



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

Regular Meeting  
January 22, 2024 – 10:00 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

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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](mailto: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](http://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 December 5, 2023 Finance Committee Meeting Summary**
- 1.2 Draft Treasurer’s Report**
  - **Month Ended November 30, 2023**
  - **Month Ended December 31, 2023**
- 1.3 Summary of Invoices**
  - **Month Ended November 30, 2023**
  - **Month Ended December 31, 2023**
- 1.4 LVR JPA Capital Preservation Strategy Update**
- 1.5 LVR JPA Proposed Program Management Contract Amendment**
- 1.6 LVR JPA 2025/2026 FY Draft Budget Review**
- 1.7 WIFIA Update**

### **FUTURE AGENDA ITEMS**

### **ADJOURNMENT**

**ITEM 1.1: DECEMBER 5, 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 December 5, 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 December 5, 2023 Finance Committee meeting



## 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 was 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*  
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James D. Ciampa, General Counsel

**ITEM 1.2: DRAFT TREASURER'S REPORT  
MONTH ENDED NOVEMBER 30, 2023  
MONTH ENDED DECEMBER 31, 2023**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Jacqueline Harris, Program Controls Manager

**DISCUSSION:**

The draft Treasurer's Report for November and December 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 November 2023
- Draft Treasurer's Report for December 2023



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

JANUARY 22, 2024

## UPCOMING ACTIVITIES

February 22, 2024 – Finance Committee Meeting via Zoom

March 28, 2024 - 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

GWD – Grassland Water District

MPA – Multi-party Cost Share Agreement

SFPUC – San Francisco Public Utilities Commission

SCVWD – Santa Clara Valley Water District (Valley Water)

SLDMWA – San Luis & Delta-Mendota Water Authority

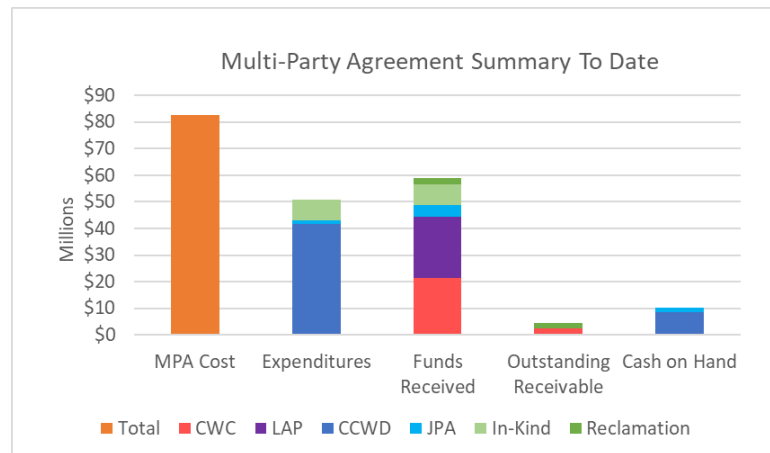
Zone 7 – Alameda County Flood Control and Water Conservation District

## 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. All payments from the first round of Member Agency funding have been received. The second invoice of \$619,500 will be dated January 5, 2024 and will be sent out in mid-December with a scheduled due date of February 29, 2024.

## MPA EXPENDITURES

The following chart provides an overview of the MPA expenditures through November 30, 2023, in addition to in-kind services, funds received, outstanding receivable, and cash on hand. All Member Agencies remain in good standing and the Project cash on hand remains positive.



**MPA Cost:** \$82,510,865 (Amendment No. 5) – see note below

### Expenditures:

CCWD: \$41,639,337

LVRJPA: \$1,226,862 (Consultants and Legal)

In-kind: \$7,776,868 (Member Agencies and Reclamation)

**Total: \$50,643,067**

### Funds Received:

CWC: \$21,387,546

Reclamation: \$2,420,227

Member Agencies: \$27,276,500 (Cash Contributions)

In-kind: \$7,776,868 (Member Agencies and Reclamation)

**Total: \$58,861,141**

### Outstanding Receivables:

CWC: \$2,490,371 (Invoices and Retention)

Reclamation: \$2,071,077

LVRJPA: \$0 (Member Agencies)

### Cash on Hand:

CCWD: \$8,609,073

LVRJPA: \$1,727,091

*Note: Cumulative cost has been adjusted; the cost of MPA No. 3 was misstated in prior reports.*



### Early Funding Agreement Summary to Date:

Total Budget:	\$47,755,834
Total Program Funding:	\$23,877,917 (50% cost share)
Total Billed To Date:	\$47,755,834 (100% spent to date)
Total Amount Remaining:	\$0
Total Retention To Date:	\$72,506
Outstanding Invoices:	\$2,490,371

### 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 of 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 because of the inflation adjustments to the total award amount. The summary above reflects the Total Budget and other budget status information of the amended Early Funding Agreement.

