



**LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY  
AGENDA**

Regular Meeting of the Board of Directors  
January 10, 2024 – 9:30 a.m.

To be held at:  
**ZONE 7 WATER AGENCY**  
100 North Canyons Parkway  
Livermore, CA 94551

**JOIN BY ZOOM**

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/81404669563>

Or One tap mobile:

+16699006833,,81404669563# (San Jose, US)

Or Telephone 1-669-900-6833 Webinar ID: 814 0466 9563

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

Members of the public may submit written comments to the Clerk by 4:00 p.m. on the day prior to the meeting for the Clerk to read into the record (subject to three-minute limitation). The meeting Chair will acknowledge such individual(s) at the appropriate time in the meeting prior to making their comment. Materials related to items on this Agenda are available for public review at: [www.losvaquerosjpa.com/board-meetings](http://www.losvaquerosjpa.com/board-meetings). Each item on the Agenda shall be deemed to include any appropriate motion, resolution, or ordinance, to take action on any item. Members of the public will be disconnected from the meeting prior to any Closed Session, if applicable.

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

## **ROLL CALL OF DIRECTORS**

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

## **ALTERNATE DIRECTORS**

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

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

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

## **CONSENT CALENDAR**

### **1.1 Approval of Minutes from December 13, 2023 Board of Directors Meeting**

*\*Treasurers Report Note: The November 2023 and December 2023 Treasurer's Reports have not yet been reviewed by the Finance Committee due to the December 2023 cancellation and will be brought before the Board in February 2024.*

## **ACTION ITEMS**

### **2.1 Election of Chair and Vice Chair**

## **DISCUSSION ITEMS**

### **3.1 Program Management Update**

- **Budget Update**
- **Capital Preservation Strategy Update**

## **FUTURE AGENDA ITEMS**

### **REPORTS**

#### **4.1 Directors**

#### **4.2 Executive Director**

##### **4.2.1 Federal Relations Report**

##### **4.2.2 December 2023 Engagement Activities with Reclamation**

#### **4.3 General Counsel**

#### **4.4 Committee Meeting Summaries**

### **ADJOURNMENT**

**CONSENT CALENDAR**

**ITEM 1.1: APPROVAL OF MINUTES FROM DECEMBER 13, 2023 BOARD OF DIRECTORS MEETING**

**RESPONSIBLE/LEAD STAFF MEMBER:**

James Ciampa, General Counsel

**RECOMMENDATION:**

That the Authority's Board of Directors approve the attached minutes from the December 13, 2023 Board of Directors meeting.

**DISCUSSION:**

The Clerk, General Counsel and Executive Director have prepared the attached draft minutes from the December 13, 2023 Board of Directors meeting.

**ALTERNATIVES:**

Any suggested revisions to the draft December 13, 2023 Board meeting minutes will be considered.

**FISCAL ANALYSIS:**

Not applicable.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable.

**EXHIBITS/ATTACHMENTS:**

Draft revised minutes from December 13, 2023 Board of Directors meeting.



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

### **MINUTES**

Regular Meeting of the Board of Directors

Held at: **ZONE 7 WATER AGENCY**

100 North Canyons Parkway, Livermore, CA 94551

December 13, 2023 – 9:30 a.m.

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Chair Angela Ramirez Holmes called the meeting to order at 9:35 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

#### **ALTERNATE DIRECTORS**

Jonathan Wunderlich, Alternate Director, Alameda County Water District

Patt Young, Alternate Director, Contra Costa Water District

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

Richard Santos, Alternate Director, Santa Clara Valley Water District

Sandy Figuers, Alternate Director, Zone 7 Water Agency

\*Participated in place of absent Director

#### **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

**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  
David Moore, Clean Energy Capital (by telephone)  
Rosemarie Perea, Board Clerk (by telephone)  
M. J. Brown, Assistant Board Clerk

Numerous 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:

- 1.2 Approval of Revised Minutes from October 11, 2023 Board of Directors Meeting**
- 1.3 Approval of Minutes from November 8, 2023 Board of Directors Meeting**
- 1.4 Treasurer’s Report – Month Ended October 31, 2023**

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

Upon motion by Director Martinez, seconded by Treasurer Sethy, 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  
Rebecca Eisenberg, 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**

**2.1 Preliminary Approval of Amendments to Conflict of Interest Code**

James Ciampa, General Counsel, advised that in December 2022, the Board approved the Authority’s Conflict of Interest Code. The draft of that Code had previously been submitted to the Fair Political Practices Commission (“FPPC”) for approval because the FPPC is the code

reviewing body due to the fact the Authority consists of members from multiple counties. The FPPC's initial suggested revisions to the draft Code were incorporated into the original Code adopted by the Board last December.

Over the past several months, the FPPC has come back with further proposed revisions to the Authority's Code. Those revisions are shown in the redlined version of the Code included in the meeting materials. Those revisions include (i) changes in the assigned Disclosure Categories for the Executive Director and Program Manager, (ii) a clarifying explanatory comment regarding Directors' filing obligation, and (iii) changes to the Disclosure Categories, including the deletion of prior Categories 5 and 7 and deletion of references to the Administrator.

General Counsel Ciampa stated that if the Board approves these proposed revisions to the Code, a notice will then be posted to start a 45-day public comment period and if any interested person requests, a public hearing would be held in connection with adoption of the amendments to the Code. If no request for a public hearing is received, the Board will provide its final approval of the amended Conflict of Interest Code at a meeting after the 45-day comment period has ended, likely at the February 14 Board meeting.

Chair Ramirez Holmes called for public comments on the phone, in the room and by Directors. None were received.

Upon motion by Director Martinez, seconded by Director Tognolini, the proposed Amendments to Conflict of Interest Code, were 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  
Rebecca Eisenberg, 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.

## **DISCUSSION ITEMS**

### **3.1 Plan of Finance Update**

David Moore of Clean Energy Capital, Financial Consultant, Authority staff and the Plan of Finance Sub-Group, comprised of Member financial representatives, developed a draft Plan of Finance and a draft Prioritization Resolution for the Authority. The draft Plan of Finance sets forth the Authority's financial goals and objectives, along with plans for interim financing and permanent financing. The Prioritization Resolution establishes a starting point for documentation of any Authority borrowing and sets forth common terms for any such borrowing.

These draft documents were presented to the Finance Committee on December 5, 2023, and have been revised to incorporate the Finance Committee's input. Member agencies are still reviewing and considering the drafts of the Plan of Finance and the Prioritization Resolution. Mr. Moore then summarized the draft documents. In connection with the Plan of Finance, Mr. Moore stated the intent is for interim financing to be put in place after a competitive process, with the financing to be in place shortly after the Service Agreement is fully executed. He noted that once approved by the Board, the Plan of Finance will only require Board approval of any changes if those changes are significant. He further stated the Prioritization Resolution will be provided to the U.S. EPA and to the interim financing lender prior to being finalized and approved by the Authority's Board.

Vice Chair Hansen asked how long it would take to receive a response from the U.S. EPA once they are provided with the draft Prioritization Resolution. Mr. Moore advised it would take four to six months after receipt of the Resolution until loan closing. Chair Ramirez Holmes asked when the Resolution would be brought back to the Board and Mr. Moore advised that it would probably be in April 2024, but that date could slip based on the overall Project schedule.

