a recommended plan for interim financing to the Finance Committee at its October 26 meeting. Once an Interim Financing strategy has been defined, the Authority will use an RFP process to select one or more financing counterparties for that financing.

In preparation for the banker presentations, the banks requested the Authority provide an Independent Registered Municipal Advisor (“IRMA”) exemption letter to serve as written documentation that the Authority has engaged Clean Energy Capital as its Municipal Advisor. The Authority has developed and executed this letter which is now available upon request.

Chair Anthea Hansen called for comments from members of the committee and for public comments; none were received.

1.5 LVR JPA Financial Statement Audit Services. Executive Director Taryn Ravazzini stated the Authority has solicited proposals for services for the audit of the Authority’s financial statements for the fiscal year end June 30, 2023 and possibly subsequent fiscal years. Two proposals were received, and the audit selection committee interviewed both firms and contacted references provided by one of the firms, C.J. Brown & Company CPAs. The audit selection committee is recommending that the Authority contract with C.J. Brown & Company CPAs for a one-year term, with an Authority option to extend for two years.

The preferred candidate, C.J. Brown & Company CPAs (C.J. Brown), comes with considerable professional audit experience working with special districts and joint powers authorities. Two reference responses from current C.J. Brown clients have been received and both were very positive. As part of the proposal, C.J. Brown provided its peer review report as requested in the Authority’s request for proposals. The firm’s peer review report identified

certain deficiencies in its system of quality control. Additional due diligence was performed by Authority staff during and after the interview and C.J. Brown noted the deficiency has been addressed. However, to be cautious leading into the recommended engagement, Authority staff is recommending an initial one-year contract with C.J. Brown for audit services with an option for the Authority to extend the engagement for two additional years. That structure will allow for a short-term performance review while also offering the potential for a three-year total term as discussed with the Board and stated in the request for proposals. C.J. Brown quoted a \$6,250 all-inclusive maximum fee for the Authority's FY23 audit.

Committee Member Sethy asked who the members of the selection committee were. Executive Director Ravazzini responded that Jacqueline Harris, Chuck Gardner, James Ciampa, Jonathan Wunderlich and herself were the members on the committee. He also asked how C.J. Brown responded to questions about the deficiencies noted in the peer review report. He was advised that firm was in a period of transition and that primary partners were shifting roles which contributed to the deficiency noted. He was also advised that the selection committee was unanimous in their consent to choosing C. J. Brown.

Committee Member Tognolini inquired about the other proposal received. Ms. Harris responded that firm did not respond to the Authority's requests for additional information.

Chair Anthea Hansen called for comments from members of the public. Herman Williams, CCWD's Finance Director, expressed concern with the deficiency noted and that the Committee should proceed cautiously. Executive Director Ravazzini advised Ms. Harris is a CPA and that she will be working closely with the auditor to provide additional assurance.

Committee Member Sethy asked why the second firm was not selected. He was advised that they had limited experience with financing systems like the Authority's and they did not appear well prepared for their interview. In addition to failing to provide additional requested information, that firm also did not submit an updated cost proposal, as they were requested.

Committee Member Tognolini asked whether staff is recommending this C.J. Brown. Executive Director Ravazzini stated staff is recommending C.J. Brown, particularly in light of the need to begin the audit process and the impact of the delay if a new request for proposals was to be prepared and distributed. Committee member Sethy recommended moving forward with C.J. Brown, especially because the Fiscal Year 2023 audit should not be difficult to perform, and he feels there is low risk at this time. He would like to move forward with C.J. Brown for one year and that this recommendation be brought to the Board for approval. Committee Members Eisenberg and Tognolini agreed with Committee Member Sethy. Chair Hansen stated she trusts the committee members and would also like to recommend C.J. Brown to the Board.