### 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).



# DRAFT TREASURER’S MONTHLY REPORT FOR PERIOD ENDED DECEMBER 31, 2023

JANUARY 22, 2024

## UPCOMING ACTIVITIES

February 22, 2024 – Finance Committee Meeting via Zoom

March 28, 2024 - 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

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GWD – Grassland Water District

MPA – Multi-party Cost Share Agreement

SFPUC – San Francisco Public Utilities Commission

SCVWD – Santa Clara Valley Water District (Valley Water)

SLDMWA – San Luis & Delta-Mendota Water Authority

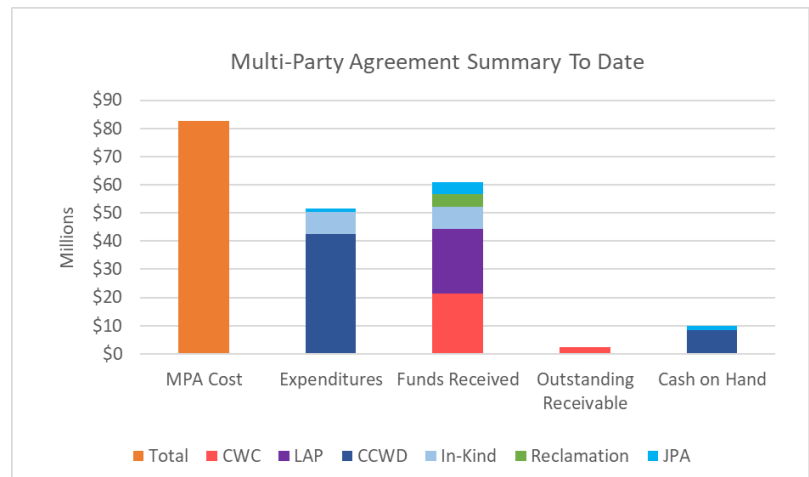
Zone 7 – Alameda County Flood Control and Water Conservation District

## MULTI-PARTY AGREEMENT

The second round of Member Agency invoices were sent out on December 15, 2023. Per MPA No. 5, invoices are dated January 5, 2024 and each Member Agency was invoiced \$619,500. Payment is due to the JPA by February 29, 2024.

## MPA EXPENDITURES

The following chart provides an overview of the MPA expenditures through December 31, 2023, in addition to in-kind services, funds received, outstanding receivables, and cash on hand. All Member Agencies remain in good standing and the Project cash on hand remains positive.



**MPA Cost:** \$82,510,865 (Amendment No. 5)

### Expenditures:

CCWD: \$42,424,180

LVRJPA: \$1,417,292 (Consultants and Legal)

In-kind: \$7,801,368 (Member Agencies and Reclamation)

**Total: \$51,642,840**

### Funds Received:

CWC: \$21,387,546

Reclamation: \$4,491,303

Member Agencies: \$27,350,000 (Cash Contributions)

In-kind: \$7,801,368 (Member Agencies and Reclamation)

**Total: \$61,030,217**

### Outstanding Receivables:

CWC: \$2,490,371 (Invoices and Retention)

Reclamation: \$0

LVRJPA \$0 (Member Agencies)

### Cash on Hand:

CCWD: \$8,378,686

LVRJPA: \$1,521,638

### Early Funding Agreement Summary to Date:

Total Budget:	\$47,755,834
Total Program Funding:	\$23,877,917 (50% cost share)
Total Billed To Date:	\$47,755,834 (100% spent to date)
Total Amount Remaining:	\$0
Total Unpaid Retention:	\$433,263
Outstanding Invoices:	\$2,490,371

### 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 of 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 because of the inflation adjustments to the total award amount. The summary above reflects the Total Budget and other budget status information of the amended Early Funding Agreement.

### 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.

**ITEM 1.3: SUMMARY OF INVOICES  
MONTH ENDED NOVEMBER 30, 2023  
MONTH ENDED DECEMBER 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 with a summary of the monthly invoices received. The Summary of Invoices for November and December 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 November 30, 2023
- Summary of Invoices – Month Ended December 31, 2023



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

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The invoices below have been reviewed and approved for payment.