Director Eisenberg stated it is important for Members to have the option to make their contributions by cash rather than through borrowing due to the high cost of money. Mr. Moore confirmed that cash contributions are acceptable in lieu of financing if a Member elects to make such cash contributions.

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. Treasurer Sethy suggested going over the Plan of Finance in detail at some point. He supports moving forward with the Plan presented by Mr. Moore and his team.

### **3.2 Program Management Update**

- **Budget Overview**
- **Capital Preservation Strategy Update**

Chuck Gardner, Program Manager, presented a status of program-level activities, including updates on recent accomplishments (Executive Management Team meetings between the Authority and CCWD and revised Project agreement schedule), the status of Authority contract authorizations (Clean Energy Capital and Hallmark Group trending over budget), budget (the Authority and CCWD are under budget), schedule, cash flow and capital preservation strategy.

Mr. Gardner stated a comprehensive near-term Project agreement schedule has been developed and is under review with the Member agencies. He noted this schedule reflects a potential delay due to the sequential consideration of the various Project agreements, instead of handling those agreements concurrently, as originally envisioned. The revised schedule reflects prioritization of the Backstop Plan for CCWD, as well as the Design and Construction Agreement (DCA) managed by CCWD. Additional agreements will be sequenced into the Service Agreement following progress on the Backstop Plan and DCA. That schedule has been provided to the Members' general managers and the Program Management team and technical staff will be meeting individually with the general managers in the coming month to review that schedule.



In anticipation of the projected schedule delay, staff is working on a capital preservation strategy to ensure sufficient funding for the Authority to remain in operation and pursue Project activities. Mr. Gardner presented an overview of the various strategies being considered, including ways to reduce the Authority's and CCWD's monthly burn rates of \$283,000 and \$1.1 million, respectively. Also, there is the potential to transfer approximately \$1.55 million in contingency funds from CCWD to the Authority and to have the Authority enter into a funding agreement with the Bureau of Reclamation.

The Authority budget was reviewed and overall is about \$200,000 under budget. The Finance Committee agreed that a 4% escalation factor on the Authority's administrative budget was appropriate. With respect to the Authority agreements' status, a meeting will be held on December 19 to further discuss the DCA, meetings continue with respect to the CCWD and EBMUD Facilities Usage Agreements, and the final draft CAPBs with the Department of Fish and Wildlife and Department of Water Resources are expected in February 2024.

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 Tognolini inquired about the possible reduction of the CCWD burn rate. Mr. Gardner stated he had not received definitive information from CCWD on the possible reduction but hoped to have that information in the coming week or two. Director Tognolini also asked about the status of the CCWD Facilities Usage Agreement's usage fee methodology, which remains an open issue. Mr. Gardner stated more will be known on the Facilities Usage Agreement negotiating process after the December 19 DCA meeting. Director Tognolini also expressed his concern about ceasing work on the Service Agreement for the time being and General Counsel Ciampa stated that is a temporary pause until Ibrahim Khadam's work on Project capacity issues is more refined. Mr. Ciampa stated he expected work on the Service Agreement resume in January.

Secretary Wehr asked about the timing of the DCA meetings, which are part of the critical path at this point. Mr. Gardner advised that more will be known regarding future meeting scheduling after the December 19 DCA meeting.

Treasurer Sethy informed the meeting that the Finance Committee also discussed reducing the number of Authority committee meetings and possibly changing the Board meetings to be held via Zoom. General Counsel Ciampa explained the requirements to conduct the Board meetings remotely, which would conform to how the Authority's committee meetings are currently handled, including the address of the Board members on the agenda, having the agenda posted at the respective locations and ensuring each location is accessible to the public. Chair Ramirez Holmes noted she is not in favor of minimizing transparency and Vice Chair Hansen stated the possibility of remote meetings was only briefly touched upon at the Finance Committee meeting. She stated she also is not in favor of diminishing transparency. Mr. Gardner advised further information on the potential cost savings is needed before a more detailed discussion can occur on that issue.

Director Eisenberg asked for an explanation of the nature of the funding problem that is being addressed. Chair Ramirez Holmes advised the ultimate problem is that Amendment No. 5 to the Multi-Party Cost Share Agreement will expire on June 30, 2024 and the Authority does not have a funding source once that amendment expires. Thus, if the Service Agreement is delayed and not in place June 30, 2024, there is no vehicle to fund the Authority, giving rise to the need to

explore alternatives to address that funding issue. Alternate Director Ritchie noted there is currently a lack of certainty among the various Project agreements which is contributing to the delay.

Chair Ramirez Holmes asked whether the next version of the financial proforma will include the updated costs. Mr. Gardner advised it will and he expected that proforma to be available in January.

Chair Ramirez Holmes asked for public comments in the room and Senobar Lanigan of SFPUC asked Mr. Gardner to elaborate on the possible resequencing of construction activities, particularly regarding the Los Vaqueros Dam construction work. Mr. Gardner clarified that resequencing is still under discussion but was raised as a way to reduce construction cost risk and provide more cost certainty earlier in the construction phase.

### **3.3 Proposed JPA Agreement Amendments**

Chair Ramirez Holmes noted this item was put on the agenda for purposes of transparency and to allow for discussion by the Board regarding the updates legal counsel will provide.

General Counsel Ciampa provided background information regarding the formation of the Authority and the effectiveness of the Authority's Joint Exercise of Powers Agreement (the "JPA Agreement"). He then gave an overview of the four amendments to the JPA Agreement that CCWD had proposed in its letter transmitted on October 13, 2023.

General Counsel Ciampa stated he had reported at the November 8 Board of Directors' meeting that possible Board consideration of the proposed amendments would likely occur in early 2024, with a substantive discussion to take place at the December Board meeting. However, Mr. Ciampa stated that since the November 8 Board meeting, positive discussions have occurred on the CCWD Design and Construction Agreement. Also, on Friday, December 1, the Legal Work Group met to discuss the proposed amendments. That meeting resulted in an alternative approach to address the proposed amendments – through potentially addressing adherence to the CCWD Board principles in the CCWD DCA and Facilities Usage Agreement. The Legal Work Group believed that was a workable approach and discussions also occurred regarding possible compromises on the other proposed amendments.

Mr. Ciampa stated at this point having the Legal Work Group continue to meet to discuss the proposed amendments, while negotiations of the other Project agreements proceed, seems to be the most prudent course. Then, once consensus is reached in the Legal Work Group on the form of any amendments to be presented to the Board, those amendments will be brought back to the Board for consideration in accordance with the applicable JPA Agreement provisions. Mr. Ciampa expected the next Legal Work Group call to take place in mid to late January, 2024.

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 Tognolini, Chair Ramirez Holmes and Alternate Director Ritchie stated their appreciation for the Legal Work Group's efforts and felt the process General Counsel Ciampa outlined is the right path. Vice Chair Hansen urged continued discussions and felt the Authority needs to continue to have the ability to engage in advocacy. Director Martinez stated he had sent a letter to the Executive

Director and Chair Ramirez Holmes asking that this item be postponed in order to allow the Legal Work Group to further work on resolution concerning the proposed amendments and to prioritize work on the Project agreements. Chair Ramirez Holmes stated she received that letter but that it could not be forwarded to the full Board due to Brown Act restrictions. Director Eisenberg emphasized the need to keep an open mind and she had read CCWD's initial letter concerning the proposed JPA Agreement amendments to be an opening of negotiations on those issues.