1.6 JPA June FY23 Closeout Treasurer's Report. Ms. Harris advised that the closeout of the JPA's FY23 Treasurer's Report resulted in updated cost information that was not known at the time the June 2023 Treasurer's Report was originally issued. Since then, CCWD has completed the accounting and closeout of the JPA's FY23. As a result, the JPA has issued an updated June 2023 Treasurer's Report reflecting additional funding sources and expenditures that occurred on or before June 30, 2023. The "Draft" Treasurer's Report was presented for discussion. A "Final" Treasurer's Monthly Report FY 2023 Close Out will be presented to the Board.

Summary of updates to the June 2023 Treasurer's Report following the FY23 closeout:

- Multi-Party Agreement cost increased \$19 million due to the execution of MPA Amendment No. 5.
- Expenditures increased \$454,000 due to additional costs reported by CCWD for consultants and labor and in-kind services from Members.
- Received funds increased \$269,000 from Member in-kind services.
- Outstanding receivables increased due to draw requests submitted to the Bureau of Reclamation and CWC, \$3.3 million and \$3 million, respectively.
- Cash on hand decreased \$7 million due to payment of outstanding FY23 invoices.
- Early Funding Agreement summary reflects additional draw requests submitted for final FY23 costs incurred June 30, 2023, and prior.

Ms. Harris also noted an error in the reporting of Natural Resource Results' invoices and she has corrected that error.

Ms. Harris introduced Maureen Martin who provided a CCWD Financial Administration Summary for the Project for FY 2023. Ms. Martin noted that Federal and State Funding for planning will be fully expended in FY24. Staff is working to amend and extend the federal funding agreement, but there is no possibility for extension with the State funding. CCWD will soon be issuing a final invoice to the State. The actual FY23 cash reserve carryover was \$6.6 million, which will ensure sufficient funding to achieve the Authority's FY24 objectives.

Committee Member Tognolini asked how in-kind services are quantified. Ms. Martin stated that a fixed amount is retained in CCWD's Fund 60 that addresses the in-kind services provided.

Chair Anthea Hansen called for comments from members of the Committee and for public comments; none were received.

FUTURE AGENDA ITEMS:

None.

The meeting adjourned at 3:10 p.m.

James D. Ciampa

James D. Ciampa
General Counsel

ITEM 1.2: DRAFT TREASURER’S REPORT – MONTH ENDED SEPTEMBER 30, 2023

RESPONSIBLE/LEAD STAFF MEMBER:

Jacqueline Harris, Program Controls Manager

DISCUSSION:

The draft Treasurer’s Report for September 2023 will be presented for the Committee’s review and discussion.

ALTERNATIVES:

For discussion purposes.

FISCAL ANALYSIS:

Not applicable.

ENVIRONMENTAL REQUIREMENTS:

Not applicable.

EXHIBITS/ATTACHMENTS:

Draft Treasurer’s Report for September 2023.



DRAFT TREASURER’S MONTHLY REPORT FOR PERIOD ENDED SEPTEMBER 30, 2023

OCTOBER 26, 2023

UPCOMING ACTIVITIES

November TBD – Finance Committee Meeting via Zoom

FINANCE COMMITTEE

Chair: Anthea Hansen, SLDMWA
 Vice-Chair: Paul Sethy, ACWD
 Rebecca Eisenberg, SCVWD
 Michael Tognolini, EBMUD