<b>Vendor/Consultant</b>	<b>Billing Period</b>	<b>Invoice Total</b>
Clean Energy Capital	November 2023	\$42,282.50
Eide Bailly	November 2023	\$42.50
Hallmark Group	November 2023	\$94,644.33
Lagerlof, LLP	November 2023	\$11,455.90
Natural Resources Results	November 2023	\$15,000.00
Regional Government Services	November 2023	\$2,472.45
T. Ravazzini Consulting, LLC	November 2023	\$39,556.01
<b>Total Cost</b>		<b>\$205,453.69</b>

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 \$1,727,091 as of November 30, 2023.



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

The invoices below have been reviewed and approved for payment.

<b>Vendor/Consultant</b>	<b>Billing Period</b>	<b>Invoice Total</b>
Clean Energy Capital	December 2023	\$32,403.75
Eide Bailly	December 2023	\$2,385.00
Hallmark Group	December 2023	\$79,511.51
Lagerlof, LLP	December 2023	\$12,918.50
Natural Resources Results	December 2023	\$15,000.00
Regional Government Services	November 2023	\$674.35
T. Ravazzini Consulting, LLC	December 2023	\$31,736.86
Stradling Yocca Carlson & Rauth	November 2023	\$12,345.00
Stradling Yocca Carlson & Rauth	December 2023	\$3,455.00
<b>Total Cost</b>		<b>\$190,429.97</b>

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 \$1,521,638 as of December 31, 2023.

**ITEM 1.4: LVR JPA CAPITAL PRESERVATION STRATEGY UPDATE**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Chuck Gardner, LVR JPA Program Manager

**RECOMMENDATION:**

Not applicable.

**DISCUSSION:**

The LVR JPA is projecting a schedule delay due to the development of the various partner agreements. Although the schedule is still under review with member agencies, staff has developed several potential scenarios for the Finance Committee to consider in order to ensure sufficient interim funding for Project activities. Staff will present an overview of the various options for discussion.

**ALTERNATIVES:**

For discussion purposes.

**FISCAL ANALYSIS:**

Not applicable.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable.

**EXHIBITS/ATTACHMENTS:**

- LVR JPA Capital Preservation Strategy Presentation

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 shades of blue and green.

# LOS VAQUEROS RESERVOIR EXPANSION PROJECT

The background of the slide is a scenic landscape photograph. It shows rolling green hills under a clear sky. In the middle ground, a large blue reservoir is visible, with a concrete dam structure on the left side. Several wind turbines are scattered across the hills in the distance. The foreground shows a dirt road winding through the greenery.

LVR JPA Capital Preservation Strategy Update  
January 22, 2024



# Overview

1. Background
2. Consultant Reductions
3. Meeting Reductions
4. Next Steps

# Background

Conserve capital and focus on mission-critical activities

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

Entity	Baseline	Revised	%
JPA	\$283k/mo	\$229k/mo	~18%
CCWD	\$1.1M/mo	\$701k/mo	~36%



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




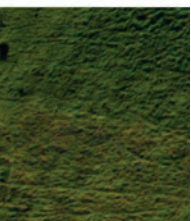
- JPA Consultant Budget Reductions
- Consider Meeting Frequency Reductions
  - Bi-Monthly Finance Committee Meeting
  - Quarterly Operations & Engineering Committee
  - Twice Annual Communications Committee Meeting



# Proposed 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>

# Proposed JPA Consultant Reductions Overview

	<b>Continued Scope</b>	<b>Delayed Scope</b>
 <b>Clean Energy Capital - CEC</b>	On-call services for financial pro-forma.	Support for interim financing due to schedule delay.
 <b>Eide Bailly, LLP</b>	Ongoing support at current level of effort.	Delay in ramp up of services due to minimal transactions.
 <b>Natural Resource Results, LLC</b>	Monthly reporting and Executive Director support.	Reduced meeting frequency with interested stakeholders.
 <b>Regional Government Services</b>	Monthly board meeting support.	Revised hours assumptions from previous year.
<b>Stradling Yocca Carlson &amp; Rauth</b>	On-call support for WIFIA and interim financing. Review of Service Agreement.	Delay to Prioritization Resolution, WIFIA and interim financing finalization.



# Proposed JPA Consultant Reductions Overview



	<b>Continued Scope</b>	<b>Delayed Scope</b>
<b>Prozio Consulting &amp; Jennifer Persike (Communications)</b>	Newsletter development, social media posting, news release support, advisory services.	Communications Plan finalization and implementation.
<b>Khadam Consulting, Inc.</b>	Continued agreement development support.	