## **FUTURE AGENDA ITEMS**

None.

## **REPORTS**

### **4.1 Directors.**

Chair Ramirez Holmes advised that the Authority's open house at the ACWA Fall Conference and its meetings with Reclamation at the conference went very well.

### **4.2 Executive Director**

Executive Director Ravazzini stated her written report is included in the meeting materials. She highlighted the following items:

**ACWA Fall Conference Open House** – The event was well attended by Members and others and attendees expressed appreciation for the event and the information provided.

**Executive Management Team (EMT) Meetings Update** – The Authority and CCWD Executive Management Teams met twice in November to discuss key Project agreements and to emphasize coordination and accountability on those agreements. The November meetings were used primarily to address agreement and permit scheduling issues and to jointly develop schedule adjustments that were then shared with Member agencies. These meetings have continued into December and will be a regular part of the Project coordination schedule in 2024.

**Continued Coordination with US Bureau of Reclamation** – The ACWA Fall Conference allowed for a couple of productive in-person meetings. The Bureau is waiting for direction from the Commissioner on starting negotiation of the Partnership Agreement between the Bureau and the Authority. Executive Director Ravazzini also clarified an earlier comment regarding the role of the Authority's federal lobbyist, who is assisting with agreement development with the Bureau and not with permitting issues.

**ACWA Region 5 Meeting** – Chair Ramirez Holmes presented an update on the Project at the ACWA Fall Conference Region 5 meeting on November 29.

Treasurer Sethy asked if the Executive Director could send out basic information on the Refuge Acquisitions Agreement and the Partnership Agreement. Chair Ramirez Holmes advised those agreements have not yet been developed.

### **4.3 General Counsel**

General Counsel Ciampa wished the Board and staff Happy Holidays.

**4.4 Committee Meeting Summaries**

None. The Finance Committee Meeting was held on December 5, 2023, and the summary was still in development at the time of this posting. The summary will be provided in the January 2024 Board packet.

Alternate Director Wunderlich advised the CCWD Facilities Usage Agreement Ad Hoc Committee met and is preparing to send a response to CCWD. He mentioned that some of the issues that were discussed include the level of assurance of Members' ability to use CCWD's conveyance system and issues with power limitations.

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

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Angela Ramirez Holmes, Chair

ATTEST:

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Ellen Wehr, Secretary

**ACTION ITEMS**

**ITEM 2.1: ELECTION OF CHAIR AND VICE CHAIR**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Taryn Ravazzini, Executive Director

**DISCUSSION:**

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. Thus, it is necessary at this January Board meeting for the Board to elect those officers for the coming year. The Chair has a term limit of four (4) years, which will not be reached in this year, which is the third full year of the Authority’s existence.

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 today.

**ALTERNATIVES:**

None.

**FISCAL ANALYSIS:**

None.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable.

**EXHIBITS/ATTACHMENTS:**

None.

## **DISCUSSION ITEMS**

### **ITEM 3.1: PROGRAM MANAGEMENT UPDATE**

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

Chuck Gardner, Program Manager

#### **DISCUSSION:**

Chuck Gardner, Program Manager, will present a status of JPA program-level activities. Monthly standing updates noted in the presentation include status of Authority contract authorizations, budget, schedule, cash flow, and agreements.

A comprehensive near-term project schedule has been developed and has been reviewed by member agencies. Of note, this schedule reflects a potential delay due to member agency request to manage agreements sequentially in lieu of the proposed expedited concurrent approach. The revised schedule reflects prioritization of the Backstop Plan managed jointly by CCWD and EBMUD, as well as the Design and Construction Agreement (DCA) managed by CCWD. Additional agreements will be sequenced into the Service Agreement following progress on the Backstop Plan and DCA.

To address the projected schedule delay due to the development of the various partner agreements, staff has developed a draft plan to provide sufficient interim funding for Project activities. Staff will present an overview of the 2024 Budget and capital preservation strategy for discussion.

#### **ALTERNATIVES:**

For discussion purposes.

#### **FISCAL ANALYSIS:**

None.

#### **ENVIRONMENTAL REQUIREMENTS:**

Not applicable.

#### **EXHIBITS/ATTACHMENTS:**

Program Management Update Presentation.

The logo for the Los Vaqueros Reservoir Expansion Project. It features the words "LOS VAQUEROS" in blue, "RESERVOIR EXPANSION" in green, and "PROJECT" in green. To the right of the text is a vertical graphic consisting of four stacked rectangular blocks of varying heights, colored in a gradient from blue at the top to green at the bottom.

# LOS VAQUEROS RESERVOIR EXPANSION PROJECT

A scenic landscape photograph showing a large blue reservoir in the foreground, surrounded by rolling green hills. In the distance, several wind turbines are visible on the hills under a clear sky. A road and a dam structure are visible in the lower part of the image.

LVE Program Management Update  
January 10, 2024

# Overview

1. Accomplishments
2. Authority Contract Authorizations
3. Budget
4. Cash Flow
5. Schedule
6. Agreements
7. Capital Preservation Strategy
8. Next Steps



# December Accomplishments

- ✓ Facilitated General Manager Meetings
- ✓ Refined Schedule
- ✓ Developed Capital Preservation Strategy
- ✓ Transmitted CCWD Facilities Usage Agreement to CCWD
- ✓ Transmitted EBMUD Facilities Usage Agreement comments to EBMUD

# Authority Contract Authorizations

## Los Vaqueros JPA Active Contracts and Progress Billings - November 2023

Contractor/Consultant/Vendor	Primary Responsibility	Contract Term	Max. Contract Value/NTE	Billed Through November 2023	Remaining Contract Value	% Term Expired	% Billed
CalMutuals - JPRIMA <sup>1</sup>	JPA Insurance Policy	05/30/2023 - 04/01/2024	\$ 62,261.00	\$ 62,261.00	\$ -	60%	100%
Clean Energy Capital - CEC	Finance/Credit Support	08/25/2022 - 06/30/2024	\$ 1,090,515.00	\$ 844,047.29	\$ 246,467.71	68%	77%
Eide Bailly, LLP	Accounting Services	07/01/2023 - 06/30/2024	\$ 98,000.00	\$ 11,434.25	\$ 86,565.75	42%	12%
Hallmark Group	Project Management/Controls	05/22/2023 - 06/30/2024	\$ 1,251,440.00	\$ 681,155.78	\$ 570,284.22	48%	54%
J Comm, Inc. <sup>2</sup>	Project Video / CWC Requireme	08/16/2023 - 01/31/2024	\$ 22,000.00	\$ 11,715.59	\$ 10,284.41	64%	53%
Lagerlof, LLP <sup>3</sup>	Legal	07/01/2023 - 06/30/2024	\$ 300,000.00	\$ 100,137.52	\$ 199,862.48	42%	33%
Natural Resource Results, LLC	Federal Relations	05/16/2023 - 06/30/2024	\$ 212,500.00	\$ 97,500.00	\$ 115,000.00	48%	46%
Regional Government Services - RGS <sup>4</sup>	Board Clerk/Administration	03/08/2023 - 06/30/2023	\$ 25,000.00	\$ 24,474.06	\$ 525.94	Month-to-Month	98%
S&P Global Ratings	Rating Evaluation	12/19/2022 - [Open]	\$ 55,000.00	\$ 50,000.00	\$ 5,000.00	Open	91%
T. Ravazzini Consulting	Executive Director	09/14/2022 - 06/30/2025	\$ 1,270,220.00	\$ 526,408.69	\$ 743,811.31	43%	41%
C.J. Brown & Company CPAs	JPA Financial Audit	10/16/2023 - 06/30/2024	\$ 6,250.00	\$ -	\$ 6,250.00	0%	0%
Stradling Yocca Carlson & Rauth <sup>5</sup>	Bond Counsel	10/24/2023 - 06/30/2025	\$ 225,000.00	\$ -	\$ 225,000.00	0%	0%