ACRONYM KEY

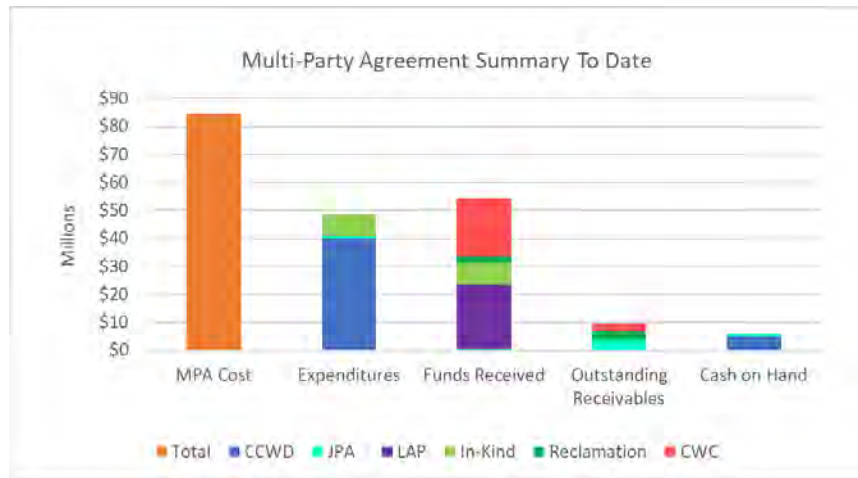
ACWD – Alameda County Water District
 CCWD – Contra Costa Water District
 CWC – California Water Commission
 EBMUD – East Bay Municipal Utility District
 LAP – Local Agency Partners
 MPA – Multi-party Cost Share Agreement
 SCVWD – Santa Clara Valley Water District (Valley Water)
 SLDMWA – San Luis & Delta-Mendota Water Authority

MULTI-PARTY AGREEMENT STATUS

Amendment No. 5 to the Multi-Party Cost Share Agreement (MPA) has been fully executed by the JPA, CCWD and all other JPA Members. The first invoice of \$619,500 was mailed to the seven participating member agencies on September 1, 2023.

MPA EXPENDITURES

The following chart provides an overview of the MPA expenditures through September 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 Cost: \$84,610,865 (through Amendment No. 5)

Expenditures:
 CCWD: \$40,122,717
 LVRJPA: \$760,325 (Consultants and Legal)
 In-kind: \$7,727,868 (LAPs and Reclamation)
Total: \$48,610,910

Funds Received:
 CWC: \$20,734,993
 Reclamation: \$2,420,227
 LAP: \$23,546,077 (cash contributions)
 In-kind: \$7,727,868 (LAPs and Reclamation)
Total: \$54,429,165

Outstanding Receivables:
 CWC: \$2,857,249 (invoices and retention)
 Reclamation: \$3,025,702
 LVRJPA: \$3,717,000 (LAPs)

Cash on Hand:
 CCWD: \$5,030,097
 LVRJPA: \$809,490

FEDERAL FUNDING STATUS

On July 27, 2023, the Bureau of Reclamation announced an additional allocation of \$10M to the project increasing Federal funding under the Bipartisan Infrastructure Law to a total of \$92M.

A total of \$82 million was allocated to the Project in the Bipartisan Infrastructure Law FY22 Spend Plan. The Authority was allocated \$18 million in FY23 from the Water Infrastructure Improvements for the Nation (WIIN) Act. 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 \$39 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 extended the agreement through December 31, 2023 and added \$927,917 in additional early funding 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:	\$47,184,484 (99% spent to date)
Total Amount Remaining:	\$571,350
Total Retention To Date:	\$72,506
Outstanding Invoices:	\$2,857,249

ITEM 1.3: SUMMARY OF INVOICES – MONTH ENDED SEPTEMBER 30, 2023

RESPONSIBLE/LEAD STAFF MEMBER:

Jacqueline Harris, Program Controls Manager

DISCUSSION:

At the request of the Authority Board of Directors, the Finance Committee will be provided a summary of the monthly invoices received. The Summary of Invoices for September 2023 will be presented for Committee discussion.

ALTERNATIVES:

For discussion purposes.

FISCAL ANALYSIS:

Not applicable.

ENVIRONMENTAL REQUIREMENTS:

Not applicable.

EXHIBITS/ATTACHMENTS:

Summary of Invoices – Month Ended September 30, 2023.



**SUMMARY OF INVOICES
FOR THE MONTH ENDED SEPTEMBER 30, 2023**

The invoices below have been reviewed and approved for payment.