# Proposed CCWD Reductions Overview



**AECOM  
(Dam Expansion)**

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### Continued Scope

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Risk register update, groundwater sampling, deadpool disposal alternatives, electrical and SCADA design, discharge channel design.

### Delayed Scope

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**Brown & Caldwell  
(PP1 Replacement)**

Risk register update, 90% design.

PP1 final design, hydraulic modeling and preliminary design of the Rock Slough Fish Screen Afterbay Encasement as a value engineering proposal.



# Proposed CCWD Reductions Overview



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## Continued Scope

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## Delayed Scope

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**Carollo  
(Transfer Bethany  
Pipeline)**

DWR Turn-In Agreement, 30% preliminary design report, conservation land acquisition planning, right of way planning, public right-of-way land rights coordination, Camino Diablo and Vasco Roads crossing design, coordination with PG&E and owners of petroleum pipelines to finalize alignment.

Postponement of the second phase of geotechnical investigations, 60% design, and land acquisition efforts.

**GEI  
(Capital PM  
Services)**

Develop Project Management Information System, technical reviews, evaluation of PP1 90% design, evaluation of LVE Program resequencing, project management support services.





# Proposed CCWD Reductions Overview



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## Continued Scope

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**CCWD  
(Environmental Services  
and Permitting)**

No substantial change in work.

**CCWD  
(Construction Schedule)**

The delay in CWC funding, combined with slowed efforts on PP1 design, is initially estimated to result in at least a one-year delay in project completion from the June 2023 LVE Project (Construction) Schedule. Further review of the project schedule will be conducted pending resolution of discussions related to the various Program agreements.

# Meeting Cost Estimate Overview



## Los Vaqueros JPA Capital Preservation Strategy Proposed Changes to Public Meeting Cadence and Participation

Meeting	Current Duration	Current Cadence	Proposed Cadence	Current Estimated Annual Cost <sup>2</sup>	Proposed Estimated Annual Cost	Annual Estimated Cost Reduction
Board of Directors <sup>1</sup>	2 hours	Monthly	Monthly	\$ 335,268	\$ 306,678	\$ 28,590
Finance Committee Meeting	1.5 hours	Monthly	Bi-Monthly	\$ 94,666	\$ 30,533	\$ 64,133
Communications and Outreach Committee	1.5 hours	Bi-Monthly	Quarterly	\$ 20,117	\$ 13,412	\$ 6,706
Operations and Engineering Committee	1 hour	Monthly	Quarterly	\$ 22,659	\$ 7,553	\$ 15,106
				<b>\$ 472,709</b>	<b>\$ 358,175</b>	<b>\$ 114,534</b>

<sup>1</sup> Cost reduction results from excluded CEC participation

<sup>2</sup> Includes JPA direct costs only; does not include costs accrued to the JPA for CCWD staff attendance at meetings

# Reductions and Funding Implications

Finance Committee Options	Consultant Reductions	Meeting Reductions	MPA 5 Funding Available Through
Scenario 1	✓	✓	July 2025
Scenario 2	✓	✗	June 2025
Scenario 3	✗	✓	August 2024
Scenario 4	✗	✗	July 2024
No Action	Additional ~\$6M to sustain level of effort through June 2025.		

Notes: Does not include 3<sup>rd</sup> party technical design review or cost estimate. Meeting reductions are not contemplated in FY25 Draft Budget.



# Next Steps

- Make reductions recommendation to the LVR JPA Board.

**ITEM 1.5: LVR JPA PROPOSED PROGRAM MANAGEMENT CONTRACT AMENDMENT**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Taryn Ravazzini, Executive Director

**RECOMMENDATION:**

That the Finance Committee recommend approval of the proposed amendment to the LVR Board of Directors in February 2024.

**DISCUSSION:**

As reported at the January 2024 Los Vaqueros Expansion Joint Powers Authority (JPA) Board meeting, the project is experiencing delays related to the development of Member Agency agreements. The program management team's contracted scope assumed completion of these agreements in December 2023. The program management team has worked closely with the Member Agencies to develop a detailed schedule which estimates that construction funding will not be secured until February 2025. As a result of the near-term delay, additional program management support will be needed to complete the project agreements. This proposed amendment does not include any scope or cost related to 3<sup>rd</sup> party technical reviews or cost estimates.

**ALTERNATIVES:**

For discussion purposes.