<sup>1</sup> Payment in full required on policy renewal date.

<sup>2</sup> Contract terms required \$10,000 payment due at signing.

<sup>3</sup> Legal services "contract value" is an estimated FY24 cost projection not an actual contract or NTE.

<sup>4</sup> Contract is month-to-month effective July 1, 2023.

<sup>5</sup> Estimate based on proposed fee structure, no specified NTE value

# Authority Budget Report

Month End November 30, 2023



Budget Cost Category	FY24 Budget	Budget To Date	Accrued Costs	Paid Costs	Total Accrued/Paid Costs	Budget Variance Over/(Under)
<b>JPA Services <sup>1</sup></b>						
Management	\$ 1,706,000	\$ 710,833	\$ 781,290		\$ 781,290	\$ 70,457
Administration	\$ 250,000	\$ 104,167	\$ 13,944		\$ 13,944	\$ (90,223)
Financial	\$ 720,000	\$ 300,000	\$ 244,776		\$ 244,776	\$ (55,224)
External Affairs/Agency Support	\$ 470,000	\$ 195,833	\$ 86,716		\$ 86,716	\$ (109,117)
Legal	\$ 505,000	\$ 210,417	\$ 100,138		\$ 100,138	\$ (110,279)
<b>Total JPA Services</b>	<b>\$ 3,651,000</b>	<b>\$ 1,521,250</b>	<b>1,226,864</b>		<b>\$ 1,226,864</b>	<b>\$ (294,386)</b>
<b>CCWD Services <sup>2</sup></b>						
Management	\$ 75,000	\$ 18,750		\$ -	\$ -	\$ (18,750)
Environmental Planning/Design						
Dam Raise	\$ 1,324,400	\$ 331,100		\$ 184,765	\$ 184,765	\$ (146,335)
Transfer Bethany Pipeline	\$ 2,564,800	\$ 641,200		\$ 344,621	\$ 344,621	\$ (296,579)
Pumping Plant No. 1	\$ 1,260,800	\$ 315,200		\$ 188,849	\$ 188,849	\$ (126,351)
Program (not facility specific)	\$ 2,475,333	\$ 618,833		\$ 604,595	\$ 604,595	\$ (14,238)
Legal	\$ 860,000	\$ 215,000		\$ 119,290	\$ 119,290	\$ (95,710)
Fees	\$ 584,000	\$ 146,000		\$ (9,923)	\$ (9,923)	\$ (155,923)
<b>Total CCWD Services</b>	<b>\$ 9,144,333</b>	<b>\$ 2,286,083</b>		<b>\$ 1,432,198</b>	<b>\$ 1,432,198</b>	<b>\$ (853,886)</b>
<b>CCWD Labor <sup>3</sup></b>						
Management	\$ 203,000	\$ 84,583		\$ 138,461	\$ 138,461	\$ 53,878
Environmental Planning/Design						\$ -
Dam Raise	\$ 427,100	\$ 177,958		\$ 125,847	\$ 125,847	\$ (52,111)
Transfer Bethany Pipeline	\$ 621,780	\$ 259,075		\$ 208,370	\$ 208,370	\$ (50,705)
Pumping Plant No 1	\$ 427,080	\$ 177,950		\$ 134,541	\$ 134,541	\$ (43,409)
Program (not facility specific)	\$ 2,423,500	\$ 1,009,792		\$ 971,046	\$ 971,046	\$ (38,746)
<b>Total CCWD Labor</b>	<b>\$ 4,102,460</b>	<b>\$ 1,709,358</b>		<b>\$ 1,578,265</b>	<b>\$ 1,578,265</b>	<b>\$ (131,093)</b>
<b>Total CCWD</b>	<b>\$ 13,246,793</b>	<b>\$ 3,995,442</b>		<b>\$ 3,010,463</b>	<b>\$ 3,010,463</b>	<b>\$ (984,979)</b>
<b>Total (excluding contingency)</b>	<b>\$ 16,897,793</b>	<b>\$ 5,516,692</b>	<b>\$ 1,226,864</b>	<b>\$ 3,010,463</b>	<b>\$ 4,237,327</b>	<b>\$ (1,279,365)</b>
Contingency	\$ 2,175,207	\$ 906,336	\$ -	\$ -	\$ -	\$ (906,336)
<b>Total</b>	<b>\$ 19,073,000</b>	<b>\$ 6,423,028</b>	<b>\$ 1,226,864</b>	<b>\$ 3,010,463</b>	<b>\$ 4,237,327</b>	<b>\$ (2,185,701)</b>

# Quarterly Projected Cash Flow Report

## Fiscal Year 2024



	Beginning	FY24 - Q1 Jul - Sep	FY24 - Q2 Oct - Dec	FY24 - Q3 Jan - Mar	FY24 - Q4 Apr - Jun	Total
<b>CASH - Beginning of Year</b>	\$ -	\$ -	\$ 1,429,112	\$ 1,523,868	\$ 1,940,349	
<b>CASH SOURCES</b>						
Member Agency Funding (from Contra Costa Water District)		1,425,000	-	-	-	1,425,000
Member Agency Funding (invoiced by JPA - September 1, 2023)		619,500	3,717,000	-	-	4,336,500
Member Agency Funding (to be invoiced by JPA - January 5, 2024)		-	-	4,336,500	-	4,336,500
<b>TOTAL CASH SOURCES</b>		<b>2,044,500</b>	<b>3,717,000</b>	<b>4,336,500</b>	<b>-</b>	<b>10,098,000</b>
<b>TOTAL CASH AVAILABLE</b>	-	<b>2,044,500</b>	<b>5,146,112</b>	<b>5,860,368</b>	<b>1,940,349</b>	
<b>CASH USES</b>						
CCWD Progress Payments (per MPA 5)		-	2,913,000	2,913,000	-	5,826,000
EPA WIFIA Loan Application Fee		100,000	-	-	-	100,000
Management		320,866	433,257	493,686	497,542	1,745,351
Administration		1,569	9,290	8,227	7,500	26,586
Financial		100,376	144,273	77,283	54,326	376,257
External Affairs/Agency Support		40,000	46,716	40,000	30,000	156,716
Legal - General Counsel		43,380	56,758	71,640	73,268	245,045
Legal - Bond Counsel (TBD)		-	-	9,375	9,375	18,750
Insurance - General and Excess Liability		-	-	-	-	-
Contingent Costs		-	-	291,809	291,809	583,617
Direct Reimbursable Costs		9,197	18,952	15,000	15,000	58,149
<b>TOTAL CASH USES</b>		<b>615,388</b>	<b>3,622,244</b>	<b>3,920,018</b>	<b>978,820</b>	<b>9,136,471</b>
<b>CASH - End of Year</b>	\$ -	\$ 1,429,112	\$ 1,523,868	\$ 1,940,349	961,529	