Vendor/Consultant	Billing Period	Invoice Total
Clean Energy Capital	September 2023	\$59,355.00
Eide Bailly	September 2023	\$1,325.00
Hallmark Group	September 2023	\$104,137.91
Lagerlof, LLP	September 2023	\$20,879.00
Natural Resources Results	September 2023	\$15,000.00
Regional Government Services	August 2023	\$2,107.69
Regional Government Services	September 2023	\$3,590.92
T. Ravazzini Consulting, LLC	September 2023	\$38,419.35
Total Cost		\$244,814.87

The total cost above is included in the Expenditures section of the Treasurer’s Report. The JPA’s bank balance at J.P. Morgan Chase was \$809,490 as of September 30, 2023.

ITEM 1.4: JPA ADMINISTRATION COST ESTIMATE UPDATE

RESPONSIBLE/LEAD STAFF MEMBER:

Chuck Gardner, LVE JPA Program Manager

RECOMMENDATION:

Not applicable.

DISCUSSION:

The program management team presented an estimated cost at completion table to the JPA Board in October, which required an update of estimated JPA Administrative Costs. Upon reviewing initial assumptions and methodologies used to develop the amounts previously reported in the 2022 cost estimate, staff has developed an updated budget for discussion with the JPA Finance Committee. JPA Administrative Cost in the October 2023 Cost to Completion Estimate reflects current assumptions and current contracted values.

There are several sources of change noted from 2022 to 2023 JPA Administrative Cost estimates:

- The 2022 cost estimate assumed only a 3-year period, until funding was expected to be received, which was assumed to be at the end of FY2023. The current 2023 version estimates costs through construction, which is scheduled to be complete at the end of the first quarter of FY32.
- In the 2022 cost estimate, CCWD Tech Services were included in JPA Administrative Costs; however, those costs are contemplated in the 2023 construction cost estimate, and therefore were reclassified to construction in the current model.
- Several professional services (legal, financial advisory services, external affairs, and program management) costs were estimated to be much lower than the 2023 estimate.
- Contingency was not included in the 2022 model but has been added to the current 2023 model at \$621K in FY24 and at 10% of the total costs by year for all remaining years, a total of \$3.3M through the end of the construction period.
- Escalations are 4% per year in the current 2023 version versus 3% in the 2022 version.
- The 2023 estimate contemplates schedule delays reflected in the July 2023 construction schedule update.

The combination of these assumptions is a net difference of \$15.6M.

ALTERNATIVES:

Not applicable.

FISCAL ANALYSIS:

A cost increase of \$15.6M through the construction phase is expected.

ENVIRONMENTAL REQUIREMENTS:

Not applicable.

EXHIBITS/ATTACHMENTS:

October 2023 Cost at Completion Report.
LVE JPA Services Cost Update.