**FISCAL ANALYSIS:**

The JPA FY 23/24 budget contemplated a line item of \$250,000 for additional agreement support, which is being fulfilled by Hallmark Group and its sub-consultants. This proposed amendment will serve as a reallocation of that budget line item to program management and will be of no additional fiscal impact to approved JPA budget for this year.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable.

**EXHIBITS/ATTACHMENTS:**

- Proposed Program Management Amendment.

# HALLMARK GROUP - AMENDMENT 1

## LOS VAQUEROS RESERVOIR EXPANSION PROJECT

Agreement Number:	23051
Amendment Amount:	\$250,000.00
New Contract Value:	\$1,501,440.00

## DESCRIPTION OF AMENDMENT

As reported at the January 2024 Los Vaqueros Expansion Joint Powers Authority (JPA) Board meeting, the project is experiencing delays related to the development of Member Agency agreements. The program management team’s contracted scope assumed completion of these agreements in December 2023. The program management team has worked closely with the Member Agencies to develop a detailed schedule which estimates that construction funding will not be secured until February 2025. As a result of the near-term delay, additional program management support will be needed to complete the project agreements.

The JPA FY 23/24 budget contemplated a line item of \$250,000 for additional agreement support, which is being fulfilled by Hallmark Group and its sub-consultants. This proposed amendment will serve as a reallocation of that budget line item to program management and will be of no additional fiscal impact to approved JPA budget for this year. Hallmark requests \$250,000 as an amendment to Agreement 23051 to continue support to the Los Vaqueros Reservoir Joint Powers Authority as described in the scope outlined in the original Agreement.

## SCOPE OF WORK

### TASK 1 – HALLMARK GROUP EFFORTS

Due to near-term delays related to project agreement development, Hallmark Group will be extending administrative efforts to support agreement development and continued management of JPA activities. Additionally, to-date Hallmark Group has been supporting more JPA meetings than projected in its initial scope and has been tasked with increased support in the development of quarterly progress reports for the Bureau of Reclamation. Hallmark Group requests \$150,000 in support of these efforts.

Consultant	Rate	Hours	Total Cost
<b>Hallmark Group</b>		640	<b>\$ 150,000</b>
<i>Gardner</i>	\$ 350	130	\$ 45,500
<i>Creel</i>	\$ 350	10	\$ 3,500
<i>Harris</i>	\$ 225	95	\$ 21,375
<i>Alwan</i>	\$ 225	195	\$ 43,875
<i>Fields</i>	\$ 200	85	\$ 17,000
<i>Benner</i>	\$ 150	125	\$ 18,750
<i>Fuentes</i>	\$ 150	0	\$ -

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**TASK 2 – KHADAM CONSULTING EFFORTS**

Due to near-term delays related to project agreement development, Hallmark’s subconsultant, Ibrahim Khadam, will be extending his efforts to support agreement development, provide facilitation of oversubscription workshops, and development of additional decision-support analyses. Hallmark Group requests \$100,000 to support Ibrahim Khadam’s efforts.

<b>Consultant</b>	<b>Rate</b>	<b>Hours</b>	<b>Total Cost</b>
<b>Khadam Consulting, Inc.</b>		420 \$	<b>100,000</b>
<i>I. Khadam</i>	\$ 235	420 \$	98,700
<i>Direct Costs</i>		\$	1,300

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**TERM AND COST SUMMARY**

The term of this Amendment is January 1, 2024 through June 30, 2024. Consultant shall invoice all services according to the Original Agreement. The total amount of this Amendment is \$250,000 amending the Agreement to a maximum contract value of \$1,501,440.00.

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**CONTACT PERSONS**

<b>LOS VAQUEROS RESERVOIR JOINT POWERS AUTHORITY</b>	<b>HALLMARK GROUP</b>
Representative: Taryn Ravazzini	Representative: Charles R. Gardner Jr.
Los Vaqueros Reservoir JPA 1331 Concord Ave.	500 Capitol Mall, Suite 2350
Concord, CA 94520	Sacramento, CA 95814
Phone: (916) 206-5367	Phone: (916) 923-1500
Email: travazzini@losvaquerosjpa.com	Email: cgardner@hgcpm.com

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AUTHORIZED SIGNATURES

Hallmark Group and Los Vaqueros Reservoir Joint Powers Authority agree that these services will be performed in accordance with the terms and conditions of original Agreement.