## Estimated Cost at Completion – All Costs Comparison (Costs in \$1,000)<sup>1</sup>

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

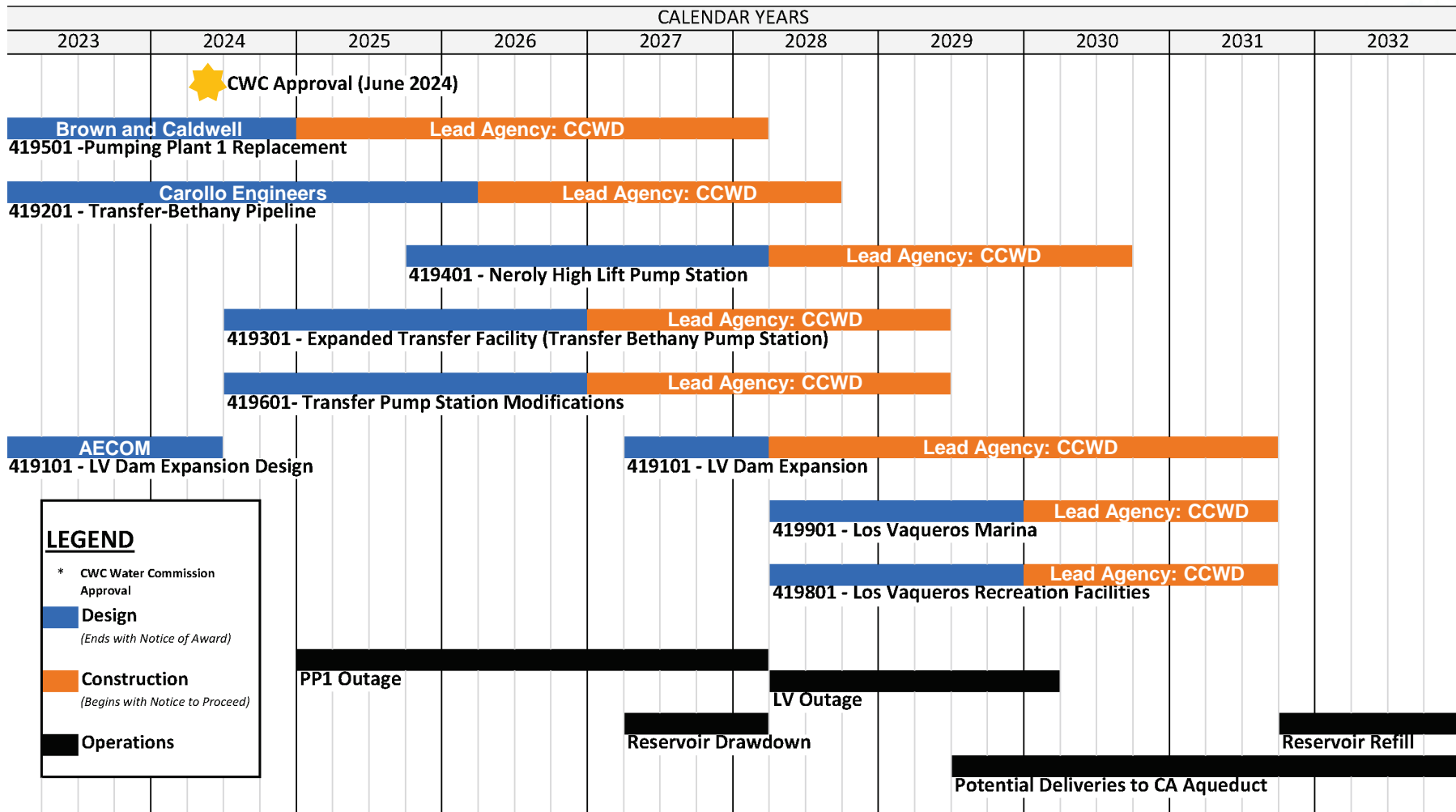
<sup>2</sup> Program Reserves in 2022 include: Applied Program Contingency (\$47.121M); Capital Project Reserve (\$47.573M); Debt Service Reserve Fund (\$39.995M); and Administrative and Operating Fund Reserve (\$3.731M)

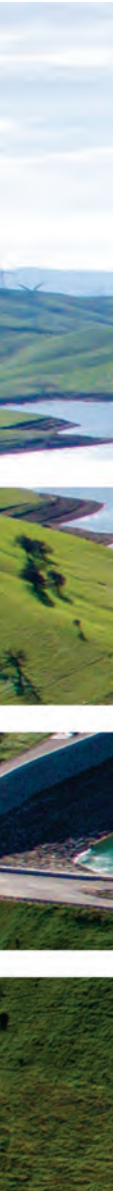


Project Element	June 2022 Capital Cost Estimate Cost at Completion	June 2023 Capital Cost Estimate Cost at Completion	Changes Between Updates	Percent Change (%)
<b>Implementation Costs</b>	\$ 88,600	\$ 89,700	\$ 1,100	1%
Los Vaqueros Dam Expansion	449,200	532,800	83,600	19%
Transfer Bethany Pipeline	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 <sup>2</sup>	138,400	100,000	(38,400)	-28%
<b>Subtotal</b>	<b>\$ 1,313,100</b>	<b>\$ 1,443,300</b>	<b>\$ 130,200</b>	<b>10%</b>
<b>EBMUD Mokelumne Aqueduct</b>	\$ 23,700	\$ 23,700	\$ -	0%
<b>JPA Costs</b>				
Financing Cost	19,100	20,990	1,890	10%
JPA Admin Costs (Pre-Operations)	18,500	33,324	14,824	80%
Interest on LAP Contributions	2,300	2,450	150	7%
<b>Subtotal</b>	<b>\$ 63,600</b>	<b>\$ 80,464</b>	<b>\$ 16,864</b>	<b>27%</b>
<b>Program Total</b>	<b>\$ 1,376,700</b>	<b>\$ 1,523,764</b>	<b>\$ 147,064</b>	<b>11%</b>

# Construction Schedule Summary

July 13, 2023





# LVE JPA Agreements Status

CCWD DCA	Negotiations continue; the next meeting 2/1. CCWD is preparing the first draft of the agreement. CCWD continues to evaluate the feasibility of risk reduction strategies.
EBMUD FUA	JPA transmitted comments to EBMUD, meeting week of 1/22.
CCWD FUA	JPA transmitted to CCWD for draft development.
Service Agreement	Comments consolidated, oversubscription workshops January.
Backstop Plan	CCWD and EBMUD continued development, EBMUD revisions expected first week of January.
DWR Turn-In	Scheduling meeting with DWR.