**Los Vaqueros JPA
Cost at Completion**

Primary Responsibility	Assumptions	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32 (1QTR)	Total Project
JPA Insurance Policy	FY24 budget; assumes 4% escalation/yr	\$ 62,261	\$ 64,751	\$ 67,341	\$ 70,035	\$ 72,837	\$ 75,750	\$ 78,780	\$ 81,931	\$ 21,302	\$ 594,989
Finance/Credit Support	FY24 budget; assumes 4% escalation/yr	\$ 594,826	\$ 618,619	\$ 643,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,856,810
Accounting Services	Estimate based on lower cost than original budget	\$ 50,000	\$ 75,000	\$ 98,000	\$ 101,920	\$ 105,997	\$ 110,237	\$ 114,646	\$ 119,232	\$ 31,000	\$ 806,032
Project Mgmt/Controls	FY25 = orig cost proposal less FY24 contract; assumes 4% escalation/yr and reduction to	\$ 1,112,391	\$ 1,988,201	\$ 2,067,729	\$ 2,150,438	\$ 2,236,456	\$ 2,325,914	\$ 1,935,160	\$ 2,012,567	\$ 523,267	\$ 16,352,124
Social Media	Per contract	\$ 22,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,000
Legal	FY24 budget; assumes 4% escalation/yr	\$ 300,000	\$ 312,000	\$ 324,480	\$ 337,459	\$ 350,958	\$ 364,996	\$ 303,677	\$ 315,824	\$ 82,114	\$ 2,691,507
Federal Relations/Lobbying	\$15K per mo + \$10K exp; assumes 4% escalation/yr through dam const.	\$ 190,000	\$ 197,600	\$ 205,504	\$ 213,724	\$ 166,705	\$ -	\$ -	\$ -	\$ -	\$ 973,533
Agreement Support	\$312K annual cost, assumed 3-year contract	\$ 182,000	\$ 312,000	\$ 324,480	\$ 168,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 987,210
Water Supply Manager	Starts in 2030; assumed 4% escalation/yr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 312,000	\$ 324,480	\$ 936,480
Board Clerk/Administration	FY24 budget; assumes 4% escalation/yr	\$ 25,000	\$ 26,000	\$ 27,040	\$ 28,122	\$ 29,246	\$ 30,416	\$ 31,633	\$ 32,898	\$ 8,554	\$ 238,909
Legal - Bond Counsel	Per contract - est \$165K + \$40K first three years	\$ 225,000	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305,000
Executive Director	FY24 budget; assumes 4% escalation/yr and reduction to 80% time in FY30	\$ 456,015	\$ 456,015	\$ 474,256	\$ 493,226	\$ 512,955	\$ 533,473	\$ 443,850	\$ 461,604	\$ 120,017	\$ 3,951,409
JPA Financial Audit	Per contract first two years, est after year 2	\$ 6,250	\$ 6,250	\$ 8,000	\$ 10,000	\$ 10,400	\$ 10,816	\$ 11,249	\$ 11,699	\$ 12,167	\$ 86,830
WIFIA Loan Application Fees	\$100K spent in FY24, \$200K + \$10K admin est for FY25, \$20K maint all other years	\$ 100,000	\$ 210,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 450,000
Reimbursable Expenses	Assume 4% escalation/yr (Ravazzini and Hallmark contracts)	\$ 55,000	\$ 60,000	\$ 62,400	\$ 64,896	\$ 67,492	\$ 70,192	\$ 72,999	\$ 75,919	\$ 19,739	\$ 548,637
Contingency	\$621K in FY24, then 10% of all costs excluding WIFIA fees for remaining years	\$ 621,000	\$ 415,644	\$ 434,259	\$ 363,855	\$ 355,304	\$ 352,179	\$ 329,199	\$ 342,367	\$ 114,264	\$ 3,328,073
	Total	\$ 4,001,743	\$ 4,782,081	\$ 4,796,854	\$ 4,022,405	\$ 3,928,349	\$ 3,893,973	\$ 3,641,193	\$ 3,786,041	\$ 1,276,904	\$ 34,129,542
	Cumulative Budget	\$ 4,001,743	\$ 8,783,824	\$ 13,580,678	\$ 17,603,083	\$ 21,531,432	\$ 25,425,404	\$ 29,066,597	\$ 32,852,638	\$ 34,129,542	\$ 34,129,542

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

LOS VAQUEROS RESERVOIR EXPANSION PROJECT

The background of the slide is a scenic landscape photograph. It shows a large, calm 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 dirt road and some trees on a grassy slope.

LVE JPA Services Cost Update
October 26, 2023

Agenda

1. Assumptions from 2022 estimate
2. Updates to 2023 estimate
3. Sources of change
4. Questions

Table 6 – Estimated Cost at Completion – All Costs Comparison (Costs in \$1,000)¹

¹ All costs shown are multiples of \$1,000 and are rounded up to the nearest \$100,000.