**LOS VAQUEROS RESERVOIR  
JOINT POWERS AUTHORITY**

**HALLMARK GROUP**

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Taryn Ravazzini  
Executive Director

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Charles R. Gardner Jr.  
President

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Date

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Date



**ITEM 1.6: LVR JPA 2025/2026 FY DRAFT BUDGET REVIEW**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Taryn Ravazzini, Executive Director

**RECOMMENDATION:**

Not applicable.

**DISCUSSION:**

The Los Vaqueros Reservoir Joint Exercise of Powers Agreement (JPA Agreement) requires that the Board of Directors adopt a budget prior to the start of each Fiscal Year. Staff will provide the Committee with an overview of the development of the 2024-25 Fiscal Year (FY25) Budget, including contemplated capital components. Staff continues to coordinate with Contra Costa Water District in developing the Authority's FY25 Budget. Jacqueline Harris, Program Controls Manager, will present an overview of the budget at this stage of development including sources and uses of funds totaling \$11,550,000.

**ALTERNATIVES:**

For discussion purposes.

**FISCAL ANALYSIS:**

None.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable.

**EXHIBITS/ATTACHMENTS:**

- FY25 Budget Overview Presentation



LVR Joint Powers Authority  
Finance Committee  
Agenda Item 1.6  
Draft Fiscal Year 2024-25 Budget  
January 22, 2024



# Agenda

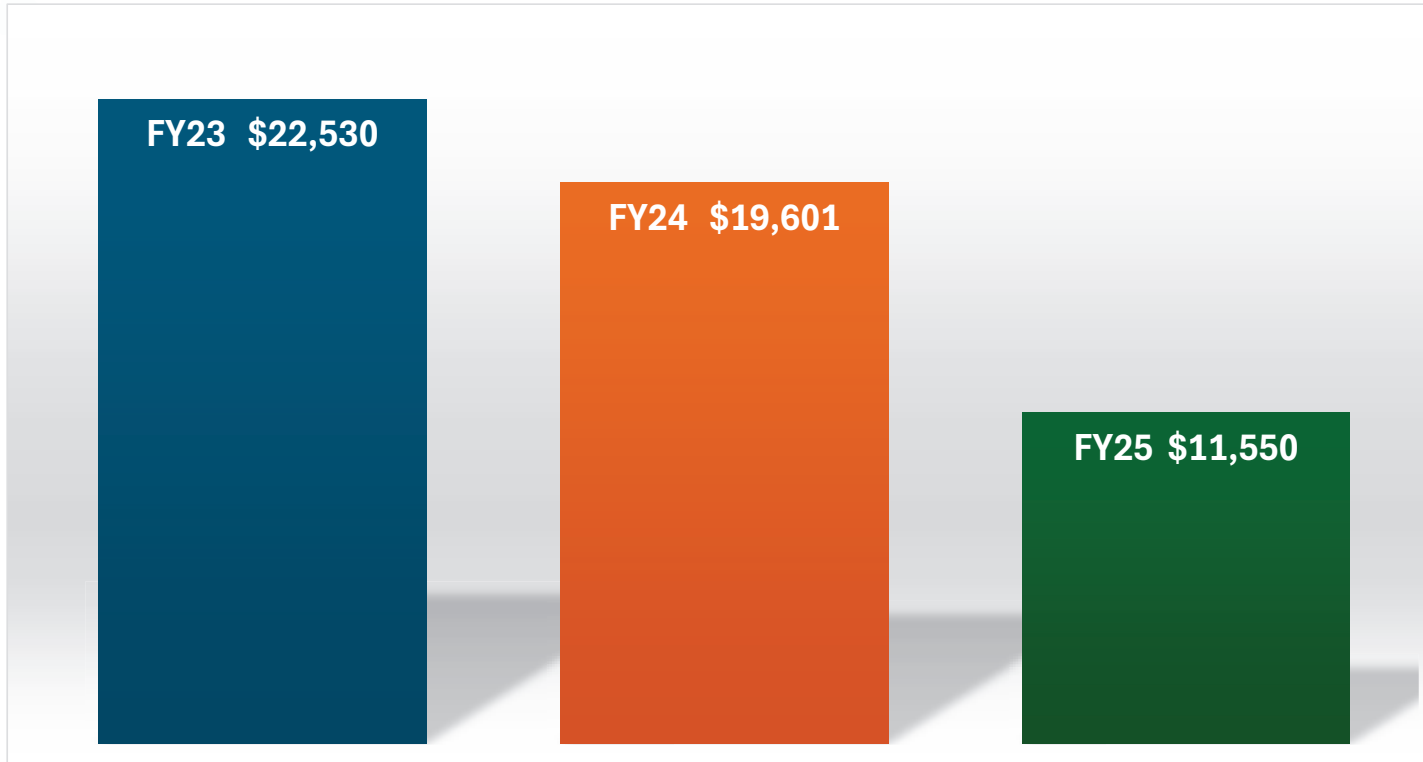
- FY25 Budget Overview
- Key Assumptions
- Budget Components
- Next Steps