## Contract for Administration of Public Benefits Update

- Ecosystem CAPB has been drafted with input from Reclamation and member agency staff.
- Recreation and Emergency CAPB is in development; initial draft will be reviewed with CCWD's O&E Committee on January 18 particularly as it relates to recreation commitments and future obligations.

## Permitting Update

- Anticipate a second draft of ITP for operations in early January.



# Design Update

## **LV Dam Expansion**

- 100% design plans submitted to DSOD.

## **Pumping Plant 1**

- 90% design plans on schedule for completion in summer 2024; no work is planned beyond 90% milestone to preserve budget.

## **Transfer-Bethany Pipeline**

- Preliminary work ongoing with respect to geotechnical analysis, right-of-way, and alignment planning, and permitting; no work is planned beyond 30% milestone to preserve budget.

# JPA Capital Preservation Strategy Update



# LVE JPA Schedule Updates

- Integrated agreements schedule contemplating JPA member review has been developed and shared with general managers
- Individual member meetings further vetted and incorporated appropriate committee and board review
- Anticipated delay of CWC funding until February 2025
- In anticipation of delay, staff has developed a capital preservation strategy to manage cost of delay



# Capital Preservation Strategy

Conserve capital and focus on mission-critical activities

- Maintain administrative functions of the JPA
- Focus on agreement completion
- Maintain critical design and permitting activities

# LVE JPA Summary Schedule

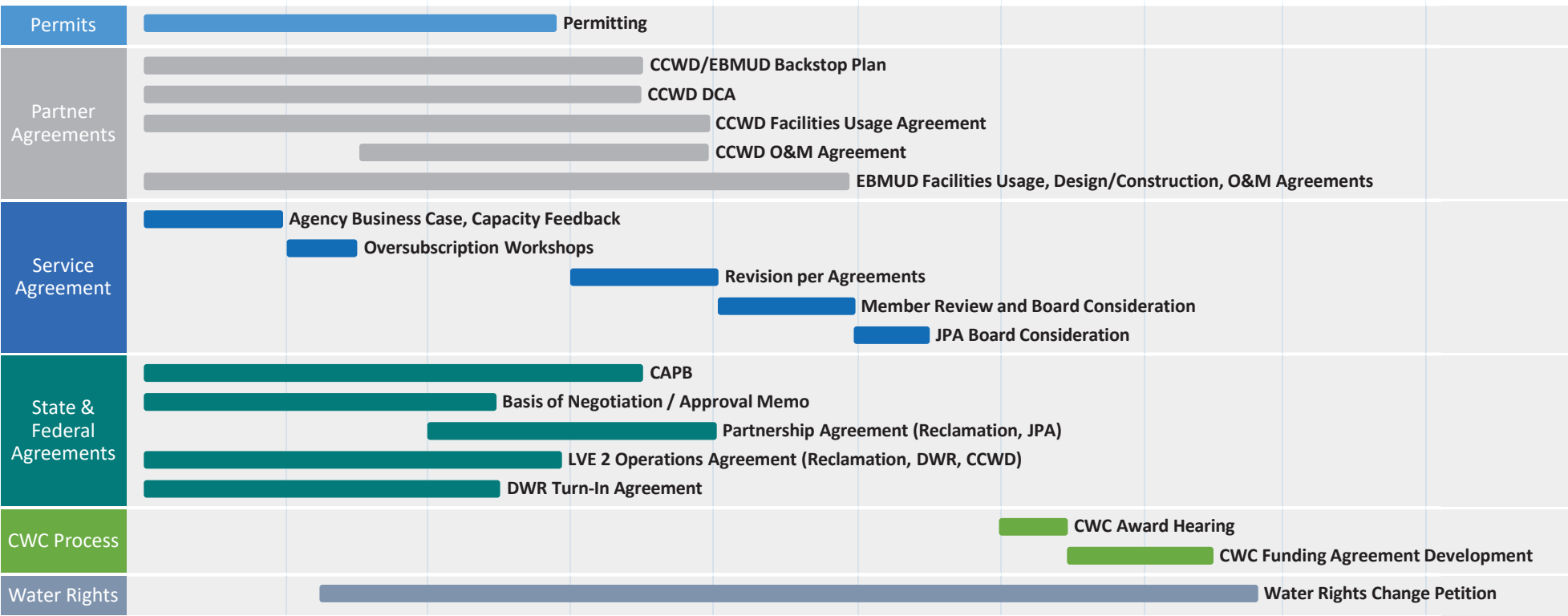
January 10, 2024



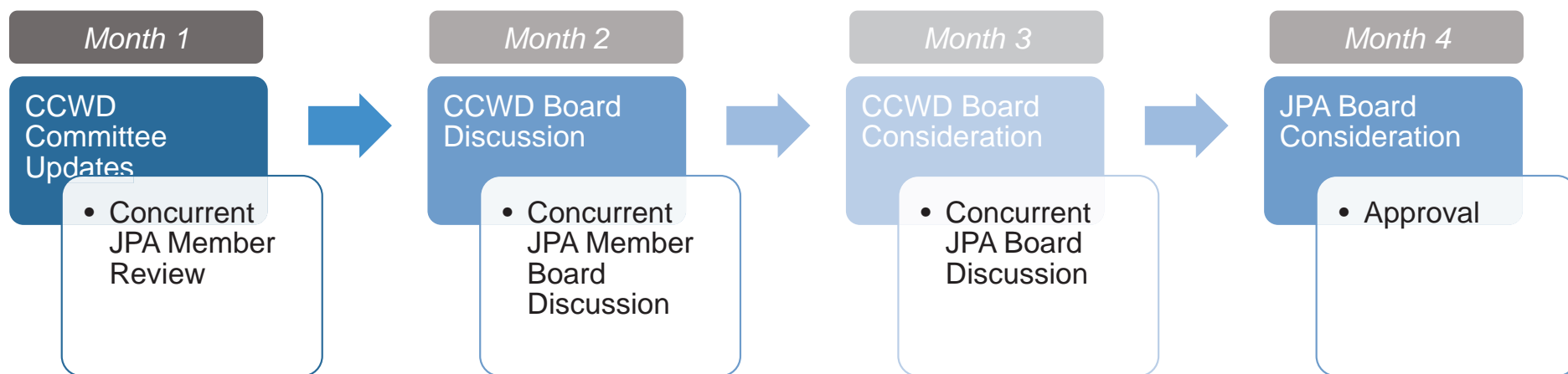
CWC Funding Agreement Signed  
Estimated February 2025

2023 Nov Jan Mar May Jul Sep Nov Jan 2025

Today



# JPA Agreement Review Process: CCWD DCA Example



*Note: Because member agency board committees meet at varying frequencies, JPA staff is in close coordination with members to ensure alignment with the process.*

# JPA Burn Rate Reductions and Reallocations

<b>Entity</b>	<b>Baseline</b>	<b>Reduction</b>	<b>%</b>
JPA	\$283K/mo	\$229K/mo	~18%
CCWD	\$1.1M/mo	Pending	TBD