² Program Reserves in 2022 include: Applied Program Contingency (\$47.121M); Capital Project Reserve (\$47.573M); Debt Service Reserve Fund (\$39.995M); and Administrative and Operating Fund Reserve (\$3.731M)

Project Element	June 2022 Capital Cost Estimate Cost at Completion	June 2023 Capital Cost Estimate Cost at Completion	Changes Between Updates	Percent Change (%)
Implementation Costs	\$88,600	\$89,700	\$1,100	1%
Los Vaqueros Dam Expansion	\$449,200	\$532,800	\$83,600	19%
Transfer Bethany Pipeline	\$219,400	\$264,600	\$45,200	21%
Expanded Transfer Facility	\$94,700	\$99,000	\$4,300	5%
Neroly High Lift Pump Station	\$68,900	\$77,400	\$8,500	12%
Pumping Plant No. 1 Replacement	\$94,100	\$112,200	\$18,100	19%
Transfer Pump Station Modifications	\$60,700	\$57,100	(\$3,600)	-6%
Los Vaqueros Recreation Facilities	\$14,400	\$10,000	(\$4,400)	-31%
Los Vaqueros Marina Relocation	\$84,700	\$100,500	\$15,800	19%
Program Reserves ²	\$138,400	\$100,000	(\$38,400)	-27%
Total	\$1,313,000	\$1,443,300	\$130,300	10%
EBMUD Mokelumne Aqueduct	\$23,700	\$23,700	\$0	0%
JPA Costs				
Financing Cost	\$19,100	\$20,990	\$1,890	10%
JPA Admin Costs (Pre-Operations)	\$18,500			
Interest on LAP Contributions	\$2,300	\$2,450	\$150	7%
Program Total	\$1,376,600			

Sources of Change

1. Estimated Cost Period
2. Classification of Cost Categories
3. Assumptions for Consultant Costs
4. Application of Contingency
5. Escalation
6. Construction Duration

1. Estimated Period & Purpose of Costs

Original Estimate of 3-Year Duration and Only Until Funding Secured

JPA Administrative Costs (\$000s)

Budget Component (\$000s)	Calendar Year															
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Executive Director ^a	-	-	-	400	412	424	437	450	464	478	492	507	522	538	554	570
Program Management ^d	-	-	250	250	500	750	1,200	1,200	1,200	1,200	750	-	-	-	-	-
Secretary	-	-	-	50	52	53	55	56	58	60	61	63	65	67	69	71
General Counsel	-	-	100	103	106	109	113	116	119	123	127	130	134	138	143	147
Bond Counsel	-	-	200	50	50	50	50	50	50	50	-	-	-	-	-	-
Auditor	-	-	25	26	27	27	28	29	30	31	32	33	34	35	36	37
Controller/CPA	-	-	150	155	159	164	169	174	179	184	190	196	202	208	214	220
Water Supply Manager ^c	-	-	-	-	-	250	258	265	273	281	290	299	307	317	326	336
Administrator (CCWD) ^d	-	-	158	-	-	-	-	-	-	-	-	-	-	-	-	-
CCWD Technical Services ^e	-	5,043	5,968	5,012	3,447	3,204	3,077	3,015	3,174	2,332	297	-	-	-	-	-
Other JPA Contracts/Expenses ^f	-	-	85	110	113	117	120	124	128	131	135	139	144	148	152	157
Financial Advisor	-	-	-	400	400	400	100	100	100	100	100	-	-	-	-	-
Total	-	5,043	6,936	6,555	5,266	5,549	5,606	5,579	5,775	4,970	2,474	1,367	1,408	1,450	1,493	1,538

Budget Cost Escalation Rate

3.0%

\$18.5M
June 2022 Capital Cost Estimate

Notes:

- a - Assumes Executive Director is hired by JPA in early 2023 as CCWD transitions out of administrator role
- b - Assumes JPA brings on a Program Manager in early 2023
- c - Water supply manager is not brought on board until 2025, just prior to being operational
- d - CCWD would serve as the temporary administrator through 2022
- e - CCWD's technical services include staff labor and services for water rights, compensatory mitigation package, management of design and construction contracts, property acquisition, etc
- f - Other JPA expenses include services like I.T., website hosting