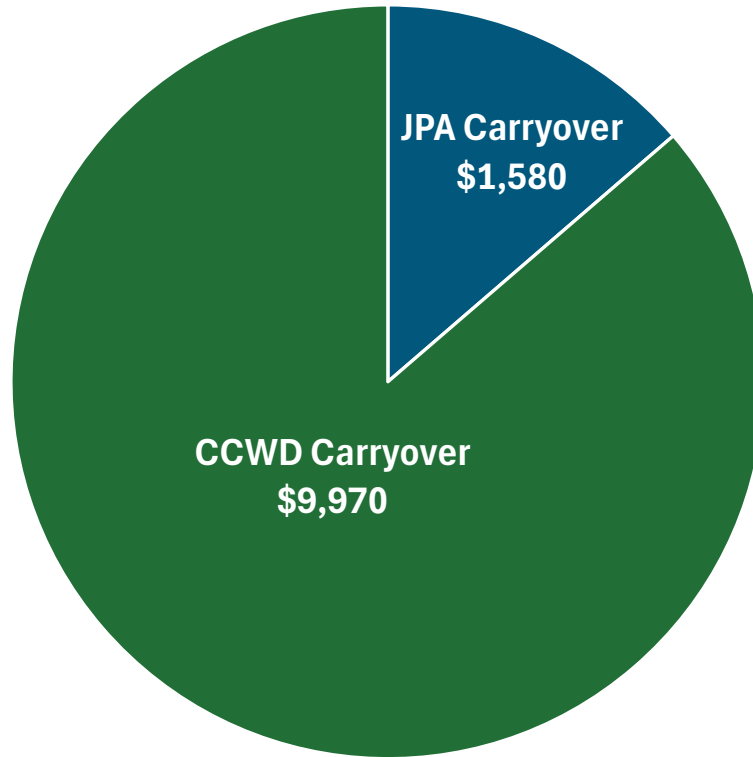
# JPA FY25 Budget Overview

- FY25 Budget is anticipated to include planning, permitting, design, finance and pre-construction activities
- FY25 Budget is highly dependent on maintaining schedule and achieving key milestones required to secure financing to initiate construction
  - Service, Member, State and Federal Agreements
  - WIFIA/Interim Loan Closing
  - CWC Final Award
- After completion of key milestones, the FY25 Budget would require adjustment (approved by the Board) for design, construction and land acquisition

# Draft Budget Overview (\$1,000s)



# Funding Overview (\$1,000s)



# Key Assumptions

- CWC Early Funding Agreement – Fully Expended as of FY24
  - Remaining reimbursements include retention release and reimbursements for FY24 costs and are included in CCWD carryover funding
- Reclamation Pre-Construction Funding Agreement – Fully Expended as of FY24
  - Time extension granted to December 31, 2024 for submission of FY24 reimbursements only
  - Remaining reimbursements are included in CCWD carryover funding
- Budget Contingencies
  - No contingency included for JPA services
  - \$483K contingency included for CCWD services



## Key Assumptions (cont.)

- CCWD FY24 Contingency Carryover is Transferred to the JPA by August 2024
- Carryover Funding Estimates will be Updated Ahead of Budget Adoption
- Capital Preservation Strategy is Implemented
- Costs associated with a recommendation to re-sequence construction of project facilities are not reflected in the FY25 Budget





# Sources of Funding

- Carryover Funding:
  - JPA FY24 Carryover from Members
  - CCWD FY24 Carryover from Members, Reclamation, and CWC
- Potential Funding (Assumes Service, Member, State, and Federal Agreements are Completed as Scheduled and Requires Board Decision to Proceed)
  - WIFIA Loan
  - Interim Institutional Financing
  - CWC Funding Agreement - JPA (est. February 2025)
    - Total amount ~\$478M over the whole project
    - 50% reimbursement of eligible project costs
    - Schedule includes 60 days (after hearing) to execute funding agreement