## MPA 5 No-Cost Time Extension for Scope Only:

- ✓ Reduce JPA burn rate by ~12%
- Reduce CCWD burn rate
- Extend MPA 5 for time-only and request contingency transfer to JPA
- CCWD transfers \$1.55M contingency to JPA
- JPA enters into FAA with Reclamation



## JPA Burn Rate Reduction Assumptions to Achieve ~18%

- JPA Consultant Budget Reductions
- Consider Meeting Frequency Reductions
  - Bi-Monthly Finance Committee Meeting
  - Quarterly Operations & Engineering Committee
  - Twice Annual Communications Committee Meeting



# Consultant Reductions Overview



	Monthly Reduction	
	\$	%
Clean Energy Capital - CEC	\$ 21,956	58%
Eide Bailly, LLP	\$ 1,000	33%
Natural Resource Results, LLC	\$ 5,000	33%
Regional Government Services	\$ 727	23%
Stradling Yocca Carlson & Rauth	\$ 21,875	88%
<b>Reduction</b>	<b>\$ 50,558</b>	
<b>Overall JPA Reduction %</b>	<b>~18%</b>	

# Next Steps

- Finalize Schedule
- Coordinate and Finalize CPS with CCWD
- Implement Consultant Reductions
- Manage Agreement Issues Resolution

## **REPORTS**

### **ITEM 4.2: EXECUTIVE DIRECTOR'S REPORT**

The following highlights additional key activities, which occurred last month and are not otherwise addressed in the packet.

**Executive Management Team (EMT) Meetings Update** – The JPA and CCWD Executive Management Teams met on December 4. EMT meetings serve as a forum to further discuss and address the major Project agreements, along with any other outstanding critical path issues requiring coordination among the JPA and CCWD.

These meetings include a small number of LVE executive managers from both agencies responsible for significant, time-driven tasks. The EMT agendas prioritize key agreement progress and emphasize coordination and accountability on those agreements where one or both agencies are a party. Additionally, this time allows for a regular review of services provided under Multi-Party Agreement Amendment #5 as needed. The December meeting focused on the capital preservation strategy, agreements and permitting status and related schedule adjustments. These meetings will be a regular part of the Project coordination schedule in 2024.

**ACWA Federal Affairs Committee Appointment** – On December 22, 2023, ACWA President Cathy Green announced ACWA's 2024-25 committee appointments. The Executive Director has been appointed to ACWA's Federal Affairs Committee as one of five representatives for Region 5. The 44-member Federal Affairs Committee coordinates with other ACWA committees regarding input on federal issues before both Congress and the federal administrative branches. Other JPA Member Agencies appointed to the Committee include Valley Water, EBMUD, and SFPUC for Region 5 and San Luis Delta Mendota Water Authority for Region 6.

### **EXHIBITS/ATTACHMENTS:**

Letter to ACWA Members from President Cathy Green

**From:** [Cathy Green](#)

**Sent:** Friday, December 22, 2023 2:05 PM

**Subject:** ACWA 2024-'25 Committee Appointments



December 22, 2023

Dear ACWA Members:

I am pleased to announce that I have completed ACWA's 2024-'25 committee appointments. The appointments were made using recommendations from the region chairs and vice chairs and taking into consideration the committee composition and guidelines. Committee Chairs and Vice Chairs are scheduled to be ratified by the ACWA Board when they meet on January 4, 2024 at which time they will become official.

In determining ACWA committee chairs, vice chairs and committee members, several factors were considered, including but not necessarily limited to the following (listed in no particular order):

Compliance with ACWA Bylaws and ensuring that limited committees have no more than one representative per member.

- Each regions' recommendations and rankings of representatives for specific committee service.
- Geographical balance across and within ACWA regions (e.g., north, south, east, west, central, ag, rural, urban).
- Selecting representatives from various sizes and types of member organizations (e.g., district function, cities, retailers, wholesalers).
- Accounting for the quality and quantity of prior service to ACWA, including attendance records and tenure of service as a committee leader or member.
- Advancing diversity, equity and inclusion, as well as providing opportunities for new representatives and ACWA members.
- Ensuring a mixture of elected officials and staff with subject matter expertise.

To view the 2024-'25 committee rosters, please visit [www.acwa.com](http://www.acwa.com) or click [HERE](#).

Thank you for your interest in serving ACWA. It is my sincere belief that active member engagement and participation contribute greatly to ACWA's success as the state's premiere water association. I want

to thank ACWA's members for the overwhelming interest in participating on committees. Unfortunately, due to the composition of limited committees, not everyone could be placed as requested. Those who were not placed on a limited committee have been added to the waiting list, which will be used to fill vacancies as they occur throughout the term. Unlimited committees will be filled continuously.

I appreciate your willingness to serve and I encourage you to attend ACWA events and meetings, which are open to all ACWA members who wish to attend as guests...in fact, guests can be quite effective and impactful as they are welcome to provide input and work alongside committee members.

Please feel free to contact me or any of the committee chairs or vice chairs with your input on matters important to ACWA and its members. Again, thank you for volunteering to serve ACWA, I look forward to working with you.

If you have any questions regarding the committee appointment process, please contact Region and Member Engagement Specialist Ana Javid at [anaj@acwa.com](mailto:anaj@acwa.com) or (916) 669-2442.

Sincerely,

A handwritten signature in cursive script that reads "Cathy Green".

Cathy Green

ACWA President

#### 4.2.1 FEDERAL RELATIONS REPORT



BERKELEY · WASHINGTON, D.C.



**To:** Board of Directors, *Los Vaqueros Reservoir Joint Powers Authority*

**From:** Natural Resource Results and Water and Power Law Group

**RE:** Board Report – January 2024

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#### Appropriations

There has been very little progress on the FY24 appropriations process. As a reminder, the federal government is currently operating under a “laddered CR”. The CR provides funding for four of the twelve appropriations bills through January 19<sup>th</sup> and funding for the remaining eight appropriations bills through February 2<sup>nd</sup>. The Energy and Water bill, which funds Reclamation, is included in the group of bills that are funded through January 19<sup>th</sup>, 2024.

The House and Senate have yet to agree on topline funding levels for FY24, which prevents appropriators from moving forward with drafting each of the twelve bills as they still don’t know how much of a funding allocation they are dealing with.

As a reminder, both House and Senate Energy and Water bills include \$134 million for the WIIN Act storage account so we expect that number to hold in the final bill. In addition to this funding for the storage account, we expect that the final FY24 Energy and Water bill will include language allowing Reclamation to allocate previously appropriated WIIN Act storage account funds to projects that it had requested funding for earlier this summer.

#### Reclamation Personnel

On December 21<sup>st</sup>, Karl Stock was named as the new California-Great Basin Regional Director for Reclamation, replacing Ernest Conant who will move into a senior advisor role for the Deputy Commissioner of Operations.

Additionally, Adam Nickels will take over as the Principal Deputy Regional Director for the California-Great Basin Region following the retirement of Richard Welsh.

#### **4.2.2 DECEMBER 2023 ENGAGEMENT ACTIVITIES WITH RECLAMATION**

The JPA, CCWD staff, and consultants are continuing to engage with Reclamation to advance several required agreements, approvals, and permits for the project construction. Current engagement activities include.