2. Classification of Cost Categories

Original Estimate of 3-Year Duration and Only Until Funding Secured



2022	2023
CCWD Tech Services and Admin Costs included in JPA Admin Estimate	CCWD Tech Services and Admin Costs included in Facilities Estimate



3. Assumptions of Consultant Costs

- Initial placeholder assumptions used for consulting teams prior to procurement
- Scope and support for JPA Admin further defined through competitive bidding processes
- Some assumptions were high, others low
- Resulted in overall JPA Admin cost increase

Updated Cost at Completion

- Program Management was estimated to be \$250K per year. Current cost estimate is \$1.2M for FY24 with annual escalations.
- General Counsel was estimated to be \$100K per year. Current cost estimate is \$300K for FY24 with annual escalations.
- Financial advisory services was estimated to be \$400K per year. Current cost estimate is \$595K for FY24 with annual escalations.
- Contingency was not included in the prior cost estimate. The current estimate includes \$621K for FY24 and 10% of costs, excluding WIFIA Fees, for remaining years
- WIFIA fees were not included in the prior cost model and are estimated to be a one-time fee of \$300K plus ongoing maintenance fees of \$20K per year.
- The current estimate also includes an assumption for an agreement support position at an estimated annual cost of \$300K per year for 3 years.

4. Application of Contingency

- No initial contingency contemplated
- Implemented best practice to assume 10% for all services
- Assume contingency will be used, if not used it will rollover to the next FY.



5. Escalation

- Initial escalation assumed 3%
- Updated based upon ENR rate for the SF area to 4%

6. Construction Duration

- 2023 budget based on updated construction schedule reflecting 3-year delay



JPA Administrative Cost Estimate

October 2023

Primary Responsibility	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32 (1QTR)	Total Project
JPA Insurance Policy	\$ 62,261	\$ 64,751	\$ 67,341	\$ 70,035	\$ 72,837	\$ 75,750	\$ 78,780	\$ 81,931	\$ 21,302	\$ 594,989
Finance/Credit Support	\$ 594,826	\$ 618,619	\$ 643,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,856,810
Accounting Services	\$ 50,000	\$ 75,000	\$ 98,000	\$ 101,920	\$ 105,997	\$ 110,237	\$ 114,646	\$ 119,232	\$ 31,000	\$ 806,032
Project Mgmt/Controls	\$ 1,112,391	\$ 1,988,201	\$ 2,067,729	\$ 2,150,438	\$ 2,236,456	\$ 2,325,914	\$ 1,935,160	\$ 2,012,567	\$ 523,267	\$ 16,352,124
Social Media	\$ 22,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,000
Legal	\$ 300,000	\$ 312,000	\$ 324,480	\$ 337,459	\$ 350,958	\$ 364,996	\$ 303,677	\$ 315,824	\$ 82,114	\$ 2,691,507
Federal Relations/Lobbying	\$ 190,000	\$ 197,600	\$ 205,504	\$ 213,724	\$ 166,705	\$ -	\$ -	\$ -	\$ -	\$ 973,533
Agreement Support	\$ 182,000	\$ 312,000	\$ 324,480	\$ 168,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 987,210
Water Supply Manager	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 312,000	\$ 324,480	\$ 936,480
Board Clerk/Administration	\$ 25,000	\$ 26,000	\$ 27,040	\$ 28,122	\$ 29,246	\$ 30,416	\$ 31,633	\$ 32,898	\$ 8,554	\$ 238,909
Legal - Bond Counsel	\$ 225,000	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305,000
Executive Director	\$ 456,015	\$ 456,015	\$ 474,256	\$ 493,226	\$ 512,955	\$ 533,473	\$ 443,850	\$ 461,604	\$ 120,017	\$ 3,951,409
JPA Financial Audit	\$ 6,250	\$ 6,250	\$ 8,000	\$ 10,000	\$ 10,400	\$ 10,816	\$ 11,249	\$ 11,699	\$ 12,167	\$ 86,830
WIFIA Loan Application Fees	\$ 100,000	\$ 210,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 450,000
Reimbursable Expenses	\$ 55,000	\$ 60,000	\$ 62,400	\$ 64,896	\$ 67,492	\$ 70,192	\$ 72,999	\$ 75,919	\$ 19,739	\$ 548,637
Contingency	\$ 621,000	\$ 415,644	\$ 434,259	\$ 363,855	\$ 355,304	\$ 352,179	\$ 329,199	\$ 342,367	\$ 114,264	\$ 3,328,073
	\$ 4,001,743	\$ 4,782,081	\$ 4,796,854	\$ 4,022,405	\$ 3,928,349	\$ 3,893,973	\$ 3,641,193	\$ 3,786,041	\$ 1,276,904	\$ 34,129,542
	\$ 4,001,743	\$ 8,783,824	\$ 13,580,678	\$ 17,603,083	\$ 21,531,432	\$ 25,425,404	\$ 29,066,597	\$ 32,852,638	\$ 34,129,542	\$ 34,129,542