# Use of Funds – JPA

JPA Services	FY25 (\$1,000s)
<b>Executive Director</b>	\$ 456
<b>Program Management</b>	\$ 1,622
<b>Financial Advisor</b>	\$ 125
<b>Accounting and Auditing</b>	\$ 30
<b>External Affairs/Agency Support</b>	\$ 125
<b>Legal Counsel</b>	\$ 305
<b>Bond Counsel</b>	\$ 39
<b>EPA – WIFIA Loan Fees</b>	\$ 280
<b>Insurance</b>	\$ 62
<b>Administrative Costs</b>	\$ 91
<b>Total JPA Services</b>	<b>\$ 3,135</b>

# Use of Funds – CCWD

CCWD Services and Labor	FY25 (\$1,000s)
<b>Transfer Bethany Pipeline</b>	\$ 1,400
<b>Dam Expansion</b>	\$ 100
<b>Pumping Plant 1</b>	\$ 100
<b>Backstop Plan Development</b>	\$ 100
<b>Project Management</b>	\$ 1,200
<b>Environmental Planning, Modeling, Permitting</b>	\$ 1,915
<b>Legal</b>	\$ 500
<b>Total CCWD Services</b>	<b>\$ 5,315</b>
<b>Implementation</b>	\$ 1,900
<b>Transfer Bethany Pipeline</b>	\$ 500
<b>Dam Expansion</b>	\$ 400
<b>Pumping Plant 1</b>	\$ 300
<b>Total CCWD Labor</b>	<b>\$ 3,100</b>
<b>Total CCWD Services and Labor</b>	<b>\$ 8,415</b>



# Sources of Funds Summary

Sources of Funds (\$1,000s)	FY25 Total
<b>JPA FY24 Carryover</b>	\$ 1,580
<b>CCWD FY24 Carryover</b>	\$ 9,970
<b>Total</b>	<b>\$ 11,550</b>



# JPA Reserve Funds

- Capital Project Fund Reserve
  - Target 17% of annual capital budget
  - No reserve in FY25 Budget
- Debt Service Reserve
  - One year of maximum debt service
  - Would be funded by first drawdown from WIFIA/Interim Financing
- Admin/Operating Fund Reserve (Available Reserves)
  - 17% of annual operating budget
  - Not included until project is operational



# JPA Capital vs. Operating Budget

- FY25 Budget assumes all costs are capital; no operating expenses in FY25
- When the project becomes operational and the JPA Members are receiving benefits an operating budget would be adopted
- For example:
  - In FY25 Executive Director will be part of capital budget
  - In ~FY30 Executive Director will be part of operating budget



# Next Steps

- February - Finance Committee FY25 Budget update
- March - JPA Board initial discussion on FY25 Budget approach
- April - Finance Committee Draft FY25 Budget Book
- May - JPA Board Draft FY25 Budget Book
- May - Finance Committee Preview Final FY25 Budget Book
- June - JPA Board consider adoption of FY25 Budget



**ITEM 1.7: WIFIA UPDATE**

**RESPONSIBLE/LEAD STAFF MEMBER:**

Jacqueline Harris, Program Controls Manager

**RECOMMENDATION:**

Not applicable.

**DISCUSSION:**

In December 2023, the JPA’s Executive Director appointed Jacqueline Harris as the new WIFIA Application Point of Contact (“POC”) for the JPA. Formerly, CCWD’s Grant Specialist, Maggie Dutton, was the POC.

The WIFIA application was submitted to the EPA by CCWD on September 22, 2023. On October 10, 2023, EPA Manager, Brian Jefferis, responded to CCWD with a list of twelve questions requesting additional application clarification and documentation. The JPA’s responses to nine of the twelve questions were submitted to the EPA’s SharePoint site on January 11, 2024 with the understanding (from the EPA) that items one through nine would deem the JPA’s application complete. Additional outstanding items (such as Service Agreements and Facility Usage Agreements) will be submitted when they are in final draft format. At this time, the application is moving forward at EPA and will only require additional efforts from JPA staff as may be requested by the EPA Manager.

A completed application protects the JPA from potential exposure to future EPA policy revisions that may affect the project and provides for the EPA to allocate the necessary funding required for the project.

The JPA has also requested confirmation from EPA that the project is not subject to the Buy America, Build America Act (“BABAA”) as project design planning was initiated prior to May 14, 2022 (the effective date of BABAA). The confirmation will come in the form of a Decision Memorandum from the EPA after their review of the documentation provided.

**ALTERNATIVES:**

For discussion purposes.

**FISCAL ANALYSIS:**

None.

**ENVIRONMENTAL REQUIREMENTS:**

Not applicable.

**EXHIBITS/ATTACHMENTS:**

- None.