- Developing a revised draft terms sheet for the Refuge Water Supply Agreement and the Partnership Agreement that incorporates concepts discussed during ACWA (November 2023).
- Preparing for the continued technical discussion with Reclamation during the CVP Water Users Conference in January 24-26, 2024.



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

**December 2023**

<u>Contracts</u>	<u>Amount</u>	<u>Purpose</u>
RGS Amendment	\$24,999	To continue Board Clerk services for JPA Board meetings
Total	Amended contract not to exceed \$49,999	

**ITEM 4.4: COMMITTEE MEETING SUMMARIES**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Taryn Ravazzini, Executive Director

**RECOMMENDATION:**

None.

**ALTERNATIVES:**

Not applicable.

**FISCAL ANALYSIS:**

Not applicable.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable.

**EXHIBITS/ATTACHMENTS:**

Draft December 5, 2023 Finance Committee Meeting Summary



## SUMMARY OF REGULAR MEETING OF FINANCE COMMITTEE

December 5, 2023 – 9:30 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

Chair Anthea Hansen called the meeting to order at 9:33 a.m. Authority staff and 16 members of the public also attended the meeting.

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

**1.1 October 26, 2023 Finance Committee Meeting Summary.** The draft summary of the October 26, 2023 Finance Committee meeting was presented for the Committee’s review and discussion. The draft summary was approved by the Committee, as presented.

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

**1.2 Draft Treasurer’s Report – Month Ended October 31, 2023.** Jacqueline Harris, Program Controls Manager, presented the draft Treasurer’s Report for the month ended October 31, 2023. All Member payments for the first installment under Amendment No. 5 to the Multi-Party Agreement have been received. There were no changes to the Federal and State Funding status. The Authority’s bank balance at JP Morgan Chase was \$3,042,675 as of October 31, 2023. Chair Hansen asked for clarification on the outstanding receivables amount and was advised that amount included the two Members’ payments under Amendment No. 5 that were received in November, \$619,500 for each Member, to total \$1,239,000. She also asked that the acronym table include the complete name for Zone 7 Water Agency, as it appears the name was cut off on the report.

The Treasurer’s Report for the month ended October 31, 2023 was approved as corrected.

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

**1.3 Summary of Invoices – Month Ended October 31, 2023.** Ms. Harris reviewed the summary of the Authority’s invoices for October 2023, totaling \$261,083.53.

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

**1.4 Plan of Finance Update.** David Moore, Financial Consultant, presented the draft Plan of Finance that has been developed with Authority staff and Members’ staffs through the Plan of Finance Sub-Group. He also presented the draft Prioritization Resolution that Bond Counsel drafted, which also reviewed by the Plan of Finance Sub-Group. Mr. Moore summarized those documents and noted the draft Plan of Finance is still under review by the Members. Under that plan, interim financing for initial capital funding will be immediately available upon Service Agreement execution. The Plan of Finance is an informational document and does not require Board approval.

Committee member Eisenberg asked when Board approval of the WIFIA Loan will be needed, as well as when that loan will be drawn down. Mr. Moore advised that the WIFIA Loan’s terms will likely be brought to the Authority’s Board at some time between April and June 2024. Committee member Eisenberg expressed her concern with respect to the WIFIA Loan’s interest rate. Committee member Sethy commented that the WIFIA loan is the lowest cost of capital and cash contributions may be made under the Plan of Finance, which provides flexibility to the Members. Committee member Sethy asked about the maximum term for commercial paper and was advised that 270 days is the maximum term for commercial paper.

In connection with the Prioritization Resolution, the Rate Covenant in the resolution is at least 1.0 times senior debt. Chair Hansen asked how the rate covenant could be set in advance of knowing what the financing requirements may be. Mr. Moore advised that the Resolution is in draft form and would match the best terms for the Members. Committee member Sethy asked who is accountable for ensuring that the Plan of Finance and finance activities are followed. Mr. Moore advised that the Executive Director ultimately has that fiduciary duty, and Executive Director Ravazzini concurred with that conclusion. The Committee agreed that the Plan of Finance Sub-Group should remain in place during the financing activities to provide additional support on financial issues. Committee member Tognolini asked whether members of the Finance Committee will be advised if there is a disagreement within the Sub-Group and Mr. Moore replied they would be so advised.

Chair Hansen suggested, for the sake of clarity, in the Plan of Finance Overview, that the “Plan of Finance” (Page 27), paragraph 1.1 be re-worded. In Subparagraph (d) of Section 3.4 – Rate Sufficiency of the Prioritization Resolution, she suggested clarifying changes and in Section 3.7 – Investment, she suggested “as amended” be added to the reference to the Authority’s Investment Policy. Doug Brown of Stradling Yocca advised the suggested changes will be made.

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

**1.5 JPA Administration Cost Estimate – Escalation Assumptions.** Chuck Gardner, LVE JPA Program Manager, reviewed the Authority’s Administrative Cost Estimate and

Escalation Comparison. He stated that, as discussed at the November Board meeting, the cost escalation used in the Cost to Completion model is assumed at 4% per year.

At its November meeting, the Board requested the Finance Committee to review the escalation factor and make a recommendation regarding that escalation factor. Mr. Gardner stated that the factor presented was based on three sources: ENR CCI, United States (U.S.) Bureau of Reclamation Construction Cost Trend 20-23, U.S. Army Corps of Engineers Cost Indices dated September 2022. In addition, the construction budget for the Los Vaqueros Project uses 4% escalation through construction. The recommendation to the Finance Committee is an annual 4% escalation factor be applied. Mr. Gardner further stated that each 1% change in escalation results in \$835K over the life of the Project. Committee member Sethy suggested using 4% escalation to stay on the conservative side for forecasting requirements. Chair Hansen concurred with this suggestion.

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

**1.6 LVE JPA Capital Preservation Strategy Update.** Mr. Gardner then provided an update regarding the Authority's financial needs in light of the potential extension of the schedule for agreement development and approval. Although the schedule is still under review with Members' staffs, the Authority has developed several potential scenarios to ensure sufficient interim funding for the Authority and its necessary activities. Mr. Gardner presented an overview of the various options for discussion. He advised he met with the Members' General Managers and received feedback from CCWD. The recommendation was to transfer contingency funds to the Authority and have the Authority enter into a financing assistance agreement with the Bureau of Reclamation. Chair Hansen voiced a willingness to pursue a finance assistance agreement with the Bureau of Reclamation. Mr. Gardner advised he had discussed this with CCWD and CCWD does not have any concerns with the Authority entering into such an agreement. Committee member Tognolini asked whether the Authority can implement this plan before it comes to the Board for approval in order to expedite savings. Mr. Gardner advised that changes are being made in real time to save monies. A suggestion was made to reduce the frequency of meetings at the committee level to reduce costs. The Committee agreed that there was no need to bring the cost reduction plan back to the Finance Committee or to the Board before implementing necessary changes.

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

**FUTURE AGENDA ITEMS:**

- Draft Budget for January 2024 Board meeting.
- Consider an earlier date for the January Finance Committee meeting.

The meeting adjourned at 11:05 a.m.

*James D. Ciampa*  
James D. Ciampa, General Counsel