Estimated Cost at Completion – All Costs Comparison (Costs in \$1,000)¹

¹ All costs shown are multiples of \$1,000 and are rounded up to the nearest \$100,000.

² Program Reserves in 2022 include: Applied Program Contingency (\$47.121M); Capital Project Reserve (\$47.573M); Debt Service Reserve Fund (\$39.995M); and Administrative and Operating Fund Reserve (\$3.731M)



Project Element	June 2022 Capital Cost Estimate Cost at Completion	June 2023 Capital Cost Estimate Cost at Completion	Changes Between Updates	Percent Change (%)
Implementation Costs	\$ 88,600	\$ 89,700	\$ 1,100	1%
Los Vaqueros Dam Expansion	449,200	532,800	83,600	19%
Transfer Bethany Pipeline	219,400	264,600	45,200	21%
Expanded Transfer Facility	94,700	99,000	4,300	5%
Neroly High Lift Pump Station	68,900	77,400	8,500	12%
Pumping Plant No. 1 Replacement	94,100	112,200	18,100	19%
Transfer Pump Station Modifications	60,700	57,100	(3,600)	-6%
Los Vaqueros Recreation Facilities	14,400	10,000	(4,400)	-31%
Los Vaqueros Marina Relocation	84,700	100,500	15,800	19%
Program Reserves ²	138,400	100,000	(38,400)	-28%
Subtotal	\$ 1,313,100	\$ 1,443,300	\$ 130,200	10%
EBMUD Mokelumne Aqueduct	\$ 23,700	\$ 23,700	\$ -	0%
JPA Costs				
Financing Cost	19,100	20,990	1,890	10%
JPA Admin Costs (Pre-Operations)	18,500	34,130	15,630	84%
Interest on LAP Contributions	2,300	2,450	150	7%
Subtotal	\$ 63,600	\$ 81,270	\$ 17,670	28%
Program Total	\$ 1,376,700	\$ 1,524,570	\$ 147,870	11%

Questions



ITEM 1.5: FINANCE COMMITTEE RESCHEDULE DATES

RESPONSIBLE/LEAD STAFF MEMBER:

Taryn Ravazzini, LVE JPA Executive Director

DISCUSSION:

The upcoming November 23, 2023 and December 28, 2023 Finance Committee meetings conflict with holidays which will reduce availability and participation by the Committee and public. Alternate dates for rescheduling, a combined session, or cancellation of meetings may be discussed and considered by the Committee.

ALTERNATIVES:

For discussion purposes.

FISCAL ANALYSIS:

Not applicable.

ENVIRONMENTAL REQUIREMENTS:

Not applicable.

EXHIBITS/ATTACHMENTS:

Not applicable.